

# Irrigation Acceleration Fund – Summary of Project Progress

Updated 28 July 2014

Grant Figures GST Exclusive

Project Name	Potential Area	Stage of Development	Comment
<b>Contracted – In Progress</b>			
<p>Ruataniwha Water Storage Optimisation and Tukituki Strategy Implementation</p> <p>Grant = \$3,981,785</p> <p>Further IAF Support provided through the Ruataniwha Plains Water Storage Project Full Feasibility Study now completed.</p>	<p>25 – 30,000 ha</p> <p>includes 6,000 ha of existing irrigation migrated from groundwater to Scheme Water</p> <p>Area depends on land use mix</p>	<p>Design Stages</p> <p>Project is substantially construction ready – see comment at right</p>	<p>Conclusion of the IAF engagement in this project had been delayed pending the final Decision of the EPA Board of Inquiry consideration of the Tukituki Catchment Proposal. With the decision now having been released further work will be progressed regards establishing farmer demand and securing development capital and financing.</p> <p>The approved work programme, which is largely complete, involves:</p> <ul style="list-style-type: none"> <li>• Technical investigations and activity to refine the infrastructure design and inform the EPA Board of Inquiry consideration of the Tukituki Catchment Proposal (including Plan Change and the RWSS resource consents application).</li> <li>• Establishing farmer demand for irrigation water.</li> <li>• Securing the capital funding required for construction to proceed.</li> </ul> <p>A competitive Design and Construction tender process overlapped the later part of this work programme. This process delivered a preferred consortia and a refined construction price that has allowed a firm water price to be decided which feeds into the farmer demand work.</p>
<p>Rangitikei District Council</p> <p>Grant = \$100,000</p>	<p>Yet to be defined</p>	<p>Strategic</p>	<p>There is a considerable potential to expand the area under irrigation in the fertile terraces of the Rangitikei River, and its tributaries, and the West Coast sand country.</p> <p>This work programme, led by RDC in conjunction with the Horizons Regional Council and regional farmer leaders, will investigate and refine this potential while also indentifying next steps to supporting development.</p>

<p>Wairarapa Water Use Project</p> <p>Grant = \$1,100,000</p>	<p>30 – 50,000 ha</p>	<p>Detailed pre-feasibility</p>	<p>A short list of 5 storage sites has been indentified for further, and more detailed, technical investigation. This work will be completed alongside detailed assessment of farm economics, farmer demand and wider sustainability assessments being completed in conjunction with work reviewing the Regional Water Plan.</p> <p>This work programme will identify which of these options are viable (from a technical, financial, environmental and social perspective) and should proceed to full feasibility investigation – this decision is expected in June 2015.</p>
<p>Hurunui Water Project</p> <p>Grant = \$2,384,405</p>	<p>Up to 58,000 ha</p> <p>Area depends on refinement resulting from current work programme</p>	<p>Pre-feasibility and Preliminary Design</p>	<p>HWP has been granted resource consents to take, store and use water for irrigation of up to the full 58,500 hectares potential area. An appeal against this consent has recently been resolved.</p> <p>The final scheme area will depend on the results of further technical and investigation work and integration with other parties in the Hurunui – Waiau Zone. An engineering review of all potential infrastructure options is underway to confirm, or otherwise, that the Waitohi development option is the best option available.</p> <p>The intent of this work programme is to focus on geotechnical investigations and preliminary design work to confirm the best configuration and constructability of the infrastructure proposed. The substantial geotechnical investigations included in the agreed work programme has been delayed pending the resolution of the appeal and the completion of the engineering review. With the appeal now having been resolved this work can be rescheduled ahead of a Variation to the Funding Agreement.</p> <p>Investigating appropriate governance arrangements and integration is also part of the program.</p>

