

News from the Environmental Team at Opuha Water Ltd (OWL)

ENVIROUPDATE

WELCOME

This is the second Environment focussed newsletter from OWL's Environmental and Regulatory team. As you will read in the pages that follow, there is certainly no shortage of information to share from scheme, regional and national perspectives.

We plan to produce these newsletters twice-yearly. In between times, we'll keep you informed of other relevant environmental matters via emails and information sessions. Our job is to help make your navigation through the environmental and regulatory minefield as straightforward as possible, while ensuring our resource consents are enduring and the environment we live, work and recreate in is maintained and, where needed, enhanced.

I would like to use this newsletter as an opportunity to introduce **Dr Jared Panther**, OWL's Freshwater Specialist, who joined the team in October 2021. Jared has already proved himself to be an invaluable team member, bringing a high level of expertise in the freshwater space. Having this role inhouse gives OWL the ability to be proactive in our freshwater monitoring, devise bespoke investigations/programmes and respond to external pressures in an informed way.

Jane Hewitt, OWL's part time Environmental Advisor (Consents and Compliance) recently finished with us, and we are excited to announce that we have recruited **Hannah Duncum** to fill her space in a fulltime capacity. Hannah comes to us from Environment Canterbury's Timaru office, bringing with her a solid background in consent compliance, which will hugely benefit



Dr Jared Panther



Hannah Duncum

OWL in terms of ensuring our consent and compliance management systems are 'watertight.' Hannah will join us at the end of April.

Please feel free to contact the environmental team if you wish to discuss any of the matters addressed in this newsletter.

JULIA CROSSMAN
OWL Environmental and Regulatory Manager



PLAN CHANGE 7

There have been five appeals against ECan's decision on Plan Change 7. Relevant for OWL is the appeal lodged by Te Rūnanga o Arowhenua and Te Rūnanga o Ngāi Tahu (TRONT), which challenges the setting of allocation limits for the Opihi Freshwater Management Unit based on currently authorised abstractions.

If upheld, the appeal has implications for the allocation limits confirmed in the decision, including those in the Opihi mainstem, the Opuha River, and all tributaries of the Opihi (including the North and South Opuha, Upper Opihi and Te Ana Wai).

OWL has filed a notice of intention to appear on the TRONT/ Arowhenua appeal before the High Court. We anticipate the hearing will not be held until late this year, or next even year, due to High Court delays caused by Covid.

We will keep shareholders updated as this process develops.

FARM ENVIRONMENT PLANNING, EDUCATION AND CONSENTS

FEP Auditing update

Farm Environment Plan (FEP) Audits are still on hold for the area south of the Rangitata River and there is no timeline from ECan as to when they will recommence.

It is anticipated that Overseer will continue to be the easiest way to collate the information needed for the audits. However, it won't be able to be used as the single factor to demonstrate compliance/non-compliance as it was before. While there is a cost to getting an Overseer budget completed, it will be more cost effective than having an auditor to go through paper-based records and spreadsheets. We hope we'll receive clarification soon on the audit commencement date, and whether a 20/21 Overseer budget will be required, or if shareholders will be able to push out to a 21/22 budget for those that should have been audited prior to June 2022.

When audits recommence, it is likely that:

- For livestock-based systems, Overseer will continue to be used.
- For arable systems, if recording systems such as ProductionWise or

FarmIQ (or equivalent) are utilised, Overseer will provide little value. However, if these recording systems are not used, Overseer will continue to be the best tool to capture the data required for an audit

Farm Management Plan rollout

Lucy Millar will contact all shareholders with properties exceeding 10 hectares who do not currently require a farming land use consent, as such properties are required to have Farm Management Plans (FMPs) and to register with ECan's Farm Portal to be classed as a Permitted Activity. FMPs are a simplified version of a FEP, containing details of how the property is managed and creating a map of important features on the property, such as waterbodies. Their completion will also help OWL's understanding of land use and irrigation management throughout the scheme.

Farming Land use Consents

OWL considers it vitally important to protect the reputation of the scheme and ensure it is compliant in all aspects of its operation. This includes the requirement to only deliver water to

shareholders who hold a farming land use consent, where they are required by regulation to have one.

Positively, the vast majority of shareholders who meet the requirements to hold a farming land use consent, have either been issued a consent, or are in the application process with ECan. However, we are aware a small number of shareholders are yet to lodge an application. Due to a hold on processing consents in the OTOP region, applications are unable to be lodged at this point, but it will be a priority for OWL to ensure these are lodged as soon as practicable.

Greenhouse Gas (GHG) Emissions

The partners in He Waka Eke Noa (including the Government) have developed two options to price agricultural greenhouse gas emissions; a farm-level levy, or a processor-level hybrid levy. During February and March, feedback was sought from farmers, growers and others in the primary sector on these options, via a national roadshow and online workshops. The He Waka Eke Noa partnership will provide its recommendations to Government Ministers by 31 May 2022.



WATER QUALITY MONITORING PROGRAMME

OWL carries out water quality sampling at multiple locations throughout the region so we can better understand water quality and ecosystem health within the lake, rivers and surrounding catchments.

