

BEFORE THE CANTERBURY REGIONAL COUNCIL

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF 35 applications (21 applicants) to take and use groundwater from the Waitaki River Catchment

BRIEF OF EVIDENCE ROBERT WILLIAM SUTTON

1. My full name is **ROBERT WILLIAM SUTTON** (known as “Bob”). I live in the Hakataramea Valley. Our 626 hectare property (Tironui Farm) is located in the western part of the Valley.
2. I have an interest in two applications, including:
 - (a) As a shareholder and director of the Haka Valley Irrigation Limited which application is to take and use surface water from the lower Waitaki River; and
 - (b) As an applicant to take and divert surface water from the Avonlea Stream in association with an existing dam located on my property.
3. A third generation farmer, I have been farming all my life, and have farmed in Australia, England and the Chatham Islands. I have owned the Haka Valley property for eight years. 50 hectares of the farm is reliably irrigated under existing consents. Additional areas are able to be watered when I have sufficient water from my existing consents. If the

application by the Haka Valley Irrigation is granted this will increase the land under irrigation from 50 hectares to 550 hectares. Irrigation is in association with land used for mixed arable and sheep and beef farming.

4. Dryland farming is typical in the Valley. The Valley comprises 89897.96ha of which 1600 ha is under irrigation. Land use includes arable farming, mixed sheep and beef, and some limited amount of Deer farming. There is no dairying in the Valley.
5. While the soils in the Valley are very fertile the climate is harsh. Mean rainfall is 528mm. There is generally more rain on the western side of the Valley. Temperatures range between 5 and 35 in summer and -10 and 20 in winter. Annex 1.

Tironui Farm

6. Tironui Farm is essentially a dry land farm. The existing permits and irrigation systems are fully described in the evidence of Keri Johnson.
7. The purpose of this evidence is to describe the surface water features on the property and secondly, to explain how land changes brought about by irrigation development may improve management of nitrates-n and phosphates in relation to the Valley surface water-bodies.

Social

8. There is a close social network within the Hakataramea Valley. I live and work in the Valley and care very much about the matters being raised by Fish & Game and others. Farmers are not immune to these issues. As a resident in the Valley I rely on surface water for domestic and stockwater needs. Every summer my children swim in the Hakataramea River. The River is a gathering point for the Valley community, especially families with young children. The importance of this cannot be understated; this is a Valley where other community facilities are limited. Over the last 10 years the Valley's only Church, two schools and its pub have closed. Associated with this is a decline in

population to the extent that it is now difficult for the larger farming companies to attract staff.

Sources of Nitrates/Phosphates

10. I grow crops on both irrigated and unirrigated land. Phosphates are applied to all my farmed area (subject to requirements and in accordance with recommended rates of application). Nitrogen is applied to my cropped area and irrigated pasture. I do not apply nitrogen to my dry land pastures. Rainfall is the limiting factor.
11. It is critical that after nitrogen (urea) is applied that it be converted to nitrate, absorbed by the soil and made available to the plant. If this does not occur, there is a risk that it will be lost to the atmosphere by way of volatilization or wind transport. Secondly, pasture growth on unirrigated soils is insufficient to pay for the use of nitrogen. The financial returns do not justify the cost. That is because it is exceptionally difficult to manage application of nutrients on our dry land pastures unless there is a good canopy (pasture cover or crop canopy) to create a microclimate lessening this risk of the loss of these nutrients.
12. While I personally do not apply nitrogen to dry land pasture, I am aware that the strategic and cautious use of nitrogen is carried out by some dryland farmers. Its use is not widespread. It is applied only when rain is forecast and soil moisture conditions are suitable to ensure a response.
13. Effective fertilizer use has been further incentivised by significant price increases over the past 18 months. Some products have more than doubled in value in that time.
14. There are other significant sources of nitrates in the valley; these include nitrates derived from animal dung and urine and nitrogen fixing capabilities of noxious plants growing in the waterways. In the case of the Hakatamea River, gorse and broom is prevalent.

