

SOUTH WAIRARAPA DISTRICT COUNCIL

20 FEBRUARY 2013

AGENDA ITEM C6

COMMERCIAL WATER SUPPLY CONNECTION FEATHERSTON

Purpose of Report

To advise Council of a request received from a Featherston businessman in respect of an extra water supply connection to his business premises at 19 Featherston Street, known locally as Anderson House.

Recommendations

Officers recommend that the Council:

1. *Receive the information.*
2. *Approve the additional connection.*
3. *Decline to fund the new connection as it does not meet the requirements of the water supply current policy. Full contributions and costs shall be met by the applicant.*

1. Executive Summary

The businessman has re-opened one business and wishes to create a new business on the same premises and is seeking an additional water supply connection to service the new venture (Boutique Cheese manufacture).

He proposes also that the Council provide the extra water connection for the new business free of charge the rationale being that Council would be seen to receptive to and encouraging of new initiatives in Featherston. He is prepared to pay for the water used in the business.

Both of these requests being at variance to the current policy, requires further consideration in regard of how Council can respond to this request.

2. Background

The applicant, Paul Broughton, considers that the two new businesses will offer additional value and benefit to the community at large, being a new venture and offering employment for at least two additional employees.

Normally such a request for a new connection would require payment of an application fee, the actual connection cost and a capital contribution in the case of a new title or additional unit on an existing serviced property. Total costs to

the applicant could in this case be in the vicinity of \$7000 to \$8000 inclusive of the capital contribution.

3. Discussion

The capital contribution is set at \$3,736 (incl. of GST). This contribution is aimed at assisting with head-works infrastructure provision whereas the current consumer usage rate of \$1.84 (incl. of GST) essentially covers the cost of producing the water.

A new connection to the main pipe being in the road carriage way may cost upwards of \$3000 (incl. of GST) although accurate costings have not sought at this stage.

The Council could waive all charges and costs as it sees fit or alternatively waive one or other of the capital charge or the physical connection cost. The latter could be seen as more appropriate "encouragement" for new business initiatives in its urban areas.

On the other hand there is the matter of precedence which Council would have to manage in the future when dealing with similar applications if it was to waive part or all of the costs that apply in this case.

3.1 Consultation

Not applicable.

3.2 Legal

As above

3.3 Financial Considerations (Optional)

A full or partial waiver will need to be funded by way of internal transfer from Council's capital accounts.

4. Supporting Information

4.1 Existing Policy

Relevant Extracts from the current water supply policy (urban section) are:

For connections to new subdivision lots and other properties, applicants pay financial contributions to join the existing system at a rate set by the Council from time to time. Each property receives only one connection. Additional connections may be available at Council's discretion where the Council permits more than one house, a commercial building or any other building in a section. In such cases, applicants pay the initial contribution referred to above and subsequently water charges for each separate connection.

Contact Officer: Bill Sloan, Asset Manager, Infrastructure Services

Reviewed By: Mark Allingham Group Manager, Infrastructure Services