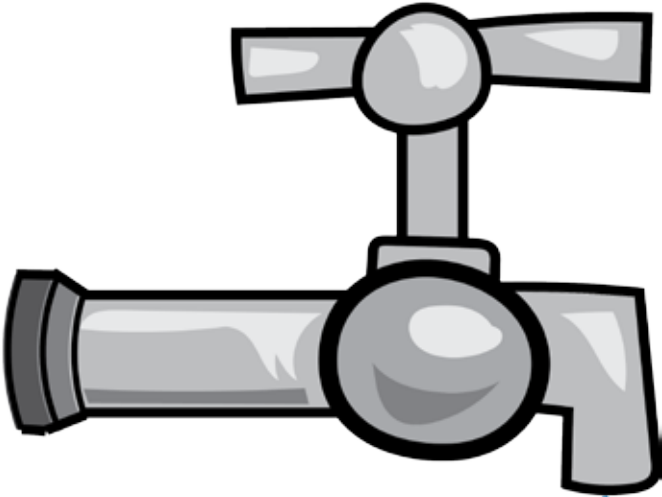


OHURA

DRINKING WATER SUPPLY REFERENDUM

Wednesday 5 November to midday on Thursday 27 November 2014



- Why have a referendum?
- Other water supply options
- After the referendum - what next?
- Frequently asked questions

YES



NO



Why have a referendum?



The issue is the unaffordability of running and maintaining the current Ohura Water Treatment Plant and Scheme. The cost of providing clean drinking water to Ohura is currently two to three times higher than for any other scheme in the District and will get higher as Ohura's population continues to fall. This situation has seen Ohura water rates become amongst the highest in NZ.

A significant number of Ohura residents are already finding their rates severely unaffordable with about a third not being paid in any given year which passes the burden onto all other ratepayers. The issue of a too small number of permanent residents is made a lot worse by other factors such as low incomes, the age and run down state of the water pipes, the low quality of the water, high operational and depreciation costs and other issues.

It cost Council \$196,000 this year (2014) to provide water in Ohura. With 151 ratepayers, it cost \$1,290 (plus GST) per property, compared with Taumarunui, which cost approximately \$1,338,000 for the water supply system for 2432 ratepayers - \$550 (plus GST) per property.

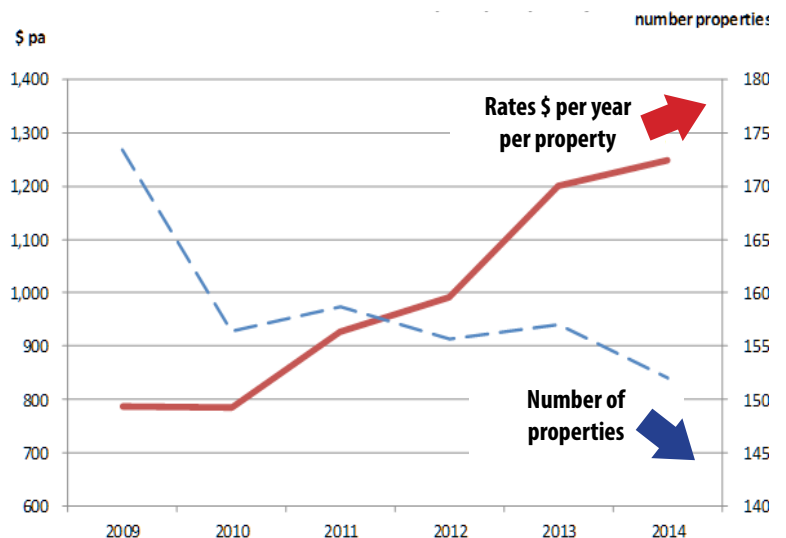
Comparing water costs	Ohura	Taumarunui
Cost of water	\$196,000	\$1,338,000
Population	151	2,432
Cost per person	\$1,290	\$550

Ohura water - rates per property

Since the 2008 financial year, 30 properties have been sold through the Abandoned Land system.

