



Proposed East Rotoiti/Rotomā sewerage scheme

Council committed through its long-term plan to a sewerage reticulation scheme for East Rotoiti and Rotomā.

The key objectives of the project are good lake water quality and protecting public health.

There is also a strong commitment to respecting traditional cultural values and community expectations.

There are about 700 properties in the proposed service area for this scheme with allowance also made for some future growth.

Many homes in the district's lakes communities draw their water from their nearby waterway which, if those systems fail, can impact on water quality and pose a public health risk.

Council is working alongside a community-led steering committee for the East Rotoiti and Rotomā project and has approved a preferred option for the scheme, which would replace existing septic tanks and would treat wastewater to a very high standard before being discharged to land.

The estimated cost per rateable property in the scheme is \$12,900 which will contribute towards the total average cost per property of \$52,000.

The total estimated cost of the scheme is \$34.5 million which would largely be covered by subsidies from:

- > Ministry of Health \$4.46 million
- > Bay of Plenty Regional Council \$8.6 million
- > Ministry for Environment \$11.6 million

Council will need to fund the rest (\$9.8m) and will need to borrow that amount. It's proposed the borrowing be spread across the

2018/19 and 2019/20 financial years.

There are some time pressures on the project. The Ministry of Health's funding contribution has a deadline which means the scheme would need to be completed by June 2018 to receive the subsidy, impacting on the 2017/18 financial year budgets.

What is council proposing?

Council's preferred option is to continue to progress with the scheme and introduce a capital targeted rate for East Rotoiti/Rotomā ratepayers from the 2017/18 financial year (which they could pay in total up front or pay off over 25 years).

Introducing the targeted rate now, during implementation of the scheme, would help reduce the overall cost of the scheme.

Affected ratepayers would have the option of:

- > An upfront payment of \$12,900 in July 2017
- > Or \$994 per annum over 25 years

Ongoing maintenance of the treatment plant for the scheme will cost an estimated \$1.4m per year.

To cover that cost, Council would need to increase the current sewage rate for all rateable properties in the district by 8% or \$37 (including GST).

What happens if the scheme doesn't proceed at all?

If a reticulated scheme is not provided, Bay of Plenty Regional Council's OSET (on-site effluent treatment system) rules will apply. This requires installation of on-site systems on all properties which cannot connect to a sewerage system. The costs of OSET are carried by individual property owners.

Progress so far

2013 – Steering committee established

2014 – Committee's preferred option approved by Council and included in the 2015-25 Long-term Plan

2015 – Agreement on proposed treatment plant and land disposal sites

2016 – Cultural impact assessments completed and resource consent application submitted

Future considerations

Part of Council's role as a partner in the Rotorua Te Arawa Lakes Programme is to provide and maintain sewerage and stormwater infrastructure. To date schemes have been provided under this programme for, Mourea/Okawa Bay, Hinemoa Point, Brunswick/Rotokawa, Okareka/Tikitapu, Okere Falls/Otaramarae and Hamurana.

Other lakes communities – Tarawera and Rotoehu – also now have community-led committees which are considering options and funding for reticulated sewerage schemes in their areas.

The challenge for our community is how these will be funded with subsidies such as those obtained for East Rotoiti/Rotomā unlikely to be available for other future schemes.

This will be an issue which Council and the community will need to consider for future long-term planning.



Other proposals for community feedback



Museum recovery targeted rate

Council proposes introducing a 0.5% targeted rate to cover a revenue shortfall caused by the unexpected closure of Rotorua Museum.

The 0.5% rate would see every rateable property charged an additional \$14.20 per year – the same for everyone regardless of capital values. This would apply only until the museum re-opens.

The alternative is to fund the shortfall – about \$400,000 per year – through the general rate which would result in an average 1% rates increase for each rateable property (based on capital values).

Changes proposed for waste services

A move to a 100% targeted rate for waste services is proposed. Currently 20% of the cost of waste services comes from the general rate and the rest from targeted rates. The proposed change will make costs for these services more transparent and will more readily enable potential future changes.

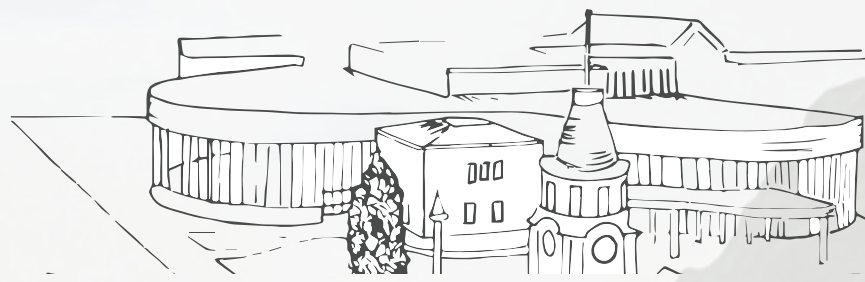
It's also proposed all properties with access to rubbish and recycling services (either kerbside or by way of collection points or transfer stations) be charged the targeted rate for the service, removing the current opt-out option.

1400 properties in the district, mainly rural, currently have no direct waste services. It is proposed services be extended to

these communities which would introduce a new targeted rate for these ratepayers.

Performing arts centre development

Council proposes undertaking earthquake strengthening of the Sir Howard Morrison Performing Arts Centre and at the same time refurbishing facilities in the centre to cater for the local performing arts community. An upgrade would also help attract more national and international performances. The total estimated cost would be \$6.5m, spread across two years.



Removal of community board targeted rate

It is proposed Council's funding policy be updated to allow for partnership/community boards to be fully funded through the general rate. This would see the removal of the existing targeted rate for the Lakes Community Board (\$21.50 per property covered by the board) and would see consistency in how these boards are supported to provide input into decision-making on behalf of the communities they represent.



Decisions made to underpin the 2017/18 Annual Plan

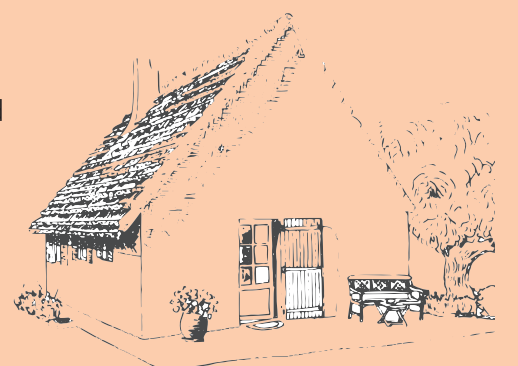
Council committed to progressively returning rating differentials to 1.0 to ensure even distribution across all categories but will defer any shift until a full review is undertaken. This is likely to occur as part of development of the 2018-28 Long-term Plan.

This decision means rural differentials will remain at 0.93 times the general rate and business differentials at 1.7 times the general rate.

The farming remission introduced in the 2015/16 year will reduce by 50% in 2017/18 to prepare the farming community for its likely removal in the next Long-term plan.

Feedback wanted on short-term rentals

Addressing the impact of a proliferation of short-term rentals (e.g. those advertised on sites like Book a Bach and AirBnB) is something other councils are grappling with. Rotorua Lakes Council wants to know if locals want more rigorous regulation of this type of accommodation.



For more information about what's proposed for the 2017/18 Annual Plan go to rotorualakescouncil.nz/letstalk or rotorualakescouncil.nz/koreromai to view the discussion document.