

Water for Waimea – the facts continued

recreational interests and the economy. Seven years of extensive research has identified that the Lee Dam provides the most cost-effective opportunity to achieve this.

Cost to users

WWAC has not yet committed to a dam size or fixed a cost per hectare for users. The committee presented its preferred dam size at public meetings in February 2010. Extensive work is now being done to rationalise the costs involved. This includes reviewing the dam size, exploring funding options

and financial structures, along with developing governance and ownership models.

Consultation

WWAC has consulted widely as it has progressed this community project and will continue to do so. All consultants' reports and previous newsletters are publicly available via the TDC website and can also be accessed via Facebook (search Lee Dam).

Changes to the WWAC committee

Nelson City Council's representative on WWAC for the past seven years has been Engineer Dave Plant. Dave retired in April this year and has been replaced on the committee by NCC Infrastructure Manager Mike Schruer. WWAC would like to acknowledge the contribution Dave made during his time on the committee.

For more information visit:

www.tasman.govt.nz/index.php?WaterforWaimeaBasin
or search for "Lee Dam" on Facebook to keep up to date

If you would like to receive your future WWAC newsletters via email please notify
Committee Secretary Valerie Gribble - valerie.gribble@tasman.govt.nz.

This project is funded by:

- Tasman District Council
- Nelson City Council
- Waimea Plains water users and landowners
- Community Irrigation Fund
- Fish and Game New Zealand
- Nelson Marlborough Region

In kind support is received from:

- Iwi
- Department of Conservation



WWAC Members

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Dennis Cassidy (Delta Zone)	03 544 2852
Kit Maling (Waimea East Irrigation Co)	03 544 0536
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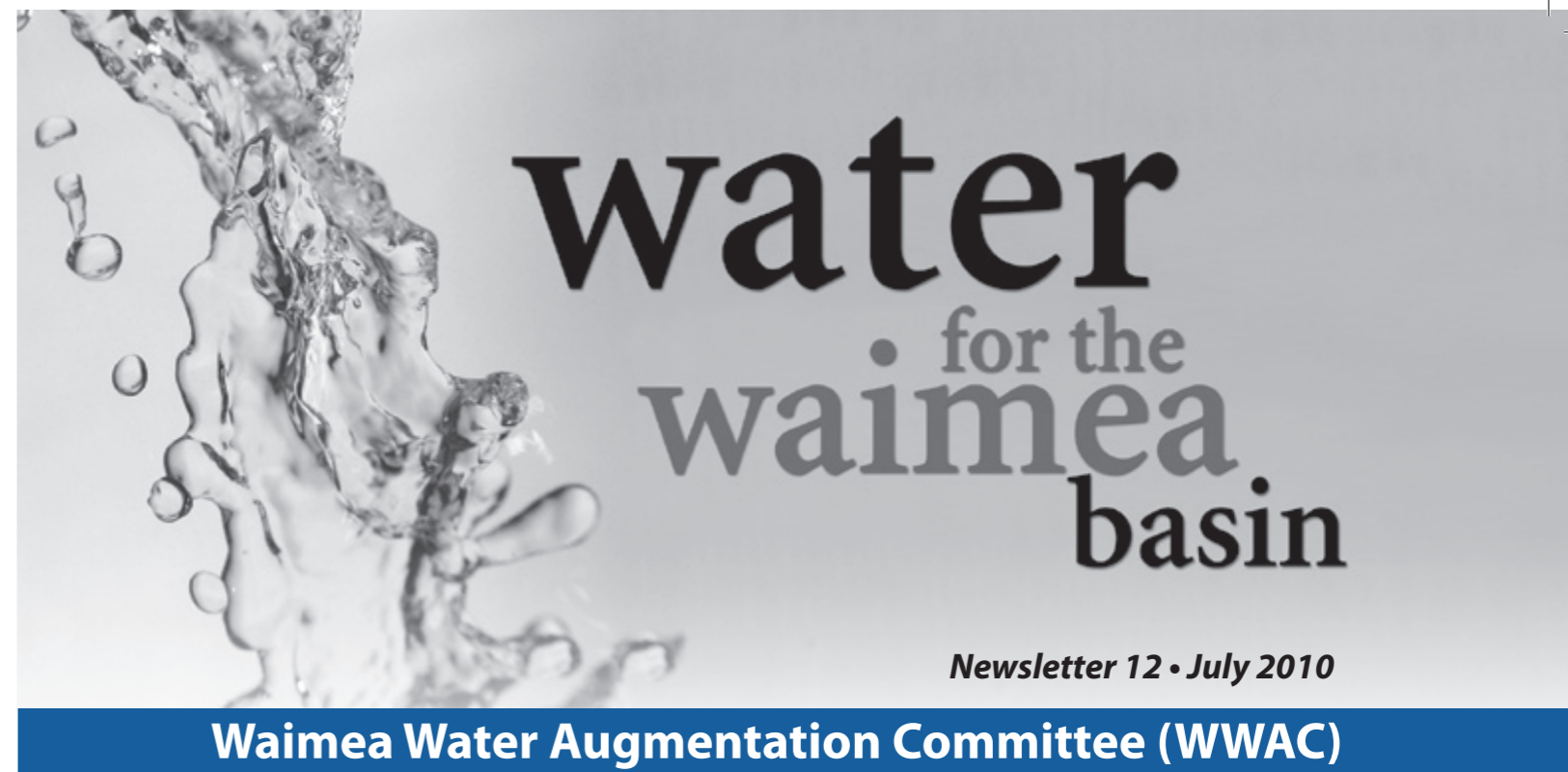
WWAC members are available to answer your questions.