Land Management

15. Outside of the 50 hectares which is under irrigation, pasture growing in gullies or by the banks of springs and streams is critical to the very survival of this farm. Stock is grazed in these areas. Land with intermittent springs and streams is not fenced off from sheep and cattle. These areas have the only reliable pasture in periods of drought. Land is grazed notwithstanding the issues associated with stock access to water bodies which may affect water quality. That is because these areas provide our only significant feed during times of drought. I cannot stress enough the importance of pastures associated with these waterways to farmers within the Valley during dry and drought periods.
16. With increased irrigation these areas will lose their importance for grazing in dry and drought periods. Irrigation water is critical to retirement of surface water ways and margins from grazing.

The NIWA Report

17. I have read the NIWA report (prepared for CRC in July 07). I was disappointed with the standard of reporting. That report is discussed by Lynn Torgesson in her evidence.
18. Many aspects of the report demonstrate the author(s) unfamiliarity with the Valley. For example, the report writer mentions field tiles and border dykes as increasing the transportation of phosphates. There is no border dyking in the Valley. The practice of tile draining is generally associated with clay loams and regions with high rainfall such as Taranaki, Manawatu and South Otago. I am unaware of any tile drainage in the valley. Should it exist, flow would be minimal or zero as the soil moisture content is seldom above field capacity. The report was a desk top study drawn from estimates and assumptions, there was no information on land use, no information on the effects of wind erosion and the estimates for future irrigation were greatly exaggerated.
19. Most surface flow (also discussed in the NIWA report) comes from unimproved hill country that is steep mountainous land with large areas of rock and stony soils containing little organic matter with poor moisture

holding capacity. Much of this land has been retired into Crown Pastoral Lease, administered by DoC. Four years out of five there is no run off on the more intensively farmed down land paddock country. A check of rain fall figures shows there is insufficient heavy rain fall to cause this. On irrigated land I have never observed overland flow of water near waterways. It is my opinion (and I have witnessed) that significant transportation is caused by the nor west wind storms that frequent the valley in late spring.

The Hakataramea Valley Water Quality Study

20. In 2007 a committee of five landowners (was set up) for the purpose of creating an awareness and addressing water quality issues within the Haka Valley, representing the interests of 29 farms within the Hakataramea Valley. The names of the participants and committee members are listed as Annex 2. This includes farms which are not applicants for resource consent.
21. The committee was set up to address issues with water quality with regards to the effects irrigation development may have, however I see a bigger role for this group, I believe we need to be looking at whole environment and the issues that both dry land and irrigation present. This committee has the ability to make things happen, one of the first things we need to do is set up a streams “care group”, and with the assistance of Julia Lambing from ECan, we do have the ability to make a difference.

Wind Erosion

22. The Hakataramea Valley is extremely prone to nor-west winds commencing each August and finishing around early November. The Valley also experiences nor-west gales which occur at any time during the year. The winds and gales cause dust storms some of which are large enough to obscure large areas of the Valley. Some dust storms can last several days. Every year there are dust storms that reach up to kilometres in length and hundreds of metres high. See Photo 1.

23. Norwest gales cause soil erosion and nutrient loss. Some contributing factors are:
- a. Drought affected land with short pasture covers.
 - b. Dry soil loosened by stock hooves and blown away.
 - c. Frost heave loosening the top soil.
 - d. Drilling/Cultivation of land with low/no vegetative covers.
 - e. Thunderstorms on bare ground.
24. The winds blow large amounts of animal dung and soil which has been loosened through frost heave and stock hooves trampling parched paddocks with low pasture covers. This windblown matter ends up in sheltered areas which includes water ways and wetlands. During the dust storms the soil bound nitrogen and phosphate plus animal manure are transported over a wide area, large particles and manure are dropped into sheltered gullies and waterways.
25. Dust storms are, in my opinion, a major contributor to the transportation and deposition of nitrates and phosphates into surface waterways. While controlling stock access to waterways may improve water quality by reducing their direct contact with the source it does not address the effects of nutrient redistribution as a result of wind erosion.
26. The environmental focus of farmers in the valley has been on the soil. Up until the release of the NIWA report in 2007 I had understood the Valley's water quality was of a high standard. As a farmer I have educated myself in respect of soil erosion; its causes and effects and the management of the same. I am now doing the same in respect of water quality.
27. Irrigation enables me to improve and maintain pasture cover and develops healthier soils, reducing wind erosion and the transfer of nutrients, as soil and manure is bound by the pasture sward or crop canopy.
28. Low pasture cover is a consequence of low rainfall and therefore soil moisture conditions. I endeavour to manage for low rainfall by rotating

