



NEWSLETTER

MANUHERIKIA CATCHMENT WATER STRATEGY GROUP

October 2015

Note from the Chairman

Over the past few weeks we have seen the sun and wind arrive, signalling the start of both spring and the irrigation season.

You will recall that this time last year Golders presented a price to the MCWSG for a 27m new Falls Dam of \$194 Million which the group ruled out as being too expensive.

Since that time Golders re-worked their numbers for a lower dam height of 20 metres, the cost of which was approximately \$146 million. At this price it was still considered to be an unfeasible option.

Over the past few months Golders have completed the feasibility study outputs, including, Summary Report, Environmental Assessment, Distribution Report, Nutrient Report, Mt Ida Engineering Summary, and Landscape Assessment to name a few, with the final documents provided and signed off by the MCWSG in September 2015. These reports are now available on the website, www.mcwater.co.nz

Since the end of the feasibility study the MCWSG have developed a 'Validation & Refinement Group' which is being led by Peter Lilley, whom many of you will recall spoke to us in June this year at Omakau.

The other members of this group include Guy Blundell (Compass Agri Business), Ian Lloyd (Golders), Kate Scott (Project Manager, Landpro), Peter Brown (Aqualinc)

and myself. Peter Lilly is leading this group to check that the overall big picture objectives are still appropriate, and that the right 'levers' are being pulled to optimise the project. The Validation Group is also looking at staging options, and the desired "sweet spot" between capital costs and the costs of some water restrictions. This group is aiming to have its assessments completed by Christmas with the view to providing all irrigators and farmers with sufficient information to work towards making a decision on the project in early 2016.

Once a more detailed program for this next phase of work has been finalised we will let you know what this will entail.

In addition to the Validation Work, we have also engaged Ian Walsh of Opus Consultants to update his prefeasibility reports and costs on the various height options for rock filled dams (compared to the roller compacted concrete dams that Golders investigated) so that we can have some alternative options for consideration by the Validation Group, and so that if a decision is made to proceed with the project, we can determine the baseline costs to existing irrigators.

The preliminary Opus report has indicated that costs for a Rock fill Dam will be as follows;

HEIGHT	INDICATIVE COST
6m Raise	\$25 Million
12.5m Raise	\$54 Million
20m Raise	\$67 Million
12.5m equivalent	\$56 Million



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HEIGHT

standalone new dam
20m equivalent
standalone new dam

INDICATIVE COST

\$68 Million

The Opus Report emphasises that there are still a number of issues that need to be investigated, however the indicative prices for the options detailed above do give confidence that there is a viable option.

Allan Kane
Chairman

NEXT FULL STRATEGY GROUP MEETING

The next full strategy group meeting, which you are more than welcome to attend is scheduled for Thursday 3rd December at 2pm at the Central Otago District Council.