



11 March 2022

OIAD-175

s 9(2)(a)

Dear s 9(2)(a)

Thank you for your email of 9 December 2021 requesting the following under the Official Information Act 1982 (the Act):

1. *All correspondence between the Ministry and the [Rotorua Lakes] Council relating to the \$6.5m funding provided through the Freshwater Improvement Fund. This includes all information in relation to whether this funding is still 'live' and any information on whether there has been any suggestion, recommendation or decision that it is no longer being provided or is being transferred/diverted to other projects and the information that was before the Ministry or Ministers when considering this issue.*
2. *Copies of the Deed relating to the Fund and any correspondence to the Council seeking the Deed is signed and any correspondence with the Council on this issue.*

Question One

The Ministry has identified thirteen documents in scope of your request, as listed in the attached document schedule. One document has been withheld in full, while the remaining 12 documents have been partially released. Where redactions have been made, the section of the Act used to withhold the information has been specified.

The sections of the Act used to withhold information are described below:

- 9(2)(a) to protect the privacy of natural persons.
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by officials.
- 9(2)(h) to maintain legal professional privilege.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

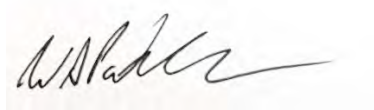
Question Two

Before a Deed of Funding is developed for a Freshwater Improvement Fund project, a work programme must be agreed upon and finalised. As no work programme was finalised for the Lake Tarawera Sewerage and Reticulation Programme, a deed of funding could not be entered into with the Ministry. Therefore, I am refusing this part of your request under section 18(e) as the information does not exist.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at: www.ombudsman.parliament.nz.

Please note that due to the public interest in our work the Ministry for the Environment publishes responses to requests for official information on our [OIA responses page](#) shortly after the response has been sent. If you have any queries about this, please feel free to contact our Ministerial Services team: ministerials@mfe.govt.nz.

Yours sincerely



Wes Patrick
Acting Director – Policy, Implementation & Delivery

Released under the provisions of the Official Information Act 1982

Document schedule

Document no.	Document date	Description	Decisions	OIA sections applied
1	7 Aug 17	Email chain: FIF-1021 Freshwater Improvement Fund Invitation to Stage 2	Partially released	9(2)(a)
1.1	7 Aug 17	Letter: Lake Tarawera Sewage Reticulation and Treatment – Invite to Stage 2 FIF	Partially released	9(2)(a)
1.2	11 Aug 17	Form: FIF Confirmation of Intent to Proceed Form	Partially released	9(2)(a)
2	19 Dec 17 - 1 Feb 18	Email chain: Project Plan - Lake Tarawera Sewage Reticulation and Treatment - Draft for Discussion	Partially released	9(2)(a)
2.1	Dec 2017	Lake Tarawera Sewage Reticulation and Treatment (FIF-1021) Project Plan	Partially released	9(2)(a)
3	24 Apr 20 – 14 Oct 21	Email chain: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme	Partially released	9(2)(a)
3.1		Draft FIF Work Programme for Lake Tarawera Reticulation and Treatment 2019-2022	Partially released	9(2)(a)
4	19 Jan 21 – 30 Mar 21	Email chain: Rotorua Te Arawa Lakes Programme – legal advice	Withheld in full	9(2)(g)(i) 9(2)(h)
5	12 May 21 – 22 July 21	Email chain: FIF Lake Tarawera Sewerage Scheme – Draft Work Programme	Partially released	9(2)(a)
5.1		Draft FIF Work Programme for Lake Tarawera Reticulation and Treatment 2021-2024	Partially released	9(2)(a)

Document no.	Document date	Description	Decisions	OIA sections applied
6	30 June 21	BRF-96: Rotorua Te Arawa Lakes Programme – Strategy Group Funding Requests	Partially released	9(2)(g)(i) 9(2)(h)
7	30 July 21 – 1 Aug 21	Email chain: Feedback from hui yesterday afternoon: updates and information to confirm/clarify	Partially released	9(2)(a) Out of scope
8	15 Oct 21	Email chain: MfE Minister's Preliminary Decision on Funding Reticulation schemes at Rotorua	Partially released	9(2)(a)

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From: 9(2)(a)
To: [Freshwater Improvement Fund](#)
Cc: [Heather Penny](#)
Subject: RE: FIF-1021 Freshwater Improvement Fund Invitation to Stage 2
Date: Friday, 11 August 2017 2:39:07 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[Confirmation of Intent to Proceed 2017.docx](#)

Sorry forgot to attach the COIP form.

9(2)(a)

9(2)(a)

[@rotorualc.nz](#) | [W: rotorualakescouncil.nz](#)

From: 9(2)(a)

Sent: Friday, 11 August 2017 2:35 p.m.

To: 'fif@mfe.govt.nz'

Cc: 'Heather Penny'

Subject: FIF-1021 Freshwater Improvement Fund Invitation to Stage 2

Hi there

Please find attached Rotorua Lakes Council's "confirmation of intent to proceed form

As per email below if you could please provide us with some date options to meet and talk through the current stage of our plans and the process to complete Stage 2 it would be most appreciated.

Thank you and regards

9(2)(a)

9(2)(a)

[@rotorualc.nz](#) | [W: rotorualakescouncil.nz](#)

From: Freshwater Improvement Fund [<mailto:fif@mfe.govt.nz>]

Sent: Monday, 7 August 2017 5:28 p.m.

To: 9(2)(a)

Subject: FIF-1021 Freshwater Improvement Fund Invitation to Stage

Kia ora 9(2)(a)

It was great to speak with you regarding the Council's application to the Freshwater Improvement Fund.

Congratulations on your invite to Stage 2 of the funding process for your project 'Lake Tarawera Sewage Reticulation and Treatment'.

As I mentioned on the phone, please find attached the following documents which contain key information and dates:

- Letter of invitation to proceed to Stage 2 (including conditions of funding)
- Confirmation of intent to proceed (COIP) form

Could you please review, sign and return to me the Confirmation of Intent to Proceed form no later than **14 August 2017**.

We are also keen to meet with you to talk through your plans for the project and to confirm the process for successfully completing Stage 2. Once you have provided us with your organisation's COIP, please contact us to arrange a time to meet. We will then send you a draft Work Programme which will be pre-populated with information from your application.

If you have any questions at all then please feel free to give me a call. Congratulations again on your invitation to proceed to stage 2 and we look forward to working with you.

Nga mihi

Heather

Heather Penny – Senior Analyst, Hono Tahua – Communities & Freshwater Investments

Ministry for the Environment | Manatu Mo Te Taiao

Mob: 0204 232323 Website: www.mfe.govt.nz

23 Kate Sheppard, Thorndon, PO Box 10362, Wellington 6143

MfE_logo



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07 August 2017

PO Box 10362, Wellington 6143
Website: www.mfe.govt.nz
Freephone: 0800 499 700

9(2)(a)

Rotorua Lakes District Council
9(2)(a) @rotorualc.nz

Tēnā koe 9(2)(a)

Lake Tarawera Sewage Reticulation and Treatment - Invite to Stage 2 Freshwater Improvement Fund (FIF-1021)

Thank you very much for submitting your application entitled "Lake Tarawera Sewage Reticulation and Treatment", which was received in the 2017 funding round of the Freshwater Improvement Fund. We appreciate the amount of work involved in preparing an application and thank you for your patience in waiting for a decision.

I am pleased to inform you that you are now invited to proceed to Stage 2 of the funding process. The maximum funding available is up to \$6,500,000 over the duration of the project. Note that the project is expected to be completed over a maximum timeframe of three years from 2019/20 onwards.

As your project will be receiving over \$1 million from the Freshwater Improvement Fund, the Ministry requires that you undertake an independent financial audit at the end of each year of your project.

Please note that conditions of funding have been identified during the assessment process. For your application these are:

- Funding subject to confirmation of \$2 million co-funding from Bay of Plenty Regional Council
- Governance group to include representation by Ministry, Bay of Plenty Regional Council and iwi
- Work Programme to be developed with the inclusion of detailed project budget and funding stage-gates
- Inclusion of baseline data related to contaminants and groundwater flows
- Inclusion of objective related to mātauranga Māori
- Independent financial audit to be undertaken each year of the project
- Project to be delivered over 3 years, commencing in 2019/20
- Maximum of \$2,166,667 available in each project year

Requirements of Stage 2:

During Stage 2, you will be required to complete and submit a work programme, project budget and an annual work programme to the Ministry for the Environment. You must develop these using Ministry templates, which will be provided shortly. The completed templates must demonstrate how you will deliver your project in sufficient detail to support the deed of funding. Funding is not guaranteed until each of these documents has been accepted by the Ministry and both parties have signed a deed of funding



To support you in the development of the work programme, project budget and annual work programme, the Ministry will provide you with an upfront payment of \$10,000. The amount has been determined based on the value and duration of your project. To be eligible to receive the upfront payment, you must:

- accept all of the funding conditions described above
- confirm your intent to proceed with the project
- commit to finalising the work programme, project budget and annual work programme and signing a funding deed within six months of confirming your intention to proceed with the project
- sign a deed of contribution with the Ministry for the Environment.

Representatives from the Ministry's Hono Tahua – Communities & Freshwater Investments team are available to meet with you in person. This will be an opportunity for you to discuss your project in detail and ask any questions about the next steps. Please contact Allison Bockstruck on (022) 068 4921 to arrange a suitable date and time to meet.

If your project documents are approved, a funding deed will be developed for signature by the Ministry and your organisation. Please note, expenses related to the delivery of the project incurred before the funding deed is signed by both parties, are not eligible for reimbursement.

Please note:

- The work programme, annual work plan and funding deed must be agreed by both parties no later than 6 months from date of letter, after which the offer of funding may expire.
- Expenses related to the delivery of the project incurred before the deed of funding is signed by both parties, are not eligible for reimbursement.
- The Minister for the Environment will announce all approved projects. Please ensure that you do not release details of your project in relation to Freshwater Improvement Fund funding before the Minister's announcement.

Next steps

The table below illustrates the next steps required from you to proceed to Stage 2.

Step No.		Key dates
1	<p>Confirm that you intend to proceed with Stage 2 of the application process.</p> <p>Please read the enclosed <i>Confirmation of intent to proceed</i> form to ensure that you are able to satisfy all the points covered by the declaration.</p> <p>Should you choose to proceed, complete and sign the confirmation form and email it back to fif@mfe.govt.nz.</p> <p>If you choose not to proceed, please let us know as early as possible.</p>	7 days from date of letter

Step No.		Key dates
2	<p>Sign a deed of contribution and receive an upfront payment</p> <p>Once we receive your <i>Confirmation of intent to proceed form</i>, we will provide you with a deed of contribution, which must be signed in duplicate by a person with the relevant financial delegation within your organisation.</p> <p>Once this document has been signed in duplicate, please return both hard copies of the signed deed of contribution, and a copy of a bank deposit slip for your organisation to:</p> <ul style="list-style-type: none"> Ministry for the Environment, PO Box 10362, Wellington 6143. <p>We will then counter-sign the deed of contribution (sending you back one signed original) and process the payment through our Accounts Payable team.</p>	4 weeks from receiving the intent to proceed form
2	<p>Stage 2 meeting</p> <p>This meeting will be an opportunity to talk through your work programme and annual work plan and ask any questions about the funding process.</p> <p>A draft work programme, annual work plan and funding deed will be emailed to you shortly before the meeting. Note that some of the sections will be pre-populated for you based on the information from your application form.</p> <p>We recommend that you undertake a legal review of the funding deed to confirm your acceptance of all the clauses.</p> <p>You will also be sent the Guide for Funding Recipients – please read this thoroughly as it is a primary source of information for all stages of your project from Stage 2 onwards.</p>	September onwards
3	<p>Commence drafting your work programme, project budget and annual work plan.</p> <p>We recommend that you commence drafting your work programme and annual work plan as soon as possible after the Stage 2 meeting. Applicants must complete the first draft of the work programme within 4 weeks of the Stage 2 meeting.</p> <p>Funding approval is dependent on the development of a satisfactory development of these project documents. These documents are in turn used to create the deed of funding for your project.</p>	September 2017
4	<p>Finalise work programme, project budget, annual work plan and funding deed</p> <p>The work programme, annual work plan, and deed of funding must be agreed and signed by both parties no later than 6 months from date of letter. After this date, the offer of funding may be withdrawn.</p> <p>Delivery of your project may only commence once the deed of funding has been signed by a person with the relevant financial delegation within your organisation and the Ministry.</p>	September 2017-January 2018

Contact Allison Bockstruck from the Ministry's Hono Tahua – Communities and Freshwater Investments team on (022) 068 4921 or email fif@mfe.govt.nz if you have any queries at this stage.

Please note that this letter does not constitute a binding agreement.

Nāku noa, nā

pe 

Annabelle Ellis

Manager, Hono Tahua – Communities and Freshwater Investments

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Freshwater Improvement Fund

Confirmation of intent to proceed form

Your application to the Freshwater Improvement Fund (FIF) has been approved to proceed to Stage 2 (project planning and signing a deed of funding). Use this form to confirm your organisation's intent to proceed to the project planning phase of your application.

Email this completed form to fif@mfe.govt.nz, or post it to the Communities and Freshwater Investments Team, Freshwater Improvement Fund, Ministry for the Environment, PO Box 10362, Wellington, 6143.

Project details

Organisation name	ROTORUA LAKES COUNCIL
Project name	LAKE TARAWERA RETICULATION AND TREATMENT

Declaration

As a duly authorised representative of the organisation above:

- I intend to proceed with the project planning phase of the FIF funding process
- I accept all of the funding conditions outlined within the 'Invite to Stage 2' letter
- I understand and agree that the Ministry for the Environment will undertake due diligence, credit and reference checks on the organisation and I have provided references on the next page
- I understand that due diligence findings may result in additional conditions of funding.
- I understand that I must complete the project plan and sign a deed of funding by 6 months from date on Invite to Stage 2 letter
- I understand that by confirming our organisation's intent to proceed with the project and signing a deed of contribution with the Ministry, I will receive an advance payment towards your organisation's cost of developing the project plan and deed of funding (**Stage 2 contribution**).
- Notwithstanding the Stage 2 contribution I understand that all other FIF grant payments by the Ministry will be paid in arrears after the satisfactory completion of the reporting requirements outlined in the deed of funding
- Notwithstanding the Stage 2 contribution, I understand that the Ministry will not be liable for or reimburse any costs incurred by your organisation in relation to the delivery of the project before the signing and commencement of a deed of funding
- I agree not to make any public statement or release any details relating to the project, the advance payment, deed of contribution or deed of funding before the Minister's announcement.

Name	9(2)(a)	
Position	GENERAL MANAGER INFRASTRUCTURE	
Signature	9(2)(a)	Date 11/8/17
<i>by typing your name in the space provided you are electronically signing this confirmation form</i>		

References

Please provide the contact details of two referees.

Once we receive your signed Confirmation of Intent to Proceed form, the referees listed below will be contacted as part of the Ministry's due diligence, credit and reference checks.

First referee name <i>Referee for the <u>person</u> who will have the overall responsibility for delivering this project.</i>	9(2)(a)		
Telephone	9(2)(a) work	9(2)(a) cell	(0_) fax
Second referee name <i>External referee who has worked with your organisation in the past.</i>			
Telephone	(0_) work	(0_) cell	(0_) fax

From: [Rob Schick](#)
To: [Simon Ingram](#)
Subject: [STAFF IN-CONFIDENCE]FW: Project Plan -Lake Tarawera Sewage Reticulation and Treatment -Draft for Discussion
Date: Friday, 15 October 2021 9:27:15 am
Attachments: [image001.gif](#)
[image002.jpg](#)

This isn't too useful but was the last correspondence on Tarawera about when they should be in Deed – aligns with the Invitation to Stage 2 letter.

From: Rob Schick
Sent: Thursday, 1 February 2018 9:26 am
To: 9(2)(a) <[REDACTED]@rotorualc.nz>
Cc: 9(2)(a) <[REDACTED]@rotorualc.nz>
Subject: RE: Project Plan -Lake Tarawera Sewage Reticulation and Treatment -Draft for Discussion

Kia ora 9(2)(a)

I hope you had a great break away over the summer holidays. Thanks for sending through the Project Plan late last year. It really helped identify what's happening with the Project, and at what points the FIF funding is for cast to come online.

Just wanted to give you a quick heads up that I would like to touch base with you tomorrow to discuss our next steps, basically this would be around finalising the Project Work Programme – high level document outlining the life of the project, deliverables and costings etc. As the FIF project doesn't commence until the 2019/20 year, we would look to develop an Annual Work Plan 6 months prior to commencement of the project. Ideally, would like to finish the Work Programme by April, which would enable us to get into deed by end of April.

I can talk to you in more detail about this tomorrow

Rob

From: 9(2)(a) <[REDACTED]@rotorualc.nz>
Sent: Tuesday, 19 December 2017 5:10 p.m.
To: Rob Schick
Cc: 9(2)(a) <[REDACTED]>
Subject: Project Plan -Lake Tarawera Sewage Reticulation and Treatment -Draft for Discussion
Importance: High

9(2)(a)

Further to your email on 6 October 2017 attached is the draft standalone document required. This is an initial draft for discussion as there may be other information you may require. Please contact me after the New Year if you wish to discuss this in more detail. I will be back on 15 January 2018.

Have a Merry Christmas and Happy New Year.

Best regards

9(2)(a)

9(2)(a) <[REDACTED]> Manager - Infrastructure Planning, Infrastructure Group
 9(2)(a) <[REDACTED]>
 9(2)(a) <[REDACTED]@rotorualc.nz | W: rotorualakescouncil.nz
 A: 1061 Haupapa St, Private Bag 3029, Rotorua Mail Centre, Rotorua 3046, New Zealand



LAKE TARAWERA SEWAGE RETICULATION AND TREATMENT (FIF-1021)

PROJECT PLAN



December 2017
(Draft for discussion)

Prepared by:

9(2)(a)

Manager, Infrastructure Planning
Rotorua Lakes Council

1.0 Introduction

Rotorua Lakes Council has been given preliminary approval for a subsidy funding of \$6.5Million from the Freshwater Improvement Fund of the Ministry for the Environment. The subsidy funding will contribute towards the cost of completing the Lake Tarawera Sewage Reticulation and Treatment Project (FIF-1021.)

This Project Plan will provide the basic information for the completion of the Stage 2 funding process which requires the development of a work programme, an annual work plan and the detail of funding.

2.0 The Project

2.1 General

The proposed Lake Tarawera Sewage Reticulation and Treatment Project will connect all properties within the proposed service area to a reticulated sewage system.

A map of the proposed service area is attached as Appendix 1

The proposed reticulated sewerage system will replace all existing on site wastewater systems (septic tanks and soil soakage) installed on every property, public facilities and commercial facilities within this service area. This will stop the leaching of septic tank effluent to Lake Tarawera and improve lake water quality. This will also address the public health risks posed by failed septic tanks.

2.2. Sewage Reticulation and Treatment Options

The development and evaluation of sewage reticulation and treatment options for Lake Tarawera was led by the Tarawera Sewerage Steering Group which includes representatives from key stakeholders within the area. The Steering Group after consideration of all the options, will recommend to the Rotorua lakes Council the preferred option for implementation.

The different sewage reticulation and treatment options for Lake Tarawera is shown on the following table. Detailed description of each option are provided following the table.

Option	Description	Indicative Capital Cost (May 2017 estimate)		
		Reticulation System (\$M)	Treatment and Disposal (\$M)	Total Capital Cost (\$M)
1	Scheme connected to existing Okareka Sewerage Scheme			
1A	LPGP system via Tarawera Road	14.7	2.7	17.40
1B	LPGP system via Playnes farm	12.5	2.7	15.20
1C	STEP system via Tarawera Road	16.9	2.7	19.60
1D	STEP system via Playnes farm	14.7	2.7	17.40
2	Scheme connected to a local WWTP and LDS			
2A	LPGP system	12.5	6.4	18.90
2B	STEP system	14.7	6.4	21.10

(a) Option 1 – Lake Tarawera sewage reticulation connected to the existing Okareka Sewerage Scheme

The existing Okareka sewerage scheme connects the sewage reticulation of the Lake Okareka community to the existing Rotorua city sewage reticulation and treatment system. It includes a sewer trunk main that has been sized to include an additional capacity to cater for the potential inclusion of the Lake Tarawera community.

There are two potential route options to link the proposed sewage reticulation of Lake Tarawera to the existing sewage reticulation of Lake Okareka. These are:

- Along Tarawera Road

This proposed trunk main route will follow Tarawera Road from Lake Tarawera up to a connection point at Lake Okareka. It is proposed that all existing properties within the proposed trunk main route will be connected to the system.

- Along Playnes Farm

This proposed trunk main route is a more direct route but will be passing through private property. The owner of the land will have to provide permission for Council to implement the work as proposed.

As the Lake Tarawera community has a very difficult topography typical of lakeside development, it was established that a conventional gravity sewage reticulation system would be very difficult and expensive to implement. Two options were identified as possible sewage reticulation options. These are:

- Low Pressure Grinder Pump System (LPGP system)

This involves constructing a tank and pump system in each household. This tank and pump system will receive the domestic wastewater and grinds it into a fine slurry before pumping the slurry through a small bore pipeline to the street main. The street main collects all the effluent from individual pumps and conveys it to a sewer trunk main system.

A diagram of the system is attached as Appendix 2.

- Septic Tank Effluent Pumping System (STEP System)

This involves constructing a tank and pump system in each household. This tank and pump system will receive the domestic wastewater where the solids settle at the bottom of the tank (similar to a conventional septic tank.) The liquid is then pumped through a small bore pipeline similar to an LPGP system as above.

A diagram of the system is attached as Appendix 3.

(b) Option 2 – Lake Tarawera sewage reticulation connected to a local Wastewater Treatment Plant and Land Disposal System

This option will involve the construction of a membrane Bio Reactor (MBR) Plant and land disposal system within the Lake Tarawera catchment. The wastewater treatment plant will treat the wastewater from the community that is conveyed either through an LPGP system or STEP system, as described above. The treated wastewater will then be disposed through a land based disposal system.

An initial scoping work identified that there could be potential sites for a Wastewater Treatment Plant and Land Disposal System.

3.0 Initial Preferred Option

The Tarawera Sewerage Steering Group, in their meeting on 27 November 2017, again considered the different options, as per above.

After due deliberation, the Tarawera Sewerage Steering Group adopted the following resolution:

“Considering the cultural, environment, social and financial aspects of the reticulation of Lake Tarawera, the committees preferences are:

- (a) reticulate wastewater back to Rotorua through the existing Lake Okareka system
- (b) that grinder pumps or STEPS be used subject to cultural engagement
- (c) that the route for the pipelines either be Tarawera Road or the Playnes farm
- (d) that staff now be instructed to investigate the two options appropriately”

Based on the options listed in Section 2.2 above, the initial preferred option is Option 1 with the different permutations 1A, 1B, 1C and 1D.

4.0 Project Plan - The Way Forward

Based on the above initial preferred option adopted by the Tarawera Sewerage Steering Group in their meeting on 27 November 2017 a Project Plan has been developed that outlines the way forward for the project from its current state through to completion in 2022.

Attached as Appendix 4 is a flow chart and Appendix 5 is a detailed Gantt Chart that both show the different tasks and corresponding durations and priorities towards the completion of the project. Detailed description of these tasks are as follows

4.1 Round 1 consultation with the community - (January 2018)

The purpose of this consultation process is to present to the community the different options considered and the reason behind the decision on the initial preferred option. The community will also be informed about the way forward on progressing this project.

4.2 Further investigation on Initial Preferred Option – (January to June 2018)

The purpose of these investigations is to address further questions related to Options 1A, 1B, 1C and 1D. This information will assist the Tarawera Sewerage Steering Group in their confirmation of the preferred option for recommendation to the Rotorua Lakes Council.

(a) Investigation of trunk main route between lake Tarawera and lake Okareka

There are two potential sewer trunk main routes to link the proposed sewerage reticulation system at Lake Tarawera to the existing system at Lake Okareka. These are:

- **Playnes Farm Route**

This is a more direct route, over a hill and crosses private farmland. It is proposed that some preliminary geotechnical investigations be undertaken to establish the viability of this route with respect to geotechnical considerations and constructability.

The owner of the land will also be approached to discuss the proposal and determine their willingness to support what is being planned.

- Tarawera Road Route

This route will follow Tarawera Road from Lake Tarawera to Lake Okareka. The road is narrow and the investigation will establish constructability issues associated with this option.

(b) Investigation on impact of STEP system on the capacity of the existing Lake Okareka to Rotorua sewer trunk main

The existing Lake Okareka to Rotorua sewer trunk main has been designed to provide spare capacity for the eventual connection of Lake Tarawera. The design loading rates were estimated based on low pressure grinder pump (LPGP) system. Septic tank effluent pumping (STEP) systems have different design loading rates.

This investigation will confirm the impact of STEP system on the spare capacity of the existing Lake Okareka to Rotorua sewer trunk main system.

(c) Investigation on constructability of STEP and LPGP system on individual properties

The properties at Lake Tarawera have limited flat/buildable areas because of the topography of the area.

STEP system has a footprint of about 4.50m x 3.0m while an LPGP system has a footprint of a 0.80m diameter circle. Because of the much larger footprint of the STEP system, it is envisaged that with the limited flat/buildable areas of the Lake Tarawera properties, it is expected to pose greater constructability challenges when compared with LPGP system. This will be confirmed by this investigation.

(d) Detailed Cultural Impact Assessment (CIA)

A high level CIA on the different options listed in Section 2.2 has been completed.

It is proposed that a detailed CIA be undertaken on the initial preferred option to identify any cultural issues inherent with each option and the corresponding mitigation measures required as appropriate.

4.3 Application for Additional Funding Subsidy (March to June 2018)

Additional funding subsidy applications will be made to the Bay of Plenty Regional Council and Rotorua Lakes Council.

The intention is to make submissions to the Long Term Plan (2018-2028) process of both Councils.

