

LOCAL AUTHORITY NOTICE 224

**LEPHALALE LOCAL MUNICIPALITY
CUSTOMER CARE AND REVENUE MANAGEMENT BY-LAW**

The Municipal Manager of Lephalale Local Municipality hereby in terms of section 13(a) of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) publishes Customer Care and Revenue Management By-Law for the Municipality as approved by its Council, as set out hereunder.

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1. Definitions

For the purposes of this by-law, unless the context otherwise indicates –

“account holder” means any person who is due to receive a municipal account, which includes a user of pre-paid electricity or water;

“annual budget” means the budget approved by the municipal council for any particular financial year, and includes any adjustments to such budget;

“applicant” means a person who applies for the supply of municipal services;

“billing” means invoicing on a municipal account to an account holder of an amount or amounts payable for rates, metered services, other municipal charges, levies, fees, fines, taxes, or any other amount or amounts payable arising from any other liability or obligation;

“consumer” means the occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, then any person who has entered into a service agreement with the municipality for the supply of municipal services to such premises, or, if there be no such person, then the owner of the premises, and

“consumer price index” means the consumer price index (CPIX) as determined and gazetted by the South Bureau of Statistics;

“Council” means the Council of the Lephalale Local Municipality (or any service provider to the municipality);

“credit control” means all the functions relating to the collection of revenue;

“customer management” means the focusing on the account holder’s needs in a responsive and proactive way to encourage payment and thereby limiting the need for enforcement;

“customer service centre” means and serves as –

- (a) an office where an applicant may apply for services and enter into a service agreement with the municipality;
- (b) an office where an account holder may settle an account or may make pre-payment for services;
- (c) a credit screening point where the credit assessment of an applicant can be processed; or
- (d) an office where an account holder may query or verify accounts and metered consumption, and may communicate grievances, inquiries, recommendations and other relevant issues to the municipality and from where the response from the municipality can be conveyed to the account holder;

“due date” means the date specified as such on a municipal account despatched from the offices of the responsible officer for any charges payable and which is the last day allowed for the payment of such charges;

“interest” means an amount calculated at a rate determined by the municipality on a municipal account in arrears;

“land reform beneficiary”, in relation to a property, means a person who –

- (a) acquired the property through the provision of the Land and Assistance Act, 1993 (Act 126 of 1993);
- (b) acquired the property through the provision of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);
- (c) holds the property subject to the Communal Property Associations Act, 1996 (Act 29 of 1996); or
- (d) holds or acquires the property in terms of such other land tenure reform legislation as may be enacted;

“local community” or **“community”**, in relation to the municipality, means that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic, non-governmental, private sector or labour organisations or bodies involved in local affairs within the municipality, and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality;

“major services” means those services contemplated in section 17(5);

“market value” in relation to a property means the value of the property as determined in accordance with section 46 of the Property Rates Act, 2004 (Act 6 of 2004);

“minor tariffs” means all tariffs, charges, fees, rentals or fines levied or imposed by the municipality in respect of services, other than major services, supplied, and includes services incidental to the provision of the major services, but does not include tariffs for major services;

“month” means one of 12 months of a calendar year;

“municipal account” means an account rendered on which is billed an amount or amounts payable to the municipality for rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation;

"municipal entity" means –

- (a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, and which operates under the ownership or control of one or more municipalities; or
- (b) a service utility;

"municipality" means the Municipality of Lephalale, and includes any political structure, political office bearer, Councilor, duly authorised agent thereof or any employee thereof acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, municipality or, agent or employee;

"municipal manager" means the person appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

"municipal property" includes a property owned by a municipal entity;

"multiple purposes", in relation to a property, means the use of a property for more than one purpose;

"municipal services" means those metered services and other municipal services for which payment is required by the municipality;

"municipal tariff" means a tariff for services which the municipality sets for the provision of a service to the local community, such as a tariff set for major services or a minor tariff, and includes a surcharge on such service;

"occupier" means any person who occupies any premises or part thereof without regard to the title under which the person occupies; and includes –

- (a) any person in actual occupation of those premises;
- (b) any person legally entitled to occupy those premises;
- (c) in the case of those premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether on the person's own account or as agent for any person entitled thereto or interested therein;
- (d) any person having the charge or management of those premises, and includes the agent of any such person when the person is absent from the Republic of South Africa or his or her whereabouts are unknown; and
- (e) the owner of those premises;

"officer" means an employee of the municipality or any other person who is specifically authorised thereto by the municipality to perform any act, function or duty in terms of, or exercise any power under this by-law;

“organ of state” means an organ of state as defined in section 239 of the Constitution;

