

Katikati Solid waste Ongare Point Community building Te Kahika
 Wastewater Residential Pongakawa Regulatory services Omokoroa
 Eastern Stormwater Paengaroa Representation Healthy water
 Tuapiro Point Libraries & service centres Pios Beach Western
 Tanners Point Commercial Waihi Beach
 Te Puna West Transportation Athenree

WATER SUPPLY

Civil defence & emergency management

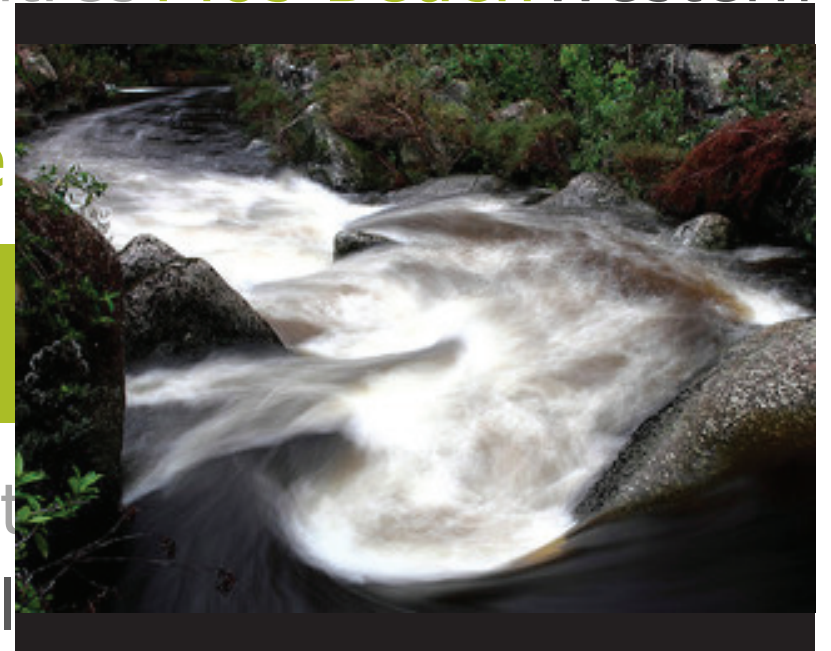
Kaimai Central Aongatete Horticultural

Island View Economic Te Puke Natural environment Rogers Road

Planning for the future Plummers Point Treatment plants Minden

Te Kauri Village Support services Pukehina Beach Agricultural

Community facilities Pios Beach Reticulation network Omokoroa



WATER SUPPLY

Overview

We supply potable (drinking) water to approximately 37,000 people in our District through the water infrastructure operating in the Western, Central and Eastern supply zones. We have a varied customer base including residential, commercial, horticultural and agricultural users.

Water treatment, storage and distribution are provided in each of the supply zones. Through the operation and maintenance of the treatment plants, pumping stations, reservoirs and the reticulation network, water is delivered to our community through 14,000 connections.

Water is sourced from nine secure bore fields across our District and one isolated surface supply in Te Puke. The change from surface supplies, which are prone to contamination, to secure groundwater supplies has enabled us to increase production capacities to meet growing demand. It has also improved the reliability of supply, particularly during adverse conditions such as drought or floods. Our water sources now have significantly improved water quality with source/reticulation supplies grading of Bb or better, New Zealand Drinking Water Standards 2005 (amended 2008).

We have completed the transition to secure groundwater sources and we are now able to place greater emphasis on water conservation. There are several drivers including environmental sustainability, statutory frameworks and policies, legislative responsibilities and compliance requirements that make water conservation necessary. Reducing water demand has many advantages as it lengthens the life of existing treatment, storage and reticulation infrastructure and means we can defer some capital expenditure. Water conservation also provides additional environmental benefits to the community by reducing the volumes of wastewater and protecting the water resource itself.

Studies undertaken by the Bay of Plenty Regional Council have highlighted the need to carefully manage future demand for water, especially in the eastern area of our District where forecast and existing demand may exceed the volume available for allocation. The allocation of water outside our reticulation system is the role of the Regional Council. Both councils see water conservation as an important part of ensuring the social, cultural, economic and environmental well-being of our communities and we will assist and educate water consumers about this.