4.4 Decision on the confirmed preferred option - (July to September 2018)

The result of the investigations described in Section 4.2 and the decision on the applications for additional funding subsidy described in Section 4.3, will provide sufficient information to the Tarawera Sewerage Steering Group to decide and confirm the preferred option.

4.5 Round 2: Consultation with the community - (September to October 2018)

The purpose of this consultation process is to inform the community about the confirmed preferred option that will be recommended to the Rotorua Lakes Council for implementation.

Submissions from the community may also be requested.

4.6 Tarawera Sewerage Steering Group Recommendation of Preferred Option to Rotorua Lake Council - (October to November 2018)

The Tarawera Sewerage Steering Group, after considering submissions from the community, makes a recommendation to the Rotorua Lakes Council on the preferred option for implementation.

4.7 Rotorua Lakes Council adopts Tarawera Sewerage Steering Group Recommendation - (December 2018)

A policy paper will be presented to the December 2018 meeting of the Rotorua Lakes Council recommending approval of the recommendation of the Tarawera Sewerage Steering Group on the preferred option for implementation.

4.8 Preliminary Design - (January to September 2019)

All of the options were developed at concept level design and estimates were prepared at $\pm 30\%$ accuracy.

Preliminary design will develop the design further to a stage where the scope of the project would be better defined and estimates developed at $\pm 20\%$ accuracy.

4.9 Round 3: Consultation with the community – (October 2019)

The purpose of this consultation process is to inform the community of the progress on the project and the remaining steps towards the completion of the project.

It is also proposed at this stage to inform the community of their indicative cost of capital contribution towards the scheme.

4.10 Detailed Design and Tender Documentation – (September 2019 to April 2019)

This stage will involve the development of detailed plans and specifications of the work ready for tendering.

4.11 Tendering, Construction and Commissioning – (May 2020 to June 2022)

It is expected that this final stage of the project will be undertaken over a period of two years.

5.0 Proposed Budget

For budgeting purposes, the proposed budget was based on Option 1C (STEP system via Tarawera Road) the most expensive potential option, with an estimated cost of \$19.60M. The following table shows the proposed annual budget from the current financial year to the completion of the project in June 2022. It also shows the proposed MfE funding requirement starting in financial year 2019/2020. This budget will be refined once the preferred option is confirmed. Further refinements may be required as the development of the project scope progresses.

Financial Year	Description of Activities	Budget Requirement	MfE Funding Requirement
2017/2018	<ul style="list-style-type: none"> Round 1 Consultation Detailed CIA Further Technical Investigations 	\$125,000	
2018/2019	<ul style="list-style-type: none"> Round 2 Consultation Preliminary Design Phase 1 	\$250,000	
2019/2020	<ul style="list-style-type: none"> Round 3 Consultation Preliminary Design Phase 2 Detailed Design and Tender Documentation 	\$1,100,000	\$500,000
2020/2021	<ul style="list-style-type: none"> Construction – Year 1 	\$9,065,500	\$3,000,000
2021/2022	<ul style="list-style-type: none"> Construction – Year 2 and Commissioning 	\$9,065,500	\$3,000,000
TOTAL		\$19,606,000	\$6,500,000

NOT FOR CONSTRUCTION

**LAKE TARIKAREWA
TARAWERA**

**PROPOSED
SEWERAGE SCHEME
AREA OF INTEREST
PLAN**

**ROTORUA
LAKES COUNCIL**

DATE NO.

11608

12

APPENDIX 2 – LOW PRESSURE GRINDER PUMP SYSTEM

- Houses at Tarawera connected by low pressure grinder pumps
- About 1500 installed within the district over the last 9 years

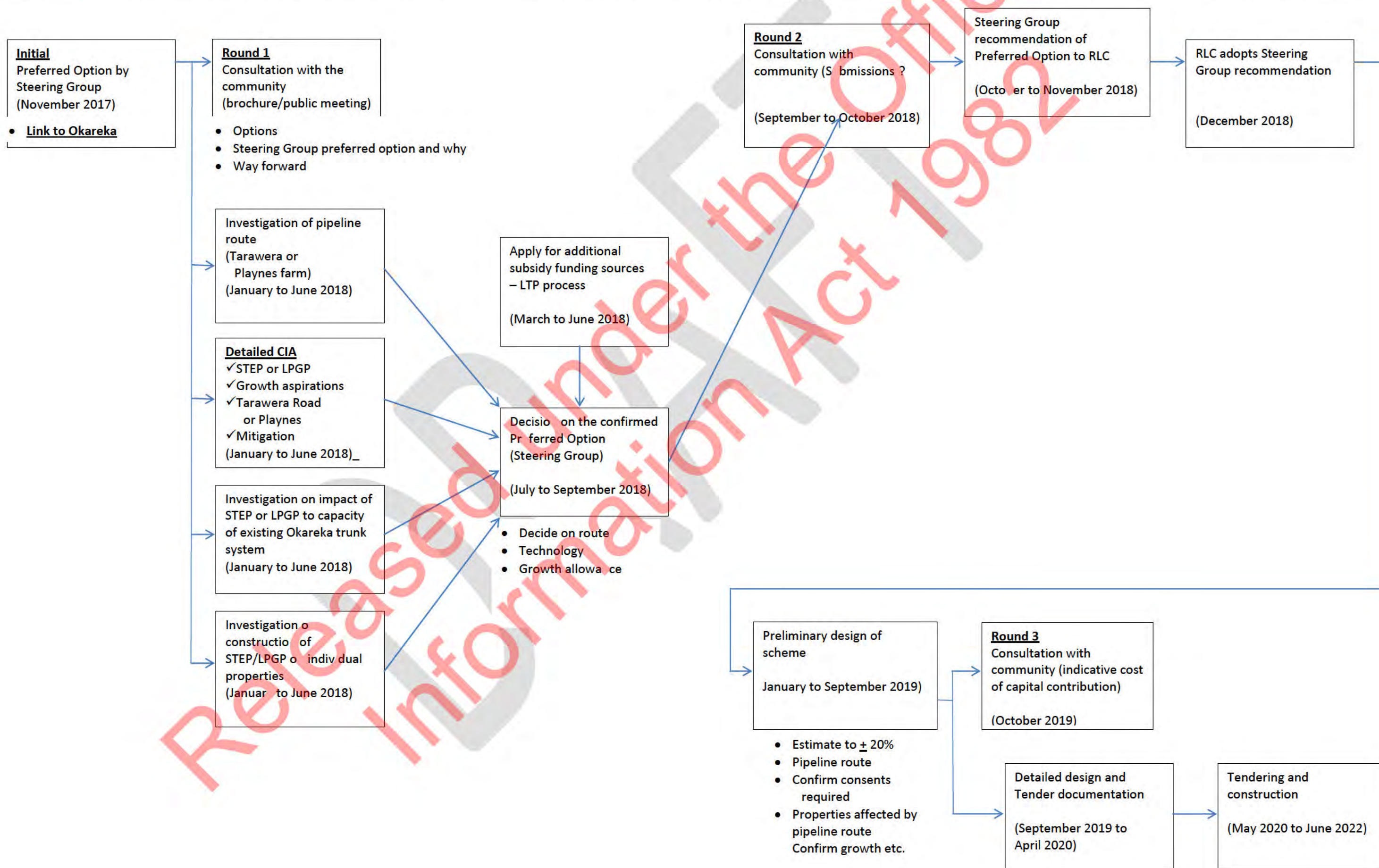


APPENDIX 3 – STEP SYSTEM



- Underground septic tank (about 4000 litres) provides primary treatment (solids settling) so only liquids go to treatment plant.
- The solids remain in tank for years and decompose through anaerobic process. Remaining solids pumped every seven years (approximately.)
- Solids filtered out.
- 25mm line connects property to main sewer in street.

APPENDIX 4

PROJECT PLAN FLOW CHART – TARAWERA SEWERAGE SCHEME (CONNECT TO EXISTING OKAREKA RETICULATION SYSTEM)

ID	Task Mode	Task Name	Duration	Start	Finish	2018												2019					
						Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1																							
2		Initial Preferred Option Decision		Fri 1/12/17																			
3		Round 1 Consultation with the community	26 days	Fri 1/12/17	Fri 5/01/18																		
4		Prepare newsletter/brochure	11 days	Fri 1/12/17	Fri 15/12/17																		
5		Prepare for public meeting	16 days	Fri 1/12/17	Fri 22/12/17																		
6		Public meeting	10 days	Mon 25/12/17	Fri 5/01/18																		
7		Further Investigations on Initial Preferred Option	125 days	Mon 22/01/18	Fri 13/07/18																		
8		Investigation of Trunk main route(Playnes Farm or Tarawera Road)	90 days	Mon 22/01/18	Fri 25/05/18																		
9		Investigation on impact of STEP or LPGP to capacity of Okareka Trunk Main)0	90 days	Mon 22/01/18	Fri 25/05/18																		
10		Investigation on constructibility of STEP/LPGP on individual properties)	90 days	Mon 22/01/18	Fri 25/05/18																		
11		Detailed CIA of Initial Preferred Option	115 days	Mon 8/01/18	Fri 15/06/18																		
12		Application for Additional Funding	85 days	Mon 5/03/18	Fri 29/06/18																		
13		Submissions to BOPRC and RLC LTP	40 days	Mon 5/03/18	Fri 27/04/18																		
14		Consideration and approval by BOPRC and RLC	45 days	Mon 30/04/18	Fri 29/06/18																		
15		Confirmation of Preferred Option by Steering Group	50 days	Mon 2/07/18	Fri 7/09/18																		
16		Meeting 1	25 days	Mon 2/07/18	Fri 3/08/18																		
17		Meeting 2	25 days	Mon 6/08/18	Fri 7/09/18																		
18		Round 2 Consultation with the community	25 days	Mon 10/09/18	Fri 12/10/18																		
19		Prepare brochures/consultation material	15 days	Mon 10/09/18	Fri 28/09/18																		
20		Public Meeting	10 days	Mon 1/10/18	Fri 12/10/18																		
21		Steering Group Recommendation of Preferred Option and RLC adoption of Recommendation	50 days	Mon 15/10/18	Fri 21/12/18																		
22		Meeting 1	10 days	Mon 15/10/18	Fri 26/10/18																		
23		Meeting 2	10 days	Mon 29/10/18	Fri 9/11/18																		
24		RLC adopt recommendation	30 days	Mon 12/11/18	Fri 21/12/18																		
25		Preliminary Design	150 days	Mon 24/12/18	Fri 19/07/19																		
26		Brief Consultants	10 days	Mon 24/12/18	Fri 4/01/19																		

Project: Tarawera Sewerage Scheme
Date: Mon 18/12/17

Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
Split		External Tasks		Inactive Summary		Manual Summary		Progress	
Milestone		External Milestone		Manual Task		Start-only			
Summary									

ID	Task Mode	Task Name	Duration	Start	Finish	2018												2019					
						Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
27		Final Draft of Prelim design report	125 days	Mon 7/01/19	Fri 28/06/19																		
28		Review and Finalisation	15 days	Mon 1/07/19	Fri 19/07/19																		
29		Round 3 Consultation with Community	30 days	Mon 22/07/19	Fri 30/08/19																		
30		Prepare consultation materials	20 days	Mon 22/07/19	Fri 16/08/19																		
31		Public Meetings	10 days	Mon 19/08/19	Fri 30/08/19																		
32		Detailed Design	200 days	Mon 22/07/19	Fri 24/04/20																		
33		Briefing /RFP and award of Contract	50 days	Mon 22/07/19	Fri 27/09/19																		
34		Final Draft of Design	130 days	Mon 30/09/19	Fri 27/03/20																		
35		Review and Finalisation	20 days	Mon 30/03/20	Fri 24/04/20																		
36		Tender for Equipment supply	60 days	Mon 27/04/20	Fri 17/07/20																		
37		Tendering Period	30 days	Mon 27/04/20	Fri 5/06/20																		
38		Evaluation and Award	30 days	Mon 8/06/20	Fri 17/07/20																		
39		Tendering and Construction	350 days	Mon 27/04/20	Fri 27/08/21																		
40		Tendering period	30 days	Mon 27/04/20	Fri 5/06/20																		
41		Evaluation and Award	30 days	Mon 8/06/20	Fri 17/07/20																		
42		Construction and Commissioning	290 days	Mon 20/07/20	Fri 27/08/21																		

Project: Tarawera Sewerage Scheme
Date: Mon 18/12/17

Task

Split

Milestone

Summary

Project SummaryExternal TasksExternal MilestoneInactive Task

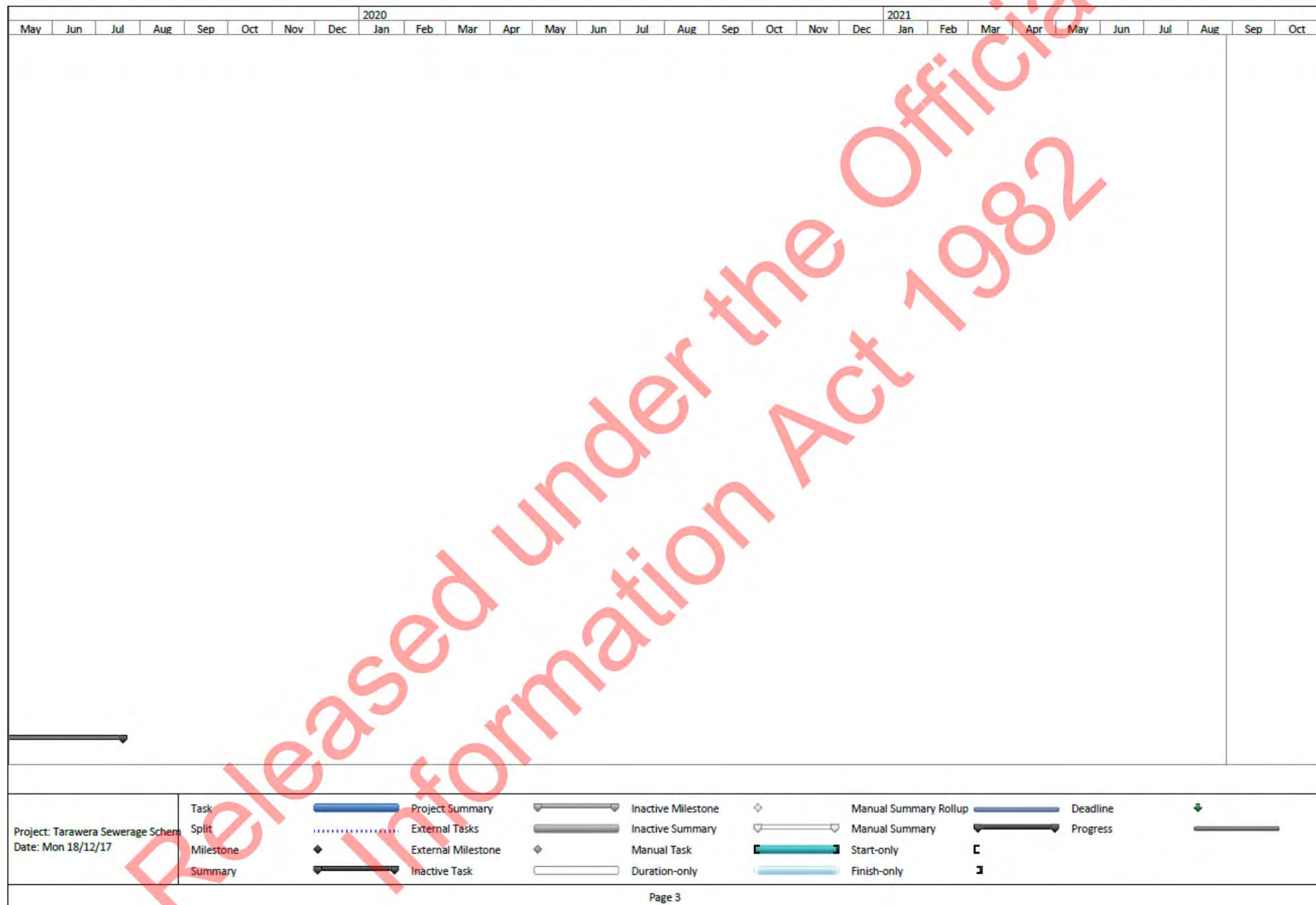
Inactive MilestoneInactive SummaryManual TaskDuration-only

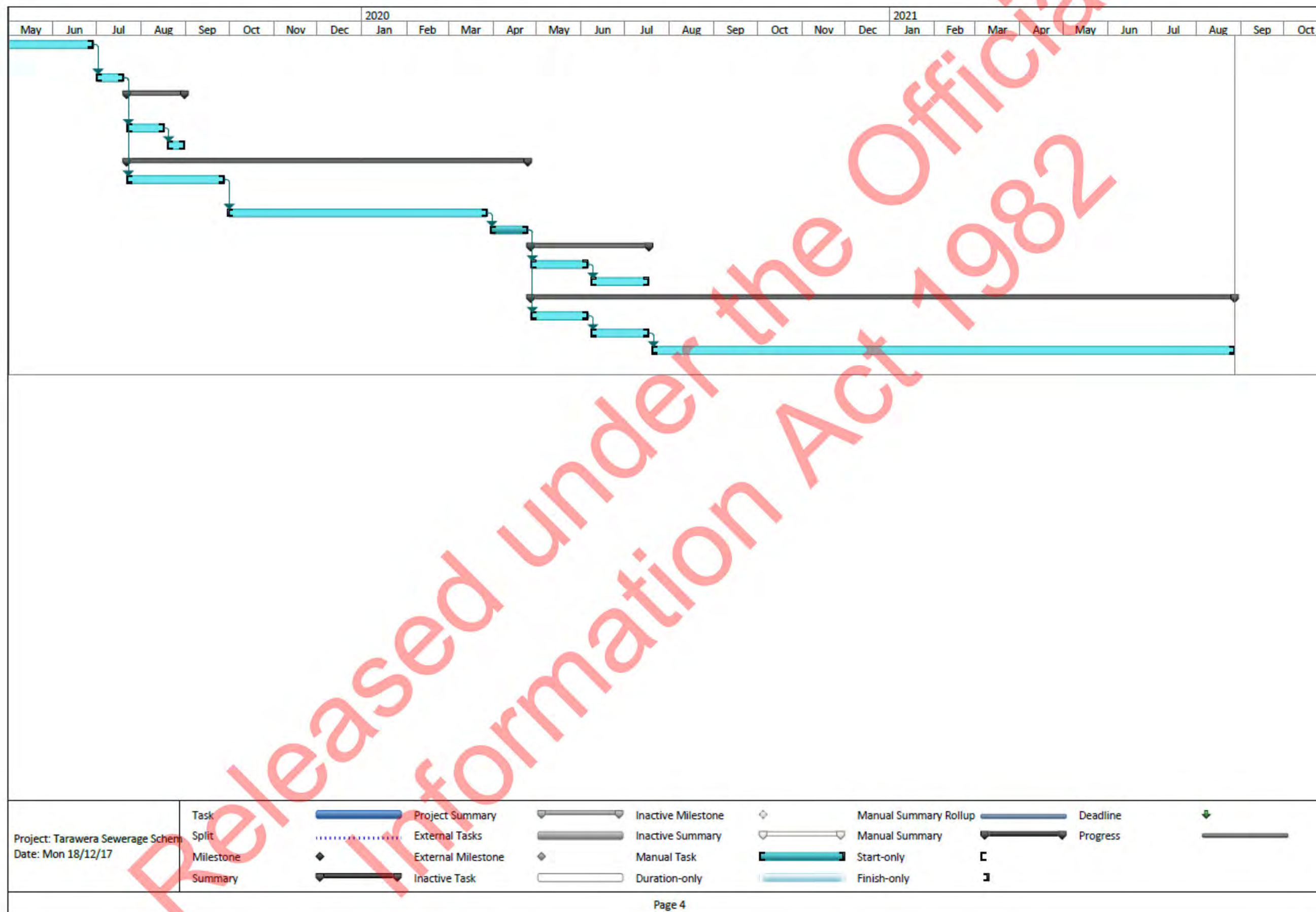
Manual Summary RollupManual SummaryStart-onlyFinish-only

DeadlineProgress

Page 2

Page 2





From: 9(2)(a)
To:
Subject: FW: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme
Date: Thursday, 14 October 2021 3:55:56 pm
Attachments: [image001.jpg](#)
[image002.jpg](#)
[image003.png](#)
[FIF-1021_Work Programme 2018 92019version.docx](#)

Hi

This is the first email I sent to Simon. I have not received any response to this email and to the email later in July that submitted the updated work Programme.

9(2)(a)

Manager, Infrastructure Planning, Infrastructure Group | 9(2)(a)

From: 9(2)(a)
Sent: Thursday, 25 February 2021 11:47 AM
To: Simon Ingram <Simon.Ingram@mfe.govt.nz>
Cc: 9(2)(a) <@rotorualc.nz>; 9(2)(a) <@rotorualc.nz>
Subject: RE: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme

Hi Simon

I refer to your email dated 18 February. I am the Project Manager for this project and I had been working closely with Rob Schick to finalise the Work Programme. The September 2019 is the latest version of the Work Programme so I will use this as the baseline document for the update.

The project has moved on since Sept 2019 and there are sections in the Work Programme that are not relevant now or has been completed. The main progress is RLC (after significant consultation), decided on the preferred option- which is connecting individual properties through a low pressure grinder pump system and with the community connecting to the existing system at Lake Okareka.

Attached is a copy of the Work Programme with my notes where activities are either not relevant now or completed. Following is a summary of some of these items:

- 1) Ground and surface water monitoring to understand contaminants flow into Lake Tarawera-this is being done by BOPRC. This is a major research exercise which falls under the responsibility of BOPRC.
- 2) The CIA has been completed.
- 3) Community consultation to enable decision on preferred option has been completed. Individual benefitting ratepayer consultation is being undertaken to inform them of preferred option and to seek their support for the preferred option to proceed.
- 4) The scheme cost has been updated and timelines proposed in the 2021/2031 RLC Long Term Plan as follows:
2023/2024 \$2.50M
2024/2025-\$10.0M
2025/2026-\$10.0M

From the above, the updated total estimated cost is \$22.50M. As per the proposed LTP, detailed design will start on 2023/2024 and construction completed on 2025/2026.

I will update the Work Programme to reflect the new information, programme etc. I intend to send you a draft within the next 3 weeks at the latest. If you have any questions or want to discuss the above in detail please do contact me. I could set up a ZOOM meeting if you so require.

Best regards

9(2)(a)

9(2)(a)

Manager, Infrastructure Planning, Infrastructure Group | 9(2)(a)

From: 9(2)(a) <@rotorualc.nz>
Sent: Thursday, 18 February 2021 12:50 PM
To: Simon Ingram <Simon.Ingram@mfe.govt.nz>; 9(2)(a) <@rotorualc.nz>; 9(2)(a) <@rotorualc.nz>
Cc: Juscinta Grace <Juscinta.Grace@mfe.govt.nz>; Wes Patrick <wes.patrick@mfe.govt.nz>; Courtney Clyne <Courtney.Clyne@mfe.govt.nz>

Subject: RE: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme

Kia ora and thank you Simon we will follow up on this and respond soonest.

9(2)(a) – Can you please update the programme now with the recent preference decision and then we will ensure Simon has the most updated information and Deed creation/signing.

Thanks

9(2)(a)

9(2)(a) GM Infrastructure & Primary CDEM Controller –

Manahautu: Tuapapa me te Rakau Whakamarumarū

9(2)(a)

E: 9(2)(a)@rotorualc.nz | W: rotorualakescouncil.nz

A: 1061 Haupapa St, Private Bag 3029, Rotorua Mail Centre, Rotorua 3046, New Zealand

From: Simon Ingram <Simon.Ingram@mfe.govt.nz>

Sent: Thursday, 18 February 2021 11:25 am

To: 9(2)(a)@rotorualc.nz

Cc: Juscinta Grace <Juscinta.Grace@mfe.govt.nz>; Wes Patrick <wes.patrick@mfe.govt.nz>; Courtney Clyne <Courtney.Clyne@mfe.govt.nz>

Subject: RE: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme

Kia ora 9(2)(a)

Following on from our chat just now, this email is to follow up on our discussion.

By our records there is not a signed deed of funding in place between the Ministry for the Environment and Rotorua Lakes District Council for the Lake Tarawera Sewage Recirculation and Treatment project, funded through the 2017 round of the Freshwater Improvement Fund.

In order for the deed of funding to be developed and signed you will need to submit a work programme to be included into the deed of funding. The work programme and deed of funding are to be agreed by RLDC and the Ministry.

Your below email from 16 June indicates the work programme would be submitted and finalised by December 2020.

For your reference I have attached a copy of the latest version of the work programme we have on file, this was last edited by Rob Schick in September 2019 so you may be working on a more recent version.

Note: the project cannot begin until a deed of funding has been signed by both parties, and there will not be any retrospective payments of funding for any work completed on the project before the deed of funding has been signed.

At this stage the Ministry still considers the project to be in stage 2 of the funding process (deed development) with funding is not confirmed until the deed has been agreed and signed and both parties.

Can you follow up on this from your end and get back to me as soon as possible.

Note: the offer of funding is not perpetual and may be cancelled if there are further delays with entering into a deed of funding.

Cheers

Simon

From: 9(2)(a) <[redacted]@rotorualc.nz>
Sent: Tuesday, 16 June 2020 3:14 PM
To: Simon Ingram <Simon.Ingram@mfe.govt.nz>
Cc: Helen Creagh <Helen.Creagh@boprc.govt.nz>; 9(2)(a) <[redacted]@rotorualc.nz>
Subject: RE: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme

Kia ora Simon

Thank you for your inquiry below;

To provide you with an update the initial programme of implementing the scheme envisaged a progressive phasing starting from 2019/20 (preliminary design) and gradually implemented through 20/21 and 20/22.

Based on the community agreed option the draft Work Programme was developed based on connecting the Tarawera Community to the existing Okareka sewerage system through a low pressure grinder pump system (LPGP). The confirmation of this option was subject to a Cultural Impact Assessment (CIA). Involvement of iwi in this process was one of the conditions of the funding.