stock over the entire property every 100 days. The length of the rotation depends on the actual rainfall received. Higher rainfall means rotation period can be reduced and higher pasture covers left.

29. The object of the cycle is to ensure that pasture is built up and that there is a wedge of feed ahead of the stock being moved onto the land. Stock is grazed until the pasture is reduced to near ground-level and then moved on. Reducing pasture to ground level is not ideal with the consequence being lower pasture growth rates and increased susceptibility to erosion by both high wind and rainfall events.
30. The entire Valley also experiences frost heave. This is a consequence of permafrost (melting and freezing moisture in the soil during the winter period). This action causes the breaking up of the top inch of the soil such that it becomes extremely friable. In the nor-west wind conditions (including gales) it is this top soil which is transported in the dust storms.
31. Finally, thunder storms which commence around October onwards and the downpours associated with them, also remove large quantities of topsoil and everything else lying on the land including animal manure. The storms are isolated and very intense. Typically storms start on the western side of the Valley then cross mid way to track along the eastern hills. Rainfall intensity during these events can be up to 30-50 millimetres/hour.
32. Minimal tillage and direct drilling of crops is one method to manage/reduce the risk of soil erosion. Because of erosion ploughing is not advisable and is rarely done. However, a dust storm in October 2006 caused the loss of a significant volume of soil from a paddock of mine which had been direct drilled only three weeks earlier. So large was the loss that it covered a lane immediately below the paddock with up to 1 metre of soil and had to be excavated using a digger. The crop had been up for two weeks and had had recent rainfall of around 10mls. Minimal tillage and direct drilling by themselves is not enough.
33. I recall closing the curtains in the house so I didn't have to look at what was going on. In the past when I had seen dust storms in the Valley my

first reaction was to say “*what have they done wrong*”. I learned that dust storms occur irrespective of what land management practises are adopted.

[See power point presentation and photographs appended to evidence.

Application of Irrigation Water

34. The primary advantage of irrigating land lies in the ability to manage pasture covers. By leaving higher residual pasture cover the surface of the soil is protected and the wind cannot lift the soil cover.
35. Under irrigation the soil structure and its organic matter is built up reducing the likelihood of losing soils in nor-west gales and heavy rainfall events. Irrigation also provides greater options in terms of pasture management; the extent to which crop and pasture residue can be left to protect the soil. The importance of those limited areas of pastures growing near springs, gullies, streams and other water ways is reduced. These areas can be fenced off and retired from farming altogether. It then becomes feasible that these areas can be managed as a true riparian margin.

Education

36. It is only in the last 18 months that the residents of Haka Valley have become aware of the water quality issues with regard to the effect agriculture was having on it.
37. In the past the Valley’s farmers have been very good at educating themselves when issues have arisen, that needed to be addressed. Direct drilling and minimal tillage are examples where Haka valley farmers have led from the front to farm sustainably and in an environmentally friendly manner. I believe that with the help of the Regional Council, experts in the field of agricultural development, stream ecology and sustainable landuse, we will be able to educate ourselves so that we can improve the whole environment within the Valley. An environment that we live, work and play in. An environment that we can be proud of.