We will start the most significant stage of District-wide water metering during 2012/2013 and we aim to have all water connections metered by 2017/2018. District-wide metering can assist customers in managing their usage in response to conservation initiatives and

costs. Meters enable us to identify high volume users and system leaks. This is important for predicting future demand and to measure losses from the network. Water metering for all customers is an important part of our water supply strategy and will enable us to identify currently unauthorised connections. It will also encourage conservative use of water as all customers will be paying for the water they use. Water conservation will help ensure that sufficient water is available for all current users and provide for future generations.

Supplying drinking water for the purpose of domestic, commercial, industrial and livestock use is a high priority within our water management strategy. In drought or emergency situations we may require certain customer groups to reduce their usage to ensure adequate domestic supplies are available.

Customers with non-standard connections (larger than 20mm) pay increased charges to reflect the greater demand such connections place on the network. These customers are mainly non-residential and may choose to reduce the additional charge by downsizing their connections. We will continue to work with this customer group to find the most practicable solutions to meet their water demands.

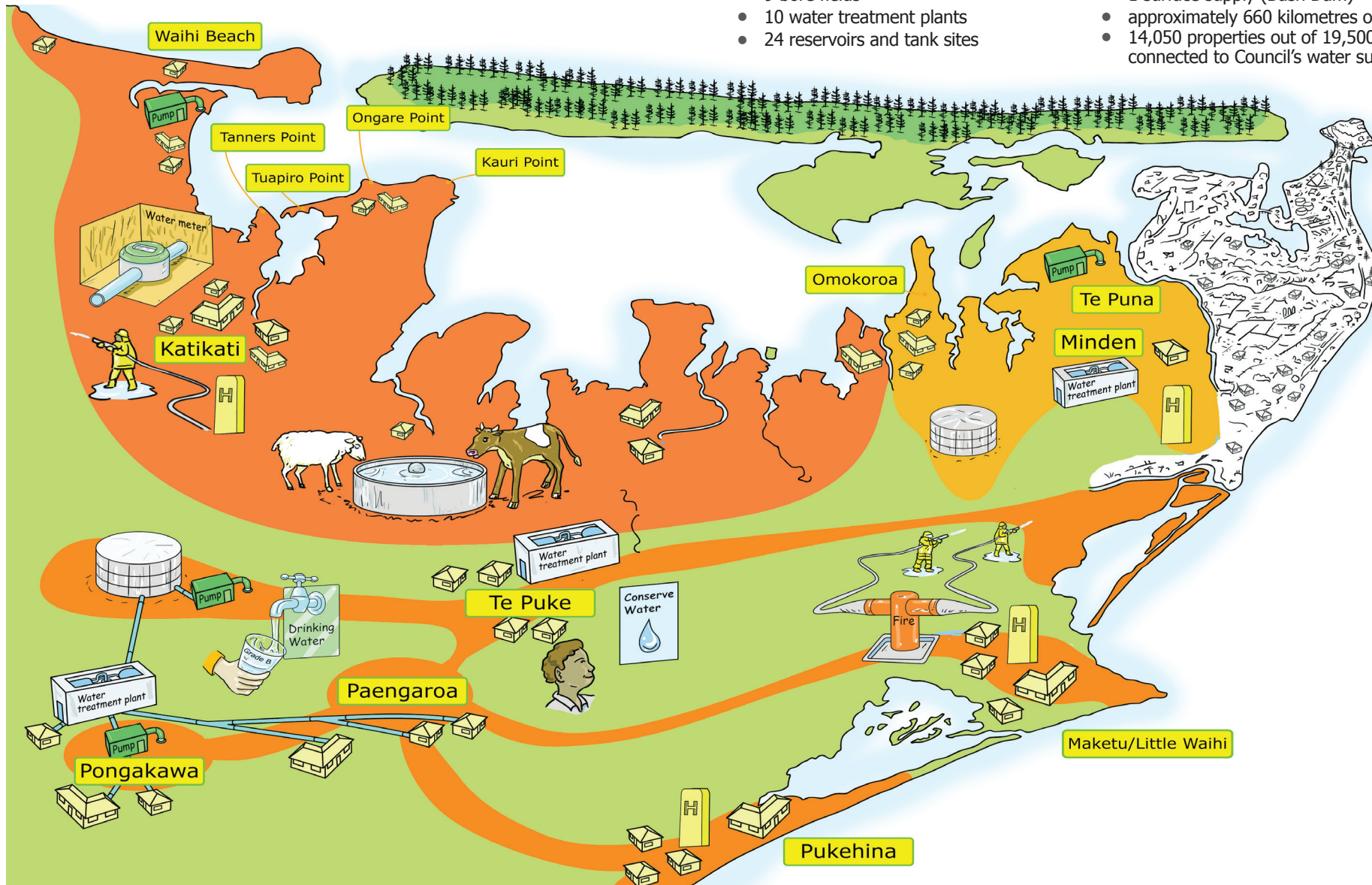
Currently our District water supply is rated based on three supply zones. During the next review of the Water Supply Strategy in 2013 we may consider the option of amalgamating the uniform annual charges within this activity.

