

From: Stavros Michael

Date: Fri, Jul 31, 2020 at 10:22 AM

Subject: RE: Lake Rotoiti Community Association - re communications around Rotoiti Sewerage Scheme

To: Lake Rotoiti Community Association,

Kia ora Reina

Thank you for the note below. I will outline below a brief, for now, response to clarify a few matters and will follow up later with a bit more detail information as some matters get more clear due the process we follow.

Firstly, as you know this project has a long history that requires careful management to ensure we maintain harmonious and respectful relationships with all local communities around Rotoma/Rotoiti.

One of those historical matters relates to the need to work with local Iwi, especially Ngati Pikiao and the Trustees/Beneficiaries of the Haumini 9B3B Block where the Treatment Plant is sited. Their expectations are embedded into the conditions of the Resource Consent and a significant part of those is the search for and procurement of appropriate on-property pre-treatment systems that address both prudent engineering parameters, cultural objectives and criteria and of course the need to consider final costs affordability for the affected local ratepayers. Because of the history of the project we acknowledge, but not regret, the slow pace towards that outcome which it is necessary to encourage collective support from most parties.

We are currently in the process of seeking final offers for pre-treatment systems from four shortlisted suppliers and we are assessing these proposals in close cooperation with the Cultural Impact Team and the Iwi technical advisors. It has taken a long time to get here but as I noted it was an important part of working collaboratively.

Once we get the outcomes of these proposals we will again assess their suitability weighing up the balanced benefits and risks against the operational, cultural and cost criteria. It is our intention to revert back to the community for their feedback on the preferred option before we go back to Council with a recommendation.

Marissa will update information on the status of the project, estimate decision making process and commencement of works as you note. Thank you.

With regards to costs and all the elements that impact on the final costs I would like to reiterate the following;

1. We are making every effort to keep the final costs to the lowest possible level considering that resource consent conditions must be met and the expectations of Iwi are addressed in terms of cultural matters.
2. The scheme is designed and approved as a single scheme covering all communities Rotoma/Rotoiti. All incurred costs will be in the project, subsidies deducted and net costs distributed to the 770 properties in the benefit zone.

3. There are some costs variances from the estimates of 2016 because of cost indices for materials and services over the last 4 years, the compliance with the agreement with Haumingi 9B3B and the mahi to work with multiple Maori land owners to get consents to install infrastructure on their properties.
4. Next week I am taking a report to the Rotorua Lakes water quality Strategy Group to seek additional funding from the Deed to cover at least 50% of those cost variations in order to reduce the final liability to ratepayers.
5. Finally while we are making every endeavour to keep final costs as low as possible I cannot guarantee yet these final capital costs until we complete the project.

Whether Council might wish to cover any variance between the expected costs for each ratepayer and the actual costs I cannot predetermine now and will be a decision to be made by elected members in due course.

As always more that happy for me, my team and the Cultural Impact Team to meet with the association in due course and discuss further as we are making progress in this direction.

Nga mihi Reina and thanking you again

Stavros

Stavros Michael <i>GM Infrastructure & Primary CDEM Controller – Manahautū: Tūāpapa me te Rākau Whakamarumarū</i>		