“owner”, in relation to –

- (a) a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; and
- (d) public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, however, the municipality may, for the purposes of the Property Rates Act, 2004 (Act 6 of 2004), regard as the owner of a property –
 - (i) in the case of a property in a trust, but excluding state trust land, a trustee;
 - (ii) in the case of a property in a deceased estate, an executor or administrator;
 - (iii) in the case of a property in an insolvent estate or in liquidation, a trustee or liquidator;
 - (iv) in the case of a property in the estate of a person under judicial management, a judicial manager;
 - (v) in the case of a property in the estate of a person under curatorship, a curator;
 - (vi) in the case of a property that is subject to a usufruct or other personal servitude, a person in whose name a usufruct or other personal servitude is registered;
 - (vii) in the case of a property that is registered in the name of the municipality and is leased by it, a lessee; and
 - (viii) in the case of a property sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of such buyer, a buyer;

“permitted use”, in relation to a property, means the limited purposes for which the property may be used in terms of any restrictions imposed by a condition of title, a provision of the municipality’s town planning or land use scheme, or any legislation applicable to any specific property or properties, or any alleviation of any such restrictions;

“person” includes a legal person and an organ of state;

"preferred customer" means a person who may be granted special concessions by the municipality;

"premises" means any piece of land, the external surface boundaries of which are delineated on –

- (a) a general plan or diagram registered in terms of Land Survey, Act of 1927 (Act 9 of 1927), or in terms of the Deeds Registry, Act of 1937 (Act 47 of 1937); or
- (b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 93 of 1986), which is situated within the area of jurisdiction of the municipality;
- (c) and includes any other land and any building or structure above or below the surface of any land;

"property" means –

- (a) immovable property registered in the name of a person, including in the case of a sectional title scheme a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of the person, but excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation, such as a "land reform beneficiary"; and
- (d) public service infrastructure;

"publicly controlled" means owned by or otherwise under the control of an organ of state, including a public entity listed in the Public Finance Management Act, 1999 (Act 1 of 1999), a municipality, or a municipal entity;

"public service infrastructure" means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme servicing the public;
- (c) power stations, power sub-stations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuel forming part of the scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;

- (f) communication towers, masts, exchanges and lines forming part of a communication system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, seawalls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed by law; and
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

“rate” means a municipal rate on property as envisaged in section 229(1)(a) of the Constitution;

“rateable property” means property on which the municipality may in terms of section 2 of the Property Rates Act, 2004, levy a rate, but excludes property fully excluded from the levying of rates in terms of section 17 of that Act, but includes any rights registered against such property, with the exception of a mortgage bond;

“ratepayer” means a person who is liable to the municipality for the payment of rates on property in the municipality, any other tax, duty or levy imposed by the municipality, or fees for services provided either by the municipality or in terms of a service delivery agreement, or a combination of the above;

“rebate”, in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Property Rates Act, 2004 on the amount of the rate payable on the property;

“residential property” means a property included in the valuation roll as residential in terms of section 48(2)(b) of the Property Rates Act, 2004;

“revenue” means all monies due to the municipality and to which the municipality has the right to exact and to enforce payment of, irrespective of the reason for or the origin of its factuality;

“sectional title scheme” means a scheme as defined in section 1 of the Sectional Titles Act, 1986 (Act 95 of 1986);

“sectional title unit” means a unit as defined in section 1 of the Sectional Titles Act, 1986 (Act 95 of 1986);

“state trust land” means land owned by the state and held in trust for persons communally inhabiting the land in terms of a traditional system of land tenure, over which land tenure rights have been registered or granted, or which is earmarked for disposal in terms of the Restitution of Land Rights, 1994 (Act 22 of 1994);

"tampering" means any unauthorised interference with the municipality's supply, seals and metering equipment and "tamper" has a corresponding meaning;

"target" means realistic targets which may be set by the municipality ;

"tariffs for major services" means tariffs set for the supply and consumption or usage of major services;

"unreliable customer" includes an account holder, who according to his or her payment record fails to settle his or her municipal account by the due date or who is in arrears with payments due to council or who tampers or interferes with metering equipment, seals or the supply of municipal services.