Farm Management Plans

38. In light of the concerns we have about water quality and to ensure that we will maintain or improve the water quality within the valley we are proposing a range of conditions within our farm management plans and consent conditions.
39. To ensure these conditions are adhered to Haka Valley Irrigation has proposed a condition that is to attach to the rules of our company (Annex 3). This condition plainly states what action will be taken by Haka Valley Irrigation if any of its share holders (the water users) breach conditions of its consent. Breaches of consent will not be tolerated by the Company.
40. The problems that we have encountered in applying for this consent have been numerous and significant. The most obvious and frustrating has been the lack of data on the environment within the valley. As a farmer living and working in the Valley I am able to comment on the processes that I have observed at work and which may cause transportation of nitrates/phosphates to waterways. I do so even if I do not have the science or the figures to back up those observations.
41. It is my opinion that if our application is granted the environment will be improved. I have already seen it happen with the existing irrigated land, irrigation is the most effective tool we have to maintain control of our dry land soils hence reducing or eliminating the problems that we encounter with the dryland environment. Having reliably irrigated land allows us to de-stock other dry land areas during times of feed deficit, eliminate/remove stock from waterways and maintaining pasture covers to reduce soil erosion.
42. I acknowledge that irrigation generally signifies and encourages more intensive landuse practices. But with strict conditions and best management practice irrigation development can also be the vehicle that delivers change to the Hakataramea Valley. The current issues within the valley are a function of the status quo. Access to reliable irrigation is

an essential component of the process that will bring about change and improve the status quo environment.

43. This valley needs innovative, well educated people and their families to develop and secure its future. Without irrigation such people will not choose to or continue to farm here. It is simply uneconomic. In short we need this water to maintain and improve our valleys, environmental, social and economic viability. Irrigation brings certainty and control the two key variables that the status quo will never deliver.

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Robert William Sutton

August 2008

Annex 1: **RAINFALL HISTORY AT NORMANVALE, HAKA VALLEY**

Meteorological data supplied to NIWA from year 2007 backwards.

2007 Total 367.2mm

<u>January</u>	6 th	1.5	<u>February</u>	2 nd	0.9
	9 th	2.9		8 th	0.8
	10 th	5.2		9 th	13.5
	11 th	0.1		10 th	0.6
	13 th	6.4		11 th	0.1
	14 th	1.3		22 nd	4.2
	16 th	0.2		23 rd	<u>2.5</u>
	21 st	10.5			21.6
	29 th	<u>3.6</u>			
		31.5			
<u>March</u>	7 th	4.5	<u>April</u>	3 rd	1
	12 th	32.6		6 th	10
	13 th	2.4		11 th	2.5
	14 th	2.2		13 th	0.8
	17 th	<u>1.6</u>		24 th	0.4
		43.3		25 th	1.8
				26 th	1
				27 th	1.7
				28 th	1.9
				30 th	<u>6</u>
					27.2
<u>May</u>	2 nd	18.5	<u>June</u>	3 rd	8
	9 th	1.4		23 rd	7.3
	11 th	1.3		29 th	15.1
	22 nd	<u>0.1</u>		30 th	<u>0.7</u>
		21.3			31.1
<u>July</u>	2 nd	11	<u>August</u>	2 nd	0.2
	4 th	8.8		3 rd	0.3
	5 th	3.2		4 th	8.5
	6 th	1.7		5 th	0.4
	10 th	0.3		31	<u>2.4</u>
	29 th	10.6			11.8
	31 st	<u>8.5</u>			
		45.1			
<u>September</u>	3 rd	8.4	<u>October</u>	2 nd	4
	4 th	0.7		5 th	5
	14 th	3.3		8 th	2.3
	22 nd	12		10 th	6.5
	23 rd	9.5		11	2
	24 th	0.4		14 th	0.2
	31 st	<u>3.7</u>		16 th	3.1
		35		17 th	8
				24 th	<u>2</u>
					33.1