What we provide

Water reticulation operated in three supply zones:

Western, Central and Eastern

- 24 booster pump stations
- 9 bore fields
- 10 water treatment plants
- 24 reservoirs and tank sites
- District-wide water metering completed 2018
- 1 surface supply (Bush Dam)
- approximately 660 kilometres of water mains
- 14,050 properties out of 19,500 properties connected to Council's water supply



Why we provide it

Our community outcome

Water supply is provided to our Community in a sustainable manner

Our goals

- 1 Provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones
- 2 Sustainably manage our water resource, water supply infrastructure and consumer use of water across the three supply zones

How we will achieve our community outcome

Goal	Our approach	Our role
Provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones	<ul style="list-style-type: none"> ▶ Maintain water treatment plants at a minimum of grade 'B' compliance with New Zealand Drinking Water Standards 2005 (amended 2008). Maintain piped water supplies at a minimum of grade 'b' compliance with New Zealand Drinking Standards 2005 (amended 2008) ▶ Maintain adequate storage and supply to meet the needs of normal domestic, commercial and industrial water use for the Western, Central and Eastern Supply zones in the event of a one-in-50 year drought ▶ Maintain water storage systems to ensure a minimum of 24 hours average daily demand storage in all systems ▶ The reticulated network is only extended when consistent with our policy on network extensions and water connections ▶ When considering applications for new connections give priority to households, livestock (including dairy farms) and commercial and industrial uses (where land is zoned for these purposes) rather than for general agricultural irrigation 	<p>Lead</p> <p>Lead</p> <p>Lead</p> <p>Lead</p> <p>Lead</p>
Sustainably manage our water resource, water supply infrastructure and consumer use of water across the three supply zones	<ul style="list-style-type: none"> ▶ Water meters are phased-in and used to charge according to volume for all consumers ▶ Appropriate funding mechanisms are used to encourage equitable and sustainable use of water ▶ Enable cross-boundary supply with Tauranga City subject to suitable agreements being in place 	<p>Lead</p> <p>Lead</p> <p>Lead/Partner</p>

What we are planning to do

All information from 2014 – 2022 includes an adjustment for inflation.

This is not a complete list of the projects/programmes we have planned for this group of activities. The full list is available on our website, www.westernbay.govt.nz

Project number	Project name	\$'000									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
243619	Western Water reticulation improvements	1,209	1,234	466	693	785	495	266	573	677	375
287201	Western Water additional bore at existing bore field	-	-	-	-	-	-	-	-	1,341	-
287203	Western Water reservoir upgrades	-	-	-	-	-	-	-	2,319	-	-
243210	Omokoroa Stage 2 water reticulation new main	-	-	-	-	167	-	-	-	1,437	-
318201	Western Water metering project	-	-	-	-	1,209	1,251	-	-	-	-
243307	Central Water expansion upgrade	-	-	-	-	-	-	-	387	2,534	949
243310	Central Water reticulation improvements	120	140	75	516	403	979	248	245	172	272
243320	Central Water new reservoir	10	10	-	-	-	-	248	1,095	1,045	98
319001	Central Water metering project	332	-	-	-	-	-	-	-	-	-
243002	Eastern Water reticulation improvements	100	573	983	1,304	821	845	813	651	255	265
287112	Eastern Water Pongakawa water treatment enhancement	-	-	-	892	-	-	-	-	-	-
323801	Eastern Water metering project	-	641	663	688	-	-	-	-	-	-

How our plans have changed

The timing and costs of some of our projects have been updated since we adopted our 2009 - 2019 Long Term Council Community Plan (LTCCP). The differences are shown below. This is not a complete list of the projects/programmes that have been revised.

