

ROTORUA LAKES COUNCIL

Mayor
Chair and Members
STRATEGY, POLICY AND FINANCE COMMITTEE

**CONSIDERATION OF FEEDBACK TO THE ROTORUA LAKES COUNCIL LONG-TERM PLAN 2021-2031
CONSULTATION DOCUMENT**

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Report approved by: Geoff Williams, Chief Executive

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to receive and consider the feedback received on the Long-term Plan consultation document.

**2 HE TŪTOHUNGA
RECOMMENDATION**

- 1. That the report "Consideration of feedback to the Rotorua Lakes Council Long-term Plan 2021-2031 consultation document" be received.**
- 2. That the Committee receive the staff analysis and recommendations to the consultation document topics.**
- 3. That the Committee notes:**
 - (i) the direction set during the course of considering feedback will determine and guide the development of the final Long-term Plan 2021-2031.**
 - (ii) that the final Long-term Plan 2021-2031 will be adopted by Council on 28 June 2021.**

**3. TE TĀHUHU
BACKGROUND**

The Long-term Plan 2021-2031 consultation document was signed-off by Audit New Zealand and adopted by Council on 25 March 2021 with a four week engagement period running from 30 March to 30 April 2021.

Over the course of the four weeks Councillors, Lakes and Rural Community Board and Te Tatau o te Arawa members actively led engagement activity within our community on the proposals put forward in the consultation document.

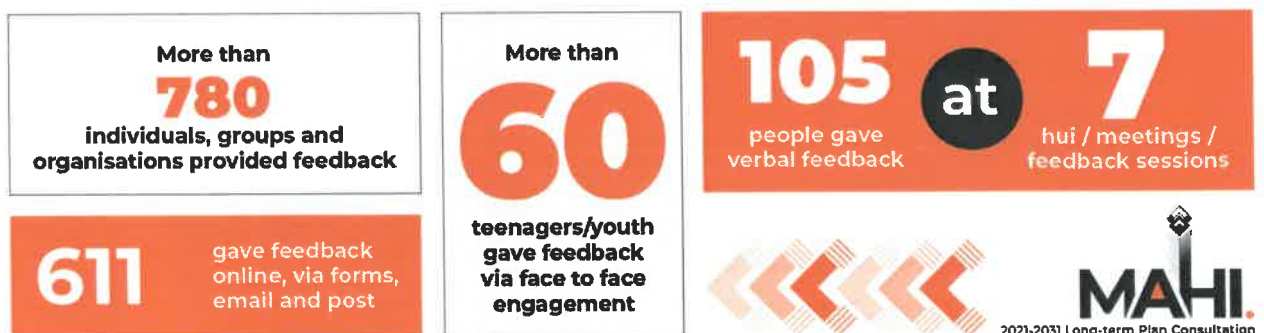
The consultation document contains the five priority areas including:

- Homes and Thriving Communities
- Community Safety
- Economic Development
- Climate Change
- Infrastructure Strategy

Feedback was sought on the four consultation topics:

- Aquatic Centre
- Community Safety
- Fees and Charges
- Rates – UAGC

The consultation document has been well received within the community.



The deliberation process is the committee's opportunity to consider the feedback received and to make decisions around topics and issues that are raised by the community against what has been accounted for to date in the consultation document.

4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The Long-term Plan 2021-2031 consultation document has district wide significance and therefore is required to use the special consultative process before adoption of the plan can be undertaken.

5. NGĀ KŌRERO O TE HAPORI ME TE WHAKATAIRANGA COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

Engagement on the Long-term Plan was undertaken 30 March to 30 April 2021. This stage will not require additional engagement.

Council is required to adopt its Long-term Plan by 30 June 2021. Following consideration of the feedback the final plan will be developed and adopted at the 28 June Council meeting.