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			<p>With consents in place and constructability confirmed, and with appropriate arrangements with other existing and potential schemes in the same locality, HWP will be well placed to raise the funding required to progress the advanced stage work.</p>
<p>Project Raindrop Environment Canterbury</p> <p>Grant = \$277,550</p>	<p>12,500 ha</p> <p>Plus improved reliability for adjoining WIL area</p>	Pre-feasibility	<p>This work programme investigates new irrigation development from storage in the CWMS Waimakariri Zone and integration with existing irrigation infrastructure (Waimakariri Irrigation Ltd).</p> <p>The work programme includes a study of the in-stream and cultural values of the Ashley River to identify co-benefit demands from the potential development.</p> <p>The project proponents are in discussion with commercial entities with a view to establishing a development entity to progress the project through its detailed investigation and design stages.</p>
<p>Project Rata Environment Canterbury</p> <p>Grant = \$198,750</p>	Yet to be defined	Pre-feasibility	<p>The Rata concept is a water delivery system which integrates south Canterbury's current water supply resources with alpine water from the Rangitata River and swap arrangements with Rakaia River water- all within current allocations.</p> <p>This work programme involves a pre-feasibility investigation into water availability; irrigation, environmental and cultural water demand; impacts on water quality; and integration possibilities with the existing Opuha and Rangitata South schemes to eventually complete the southern end of a water supply/storage network across the top of the Canterbury Plains.</p> <p>The work programme is being progressed as part of the wider work programme supporting the CWMS Orari - Opihi – Pareora Zone Committee.</p>

<p>Hunter Downs Irrigation Ltd and Hunter Downs Development Company</p> <p>Grant = \$7,044,000</p>	<p>Up to 35,000 ha</p> <p>Area depends on land use mix</p>	<p>Completion of feasibility and detailed design</p>	<p>This large work programme adopts a staged approach to completing the detailed technical and design work require to take the project to construction ready.</p> <p>The proposed work programme is based on a 2 year timeline to get the scheme to the point of being construction ready. The work programme consists of five work streams with many of them occurring concurrently; engineering feasibility (3 phases); commercialization; secondary consents; land access; and commitment phase.</p> <p>There are three Decision Gate – Stop/Go points in the work programme. At these points the Project’s technical and commercial viability will be reviewed.</p> <p>If the Project is still considered viable the work programme will be reviewed, and a Variation to the Funding Agreement executed. Further installments of funds will be called for from HDIL shareholders.</p>
<p>North Otago Irrigation Company – Stage 2</p> <p>Grant = \$380,500</p>	<p>13,000 ha</p> <p>(3,800ha Infill area of Stage One, and 9,200 in expanded Stage 2 area)</p>	<p>Detailed design</p>	<p>This work programme will advance the detailed design stages providing for construction to complete the utilisation of NOIC’s water takes consents.</p> <p>The company expects to issue a Prospectus in October 2014 to secure farmer demand and construction capital.</p>
<p>Manuherikia Catchment Strategic Water Study</p> <p>Grant = \$750,000</p>	<p>Up to 30,000 ha</p> <p>Area depends on land use mix</p>	<p>Feasibility</p>	<p>This work programme will complete the technical investigations, agricultural economics, preliminary design and community engagement process required to determine whether or not there is a feasible development proposition to take forward to resource consenting and detailed design.</p> <p>The work programme includes the development of an appropriate governance and project management structure should a project proceed to the next stages.</p>

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<b>Contracts Completed</b>			
<p>Ruataniwha Plains Water Storage Project Full Feasibility Study</p> <p>Grant = \$2,017,500</p>	<p>25 – 30,000 ha</p> <p>includes 6,000 ha of existing irrigation migrated from groundwater to Scheme Water</p> <p>Area depends on land use mix</p>	<p>Proceeding to design stages</p>	<p>The Full Feasibility Study informed the Hawke’s Bay Regional Council’s decision to proceed to the next stages (including engineering optimisation, on farm affordability and consenting) of developing the proposal. The Council decision coincided with decisions about the adoption of changes to the Regional Plan.</p> <p>The Tukituki Catchment Proposal (including Plan Change and the RWSP resource consents application) was the subject of an EPA Board of Inquiry consideration.</p>
<p>Wairarapa Water Use Project</p> <p>Grant = \$1,209,022 (adjusted final)</p>	<p>30 – 50,000 ha</p>	<p>Options Refinement and Pre-feasibility</p>	<p>This work programme reviewed a long list of potential storage sites along with assessments of farm economics and demand.</p> <p>A short list of 5 sites has been identified for further and more detailed technical investigation at the next stage.</p> <p>Work is now underway on the Pre-feasibility stage of investigation.</p>
<p>Central Plains Water Ltd Stage 1</p> <p>Grant = \$5,299,924</p>	<p>20,000 ha</p> <p>Stage 1 of an up to 60,000ha development</p> <p>5,000ha new and 15,000 ha existing irrigation migrated from ground water to scheme water</p>	<p>Design stages</p>	<p>This work programme refined the project prescription, timeline and costing through to Stage 1 being ‘investment’ ready.</p> <p>The work programme involved completing the design work for the head race canal and piped distribution system and the funding and capital raising strategy.</p> <p>Following shareholder construction equity being secured in November CPWL and securing debt facilities from CPWL’s bankers and Crown Irrigation Investments Ltd construction is underway.</p> <p>Water will become available to some areas for the 2014 irrigation season with the full Stage 1 area completed for the 2015 irrigation season.</p>

