



Draft Revenue and Financing Policy Drinking Water

POLICY

Activity description

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

Community outcome(s)

A balanced and sustainable environment - the sustainable use and management of water is of central importance to all residents and promotes environmental wellbeing.

A prosperous economy based on innovation and opportunity - access to safe, quality drinking water is important for economic wellbeing.

Who benefits and when?

Group benefit 100% - provided to residents able to connect to Council water schemes and access water on a daily basis.

Whose acts create a need?

High users can place extra burden on the supply necessitating greater storage capacity etc. Such users should pay for their supply on a volumetric basis. Vacant sections and unconnected rating units benefit from the provision of firefighting capacity and should be charged an availability charge.

Separate funding

The benefits of this activity are primarily private therefore separate funding through a targeted rate is considered appropriate. Non-residential and extra-ordinary residential connections are considered 'high users' therefore are charged for any excess of their allocation.

Funding Sources

Operating expenditure – targeted rate UAC 100%

Rated as a fixed rate on all connected properties to promote affordability.

The exceptions are:

- Lyndhurst and Barrhill (fully funded within each scheme)
- Montalto (rate is based on property size), non-residential and residential extraordinary 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.