6. HE WHAIWHAKAARO CONSIDERATIONS

6.1 He Whaiwhakaarotanga Mahere Pūtea Financial/budget considerations

The decisions made during the course of the deliberations could result in changes to the overall ten year plan 2021-2031. The impact of any change will be discussed as it arises and will be considered cumulatively in the summing up of the feedback.

6.2 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications

The adoption of the plan sets the council's direction and financial framework for the next financial year.

6.3 Tūraru Risks

Major changes or alterations made during the consideration of the feedback will have an impact on the financial strategy. Significant changes may affect Council's ability to adopt the plan within statutory timeframes, and may result in further consultation and audit requirements.

6.4 Te Whaimana Authority

Full Council is the final decision maker on plans, projects and budgets within the Long-term Plan. The considerations from this committee will be used to progress the final direction and development of the Long-term Plan.

7. NGĀ ĀPITI HANGA ATTACHMENTS

- Attachment 1: [Aquatic Centre](#)
- Attachment 2: [Community Safety](#)
- Attachment 3: [Fees and Charges](#)
- Attachment 4: [UAGC](#)
- Attachment 5: [Homes and Thriving Communities](#)
- Attachment 6: [Economic Development](#)
- Attachment 7: [Climate Change](#)
- Attachment 8: [Infrastructure Strategy](#)
- Attachment 9: [Lake Tarawera Reticulation Sewerage Scheme](#)
- Attachment 10: [Westbrook Sports Precinct](#)
- Attachment 11: [Rates increases](#)
- Attachment 12: [Other Feedback](#) (To be circulated separately)

Attachment 9: Lake Tarawera Reticulation Sewerage Scheme**Lake Tarawera Reticulation Sewerage Scheme****Background**

Lake Tarawera is a valued taonga for iwi and the whole community. However, algal blooms have occurred in the lake and e-coli have previously been detected, both of which adversely affect the water quality of the lake.

If lake water quality declines, the lake could tip into an algae-dominated state, from which recovery would be extremely difficult and costly. It is important that we take all measures we can to manage nutrient flows to the lake now. Significant nitrogen and phosphorus in Lake Tarawera comes from natural sources (e.g. geothermal), so our focus is centred onto the "manageable load". At Tarawera, most homes rely on some form of septic tanks to manage their wastewater, which over time leach into the lake and this contributes about 15% of the manageable load. Removing potential sources of e-coli (such as septic tanks) is also important to maintain the bathing water quality of the lake.

Dealing with wastewater at Tarawera is therefore a very important action point that will have an immediate impact on manageable load and the overall water quality.

Most homes at Tarawera are currently served by septic tanks, which are no longer acceptable because of leaching into the lake. On-site effluent treatment (OSET) is not viable for all properties because it cannot be physically implemented on an estimated 170 properties (because of the size, slope and other practical conditions on-site).

Under the BoPRC's Plan Change 14 (OSET rules), septic tanks will no longer be allowed. Instead, an Advanced Wastewater System with nutrient reduction will be required. Currently installed OSET systems that do not have nitrogen reductions will therefore be non-complying. A compliant installed OSET system is estimated to cost approximately \$28,000 to install. The on-going consenting, operational, maintenance, repair and renewal costs would be the owner's responsibility. That means the available and most viable options for managing wastewater for all current and future Tarawera properties are:

- Reticulation to the Rotorua wastewater treatment plant (via private land to the existing Ōkāreka pumping station).
- Reticulation to the Rotorua wastewater treatment plant (via the public road network corridors to the existing Ōkāreka pumping station).
- Reticulation to a new treatment plant at Tarawera.