The CIA was presented to the Project Steering Group in late 2019. Amongst other cultural background information the CIA recommendation includes: "Rotorua Lakes Council assesses the viability of an in-catchment treatment plant in partnership with Mana Whenua". In addition mana whenua wanted Council to engage with them directly to explore the scheme proposal and especially the viability of an in-catchment Treatment Plant.

The assessment work was undertaken in early 2020 and was provided to Mana Whenua. The assessment has highlighted a number of constraints in pursuing such option including but not limited to significantly increased costs (up to \$12.0m more), securing the required land, consentability etc.

As the CIA recommendation did not fully confirm the initially agreed option Council is now endeavouring to engage further with iwi to explain the constraints and seek their final position on the proposal before it makes a final decision on how to proceed. We expect that engagement to now be completed by September/October (as the COVID-19 emergency caused unexpected delays) and a final recommendation adopted by Council after that.

This means that we are now looking into finalising the Work Programme in December 20 and we are endeavouring to commence detailed design in early 2021.

We will keep you updated. I trust that this brief provides you a reasonable outlook on the status of the project?

Nga mihi/Best regards

9(2)(a)

9(2)(a) GM Infrastructure & Primary CDEM Controller –
Manahautu: Tuapapa me te Rakau Whakamarumaru

9(2)(a)
E: 9(2)(a) <[redacted]@rotorualc.nz> | W: rotorualakescouncil.nz

A: 1061 Haupapa St, Private Bag 3029, Rotorua Mail Centre, Rotorua 3046, New Zealand



From: Simon Ingram <Simon.Ingram@mfe.govt.nz>
Sent: Monday, 15 June 2020 3:32 p.m.
To: 9(2)(a) <[REDACTED]@rotorualc.nz>
Cc: Helen Creagh <Helen.Creagh@boprc.govt.nz>
Subject: RE: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme

Kia ora 9(2)(a)

I hope you've had a great start to the week.

I've just received an email from Helen Creagh enquiring about the sewage reticulation at Lake Tarawera project, and was reminded of not heard from you following Julia's below email.

Can you give me an update on where the project is at?

Cheers

Simon

From: Julia Price <Julia.Price@mfe.govt.nz>
Sent: Wednesday, 6 May 2020 11:45 AM
To: Heidi Fraser <Heidi.Fraser@boprc.govt.nz>; 9(2)(a) <[REDACTED]@rotorualc.nz>; Laverne Mason <Laverne.Mason@boprc.govt.nz>; 9(2)(a) <[REDACTED]@tearawa.iwi.nz>; Chris Ingle <Chris.Ingle@boprc.govt.nz>; Christina Burger <Christina.Burger@boprc.govt.nz>
Cc: Simon Ingram <Simon.Ingram@mfe.govt.nz>
Subject: RE: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme

Kia ora koutou

Apologies for the delayed response. Hope everyone is well.

I spoke to Laverne this morning about a potential change to the AWP regarding Ohau Wall, and including this as part of funded works.

I also wanted to let this group know that I have had a shift in roles internally and will be handing over the MfE analyst role to Simon Ingram (cc'd). Simon is a Senior Analyst in the Freshwater Investment team and will be responsible for the Rotorua Te Arawa Lakes Programme Te Arawa Lakes Trust's 'Kia kotahi te wai o nga roto moana o Te Arawa' and RLDC's 'Lake Tarawera Sewage Reticulation and Treatment'.

Simon will have my support during the transition phase. Please ensure he is included on future CFO, PSG and RTALSG correspondence.

9(2)(a) if you could please provide Simon with an update on the FIF Tarawera project that would be great.
9(2)(a) I will email TALT separately regarding handover for 'Kia kotahi te wai o nga roto moana o Te Arawa'.

All the best,
Julia

Julia Price – Senior Analyst, At-risk Catchments
Ministry for the Environment – Manatu Mo Te Taiao
Mobile: 021 1585590 Email: julia.price@mfe.govt.nz Website: www.mfe.govt.nz
23 Kate Sheppard Place, Thorndon, Wellington 6011

MfE_logo



From: 9(2)(a) <[REDACTED]@boprc.govt.nz>

Sent: Friday, 24 April 2020 10:15 AM

To: 9(2)(a) <[REDACTED]@rotorualc.nz>; Laverne Mason <Laverne.Mason@boprc.govt.nz>; 9(2)(a)

9(2)(a) <tearawa.iwi.nz>; Chris Ingle <Chris.Ingle@boprc.govt.nz>; Julia Price <Julia.Price@rotorualc.govt.nz>

Subject: Draft 2020/21 Annual Work Plan Rotorua Te Arawa Lakes Programme

MFE CYBER SECURITY WARNING

This email originated from outside our organisation. Please take extra care when clicking on any links or opening any attachments.

Hi all,

Please find attached the DRAFT 2020/21 AWP for review. Can you please have any comments back to me by Friday 30 April. It will be going to RTALSG in May for their approval to submit to MfE.

Please note the following:

- The document is to be formatted by document specialists including creating a cover page
- RLC sewerage reticulation figures will be added once received
- The 2019/20 year end reserve forecast balance will be updated once finance have the figures.
- All Deed-funded projects for Lake Okareka have been completed so no projects have been captured this round. Work is still being undertaken in the area but is classed as 'business as usual' and this type of work isn't captured in the annual work plan.

Regards,

Heidi Fraser

Programme Coordinator Integrated Catchments

Bay of Plenty Regional Council Toi Moana

P: 0800 884 880 **DD:** 0800 884 881 x8529

E: Heidi.Fraser@boprc.govt.nz

W: www.boprc.govt.nz

A: PO Box 364, Whakatane 3158 New Zealand

Thriving together – mo te taiao mānā tangata

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RDC-828872

Freshwater Improvement Fund

Work Programme for Lake Tarawera Sewage Reticulation and Treatment

**Undertaken by
Rotorua Lakes District Council
2019 - 2022**

Official information and privacy

Official Information Act 1982

Important: Information presented to the Minister for the Environment or the Ministry for the Environment is subject to disclosure under the Official Information Act 1982 (OIA). Certain information may be withheld in accordance with the grounds for withholding information under the OIA. Further information on the OIA is available at www.ombudsmen.parliament.nz.

Information held by the Minister or the Ministry may have to be released under the OIA in response to a request from a member of the public (or any other body) for that information. If you wish to provide sensitive information to the Minister or the Ministry which you do not want released, it is recommended you consult with the Ministry as to whether the information is necessary for the application, and whether there may be grounds in the OIA for withholding the information. For instance, if release of the information would disclose a trade secret, or be likely to unreasonably prejudice the commercial position of the person who supplied it, or who is the subject of the information, then there may be grounds to withhold the information. If an OIA request relating to your application is received, the Ministry will endeavour to contact you to discuss it, and what the implications of releasing your information are.

The grounds for withholding information must always be balanced against consideration of public interest that may justify release. Although the Ministry does not give any guarantees as to whether information can be withheld under the OIA, it may be helpful to discuss OIA issues with the Ministry in advance, if information provided with an application is sensitive.

Privacy Act 1993

Important: The Ministry for the Environment (Environment House, 23 Kate Sheppard Place, Wellington 011) may collect, use, hold or disclose personal information for the purpose of assessing eligibility and suitability for Freshwater Improvement Fund funding. Individuals have the right in accordance with the Privacy Act 1993 to request access to and correction of their personal information. While the provision of personal information is not mandatory, failure to provide requested information could lead to a delay in considering the application or a decline of the same.

Introduction

This Work Programme template is completed by applicants to the Freshwater Improvement Fund who have successfully completed Stage 1 of the application process and have been invited to proceed to Stage 2 (project planning).

This Work Programme gives an overview of the entire life of the project, including purpose, objectives, benefits and estimated costs. The Work Programme is accompanied by an Annual Work Plan, which more specifically details the budget and work to be undertaken for Year One. For each subsequent project year, new Annual Work Plan will be developed and attached to the Work Programme.

Complete all sections of this work programme template. We recommend you refer to the following documents to help you:

- *Freshwater Improvement Fund – 'Guide for Applicants 2017'* – the guide used to help you complete your original application.
- *Freshwater Improvement Fund – 'Guide for Recipients'* – the additional user guide sent to you with this Work Programme template.

If you have a question about the Work Programme that is not covered in this document or in either of the user guides provided, you can email or phone your assigned analyst at the Ministry.

When your Work Programme is complete

Email this completed draft Work Programme to your assigned analyst. They will review it and advise you if there are any issues that need to be addressed, or if there are any outstanding questions.

Important information

This Work Programme template is pre-populated with some of the information you provided in your original application form. Update this information as required to reflect the current status of your project. Sometime may have elapsed since you first submitted the application form to the Ministry, and further information and details may now be available that were not available previously. In addition, you may need to incorporate any conditions that the Assessment Panel has made (refer to the letter received inviting you to proceed to stage 2).

SECTION A: Recipient details

1 Organisation details

Check that the information below about your organisation is correct, and update it as required

Organisation name	Rotorua District Council (RDC)
Trading name (if different)	Rotorua Lakes Council (RLC)
Description of your organisation	RLC is the territorial local authority for the Rotorua District
Physical address <i>Include postcode.</i>	Civic Centre, 1061 Haupapa Street, Rotorua 3010
Postal address <i>Include postcode.</i>	Private Bag 3029, Rotorua Mail Centre, Rotorua 3046
Telephone	07 348 4199
Website address	http://www.rotorualakescouncil.nz/Pages/default.aspx
Legal entity status (e.g., regional council, charitable trust, incorporated society, Māori trust board)	Territorial Authority

2 Contact details for this project

Recipient's main contact (name and organisation)	9(2)(a)	Ministry main contact	Julia Price
Organisation	Senior Manager, Infrastructure		
Email address	9(2)(a)@rotorua.govt.nz	Email address	Julia.price@mfe.govt.nz
Phone	9(2)(a)	Phone	Landline Mobile 022 010 4616
Postal address	Private Bag 3029, Rotorua Mail Centre, Rotorua 3046	Postal address	PO Box 10362, Wellington 6143
Physical address	Civic Centre, 1061 Haupapa Street, Rotorua 3010	Physical address	Environment House, 23 Kate Sheppard Place, Wellington 6012

SECTION B: Project details

3 Project overview

Check that the information below about your project is correct, and update as required

Project name	Lake Tarawera Sewage Reticulation and Treatment
Project purpose	<p>This project targets the most costly and intractable barrier to arresting the ongoing decline of water quality in Lake Tarawera: eliminating the septic tanks which leak into the lake.</p> <p>This will be achieved by building a reticulated sewage system to replace all existing on site wastewater systems (septic tanks and soil soakage) on every property, public facilities and commercial facilities within this service area (Appendix 1). This will stop the leaching of septic tank effluent to Lake Tarawera and improve water quality in the lake. This will address the public health risks posed by failed septic tanks. This project will clear the way to delivering the full range of actions needed from other stakeholders in the catchment, to restore the lake to the standard specified by the Bay of Plenty Regional Council.</p>
How many years will this project run for?	<p>The project has been approved for 3 years, commencing 2019/2020.</p> <p>Year 1 will commence 2019/20 on completion of Year 0 Annual Work Plan (described in more detail below).</p>
Total project cost <i>Do not include in-kind contributions in the total project cost.</i>	\$17,425,000.00
Freshwater Improvement Fund contribution <i>This must be no more than 50% of the total project cost.</i>	\$6,500,000.00

Commented [GM1]: This will be updated to reflect new dates/timing as per proposed 2021 RLC LTP.

Commented [GM2]: This will be updated to reflect updated estimate. Updated estimate is \$22.50M.

4 Details of your water body

Check that the information below about your water body is correct, and update it as required

Name and location of water body <i>If your project includes more than one water body, include details of each water body.</i>	Lake Tarawera, Rotorua District				
Type of water body your project applies to <i>Select all that apply.</i>	<input checked="" type="checkbox"/> Lake	<input type="checkbox"/> River	<input type="checkbox"/> Wetland	<input type="checkbox"/> Groundwater	<input type="checkbox"/> Other (Please specify)
Is your project located in a catchment identified as vulnerable?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

<p>Refer to the Fund's map of vulnerable catchments published on Ministry for the Environment's website. [https://data.mfe.govt.nz/layer/3523-fif-catchments/]</p>	
<p>Please provide the GPS coordinates of your water body</p> <p><i>If your project includes more than one water body, confirm the GPS coordinates of the largest water body only. (Please provide coordinates in decimal degrees e.g., Latitude – 41.279167, Longitude 174.776486)</i></p>	<p>South 38.188627 East 176.428853</p>
<p>What activities have previously, or are currently, impacting upon water quality and/or quantity?</p> <p><i>Please also indicate whether these activities are ongoing.</i></p>	<p>The most recent nutrient budget for Lake Tarawera was presented in the 2018 University of Waikato report titled "Modelling the impact of surface water regulation in the Lake Tarawera catchment." This highlighted that a majority of the P load and a substantial proportion of the N load appear to be derived from a combination of geothermal sources and tributary lakes. For P, the geothermal contribution is estimated at 58%, while the tributary lakes contribute a time-lagged groundwater connection to Lake Tarawera is estimated at 20%. These loads are subject to significant and ongoing uncertainty as to quantity and timing.</p> <p>The report focuses on the need to reduce 'manageable' nutrient loads from farming activities and human sewage. The latter is estimated to comprise 15% of the manageable load, and reticulation of wastewater is also indicated as a desirable management action on the basis that "the benefits in nutrient load reductions are likely to be immediate due to the proximity of the lake compared to other land management initiatives higher in the catchment".</p> <p>The balance of the ongoing manageable nutrient load to the lake is from farming. The regional council is rolling out a project to ensure that all 50 large farms in both the Tarawera surface catchment and the tributary lake catchments will all have farm environmental plans by March 2018. The existing regional council funds available to support on-farm investment in works such as riparian retirement and planting which are likely to be effective over time in reducing P inflows to the lake. As mentioned earlier, perceived equity and burden-sharing between farmers and residential ratepayers is important for motivating on-farm investments in nutrient reductions.</p>
<p>What is the current state of water quality in the waterbody?</p> <p><i>If known, please include the trophic level index of the waterbody. For more information please visit https://www.lawa.org.nz/learn/factsheets/lake-trophic-level-index/</i></p>	<p>Lake Tarawera is an iconic New Zealand lake and is valued for its oligotrophic status, but it appears to be approaching a tipping point. The regional water and land plan has a Trophic Lake Index objective of 2.6 but the TLI is currently at 3.1 and deteriorating (a higher number is worse.) Blue-green algal blooms have started occurring in recent summers. The Regional Council's Restoration Plan identifies phosphorus as the nutrient whose inflow must be reduced, with an annual reduction target of 1200kg, while nitrogen must be capped.</p> <p>But since 2010/11, the total phosphorus load in the lake, measured as an annual median has increased, so that the annual grading has dropped to B or C against the national objectives framework in the National Policy Statement for Freshwater Management.</p>

	<p>Lake Tarawera is strongly stratified for nine months of the year, during which time oxygen cannot be replenished in the bottom layer and Lake Tarawera has the most phosphorus-enriched sediments of any of the Rotorua Te Arawa lakes. The risk is that if lake water quality continues to decline and algal matter dropping to the bottom layer continues to increase, all oxygen may be removed from this layer for prolonged periods. Deoxygenation is expected to trigger major seasonal releases of phosphorus and nitrogen from lake sediments, tipping the lake into an algae-dominated state, from which recovery would be extremely difficult and costly. It will take time to move the lake back from this tipping point and it is important that an early start is made.</p>
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5 Project objectives

Objective	Key performance indicators (KPIs)	How will you monitor and evaluate the achievement of this objective?	Baseline information	Expected outcome
<i>Describe the tangible results your project is trying to achieve.</i>	<i>KPIs are concise statements about key benefits of the project and how they will be achieved.</i>	<i>How will you measure your progress and demonstrate that the objective has been achieved?</i>	<i>Describe the current situation, using the data you have available.</i>	<i>What is the expected benefit from this objective being met? How does this contribute to the purpose of your project?</i>
By 2019, a review of available ground and contaminant monitoring data is undertaken in order to understand groundwater and contaminant flows into and through Lake Tarawera.	Review completed containing available ground and surface water monitoring and baseline information contaminants and groundwater flows.	Project Manager to lead review process and report on progress. A report on the review will identify contaminant pathways and responses.	Bay of Plenty Regional Council hold groundwater databases (contaminants, surface flows, and groundwater records etc.).	Increased knowledge of contaminants and groundwater flows which can then be prioritised for future monitoring around Lake Tarawera by the Council.
By November 2018, a Cultural Impact Assessment (CIA) of the four reticulation options (Appendix 2) will be completed, providing guidance to sewerage reticulation scheme decision making.	Engage with mana whenua groups / Registration of Interest Consultation with the relevant mana whenua groups is complete. A high level CIA on the four reticulation options has been completed – reviewed and signed off by mana whenua. Cultural Health Monitoring will be undertaken to establish progress against set objectives. The objectives will be defined in the CIA.	List of mana whenua groups involved in the development of CIA. A high level CIA on the reticulation options has been completed. Cultural Health Monitoring programme is established.	Not all groups claiming mana whenua status are effectively engaged with the council on the issue regarding current waste disposal practice in the lake. A CIA has not been completed for the reticulation options. There is currently no Cultural Health Monitoring in Lake Tarawera.	Enhanced cultural well-being and improved relationships within the lake's community. The CIA on the four reticulation options will identify any cultural issues inherent with each option and the corresponding mitigation measures required as appropriate. Help guide the discussion to remove the cultural affront to tangata whenua that arises from human waste entering the lake and develop effective solutions taking into consideration Mataranga Maori objectives.

Commented [GM3]: This work is being progressed by BOPRC. Discuss whether we need to include this in the work programme

Commented [GM4]: The CIA was completed. Do we need to show in the Work Programme as achieved

				Achieve an expression of satisfaction from the range of groups claiming mana whenua status, that this objective has finally been achieved.
By 2022, a Stakeholder Engagement Plan is established and implemented to include three stages of community consultation to assess risks and reticulation requirements.	Stakeholder management plan established to include communications plan – engagement with iwi and ratepayers to get agreement on preferred option and corresponding levies.	Attendance numbers at community consultation meetings. Minutes of consultation meeting including presentations and brochures.	The first stage of community consultation has been completed. This presented the different options to be considered and the reason behind the decision on the initial preferred option.	The community and key stakeholders are represented in the Tarawera Sewerage Project Steering Group. The Project Steering Group is adequately informed about the details of the project including decisions made.
	By late 2018, Complete stage 2 community consultation, including sending out brochures followed by a presentation informing the community about the preferred option in a public meeting that will be recommended to the Rotorua Lakes Council for implementation (submissions from the community may also be requested).	Number of submissions from community. Support from the community to proceed with project implementation will be requested. Newsletters describing progress of project implementation sent to the community at appropriate intervals.		The community consultation process will enable the community to be informed on all the relevant information and decisions made on the project which will encourage them to engage leading to provision of support for the project. The three stages of the community consultation will provide opportunities for community input into the process, and to keep the community up-to-date with project progress.
	By late 2022, Complete stage 3 community consultation. Inform the community on project progress and the remaining steps towards the completion of the project. The community will be informed of their indicative cost of capital contribution towards the scheme.			

Commented [GM5]: The wider stakeholder engagement has been completed. Individual owner engagement is underway whereby the ratepayers are informed of Council's decision to proceed subject to majority support from the benefiting community/ratepayers. Council will decide based on result of submission from the community.

Commented [RS6]: Is this complete now? Is there a date for it?

Commented [RS7]: The Lake Tarawera Steering Group will make a recommendation to the Council on the 'preferred option', based on the submissions from the community (November 2018).

A paper will be presented to the December 2018 meeting of the RLC recommending approval for implementation.

Commented [RS8R7]: Has this been completed? We can just provide an update on where things have got to as a KPI.

Commented [RS9]: Is this date correct? The previous 'project plan draft' indicated that Round 3 consultation would take place in October 2019 (e.g. prior to commencement of the construction).

Commented [RS10]: Will this only be confirmed via 'newsletters' or will it be captured more formally elsewhere?

By 2020, detailed design of the preferred sewerage reticulation scheme is complete.	By [month] 2018, technical investigations on reticulation options will be complete, including a cost-benefit analysis of all options considered.	A final Feasibility Investigation report will be provided A final Preliminary Design Report will be provided	All of the options were developed at concept level design and estimates were prepared at 30% accuracy.	The purpose of these investigations is to address further questions related to Options 1A, 1B, 1C and 1D. This information will assist the Tarawera Sewerage Steering Group in their confirmation of the preferred option for recommendation to the Rotorua Lakes Council.
	By 2019, Preliminary Design will be complete, including full budget estimated (developed at +/- 20% accuracy).	A final Detailed Design Report (i.e. detailed plans and final specifications for preferred option) and Tender documents will be provided	The design development from concept to preliminary, then to detailed design, will progressively improve the definition of works scope and requirements.	Preliminary design will develop the design further to a stage where the scope of the project would be better defined and estimates developed at +20% accuracy.
	By 2020, Detailed design for preferred option and tender documentation for construction of reticulated sewerage system will be complete (tender will be for 1) equipment supply and 2) construction).	Sign-off by RLC of preferred option (including Council approval to commence with construction)		This stage will involve the development of detailed plans and specifications of the work ready for tendering.
By 2022, the construction of the preferred sewerage reticulation scheme will be completed.	Construction contract awarded and construction work started.	Copy of signed contract with successful construction contractor and equipment suppliers.	On-site wastewater systems are currently used as there is no sewerage reticulation scheme.	The long term expected outcome for this objective is that there will be no collapse in the lake's ecosystem into an algae-dominated state. If that is achieved, at least the present levels of activity in relation to recreational and tourism enjoyment should be maintained. However, this outcome may depend as well on comparable effort by the farming community.
	By 2021, the first phase of construction will be complete.	Photos or onsite inspection.	Baseline measurements are showing a declining trend in the safety of drinking water.	
	By 2022, the second phase of construction will be complete	Commissioning of completed reticulation system and connection of all properties within the scheme area.	The crucial TLI indicator is already measured and reported annually; and there is a sufficient existing baseline for ongoing monitoring to	

Commented [GM11]: This is completed

Commented [RS12]: If this has been completed, we can just provide the detail on the preferred option

Commented [GM13]: Not done but detailed feasibility and costings were updated.

Commented [GM14]: Depending on support from community the detailed design will start as per proposed LTP. The current LTP indicates start On 2023/2024 Financial year.

Commented [GM15]: The updated Programme and LTP proposes construction to start on FY 2024/2025 and completed on FY 2025/2026

Commented [RS16]: Will the reticulation scheme need any consents? Can these be included here?

Commented [RS18]: Given the scale of this initiative, I would expect to see regular reports, provided to Council on progress, which could also be included as a KPI – eg.. regular reporting to Council on progress (including information on budget tracking, risks and issues, Etc)

Commented [RS17]: Can we be more explicit about what the first-phase, and what the second-phase entails? Might just need an extra sentence if it's a big piece of work. ie construction of the sewerage treatment plant..

Commented [RS19]: Final commissioning report from contractor

			<p>record any changes following implementation of the project.</p> <p>The TLI has been deteriorating and has not been at or below the target level of 2.6 since 2009 (and even then, only for single year.) In 2015, the TLI reached 3.1 with a three-year average of 3.</p>	<p>The expected outcome for this objective, after implementation of the project, is that drinking water sourced from the lake will be safe without further treatment and warning signs can be removed.</p> <p>The scheme will remove the cultural affront to tangata whenua that arises from human waste entering the lake.</p>
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6 What environmental, social, cultural and economic benefits will occur as a result of this project

Ecosystem services are the benefits people obtain from ecosystems. Identify which of the ecosystem service categories listed below will be enhanced or improved through the delivery of your project. If required, you may include additional types of benefit and/or value in the 'other' category. See pages 24-25 of the Freshwater Improvement Fund Guide for Applicants 2017 for information on how to complete this question.

Ecosystem service	Description	Measure
	<p>For those ecosystem services categories that apply to your project, describe how the benefits will be realised through the delivery of the project.</p> <p>Include an estimated timeframe of when changes may occur (e.g. short-, medium- or long-term).</p>	<p>What indicators (qualitative or quantitative) you will use to measure change?</p> <p>Include any assumptions underlying the nature and estimated magnitude of the changes.</p>
Food e.g., mahinga kai, fisheries, wild food, crops	<p>A minor infection risk, and a cultural affront, which arises at present from gathering mahinga kai in waters contaminated by septic tank effluent will be avoided in the short term, assuming that the reticulation and treatment scheme is successful.</p>	<p>Indicators to be reported on will be successful commissioning, closure of septic tanks, measurement of E.coli, and reported satisfaction with the outcome by members of local iwi and hapu claiming mana whenua status.</p>

	commissioned and that all septic tanks are successfully shut down	
Fresh water <i>e.g., for drinking, irrigation, cooling</i>	Community drinking water supplies drawn from the lake will be made safe in the short term. Assuming the concerning E.coli monitoring results are largely derived from septic tank contamination, and that these sources will be removed	Indicators will be: closure of septic tanks and continued measurement of E.coli in lakeshore and tap water.
Waste-water treatment <i>e.g., water purification, removal or breakdown of organic matter</i>	The reticulation and treatment of sewage, currently disposed of in septic tanks, is expected to have a significant, short term, measurable effect on the loading of nutrients and E.coli into the lake. Assumptions here are as for Fresh water above and that figures in the University of Waikato's nutrient budget discussed earlier are not materially inaccurate.	Indicators will be: the ongoing existing measurements used to assess the Trophic Lake Index, plus ongoing existing measurements of E.coli in lakeshore and tap water. Evaluation of the outcome will also need to be open to any new information gleaned which affects the overall nutrient budget for Lake Tarawera

Activity table and estimated budget for the life of the project

For each objective, list the main tasks/activities that will be undertaken and total estimated costs for the year. All figures should exclude GST.

