



**ROTORUA**  
LAKES COUNCIL

---

# TARAWERA SEWERAGE RETICULATION SCHEME

UPDATE AND  
RECOMMENDATIONS

# SCHEME BENEFITS and COSTS

---

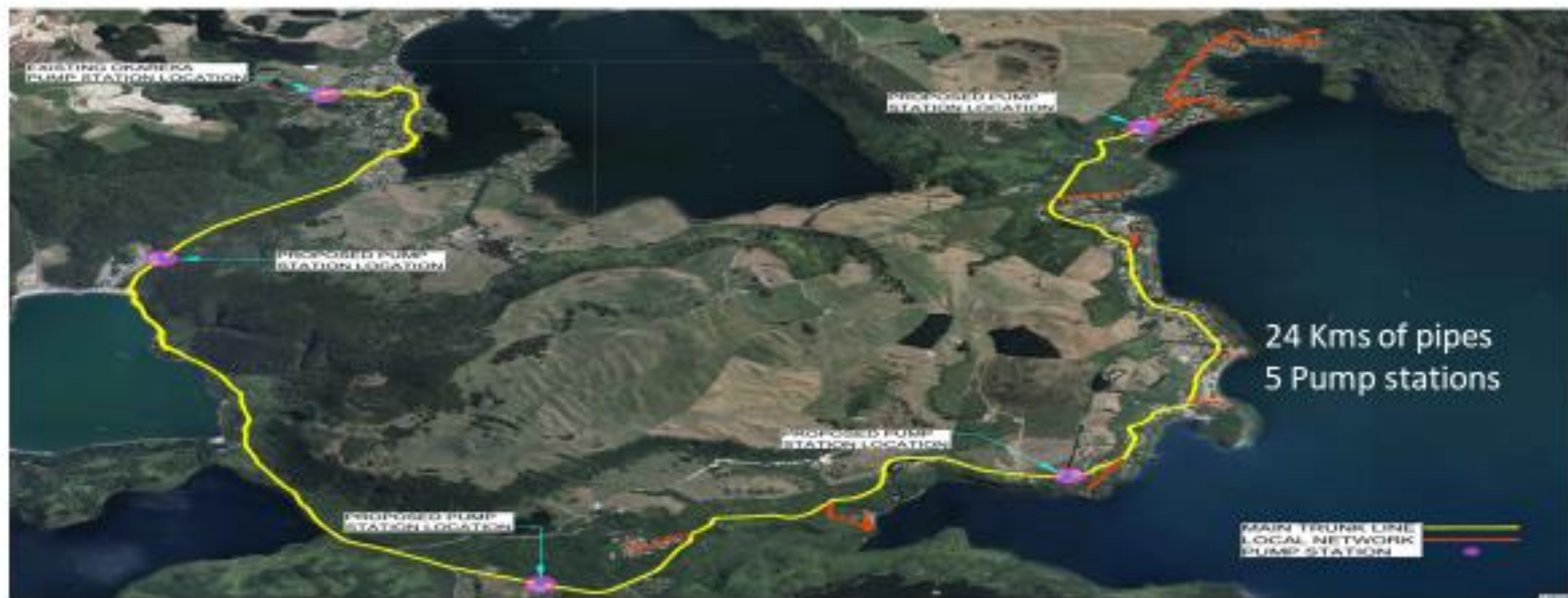
- Sewerage Reticulations since 2006 – 2400 properties to-date
- Health, Cultural & Environmental Benefits – Immediate and Sustainable
- Gross investment to-date Approx. \$95.0 mil
- Gross cost escalation trends from 2006 – date (Average 4% p.a. \$24K to \$63K)
- Reticulations are increasingly expensive but critical to benefits
- Capital Funding Plans consistent (Net capital costs by property owners)

# LAKE TARAWERA SS

---

- One of last remaining communities not reticulated
- Strong Health, Cultural and Environmental effects/impacts
- Design and Price Indicators reported to Committee on 9 June 2022
- Price significantly higher than 2018 estimate – agreed to proceed in two stages to optimize price and safeguard MfE subsidy of \$6.5 m for 2022/23 year.
- Community information / transparency undertaken in July 2022 (letter attached to report)