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Message from the Chairman



L to R: Joseph Thomas, Tom Henderson, Stephen Sutton and Dennis Cassidy. WWAC members Joseph Thomas, Stephen Sutton and Dennis Cassidy visit the successful Ophua Dam in South Canterbury with Tom Henderson who was a driving force behind the dam's development.

I think we all breathed a sigh of relief when the rain finally came in late April. While the drought made for fantastic harvest conditions for some crops it again highlighted the urgent need for water augmentation to support the Waimea River and underground aquifers. The very real fact is that, had the current moratorium to allow a solution to the acute water shortage not been in place water users would have been in trouble this autumn. The low flow levels that are likely to be required in the Waimea River in future would have resulted in a cease take for all users for all of April this year. This is a very real threat. If the drought set in earlier in summer it would be dire for the crops on the Waimea Plains. We can't afford to let the river and aquifers suffer the effects of low flows and the Waimea Water Augmentation Committee (WWAC) is working hard to find a solution that provides a positive outcome for the environment, the economy and ultimately the community. We are committed to pursuing the project and, while significant progress has been made, there is still a lot of work to be done. Early this year we received the consultants' reports for the stage

two feasibility studies and held a series of public meetings to discuss these. At those meetings WWAC's preferred dam size and costings were presented. It is important to realise that no decision has been made yet on the final size of the dam to be built. Likewise, the cost per hectare is still a work in progress and WWAC acknowledges the loud message some irrigators have given that the indicative cost presented would be a challenge for many to pay. We expect, through the range of financial and funding models being explored that we will come to a cost structure that is palatable and achievable. As a farmer myself, I'm more than aware that spiraling costs and static or negative returns is not a winning formula.

However, I firmly believe that we are in a position on the Waimea Plains whereby doing nothing is simply not an option. We have to find a solution and I have a lot of confidence in the people around the table with me at WWAC to achieve that.

**Murray King, Chairman
Waimea Water Augmentation Committee**

Introduction

The Waimea Water Augmentation Committee has been working for seven years now to find a sustainable solution to the acute water shortage on the Waimea Plains. The solution needs to look after the health of the Waimea River and underground aquifers while providing a reliable water supply for urban, industrial and rural users over a 100-year time span. WWAC has members from water user groups, DOC, iwi, Fish and Game and councils. This is a community-led project which currently receives support from both Nelson and Tasman councils. The committee members are not paid for their contribution, which involves significant amounts of time attending meetings, hosting and briefing Government representatives, liaising with interest groups and advising consultants.