Rating sales also force other residents to pay higher rates, as properties amalgamate, thus reducing the number of assessments in the town. In the 2008 financial year there were 173 assessments, now there are 151.

For the majority of residences on very low and fixed incomes, this is unsustainable. This has resulted in people walking away from their land and rating sales.



Other water supply options

Over the past few years Council has consulted with the community on the future of the water scheme. This included preparing a report that provided an assessment and comparison of four alternative options and their costs that was made available to all Ohura ratepayers and other interested parties.

- **A flat water rate across the district**

The current council does not support a flat water rate for the district. The council position on this is that every water and waste water scheme should be paid for by the users of that scheme. At this stage council has no intention of changing this policy.

- **Community take over the scheme**

This has been raised at a number of meetings by council and some members of the community. To date the community has not indicated that this is a viable option for them.

- **A different water source**

A cleaner water source (for example, railway dam) would lower the costs of running the scheme (less chemicals) but also add considerable capital costs, and ongoing depreciation to the current budget. It would not solve the fundamental issue of affordability, and would not meet the criteria of efficiency.

- **Roof Feed Tanks**

After careful consideration of the available options, council strongly believes that the only viable solution is to close the Water Treatment Plant and Scheme and for the community to go onto roof fed water tanks. This would address the issues of affordability and long-term sustainability.

The **binding postal referendum** on whether the residents and ratepayers of Ohura support, or do not support, the proposal to close the current Water Treatment Plant and scheme that supplies drinking water to the township **closes at midday on 27 November 2014**. The **voting period** for this poll will be from **Wednesday 5 November to midday on Thursday 27 November 2014**. To be binding the referendum needs 75% of the voters to support the 'yes question' to close of the Water Treatment Plant and Scheme.

After the referendum - what next?

November 2014



Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

What happens after the referendum depends on the outcome.

If 75% or more of voters agree to the YES question: **“YES I agree - the Ohura Water Treatment Plant and Scheme should be closed”** Council will work with everyone (who wants us to) in the community to ensure that moving to tanks is progressed smoothly, in the most cost efficient way. We will help the process. You will not be left to do it on your own.

If the community answer is NO: **“NO – I disagree - the Ohura Water Treatment Plant and Scheme should not be closed”** (ie keep the current scheme as is), council will continue to operate the current scheme and ensure that the water meets required water standards. Council will need to do some capital upgrades and rate accordingly. With a NO vote there will be no changes to the way council rates, or runs the scheme.

**The referendum is binding.
This means council will not be asking the
community this question again.**

Frequently asked questions

1. What happened to the MOH drinking water subsidy?

In April 2010 council obtained a \$194,180 financial assistance from the Ministry of Health (MOH) to upgrade the 1957 Ohura Water Treatment Plant electrical equipment. The community contribution to this project was \$32,598. Although the grant allowed a significant amount of upgrade work to be completed the subsidy did not cover all the capital works that were needed.

There is still capital works needed to bring the water treatment plant and scheme up to standard. If the referendum does not achieve a 75% YES from voters council will need to undertake further capital works which will be recovered through rates.

2. What will happen to the Ohura Water Treatment Plant?

Council will use what they can in other water treatment plants, or sell what cannot be reused. Any revenue recovered will be used to pay off current debt.

3. Will Ohura Residents have to pay off the remaining debt on the Ohura Water Treatment Plant?

The debt will become general debt and will be in general rates (over the entire district).

4. What about the water reservoir?

The water reservoir will be used to collect water (from its roof) and as spare water for fire fighting and emergencies.

5. Water in drought years

Council does not intend to take responsibility for water tanks running dry in normal circumstances, but will not rule out helping if there is an extreme drought

Further information

Council will be sending out further information to help Ohura residents and ratepayers make an informed decision before polling day. Another public meeting is also planned for the end of October (date TBC).

Please note that council staff are happy to meet personally with whoever wants to do so. If however you have a specific question you need answered please do not hesitate to contact council directly.



You can **email** a question to: **info@ruapehudc.govt.nz** with ‘Ohura referendum’ in the subject line



Phone Pauline Welch at council on **07 895 8188**