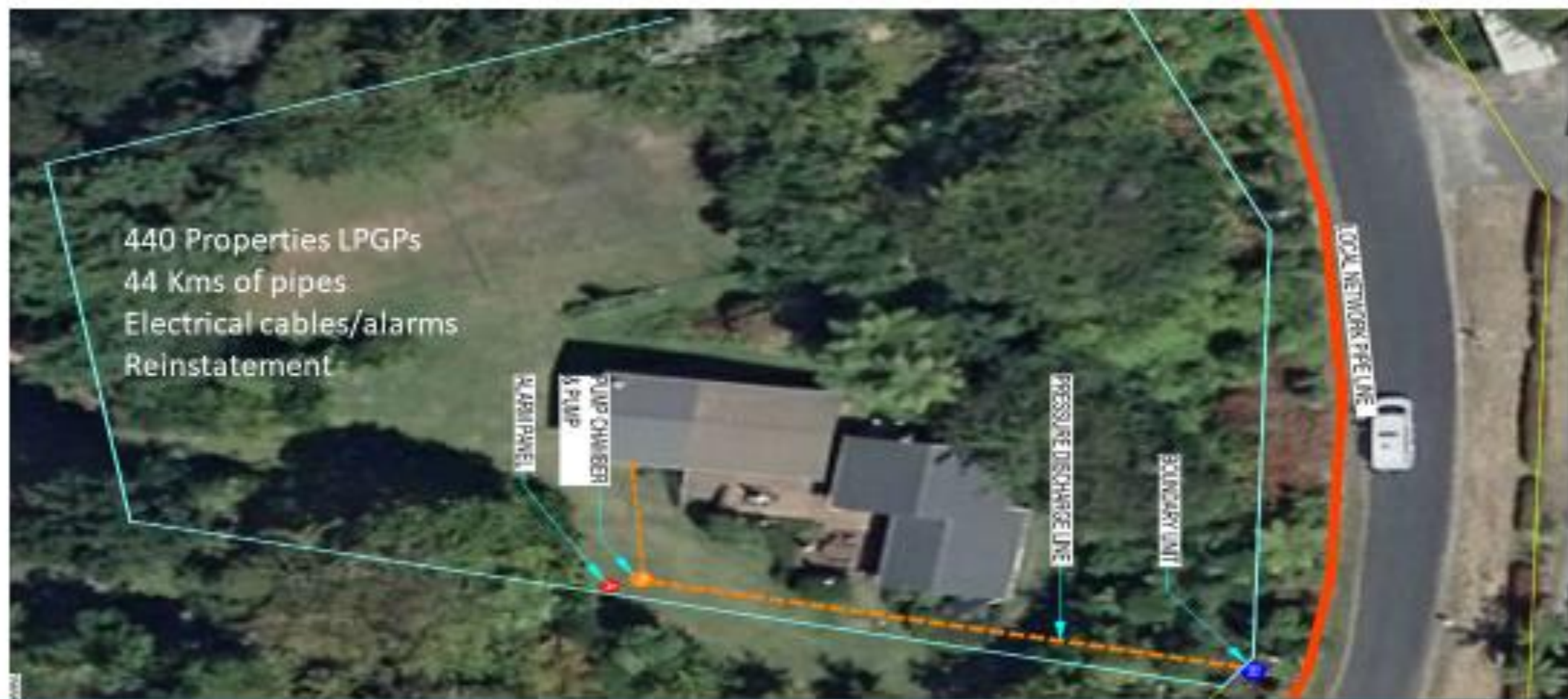
# THE SCHEME – STAGE 1



TARAWERA SCHEME

ROTORUA  
LAKES COUNCIL

## THE SCHEME – STAGE 2



TARAWERA SCHEME

ROTORUA  
LAKES COUNCIL

# COMMUNITY FEEDBACK

---

- Letter sought feedback on two preferences each with impacts (A&B)
- Letter clarified that non response will be considered favouring preference A
- Responses received 349
- Preference A – 270 and Preference B 190
- No responses 146
- Some community members proposed stronger RLC financial support (approx. \$10.0 mil) and individually installed on-property systems for Stage 2. (Bespoke Option C)

# Bespoke OPTION C

---

- Assumes an extra approximately \$10,000,000 will be funded by the district
  - Would trigger significance policy
- Assumes the cost will be '15k plus or minus' (Wrong assumptions)
- Onsite work is in stage 2 and can be worked through subject to conditions.
- Erroneous information in the community
  - Fresh water improvement fund
  - 10 Year payment option
  - Blanket Building Consent
  - Proponent telling residents that the cost will end up as \$80,000 to \$100,000

## TARAWERA RETICULATION SCHEME UPDATE AND FEEDBACK REQUEST FORM

Please provide response by 29 July 2022

Please complete form below and return, and either by post in the enclosed self-addressed envelope or by scanned email to Sarah Pauli ([sarah.pauli@rotorualc.nz](mailto:sarah.pauli@rotorualc.nz))

Please note that property owners who do not respond will be considered to be in favour of Preference A.