Project number	Project name		\$						
			2013	2014	2015	2016	2017	2018	2019
243002	Eastern Water reticulation improvements	Previous Plan	-	419,377	954,2461	284,506	227,612	602,602	368,059
		This Plan	100,000	573,475	983,496	1,303,963	821,067	844,665	812,571
		Difference	100,000	154,099	29,250	1,019,457	593,455	242,063	444,513
243307	Central Water Supply expansion upgrade	Previous Plan	-	340,035	2,212,914	823,251	-	-	-
		This Plan	-	-	-	-	-	-	-
		Difference	-	-340,035	-2,212,914	-823,251	-	-	-

Major projects planned for 2012 - 2022

District-wide

- ▶ District-wide metering of all water connections to be completed by 2018 at a cost of \$4,784,044
- ▶ District-wide network reticulation improvements, upgrades and renewals 2012-2022, \$18,159,363

Western supply zone

- ▶ Additional bore to increase supply capacity, \$1,340,680 in 2021
- ▶ Reservoir upgrades, \$2,319,008 in 2020

Central supply zone

- ▶ New water supply main to service Omokoroa, \$1,437,208 in 2021
- ▶ New bore to increase supply capacity, \$3,869,513, 2020-2022
- ▶ New reservoir to increase storage capacity, \$2,486,639, 2019-2022

Eastern water supply

- ▶ New bore commissioned at Pongakawa water treatment plant to double water supply capacity, \$891,827 in 2016

All information from 2014-2022 includes an adjustment for inflation.

How we will track progress towards our goals



Water supply is provided to our Community in a sustainable manner

Goal	We'll know we're meeting our goal if	Actual	Target				
		2011	2013	2014	2015	2016 - 18	2019 - 22
Provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones	For the three supply zones the percentage of Council's treated water supply with a Ministry of Health grading as per the New Zealand Drinking Water Standards 2005 (amended 2008) B or better for treatment	100%	100%	100%	100%	100%	100%
	b or better for reticulation	100%	100%	100%	100%	100%	100%
Sustainably manage our water resource, water supply infrastructure and consumer use of water across the three supply zones	Level of resident satisfaction with the quality of Council's water supply as monitored by the Annual Residents' Survey, percentage of residents who are 'very satisfied' and 'satisfied'	74%	≥75%	≥75%	≥80%	≥85%	≥90%
	In a one-in-50-year drought event the ability to supply water to meet the normal daily water demand (1,100 litres per person per day)	100%	100%	100%	100%	100%	100%
	Ability of reservoirs to provide a minimum of 24 hour average daily demand	100%	100%	100%	100%	100%	100%
	Percentage of eligible properties that are connected to Council's water supply	91%	≥91%	≥91%	≥91%	≥91%	≥91%

How we will track progress - levels of service

What we provide	We'll know we're meeting the service if	Actual	Target				
		2011	2013	2014	2015	2016 - 18	2019 - 22
We will provide good quality water to service growth within the three supply zones	Level of compliance with industry standard (NZ Fire Service Code NZPAS4509:2008) This monitors water supply and pressure	95%	≥95%	≥95%	≥95%	≥95%	≥95%
	Percentage of year where reservoirs are maintained at a minimum of 50% full, in accordance with Ministry of Health requirements	100%	≥90%	≥90%	≥85%	≥85%	≥85%
We will monitor sustainable delivery and effectively manage the risks associated with the quality and quantity of the public water supply	Number of times when council's water supply does not comply with resource consents	0	<5	<5	<5	<5	<5
	Preventable water loss as a percentage of average daily production as monitored through water meters:	New New New					
	▶ Western Supply Zone*		N/A	≤20%	≤15%	≤15%	≤15%
▶ Central Supply Zone*	N/A		N/A	N/A	≤20%	≤15%	
▶ Eastern Supply Zone*	N/A	N/A	N/A	N/A	N/A	≤20%	
	The acceptable range is between 10%-20% of bulk supply based on the International Infrastructure Management Manual v1.0						
	<i>*District-wide water meter installation commenced in 2012 and will be completed in 2018</i>						