			CPWL has begun work to establish options to progress the development of Stages 2 and 3 of the Scheme development.
Barrhill Chertsey Irrigation Ltd Stage 2  Grant \$179,500	11,000 ha	Detailed Design	<p>This work programme will provide detailed design (Rakaia River Intake, settling pond and distribution) for delivery of water into the lower plains stage 2 area.</p> <p>The infrastructure proposed is consistent with the longer term optimised and shared infrastructure Canterbury Water Management Strategy Rakaia Node concept which is being developed in conjunction with Environment Canterbury, TrustPower and Central Plains Water Ltd.</p> <p>The company expects to issue a Prospectus before October 2014 to secure farmer demand and construction capital.</p>
Ashburton – Lyndhurst Irrigation Ltd Stage 2 Upgrade  Grant \$742,281	4,000 ha	Detailed Design	<p>This work programme completed the detailed design for Stage 2 of the upgrade from open race distribution to delivery to farm gate under pipe and pressure. The resulting increase in water use efficiency will provide for an expansion in the schemes irrigated area of about 4,000ha .</p> <p>Construction is underway.</p>
Hunter Downs Irrigation Ltd  Grant = \$634,810  (adjusted final)	Up to 35,000 ha  Area depends on land use mix	Water user engagement and defining command area	<p>This initial work programme focussed on establishing the likely demand for irrigation water through an initial investigation capital raising process.</p> <p>A successful capital raising confirmed both farmer demand and the potential command area for the detailed technical and design work required to take the project to construction ready.</p> <p>Detailed investigations leading to key viability and design decisions are underway.</p>

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<p>Haka Valley Irrigation Ltd</p> <p>Grant = \$194,940</p>	<p>1,400 – 2,000 ha</p>	<p>Design Stages</p>	<p>The work programme developed detailed design and company operating arrangements and Water User Agreements through to the project being construction ready.</p> <p>Construction is substantially complete and is due to be commissioned ahead of the 2014/15 irrigation season.</p>
<p>Lower Waitaki South Bank Integrated Irrigation Study</p> <p>Grant = \$133,865 (adjusted final)</p>	<p>Yet to be defined</p>	<p>Strategic Study</p>	<p>This work programme supported a strategic study to identify the most effective options for the upgrade and future proofing of current scheme infrastructure along with the opportunity for an expansion in area.</p> <p>The results of this study will direct the specification of further technical and design work to deliver the preferred option. This stage of investigations will be led by the Kurow and Districts Irrigation Company.</p>
<p>North Otago Irrigation Company Expansion Programme – Tilverstowe Line</p> <p>Grant = \$71,020</p>	<p>800 ha</p> <p>A component of the NOIC Stage 2 Development area of 10 – 12,000ha</p>	<p>Built and commissioned</p>	<p>The work programme completed the detailed design stage of this 800 ha extension. The Company is proceeding with this component of the Stage 2 development to reflect established demand – in the meantime Stage 2 design optimisation continues.</p> <p>The Tilverstowe Line has been commissioned and is fully operative.</p>
<p>Manuherikia Catchment Strategic Water Study</p> <p>Grant = \$233,000</p>	<p>+ 30,000 ha</p> <p>Area depends on land use mix</p>	<p>Proceeding to feasibility stage</p>	<p>This work programme completed Pre-feasibility Stage investigations – 6 options for infrastructure development to provide a catchment wide approach were investigated.</p> <p>The preferred options are progressing to more detailed Full Feasibility Stage Investigation.</p>

<p>Tarras Water Ltd</p> <p>Grant = \$650,000</p>	<p>6,500 ha</p>	<p>Build ready</p>	<p>This work programme completed the design to the construction ready stage.</p> <p>Raising the necessary construction capital has proven to be challenging. Negotiation with the Otago Regional Council regards cornerstone shareholding was not successful.</p> <p>The Company is currently reviewing its options to take the project to construction – it is likely that a smaller option will be progressed as a private scheme.</p>
<p><b>Total grant allocated \$27,582,851</b></p>			