



Mayor Tapsell and Councillors
Rotorua Lakes Council
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Tuesday 05 December

Kia ora Mayor Tapsell and Councillors,

TARAWERA SEWERAGE SCHEME – Stage 2

We are writing on behalf of the Lake Tarawera Ratepayers' Association (LTRA). We fully support Rotorua Lakes Council's proposal of the Council led installation of (publicly owned) on-property systems for Stage 2 of the Tarawera sewerage reticulation scheme.

The LTRA represents the interest of the Tarawera ratepayers and was formed 54 years ago, over 50% of property owners are members of this organisation. The LTRA exists to advocate for Tarawera property owners and to communicate with the relevant external parties. These parties are predominantly (but not limited to) mana whenua, Rotorua Lakes Council, and the Bay of Plenty Regional Council, who each have a significant influence on our community. Since 2014 our main focus has been sewerage reticulation to protect the lake.

We note that the RLC letter to property owners of 25 September 2023 is the culmination of extensive contract planning work, also involving a preliminary scoping of the required work on over 440 properties in the Lake Tarawera community.

RLC has also responded to requests by some property owners for an alternative approach to Stage 2. The request for self-installation and self-ownership options was addressed by Council within a specific round of community consultation. There has been considerable discussion within the community, however, there has been no actionable alternative to the proposed Council-led Stage 2 contract arising from RLC's consultation.

Need for immediate Stage 2 decision

Protecting lake water quality is our first priority. The LTRA wish to avoid any delay to 'first flush' completion of the project.

The project is being undertaken under difficult market conditions. It is a certainty that delay will increase the cost of the project. To avoid delay it is crucial that Stage 2 be locked in now, with sufficient lead-time for refining methodology and workplans, and hence the optimisation of costs.

The Stage 2 work involves the installation of the grinder pump and the pressure pipework to the boundary connection point of the main sewer network for each of approximately 440 properties. We note that:

1. The integrity of the Stage 2 installation work is a key factor in the satisfactory performance of the overall pressurised reticulation system, and the ability of the RLC to maintain it over its lifetime. Quality assurance is most efficiently managed by a single head contractor.
2. Each of the 440 on-property designs is unique. Each design must be tailored to the specific features and ground conditions of the property, as well as the owner's requirements.
3. Adequate lead-time is required for the design of each property plan *and ratification with the owner*. The incoming contractor cannot commence this step soon enough.

Costs to Property Owners

The recent round of consultation on options for Stage 2 understandably produced considerable feedback on the costs to property owners for delivery of the project. This is an important matter for the LTRA.

In overview, the LTRA approach to addressing costs to property owners is:

1. Delivery of the project should be as quickly as possible. The sooner the project is delivered, the lower the cost of the works and the better the outcome for lake water quality. Delay, and increased cost is a certainty. Rigorous project cost control is required.
2. The Tarawera reticulation scheme should be delivered on equivalent terms to the schemes on the Deed Lakes. Accordingly, additional Central and Local Government funding is sought and payment terms be increased from 10 years to 25 years for those who are unable to pay a lump sum.

Commitment to Stage 2 is a major milestone towards achieving Item 1.

Petition

The Lake Tarawera Ratepayers' Association does not support the request from some members of the community 'That Stage 2 of The Scheme is put on immediate hold pending a Final and Fixed targeted rate for the whole scheme (Stage 1 and 2) being agreed with Tarawera property owners. That request is flawed.

A call for a negotiation on property owner cost is not, in LTRA's view, a reasonable standpoint. *However, there is simply no credible basis for linking that request to the postponement of Stage 2.* Rather, the opposite applies:

- A request to negotiate certainty of the cost to property owners makes more sense if Council can place reliance on a contracted Stage 2 cost (only possible once the Stage 2 contract proceeds).
- There is no developed alternative to the Council-led Stage 2 proposal, nor any reliable basis for the timely development of one. Therefore, no alternative opportunity arises from postponing Stage 2.
- As noted previously, delay means an increase in project cost and deterioration of lake water quality. Increased cost of Council projects ultimately increases costs to ratepayers.

The delays in implementing this scheme have increased the cost significantly since 2017. The scheme will never be cheaper than it is today.

Nga mihi nui,

Libby Fletcher

Chair Lake Tarawera Ratepayers' Association and all members of the committee