Key assumptions

Assumption	Description	Risk
Eastern Supply Zone	No provision is made in our Asset Management Plan (AMP) for infrastructure to reticulate and supply future development at Rangiuru as it has not been given approval to proceed	Minor because the AMP can be updated if and when the industrial park is given approval to proceed and water is available
Drinking water standard	The standard for drinking water as specified in Drinking Water Standards for New Zealand 2005 (revised 2008) remains unchanged for compliance with the Health (Drinking Water) Amendment Act 2007	Quality of water supplied differs from supply standards
Industrial water demand	Industrial demand is based on the continual growth of existing demand profiles in commercial, industrial and agricultural sectors. Trends have been identified and analysis undertaken as per the Water Asset Management Plan	If demand assumptions are incorrect investment in water assets may not be optimal, however, much of the work can be modified according to actual growth
Residential water demand	<p>Growth in water demand is based on forecast population growth and household numbers and from historical trends in individual household consumption. Trends have been identified and analysis undertaken per the Water Asset Management Plan. Expect residential water metering to reduce growth in demand</p> <p>Risks exist where consumers are not currently connected to the water supply network but it is available for them. If there are large numbers of these new consumers in any one location connecting to the water supply upgrades to the capacity of the supply network may need to be brought forward</p>	If demand assumptions are incorrect investment in water assets may not be optimal, however, much of the work can be modified according to actual growth
Water asset renewals	The assessed condition of the assets will not deteriorate with the provision of further field data. Asset replacement is scheduled based on accepted national standards and international best practice approaches to 'whole of life' asset management	Assets that have accelerated deterioration rates are not appropriately funded
Water asset replacement	All pipe replacement is with either Polyvinyl chloride (PVC) or Polyethanol (PE) plastic pipes. This is in line with current levels of service and budgets	Increased construction and ratepayer costs if alternative pipe materials are used, for example ductile iron
Water losses	Management of reticulation systems and water-metering will reduce water losses from 28% to 10% over 10 years. Observation and analysis of the three supply zone networks by staff suggest this reduction is achievable. The availability of water is not expected to be affected by climate change during the ten years of this Plan. Proposals adopted for water-metering used as a demand management tool and to encourage more efficient use of the resource will help address longer term risks	If the target is not met investment in new water sources may need to be brought forward

Key assumptions

Assumption	Description	Risk
Water level of service	No provision is made for changes to the adopted levels of service, funding policy or by-laws	Changes to levels of service will have cost implications for ratepayers
Water sources	All future water supplies are from proven groundwater sources adjacent to existing infrastructure. Current consents allow for growth for the next 50 years and are all sites close to existing water treatment plants	Considerable increased investment in reticulation would be required if new bore sources had to be located
Impact of water-metering	Metering households will reduce demand for water and delay the need for additional water sources	Increased investment in water sources and the reticulation network may be required if demand does not reduce as a result of metering

Significant effects of providing this activity

Well-being	Positive	Negative	How we are addressing these effects
Social	<ul style="list-style-type: none"> 😊 Provides for a safe and convenient drinking water supply for residential properties' everyday needs 😊 Provides water for a range of recreation and leisure activities, e.g. swimming pools 😊 Provides the operational basis for the sewerage network 	<ul style="list-style-type: none"> 😞 Increasing the amount of water taken for public supply from groundwater bores means less groundwater is available for landowners wanting to develop private bores for irrigation 	<ul style="list-style-type: none"> ➡ These effects are monitored and controlled by the Bay of Plenty Regional Council through resource consents required to extract and use water
Environmental	<ul style="list-style-type: none"> 😊 Treated water returned to the environment 	<ul style="list-style-type: none"> 😞 Water extraction from rivers and streams has the potential for negative impacts on ecological values as habitats for native species of plants and animals 	<ul style="list-style-type: none"> ➡ We are continuing to monitor and reduce water losses from the public supply system to reduce the amount of water we need to take
Economic	<ul style="list-style-type: none"> 😊 Provides a reliable water supply for commercial and industrial users 😊 Provides a reliable water supply for agriculture and horticulture 	<ul style="list-style-type: none"> 😞 Some people may find it difficult to pay for the water they use and will have to reduce their use 😞 Businesses using large volumes of water may decide against locating in our District due to water costs 	<ul style="list-style-type: none"> ➡ We are continuing to install water meters for all customers in our District ➡ We are making consumers aware of their water use by charging for water by volume used
Cultural	<ul style="list-style-type: none"> 😊 Good quality water is available to residents which improves health and well-being 	<ul style="list-style-type: none"> 😞 Water abstraction from streams and rivers can have an adverse effect on the mauri of the water body 	<ul style="list-style-type: none"> ➡ Continuing to better identify the cultural significance of water catchments through resource consent conditions

