

**21 February 2020**

**Media Release**

**EMBARGOED until 2.15pm, 21 February 2020**

### **Council briefed on revised Waimea Community Dam cost**

Waimea Water Ltd shareholders have been advised that latest estimates for the Waimea Community Dam build have been revised, largely because of a lack of suitable drainage rock on site.

At a meeting on Thursday night, shareholders were told the projected cost was now \$129.4 million.

Tasman Mayor Tim King this morning briefed his fellow Tasman District councillors about the change and the reasons for it.

Tim said it was too soon to say how the increase would be funded.

“Under the agreed funding model, cost over-runs up to \$3 million are shared equally between Tasman District Council and Waimea Irrigators Ltd. The Council is committed to pay for increases over \$3 million but that does not automatically mean it’s funded entirely through rates. We would hope the other funding partners will look seriously at opportunities to contribute to the funding mix.

“The dam is a nationally-significant piece of water infrastructure investment. The Government and Office of the Auditor General have identified underinvestment in infrastructure as a major issue in this country, and we’re seeing what can happen as a result of that in other parts of the country at the moment.”

Tim said the dam remained essential for the region.

“We need it to secure our community’s current and future water supply. Last year we experienced a serious drought and this summer has also been extremely dry, with major restrictions required. We are likely to experience extreme weather events more often.”

The updated estimate was extremely disappointing, he said.

“Given the stage of the project and its importance, the Council’s commitment to it hasn’t changed. A secure supply of water for the long term future of our region is essential.”

The Council's contribution to the dam should be viewed in the context of the \$40 million a year it invested in capital infrastructure works, and the \$1.4 billion total value of its infrastructure assets.

"Water is not a luxury. It's one of the most essential, fundamental services the Council provides and the dam is still the most cost-effective long-term option."

Council staff will report back on the financial implications of the increase to a Full Council meeting in May, including information on possible impact on rates.

ENDS

Mayor Tim King  
Tasman District Council