Committee Chairman Murray King and Project Manager Joseph Thomas were invited to present an overview of the project to a Community-led Water Resource Management workshop held in Ranfurly in March. The Lee project was cited as a good model of collaborative governance. This workshop was attended by representatives of about 20 water schemes from throughout New Zealand. Murray and Joseph were also invited to speak about the project at the Irrigation New Zealand conference. Several committee members recently attended an Institute of Directors' governance training course in Timaru and took the opportunity to visit Opuha Dam.

In recent months the committee has hosted the Government's Economic Development Caucus and held briefings with Minister for the Environment Dr Nick Smith, Labour MP Maryan Street and Labour MP Damian O'Connor.

A special meeting was held in May with environmental and recreational interest groups and a meeting was held in June with Delta zone water users. Project Manager Joseph Thomas also made a presentation about the project to Richmond Probud members in May.

Developing a structure for governance and ownership

WWAC recently engaged the services of Goodman Tavendale Reid, a legal firm from Christchurch, to assist with the development of a structure for governance and ownership of the dam. Goodman Tavendale Reid has significant experience in structuring water management schemes in the South Island. David Goodman has begun working with WWAC to identify its priorities and opportunities in this complex phase of development.

It is proposed to have a draft ownership and governance model available for public consultation before the end of this year. WWAC has always said it intends to ensure the dam is a community-owned asset.

Water user and landowner levies 2010/2011

WWAC has obtained co-funding to progress the governance structure and ownership modeling work via the Community Irrigation Fund of MAF. This funding is for the 2009/2010 and 2010/2011 years. WWAC is also progressing other work arising from the feasibility study. In order to carry out this work WWAC has recommended Tasman District Council roll over the water user and landowner levies for the coming 2010/2011 year.

The Waimea East Irrigation Company and Tasman District Council will continue their contributions/levies. Fish and Game has also agreed to continue its financial contribution to the project.

Lee Dam features on TV

A crew from the Rural Delivery television programme visited Tasman in April to film a story about the Lee Dam project. Committee Chairman Murray King and TDC representative Tim King were interviewed for the show. The programme will be shown at 7.30 am on TV One on 10 July. The item will also be available as a podcast to download from the internet after that date.

Annual Plan submissions

WWAC has made submissions for funding from both Tasman District and Nelson City councils via the Annual Plan process. The request for funding was to ensure that if any reason arose in the 2010/2011 year requiring the fast-tracking of the design work for the Lee Dam, funds would be available. If the need for fast-tracking does arise WWAC will consult with the community prior to progressing this work.

The dam design cost estimate is \$1.2 million (ex GST). In its submission to Nelson City Council WWAC requested the provision of \$146,000 (ex GST). This contribution equates to a proportion of the environmental flow and future regional water supply needs. Nelson City Council has approved this funding.

Tasman District Council has also agreed to loan fund any shortfall for the design cost if the need arose to fast-track the design phase of the project.



WWAC member Tim King (right) answers questions from irrigators at the Delta Zone meeting watched by Dennis Cassidy.

Public Meetings

In February WWAC held two public meetings and hosted an open day to present the final Stage Two feasibility reports on the Lee Dam. In total about 170 people attended these events which were held in Brightwater and Appleby.

The response from those at the meetings was generally very positive about the project. In Brightwater the suggestion was made that the proposed dam was too small and consideration should be made to enlarging the scheme.

In Appleby however, there was a higher representation of irrigators and some of those present expressed concerns about the cost per hectare for water. The costs presented at those meetings were for the committee's preferred dam size of 13.4 million cubic metres and included a 20 percent contingency. WWAC is currently refining the financial modeling and will be presenting information on a range of cost options and models later this year. The committee is also costing dams with smaller capacity.

