**Reply to LRCA from RLC re Questions our Community have Asked Us**

15 July 2024

All property owners on the East Rotoiti/Rotomā sewerage scheme network have been sent a letter today, along with a list of FAQs, updating them on the capital repayment plan for the East Rotoiti/Rotomā sewerage scheme. The FAQs have also been added to Council's website - East Rotoiti and Rotomā sewerage scheme - Rotorua Lakes Council.

In addition, the new rates assessments are being sent to all ratepayers from 18 July, including residents connected to the new sewerage scheme, which will state the rates to be paid for the 2024/25 financial year.

I have provided answers to your questions below, the majority of which will also be answered via the letter to be sent out soon and the FAQs on Council's website.

1. How and when will they be notified of the amount due and the payment options available?
   Via the letter to be sent out shortly and new rates notice being sent out from 18 July.

2. When will they have to make their first payments be it a lump sum or spread over 25 years
   Through the quarterly rates instalments, the first instalment being due on 22 August.

3. What payment method options will the property owner have for making these payments?
   The capital rate is treated the same as all other rates such as rubbish collection and will be included in any direct debit payment, or any other payment method currently used by ratepayers.

4. Will payments for the sewerage scheme be withdrawn from their accounts, using the direct debit facilities many ratepayers already have in place, without the specific authority to do so from the property owner?
   See No.3.

5. What is the process RLC is obliged to follow to communicate to every ratepayer/ lessee regarding their options - either to pay up front or over 25 years, including interest?
   See No.1.

6. What steps will Council take to actively promote and assist qualifying property owners to utilise RLC's rates remission policy.
   This will be covered in the letter referred to in No.1 above.

7. Will Council approach to the Ministry of Social Development regarding access to supplementary entitlements for pensioners and those on benefits which could be accessed to meet part of the scheme rates.
   No

8. Where payment is spread over 25 years, what interest rate is charged, how is that interest rate set, is it a floating rate? They particularly seek assurance that the interest incurred by property owners aligns with the actual interest cost incurred by the Council?
   Council's internal interest cost of the capital being used is 6%.

9. What is the procedure that Council will follow if a property owner is unable to meet a payment or chooses to delay payment whilst they dispute the charge. What costs will the property owner be required to cover in such circumstances.
   Penalties may be added to unpaid rates instalments, and normal debt collection procedures will be undertaken.

10. What procedure would apply for a property owner who is unaware of the impending charges - eg if they are overseas on holiday and not aware of the LTP process underway?
    The Rotoiti/Rotomā Sewerage Scheme project and consultation has been underway for over six years. Overseas property owners would have received information over the course of these years. They will also be receiving the letter referred to No.1 above.

11. To what extent does the Local Government Act or other like requirements determine the processes followed and what financial disclosures are RLC required to make to property owners?
    Through consultation with the community on the proposed scheme, costs of the scheme, and recovery of the costs.

12. If an additional funding commitment/solution is secured before 1 July, is RLC obliged to immediately recalculate the cost to property owners?
    Should future additional funding be secured towards the Scheme, Council could reset the rate to incorporate the additional external funding.

13. Is Council continuing to pursue additional funding, such as from the regional council or government, which could further reduce the cost to property owners?
    Yes

14. If an additional funding commitment is received after 1 July, is RLC obligated to recalculate the one off cost and the 25 year cost, and refund any over payment?
    See No.12.

15. Finally, what will the procedure be for those who are due to have a sewerage system installed, but do not have one yet?
    The rate will not be charged to ratepayers who are yet to be connected but will be charged once the installation has occurred.

Ngā mihi

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