In 2015, the Lake Tarawera Sewerage Steering Committee (made up of representatives from Tūhourangi Tribal Authority, Te Mana o Ngāti Rangitīhi, Māori landowners, the Lake Tarawera Ratepayers Association, TALT, BoPRC and Council) was established to review the five possible options. In October 2018, the Steering Committee unanimously identified the preferred option as reticulation to Rotorua WWTP via the public road network to the Ōkāreka pumping station (the "Preferred Option"). The Steering Committee also unanimously supported on-site low-pressure grinder pumps (LPGPs) for each property as part of the Preferred Option. The Preferred Option was favoured because it has the lowest overall long term cost for home owners as well as for the Council's long term network operations, would help to measurably improve water quality at Tarawera, avoids wāhi tupuna (ancestral sites), and could be implemented quickly (resource consent is not required).

The Steering Committee, together with Rotorua Lakes Council, applied to the Ministry of the Environment for funding support to progress a Tarawera wastewater reticulation scheme. The application eventually received an offer of \$6.5M of support funding. This funding was augmented by an additional contribution made by the Rotorua Lakes Council and the Bay of Plenty Regional Council of combined value of about \$1.6M.

These contributions will not cover the full cost of the new scheme. The Council's current funding policy for the proposed scheme is that each ratepayer within the scheme's Area of Benefit will pay a lump sum for their share of the actual net capital costs of the scheme (i.e. actual costs less the government and council contribution). The ratepayer lump sum payments would be payable as soon as the scheme is completed and commissioned. We anticipate that this will be within the next three years.

The Preferred Option is currently estimated to have a gross capital cost of approximately \$22.5M. This estimate is based on a total of 550 Household Unit Equivalent (HUEs), which allows for some growth (because currently there are only 446 HUEs). It is also based on our experience of unit cost prices for the Rotomā/Rotoiti sewerage scheme. However, it is important to note that the estimate will need to be updated once we have carried out detailed design (which will fully validate the specific engineering and geotechnical needs for each property) and after construction tenders are received.

On the basis of the current cost estimates, this means:

1. The net capital cost (as currently estimated) will be divided by 550 HUE for the network and by 446 HUE for the LPGPs. For existing homes, this equates to approximately \$33k (GST inclusive).
2. The future operational, maintenance and renewal costs of the scheme will be carried by all ratepayers in the district who are connected to the Rotorua district's wastewater networks as part of the sewerage targeted levy (estimated to be an additional \$30-40 to the current targeted rate for wastewater).
3. All new land subdivisions and developments within the Tarawera Sewerage Scheme area will be required to connect to the network and to install the appropriate on-site system. The capital costs for adequate sewerage infrastructure capacity for future development will be carried by Council until the development occurs.
 - At the time of new development contribution to the capital costs of the network plus the market price for the purchase and installation of the on-site system, as it will be at the time, will be paid by the development owner.

On 26 November 2020, Council passed a resolution agreeing to the proposed Tarawera wastewater reticulation scheme, comprising the installation of low pressure grinder pumps on each property and a mains pipeline connecting the new Tarawera network to the Ōkāreka wastewater pump station and then to the main city treatment plant.

In February 2021, Council formally advised each affected Tarawera ratepayer of the decision to proceed with reticulation to Rotorua via the roading network corridor and Ōkāreka and sought to gain a positive response from approximately 75% of the community acknowledging the Council's direction, timing and next steps. More than 240 responses were received to that initial letter. Of those responses approximately;

- 65% fully support the proposed reticulation scheme and expressed the conviction that the proposed reticulation is the most viable and long term sustainable option for the local community.
- 30% of the feedback received advised support for the proposed reticulation scheme and urged Council to explore potentially more flexible funding options to mitigate the initial net capital cost burden on the local ratepayers.
- A small portion of the responses, 5%, stated opposition to the proposal.

On 16 April, a second letter was sent to all Tarawera ratepayers providing further information. To date some 270 responses have been received with the same distribution of feedback as above.

A community meeting was organised by the Residents' Association and was held on 21 April. Questions on the timing, project costs and household capital contributions were further discussed.

Analysis of feedback points

Total feedback on this topic

125

Note: all people providing feedback wish for the Lake Tarawera Reticulated Sewerage Scheme to go ahead in the first year of the LTP. Their request is that those ratepayers who wish to do so are allowed to pay off the capital cost of the proposed sewerage system over an extended period of time and up to 25 years.

