



## NEWSLETTER

# MANUHERIKIA CATCHMENT WATER STRATEGY GROUP



### CONTACTS

Allan Kane  
Chairman  
03 443 1543

Gary Kelliher  
Deputy Chairman  
03 448 7869



### Project governance:

The Manuherikia Catchment Water Strategy Group was formed to develop catchment-wide water management options to create a sustainable and thriving community.

By the end of this year it will have taken six options through to the end of the feasibility stage and farmers, who will fund the scheme, will have to decide which option they wish to proceed with, if any.

The group is made up of about 30 community representatives. It group does not have any legal standing, but it has proved to be the ideal vehicle for bringing the community together and driving the various studies needed to ensure the options are fully investigated.

The next stage will be to apply for resource consent, develop a prospectus, secure funding, and then design and build the scheme.

It will be necessary to develop a more appropriate governance structure before this next phase - one which is able to make significant decisions in a timely manner and ensure farmer control, while still having the necessary skills to run an entity with a large capital asset base.

The group has appointed a committee to consider the structure of the entity. Once the committee members have considered the possibilities and reached a preferred option, they will take it to the seven existing irrigation companies for their directors' consideration and input, before making a final recommendation.

### Governance process timeline:

May - Governance committee agrees on preferred option to recommend to irrigation companies  
Late May - Irrigation companies' directors' meeting

June - Irrigation companies' directors consider governance committee's recommendation

July - Governance committee finalises governance structure

Remainder of 2014 - Company constitution is developed

Early 2015 - Company formed and directors elected (once the preferred scheme is chosen by shareholders) - the new company will then oversee the design and build of the scheme.

Allan Kane  
Chairman  
Manuherikia Catchment Water Strategy Group

### Upcoming forum:

Opportunities, Options and Risks - other farmers' experience of more reliable water

Thursday, June 12  
2.30pm  
Omakau Rugby Club Pavillion

### Speakers:

Why Change? - George Collier, ICL Ltd

The economics of different land uses - Guy Blundell, Compass Agribusiness

Two farmers who have managed the change will speak.

Cameron Bagrie, Chief Economist, ANZ Bank

*Sponsored by ANZ Bank*



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### **Update from the project manager:**

The feasibility study is progressing well, with all of our specialists particularly busy over the past couple of months.

#### Water quality:

You may have seen some of the Golder Associates' team out in the field. They have taken water quality samples from throughout the catchment, to build on the monitoring carried out by the Otago Regional Council. The samples indicated the current state of the Manuherikia River and its tributaries is varied, with discharges from flood irrigation during summer believed to be contributing to the increased nutrient concentrations. This will be an important and ongoing consideration for farmers, as we get to grips with the Otago Regional Council's Plan Change 6A, which came into effect on May the 1<sup>st</sup>.

#### Dam site investigations:

The Golder team has also completed baseline ecology work around the footprint of both the Falls Dam and the proposed Mt Ida Dam site. Several detailed engineering site works have also been carried out in the vicinity of both dam sites, including test pitting and trenching. We expect to see some of the results of this work in the coming months.

In the next few days, detailed site surveying of both the Falls Dam and the proposed Mt Ida Dam will be completed using a survey drone - a small fixed-wing aircraft (about 1.8m wide) which will fly about 180m above the ground. The drone will collect detailed contour information, along with up-to-date aerial imagery of the dam sites. It will then be used by the engineers to assess the sites.

#### Water permits:

We are also continuing to work on the consent strategy and water allocation, and we hope to make progress on catchment water management work, particularly in relation to private water rights holders, over the coming months. I am planning to hold a meeting with this group of landowners/water users during that time.

#### The numbers:

Compass Agribusiness has been working on the economics of the project and it presented preliminary numbers (based on the pre-feasibility infrastructure costs) to farmers and local agribusiness consultants last month. It is very heartening that, in terms of economic return on irrigation investment, it is affordable for a range of land uses and not limited to more intensive dairy and dairy support operations. Work on this aspect of the feasibility study will continue in coming months, during which time the regional economic impact assessment will also begin.

#### Nutrient levels:

AgResearch is currently working on a critical piece of information. The organisation is researching nutrient outputs and how the catchment and its range of land uses could comply with the nutrient limits stipulated in the ORC's new Plan Change 6A. This involves AgResearch using the farm inputs, as Compass Agriculture did in its case studies, and determining whether compliance with a 30kgN/ha output is achievable and under which scenarios. We're planning to hold a nutrient workshop for farmers and landowners in June, at which various specialists will discuss nutrient management in detail.

Kate Scott  
Project manager  
Manuherikia Catchment Water Strategy Group



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### **Preparing to make a decision:**

The six options identified during the pre-feasibility study are now being investigated further. The outcome of the investigations will be released in full before Christmas. The information package - much of which farmers already have, as it's being circulated as it becomes available - will contain all the details farmers need to make a decision as to which, if any, of the options are pursued.

Farmers will be given about two months to consider the options and discuss them with their families, including the Christmas holiday period.

The Manuherikia Catchment Water Strategy Group will provide all the overall information farmers need to make a decision. It is up to the individual farmer to understand the implications for their own operation, and the opportunities and risks associated with having a reliable water supply.

The ultimate decision will impact on every aspect of a farmer's operation - from the day-to-day running, to land values, to farm succession plans. The strategy group is able to organise specialists to speak to small groups about certain issues, or arrange appropriate sounding boards for farmers wanting to talk things over.

The farmers' response will indicate whether there is sufficient interest in progressing to the prospectus and design and build stages of the scheme.

### After the decision is made:

The new company will embark on the resource consent process, however, the already completed feasibility studies will provide much of the necessary information and the strategy group is already working with the Otago Regional Council on an agreed strategy.

There will be many opportunities for farmers to obtain the necessary information:

- Information newsletters will be emailed to farmers monthly
- Two forums will be held in June: a general information forum and then a nutrient management forum
- Pod meetings will be held as information becomes available
- Field trips to other irrigated areas will be held
- Farmers' professional advisors are being kept up-to-date and are in a position to discuss the proposals.

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Chairman  
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### Omarama field trip:

A bus full of interested farmers visited Buscot Station (Richard Gloag) and Omarama Station (Richard Subtil), to the north and south of Omarama respectively, in early March.

Both landowners are the younger generation of long-standing family ownerships and have successfully used irrigation to intensively develop a part of their property.

Both were candid about the changes and the challenges they faced, as a result of their development plans, and both agreed irrigation underpinned more diverse and resilient income streams for their businesses.

Their water is supplied by the Benmore Irrigation Company. The scheme manager, Barry Shepherd, explained the company's private ownership model and the process undertaken to develop the scheme.

The water had been available since 2005 and the cost of developing the scheme, which provided water for 4000ha, was relatively modest.

The local community had experienced positive change which was directly related to the scheme.

I'd like to thank the landowners for their time, their willingness to share their experiences and their efforts, particularly the silage wagon ride over the hill.

Thanks also to Ballance Agri-nutrients and Southern Wide Real Estate, which sponsored the bus hire.

Jan Manson  
Member  
Manuherikia Catchment Water Strategy Group

### Would you like to learn more about the Manuherikia Catchment Water Strategy Group's work?

Visit our website: [www.mcwater.co.nz](http://www.mcwater.co.nz)