



CHRISTCHURCH

CITY COUNCIL • YOUR PEOPLE • YOUR CITY

City Water & Waste

16 April 2004

Racy Limited
39 Harts Creek Lane
CHRISTCHURCH 8005

Dear Sir/Madam

INCREASE IN WATER CHARGES FOR NON-RESIDENTIAL PROPERTIES

This letter is to notify you of possible changes to water supply charges as proposed in the City Council's Draft 2004/2005 Annual Plan, which may affect you.

The Council currently allocates to each non-residential property a "pre-paid non-refundable water volume allowance (cubic metre)" calculated by dividing the water rates shown on your rates account by 27 cents (including GST).

However, if a property uses more than its water allowance, then the excess consumption is charged at 33 cents (including GST) per cubic metre.

The Council believes these two separate costs (27 cents and 33 cents) do not accurately reflect the cost to Council of water delivered, so it is proposing to collapse these two cost elements into one revised charge that is simpler to understand, explain and apply in regards to the true supply cost.

To this end, it is proposed that:

- a straight 38 cents (including GST) be set for both the water allowance calculation and the excess water charge on non-residential properties.

You will have an opportunity to make a submission on these proposed changes through the Draft Community Plan process, prior to 6 May 2004, when submissions close.

The proposed changes will result in a reduction in water allowances. (i.e. the amount of water available for use before excess water charges are incurred). It is estimated that the amount of an excess water invoice will rise by about 15%.

ISSUE => ITS THE % INCREASE THAT BUSINESS OBJECT TO
CURRENT INCREASE 2.5 -> 3.0 %

The last increase in water charges occurred in 2001.

If the Council adopts this proposal, the new allowance calculation rate will be applied to calculate the 2005 allowance, effective on 1 July 2004. However, there will be a delay in the increase in the excess water charge rate, which will only be applied on the second meter reading after the charges are publicly notified.

Please feel free to contact me on phone 941-8324 to discuss any details.

Yours faithfully

Bruce Henderson
ASSET MANAGER WATER AND WASTEWATER

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Dated: April 16 2004

Contact: Mr B Henderson
Doc:

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