Objective	Activity			
	Year 0 (2018/2019)	Year 1 (2019/2020)	Year 2 (2020/2021)	Year 3 (2021/2022)
1. By 2019, a review of available ground and contaminant monitoring data is undertaken in order to understand groundwater and contaminant flows into and through Lake Tarawera.	<ul style="list-style-type: none"> Review completed on all available ground and surface water monitoring and baseline information on contaminants and groundwater flows into and through Lake Tarawera. 			
2. By November 2018, a Cultural Impact Assessment (CIA) of reticulation options will be completed, providing guidance to sewerage reticulation scheme decision making.	<ul style="list-style-type: none"> Quarterly engagement meetings with local iwi groups/Te Arawa Lakes Trust are held. Develop and finalise a detailed CIA report of options (in conjunction with mana whenua) which will provide guidance in the decision of the preferred option. A Cultural Health Monitoring programme approved by mana whenua is established as part of CIA. 	<ul style="list-style-type: none"> Continue engagement with iwi related to pipeline route and waahi tapu sites. Undertake Cultural Health Monitoring. 	<ul style="list-style-type: none"> Continue engagement with iwi regarding pipeline route and waahi tapu sites including options for mitigation. Undertake Cultural Health Monitoring. 	<ul style="list-style-type: none"> Continue engagement with iwi regarding construction activities specifically monitoring that conditions in the CIA are implemented during construction Undertake Cultural Health Monitoring.
3. By 2020, three stages of community consultation to assess risks and reticulation requirements will be completed.	<ul style="list-style-type: none"> Stakeholder Management Plan and Communications Plan finalised. The second stage of public consultation and engagement to see support for the preferred option complete. 	<ul style="list-style-type: none"> The third stage of public consultation and engagement continues. This will inform the community on indicative cost per property of the scheme. 	<ul style="list-style-type: none"> The third stage of public consultation and engagement continues. This will seek approval for siting of proposed 	<ul style="list-style-type: none"> The third stage of public consultation and engagement to inform the community of construction

Commented [GM20]: The 3 year programme will be adjusted to reflect RLC LTP proposal.

Commented [GM21]: This is a workstream that BOPRC is progressing. Similar to section 5 above –suggest we exclude this from the work programme.

Commented [GM22]: CIA has been completed. The 3 year activities will be updated to reflect new timing and scope of activities.

Commented [GM23]: Engagement to enable decision on the scheme option has been completed. Current consultation is to inform benefitting ratepayers on the preferred option and to seek their support for scheme to proceed.

			system within each individual property	programme and progress.
4. By 2020, detailed design of the preferred sewerage reticulation scheme is complete.	<ul style="list-style-type: none"> Detailed Feasibility Investigation report of options completed (including geotechnical investigation?). Preliminary Design of Preferred Option provided including full budget estimated (developed at +/- 20% accuracy). Confirmation of all statutory and non-statutory consents required. RLC formally adopt Preferred Option. 	<ul style="list-style-type: none"> Detailed design of Preferred Option provided. Tender for equipment supply completed and suppliers formally approved and contracted. Tender for construction completed and preferred supplier formally approved and contracted. All required statutory and non-statutory consents approved. RLC formally approve commencement of construction 		
5. By 2022, the construction of the preferred sewerage reticulation scheme will be completed.			<ul style="list-style-type: none"> Tendering and construction - Stage 1 begins and construction work commence. 	<ul style="list-style-type: none"> Construction Stage 2 and commissioning.
6. Other (e.g. project management / administration of the project).	<ul style="list-style-type: none"> Progress report on 2018/19 year. Development of the 2019/20 Annual Work Plan. Confirm Co-funding with BOPRC. 	<ul style="list-style-type: none"> Governance Group meetings (Lake Tararua Steering Group and Quarterly Reporting to the Ministry. Independent Annual Financial Audit. 	<ul style="list-style-type: none"> Governance Group meetings. Quarterly Reporting to the Ministry. Independent Annual Financial Audit. 	<ul style="list-style-type: none"> Governance Group meetings. Quarterly Reporting to the Ministry. Independent Annual Financial Audit. Final Report.

Commented [GM24]: Will update to reflect new timeline as per proposed RLC Itp.

Commented [RS26]: Will RLC need to formally approve the commencement of construction, following the detailed design-phase? If so, can this be included as an activity?

Commented [RS25]: Is this correct?

Commented [GM27]: Will update to reflect new timeline as per proposed RLC Itp.

Commented [RS28]: What is the additional governance group going to be referred to as?

			<ul style="list-style-type: none"> Development of the 2020/21 Annual Work Plan. 	<ul style="list-style-type: none"> Development of the 2021/22 Annual Work Plan. 	
Total estimated budget	\$75,000.00 (In kind)	\$300,000.00 (In kind)	\$1,100,000.00	\$8,162,500.0	\$8,162,500.00

Commented [GM29]: Proposed RLC LTP project budget as follows:
 2023/2024-\$2.5m
 20204/2025-\$10m
 2025/2026-\$10m

SECTION C: Resources and capability

7 Funding Information

List all sources of income for the duration of your project, including cash contributions from your organisation, co-funding from external sources and the maximum amount approved from the Freshwater Improvement Fund.

	Year 0 (2018/2019)	Year 1 (2019/2020)	Year 2 (2020/2021)	Year 3 (2021/2022)	Total
Your organisation's cash contribution to the project	\$375,000 (in-kind)	\$100,000	\$125,000	\$150,000	\$375,000
Bay of Plenty Regional Council	\$0	\$0	\$375,000	\$375,000	\$750,000
Rotorua Lakes Council Debt (from Rates)	\$0	\$5,000,000	\$4,667,500	\$4,637,500	\$9,800,000
FIF contribution (approved amount)	\$0	\$500,000	\$3,000,000	\$3,000,000	\$6,500,000
Total cost of project	\$375,000 (in-kind)	\$1,100,000	\$8,162,500	\$8,162,500	\$17,425,000
FIF % of total project costs (for office use only)	0	45.5%	36.8%	36.8%	37.3%

Commented [GM30]: Will be updated to reflect proposed LTP figures.

8 What is the status of external funding?

If any of the funding for your project is not yet confirmed, please provide a summary of how much is 'pending' and when you expect this to be secured. Where funding for multi-year projects is not confirmed, please describe a plausible pathway to securing the additional income required.

The Bay of Plenty Regional Council, through their Long Term Plan process, confirmed a funding subsidy of \$0.75M towards the proposed sewerage scheme.

The Rotorua Lakes Council, through their Long Term Plan process, confirmed a funding subsidy of \$0.75M towards the proposed sewerage scheme (\$0.375m of which would cover costs in Year 0 for costs outside the term of the Deed).

Rotorua Lakes Council Long Term Plan process confirmed external debt funding of the scheme.

9 Partnership and collaboration

Provide details of organisations that you will be partnering with in the delivery of this project. Please outline the nature of each of the partner's involvement and what they will contribute to the successful delivery of the project.

Organisation name	Contact details <i>Name, phone number and email</i>	Details of involvement or collaboration <i>For example, contribution of funding or resources, involvement in decision-making, responsibility for delivering a component of the project.</i>
Bay of Plenty Regional Council	Andy Bruere, Andy.bruere@boprc.govt.nz 0800 884880	The regional council will be approached next year by the Rotorua Lakes Council for a \$2 million contribution toward the total cost of this project. This is not included in the project budget at this stage. However a contribution of about this size would be consistent with contributions which the regional council has made to similar projects in the Rotorua Lakes District that were co-funded by the Ministry for the Environment.
Tuhourangi Tribal Authority	9(2)(a)	This Authority has a recognised status as a mana whenua in the area and the Rotorua Lakes Council will be closely engaged with it in selecting the preferred option and advancing this project.
Te Arawa Lakes Trust		The Trust is the governance entity which received and manages the redress conferred under the 2004 Te Arawa Lakes Settlement, which embraces Lake Tarawera. The Trust has been playing a proactive engagement and mediating role among the various groups claiming mana whenua status at Lake Tarawera. The Trust advises that there may be other iwi and hapu who will need to be engaged with, in addition to those mentioned here, especially if the option of discharging through the Rotorua wastewater treatment plant is retained. The Rotorua Lakes Council will be closely engaged with the Te Arawa Lakes Trust in ensuring effective consultation of iwi and hapu, and in advancing this project.
Ngāti Rangitihi		Ngāti Rangitihi are about to proceed with a Treaty claim in the area, and the Rotorua Lakes Council will therefore be closely engaged with them in selecting the preferred option and in advancing this project.
Ngāti Tahu-Ngāti Whāoa Runanga Trust		This Trust has mana whenua interests in the extended catchment, which has groundwater connections to Lake Tarawera. The Rotorua Lakes Council recognises that the Trust could be affected by decisions to be made on the clean-up of Lake Tarawera and will engage with it in advancing this project.
Tarawera Ratepayers Association		The Association represents ratepayers in the Lake Tarawera catchment who would be required to contribute to the cost of the sewage reticulation project if it proceeds. The Association has contributed financially over many years to the research work of the University of Waikato in the lake, and members have also been involved in gathering water quality data. The Rotorua Lakes Council will be closely engaged with the Association in selecting the preferred option and in advancing this project.

10 Project team

Provide details of your project team and confirmation of their availability for the duration of the project. Please provide details for your project manager in the first row.

Name	Organisation	Role in project	Phone	Email
9(2)(a)	Rotorua Lakes Council	Project Manager	9(2)(a)	
	Rotorua Lakes Council	Construction Manager		
	Rotorua Lakes Council	Project Owner		
	Rotorua Lakes Council	Project Engineer		

11 Governance and management structure

<p>Project governance</p> <p>Describe the governance structure/s that will be implemented to ensure monitoring and management of performance and effective decision-making occurs. Include information on members of the governance group and their skills.</p>	<p><u>Strategic Governance</u></p> <p>The Rotorua Te Arawa lakes Strategy Group (RTALSG), which provides strategic governance to the Rotorua Lake Water Quality Programme, will also provide strategic governance to the Lake Tarawera Sewerage Reticulation and Treatment Project.</p> <p>The RTALSG includes representatives from BoPRC, RLC, TALT and MfE and meet quarterly</p> <p><u>Operational Governance</u></p> <p>Appendix 3 (attached) is the proposed Lake Tarawera Sewerage Reticulation and Treatment Project Steering Group. It includes representatives from BoP C, RLC TALT and MfE</p>
<p>Managing funds</p> <p>Provide information about how you will manage the project funds. Include information about how you will procure goods and services, approve payments, and monitor and address budget overspend.</p>	<p>The Council has an established procurement policy, available on its website, which will be followed. Budget for the project will be authorised through the Council's Annual Plan process, with expenditures then authorised consistent with the Plan through delegated authorities. Monthly financial monitoring, including forward projections against budget, will be implemented by the project governance group and this will be backed up by quarterly reporting to the council's finance committee to ensure that cash flows are managed effectively with the ability to apply timely corrective action if required.</p>

Commented [RS31]: Clarify what this might look like

Commented [M32]: Will be updated to reflect new membership.

Commented [RS33]: Will there be terms of reference developed for the group? Should this be included as an activity in the work programme? Will the operational governance report in any way to the strategy group? How often does the steering group meet?

12 Health and safety

It is important that you have the necessary health and safety policies, resources and expertise to safely undertake and complete the project. You must comply at all times with the requirements and provisions of the Health and Safety at Work Act 2015 (HSWA). You are also required to submit a health and safety plan for your project during the Stage 2 process.

<p>Does your organisation have a health and safety policy?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes state when this was last reviewed/updated</p> <p>The policy currently under review</p>
<p>Has your organisation been issued with any notices under health and safety legislation?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please provide details.</p> <p>An Improvement notice was issued by the Department of Labour in 2012 in relation to some unsafe working by contractors. Corrective action was taken, the notice was lifted and no further action was taken</p>
<p>Who will be responsible for health and safety for the project?</p>	<p>The Project Manager – Greg Manzano</p>

Commented [RS34]: When will the review be complete? Should the provision of an updated H&S plan be included as a deliverable?

13 Risk management

Provide a brief description of the major risks to the project achieving the intended outcomes. Include consideration of potential barriers that may pose a risk to the success of the project. Where possible give an indication of the likelihood and significance of the risk and any mitigation strategies to be included in the project.

Potential risk <i>Identify the potential risk to your project (for example, project not completed on time, unpredictable events such as weather, lack of resource commitment, time and cost estimates too optimistic, unexpected budget cuts, stakeholders changing requirements after the project has started, risks to the industry or sector to which the organisation belongs).</i>	Level of risk <i>Low, medium or high.</i>	Impact on project <i>Describe the impact the risk would have on the project (for example, misunderstandings, duplication of work, incomplete work).</i>	Consequence on project <i>Minor, moderate or severe.</i>	Strategy to mitigate <i>Describe the process you will use to minimise and manage the risk (for example, project manager monitors functional roles to ensure enough time is allocated to complete each task/activity and the project as a whole).</i>
Inability to obtain resource consent	Low	Could not proceed to construction	Severe	Good community consultation, good planning and legal advice.
Inability to obtain financial support from Bay of Plenty Regional Council	Low	Would need to increase the required contribution from targeted rates.	Severe	Tarawera ratepayers are already being asked to pay more for this sewerage project than ratepayers on other lakes in the district, and a further increase in cost could create major difficulties for many individual ratepayers, and for progressing the project. To mitigate this risk, considerable work will be put into making a strong case to the regional council at both officer and political levels.
Project not completed on time	Low	Would require renegotiation with funders, and would create difficulties for regulatory and practical transition from septictan to reticulation; would cause delay in desired environmental improvement.	Moderate	Close monitoring and reporting of project progress and sharing of this information with funders, regulators and stakeholders to ensure there is plenty of advance notice of any transitional difficulties that might arise.

Loss of support for the project from the community	Low	Project could not proceed if there is significant opposition from the community	Severe	A Stakeholder Engagement Plan and Communications Plan are being developed for the project which will outline engagement with iwi and ratepayers throughout the life of the project. Implementation of these plans will ensure that information about the project is readily available to the community and this will mitigate loss of support for the project.
Landowner objection to requirement to connect to the constructed scheme	Low	Additional costs to resolve via hearing process in accordance with Local Government Act	Moderate	Early consultation with landowners on location of system within their property. Landowners will have the opportunity to provide submissions to the Council on the proposed reticulation scheme. Identification of the preferred option will take account of the submissions received by the community.
Project scope change due to Cultural Impact Assessment aspirations	Medium	Potential additional cost and/or time to complete the project	Moderate	Continue iwi engagement including prioritising and rationalising CIA aspirations
Discovery of archaeological sites during construction	Low	<ul style="list-style-type: none"> Additional time and costs Possible design changes Programme delays 	Moderate	<ul style="list-style-type: none"> Undertake all archaeological investigation prior to construction – all statutory and non-statutory permissions and consents will be identified in Year 0, and approved in Year 1 prior to any construction taking place. Involve iwi with construction
Poor ground condition for reticulation construction	Medium	Additional time and costs	Moderate	Undertake geotechnical investigation to full extent of reticulation – when will this take place? Will this inform the development of the 'Detailed design' of Preferred Option
Substandard electrical systems at properties	Low	<ul style="list-style-type: none"> Significant electrical upgrades required to properties for connection of pumps Additional costs 	Moderate	Undertake electrical audits/inspections of properties within the scheme area. If significant electrical upgrades are required then.....
Various health and safety related risks during construction	Low	<ul style="list-style-type: none"> Personal injury, illness or death Delays project 	Severe	A detailed H&S plan is being developed for the project and will be provided by [insert date] This will outline the various roles and responsibilities in relation to the project, including contractors employed through the construction phase. Require robust contractor health and safety plan and methodologies and provide good construction supervision

Commented [RS35]: Is there any risk about losing support from the project partners as well?

Commented [RS36]: Does this mitigate the risk? E.g. will iwi engagement mitigate scope change? Can this be explained further e.g. as per the examples given above)

Commented [RS37]: Will iwi be involved with construction? In what capacity?

Poor contractor performances	Low	Additional time and costs	Moderate	<ul style="list-style-type: none"> • Invite only competent contractors and include non-price attributes in tender evaluation • Include sufficient project progress payment retention
Cost escalation of equipment procured from overseas	Low	Additional costs	Moderate	Early procurement of key equipment

Commented [RS38]: Assume that RLC will also closely monitor the performance of all contractors and provide regular reports to the projects steering/governance groups?

Commented [RS39]: Are there any risks related to the tender process? E.g. what if tenders come in significantly above cost estimates? What would be the implications on the project and how will this be managed?

Commented [RS40]: At this stage do we have an understanding of what materials will need to be procured overseas?

SECTION D: Additional information

14 Conflicts of interest

Describe any known conflicts of interest (actual or potential) and steps you will take to manage them. None.

Declaration

This declaration must be completed by a person with the organisation's signing authority. See page 31 of the Guide for Applicants 2017 for additional information on how to complete this question.

As a duly authorised representative of the organisation:

- I declare that to the best of my knowledge, the information contained in all sections of this Work Programme, or supplied by us in support of our Work Programme is complete, true and correct.
- I declare that I have the authority to sign this Work Programme and to provide this information.
- I understand that information presented to the Minister for the Environment and the Ministry for the Environment is subject to disclosure under the Official Information Act 1982.

Name

Position

Signature

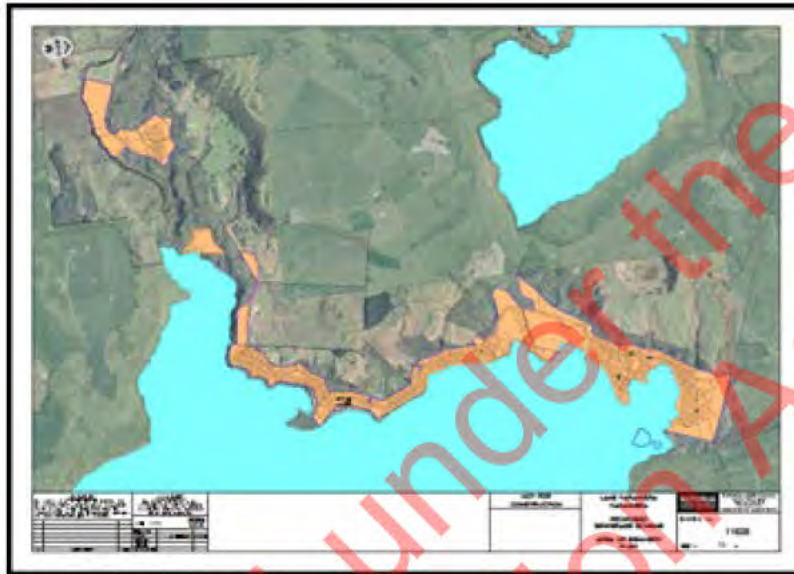
By typing your name in the space provided you are electronically signing this Work Programme.

Date

APPENDIX 1

Commented [RS41]: Do we have a better map? E.g. it's hard to ascertain which properties are in scope for the project? Do we have an idea of how many properties will be provided for through the project?

PROPOSED SERVICE AREA



Number of properties: Current - 423
Ultimate - 546

APPENDIX 2

Description of the Four Sewerage Reticulation Options for Tarawera

The existing Okareka sewerage scheme connects the sewerage reticulation of the Okareka community to the existing Rotorua city sewerage reticulation and treatment system. It includes a sewer trunk main that has been sized to include an additional capacity to cater for the connection of the lake Tarawera community.

The four sewerage reticulation options for Tarawera are as follows:

- Option 1 Low Pressure Grinder Pump System (LPGP) with trunk main along Playnes farm
- Option 2 Septic Tank Effluent Pumping System (STEP) with trunk main along Playnes farm
- Option 3 Low Pressure Grinder Pump System (LPGP) with trunk main along Tarawera Road
- Option 4 Septic Tank Effluent Pumping system (STEP) with trunk main along Tarawera Road

The main differences between the four options are:

- The system used to connect each property within the Lake Tarawera community to a sewerage reticulation system.
- The trunk main route options that will connect the Lake Tarawera sewerage reticulation to the existing Lake Okareka sewerage scheme.

Sewerage Reticulation System Options:

The Lake Tarawera community has a very difficult topography typical of a late side development. It was established that a conventional gravity sewerage reticulation would be very expensive and difficult to implement. The viable alternative is to implement small bore pressure sewer systems. The two pressure sewer systems options are as follows:

- Low Pressure Grinder Pump System (LPGP)

This involves constructing a tank and pump system for each property. This tank and pump system will receive the domestic wastewater and grinds it into a fine slurry before pumping the slurry through a small bore pipeline to the street main. The street main collects all the effluent from individual pumps and conveys it to a sewer trunk main system.

A diagram of the system is shown in Figure 1.



Figure 1

- Septic tank effluent Pumping System (STEP)

This involves constructing a tank and pump system in each household. This tank and pump system will receive the domestic wastewater where the solids settle at the bottom of the tank (similar to a conventional septic tank.) The liquid is then pumped through a small bore pipeline similar to an LPGP system as before. (A diagram of the system is shown in figure 2.)

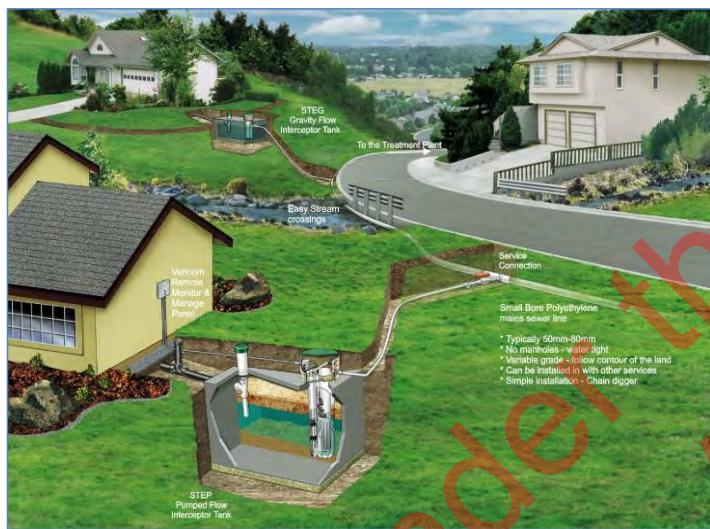


Figure 2

- Trunk main route options:

There are two potential route options to link the proposed sewerage reticulation of Lake Tarawera to the existing sewerage reticulation of Lake Okareka, as follows:

- Along Tarawera Road

This proposed trunk main route will follow Tarawera Road from Lake Tarawera up to a connection point at Lake Okareka. It is proposed that all existing properties within the proposed trunk main route will be connected to the system.

(Figure 3 is a map that shows the proposed trunk main route along Tarawera Road (route highlighted in blue)

- Along Playnes Farm

This proposed trunk main route is a more direct route but will be passing through private properties. The owners of the land will have to provide permission for Council to implement the work as proposed.

(Figure 3 is a map that shows the proposed trunk main route along the Playnes farm (route highlighted in red.)

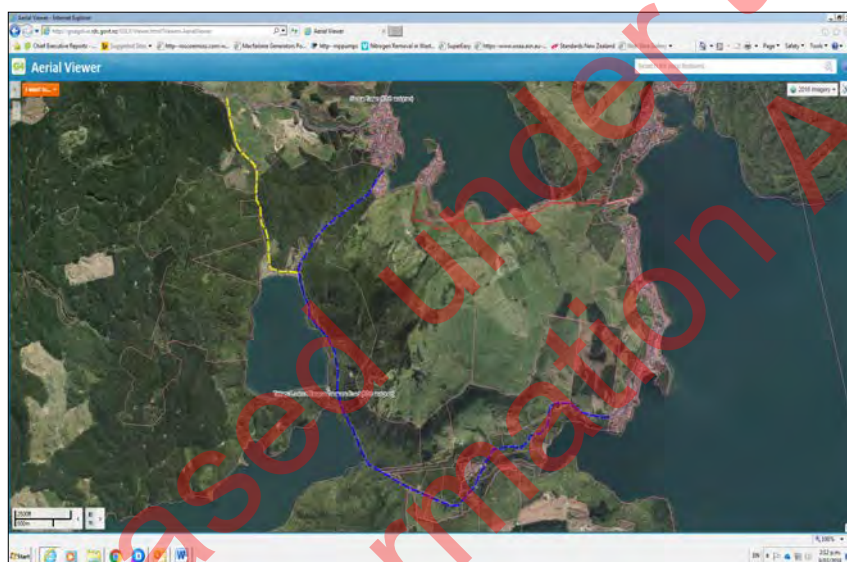
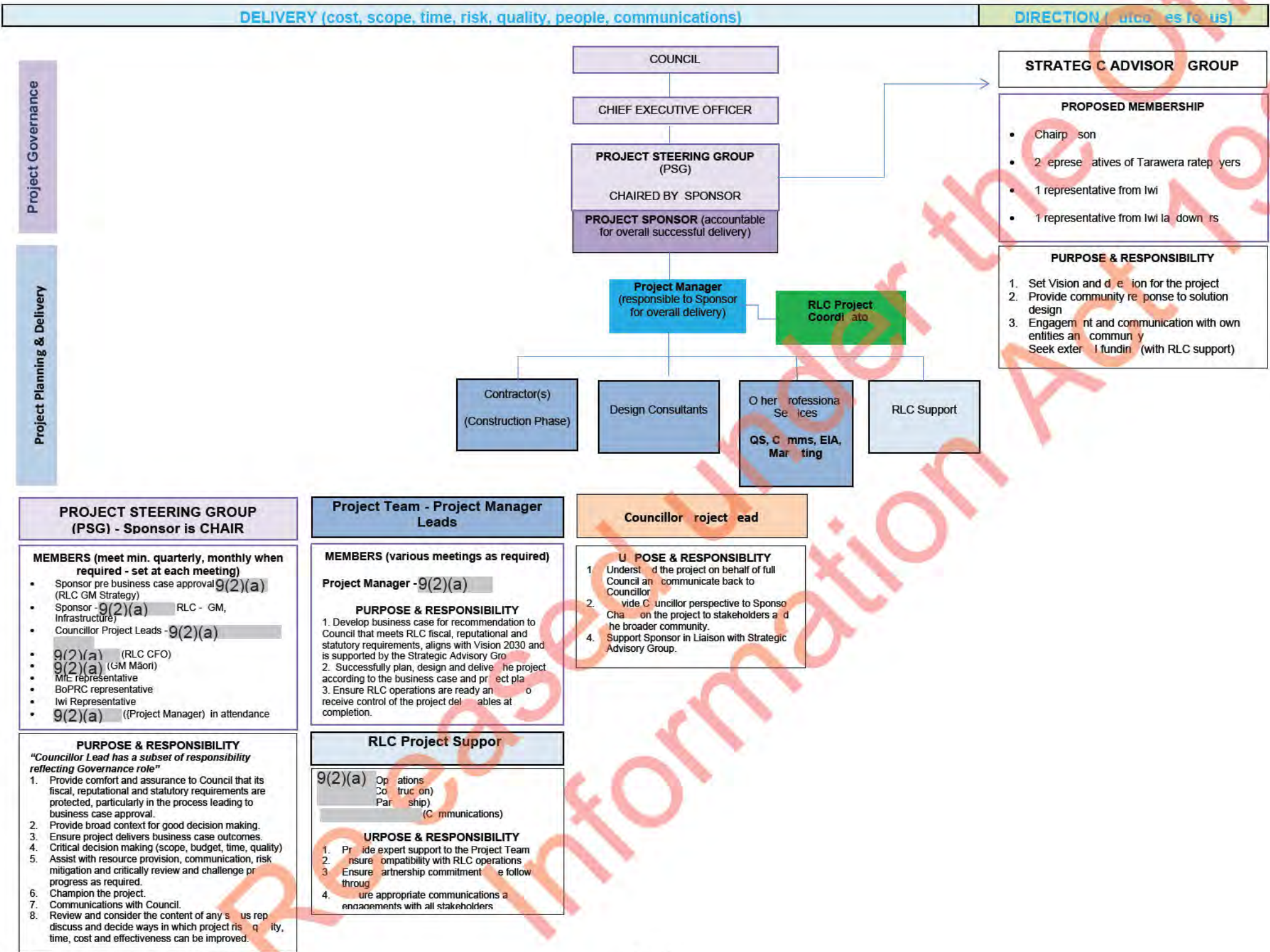


Figure 3

Legend

APPENDIX 3

TARAWERA SEWERAGE SCHEME - PROPOSED PROJECT STRUCTURE



Released under the Official
Information Act 1982

From: 9(2)(a)
To:
Subject: FW: FIF LAKE TARAWERA SEWERAGE SCHEME -DRAFT WORK PROGRAMME
Date: Friday, 15 October 2021 1:08:36 pm
Attachments: [Freshwater Improvement Fund Lake Tarawera Sewage Reticulation and Treatment 2021 - 2024\(2\).DOCX](#)

From: 9(2)(a)
Sent: Thursday, 22 July 2021 11:36 AM
To: 'simon.ingram@mfe.govt.nz' <simon.ingram@mfe.govt.nz>
Cc: 9(2)(a) <@rotorualc.nz>
Subject: FW: FIF LAKE TARAWERA SEWERAGE SCHEME -DRAFT WORK PROGRAMME
 Hi Simon

I refer to my email dated 12 May (below).