Summary financial forecast

District-wide water supply All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Actual	Budget	Forecast									
	\$'000	\$'000	\$'000									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Analysis of expenditure by activity												
Western water supply	3,159	3,496	3,303	3,436	3,547	3,577	3,758	3,959	4,059	4,219	4,488	4,660
Central water supply	2,257	2,321	2,254	2,345	2,477	2,480	2,561	2,619	2,704	2,810	3,017	3,267
Eastern water supply	3,829	4,061	3,960	4,048	4,243	4,402	4,597	4,721	4,844	4,983	5,127	5,217
Total operating expenditure	9,245	9,877	9,517	9,830	10,267	10,459	10,916	11,299	11,608	12,012	12,631	13,144
Analysis of expenditure by class												
Direct costs	3,313	3,577	3,604	3,729	4,006	4,108	4,386	4,538	4,723	4,943	5,216	5,508
Overhead costs	1,693	1,678	1,579	1,635	1,684	1,689	1,728	1,806	1,817	1,857	1,948	1,971
Interest	1,665	1,958	1,643	1,747	1,831	1,890	2,002	2,126	2,210	2,326	2,553	2,722
Depreciation	2,575	2,665	2,692	2,719	2,746	2,773	2,801	2,829	2,857	2,886	2,915	2,944
Total operating expenditure	9,245	9,877	9,517	9,830	10,267	10,459	10,916	11,299	11,608	12,012	12,631	13,144
Revenue												
Targeted rates	4,660	5,197	5,626	6,095	6,585	6,733	6,850	7,337	7,859	8,573	9,368	10,238
User fees	1,779	2,209	2,323	2,554	2,801	3,103	3,384	3,679	4,002	4,366	4,775	5,228
Financial contributions	276	383	540	695	724	756	1,335	1,386	1,448	1,878	1,949	2,035
Vested assets	-	150	200	208	215	223	232	240	248	258	268	279
Interest	-	-	-	-	-	-	4	39	92	165	241	315
Other income	39	10	-	-	-	-	-	-	-	-	-	-
Total revenue	6,754	7,950	8,690	9,553	10,325	10,814	11,805	12,680	13,650	15,241	16,602	18,095
Net cost of service – surplus/(deficit)	(2,491)	(1,928)	(827)	(277)	58	355	888	1,382	2,042	3,229	3,970	4,951
Capital expenditure	1,646	1,367	2,131	2,868	2,188	4,363	3,385	3,582	1,576	5,327	7,528	1,959
Vested assets	-	150	200	208	215	223	232	240	248	258	268	279
Total other funding required	(4,137)	(3,445)	(3,159)	(3,353)	(2,344)	(4,231)	(2,729)	(2,440)	218	(2,355)	(3,826)	2,713
Other funding provided by												
Environmental protection rate	-	20	-	-	-	-	-	-	-	-	-	-
Debt increase/(decrease)	(121)	(325)	(39)	651	331	1,578	765	830	(590)	2,877	3,590	(556)
Reserves and future surpluses	4,258	3,750	3,197	2,701	2,013	2,654	1,964	1,609	371	(522)	236	(2,156)
Total other funding	4,137	3,445	3,159	3,353	2,344	4,231	2,729	2,440	(218)	2,355	3,826	(2,713)

Council's additional asset requirements - District-wide water supply

	\$'000									
Capital expenditure	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
To meet additional demand (capacity for future residents - growth)	360	269	-	1,051	-	12	-	57	-	-
To improve the level of service	342	651	663	800	1,376	1,251	248	3,800	6,424	1,047
To replace existing assets (renewals)	1,429	1,948	1,525	2,513	2,009	2,319	1,328	1,469	1,104	912
Total capital expenditure	2,131	2,868	2,188	4,364	3,385	3,582	1,576	5,326	7,528	1,959

What we're doing to improve the levels of service

This is not a complete list of the projects/programmes we have planned for this group of activities. The full list is available on our website www.westernbay.govt.nz

- ▶ **319001 – Central Supply Zone water metering project**
To provide water metering to the rest of the zone (other than Omokoroa)
- ▶ **323801 – Eastern Supply Zone water metering project**
To encourage better water resource management

