

## Revenue & Financing Policy – Drinking Water

As adopted by Council, 28 June 2023

<b>Activity description</b>	Council provides drinking water to homes and businesses through 12 potable water schemes which service over 70% of residents. Council is responsible for sourcing, treating, reticulating and monitoring the water supplied. Council rates for the loan interest and principal costs for two non-Council drinking water supplies – Lyndhurst and Barrhill. This is done through a voluntary rate as provided for under this policy
<b>Community outcome(s)</b>	<p><b>A balanced and sustainable environment</b> - the sustainable use and management of water is of central importance to all residents and promotes environmental well-being.</p> <p><b>A prosperous economy based on innovation and opportunity</b> - access to safe quality drinking water is important for economic wellbeing.</p>
<b>Who benefits and when?</b>	Group benefit 100% - provided to residents able to connect to Council water schemes and access water on a daily basis.
<b>Whose acts create a need?</b>	<p>Extraordinary and ordinary supply are defined in the Water Supply Bylaw 2016. Extraordinary use can place extra burden on the supply necessitating greater storage capacity etc. Such users should pay for their extraordinary supply on a volumetric basis. Council has two categories of extraordinary use::</p> <p><b>Extraordinary</b> use is defined as a category of on-demand supply including all purposes for which water is supplied other than ordinary supply and which may be subject to specific conditions and limitations.</p> <p><b>Residential extraordinary</b> use is defined as properties connected to the Council water supply network located in:</p> <ul style="list-style-type: none"> <li>• Residential D or Rural A zones of the Ashburton District Plan; or</li> <li>• The Methven-Springfield Rural/Agricultural Water Supply area.</li> </ul> <p>For extraordinary properties, the rates will be a fixed amount per 1,000 litres of water in excess of 90 cubic metres consumed in the quarterly periods during each year. The quarterly periods are 1 July to 30 September, 1 October to 31 December, 1 January to 31 March, and 1 April to 30 June. These properties will be billed on a quarterly basis.</p> <p>For residential extraordinary properties, the rates will be a fixed amount per 1,000 litres of water in excess of 438 cubic metres consumed per annum. Meters will be read on a quarterly basis and billed annually. The period is 1 July – 30 June.</p> <p>Vacant sections and unconnected rating units benefit from the provision of firefighting capacity and should be charged an availability charge.</p>
<b>Separate funding</b>	The benefits of this activity are primarily private therefore separate funding through a targeted rate is considered appropriate. Extraordinary and extraordinary residential connections are considered ‘high users’ therefore are charged for any excess of their allocation.
<b>Funding Sources</b>	<p><b>Operating expenditure – targeted rate UAC 100%</b></p> <p>Rated as a fixed rate on all connected properties to promote affordability. The exceptions are:</p>

- Lyndhurst and Barrhill (fully funded within each scheme)
- Montalto (rate is based on property size), non-residential and residential extra-ordinary properties (targeted fixed rate for a set amount of water with excess water charged per cubic metre)
- Serviceable but not connected properties (charged half the fixed rate) except in Methven-Springfield.

**Capital expenditure**

- Sourced from operating expenditure, reserves or loan funding.
- Development contributions are levied under Council's Development and Financial Contributions policy
- Government subsidies may be provided for some expenditure. Council rate contribution is net of any subsidies