The recently adopted LTP confirmed the implementation of the proposed Tarawera Sewerage Scheme from 2021/2022 to 2023/2024. The intention is to complete the detailed design of the scheme during the 2021/2022 financial, with first phase of construction in 2022/2023 financial year and completed in 2023/2024 financial year. We intend to start with the detailed design work within the next few months. It would be appreciated if you could review the attached draft programme so that we could finalise it before the project is substantially progressed. If you have further queries, please contact me.

Best regards

9(2)(a)

Manager, Infrastructure Planning, Infrastructure Group 9(2)(a)

From: 9(2)(a)
Sent: Wednesday, 12 May 2021 2:12 PM
To: 'simon.ingram@mfe.govt.nz' <simon.ingram@mfe.govt.nz>
Cc: 9(2)(a) <@rotorualc.nz>
Subject: FIF LAKE TARAWERA SEWERAGE SCHEME - DRAFT WORK PROGRAMME
 Hi Simon

Attached is the Draft Work Programme for the Lake Tarawera Sewerage Scheme. An initial draft was reviewed by Rob Schick, but this has been updated to reflect the preferred option of servicing the community- ie LPGP system connected to the existing Lake Okareka Sewerage Scheme. The project timeline has also been updated including the corresponding cashflow projections.

Please contact me if you have any questions or require further information.

Best regards

9(2)(a)

9(2)(a) - Infrastructure Planning, Infrastructure Group P 02

9(2)(a)

9(2)(a) <@rotorualc.nz> / W rotorualakesco.co.nz

A 1061 Haupapa St, Private Bag 3029, Rotorua Mail Centre, Rotorua 3046, New Zealand



DRAFT

Freshwater Improvement Fund

**Work Programme for
Lake Tarawera Sewage Reticulation and Treatment**

**Undertaken by
Rotorua Lakes District Council**

2021 - 2024

Official information and privacy

Official Information Act 1982

Important: Information presented to the Minister for the Environment or the Ministry for the Environment is subject to disclosure under the Official Information Act 1982 (OIA). Certain information may be withheld in accordance with the grounds for withholding information under the OIA. Further information on the OIA is available at www.ombudsmen.parliament.nz.

Information held by the Minister or the Ministry may have to be released under the OIA in response to a request from a member of the public (or any other body) for that information. If you wish to provide sensitive information to the Minister or the Ministry which you do not want released, it is recommended you consult with the Ministry as to whether the information is necessary for the application and whether there may be grounds in the OIA for withholding the information. For instance, if release of the information would disclose a trade secret, or be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information, then there may be grounds to withhold the information. If an OIA request relating to your application is received, the Ministry will endeavour to contact you to discuss it, and what the implications of releasing your information are.

The grounds for withholding information must always be balanced against consideration of public interest that may justify release. Although the Ministry does not give any guarantees as to whether information can be withheld under the OIA, it may be helpful to discuss OIA issues with the Ministry in advance, if information provided with an application is sensitive.

Privacy Act 1993

Important: The Ministry for the Environment (Environment House, 23 Kate Sheppard Place, Wellington 6011 temporarily located at Level 2, 3 The Terrace, Wellington 6011) may collect, use, hold or disclose personal information for the purpose of assessing eligibility and suitability for Freshwater Improvement Fund funding. Individuals have the right in accordance with the Privacy Act 1993 to request access to and correction of their personal information. While the provision of personal information is not mandatory, failure to provide requested information could lead to a delay in considering the application or a decline of the same.

Introduction

This Work Programme template is completed by applicants to the Freshwater Improvement Fund who have successfully completed Stage 1 of the application process and have been invited to proceed to Stage 2 (project planning).

This Work Programme gives an overview of the entire life of the project, including purpose, objectives, benefits and estimated costs. The Work Programme is accompanied by an Annual Work Plan, which more specifically details the budget and work to be undertaken for Year One. For each subsequent project year, a new Annual Work Plan will be developed and attached to the Work Programme.

Complete all sections of this work programme template. We recommend you refer to the following documents to help you:

- *Freshwater Improvement Fund – ‘Guide for Applicants 2017’* – the guide used to help you complete your original application.
- *Freshwater Improvement Fund – ‘Guide for Recipients’* – the additional user guide sent to you with this Work Programme template.

If you have a question about the Work Programme that is not covered in this document or in either of the user guides provided, you can email or phone your assigned analyst at the Ministry.

When your Work Programme is complete

Email this completed draft Work Programme to your assigned analyst. They will review it and advise you if there are any issues that need to be addressed, or if there are any outstanding questions.

Important information

This Work Programme template is pre-populated with some of the information you provided in your original application form. Update this information as required to reflect the current status of your project. Sometime may have elapsed since you first submitted the application form to the Ministry, and further information and details may now be available that were not available previously. In addition, you may need to incorporate any conditions that the Assessment Panel has made (refer to the letter you received inviting you to proceed to stage 2).

SECTION A: Recipient details

1 Organisation details

Check that the information below about your organisation is correct, and update it as required

Organisation name	Rotorua District Council (RDC)
Trading name (if different)	Rotorua Lakes Council (RLC)
Description of your organisation	RLC is the territorial local authority for the Rotorua District
Physical address <i>Include postcode.</i>	Civic Centre, 1061 Haupapa Street, Rotorua 3010
Postal address <i>Include postcode.</i>	Private Bag 3029, Rotorua Mail Centre, Rotorua 3046
Telephone	07 348 4199
Website address	http://www.rotorualakescouncil.nz/Pages/default.asp
Legal entity status (e.g., regional council, charitable trust, incorporated society, Māori trust board)	Territorial Authority

2 Contact details for this project

Recipient's main contact (name and organisation)	9(2)(a)	Ministry's main contact	Simon Ingram
Organisation	General Manager, Infrastructure		
Email address	9(2)(a)@rotorualc.nz	Email address	Simon.ingram@mfe.govt.nz
Phone	9(2)(a)	Phone	Landline Mobile
Postal address	Private Bag 3029, Rotorua Mail Centre, Rotorua 3046	Postal address	PO Box 10362, Wellington 6143
Physical address	Civic Centre, 1061 Haupapa Street, Rotorua 3010	Physical address	Environment House, 23 Kate Sheppard Place, Wellington 6012

SECTION B: Project details

3 Project overview

Check that the information below about your project is correct, and update as required

Project name	Lake Tarawera Sewage Reticulation and Treatment
Project purpose	<p>This project targets the most costly and intractable barrier to arresting the ongoing decline of water quality in Lake Tarawera: eliminating the septic tanks which leak into the lake.</p> <p>This will be achieved by building a reticulated sewage system to replace all existing on site wastewater systems (septic tanks and soil soakage) on every property, public facilities and commercial facilities within this service area (Appendix 1.) This will stop the leaching of septic tank effluent to Lake Tarawera and improve lake water quality in the lake. This will address the public health risks posed by failed septic tanks. This project would clear the way to delivering the full range of actions needed from other stakeholders in the catchment, to restore the lake to the standard specified by the Bay of Plenty Regional Council.</p>
How many years will this project run for?	<p>The project has been approved for 3 years, commencing 2021/2022</p> <p>Year 1 will commence 2021/2022 on completion of Year 0 Annual Work Plan (described in more detail below).</p>
Total project cost <i>Do not include in-kind contributions in the total project cost.</i>	\$22,500,000
Freshwater Improvement Fund contribution <i>This must be no more than 50% of the total project cost.</i>	\$6,500,000.00

4 Details of your water body

Check that the information below about your water body is correct, and update it as required

Name and location of water body <i>If your project includes more than one water body, include details of each water body.</i>	Lake Tarawera, Rotorua District			
Type of water body your project applies to <i>Select all that apply.</i>	<input checked="" type="checkbox"/> Lake	<input type="checkbox"/> River	<input type="checkbox"/> Wetland	<input type="checkbox"/> Groundwater
	<input type="checkbox"/> Other (Please specify)			
Is your project located in a catchment identified as vulnerable?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		

<p>Refer to the Fund's map of vulnerable catchments published on Ministry for the Environment's website. [https://data.mfe.govt.nz/layer/3523-fif-catchments/]</p>	
<p>Please provide the GPS coordinates of your water body</p> <p><i>If your project includes more than one water body, confirm the GPS coordinates of the largest water body only. (Please provide coordinates in decimal degrees e.g., Latitude – 41.279167, Longitude 174.776486)</i></p>	<p>South 38.188627 East 176.428853</p>
<p>What activities have previously, or are currently, impacting upon water quality and/or quantity?</p> <p><i>Please also indicate whether these activities are ongoing.</i></p>	<p>The most recent nutrient budget for Lake Tarawera was presented in the 2016 University of Waikato report titled "Modelling the impact of sewage reticulation in the Lake Tarawera catchment." This highlights that a majority of the P load and a substantial proportion of the N load appear to be derived from a combination of geothermal sources and tributary lakes. For P, the geothermal contribution is estimated at 58%, while the tributary lakes contribution via a time-lagged groundwater connection to Lake Tarawera is estimated at 20%. These loads are subject to significant and ongoing uncertainty as to quantum and timing.</p> <p>The report focuses on the need to reduce 'manageable' nutrient loads from farming activities and human sewage. The latter is estimated to comprise 15% of the manageable load and reticulation of wastewater is also indicated as a desirable management action on the basis that the benefits in nutrient load reductions are likely to be immediate due to the proximity of the lake compared to other land management initiatives higher in the catchment".</p> <p>The balance of the ongoing but manageable nutrient load to the lake is from farming. The regional council is rolling out a project to ensure that the 50 large farms in both the Tarawera surface catchment and the tributary lakes catchments will all have farm environmental plans by March 2018. There are existing regional council funds available to support on-farm investment in works such as riparian retirement and planting which are likely to be effective over time in reducing P inflows to the lake. As mentioned earlier, perceived equitable burden-sharing between farmers and residential ratepayers is important for motivating on-farm investments in nutrient reductions.</p>
<p>What is the current state of water quality within the waterbody?</p> <p><i>If known, please include the trophic level index of the waterbody. For more information please visit https://www.lawa.org.nz/learn/factsheets/lake-trophic-level-index/</i></p>	<p>Lake Tarawera is an iconic New Zealand lake and is valued for its oligotrophic status, but it appears to be approaching a tipping point. The regional water and land plan has a Trophic Lake Index objective of 2.6 but the TLI is currently at 3.1 and deteriorating (a higher number is worse.) Blue-green algal blooms have started occurring in recent summers. The Regional Council's Restoration Plan identifies phosphorus as the nutrient whose inflow must be reduced, with an annual reduction target of 1200kg, while nitrogen must be capped.</p> <p>But since 2010/11, the total phosphorus load in the lake, measured as an annual median, has increased, so that the annual grading has dropped to B or C against the national objectives framework in the National Policy Statement for Freshwater Management.</p>

	<p>Lake Tarawera is strongly stratified for nine months of the year, during which time oxygen cannot be replenished in the bottom layer and Lake Tarawera has the most phosphorus-enriched sediments of any of the Rotorua Te Arawa lakes. The risk is that if lake water quality continues to decline and algal matter dropping to the bottom layer continues to increase, all oxygen may be removed from this layer for prolonged periods. Deoxygenation is expected to trigger major seasonal releases of phosphorus and nitrogen from lake sediments, tipping the lake into an algae-dominated state, from which recovery would be extremely difficult and costly. It will take time to move the lake back from this tipping point and it is important that an early start is made.</p>
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Released under the Official Information Act 1982

5 Project objectives

Provide between three and six concrete statements which describe the tangible results your project will achieve. Note that some project outcomes will be achieved over a longer timeframe, however the objectives described here must be achievable within the duration of the funding. Please ensure that:

- Objectives are SMART (Specific, Measurable, Achievable, and Realistic within the Timeframe of the project). Refer Appendix 2 (page 42) of the Freshwater Improvement Fund Guide for Applicants 2017 for more information on setting SMART objectives.
- All objectives are clearly defined and achievable within the duration of the funding.
- Each objective has at least one key performance indicator (KPI).
- Successful completion of tasks and activities will lead to achievement of the project objectives.
- You have a clear plan for measuring, evaluating and reporting whether your project objectives have been met.

Objective	Key performance indicators (KPIs)	How will you monitor and evaluate the achievement of this objective?	Baseline information	Expected outcome
<i>Describe the tangible results your project is trying to achieve.</i>	<i>KPIs are concise statements about key benefits of the project and how they will be achieved.</i>	<i>How will you measure your progress and demonstrate that the objective has been achieved?</i>	<i>Describe the current situation, using the data you have available.</i>	<i>What is the expected benefit from this objective being met? How does this contribute to the purpose of your project?</i>
By November 2018, a Cultural Impact Assessment (CIA) of the four reticulation options (Appendix 2) will be completed, providing guidance to sewerage reticulation scheme decision making	Engage with mana whenua groups / Registration of Interest Consultation with the relevant mana whenua groups is complete. A high level Cultural Impact Assessment has been completed – reviewed and signed off by mana whenua	List of mana whenua groups involved in the development of CIA A high level Cultural Impact Assessment on the reticulation options has been completed.	Not all groups claiming mana whenua status are effectively engaged with the council on the issue regarding current waste disposal practice in the lake. A CIA has not been completed for the reticulation options	Enhanced cultural well-being and improved relationships within the lake's community. The CIA on the four reticulation options will identify any cultural issues inherent with each option and the corresponding mitigation measures required as appropriate. Achieve an expression of satisfaction from the range of groups claiming mana whenua status, that this objective has finally been achieved.

<p>By 2022, a Stakeholder Engagement Plan is established and implemented to include four stages of community consultation to assess risks and reticulation requirements.</p>	<p>Stakeholder engagement plan established to include communications plan – engagement with iwi and ratepayers to get agreement on preferred option and corresponding levies. This has been completed.</p> <p>The first stage of stakeholder engagement and consultation has been completed. This involved seeking feedback from the community on the preferred option. Based on feedback from the community, the preferred option is to connect each property to an LPGP system connected to the existing Lake Okareka sewerage scheme.</p> <p>By mid-2021, complete stage 2 community consultation including sending out letters informing the community about the preferred option proposed by the Rotorua Lake Council for implementation (submissions from the community may also be requested)</p> <p>By late 2022, start with the third stage of stakeholder engagement and consultation. The aim of this engagement is to seek approval for the siting of LPGP units on each individual property.</p>	<p>Attendance numbers community consultation meetings</p> <p>Minutes of consultation meeting including presentations and brochures.</p> <p>Number of Submissions from community.</p> <p>Written support from the community to proceed with project implementation will be requested</p> <p>Newsletters describing progress of project implementation sent to the community at appropriate intervals.</p>	<p>The first stage of community consultation has been completed. This presented the different options to be considered.</p> <p>Letters sent out to the community and written responses are being received</p>	<p>The community and key stakeholders are represented in the Tarawera Sewerage Project Steering Group.</p> <p>The Project Steering Group is adequately informed about the details of the project including decisions made.</p> <p>The community consultation process will enable the community to be informed on all the relevant information and decisions made on the project which will encourage them to engage leading to provision of support for the project. The three stages of the community consultation will provide opportunities for community input into the process, and to keep the community up-to-date with project progress.</p> <p>Community informed of construction progress including expected completion of work.</p>
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	By late 2023, complete stage 3 community consultation. Inform the community on project progress and the remaining steps towards the completion of the project. At this stage, the construction of the scheme would have been well underway.			
By 2022, detailed design of the preferred sewerage reticulation scheme is complete.	<p>By 2018, technical investigations on reticulation options will be complete, including a cost-benefit analysis of all options considered. This has been completed. The preferred option is to connect each property to an LPGP system. The system connects to the existing Lake Okareka sewerage scheme.</p> <p>By 2022, Detailed design for preferred option and tender documentation for construction of reticulated sewerage system will be complete</p>	<p>A final feasibility Investigation report will be provided</p> <p>A final Detailed Design Report (i.e. detailed plans and final specifications for preferred option) and Tender documents will be provided.</p>	<p>The detailed feasibility investigation was completed. All of the options were developed at concept level design and estimates were prepared at 30% accuracy.</p> <p>The design development from concept to detailed design will progressively improve the definition of work scope and requirements.</p>	<p>The purpose of these investigations is to address questions related to the different options available to the community.</p> <p>This stage will involve the development of detailed plans and specifications of the work ready for tendering.</p>
By 2024, the construction of the preferred sewerage reticulation scheme will be completed.	<p>Construction contract awarded and construction work started</p> <p>By 2023, the first phase of construction will be complete</p> <p>By 2024, the second phase of construction will be complete</p>	<p>Copy of signed contract with successful construction contractor and equipment suppliers.</p> <p>Regular progress reports on construction progress.</p> <p>Commissioning of completed reticulation system and</p>	<p>On-site wastewater systems are currently used as there is no sewerage reticulation scheme.</p> <p>Baseline measurements are showing a declining trend in the safety of drinking water.</p>	<p>The long term expected outcome for this objective is that there will be no collapse in the lake's ecosystem into an algae-dominated state. If that is achieved, at least the present levels of activity in relation to recreational and tourism enjoyment should be maintained. However, this</p>

		connection of all properties within the scheme area	<p>The crucial TLI indicator is already measured and reported annually; and there is a sufficient existing baseline for ongoing monitoring to record any changes following implementation of the project.</p> <p>The TLI has been deteriorating and has not been at or below the target level of 2.6 since 2009 (and even then, only for single year.) In 2015, the TLI reached 3.1 with a three-year average of 3.0.</p>	<p>outcome may depend as well on comparable effort by the farming community.</p> <p>The expected outcome for this objective, after implementation of the project, is that drinking water sourced from the lake will be safe without further treatment and warning signs can be removed.</p> <p>The scheme will remove the cultural affront to tangata whenua that arises from human waste entering the lake.</p>
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6 What environmental, social, cultural and economic benefits will occur as a result of this project?

Ecosystem services are the benefits people obtain from ecosystems. Identify which of the ecosystem service categories listed below will be enhanced or improved through the delivery of your project. If required, you may include additional types of benefit and/or value in the 'other' category. See pages 24-25 of the Freshwater Improvement Fund Guide for Applicants 2017 for information on how to complete this question.

Ecosystem service	Description	Measure
	<p>For those ecosystem service categories that apply to your project, describe how the benefits will be realised through the delivery of the project.</p> <p>Include an estimated timeframe of when changes may occur (e.g. short-medium- or long term).</p>	<p>What indicators (qualitative or quantitative) you will use to measure change?</p> <p>Include any assumptions underlying the nature and estimated magnitude of the changes.</p>
Food e.g., mahinga kai, fisheries, wild food, crops	A minor infection risk, and a cultural affront, which arises at present from gathering mahinga kai in waters contaminated by septic tank effluent will be avoided	Indicators to be reported on will be successful commissioning, closure of septic tanks, measurement of E.coli, and reported satisfaction with the outcome by members of local iwi and hapu claiming mana whenua status.

	in the short term, assuming that the reticulation and treatment scheme is successfully commissioned and that all septic tanks are successfully shut down.	
Fresh water <i>e.g., for drinking, irrigation, cooling</i>	As described earlier, community drinking water supplies drawn from the lake will be made safe in the short term. This assumes that the currently concerning, E.coli monitoring results are, as believed, largely derived from septic tank contamination, and that these sources will be removed.	Indicators will be: closure of septic tanks and continued measurement of E.coli in lakeshore and tap water
Waste-water treatment <i>e.g., water purification, removal or breakdown of organic matter</i>	The reticulation and treatment of sewage which is currently disposed of in septic tanks is expected to have a significant, short term measurable effect on the loading of nutrients and E.coli into the lake. Assumptions here are as for Fresh water above, plus the assumption that the figures in the University of Waikato's nutrient budget discussed earlier are not materially inaccurate. 	Indicators will be: the ongoing existing measurements used to assess the Trophic Lake Index, plus ongoing existing measurements of E.coli in lakeshore and tap water. Evaluation of the outcome will also need to be open to any new information gleaned which affects the overall nutrient budget for Lake Tarawera

Activity table and estimated budget for the life of the project

For each objective, list the main tasks/activities that will be undertaken and total estimated costs for the year. All figures should exclude GST

Objective	Activity			
	Year 0 (2020/2021)	Year 1 (2021/2022)	Year 2 (2022/2023)	Year 3 (2023/2024)
<ul style="list-style-type: none"> By 2024, three stages of community consultation will be completed 	<ul style="list-style-type: none"> The second stage of consultation is seeking submission from the community confirming their support for the scheme is received. Council confirm decision to proceed with scheme in June 2021. 	<ul style="list-style-type: none"> The third stage of public consultation and engagement starts. This engagement process will seek approval for the siting of proposed LPGP units on each individual property 	<ul style="list-style-type: none"> The fourth stage of public consultation and engagement starts. This stage is to inform the community of construction programme and progress. 	<ul style="list-style-type: none"> The fourth stage of public consultation and engagement continues. This stage is to inform the community of construction programme and progress
<ul style="list-style-type: none"> By 2022, detailed design of the preferred sewerage reticulation scheme is complete. 	<ul style="list-style-type: none"> Confirmation of all statutory and non-statutory consents required. RLC formally adopt Preferred Option and confirms the scheme to proceed by June 2021. 	<ul style="list-style-type: none"> Detailed design of Preferred Option completed. Tender for construction of the sewerage scheme completed and preferred supplier formally approved and contracted. All required statutory and non-statutory consents approved. RLC formally approve commencement of construction through the contract approval process. 		
<ul style="list-style-type: none"> By 2024, the construction of the 			<ul style="list-style-type: none"> Stage 1 construction work commence.- 	<ul style="list-style-type: none"> Construction Stage 2 and commissioning

preferred sewerage reticulation scheme will be completed			(Trunk main and pump stations	completed. (Street mains and individual on property installations).
<ul style="list-style-type: none"> Other (e.g. project management / administration of the project) 	<ul style="list-style-type: none"> Progress report on 2020/21 year. Development of the 2021/22 Annual Work Plan. 	<ul style="list-style-type: none"> Governance Group meetings Quarterly reporting to the Ministry Independent Annual Financial Audit Development of the 2022/2023 Annual Work Plan 	<ul style="list-style-type: none"> Governance Group meetings Quarterly reporting to the Ministry Independent Annual Financial Audit Development of the 2023/2024 Annual Work Plan 	<ul style="list-style-type: none"> Governance Group meetings Quarterly reporting to the Ministry Independent Annual Financial Audit Final Report
Total estimated budget	\$75,000.00 (In-kind)	\$2,500,000.00	\$10,000,000.00	\$10,000,000.00

SECTION C: Resources and capability

7 Funding Information

List all sources of income for the duration of your project, including cash contributions from your organisation, co-funding from external sources and the maximum amount approved from the Freshwater Improvement Fund.