Action and Pertinent Notes	Preference
<p><b>Proceed</b> with construction in stages noting that:</p> <ul style="list-style-type: none"> <li>Time constraints and the risk to the MfE funding (\$6.5m);</li> <li>Only alternative solution is OSET rule enforcement (\$25-35k);</li> <li>Some 170 properties unable to comply with OSET rule;</li> <li>Three waters reform unlikely to give this project high priority;</li> <li>Stage 2 cost uncertainty may result in higher than estimated \$33k net cost to property owners;</li> <li>The new capital repayment plan by Council (10 year option).</li> </ul>	<b>A</b>
<p><b>Do not proceed</b> with construction until Stage 2 costs have been confirmed, noting that:</p> <ul style="list-style-type: none"> <li>There is a high likelihood of forfeiting MfE funding support (\$6.5m);</li> <li>Risk of market cost escalations in the order of 15% p.a;</li> <li>OSET rule enforcement only alternative (cost and viability for 170 properties);</li> <li>Three waters reform unlikely to give project high priority.</li> </ul>	<b>B</b>
<p><b>Council to proceed</b> with Stage 1 – Construction of Sewer Mains Network (as set out on Page 2 RLC letter 01 July 2022) noting that:</p> <ol style="list-style-type: none"> <li>RLC, with urgency, commence Stage 1 of the Scheme being the infrastructure network for reticulation on public land to connect via the Lake Okareka Scheme.</li> <li>All costs to be borne by RLC, sourced from RLC, BOPRC, Central Government or any other sources but with <b>no contribution whatsoever</b> from Lake Tarawera ratepayers.</li> </ol> <p><b>Lake Tarawera Ratepayers agree to individually, wholly undertake and fund</b> Stage 2 – Connection of all properties to the sewerage main network (as set out on Page 2 RLC letter 01 July 2022) noting that:</p> <ol style="list-style-type: none"> <li>Stage 2 comprises the work to be undertaken on private properties;</li> <li>Cost per developed property estimated \$15k (plus or minus) depending on difficulty, less RLC contribution \$1.5k and BOPRC contribution \$1.65k;</li> <li>RLC to provide blanket building consent containing installation requirements and guidelines to be valid within a certain timeframe to be determined (anticipated Dec 2024)</li> </ol> <p><i>Note: Option "C" is similar to The Landing @ Marsden subdivision by Whangarei District Council with developer cost approx \$15K. If you have a difficult property and are concerned about the likely cost of Option "C" it is recommended you talk to a drainlayer and/or electrician.</i></p>	<b>C</b>

Please indicate below:

Name: _____	(please circle one)
Property Address: _____	A or B or <b>C</b>
<i>(Please copy your address from Council form)</i>	

## TARAWERA RETICULATION SCHEME UPDATE AND FEEDBACK REQUEST FORM

Please provide your response by 29 July 2022

Please complete for below and return, and either by post in the enclosed self-addressed envelope or by scanned email to Sarah Pauli ([sarah.pauli@rotorualc.nz](mailto:sarah.pauli@rotorualc.nz))

Please note that property owners who do not respond will be considered to be in favour of Preference A.

Action and Pertinent Notes	Preference
<p><b>Proceed</b> with construction in stages noting that:</p> <ul style="list-style-type: none"> <li>Time constraints and the risk to the MfE funding (\$6.5m);</li> <li>Only alternative solution is the OSET rule enforcement (\$25-35k);</li> <li>Some 170 properties unable to comply with OSET rule;</li> <li>Three waters reform unlikely to give this project high priority;</li> <li>Stage 2 cost uncertainty may result in higher than estimated \$33k net cost to property owners;</li> <li>The new capital repayment plan by Council (10 year option).</li> </ul>	<b>A</b>
<p><b>Do not proceed</b> with construction until Stage 2 costs have been confirmed, noting that:</p> <ul style="list-style-type: none"> <li>There is a high likelihood of forfeiting MfE funding support (\$6.5m);</li> <li>Risk of market cost escalations in the order of 15% p.a;</li> <li>OSET rule enforcement only alternative (costs and viability for 170 properties);</li> <li>Three waters reform unlikely to give this project high priority.</li> </ul>	<b>B</b>

Please indicate below:

Name: _____	(please circle one)
Property: _____	<b>A</b>
304 Spencer Road	or
	<b>B</b>



# OFFICER CONCLUSION

---

- Legitimate community concern about net costs (trends from 2006 will continue)
- Status Quo non-viable (septic tanks) – OSET non-viable for 40%.
- Effort required to further suppress price for Stage 2 (due in 2023/24 year)
- Important to progress with Stage 1 for MfE funding support (2022/23)
- RLC has responsibility to pursue health, cultural and environmental objectives.
- RLC only authority with legitimate power to make decisions, strike rates in line with funding plan and make efficient use of public resources.
- Suggestion for a changed delivery approach contains significant risks to Council's financial position and vested assets integrity. Not supported.

# COUNCIL OPTIONS SUMMARY

---

1. Community requested RLC lead project in 2018
2. Officer conclusion is for project to be installed in stages (optimize price/net costs)
3. Council agrees to proceed on this basis with on-going assessment
4. Some in community may wish RLC to adopt alternative delivery (Not supported)
5. Community takes lead and manage project themselves (RLC exits)
6. Community accepts the risk of compliance with BOPRC Mce Zone Rule either collectively or individually.