

Balmoral-Tuapeka

Rural Water Scheme newsletter

September 2024



INTRODUCTION

This is the first communication from the amalgamated Balmoral 1, 2 and Tuapeka Committees.

You're more than welcome to get in touch with either Council or the committee if you have any questions. Council can be contacted on 0800 801 350.

UPDATE FROM THE COMMITTEE

The Committee members understand and acknowledge the serious financial impact the increased water cost is having on water users of our district. All of the committee members are also water users and are similarly affected. We are determined to find viable options to reel in this cost increase.

The primary reason for the Greenfield Water Bore project was to provide high quality clean water that meets the new, higher drinking standards imposed by the water regulator, Taumata Arowai. If these standards are not met, Taumata Arowai has indicated its intention to eventually take further action for non-conforming schemes.

Once operational, this new water source will achieve the higher standards and provide greater reliability, especially in dry years. These features will add value to homes and businesses connected. An important point to keep in mind going forward.

Fire hydrants are being installed at certain points along main lines, mainly as a response to the increased forest fire risk due to drier summers.

The Committee has unanimously agreed not to support applications by consumers to decrease the number of units currently supplied or to disconnect from the scheme. If the number of units sold by the scheme decreases, this will only push the unit price higher for everyone. The Committee is committed to holding any price increases to the absolute minimum.

Committee members and Council have put serious effort into minimising the cost increases we are all facing.

Appeals for Government support to date have been disappointingly unsuccessful, but are not over. We will continue to strongly advocate Central Government for support of our rural water scheme.

The key to keeping water rates down is optimising efficiency. That means staying with the scheme, buying more units (if you are able), and conveying to those within your network that large quantities of world class water are available, should it be required, for someone looking to set up business in the district.

Enquiries about industrial use of our water could provide considerable reason for optimism, and if successful may provide the opportunity for some rationalisation of rate increases.

Disconnecting from the scheme may not necessarily mean a reduction in rates. Council has as a means of cost recovery, the ability to levy costs in a general rate. Remember, the operational cost will be spread over a smaller number of units, and therefore force unit rates higher.

Borrowing is done through the Council and the Local Government Funding Agency (LGFA) at interest rates that are not available commercially. Interest is a significant component of the overall water rate cost and is budgeted at 5.2% long-term. A 1% reduction in the official cash rate (OCR) below 4.7% equates to a \$60 unit rate cost reduction.

We expect the new scheme to be commissioned in mid-2025, when our scheme of 78,600 hectares, approximately 1,650 people and 500,000 stock units, will have pristine drinking water that meets the drinking water standards set by Taumata Arowai, the regulator.

The water rate is set at \$664 plus GST per unit for the 2024/25 financial year.

Should you have any concerns that you wish to discuss please do not hesitate to contact one of the committee members listed below.

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Chair Roger Cotton: bellamyrac@xtra.co.nz | 027 284 6270

Vice Chair Stephen Jack: 027 280 5468

Vice Chair Andrew Gray: 027 485 9074

Cr. Simon McAtamney

Cr. Jock Martin

Geoff Davidson (Lawrence/Tuapeka Community Board)

Geoff Blackmore, Garry McCorkindale, Suzie Roy,

Rob van Vugt, Ashley Smail, Kyle Forbes &

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