Two new water quality monitoring programmes have been developed during the past couple of months to increase our understanding of

water quality in the tributaries of Lake Opuha and the upper Opihi River. Understanding and quantifying nutrient inputs and *E.coli* levels is essential managing water quality issues such as cyanobacteria blooms, high nitrate levels, or elevated *E.coli*. If high concentrations of nitrate or *E.coli* are detected in the tributaries of Lake Opuha or the upper

Opihi River, we will work with landowners to identify the source of these high levels.

This water quality monitoring program started in late January 2022 and will continue monthly. The outcomes of OWL's monitoring programmes will be shared with shareholders via the Upper Opihi-Opuha Catchment Group.



Lake Opuha Island

BIODIVERSITY PROJECT

One of OWL's seven long term (20-30 year) strategy goals is 'An enduring biodiverse corridor centred on our waterways from the mountains to the sea (Ki uta ki tai)'. While this is a long-term goal, it will never be achieved if we do not commit now to investing in planning, partnerships, and work on the ground.

Improving biodiversity incorporates four factors – protection, restoration, enhancement, and creation – in order of ecological importance and success. OWL management see three key opportunities for improving biodiversity throughout the scheme, to achieve our long-term strategic goal:

- 1) protection, restoration, enhancement, and creation of biodiversity on shareholders' properties. This starts with the drafting of biodiversity plans for shareholders, and, in future years, there will be budget for the implementation of these plans;
- 2) creation of biodiversity on land owned by OWL, starting with the Lake Opuha Island as a priority;

- 3) stakeholder partnerships in biodiversity projects.

Biodiversity Plans

Biodiversity plans for large properties are underway. Lucy Millar will provide an email 'heads-up' to shareholders in each catchment prior to contact by Lang Sustainability (LSL). OWL plans to have the majority of these completed by the end of June, so when Nicole or Danette from LSL call to book a site visit with you, please make the time to meet with them. Remember, to be eligible for funding assistance in subsequent years, the actions need to be documented in your plan. Significant Natural Area (SNA) reports are being sought from shareholders to inform and complement these plans and ensure duplication is avoided.

A 'Steering Group' has been established made up of OWL, DOC, ECan and AEC, which has helped with the 'catchment context' to date and will also help determine the priorities for implementation of the plans.

Lake Opuha Island Planting

OWL has engaged the services of Ines Stager, a landscape architect from Geraldine, to draft a long-term biodiversity and landscape plan for the island and surrounding areas. This will guide our biodiversity corridor project on OWL land for the next 10-15 years.

Given that the lake is such a well-used and appreciated recreational resource, OWL is keen to ensure our shareholders, key stakeholders and the wider community are on-board with our enhancement plans. We will send the draft to shareholders and consider making it public through the Fairlie Accessible and OWL websites and OWL's Facebook page.

The island project is likely to start in April with ground spraying to ensure weeds are under control prior to any planting.

Long term, we hope the community can be involved in planting days. There is also potential for volunteer and/or sports club fundraiser events. As plans develop, we will keep shareholders updated.

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Partnership Projects

There are two partnership projects currently under development:

- 1) A partnership with the Mackenzie Community Enhancement Group to enhance the Opihi River at two-to-three sites between the Fairlie Allendale Bridge and the Opihi Gorge
- 2) A partnership between the Mackenzie Community Enhancement Group, DOC and OWL to set up a predator trap library in Fairlie. There is also the potential for a Pleasant Point trap library in partnership with DOC and the Pleasant Point Lions.



Trap Library

ENVIRONMENTAL POLICIES

FEP and Audit Fee Charging Policy (2021)

The existing policy has been updated with some minor changes as follows:

- on-charging cost incurred for making scheduling changes to an audit (regardless of the audit grade achieved); and
- costs relating to audits required due to compliance with OWL held consents.

Poor On-farm Environmental Performance Policy

OWL has a new policy that provides a process to consistently resolve incidents and complaints of poor on-farm environmental performance by shareholders and water users. Poor on-farm environmental performance can have serious consequences, creating health and safety risks for the public, leading to adverse environmental outcomes, and wasting the precious water resource.

Share Allocation and Trading Policy

OWL's Share Allocation and Trading Policy states (amongst other things) that any Share Transfer or Licensing is conditional on:

- The appropriate water takes (and associated) consents being applied for and obtained by the regulatory

authority and OWL is satisfied that the shares traded can be used within the consent conditions;

- The appropriate land use consents have been applied for and obtained and OWL is satisfied that the shares being traded can be used within land use consent and nutrient management constraints;
- The irrigated area in the North Opuha, South Opuha and Upper Opihi scheme areas does not increase beyond the current (April 2019) area; and
- Ensuring that OWL's ability to remain compliant with existing resource consent conditions is not compromised (e.g., rates of take and irrigation command areas).

During the last 12 months, OWL has received several share transfer applications relating to property sales and leases that have been held up because of insufficient information to determine if these conditions have/ can be met. Generally, this occurs when either: 1) the required land use consents have not been obtained; or, 2) there is no Overseer scenario budget to demonstrate that consent limits can be complied with.

It is imperative that potential purchasers or licensees ensure this information is provided at the time of the share transfer or license application, to ensure it can be

processed quickly and efficiently.

All Environmental policies can be found on the OWL website, www.opuhawater.co.nz/company-information

THE ENVIRONMENTAL TEAM

If you have any questions about issues that have been raised in the newsletter, don't hesitate to get in touch with OWL's Environmental team.

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