	Year 0 (2020/2021)	Year 1 (2021/2022)	Year 2 (2022/2023)	Year 3 (2023/2024)	Total
Your organisation's cash contribution to the project			\$375,000	\$375,000	\$750,000
Bay of Plenty Regional Council			\$375,000	\$375,000	\$750,000
Rotorua Lakes Council Debt (from Rates)			\$7,250,000	\$7,250,000	\$14,500,000
FIF contribution (approved amount)		\$2,500,000	\$2,000,000	\$2,000,000	\$6,500,000
Total cost of project					
FIF % of total project costs (for office use only)		\$2,500,000	\$10,000,000	\$10,000,000	\$22,500,000

8 What is the status of external funding?

If any of the funding for your project is not yet confirmed, please provide a summary of how much is 'pending' and when you expect this to be secured. Where funding for multi-year projects is not confirmed, please describe a plausible pathway to securing the additional income required.

The Bay of Plenty Regional Council, through their Long Term Plan process, confirmed a funding subsidy of \$0.75M towards the proposed sewerage scheme.

The Rotorua Lakes Council, through their Long Term Plan process, confirmed a funding subsidy of \$0.75M towards the proposed sewerage scheme.

Rotorua Lakes Council Funding Policy will confirm, external debt funding of the scheme.

9 Partnership and collaboration

Provide details of organisations that you will be partnering with in the delivery of this project. Please outline the nature of each of the partner's involvement and what they will contribute to the successful delivery of the project.

Organisation name	Contact details <i>Name, phone number and email</i>	Details of involvement or collaboration <i>For example, contribution of funding or resources, involvement in decision-making, responsibility for delivering a component of the project.</i>
Bay of Plenty Regional Council	Helen Creagh Helen.creagh@boprc.govt.nz	The regional council has committed a funding subsidy of \$750,000.
Tuhourangi Tribal Authority	TBA	This Authority has a recognised status as mana whenua in the area, and the Rotorua Lakes Council will closely engage with it in advancing this project.
Te Arawa Lakes Trust	9(2)(a) (TBC)	The Trust is the governance entity which received and manages the redress conferred under the 2004 Te Arawa Lakes Settlement, which embraces Lake Tarawera. The Trust has been playing a pro-active engagement and mediating role among the various groups claiming mana whenua status at Lake Tarawera. The Trust advises that there may be other iwi and hapu who will need to be engaged with the Te Arawa Lakes Trust in ensuring effective consultation of iwi and hapu, and in advancing this project.
Ngāti Rangitihi	9(2)(a) (TBC)	Ngāti Rangitihi are about to proceed with a Treaty claim in the area, and the Rotorua Lakes Council will therefore be closely engaged with them in selecting the preferred option and in advancing this project.
Ngāti Tahu-Ngāti Whāoa Runanga Trust	9(2)(a) (TBC)	This Trust has mana whenua interests in the extended catchment, which has groundwater connections to Lake Tarawera. The Rotorua Lakes Council recognises that the Trust could be affected by decisions to be made on the clean-up of Lake Tarawera and will engage with it in advancing this project.
Tarawera Ratepayers Association	9(2)(a)	The Association represents ratepayers in the Lake Tarawera catchment who would be required to contribute to the cost of the sewage reticulation project if it proceeds. The Association has contributed financially over many years to the research work of the University of Waikato in the lake, and members have also been involved in gathering water quality data. The Rotorua Lakes Council will be closely engaged with the Association in selecting the preferred option and in advancing this project.

10 Project team

Provide details of your project team and confirmation of their availability for the duration of the project. Please provide details for your project manager in the first row.

Name	Organisation	Role in project	Phone	Email
9(2)(a)	Rotorua Lakes Council	Project Manager	9(2)(a)	
	Rotorua Lakes Council	Construction Manager		
	Rotorua Lakes Council	Project Owner		
	Rotorua Lakes Council	Project Engineer		

11 Governance and management structure

<p>Project governance</p> <p><i>Describe the governance structure/s that will be implemented to ensure monitoring and management of performance and effective decision-making occurs. Include information on members of the governance group and their skills.</i></p>	<p><u>Strategic Governance</u></p> <p>The Rotorua Te Arawa lakes Strategy Group (RTALSG), which provides strategic governance to the Rotorua Lake Water Quality Programme, will also provide strategic governance to the Lake Tarawera Sewerage Reticulation and Treatment Project.</p> <p>The RTALSG includes representatives from BoPRC, RLC, TALT and MfE and meet quarterly.</p> <p><u>Operational Governance</u></p> <p>Appendix 3 (attached) is the proposed Lake Tarawera Sewerage Reticulation and Treatment Project Steering Group. It includes representatives from BoPRC, RLC, TALT and MfE:</p> <ul style="list-style-type: none">
<p>Managing funds</p> <p><i>Provide information about how you will manage the project funds. Include information about how you will procure goods and services, approve payments, and monitor and address budget overspend.</i></p>	<p>The Council has an established procurement policy, available on its website, which will be followed. Budget for the project will be authorised through the Council's Annual Plan process, with expenditures then authorised consistent with the Plan through delegated authorities. Monthly financial monitoring, including forward projections against budget, will be implemented by the project governance group and this will be backed up by quarterly reporting to the council's finance committee to ensure that cash flows are managed effectively with the ability to apply timely corrective action if required.</p>

12 Health and safety

It is important that you have the necessary health and safety policies, resources and expertise to safely undertake and complete the project. You must comply at all times with the requirements and provisions of the Health and Safety at Work Act 2015 (HSWA). You are also required to submit a health and safety plan for your project during the Stage 2 process.

<p>Does your organisation have a health and safety policy?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If yes, state when this was last reviewed/updated.</i></p> <p>The policy is currently under review</p>
<p>Has your organisation been issued with any notices under health and safety legislation?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If yes, please provide details.</i></p> <p>An Improvement Notice was issued by the Department of Labour in 2012 in relation to some unsafe working by contractors. Corrective action was taken, the notice was lifted, and no further action was taken</p>
<p>Who will be responsible for health and safety for the project?</p>	<p>The Project Manager – 9(2)(a)</p>

13 Risk management

Provide a brief description of the major risks to the project achieving the intended outcomes. Include consideration of potential barriers that may pose a risk to the success of the project. Where possible give an indication of the likelihood and significance of the risk and any mitigation strategies to be included in the project.

Potential risk <i>Identify the potential risk to your project (for example, project not completed on time, unpredictable events such as weather, lack of resource commitment, time and cost estimates too optimistic, unexpected budget cuts, stakeholders changing requirements after the project has started, risks to the industry or sector to which the organisation belongs).</i>	Level of risk <i>Low, medium or high.</i>	Impact on project <i>Describe the impact the risk would have on the project (for example, misunderstandings, duplication of work, incomplete work).</i>	Consequence on project <i>Minor, moderate or severe.</i>	Strategy to mitigate <i>Describe the process you will use to minimise and manage the risk (for example, project manager monitors functional roles to ensure enough time is allocated to complete each task/activity and the project as a whole).</i>
Project not completed on time	Low	Would require renegotiation with funders, and would create difficulties for regulatory and practical transition from septic tanks to reticulation; would cause delay in desired environmental improvement.	Moderate	Close monitoring and reporting of project progress and sharing of this information with funders, regulators and stakeholders to ensure there is plenty of advance notice of any transitional difficulties that might arise.
Loss of support for the project from the community	Low	Project could not proceed if there is significant opposition from the community	Severe	A Stakeholder Engagement Plan and Communications Plan are being developed for the project which will outline engagement with Iwi and ratepayers throughout the life of the project. Implementation of these plans will ensure that information about the project is readily available to the community and this will mitigate loss of support for the project.
Landowner objection to requirement to connect to the constructed scheme	Low	Additional costs to resolve via a hearing process in accordance with Local Government Act	Moderate	Early consultation with landowners on location of system within their property. Landowners will have the opportunity to provide submissions to the Council on the proposed reticulation scheme. Identification of the preferred option will take account of the submissions received by the community.

Discovery of archaeological sites during construction	Low	<ul style="list-style-type: none"> • Additional time and costs • Possible design changes • Programme delays 	Moderate	<ul style="list-style-type: none"> • Undertake all archaeological investigation prior to construction – all statutory and non-statutory permission and consents will be identified in Year 0, and approved in Year 1 prior to any construction taking place • Involve Iwi with construction monitoring.
Poor ground condition for reticulation construction	Medium	Additional time and costs	Moderate	Under take geotechnical investigation to full extent of reticulation – when will this take place? Will this inform the development of the 'Detailed design' of Preferred Option
Substandard electrical systems at properties	Low	<ul style="list-style-type: none"> • Significant electrical upgrades required to properties for connection of pumps • Additional costs 	Moderate	Undertake electrical audits/inspections of properties within the scheme area. If significant electrical upgrades are required then
Various health and safety related risks during construction	Low	<ul style="list-style-type: none"> • Personal injury, illness or death • Delays project 	Severe	<p>A detailed Health and Safety Plan is being developed for the project and will be provided by (insert date). This will outline the various roles and responsibilities in relation to the project, including contractors employed through the construction phase.</p> <p>Require robust contractor health and safety plans and methodologies and provide good construction supervision.</p>
Poor contractor performances	Low	Additional time and costs	Moderate	<ul style="list-style-type: none"> • Invite only competent contractors and include non-price attributes in tender evaluation. • Include sufficient project progress payment retention.
Cost escalation of equipment procured from overseas	Low	Additional costs	Moderate	<ul style="list-style-type: none"> • Early procurement of key equipment

SECTION D: Additional information

14 Conflicts of interest

Describe any known conflicts of interest (actual or potential) and steps you will take to manage them.

Declaration

This declaration must be completed by a person with the organisation's signing authority. See page 31 of the Guide for Applicants 2017 for additional information on how to complete this question.

As a duly authorised representative of the organisation:

- I declare that to the best of my knowledge, the information contained in all sections of this Work Programme, or supplied by us in support of our Work Programme is complete, true and correct.
- I declare that I have the authority to sign this Work Programme and to provide this information.
- I understand that information presented to the Minister for the Environment and the Ministry for the Environment is subject to disclosure under the Official Information Act 1982.

Name

Position

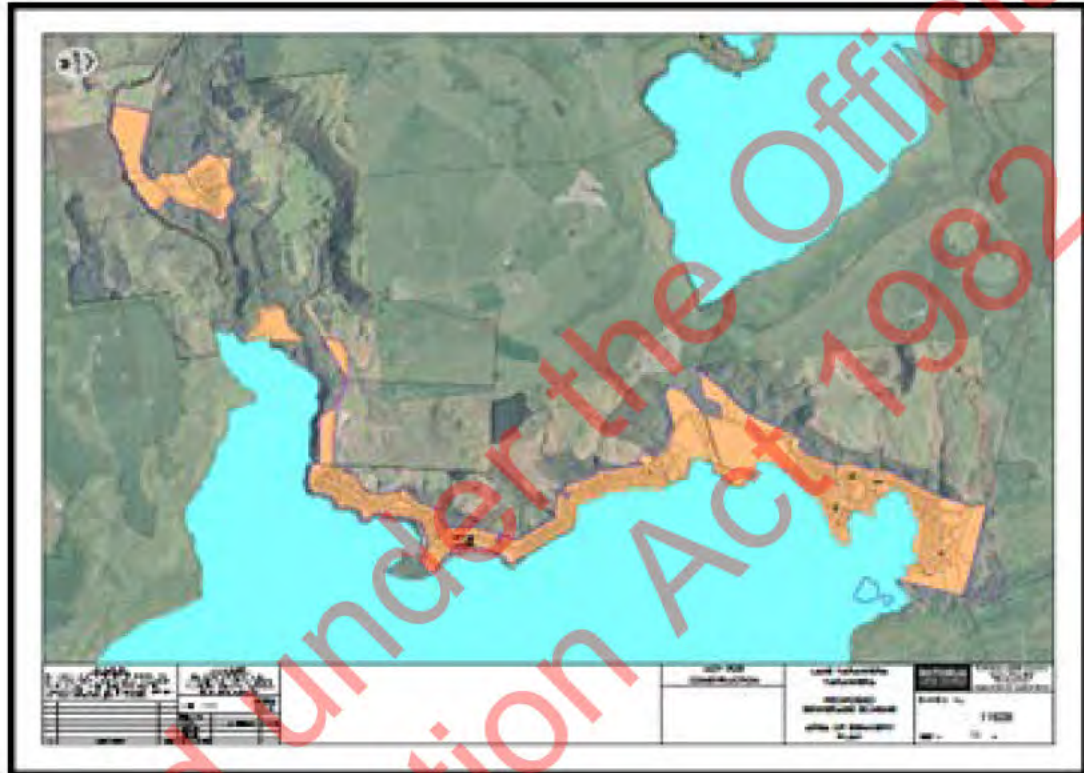
Signature

By typing your name in the space provided you are electronically signing this Work Programme.

Date

APPENDIX 1

PROPOSED SERVICE AREA



Number of properties: Current - 423
Ultimate - 546

APPENDIX 2

Description of the Four Sewerage Reticulation Options for Tarawera

The existing Okareka sewerage scheme connects the sewerage reticulation of the Okareka community to the existing Rotorua city sewerage reticulation and treatment system. It includes a sewer trunk main that has been sized to include an additional capacity to cater for the connection of the lake Tarawera community.

The four sewerage reticulation options for Tarawera are as follows:

- Option 1 Low Pressure Grinder Pump System (LPGP) with trunk main along Playnes farm
- Option 2 Septic Tank Effluent Pumping System (STEP) with trunk main along Playnes farm
- Option 3 Low Pressure Grinder Pump System (LPGP) with trunk main along Tarawera Road
- Option 4 Septic Tank Effluent Pumping system (STEP) with trunk main along Tarawera Road

The main differences between the four options are:

- The system used to connect each property within the Lake Tarawera community to a sewerage reticulation system.
- The trunk main route options that will connect the Lake Tarawera sewerage reticulation to the existing Lake Okareka sewerage scheme.

Sewerage Reticulation System Options:

The Lake Tarawera community has a very difficult topography typical of a lakeside development. It was established that a conventional gravity sewerage reticulation would be very expensive and difficult to implement. The viable alternative is to implement small bore pressure sewer systems. The two pressure sewer systems options are as follows:

- Low Pressure Grinder Pump System (LPGP)

This involves constructing a tank and pump system for each property. This tank and pump system will receive the domestic wastewater and grinds it into a fine slurry before pumping the slurry through a small bore pipeline to the street main. The street main collects all the effluent from individual pumps and conveys it to a sewer trunk main system.

A diagram of the system is shown in Figure 1.



Figure 1

- Septic tank effluent Pumping System (STEP)

This involves constructing a tank and pump system in each household. This tank and pump system will receive the domestic wastewater where the solids settle at the bottom of the tank (similar to a conventional septic tank.) The liquid is then pumped through a small bore pipeline similar to an LPGP system as before. (A diagram of the system is shown in figure 2.)

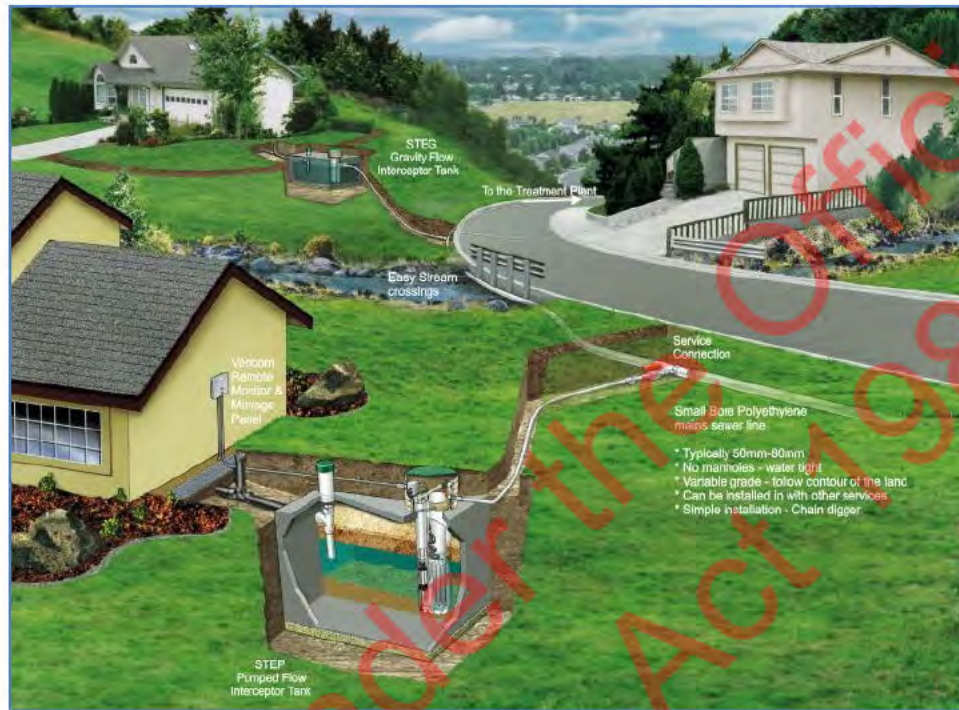


Figure 2

- Trunk main route options:

There are two potential route options to link the proposed sewerage reticulation of Lake Tarawera to the existing sewerage reticulation of Lake Okareka, as follows:

- Along Tarawera Road

This proposed trunk main route will follow Tarawera Road from Lake Tarawera up to a connection point at Lake Okareka. It is proposed that all existing properties within the proposed trunk main route will be connected to the system.

(Figure 3 is a map that shows the proposed trunk main route along Tarawera Road (route highlighted in blue.)

- Along Playnes Farm

This proposed trunk main route is a more direct route but will be passing through private properties. The owners of the land will have to provide permission for Council to implement the work as proposed.

(Figure 3 is a map that shows the proposed trunk main route along the Playnes farm (route highlighted in red.)

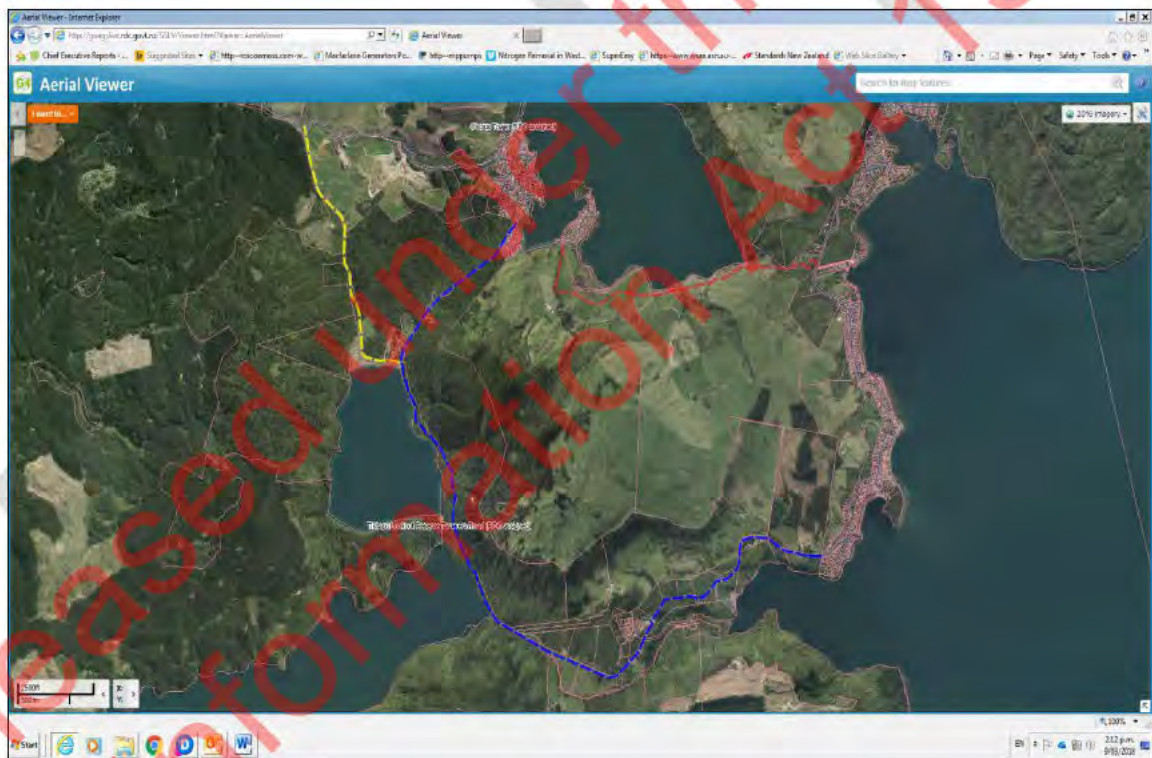
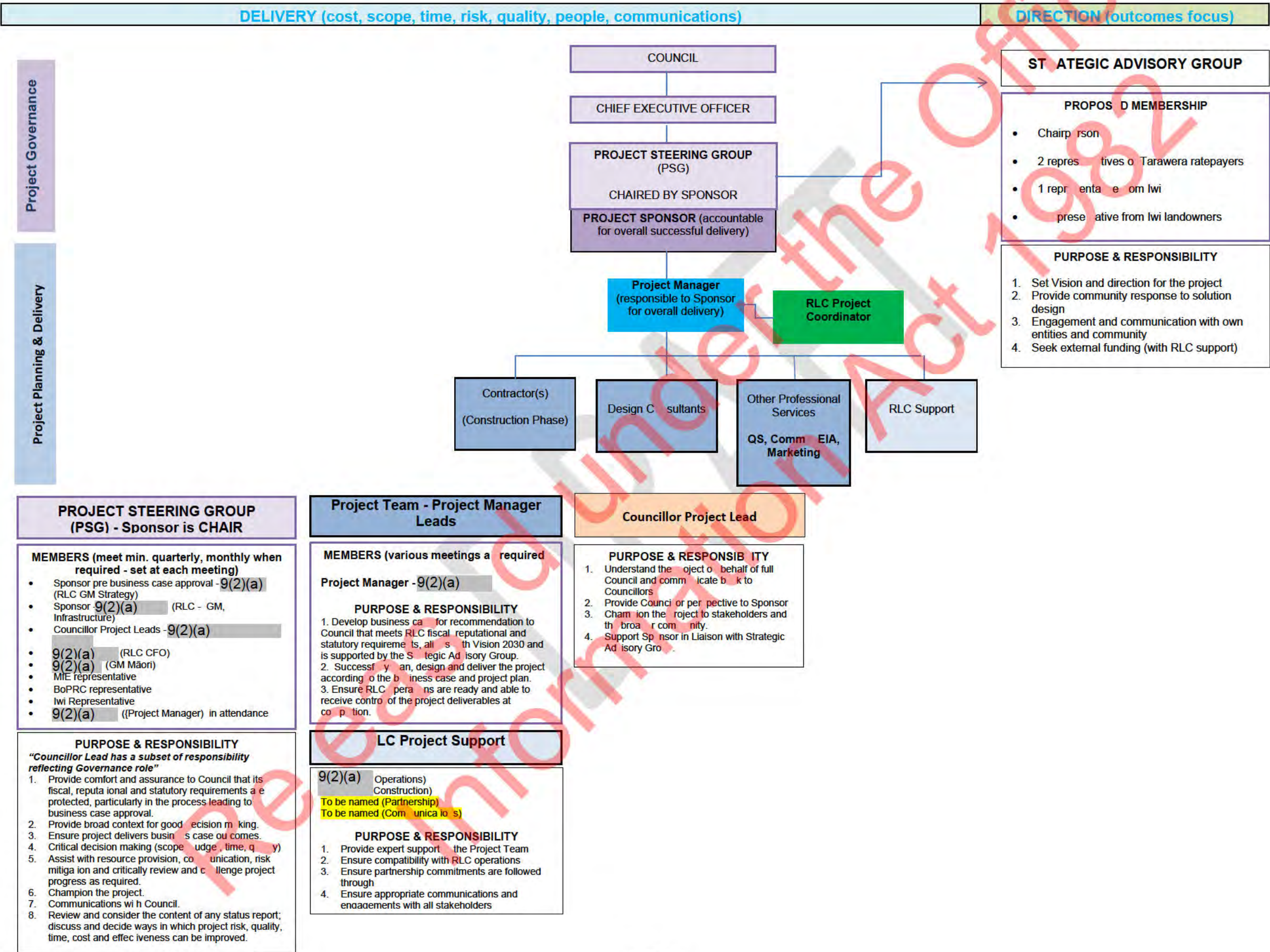


Figure 3

Legend

APPENDIX 3

TARAWERA SEWERAGE SCHEME - PROPOSED PROJECT STRUCTURE



Released under the Official
Information Act 1982

**Rotorua Te Arawa Lakes Programme - Strategy Group Funding Requests**

Date Submitted:	30 June 2021	Tracking #: BRF-96
Security Level		MfE Priority: Medium

	Action sought:	Response by:
Hon David PARKER, Minister for the Environment	<p>a. Note that you have received two funding requests from the Rotorua Te Arawa Lakes Strategy Group - \$10m to support the completion of the East Rotoiti Wastewater Reticulation Scheme and \$3.8m towards a new initiative - the Rotoehu Wastewater Reticulation Scheme (to a combined total of \$13.8m).</p> <p>b. Agree to:</p> <p>i. fund both the Rotoiti and Rotoehu Scheme funding requests by:</p> <p>Option 1: Reprioritising some of the COVID-19 Recovery Package: Jobs for Nature (up to \$13. m); or</p> <p>Option 2: Reprioritising funding awarded to Rotorua Lakes Council (RLC) in 2017 from the Freshwater Improvement Fund (\$6.5m) and from the COVID-19 Recovery Package Jobs for Nature (up to \$7.3m);</p> <p><u>OR</u></p> <p>ii. fund the Rotoiti Scheme request (and decline the Rotoehu Scheme request) by:</p> <p>Option 3: Options 1 or 2 (up to \$10m); or</p> <p>Option 4: Reprioritising funding awarded to RLC in 2017 from the Freshwater Improvement Fund (\$6.5m) and recommending that \$3.5m is transferred from unspent funds in the Rotorua Te Arawa Lakes Programme (currently for Lake Rotorua long-term interventions) [Recommended];</p> <p><u>OR</u></p> <p>iii. decline additional Crown funding for both requests and recommend that unspent funds from the Rotorua Te Arawa Lakes Programme is used to complete the Rotoiti Scheme (\$10m);</p> <p><u>OR</u></p> <p>iv. decline both funding requests; and</p> <p>c. Agree to have the Ministry notify the Strategy Group of your decisions on the funding requests on your behalf.</p>	By 7 July

Actions for Minister's Office Staff	Return the signed report to MfE.
Number of appendices and attachments # 2	Appendix A: Funding Options (Overview). Appendix B: Te Arawa Lakes Programme overview and summary of progress.

