



Doubtless Bay Water Supply

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Our charges explained

Background: Doubtless Bay Water Supply Co Ltd (DBWS) is a privately owned Public Water Supply Company. DBWS is a Network Utility Operator with Requiring Authority - registered with the Ministry for the Environment. The company began operation in 1985 and supplies water to customers in Mangonui, Coopers Beach, Cable Bay, Taipa and Oruru. DBWS office and workshop facilities are situated at 157 Cable Bay Block Rd in Coopers Beach. Three full time staff run the day to day operation.

What is a connection and supply contract? Every customer with a water connection is bound by the water supply company terms and conditions whether a contract has been signed or not. The terms and conditions (available at www.doubtlessbaywater.com) spell out the customers' responsibilities with regards to the water supply and the various charges that apply at the time of connection. It is important to read and understand the terms and conditions of the connection to your property.

What do I pay for? Every home or business owner wishing to connect to the supply network is required to pay a once only connection charge and two on-going charges. The two on-going charges are the network charge and a consumption charge. The connection charge guarantees that the property will be connected to the water supply indefinitely provided the standard terms of connection and supply are met. The water supply connection is transferred to the new owner if the property is sold. The consumption charge covers the cost of the treated water consumed.

How is the water billed? Water supply billing invoices are issued to our customers' bi-monthly – (every second month). It is important to remember that you only receive 6 invoices per annum. Each 2 monthly interval is called a billing period. The invoice includes charges for water used and the network charges.

Why do I pay network charges? Every customer is charged these fixed charges which are broken down into 6 bi-monthly payments. This charge features on each account and is clearly itemised as network charges. The charges cover the overhead costs incurred by the supply company to maintain and upgrade all the underground water reticulation pipe work, fixtures and fittings. The supply company has in excess of 80,000 metres of operating underground pipe work to maintain.

What does it cost for a connection? Every home or business owner who wants to connect their property to the water network must pay standard one time connection charges prior to the installation work commencing. The costs involved to install a connection vary depending on the property location, and the position of the building in relation to the property boundary. The supply company will advise customers of any additional charges (which may be incurred in order to complete the connection) prior to work commencing (to the best of our ability).

The standard costs cover the connection into the main line, including digger work, fittings and pipe work to the private boundary (if not already installed). A water meter, non return valve, control valve and toby box is

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provided including digger work and labour. The charges include an infrastructure growth charge to ensure we can meet the additional demand a new connection puts on the network. The cost in Auckland City for a new water connection is approximately \$15,000.

Any property owner can opt to provide their own water. Two popular options are: rain water catchment into on site tanks, and/or a bore water supply. The average costs to install a single 25 cubic metre rain water tank, pumping equipment and plumbing exceeds \$5,000. Many rain water tank supplies run dry during the summer and the owners are forced to buy in tanker water at an average cost of \$30 per 1,000 litres. Many of our customers with existing tanks will collect their rainwater into tanks and use the town supply in the summer when there is little rainfall.

Well drilling is also very expensive, with average costs typically exceeding \$12,000. Bore water quality also cannot be guaranteed and the water from many bores is unsuitable for domestic or commercial requirements. Most of our customers are now directly connected to the supply. When directly coupled to the supply domestic pumping equipment is usually not needed as the average water pressure is 50 PSI.

How much do I pay for the water I use? The current consumption charges are available on our website. These are adjusted annually by the national CPI rate for the previous year.

What are the company compliance costs?

The following is a list of our main compulsory compliance responsibilities:

- 1 – Northland Regional Council Resource Consent applications.
- 2 – Northland Regional Council Water Source Monitoring. This includes regular site visits by NRC staff, daily, weekly and monthly ground water-take measurements and monitoring.
- 3 – Northland Regional Council reporting. This involves the detailed accumulation of all water usage records and reporting to the NRC.
- 4 – Ministry of Health requirements. This involves having samples taken from various points in the network multiple times weekly by the laboratory for bacterial testing and also other parameters. The results are automatically sent to, and assessed, by the Health Department.

What is a late payment fee? Water Supply accounts are payable on or before the 20th of the month of issue. If an invoice is issued on January the 1st for example, the invoice must be paid on or before the 20th of that month. Customers who fail to pay their accounts on time are automatically billed with a Late Payment Fee which is 15 percent of the outstanding balance. In extreme cases of non-payment or theft of water, the water supply will be disconnected. In this case, reconnection fees are charged prior to re-connection if approved by the supply company.

What happens if I rent out the property? The property owner is the account holder and is responsible to the supply company for all invoice payments. If the property is tenanted, the owner is still directly responsible for water invoice payments. The supply company does not enter into accounts for supply with tenants. Any owner who appoints a property manager, can make arrangements with the supply company to forward the water invoices onto the appointed agent for payment. If the agent fails to meet the payment requirements, then the owner will again be responsible for all overdue invoices including any late payment or collection charges.

What are the administration charges? These are fees incurred by customers for the following: late payment of water invoices, account transfer requests, final meter readings, collection of defaults and bad debt recovery, meter clearance and tracking owners.

Customers who pay by cheque are required to pay cheque clearance fees.

Administration fees are generally indirect operating costs incurred by the supply company to manage the accounting system.

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