

*RLC reply to LRCA - 26 February 2021-03-02*

*(please note this response is from Council officer Stavros Michael, and the elected Councillors have yet to form a final view on these matters).*

*I refer to the below message from you. Peter Dine is away on leave. However I wanted to briefly outline the status of our current workings with regards to the Rotoiti on-properties ww system that are still outstanding to complete the RRSS scheme.*

*You correctly note that the long process for establishing tender criteria for a successful pre-treatment system for Rotoiti (as required by the resource consent conditions) has resulted in tenders closing and an evaluation process undertaken throughout early December and January.*

*The evaluation and verification process for the proposals has been challenging and many aspects of the proposals had to gain proper assessment. Briefly the tenders identified that a number of market pressures and specific Rotoiti area factors are driving capital supply and installation costs higher than expected. With the need to continue to strive to contain net costs for local ratepayers (as per the scheme funding policy) we have been undertaking options assessment.*

*In mid-February we sought adjustments to the Mfe's (Deed Funding) contribution for the scheme through the Strategy Group to reflect market cost changes. Resolutions for officers to work with Mfe to that effect have been secured and we are now progressing detail applications to Mfe to that effect. The overall objective is to pursue net ratepayer costs as close as possible to those estimated back in 2017. It is a challenging task.*

*However we are, as I noted above, pursuing that avenue now and I am not in a position to discuss more detail yet nor to narrow down timeframes for the discussions outcomes. The intention remains to reach some clarity as soon as realistically possible about the overall funding elements with Mfe, advise the local community and then submit a report and recommendations to Council regarding entering into a construction contract and agreeing the capital and operational funding plan.*

*We are aware and sensitive to the length of time taken to get to this point. We are doing our best to navigate through some difficult matters and until we close these off we are not in a position to provide further detail at this point in time. Please be assured that the process remains as you outlined. i.e. Conclude funding and contract matters, advise the local communities then report to Council with recommendations. We do hope that March/April would be the correct timeframe.*

*Thank you again*

*Regards*

*Stavros*