Summary financial forecast

Western water supply All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Actual	Budget	Forecast									
	\$'000	\$'000	\$'000									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Analysis of expenditure by activity												
Western Water	3,159	3,496	3,303	3,436	3,547	3,577	3,758	3,959	4,059	4,219	4,488	4,660
Total operating expenditure	3,159	3,496	3,303	3,436	3,547	3,577	3,758	3,959	4,059	4,219	4,488	4,660
Analysis of expenditure by class												
Direct costs	1,052	1,210	1,229	1,291	1,354	1,399	1,537	1,611	1,652	1,708	1,804	1,908
Overhead costs	647	637	601	623	640	643	658	688	693	708	742	752
Interest	560	717	532	572	593	565	584	671	715	793	922	971
Depreciation	900	932	941	951	960	970	980	989	999	1,009	1,019	1,030
Total operating expenditure	3,159	3,496	3,303	3,436	3,547	3,577	3,758	3,959	4,059	4,219	4,488	4,660
Revenue												
Targeted rates	1,904	2,108	2,309	2,541	2,788	3,005	2,973	3,215	3,476	3,787	4,132	4,510
User fees	655	727	756	817	880	950	1,026	1,105	1,190	1,282	1,384	1,495
Financial contributions	96	113	197	256	257	271	488	510	533	600	619	650
Vested assets	-	50	100	104	108	111	116	120	124	129	134	140
Interest	-	-	-	-	-	-	4	39	92	165	241	315
Other income	2	-	-	-	-	-	-	-	-	-	-	-
Total revenue	2,657	2,998	3,362	3,718	4,033	4,337	4,607	4,989	5,415	5,963	6,510	7,110
Net cost of service – surplus/(deficit)	(502)	(498)	59	282	486	760	848	1,030	1,356	1,745	2,022	2,450
Capital expenditure	715	0	1,240	1,474	466	908	1,994	1,758	267	2,950	2,085	375
Vested assets	-	50	100	104	108	111	116	120	124	129	134	140
Total other funding required	(1,217)	(548)	(1,281)	(1,296)	(87)	(260)	(1,262)	(848)	966	(1,334)	(197)	1,935
Other funding provided by												
Environmental protection rate	-	7	-	-	-	-	-	-	-	-	-	-
Debt Increase/(decrease)	29	(203)	2	189	(194)	(30)	999	952	(408)	1,966	849	(627)
Reserves and future surpluses	1,187	744	1,279	1,107	281	289	263	(104)	(558)	(633)	(652)	(1,308)
Total other funding	1,217	548	1,281	1,296	87	260	1,262	848	(966)	1,334	197	(1,935)

Summary financial forecast

Central water supply All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Actual	Budget	Forecast									
	\$'000	\$'000	\$'000									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Analysis of expenditure by activity												
Central Water	2,257	2,321	2,254	2,345	2,477	2,480	2,561	2,619	2,704	2,810	3,017	3,267
Total operating expenditure	2,257	2,321	2,254	2,345	2,477	2,480	2,561	2,619	2,704	2,810	3,017	3,267
Analysis of expenditure by class												
Direct costs	840	867	834	875	986	979	1,029	1,048	1,101	1,161	1,223	1,289
Overhead costs	411	413	394	407	419	420	430	448	452	462	485	493
Interest	380	431	411	442	445	447	463	476	499	528	642	812
Depreciation	626	609	615	621	627	634	640	646	653	659	666	673
Total operating expenditure	2,257	2,321	2,254	2,345	2,477	2,480	2,561	2,619	2,704	2,810	3,017	3,267
Revenue												
Targeted rates	780	881	901	966	1,033	1,086	1,089	1,191	1,301	1,446	1,607	1,786
User fees	539	719	756	827	901	1,011	1,135	1,271	1,423	1,598	1,798	2,025
Financial contributions	46	105	150	211	228	236	386	399	413	722	751	782
Vested assets	-	50	50	52	54	56	58	60	62	64	67	70
Other income	25	-	-	-	-	-	-	-	-	-	-	-
Total revenue	1,391	1,755	1,858	2,056	2,216	2,388	2,667	2,920	3,199	3,829	4,224	4,662
Net cost of service – surplus/(deficit)	(866)	(566)	(397)	(290)	(261)	(92)	106	302	494	1,020	1,207	1,395
Capital expenditure	589	330	462	151	75	516	570	979	496	1,726	5,188	1,319
Vested assets	-	50	50	52	54	56	58	60	62	64	67	70
Total other funding required	(1,455)	(946)	(909)	(492)	(390)	(664)	(522)	(737)	(64)	(771)	(4,048)	6
Other funding provided by												
Environmental protection rate	-	6	-	-	-	-	-	-	-	-	-	-
Debt increase/(decrease)	90	(126)	(87)	(96)	(142)	(27)	(83)	67	68	1,268	3,285	681
Reserves and future surpluses	1,365	1,066	996	588	532	691	604	670	(4)	(496)	763	(687)
Total other funding	1,455	946	909	492	390	664	522	737	64	771	4,048	(6)