<u>November</u>	1 st	1	<u>December</u>	1 st	0.5
	3 rd	3.5		12 th	6
	12 th	1.5		13 th	12.1
	15 th	7.7		17 th	22.3
	27 th	0.3		19 th	0.9
	29 th	<u>3.7</u>		25 th	<u>6.7</u>
		17.7			48.5

2006 Total 652.6 mm

<u>January</u>	1 st	14.3
	6 th	2.8
	12 th	41.7
	18 th	11.4
	21 st	<u>2.2</u>
		72.4

<u>February</u>	3 rd	1.7
	4 th	9.2
	9 th	2.6
	14 th	5.3
	20 th	0.9
	27 th	<u>3.9</u>
		20.6

<u>March</u>	6 th	1.9
	15 th	0.2
	17 th	0.4
	19 th	0.8
	20 th	4.2
	23 rd	1
	24 th	1.5
	27 th	<u>2.2</u>
		12.2

<u>April</u>	3 rd	2.2
	11 th	2.1
	24 th	14.6
	25 th	35.2
	26 th	3.1
	28 th	3.4
	29 th	<u>0.6</u>
		61.2

<u>May</u>	2 nd	0.4
	4 th	11.4
snow)	7 th	2.5
	12 th	30
	13 th	3.5
	21 st	18.8
	22 nd	9.9
	23 rd	3.8
	26 th	2.2
	29 th	4.5
	30 th	<u>0.3</u>
		87.3

<u>June</u>	3 rd	2	
	11 th	54.1	(15"
	12 th	3.5	
	15 th	3.1	
	29 th	<u>2.1</u>	
		64.8	

<u>July</u>	3 rd	6.8
	12 th	5.2
	15 th	1.2
	19 th	10.5
	20 th	0.2
	30 th	<u>2.2</u>
		24.1

<u>August</u>	2 nd	0.5
	6 th	3.9
	7 th	1.6
	12 th	0.6
	13 th	3.3
	14 th	<u>0.8</u>
		10.7

<u>September</u>	8 th	4.7
	23 rd	<u>4.3</u>
		9

<u>October</u>	1 st	5.7
	2 nd	10
	3 rd	0.5
	8 th	7.2
	14 th	5.6
	24 th	3.5

			27 th	0.2		
			29 th	<u>15.3</u>		
				48		
<u>November</u>	5 th	7.5	<u>December</u>	5 th	2.5	
	6 th	7.5		7 th	15.3	
	8 th	7		8 th	6	
	12 th	9.2		12 th	16.5	
	14 th	14.5		21 st	4.2	
	16 th	11.7		23 rd	0.9	
	17 th	15.4		25 th	3.7	
	18 th	0.5		26 th	28.2	
	21 st	0.6		29 th	47.2	
	30 th	<u>43.5</u>		30 th	<u>0.4</u>	
		117.4			124.9	

<u>2005</u>	Total 523.7 mm				
<u>January</u>	3 rd	8.6	<u>February</u>	7 th	2.2
	5 th	14.5		12 th	33.5
	7 th	29.5		13 th	37
	8 th	22		14 th	9.8
	17 th	<u>12.6</u>		22 nd	<u>1.6</u>
		87.2			84.1
<u>March</u>	6 th	2.7	<u>April</u>	2 nd	5
	8 th	7.3		4 th	3.8
	13 th	3.4		7 th	9.2
	18 th	0.3		8 th	9.1
	21 st	9.8		25 th	1.3
	23 rd	1.2		26 th	<u>0.2</u>
	24 th	14.6			28.6
	25 th	12.3			
	26 th	4			
	28 th	21.9			
	30 th	<u>1.3</u>			
		78.8			
<u>May</u>	1 st	3	<u>June</u>	10 th	2
	2 nd	13		20 th	<u>2</u>
	7 th	0.5			4
	12 th	0.8			
	17 th	2			
	28 th	2.8			
	30 th	0.3			
	31 st	<u>1.7</u>			
		24.1			
<u>July</u>	5 th	0.5	<u>August</u>	8 th	9.3
	7 th	3		9 th	2.5
	13 th	2		12 th	0.4
	17 th	1.9		14 th	<u>2.2</u>
	18 th	6.7			14.4
	19 th	1.8			
	27 th	<u>0.4</u>			
		16.3			

