

Rooney buying into split-out Damwatch

Felicity Wolfe - Thu, 10 Nov 2016

Meridian Energy is selling Damwatch's engineering consultancy to current management and the Rooney Group. Meridian will keep the firm's asset safety analytics capability, creating a new subsidiary Dam Safety Intelligence Limited.

The separation and sale of part of the business follows a strategic review, Meridian general counsel Jason Stein says. That found that Damwatch's analytics function, which focuses on the safety and longevity of dam assets, was the most "critical" part to Meridian and other Australasian asset owners, Stein says. Dam Safety Intelligence will continue to provide services to the wider industry to ensure the "safety and longevity of New Zealand and Australian hydro assets". Clients for that business include Genesis Energy, Mercury and Watercare, he says.

The engineering consulting side of the business will retain the Damwatch name. That is being sold to existing members of its management team. South Island earthmoving and irrigation developer Rooney Group will take a 50 per cent stake. Managing director and new co-owner Peter Amos will lead the separated firm and Meridian's founding chief executive Keith Turner will chair its board.

Damwatch development

Meridian did not comment on the value of the split-out Damwatch business, but expects its sale to be completed next month. Both new entities have been listed with the Companies Office.

Damwatch was set up by Meridian in 1999 to utilise and build on the dam monitoring and safety expertise developed during landslide stabilisation work during the construction of Clyde Dam, completed in 1993.

Meridian has been restructuring its business in recent years to better focus on its core generation and retail divisions. It sold its Energy For Industry unit in 2012. That was followed by the sale of its US solar venture and [Arc Innovations](#) smart meter division in 2014. It has this year been [restructuring](#) its corporate teams and further reviewing its retail operations.

Amos told *Energy News* Damwatch currently has 35 staff and about two-thirds of those will remain under that banner. He says the more engineering-focused entity will continue to provide design and services to hydro and irrigation projects in New Zealand and internationally. Meridian's Dam Safety Intelligence subsidiary will be formed from a team of about 10 people specialising in the "forensics" and data analytics of hydro asset health.

Damwatch has worked on several large [projects](#) for the New Zealand hydro power industry, including locating and repairing a leak under Arapuni Dam in 2001 and the geotechnical and geophysical assessment of the [Tekapo](#) hydro canal and design of [remedial work](#) following the discovery of defects in its lining in 2008. It has also provided advisory services and safety reviews for hydro assets and projects in Australia, Canada, Fiji and the Philippines. Damwatch has also developed the safety framework for small hydro projects in Vietnam funded by the World Bank. It is currently working on two developments in that country.

Rooney relationship

Amos says the investment by Rooney Group builds on a "longstanding relationship" between the firms. The Waimate-based firm is owned by founder Gary Rooney and has grown from an earthmoving business to include irrigation development, cartage and transport, farming, civil consulting, effluent solutions and tourism. It has also laid fibre-optic cable for Ashburton-based distributor EA Networks.

Damwatch has participated in several of Rooney's irrigation scheme developments in the past five years including the [Rangitata South](#) project completed in 2014. Damwatch has also provided engineering design services to other irrigation projects, including the \$385 million Central Plains scheme being built in Canterbury, Amos says. Rooney has a "large pipeline" of work ahead and is interested in retaining access to Damwatch's resources. "There is a desire for this service offering to be fostered and to grow from the stage it has got to under the Meridian family. They are ready to pick it up and push it a bit further," Amos says. Damwatch also has a number of seismic strengthening projects underway in New Zealand and Australia, he says.

The firm has provided specialist engineering services and reviews of hydro assets in the Pacific, Asia and North America. Gaining international contracts will remain a "plank, but it's not the dominant thing" for the firm, he says. The driver for competing in overseas markets is ensuring it maintains its skill levels to international standards. "We bring the learnings back so it is a bit of a two-way street."

Stein says Meridian will continue to be a client of Damwatch. "We believe Damwatch is set up to be a highly successful business servicing New Zealand and dam owners worldwide."