Summary financial forecast

Eastern water supply All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Actual	Budget	Forecast									
	\$'000	\$'000	\$'000									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Analysis of expenditure by activity												
Eastern Water	3,829	4,061	3,960	4,048	4,243	4,402	4,597	4,721	4,844	4,983	5,127	5,217
Total operating expenditure	3,829	4,061	3,960	4,048	4,243	4,402	4,597	4,721	4,844	4,983	5,127	5,217
Analysis of expenditure by class												
Direct costs	1,421	1,500	1,540	1,563	1,667	1,729	1,820	1,879	1,970	2,074	2,189	2,310
Overhead costs	635	627	584	606	624	626	640	670	673	687	720	726
Interest	725	810	700	733	794	878	955	979	996	1,005	988	939
Depreciation	1,048	1,124	1,135	1,147	1,158	1,170	1,181	1,193	1,205	1,217	1,229	1,242
Total operating expenditure	3,829	4,061	3,960	4,048	4,243	4,402	4,597	4,721	4,844	4,983	5,127	5,217
Revenue												
Targeted rates	1,975	2,209	2,415	2,588	2,764	2,642	2,789	2,931	3,082	3,341	3,628	3,942
User fees	585	764	810	910	1,019	1,143	1,223	1,303	1,390	1,486	1,593	1,708
Financial contributions	134	164	194	229	240	248	461	477	503	557	579	603
Vested assets	-	50	50	52	54	56	58	60	62	64	67	70
Other income	12	10	-	-	-	-	-	-	-	-	-	-
Total revenue	2,706	3,197	3,470	3,779	4,076	4,089	4,530	4,771	5,036	5,448	5,868	6,323
Net cost of service – surplus/(deficit)	(1,123)	(864)	(490)	(269)	(166)	(313)	(67)	50	192	465	741	1,106
Capital expenditure	342	1,037	430	1,243	1,647	2,939	821	845	813	651	255	265
Vested assets	-	50	50	52	54	56	58	60	62	64	67	70
Total other funding required	(1,465)	(1,951)	(970)	(1,565)	(1,867)	(3,308)	(946)	(854)	(683)	(250)	419	771
Other funding provided by												
Environmental protection rate	-	7	-	-	-	-	-	-	-	-	-	-
Debt increase/(decrease)	(240)	4	47	558	667	1,635	(151)	(189)	(250)	(357)	(544)	(610)
Reserves and future surpluses	1,706	1,940	923	1,006	1,200	1,674	1,096	1,043	933	607	125	(161)
Total other funding	1,465	1,951	970	1,565	1,867	3,308	946	854	683	250	(419)	(771)

Where the money comes from

Who benefits from this activity

Council has a statutory responsibility as an administering body under the Local Government Act 2002 to manage its water supply for the benefit of the community.

The community needs a reliable and safe water supply for everyday activities in the home and the workplace.

Providing potable (drinking) water to the consumers connected to the system brings sanitation and health benefits. It enables commercial and industrial businesses to have access to clean water for their activities and provides a water supply for fire fighting. The life of the assets ranges from 40 to 100 years and networks are designed to cater for growth.

A large number of rural ratepayers are not connected to our water supply and provide their own water.

Funding sources

Capital development of the water supply system is paid for by loans (serviced from revenue that matches the life of the asset) and financial contributions (based on growth and development to pay for the consumption of the excess capacity of the system).

Revenue from user fees and charges from those current customers legitimately connected to our system funds all capital renewals, operating, maintenance and financing costs. These include:

- ▶ Metered Uniform Annual Charges
- ▶ Unmetered water Uniform Annual Charges
- ▶ Connection fees including additional fees for large connections (>20mm)
- ▶ Availability charges

General rates may be used to service interest payments and growth-related debt in times of low growth. We propose to do this 2013-2016.

Additional asset requirements

Funding sources

Growth-related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Additional levels of service are funded by targeted rates for connections.

Renewals are funded through depreciation and targeted rates.

Funding sources - Water supply 2012/13