September 5th 7.2
 7th 1.8
 17th 3
 18th 6
 19th 0.2
 25th 3.7
 27th 10.5
 32.4

October 4th 3.7
 6th 1.5
 7th 16.9
 10th 7
 13th 1.5
 18th 0.3
 20th 2
 21st 3.2
 28th 13.8
 29th 5.7
 55.6

November 3rd 1.2
 12th 3.1
 13th 4.9
 21st 11.8
 22nd 5

December 4th 0.3
 5th 4
 6th 4.5
 10th 20.3
 15th 9.8
 18th 1.2
 19th 2.3
 21st 5.6
 22nd 23.5
 23rd 0.2
 29th 0.3
 72.2

2004 Total 614.2 mm
January 5th 1.8
 8th 14.3
 19th 3.3
 25th 20
 26th 16.5
 27th 6
 29th 10
 30th 22
 31st 8
 101.9

February 2nd 6
 4th 0.8
 7th 1
 9th 3
 13th 14
 16th 2.5
 19th 1.2
 27th 14.5
 28th 9.9
 52.9

March 2nd 11
 3rd 1.9
 6th 2.2
 11th 7
 15th 3.1
 16th 5.6
 17th 1.5
 32.3

April 5th 8
 7th 1.4
 28th 2.8
 29th 0.9
 13.1

May 2nd 1
 3rd 1.1
 4th 7.2
 5th 4.6
 10th 1.1
 11th 7
 12th 20.5
 13th 3.6
 14th 4.9

June 6th 4.1
 15th 9.8
 17th 2.5
 18th 9.6
 21st 4.5
 30.5

	23 rd	0.5			
	26 th	0.1			
	30 th	<u>1.8</u>			
		53.4			
<u>July</u>	14 th	5.3	<u>August</u>	5 th	9.7
	18 th	7.3		7 th	11.2
	28 th	<u>4.3</u>		10 th	3.8
		16.9		13 th	4.4
				15 th	12.2
				31 st	<u>4.1</u>
					45.4
<u>September</u>	2 nd	1.2	<u>October</u>	4 th	0.5
	16 th	2.7		5 th	2.2
	27 th	<u>29.5</u>		6 th	3
		32.4		9 th	5.7
				16 th	21.7 (snow)
				17 th	6.6
				24 th	3.2
				28 th	9.9
				29 th	<u>9.9</u>
					62.7
<u>November</u>	5 th	1.7	<u>December</u>	4 th	36
	9 th	3.3		5 th	5.5
	10 th	1.5		15 th	7.5
	15 th	12.6		18 th	13.5
	20 th	2.2		21 st	11.5
	24 th	20		22 nd	12.7
	25 th	4.3		28 th	1.7
	31 st	<u>3</u>		30 th	<u>35.2</u>
		49.1			123.6

2003 Total 401.9 mm

<u>January</u>	10 th	4.5	<u>February</u>	4 th	1.5
	11 th	30		13 th	9
	12 th	3.5		14 th	8
	24 th	10		17 th	13.8
	25 th	2.5		18 th	3.5
	26 th	<u>1.5</u>		19 th	0.3
		52		24 th	<u>1.9</u>
					38
<u>March</u>	5 th	0.5	<u>April</u>	5 th	6.5
	7 th	0.8		6 th	6.2
	10 th	0.5		10 th	<u>0.8</u>
	12 th	1			13.5
	14 th	0.5			
	16 th	0.6			
	26 th	0.3			
	29 th	6.9			
	31 st	<u>4.5</u>			
		15.6			