Ministry for the Environment contacts

Position	Name	Cell phone	1st contact
Principal Author	Courtney Clyne	022 054 0592	
Responsible Manager	Juscinta Grace	027 845 6192	X
Director	Lorena Stephen	022 493 0010	



Rotorua Te Arawa Lakes Programme - Strategy Group Funding Requests

Key Points

- This briefing seeks your consideration of two funding requests from Rotorua Te Arawa Lakes Strategy Group (the Strategy Group). The first request for \$10m is to support the completion of the East Rotoiti Reticulation Scheme (the Rotoiti Scheme). The second request for \$3.8m is for a new initiative - the Rotoehu Wastewater Reticulation Scheme (the Rotoehu Scheme).
- In March 2008, the Crown agreed to contribute \$72.075m through the Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme Appropriation (the Programme) towards the restoration of four priority Te Arawa Lakes: Rotorua, Rotoiti, Rotoehu and Ōkāreka (the Priority Lakes) [CAB Min (08) 6/11 and CAB Min (14) 13/6A refer]. A subsequent Deed of Funding was signed between the Crown, Bay of Plenty Regional Council (BOPRC), and Rotorua Lakes Council (RLC) (the Deed).

Request One: Rotoiti Scheme

- The Rotoiti Scheme's original estimated cost was \$23m (shared 50/50 between the Crown and RLC), the final estimated cost of the Scheme is now \$43m (total) – with 25% of works to be completed. The Strategy Group is requesting additional Crown funding of \$10m to support the remaining 25% of works. Explanations provided include increased construction costs arising from Cost of Goods Price Indices inflation between 2008 and present, increased consent compliance costs and the need to address cultural effects of the Rotoiti Scheme with tangata whenua.
- The Ministry has assessed a significant amount of information about the Scheme and recognises the immense amount of work completed to date. Alternative options considered by RLC within the current budget are not feasible. The cheapest option (installing Low Pressure Grinder Pumps on each property) would save only \$1.5m (10-14%) but be in breach of resource consent conditions resulting in increased legal costs to change the conditions and/or mitigate potential legal disputes.
- Given the shortfall in funding, RLC are unable to commence the Rotoiti Scheme's final contract. To receive the confidence for RLC to commence this, the Strategy Group passed a Resolution on 14 May 2021 recommending that, if additional funding is declined, the Strategy Group review the remaining Deed Funds and prioritise them towards the Rotoiti Scheme completion. 9(2)(h)
- The Ministry does not support shifting \$10m in funding away from Lake Rotorua Interventions (the only Deed funded works remaining after 2021/22) given the success of BOPRC interventions to date and the expected impact on long-term solutions for water quality (in alignment with the Programme's objective and wider Government commitments outlined in the 2014 (revised in 2017) National Policy Statement for Freshwater Management).
- The Ministry recognises the significant work completed on the Rotoiti Scheme to date, for both construction and the restoration of strong relationships with mana whenua. With the information provided, the Ministry is assured that the remaining works can be completed with the additional \$10m of funding proposed.



- The Ministry acknowledges the high level of deprivation in the Rotoiti community and the significant impact that unbudgeted RLC borrowings and/or increased ratepayer contributions could have on not just the Rotoiti, but wider Rotorua communities.
- We also acknowledge the need for local and central government to support Three Waters Infrastructure investment (as advised by the Department of Internal Affairs). Delays are likely to result in further water quality degradation, with the potential of requiring additional financial contribution in the future.

Request Two: Rotoehu Scheme

- Lake Rotoehu is a Priority Lake within the Deed however, sewerage reticulation was not a key intervention at the Programme's inception and is separate to the agreed Programme interventions. In 2018, the Programme's Water Quality Technical Advisory Group recommended progressing the Rotoehu Scheme to mitigate poor water quality. RLC is requesting \$3.8 m in additional Crown funding towards a total estimated cost of \$7.6m. Other funding sources include \$2m from another Crown funding source (Three Waters Stimulus Grant) and \$1.8m in RLC borrowings.
- The Ministry reflected on several things when considering this request, notably the interconnectedness of all Te Arawa Lakes, the poor water quality at Lake Rotoehu (with only two Deed funded works remaining), the importance of ongoing support and investment in Three Waters Infrastructure, and the high level of deprivation in the Rotoehu community.
- RLC's proposal requests a Crown contribution of 76% and RLC contribution of 24% which does not align with 9(2)(h) nor with points raised by RLC relating to the Rotoiti Scheme (which noted a 'funding imbalance' without the 50/50 split). As costs are based on estimates, there is also a risk that expenses could increase from present.
- RLC has received \$8.8m in funding through the Three Waters Stimulus Grant. With \$261.574m distributed regionally, there is a significant risk that providing further funding will set a precedent with other councils, who are unlikely to receive any additional support to investment in Three Waters Infrastructure beyond this.

Funding Options

- The Programme requires adaptive management to meet water quality targets but clearly outlines the interventions agreed to by Cabinet. The Ministry recommends that funding is provided to support the completion of the Rotoiti Scheme (up to \$10m) and not the Rotoehu Scheme (\$3.8m).
- The Ministry has prepared funding options for your consideration, in consultation with The Treasury. Appendix A provides an overview of the funding options and analysis, which include:
 - Funding both the Rotoiti and Rotoehu Scheme funding requests by:
 - Option 1: Reprioritising some of the COVID-19 Recovery Package: Jobs for Nature (up to \$13.8m); or
 - Option 2: Reprioritising funding awarded to Rotorua Lakes Council (RLC) in 2017 from the Freshwater Improvement Fund (\$6.5m) and from the COVID-19 Recovery Package: Jobs for Nature (up to \$7.3m); or
 - Funding the Rotoiti Scheme request (and declining the Rotoehu Scheme) by:
 - Option 3: Options 1 or 2 (up to \$10m); or



- Option 4: Reprioritising funding awarded to RLC in 2017 from the Freshwater Improvement Fund (\$6.5m) and recommending that \$3.5m is transferred from unspent funds in the Rotorua Te Arawa Lakes Programme (currently for Lake Rotorua long-term interventions) **[Recommended]**; or
- Declining additional Crown funding for both requests and recommending that unspent funds from the Rotorua Te Arawa Lakes Programme is used to complete the Rotoiti Scheme (\$10m); or
 - Declining both requests.
- 9(2)(g)(i)
 - 9(2)(h)
- however, declining the funding requests may negatively impact the Crown's relationship with the Strategy Group, result in further cost escalations, declining water quality (due to current wastewater management systems failing), increased and unattainable costs for low socio-economic communities and/or unbudgeted borrowings for RLC.
- Following your decision, the Strategy Group will be notified. We will update you on next steps through a 'Weekly Update.'

Recommendations

We recommend that you:

- a. **Note** that you have received two funding requests from the Rotorua Te Arawa Lakes Strategy Group - \$10m to support the completion of the East Rotoiti Wastewater Reticulation Scheme and \$3.8m towards a new initiative - the Rotoehu Wastewater Reticulation Scheme (to a combined total of \$13.8m).
- b. **Agree** to:
 - i. fund both the Rotoiti and Rotoehu Scheme funding requests by:
 - Option 1: Reprioritising some of the COVID-19 Recovery Package: Jobs for Nature (up to \$13.8m); or Yes/No
 - Option 2: Reprioritising funding awarded to Rotorua Lakes Council (RLC) in 2017 from the Freshwater Improvement Fund (\$6.5m) and from the COVID-19 Recovery Package: Jobs for Nature (up to \$7.3m); Yes/No
 - OR
 - ii. fund the Rotoiti Scheme request (and decline the Rotoehu Scheme request) by:
 - Option 3: Options 1 or 2 (up to \$10m); or Yes/No
 - Option 4: Reprioritising funding awarded to RLC in 2017 from the Freshwater Improvement Fund (\$6.5m) and recommending that \$3.5m is transferred from unspent funds in the Rotorua Te Arawa Lakes Programme (currently for Lake Rotorua long-term interventions) **[Recommended]** Yes/No

OR



- iii. Decline additional Crown funding for both requests and recommend that unspent funds from the Rotorua Te Arawa Lakes Programme is used to complete the Rotoiti Scheme (\$10m);

Yes/No

OR

- iv. Decline both funding requests; and

Yes/No

- c. **Agree** to have the Ministry notify the Strategy Group of your decisions on the funding requests on your behalf.

Yes/No

Signature

Lorena Stephen
Director - Delivery and Oversight
Sustainable Land Use Delivery

Date

30/06/2021

Hon David Parker
Minister for the Environment

Date



Rotorua Te Arawa Lakes Programme - Strategy Group Funding Requests

Purpose

1. This briefing seeks your consideration of two funding requests from Rotorua Te Arawa Lakes Strategy Group (the Strategy Group). The first request for \$10m is to support the completion of the East Rotoiti Reticulation Scheme (the Rotoiti Scheme). The second request for \$3.8m is for a new initiative - the Rotoehu Wastewater Reticulation Scheme (the Rotoehu Scheme).

Background

2. In 2007, the Crown, Te Arawa Lakes Trust (TALT), Bay of Plenty Regional Council (BOPRC) and Rotorua Lakes Council (RLC) signed a Memorandum of Understanding (MOU) establishing a formal working relationship between the Crown and the Strategy Group¹, with the objective of maintaining or improving the water quality of 14 Te Arawa Lakes.
3. In March 2008, the Crown agreed to contribute \$72.075m through the Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme Appropriation (the Programme) towards the restoration of four priority Te Arawa Lakes: Rotorua, Rotoiti, Rotoehu and Ōkāreka (the Priority Lakes) [CAB Min (08) 6/11 and CAB Min (14) 13/6A refer].
4. A Deed of Funding was signed between the Crown, BOPRC, and RLC in 2008, with an overall objective of reducing the amount of nutrients entering the Priority Lakes to reach the community-agreed targets by 2032. As outlined in the Deed, BOPRC and RLC are required to match the Crown contribution, giving a total Programme cost of \$144.2m over a 24-year period.
5. As of 25 May 2021, \$56.67m (78.7%) of the total allocated Crown funding has been paid to support the Programme. An overview of the Programme and progress is attached as Appendix B.

12 February 2021 Rotorua Te Arawa Lakes Strategy Group Resolutions

6. On 6 April 2021, the Ministry received a formal request to progress three resolutions agreed by the Strategy Group for your consideration. On 10 June 2021, you approved Strategy Group Resolution 1 (shifting the Crown funding allocation between BOPRC and RLC and into outyears) along with the Programme's Three-Year Work Programme (2021/22 – 2023/24) and 2021/22 Annual Work Plan [BRF-91 refers]. You also noted that we would provide further advice on the two remaining resolutions. These are:
 - a. Resolution 2: *(the Strategy Group)* agrees to make a formal request to the Minister for reconsideration of the current Deed of Funding in respect of an adjustment on the basis of inflation of construction costs, acknowledging the 2005 cost estimates in the Deed do

¹ A joint committee of TALT, BOPRC and RLC established from the Te Arawa Lakes Deed of Settlement (2004) and Te Arawa Lakes Settlement Act (2006).



not reflect the 2021 actual costs to complete these works (requested amount: \$10m); and

- b. Resolution 3: (*the Strategy Group*) agrees to make a formal request to the Minister for new funding support in relation to the wastewater reticulation of Lake Rotoehu (requested amount: \$3.8m).

Resolution 2: Rotoiti Scheme Funding

7. The second Resolution seeks additional Crown funding support to complete the Rotoiti Scheme.
8. The 2008 Deed allocated \$11.5m in funding towards the Rotoiti Scheme, contributing to a total expected cost of \$23m. RLC now estimates that the total cost of the Rotoiti Scheme, including costs incurred to date and tenders received for remaining work, is \$43m. RLC is requesting an additional \$10m in Deed funding to ensure a Crown-Local Government cost share of 50/50. If additional Crown funding is not granted the cost share will be 73% RLC contribution and 23% Crown contribution. In this instance, RLC's intention is to cover the shortfall by reprioritising current funding 9(2)(h) [REDACTED].
9. There has been significant progress achieved on the Rotoiti Scheme to date, including granting of the required resource consent in 2017 (initially declined in 2012 due to not addressing concerns of local iwi), establishing a community steering group to build stronger relationships with iwi, community engagement, construction of a high-quality Membrane Bioreactor based Wastewater Treatment Plant (WWTP) and main trunk reticulation (35km), 9 stages of WWTP testing, and release and assessment of tenders to complete the work.
10. The remaining works include decommissioning old and failing septic tanks and installing pre-treatments systems at approximately 450 Rotoiti households (consistent with the approach agreed by RLC in 2014, resource consent conditions outlined in 2017 and in agreement with the Heads of Ngāti Pikiao).
11. RLC has indicated the need for urgency in considering this request due to tenders being received, the likely continued escalation of costs and potential failure of wastewater management systems already in place. These combined could further contribute to sub-optimal water quality and community health outcomes for the East Rotoiti Lake community.
12. RLC highlighted three key reasons for the shortfall in budget, these are:
 - a. *Rationale 1:* Increased construction costs due to Cost of Goods Price Indices (CGPI) inflation – noting that the 2005 cost estimates for the Rotoiti Scheme (which informed the 2008 Deed) do not reflect the actual costs required to complete the same works in 2021. RLC highlights that (using Statistics NZ Business price index information) the period 2005-2020 indicates an inflationary pressure of approximately 44% or 2.9% per annum;
 - b. *Rationale 2:* Increased consent compliance costs since 2008; and
 - c. *Rationale 3:* Higher than expected costs and time required to understand and address the cultural effects relating to the Rotoiti Scheme with mana whenua.
13. The Ministry agrees with the rationale provided. The increase in costs for construction and consents between 2008 and present are valid explanations. Analysis from the Ministry's



Finance team confirmed that RLC's CGPI workings are reasonable. The time required to understand and address cultural effects added to these budget increases but were important to ensure the ultimate success of the Scheme (noting that a long-term lease agreement was signed with the Heads of Ngāti Pikiao to secure the WWTP location).

Alternative options considered by RLC

14. In attempts to reduce emerging cost pressures, RLC noted they:
 - a. utilised open competitive tenders for all elements of the Rotoiti Scheme;
 - b. proposed restricting the project scope to exclude segments of communities to the extreme west of the benefit zone from reticulation. This was not accepted by the affected communities; and
 - c. proposed constructing an alternative access to the new WWTP via adjoining land with easier topography instead of the challenging terrain of the land owned by Haumingi 9B3B. This was not accepted by the Naumingi 9B3B Trust as it would potentially compromise their future Papakāinga housing plans.
15. RLC explained that without confirmation of additional Crown funding, the final part of the works (as planned currently) cannot be completed due to the impact on RLC budget. RLC would cease the project while consideration is given to how the additional costs can be secured and/or on-site effluent treatment (OSET) rule can be complied with if reticulation in East Rotoiti is not completed.
16. RLC noted that Lake Rotoiti properties need to be equipped with some form of on-property system capable of connecting and pumping into the WWTP. The cheapest alternative (installing Low Pressure Grinder Pumps) would result in cost savings of 10-14% (around \$1.5 m) but would be in breach of resource consent conditions and may result in additional legal costs to change consent conditions and mitigate potential legal disputes.

Resolution to reprioritise remaining Deed funds, if additional Rotoiti Scheme Funding declined

17. On 14 May 2021, the Strategy Group passed a Resolution to obtain the necessary financial confidence for RLC to commence a final contract for the Rotoiti Scheme. If the request for additional Crown funding is declined, the Strategy Group will review the allocation of the remaining Deed funds to complete the outstanding work, giving priority to completing Rotoiti. The Strategy Group can recommend changes to the Programme, 9(2)(h)

Potential impacts of this Resolution on remaining aspects of the Programme

18. As indicated in the Three Year Work Programme (2021-2024) and 2021/22 Annual Work Plan [BRF-91], after 2021/22 the only remaining Deed funded works are for Lake Rotorua. The Ministry sought BOPRC's advice on the potential impacts of the proposed reallocation.
19. BOPRC assume that, if approved, funds would be diverted from the Lake Rotorua Land Incentives Scheme (the Incentives Scheme) as there is insufficient Deed funding allocated to construct wetlands (Lake Rotorua Engineering Solutions).



20. The Incentives Scheme is a long-term freshwater improvement intervention with a target of reducing nitrogen entering Lake Rotorua (as part of the Integrated Framework²). The current total budget is \$40m. 25% of the Incentives Scheme is complete (25t nitrogen secure at a cost of \$8 m) with another 15% in the pipeline (15t nitrogen under negotiation for purchase). The final 75% reduction is budgeted to be secured within \$30m, keeping the total purchase of the 100t nitrogen in line with the original budget.
21. If the Incentives Scheme budget is reduced, the total 100t nitrogen reduction target will not be achievable. BOPRC has identified two options to manage this:
 - a. reduce the value paid per kilo of nitrogen to landowners; or
 - b. reduce the total reduction target secured by the Scheme.
22. With current challenges in securing nitrogen to date, reducing the value paid per kilo would likely negatively impact the Scheme. Both options would likely result in less nitrogen being secured.
23. The total nitrogen entering Lake Rotorua annually must be reduced to 320t by 2032 to achieve the sustainable load of 435t per annum and maintain water quality without the need for dosing of aluminium sulphate (alum dosing)³. To maintain the Lake at its Trophic Level Index (TLI)⁴ target of 4.2, short term inventions such as alum dosing will likely need to continue. Long-term alum dosing is not supported by iwi.
24. BOPRC notes that removing funding from the Incentives Scheme may be seen as renegeing on the commitment to find sustainable Lake water quality solutions unless an alternative funding source (outside of the Programme) is found.

RLC Long-Term Planning 2021-2031

25. In May 2021, the Ministry was made aware that the requested Crown funding for the Rotoiti Scheme has been included in RLC's 2021-31 Long-Term Planning (LTP) deliberations and budget. RLC explained that the LTP has made two provisions based on the assumption that the Rotoiti Scheme is 75% complete and must be completed:
 - a. expenditure (funded via borrowings) is sufficient to complete the Rotoiti Scheme and has been provided over Years 1 and 2 of the LTP (21/22 and 22/23); and
 - b. that the budgeted expenditure will be offset by further funding assistance from the Deed as per the intent of the 50/50 cost share and the Strategy Group's resolutions of August 2020 and February 2021, to the value of \$10m.

² The Integrated Framework outlines the ways to achieve a 320t nitrogen reduction to achieve the sustainable load of 435t nitrogen per annum and maintain water quality. It includes: rules (mandatory reductions by landowners) (43% of the total reduction), land retirement and gorse conversion incentives (40% of the total reduction) and investment in engineering solutions such as wastewater reticulation and constructed wetlands (final 20% of total reduction). It was adopted by the Strategy Group approximately 8 years ago.

³ As required by the Regional Policy Statement and outlined through the Integrated Framework.

⁴ TLI is a means of measuring lake water quality based on the amount of total nitrogen, total phosphorous and chlorophyll A (algae) present in the lake, and the clarity of the lake.



26. The Ministry sought clarification about the impact on the LTP and budget if additional funding is not secured. RLC highlighted two likely effects:
- RLC will be required to take unbudgeted borrowings (from the Balance Sheet), breaching the RLC's Debt Ceiling levels resulting in significant adverse effects on its other infrastructure and social programmes; and/or
 - RLC will have to alter the estimated net capital cost recovery from Rotoiti ratepayers resulting in an increase from \$15,000 to \$30,000 per property.

Rotoiti Scheme Funding: Advice received from other agencies

27. We sought advice from Treasury on the funding requests and how inflation costs are considered in other situations. Treasury noted that there is no single approach to inflation costs. They advised that in this case, unless inflation adjustments were an expressed condition of the Appropriation or 2008 Deed, they would be unlikely to support a request based on this rationale⁵. However, they did note that there may be wider factors (such as partnerships) which may be important to consider separate to this.
28. We also sought advice from the Department of Internal Affairs (DIA) given ongoing Service Delivery Reforms. DIA noted that significant investment in Three Waters Infrastructure is required over the next 30 years. The Service Delivery Reforms will take at least three years before the new water services entities are operational. It is unknown when the new water services entities would be able to prioritise investment in specific projects. DIA advised that it was critical that local and central government maintain Three Waters Investment plans regardless of the Service Delivery Reform programme.

Rotoiti Scheme Funding: Analysis and Advice

29. The Ministry recognises the significant work completed on the Rotoiti Scheme to date, for both construction and the restoration of strong relationships with mana whenua. The consented approach has clear support from all parties and completing the last 25% is seen as an important step towards ensuring sustained good water quality at Lake Rotoiti.
30. The three rationales provided by RLC⁶ are considered reasonable. As explained above, construction and consent costs from 2008 to present have increased. The time required to understand and address cultural effects also added to these increases but was an important step to ensure the ultimate success of the Scheme (noting that a lack of appropriate engagement resulted in the failed 2012 Environment Court resource consent submission and a long-term lease agreement was needed with Ngāti Pikiao to secure the WWTP location).

⁵ Inflation adjustments were not an expressed condition in the Appropriation or the 2008 Deed.

⁶ Increased total Rotoiti Scheme costs due to: inflation impacting construction costs and increased consent costs from 2008 to present, and the need to address the cultural effects of the Scheme identified by mana whenua.



31. RLC noted that the Crown's lack of consideration of inflation costs at the inception of the 2008 Deed is a gap which should be remedied. Considering inflation costs in a Funding Deed is not a standard practice. With a fixed Appropriation amount approved for approximately 25 years of delivery, this risk should have been considered and planned for by the respective council/s at signing and during their Work Programme development.
32. The significantly increased costs of the Rotoiti Scheme should have been brought to the attention of the Ministry sooner and well before tenders were received (with the funding requests first formalised at the February 2021 Strategy Group meeting). The Rotoiti Scheme is the last intervention RLC is delivering for the Programme however, further communications may want to comment on this. To mitigate further risks such as these going forward, the Ministry will undertake more robust monitoring and require greater compliance reporting with both councils to ensure that we are receiving all information required to have assurance that remaining interventions will be completed on time and to budget.
33. The Ministry has reviewed detailed design reports, cost breakdowns, tender evaluations, tender submissions (for the preferred supplier) and risk registers. With all of the information provided, the Ministry considers that the remaining works can be completed with the additional funding of \$10m proposed. Tenders were based on detailed specifications and performance criteria, with competing parties aware of requirements and submitting comprehensive tenders (for unit rates, quantities and performance levels).
34. RLC stated that without an additional \$10m in Crown Deed funding, the Rotoiti Scheme will disproportionately disadvantage the Crown-Local Government cost share (outlined in the Deed as 50/50) to 73% RLC contribution and 27% Crown contribution. The Ministry has received legal advice on the Deed clauses in light of the Rotoiti Scheme being overbudget and the impact on the 50/50 funding cost share ^{9(2)(h)}
35. Councils are the regulators of Three Waters Infrastructure, and it is their responsibility to invest in and ensure infrastructure meets the needs of their communities. ^{9(2)(h)} the Ministry acknowledges the high level of deprivation⁷ in the Rotoiti community and the significant impact that unbudgeted RLC borrowings and/or increased ratepayer contributions could have on not just the Rotoiti, but wider Rotorua communities. Delays will undoubtedly result in further water quality degradation, with the potential of requiring additional financial contribution in the future.
36. The proposed plan can accommodate future expected growth in the region, with the WWTP able to double in capacity from current connections. Supporting the remainder of the Rotoiti Scheme could ultimately mitigate the need for further large-scale wastewater infrastructure development in this part of the region.
37. For the May 2021 Resolution, the Ministry acknowledges that BOPRC continues to deliver well on their wider Programme interventions and Lake Rotorua water quality improvements

⁷ According to the New Zealand Index of Deprivation (created by Massey University and Environmental Health Intelligence NZ, see here), the Rotoiti area scores 7 and 9 on the deprivation index (with 10 representing the most deprived area).



are ongoing. While landowner interest in the Land Incentives Scheme was slow to start, momentum is growing and the benefits the Scheme will have on ensuring long-term and sustainable water quality maintenance are clear.

38. Achieving long-term, sustainable solutions for water quality at Lake Rotorua underpins the purpose of the 2007 MOU and the Programme itself. It also has links to wider Government decisions (as outlined in the 2014 National Policy Statement on Freshwater Management, updated in 2017) seeking sustainable and long-term freshwater maintenance or improvement.
39. The Ministry recommends that funding is provided to support the remaining 25% of the Rotoiti Scheme, up to \$10m. The Ministry does not support shifting \$10m in funding away from Lake Rotorua and the Land Incentives Scheme.

Resolution 3: Rotoehu Scheme Funding

40. The third Resolution seeks new funding for the Rotoehu Scheme. Lake Rotoehu is a Priority Lake, however wastewater reticulation was not a key intervention at the Programme's inception. In 2018, the Programme's Water Quality Technical Advisory Group recommended progressing the Rotoehu Scheme to mitigate poor water quality. This request is considered outside the scope of the current Programme.
41. The proposed Rotoehu Scheme will be connected to the Rotoiti Scheme and Rotoiti WWTP. The Rotoiti Scheme's resource consent and WWTP allows for the added connection of the Rotoehu community (including approximately 100 properties). Any connections require pre-treatment systems on each property prior to wastewater being transferred to the main Rotoiti WWTP.
42. It is expected that the Rotoehu Scheme will cost \$7.6m in total. RLC is requesting an additional \$3.8 m from the Crown towards these costs. RLC has approval to use \$2m from the Three Waters Stimulus Grant, which must be spent by March 2022. The table below outlines the total estimated cost and proposed cost share:

Source of Funding	Estimated Cost (\$ million)
Three Waters Stimulus (Grant)	2
RLC borrowings	1.8
Additional requested Crown contribution	3.8
Total Estimated Cost of Rotoehu Wastewater Reticulation Funding	7.6

43. RLC has received tenders for the expected cost of Rotoehu Wastewater Reticulation, has community support and resource consent.

