

**From:** Stavros Michael Stavros.Michael@rotorualc.nz  
**Subject:** RE: Status Update for Rotoiti East / Rotoma Sewerage Scheme  
**Date:** 23 February 2024 at 10:22 AM  
**To:** Tom Macky temacky@gmail.com  
**Cc:** Eric Cawte Eric.Cawte@rotorualc.nz, Gerhardus Mostert Gerhardus.Mostert@rotorualc.nz, Stacey Main Stacey.Main@rotorualc.nz

SM

Kia ora Tom,

Great talking to you and thank you for taking the time to follow up so we establish contact for on-going communications.

I appreciate that the scheme has a long legacy background and that the local community are entitled to have any concerns raised and effectively addressed by the Council.

To recap some background in brief, the scheme was first agreed to by Council in 2014 and was adopted into the 2018 – 2028 Long-term Plan. Following significant planning by a local community steering group and engineering design work on the preferred option, the scheme applied for and was granted resource consent in late 2017. The conditions of that consent were stipulated by the regulatory authority the BOPRC and were quite challenging if not unique in that they require on-property pre-treatment systems to meet the Cultural Impact assessments undertaken by mana whenua.

The construction of the treatment plant and the reticulation of Rotoma properties (about 220) were completed by late 2020 and work in East Rotoiti began in 2021/22 after Council openly tendered and approved a contract. All parts of the scheme were delivered through public tenders and have adhered to strict resource consent conditions.

Rotorua Lakes Council staff endeavour to provide the Lake Rotoiti Community Association and other stakeholders with regular updates about how the project is progressing. These updates are also available on [our Council's website](#).

In July 2021, after the contract for the installation of on-property systems in East Rotoiti was awarded, a [detailed letter](#) was sent to all property owners outlining the status of the scheme, the evolving actual costs vs the 2014 concept estimates, and the efforts made to keep costs as low as possible.

The project has in recent times also been affected by very high lake levels (management of lake levels sits with the BOPRC) which has meant 40-60% of all installations now require dewatering and sheet pile protection, rather than the earlier estimate of 10%.

The most recent update to the community (December 2023) also highlighted that complex maori land ownership issues continue to provide legal challenges to overcome. The project team are working through these, however this has seen the project completion practical date extended.

In 2014, based on the then only concept plans, the estimated cost of the scheme was around \$35m, with 30% uncertainty and not factoring in forward inflation and regulatory compliance with the consent conditions that were unknown at the time.

### **Current Status of the Scheme**

It is expected that by June 2024 about 600 properties would have been completed. We expect that some 50 properties (multiple maori ownership whenua) will continue to present on-going legal process challenges and will be gradually resolved as the Maori Court process allows.

Currently the scheme is estimated to have a final cost around \$56m (including those yet to be completed properties and the estimated costs of Marae installation) . Only about 35% of this will be funded by the local property owners. There are currently about 650 existing properties but the net capital costs will be divided for 770 properties/ratepayers. This is to split the costs over the future anticipated property development. The debt funded cost for those additional future properties will be held by Council and charged as each property develops and a building consent is granted.

The Council will set the targeted rate by the end of June 2024 after it has undertaken public consultation on its draft Long Term Plan 2024-34, has considered feedback and submissions and finally adopted the Plan. In setting and adopting the targeted rate for the scheme Council is expected to consider further three other elements;

1. The final gross costs of the scheme as they fully materialise (expected as noted above) and deduct the external funding support (around \$36.0 mil)
2. The historical per property subsidy it provides. This has been unchanged since around 2005/6 at \$1500 per property. Any changes to that would reduce further the net cost to the local property owners.
3. The manner which the installation costs for some 7 marae in the area should be treated. Whether Council considers wider community benefit and sharing of some of those costs. Again this would impact on the final net costs to the local community.

Once the targeted rate has been adopted (June 2024) property owners/ratepayers will be notified and will have the option to pay it either as a lump sum or through a targeted rate over 25 years. This was also outlined in the December community update.

The Council is very aware of the impact the cost of the scheme will have on residents which is why we have worked very hard to keep overall costs down and why nearly 65% of the total costs are being covered by funding sources other than the local ratepayers. This level of funding from external parties is the highest for any of the reticulation projects the Council has delivered for around 2500 properties around the targeted lakes.

Thank you again for getting in touch and I hope this provides you with the requested information Tom.

My regards

Stavros

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LAKES COUNCIL

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**From:** Tom Macky <[temacky@gmail.com](mailto:temacky@gmail.com)>  
**Sent:** Thursday, 22 February 2024 6:14 pm  
**To:** Stavros Michael <[Stavros.Michael@rotorualc.nz](mailto:Stavros.Michael@rotorualc.nz)>  
**Subject:** Status Update for Rotoiti East / Rotoma Sewerage Scheme

Thank you for your time today Stavros.

Your update on the status of the project and the process which will be followed to conclude the Property owners cost contribution was very helpful. It is important that our community has this clear correct communication at this stage.

As discussed it would be very helpful if you could provide a letter to us for our community explaining as you did for me the updated status of the project and the process the council will go through in concluding the cost the property owners will be charged for their sewerage systems and the factors that may influence that final outcome.

Ngā mihi,

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