



NEWSLETTER

MANUHERIKIA CATCHMENT WATER STRATEGY GROUP



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**Merry
Christmas**

December 2015

Update from the Strategy Group

It is hard to believe that Christmas is almost upon us and 2015 is drawing to a close. Certainly over the past few weeks the summer weather has made itself known, and things are certainly looking dry enough for December throughout the region.

In terms of the MCWSG, 2015 has been a year of 'review and consideration' as we have taken the very high dam costs for a RCC Falls Dam delivered by Golders in late 2014 and tried to work through the various options for developing a more cost effective irrigation project for the Catchment.

Whilst to many it may appear that there has been little progress since this time last year the group have in fact made some good progress in validating and refining the project, and we have made considerable progress over the past few months.

Early this year we asked Ian Walsh of Opus to consider an alternative option for developing a lower RCF dam (20m raise or equivalent new dam) at the site of Falls Dam which has come in at around \$68 Million. The MCWSG are currently awaiting an opinion from a building contractor as to the validity of this price and the buildability of the dam, but

indications received to date are that this option would be viable. A copy of the report by Ian Walsh is now available on the MCWSG website, www.mcwater.co.nz

The MCWSG have also asked a contractor to look at the feasibility distribution costs and provide a high level overview of the designs to identify if there are any areas where savings could be made given the overly conservative estimate for this work provided by Golders. This analysis is expected to be completed in early 2016.

The 'Validation & Refinement Group' have taken the information gathered during 2015, including the revised Opus work to look at what areas might be able to be irrigated under a lower height dam, and to try to answer some of the questions around what sort of restrictions irrigators might be faced with under a variety of different scenarios, and the economic implications of this, especially on farm. This work is progressing well with early modelling indicating that a dam storing between 70Mm³ and 80Mm³ of water would provide sufficient water for the irrigation of 25,000 hectares of land within the main Manuherikia Catchment, and that restrictions in terms of irrigation would only likely be required at a frequency of around one in 10 years, and that such restrictions would come after March each year. It is these aspects of this work which are still being refined, with the group expecting to have their report on this completed by the end of January 2016.

In terms of the next steps, the MCWSG will be working to get this information out to farmers and irrigators as soon as it is available along



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with an information pack detailing the various prices and options for consideration. Following that we will be looking to undertake an extended period of consultation which we expect will take as from February to April to complete, at which point we will be asking farmers and irrigators for an expression of interest as to their most preferred option and the number of hectares that they may seek to uptake water for under the various options.

Early in the New Year we will also be commencing work on preparing an application to IAF for funding of the next phase which will include the development of a suitable commercial entity to lead the project (Newco), as well as to undertake any further work which might be necessary to move into detailed design and consenting.

Overall the strategy group would like to thank you all for your continued support, and to wish you all a safe and happy festive season.

We look forward to the opportunity to move the project forward in 2016.

Allan Kane
Chairman