<u>May</u>	1 st	16
	4 th	1
	10 th	0.3
	20 th	1
	21 st	7.5
	22 nd	10.5
	24 th	2.5
	27 th	<u>2</u>
	40.8	

<u>June</u>	2 nd	3.5
	3 rd	0.1
	10 th	10
	14 th	3.5
	15 th	3.5
	16 th	3.9
	23 rd	0.2
	28 th	0.2
30 th	<u>6.6</u>	
	31.5	

<u>July</u>	4 th	3.5
	10 th	5.7
	16 th	5.2
	29 th	<u>2</u>
	14.6	

<u>August</u>	11 th	0.5
	20 th	6.5
	21 st	4.9
	22 nd	2.8
	27 th	<u>1.9</u>
	16.6	

<u>September</u>	3 rd	2
	4 th	6.2
	5 th	2
	6 th	2.2
	8 th	5
	9 th	22.5
	10 th	5.2
	14 th	4.2
	18 th	1.2
	20 th	5
	25 th	10.5
	26 th	6
	27 th	3.5
	28 th	17.5
30 th	<u>2</u>	
	95	

<u>October</u>	5 th	5.4
	10 th	14
	24 th	11.5
	28 th	6.5
	31 st	<u>2.5</u>
	29.9	

<u>November</u>	2 nd	1.5
	7 th	5.5
	14 th	1.5
	16 th	2.4
	21 st	6.3
	22 nd	1
	26 th	3.3
	27 th	<u>11.5</u>
	32.9	

<u>December</u>	4 th	1.5
	6 th	1.5
	13 th	3
	24 th	1
	25 th	1.5
	26 th	1
	28 th	8
29 th	<u>4</u>	
	21.5	

Annex 2: Committee Members

Bob Sutton, Tironui Farm

Tom Waldron, Lone Star Farms,

Gerald Haymand, Haka Station 1990 Ltd

Nat Small, Tiahoa; and

Mike Scurr, Foveran Deer Park Robertson Family Trust

Membership

Bob Sutton, Tironui Farm

Tom Waldron, Lone Star Farms, 8 Properties

Gerald Haymand, Haka Station 1990 Ltd

Nat Small, Tiahoa; and Christian Hillie

Mike Scurr, Foveran Deer Park Robertson Family Trust, 3 Properties

Garfield Hayes, Normanvale Estate

John Abelen Glencary Stn

Regan Laughton The River

Graham Hay, Avonlea

Hamish Benny, Montara, Bellfield and Readlands

Bob Pringle, 2 Properties

John Clarke

Barry Gray, Hakataramea Stn Ltd, 2 Properties

Robert Clarke

Murray Turner, RPNZ Properties Trust

Annex 3

**HAKA VALLEY IRRIGATION LIMITED
AMENDMENT TO CONSTITUTION**

IT IS HEREBY RESOLVED by way of a Special Resolution that Clause 2.4 of the registered Constitution of the Company (which constitutes a binding Shareholders Agreement) be amended as follows:

“2.4 Shareholders Obligations:

(New)

2.4(F) *All and every Shareholder shall at all times fully comply with the terms, conditions, and obligations as may be imposed from time to time in relation to water and/or irrigation and/or Resource Consents granted to either the Company or to the Shareholder. Should any Shareholder default under or breach any such conditions or obligations then:*

(i) The Shareholder shall rectify and satisfy the breach or default within 28 days of receipt of written notice of such default, from either the Company or Environment Canterbury, or other relevant regulatory body.

(ii) If the breach or default continues after the 28 day period, the Board may (at its sole discretion) cease the supply of water to the Shareholder and/or forfeit and cancel the Shareholder’s shares in the Company; unless and until the Board has satisfactory written evidence of what action is being taken to rectify the breach or default, and both the Board and Environment Canterbury (or such other regulatory authority) being satisfied as to the proposed remedial action.”

SIGNED by the Board of Directors of HAKA VALLEY IRRIGATION LIMITED by the authority of:



Photo 1

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