Lake Tarawera Ratepayers Association has been asking for a reticulated wastewater scheme for Lake Tarawera since 2012. Providing feedback in support of the proposal proceeding LTRA fully supports the Council decision to proceed with the proposed Tarawera wastewater reticulation scheme as: Lake Tarawera is iconic, a gateway to NZ tourism and to cultural tourism. Submission in opposition to the details of the funding - What LTRA does not support is what Council is proposing in terms of how this reticulation is funded and the 'conditions' it is imposing before

detailed design and construction will proceed. Accordingly, the LTRA seeks that the Council: Accepts the support of the proposal from the respondents to date as sufficient to proceed with this proposal (i.e., it waives the 75% requirement as it has had sound endorsement of the proposal from respondents). Commences the work on the reticulation proposal for the Lake Tarawera wastewater to the city treatment plant in July 2021 (i.e., not commencing in 2023/2024, as proposed in the draft Long Term Plan). Provides an alternative payment option for the ratepayers who do not wish to commit or cannot commit to the lump sum payment. That is, it provides an option for payment as a targeted rate over a period of 25 years, as it has for all other schemes in the district. It is submitted that this will ensure the social, economic and cultural wellbeing of the Rotorua people and its communities are provided for and that the natural environment is enhanced.

Overall Comments:

- Support the Council decision to proceed with the proposed Tarawera wastewater reticulation scheme because, the water quality is declining.
- In 2021 septic tanks are not an acceptable way to dispose of wastewater and there is no other viable option for wastewater.
- Difficulty in accepting the terms of the scheme as outlined in the letter all ratepayers at Lake Tarawera received in early February.
- Tarawera residents have enthusiastically supported the reticulation project (this has been so all the time the project was talked about).
- The council has been very reluctant to make progress – even given the support for the project.
- The issue is finance and how the scheme will be funded – it is not equitable that Rotoiti had the option of a payment scheme and Tarawera has not had the same right. The Council been so discriminatory against Lake Tarawera ratepayers.
- The reticulation has become virtually a compulsory provision for the Lakeside communities and accordingly the Regional Council's rule book was re-written in 2008.
- Council should have made greater effort to sell the scheme to the property owners, rather than relying on local ratepayers associations or interested groups to which each and every member joins voluntarily.

Recommendation

Note that from 2017 all properties with existing septic tanks should have either connected to a reticulated system, or should have upgraded to an Aerated Wastewater Treatment System with Nitrogen Reduction (AWTS + NR). The discharge of treated domestic waste water into the land from an existing septic tank became a discretionary activity.

AN AWTS + NR which meets the requirements in the OSET Plan is estimated to cost \$28,000 to install. In addition, the ongoing consenting, operational, maintenance, repair and renewal costs of such system would be the owner's responsibility. Routine maintenance and servicing costs are estimated to be approximately \$500 per year.

That the committee continue to support the design and delivery of a reticulated sewerage scheme for Tarawera.

That a Tarawera sewerage scheme sub-committee is set up, consisting of council officers, Lakes Community Board members and appropriate representation of local residents of Tarawera to jointly develop a set of criteria that lays out clear guidelines on identifying those ratepayers that are not able to provide lump sum repayments at the completion of the scheme and develops viable repayment options for them. Modelling the repayments has been based upon 75% residents being able to pay upfront. The outcomes of the sub-committee's work are reported to Council before adoption into the scheme's capital funding plan.

That the committee supports initial work to progress the detailed design and a scheme procurement process in year 1 of the LTP, bringing forward approximately \$2.5 million to provide the community with more certainty on the full project costs and the required household capital contribution.

That the committee supports bringing forward the project from year 5/6 into year 2-4 subject to continued community support, more accurate costings and the clearly defined repayment criteria after year one of the LTP.