Rotoehu Scheme Funding: Analysis and Advice

44. The Ministry reflected on the interconnectedness of all Te Arawa Lakes (as highlighted by RLC Mayor Steve Chadwick at the May 2021 Strategy Group meeting). The Strategy



Group views all improvements to water quality as contributing to the wider health of the Lakes.

45. Water quality at Lake Rotoehu is poor and with only two Deed funded works remaining (to be completed 2021/22), it is unclear that long-term and sustainable water quality improvement will be achieved. Installation of the Rotoehu Scheme could significantly improve this.
46. The Ministry also reflected on the importance of ongoing support and investment in Three Waters Infrastructure and as with the Rotoiti community, Rotoehu ratepayers are unlikely to be able to pay increased costs towards Scheme completion due to a high level of deprivation⁸.
47. Although Lake Rotoehu is a Priority Lake, the Rotoehu Scheme is separate to the agreed Programme interventions. It was not a key intervention at the Programme's inception and does not align with the Cabinet approved approach to maintaining or restoring the Priority Lakes water quality.
48. The cost share proposed by RLC through the Rotoehu Scheme will result in a Crown contribution of 76% (including the Three Waters Stimulus Grant and the additional request), with RLC contributing 24%. The 50/50 cost share indicated 9(2)(h) by RLC through the Rotoiti Scheme funding request is not upheld through the current proposal. As costs are based on estimates, there is also a risk that expenses could increase from present.
49. While recognising the importance of supporting Three Waters Infrastructure Investment, providing additional funding support to this extent is not considered fair to other councils who also face immense Three Waters Infrastructure development. In July 2020, the Government announced \$261.574m to support councils invest in Three Waters Infrastructure (Three Waters Stimulus Grant). Of the total allocated regionally, the Bay of Plenty region received \$42.23m with RLC receiving \$8.8m of that total. There is a significant risk that approving additional funding for the Rotoehu Scheme will set a precedent with other councils, who are unlikely to receive the same added support.
50. The Ministry does not recommend providing funding towards the Rotoehu Scheme. RLC may want to consider requesting some of their Three Waters Stimulus Grant is repurposed to complete this Scheme or reprioritise it elsewhere prior to March 2022.

Proposed funding options

51. The Ministry has prepared funding options for your consideration, in consultation with The Treasury. Appendix A provides an overview of the funding options and analysis, which include:
 - a. Funding both the Rotoiti and Rotoehu Scheme funding requests by:
 - Option 1: Reprioritising some of the COVID-19 Recovery Package: Jobs for Nature (up to \$13.8m); or

⁸ Scoring 7 on the Deprivation Index.



- Option 2: Reprioritising funding awarded to Rotorua Lakes Council (RLC) in 2017 from the Freshwater Improvement Fund (\$6.5m) and from the COVID-19 Recovery Package: Jobs for Nature (up to \$7.3m); or
- b. Funding the Rotoiti Scheme request (and declining the Rotoehu Scheme) by:
- Option 3: Options 1 or 2 (up to \$10m); or
- Option 4: Reprioritising funding awarded to RLC in 2017 from the Freshwater Improvement Fund (\$6.5m) and recommending that \$3.5m is transferred from unspent funds in the Rotorua Te Arawa Lakes Programme (currently for Lake Rotorua long-term interventions) [Recommended]; or
- c. Declining additional Crown funding for both requests and recommending that unspent funds from the Rotorua Te Arawa Lakes Programme is used to complete the Rotoiti Scheme (\$10m); or
- d. Declining both requests.

52. 9(2)(g)(i)

Other relevant Crown funding currently held by RLC: Three Waters Stimulus Investment

53. In late 2020, the Crown (via Crown Infrastructure Partners⁹ acting on behalf of the Department of Internal Affairs) offered RLC a grant (of \$8.8m, determined by population size and area) to be used towards Three Waters Infrastructure. As mentioned above, the Grant must be used by March 2022.
54. In addition to the \$2m contribution towards the Rotoehu Scheme, RLC has approval from DIA to use \$6.8m towards a major upgrade of an existing stormwater detention in the Pukehangi West catchment. The upgrade will enable a large housing development which can be connected to the already established Rotorua WWTP.

Other relevant Crown funding currently held by RLC: FIF Round 1 2017

55. In 2017, RLC were invited to the second stage of Round 1 of FIF, with \$6.5m in Crown funding offered towards 'Tarawera Sewage Reticulation and Treatment' (the Tarawera Scheme). As of 18 June 2021, the Tarawera Scheme Funding Deed is still not finalised.
56. RLC is awaiting final responses and required ratepayer consents (75% support required to proceed) and expect to commit to a final decision on how to proceed with the proposal in mid-2021. Detailed design and tendering for works are expected to occur over 2021/22, with construction anticipated to start in 2023/24.

⁹ Crown Infrastructure Partners is a Crown-owned company tasked with investigating and implementing commercial models – particularly those that will achieve the Government's objectives for the deployment of water and roading infrastructure to support a timely increase in housing supply.



57. RLC reiterated its commitment to protect Te Arawa Lakes for future generations and sees the proposed Tarawera Scheme as a vital part of that broader commitment. RLC sees the replacement of the current OSET systems at Tarawera properties as an important step towards maintaining the bathing water quality of the Lake for current and future generations.
58. While acknowledging the importance of maintaining or improving lake quality, the Ministry considers this funding should be rescinded due to the significant delays in getting the project into Deed and the subsequent timeframes indicated by RLC for commencing the construction aspects of this work. We note that the offer of funding letter sent in August 2017 required the Deed and associated documents to be completed within 6 months of acceptance.
59. The FIF Appropriation ends on 30 June 2026. There is a very high risk that the allocated funding would be unspent given the delays in signing a Deed, the expected late start date of 2024, and risks associated with the 75% required ratepayer support.
60. As the Rotoiti and Rotoehu Schemes are ready to be implemented immediately, the funding could be utilised towards these. If you support shifting the funding towards the Rotoiti and/or Rotoehu Schemes, we will proceed with formally rescinding the funding allocated through the FIF 9(2)(h) and can repurpose the \$6.5m towards the completion of Scheme/s 9(2)(h)

Consultation and Collaboration

61. We have consulted with other government agencies including Treasury, DIA, and Crown Infrastructure Partners. Advice specific to the funding requests themselves is incorporated above. Feedback was sought from Te Arawhiti but they provided no comment.
62. Treasury reviewed the documentation and provided guidance around the process for reprioritising Jobs for Nature funding. This has been factored into Appendix A.

Legal Issues

63. 9(2)(h)

Next Steps

64. Following your decision, the Strategy Group will be notified.
65. We will update you on next steps through a 'Weekly Update.' 9(2)(h)



9(2)(h)

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Appendix A: Funding Options (Overview)

Appendix A: Funding Options (Overview)

Funding source(s) (& available)	Detail	Risks	Recommendations
Funding both the Rotoliti and Rotoehu Scheme funding requests by:			
Option 1: Reprioritising some of the COVID-19 Recovery Package Jobs for Nature (J4N)	<ul style="list-style-type: none"> \$13.8m B(2)(g)(i) Funding to support greener COVID-19 recovery. While not directly contributing to J4N, both Schemes are shovel-ready, will create jobs & improve freshwater. S(2)(h) 	B(2)(g)(i)	<ul style="list-style-type: none"> The Schemes are not directly aligned with the Jobs for Nature investment framework &/or priorities so should not be fully funded from this option. However, ultimate benefits for freshwater & affected communities could supersede this if other options are not preferred.
Option 2: Reprioritising funding awarded to RLC in 2017 from the Freshwater Improvement Fund (FIF) (\$6.5m) and from J4N (up to \$7.3m)	<ul style="list-style-type: none"> \$13.8m (\$6.5m; B(2)(g)(i)) RLC granted FIF funding in 2017 to complete sewage reticulation at Lake Tarawera but have not completed required Funding Deed documents (due 6 months after August 2017 offer). S(2)(i) Additional J4N detail in Option 1 above. 	B(2)(g)(i)	<ul style="list-style-type: none"> Rescinding RLC's FIF funding & repurposing it towards the Rotoliti &/or Rotoehu Schemes is recommended – both Schemes are ready to be implemented immediately. Funding both Schemes supports the best outcomes for the Lakes & Rotoliti/Rotoehu communities, however the funding requests do not align with the Jobs for Nature investment framework nor does the Rotoehu Scheme align with the interventions outlined at the Programme's initiation.
Funding the Rotoliti Scheme request (and declining the Rotoehu Scheme) by:			
Option 3: Options 1 or 2 (up to \$10m)	<ul style="list-style-type: none"> \$13.8m (\$10m) Clear need for sustainable & long-term freshwater maintenance & improvement. Clear need for Three Waters Infrastructure Investment. Rotoehu Scheme is not part of the Programme's earlier action plan. S(2)(h) 	B(2)(g)(i)	<ul style="list-style-type: none"> Lake Rotoehu is a 'Priority Lake' & is suffering from sustained poor water quality. However the decision is aligned with Programme's initiation (2008). Funding the Rotoliti Scheme supports the best outcomes for the Lake & Rotoliti community, however the funding request does not align with the Jobs for Nature investment framework. Rescinding RLC's FIF funding & repurposing it towards the Rotoliti Scheme is recommended as the Scheme is ready to be implemented immediately. Clear messaging & communication to RLC will highlight the rationale behind this decision.
Option 4: Reprioritising funding awarded to RLC in 2017 from FIF (\$6.5m) and recommending that \$7.3m is transferred from unspent funds in the Rotoliti Te Arawa Lakes Programme (currently for Lake Rotoliti long-term interventions)	<ul style="list-style-type: none"> \$13.8m (\$10m) Clear need for sustainable & long-term freshwater maintenance & improvement. Clear need for Three Waters Infrastructure Investment. Rotoehu Scheme is not part of the Programme's earlier action plan. S(2)(h) 	B(2)(g)(i)	<p>Recommended</p> <ul style="list-style-type: none"> Decision is aligned with Programme's initiation (2008), supporting the completion of the Rotoliti Scheme & not allocating funding to the Rotoehu Scheme (as it was not part of the earlier action plan). Funding the Rotoliti Scheme supports the best outcome for Lake Rotoliti & the East Rotoliti community. Rescinding RLC's FIF funding & repurposing it towards the Rotoliti Scheme is recommended as the Scheme is ready to be implemented immediately. Clear messaging & communication to RLC will highlight the rationale behind this decision. While Lake Rotoehu is a 'Priority Lake' suffering from sustained poor water quality, councils are regulators of Three Waters infrastructure & are required to invest in development. Also note that RLC has been awarded Three Waters infrastructure funding through the Three Waters Stimulus Grant.

			ex(2)(a)(i)	
Decline additional Crown funding for both requests and recommend the transfer of unspent Programme funding towards the completion of the Rototiti Scheme (\$10m):				
Option 5: Declining additional Crown funding for both requests and recommending that unspent funds from the Rotorua Te Arawa Lakes Programme is used to complete the Rototiti Scheme	\$13.8m (\$10m)	<ul style="list-style-type: none"> May 2021 Strategy Group Resolution seeks a review of Deed funds to complete Rototiti Scheme. Post-2021/22, Deed funding is only for long-term water quality improvement solutions at Lake Rotorua (likely the Land Incentives Scheme, delivered by BOPRC). 	ex(2)(a)(i)	<ul style="list-style-type: none"> Option not preferred due to likely impact on ensuring sustained & long-term water quality improvements at Lake Rotorua.
Decline both funding requests:				
Option 6: Decline both funding requests	\$13.8m		ex(2)(a)(i)	<ul style="list-style-type: none"> Option not preferred due to impact on Lakes water quality, Rototiti/Rotobehu communities, & relationship with Strategy Group. Also not preferred due to a recognition of the increased costs to complete construction costs over time & \$20m already invested in the Rototiti Scheme (75% complete).



Appendix B: Te Arawa Lakes Programme overview and summary of progress

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Programme Objective: reduce the amount of nutrients entering Priority Lakes to reach community-agreed targets by 2032				
TARGETS	Lake Rotorua	Lake Rotoehu	Lake Rototiti	Lake Ōkareka
INTERVENTIONS	<p>TLI: 4.2 Annual Nutrient Input (Nitrogen): 435 T Annual Nutrient Input (Phosphorous): 37 T</p> <p>1.1 Advice and Support Service</p> <p>1.2 Low Nitrogen Land Use Fund</p> <p>1.3 Lake Rotorua Incentives Scheme</p> <p>1.4 Engineering Solutions</p> <p>1.5 Phosphorous Locking</p> <p>1.6 Plan Change 10 (nitrogen limits)</p> <p>1.7 Gorse Conversion Scheme</p>	<p>TLI: 3.9 Annual Nutrient Input (Nitrogen): 44.5 T Annual Nutrient Input (Phosphorous): 1.7 T</p> <p>2.1 Weed Harvesting</p> <p>2.2 Phosphorous Locking</p> <p>2.3 Rule 11 Benchmarking</p> <p>2.4 Rule 11 Property Review</p>	<p>TLI: 3.5 Annual Nutrient Input (Nitrogen): 230 T Annual Nutrient Input (Phosphorous): 13.3 T</p> <p>3.1 Ōhau Wai</p> <p>3.2 West Rototiti: Sewerage Reticulation</p> <p>3.3 East Rototiti: Sewerage Reticulation</p>	<p>TLI: 3 Annual Nutrient Input (Nitrogen): 8.4 T Annual Nutrient Input (Phosphorous): 0.33 T</p> <p>4.1 Sewerage Reticulation</p> <p>4.2 Land Use Change</p>
PROGRESS	<p>1.1 Completion (21/22): supporting landowners meet Plan Change 10</p> <p>1.2 Completion (21/22): trials of alternative land uses/management techniques</p> <p>1.3 Completion (27): 25 T nitrogen secured, extra 15 T in pipeline</p> <p>1.4 Ongoing: 947 properties reticulated. Wetlands opportunities in development</p> <p>1.5 Completion (21/22): key short-term intervention</p> <p>1.6 Ongoing: most >40 ha properties consented/compliant; <40 ha properties due by June 2022</p> <p>1.7 Complete: 300 ha changed</p> <p>2019/20 Health Summary TLI: 4.1 Nitrogen Median: Good Phosphorous Median: Good</p> <p>Works Ongoing Continued work needed to ensure long-term, sustainable improvement</p>	<p>2.1 Completion (21/22)</p> <p>2.2 Completion (21/22)</p> <p>2.3 Complete (01/04)</p> <p>2.4 Complete (18/19)</p> <p>Pastoral area: 1796 ha (48%) → 1175 ha (32%) Native bush: 1162 ha (31%) → 1330 ha (38%) Plantation trees: 737 ha (20%) → 1123 ha (30%) Total nitrogen loss from rural land use: 59.02 T → 44.33 T Total phosphorous loss from rural land use: 4.6 T → 2.5 T</p> <p>2019/20 Health Summary TLI: 4.4 Nitrogen Median: Good Phosphorous Median: Good</p> <p>Works Ongoing Action needed to meet TLI target</p>	<p>3.1 Complete (07): Reinforcement ongoing</p> <p>3.2 Complete (2012): 406 properties reticulated</p> <p>3.3 Action Needed: 450 properties need reticulation</p> <p>2019/20 Health Summary TLI: 3.7 Nitrogen Median: Good Phosphorous Median: Fair</p> <p>Works Ongoing Action needed to meet TLI target</p>	<p>4.1 Complete (19/20): 260 properties reticulated</p> <p>4.2 Complete (19/20): 236 ha changed</p> <p>2019/20 Health Summary TLI: 3 Nitrogen Median: Excellent Phosphorous Median: Excellent</p> <p>Works complete Water quality stable and target met</p>

From: 9(2)(a)
To: Courtney Clyne
Cc: Lorena Stephen; 9(2)(a) Wes Patrick; Simon Ingram
Subject: RE: Feedback from hui yesterday afternoon: updates and information to confirm/clarify
Date: Sunday, 1 August 2021 5:15:44 pm
Attachments: [image001.jpg](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)
[image018.png](#)
[image019.jpg](#)

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Kia ora Courtney

Thank you for your detailed note on the substance of our discussion last week. I think you did very well capturing all the pertinent points. Thank you.

I have tried below to clarify some areas and inserted required information (in red).

Thank you again and looking towards progressing these matters to achieve our common goals.

If there is anything requiring further clarification please let me know. Our team would be happy to collaborate in all these issues.

Nga mihi

9(2)(a)

9(2)(a) DCE Infrastructure & Environment & Primary CDEM Controller –
 Manahautu: Tuapapa me te Rakau Whakamarumaru

9(2)(a)

E: 9(2)(a) @rotorualc.nz | W: [rotorualc.escouncil.nz](#)

A: 1061 Haupapa St, Private Bag 3029 Rotorua Mail Centre, Rotorua 3046, New Zealand

From: Courtney Clyne <Courtney.Clyne@mfe.govt.nz>

Sent: Friday, 30 July 2021 6:17 pm

To: 9(2)(a) @rotorualc.nz

Cc: Lorena Stephen <Lorena.Stephen@mfe.govt.nz>; 9(2)(a) @rotorualc.nz; 9(2)(a) @rotorualc.nz; Wes Patrick <wes.patrick@mfe.govt.nz>; Simon Ingram <Simon.Ingram@mfe.govt.nz>

Subject: Feedback from hui yesterday afternoon: updates and information to confirm/clarify


Kia ora 9(2)(a)

Hope you've had a good day.

Thanks to you, 9(2)(a) for your time yesterday and apologies for emailing later than expected. Just confirming our korero and noting a couple of aspects for confirmation/clarity.

Out of scope

Out of scope



2017 FIF Tarawera Funding

- We discussed the status of the project and the draft Annual Work Plan/Work Programme received recently.
- As funding is not confirmed until a Deed of Funding/Work Programme is agreed and signed, we also discussed that this is an option being considered in the current request. (Noted but work in progress now)
- You highlighted that if the \$6.5mill is repurposed towards the completion of the Rotoiti Scheme two things could occur:
 - Either the Tarawera Scheme is stopped and/or OSET systems are put in place. (Correct. This will require

the BOPRC to actively enforce the OSET rule)

- Noting that:
 - 30% of Tarawera properties, due to size/location etc., are not able to have OSET systems.
 - We understand that OSET systems are the typical system in place at properties around Tarawera. What do these properties (the 30%) currently have at them? OSET as well?
 - This could be a good piece of information to support our conversation.
- Or continue with the completion of the Scheme and:
 - Either RLC takes on additional debt (which is not feasible given the balance sheet);
 - Or the Tarawera ratepayers contribution would need to increase from \$33k to \$50k.

With regards to Tarawera please note below:

- The Bay of Plenty Regional Council's on-site effluent treatment (OSET) Plan recognises the challenges associated with waste water treatment in the Lake Tarawera catchment, and requires that Lake Tarawera is a designated Maintenance Zone.
- From 2017, all properties with existing septic tanks should have either been connected to a reticulated system, or should have been upgraded to an Aerated Wastewater Treatment System with Nitrogen Reduction (AWTS +NR). The discharge of treated domestic waste water into the land from an existing septic tank became a discretionary activity. An AWTS +NR which meets the requirements in the OSET Plan is estimated to cost approximately \$28,000 to install. In addition, the on-going consenting, operation, maintenance, repair and renewal costs of such system would be the owner's responsibility. Routine maintenance and servicing costs are estimated to be approximately \$500 per year.
- These systems require a large area for the land application of the treated wastewater. The property owner cannot build on this area and they must keep it clear of vehicle movements and any activities which can damage the dripper lines. It is also now known that on-site effluent treatment is not viable for an estimated 170 properties in Lake Tarawera (because of the property size, slope, high groundwater levels and the presence of a poorly draining mud layer as well as other site specific conditions). So for these properties, the installation of a compliant AWTS +NR would not be possible.
- Considering all the factors outlined above, the Bay of Plenty Regional Council strongly supports the reticulation of Lake Tarawera by Rotorua Lakes Council. To date, this has been taken into account when considering whether or not to actively enforce the 2017 upgrade requirements. However, if wastewater reticulation does not proceed, the Bay of Plenty Regional Council will have to and will enforce the provisions of the OSET Plan. If property owners cannot, or are not willing to upgrade to AWTS+NR systems, the Bay of Plenty Regional Council will use enforcement tools set out under the Resource Management Act. Penalties for breaching the Act can range from infringement notices (\$300 to \$1000) to prosecution. Prosecution can result in a maximum fine of \$600,000 for a company or \$300,000 or two years imprisonment for an individual.

Next Steps

- Can you please review the above and add in any additional information (either from gaps, what I've written or things you would like to note) or let me know if aspects need adjusting for accuracy?
 - I wasn't fast enough at writing during our hui aroha mai!
- Once we get your feedback, we'll aim to have a meeting with the Minister as soon as possible – and ideally before the next Strategy Group meeting/workshop on 13 August.
- If we don't receive a formal answer from the Minister prior to the 13th, we'll at least be able to provide an update to the Group.

Please don't hesitate to get in touch if you would like to korero. Kia pai to ra whakata

Nga mihi mahana,
Courtney

Courtney Clyne (she/her) – Kaitatari Matua | Senior Analyst
Freshwater Implementation & Oversight and Kahui Whakangao Wai | Freshwater Investments
Sustainable Land Use Delivery



Released under the Official Information Act 1982

From: 9(2)(a)
To: Courtney Clyne; Lorena Stephen; Wes Patrick
Cc: 9(2)(a); *Councillor Winters; 9(2)(a); Helen Creagh; Chris Ingle; 9(2)(a)
Subject: Mfe Minister's Preliminary Decision on Funding Reticulation schemes at Rotorua
Date: Friday, 15 October 2021 3:10:03 pm
Attachments: FW Draft 202021 Annual Work Plan Rotorua Te Arawa Lakes Programme.msg
 FW FIF LAKE TARAWERA SEWERAGE SCHEME -DRAFT WORK PROGRAMME.msg

MFE CYBER SECURITY WARNING

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Kia ora koutou,

This is to follow up from our on-line discussion yesterday. Thank you for advising us on the Minister's preliminary decisions regarding the funding request resolutions of the Te Arawa Lakes Water Quality Strategy Group of May 2021. Your advice, which will be communicated to the TALSG meeting next Friday the 22nd indicates that the Minister has;

- Considered the Group's resolution
- Reached a preliminary conclusion that the Rotoehu request for funding will not be met (lack of funding resources)
- Decided to fund the current East Rotoiti Deed funding imbalance of \$10.0m through the reallocation of current unutilised Deed Funds (\$3.5m) and the reallocation of Freshwater Funds (\$6.5m) from the Lake Tarawera reticulation scheme. The Lake Tarawera funds reallocation proposed is based on Mfe officer's assumption that the scheme has taken too long to be implemented and that there is no confidence that it will be completed by 2024.

Rotorua Lakes Council's comments.

Firstly we are disappointed by this preliminary position. The TALSG's resolution in May 2021 sought either additional funds to the Deed to recognise the impacts of inflation and compliance or to agree to the re-allocation of existing unutilised funds giving priority to completing the East Rotoiti scheme. It never contemplated the removal of Freshwater Funds from the Lake Tarawera scheme.

The Lake Tarawera Scheme a brief status

Funding assistance was agreed in or around August 2017 (\$6.5m). Following that community and Councils' engagement resulted in an agreed option in around November 2018. Consistent with both Councils' commitment to work in partnership with mana whenua and Te Arawa Lakes Trust, commenced two rounds of Cultural Impacts Assessments with all mana whenua hapū in the catchment that were concluded in Sept 2020.

In November 2020 the Rotorua Lakes Council received and adopted a report to proceed with the preferred scheme option. It included this project in its draft LTP for 2021-31. This decision was advised to the Mfe in February 2021 (attached email to Simon) indicating the status of the project in the draft LTP timeframes. No further feedback or inquiries were received from Mfe.

Following the TALSG resolutions in February and May 2021 we have exchanged further information on the schemes. In the meantime the Council's LTP consultation was progressed and the Council adopted the final LTP in June 2021. The LTP, in regards to the Tarawera scheme, made three significant decisions.

1. Brought the scheme delivery plan forward to 2021/22 to 2024 (completion)
2. Allocated \$2.5m for the detailed design and contract procurement process in the 2021/22 year
3. Instructed officers to establish a community sub-committee to explore repayment of net costs options in 2021/22

These decisions were made in order to be able to adopt a construction programme in 2021/22 and commence physical works in 2022/2024 period. A modified programme of works was forwarded to Mfe in July 2021 (attached). Admittedly there was a typo error in Section C (Funding) regarding FIF. For year one it should be \$0.5m and years 2&3 \$3.0m each.

However at no stage we have received formal feedback seeking clarification in order to complete the Deed sign off or that there was a risk in completing such transaction until our discussion yesterday.

The consequences of the preliminary Ministerial position

1. On the positive side we can now complete the East Rotoiti scheme.
2. On the negative side, Tarawera Lake will remain indefinitely at the risk of degradation from nutrients and pathogens seeping from septic tanks. The BOPRC will have to make some significant policy decisions on how to monitor septic tank consents or about the enforcement of the OSET rule. The joint Council's letter to residents of Tarawera in April 2021 stated clearly that the BOPRC will enforce the OSET rule. This will be problematic for a significant number of properties.
3. Rotoehu and Ngamotu will continue to adversely contribute to waters' quality and community health risks.
4. For both Tarawera and Rotoehu/Ngamotu such outcomes appear to be in tension with the Government's Three Waters reform objectives as stated. i.e. improving water quality, protecting community health, enabling effective Iwi participation and decision making.

I trust that this provides some clarity on how RLC views the emerging recommendations and looking towards a constructive discussion on the 22nd TALGS meeting.

Nga mihi

9(2)(a)

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