Water for Waimea – the facts

Waimea Water Augmentation Committee (WWAC)

WWAC is a community committee with representation from water users, Department of Conservation, iwi, Fish and Game and councils. The committee is chaired by farmer Murray King and the deputy chair is farmer Julian Raine. While both the Nelson and Tasman councils support the project it remains an independent community-led project.

Availability of water

Technological advances in recent years mean we now have greater knowledge of the Waimea River and its links to the underground aquifers than ever before. There is a strong community desire and a requirement to better manage environmental health of the river. It is now understood that the current allocation of water permits exceeds what the river and aquifers can naturally sustain, particularly during droughts. In order to maintain the health of the waterways and aquifers, reduce the risk of saltwater intrusion and to still provide water for agriculture, industry and urban uses, the supply of water into the river needs to be increased during dry periods - known as augmentation.

Who holds water permits?

Permits are held by a range of water users, including vegetable growers, nurseries, flower growers, fruit growers, pastoral farmers and small block holders. Tasman District Council holds about 24 percent of the available water permits for its urban and industrial supply.

River and aquifer health

The water allocation limits have been previously set on a minimum flow in the Waimea River of 225 litres per second (l/s). Recent scientific studies show that the flow should be 1300 l/s or at a minimum closer to 800 l/s. In summer 2001 the river ran dry. Working with environmental specialists, WWAC has set a level of 1100 l/s as the minimum flow level that the proposed Lee Dam would maintain in the lower Waimea River. This is between the ideal and minimum flows identified and would sustain the river in a healthy state.

Water rationing

The current situation whereby water rationing is implemented during summer is simply an agreed interim measure to enable a long-term solution to be found. If water augmentation does not go ahead the Environment Court would likely set a minimum flow in the river somewhere in the range of 800 to 1300 l/s. Reaching the minimum flow would trigger a 'cease take' order.

"I'm fine with my current water allocation – I don't even use it all."

Without augmentation all current water permits would need to be reduced by about 70 percent (assuming 1100 l/s environmental flow). The question you need to ask is, assuming water was available at all: "Could I survive on 30 percent of my current water allocation?"

No water at all

Without augmentation and with everyone operating on 30 percent of their original consents the minimum acceptable

flow in the river would still be reached. When that happened no water, except essential household supplies, would be available. If the impending minimum flow requirements were already in place, all permit holders in the Waimea Plains would have been issued a 'cease take' notice for all of April this year.

Security of supply

The Lee Dam would provide a secure water supply for all current urban, industrial and rural users, those waiting to get a water permit and for future regional growth for the next 100 years. The dam is designed for a 1-in-66-year drought. This security of supply is expected to cater for any consequences of future climate change as well.

Growth

The region is growing and we need more water to produce food crops, support industry and to provide for urban supply. There is productive land within the Waimea Plains that cannot currently get water. WWAC have allowed for this additional land and increased urban and industrial growth in its calculations.

Urban sprawl versus food production

It is important we preserve food production on the fertile Waimea Plains. The best way to reduce the pressure for urban or lifestyle development on productive land is to provide a reliable water supply and enable high value crops to be produced.

Economic value of water

The total economic value of water on the Waimea Plains is more than \$300 million per year. This is not just income to permit holders, but revenue generated by all of the service and support industries, such as trucking companies, Port Nelson, Nelson Airport etc.

Economic impacts

- The capital cost of non-augmentation to existing water users is calculated to be \$165 million
- Loss to regional income from potential new land being irrigated is \$40 million per year
- Total loss of direct income from existing irrigators' production over 25 years is \$440 million. (This is not including service industries and industrial use)

Do nothing

If water augmentation doesn't go ahead a minimum flow in the river will be imposed and water for productive uses will be severely cut. Businesses will fail and the prosperity of entire region will suffer. The ecology of our waterways is likely to be compromised as well. All parties recognise there is a major problem, but it can be addressed.

Managing our natural resources

This region receives plenty of water – just not in the right places all of the time. To work towards a sustainable future we must manage our water resources wisely now. Harvesting water and then releasing it back into the natural waterways when required is a win-win situation for the environment,