CHAPTER 1

CUSTOMER CARE PRINCIPLES, OBJECTIVES AND IMPLEMENTATION, AND DIFFERENTIATION

2. Customer care principles and objectives

(1) The municipality aims to—

- (a)** move progressively towards the social and economic upliftment of the community in harmony with its natural environment;
- (b)** provide basic services that are affordable to all its people and specifically to the poor and disadvantaged, provided that, where applicable, service fees, rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable, arising from any other liability or obligation, are paid for;

(2) The municipality by this By-law, within the scope and spirit of the Constitution, the Local Government Municipal Systems Act, 2000 (Act 32 of 2000), and the Property Rates Act, 2004 (Act 6 of 2004), gives effect to the principles underlying and expressed in these Acts, and therefore designs, regulates on and implements —

(a) a customer care and management system which has as purpose to—

- (i)** create a positive and reciprocal relationship between the municipality and an account holder;
- (ii)** establish mechanisms for an account holder to give feedback to the municipality regarding the quality of the services and the performance of the municipality;
- (iii)** ensure that reasonable steps are taken to inform an account holder of the costs involved in service provision, the reasons for payment of service fees, and the manner in which monies raised from the services provided, are utilised;
- (iv)** ensure, where the consumption of services has to be measured, that reasonable steps are taken to measure the consumption by individual account holders of services through accurate and verifiable metering systems;

- (v) ensure that an account holder receives regular and accurate accounts that indicate the basis for calculating the amounts due;
- (vi) provide accessible mechanisms for an account holder to query or verify a municipal account and metered consumption and appeal procedures which allow the account holder to receive prompt redress for inaccurate accounts;
- (vii) provide accessible mechanisms for dealing with complaints from an account holder, together with prompt replies and corrective action by the municipality, and to provide mechanisms to monitor the response time and efficiency of the municipal's actions; and
- (viii) provide for accessible pay points and other mechanisms for settling an account or for making pre-payments for services;
- (b) credit control and debt collection mechanisms and procedures which aim to ensure, subject to the Act and other legislation, that all money that is due and payable, from whatever source or cause, to the municipality, is collected; and
- (c) structures for tariffs and rates.

3. Duties and functions of municipal Manager as responsible officer, duties and functions of communities, ratepayers and residents, duties and functions of ward committees

(1) The Municipal Manager –

- (a) is responsible for the implementation and enforcement of the provisions of these By-laws;
- (b) must, for the purposes of paragraph (a) take the necessary steps to implement and enforce the provisions of this by-law;
- (c) is accountable for the agreed performance targets as approved by the municipality and the Council, and for these purposes must –
 - (i) report to the Council on matters relating to this by-law, including but not limited to –
 - (aa) the effectiveness of administrative mechanisms, resources processes and procedures to collect money that is due and payable to the municipality;
 - (bb) billing information, including the number of account holders, accruals, cash-flow, and customer management;
 - (cc) the satisfaction levels of account holders regarding services rendered; and
 - (dd) the effectiveness of the municipality's indigence relief measures;

- (ii) at regular intervals meet with municipal officials with the aim of submitting a joint recommendation on the policy to the Council;
- (iii) where necessary, propose steps to the Council with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures within the ambit of these By-laws; and
- (xii) with the consent of an account holder, enter into an agreement with the account holder's employer to deduct from the salary or wages of the account holder –
 - (aa) any outstanding amounts as may be agreed; or
 - (bb) such regular monthly amounts as may be agreed,and may provide special incentives for employers to enter into such agreements, and employees to consent to such agreements.

- (2) The communities, ratepayers and residents must –
 - (a) pay all moneys due to the municipality;
 - (b) observe the mechanisms and processes of the municipality in exercising its rights;
 - (c) allow municipal officials access to their property to execute municipal functions at a time that is agreed on between the consumer and the municipal officials;
 - (d) comply with these by-laws; and
 - (e) refrain from tampering with municipal services and property.
- (3) Ward committees must –
 - (a) hold regular ward meetings;
 - (b) adhere to and convey the municipality's policies to residents and ratepayers;
 - (c) adhere to the Code of Conduct for Councillors; and
 - (d) act in terms of roles and functions as approved by the municipality.

4. Differentiation between customers and exemption

- (1) In accordance with the principles embodied in the Constitution and the provisions of sections 6 and 8 of the Property Rates Act, 2004, and sections 74(3) and 75 of the Local Government: Municipal Systems Act, 2000, the municipality differentiates between different categories of users and consumers in regard to the tariffs which it levies, categories of ratepayers, account holders, customers, debtors, taxes, services, service standards and other matters, however, such differentiation must at all times be reasonable, and must be fully disclosed in each annual budget.
- (2) The municipality may, in writing, exempt an account holder, category of account holders, or other persons from complying with a provision of this by-law, subject to any conditions it may impose, if the application or operation of that provision would be unreasonable, however the municipality or its authorised agent may not grant exemption from any section of this by-law that may result in –
 - (a) the wastage or excessive consumption of water or electricity;
 - (b) the evasion or avoidance of water or electricity restrictions;

- (c) significant negative effects on public health, safety or the environment;
 - (d) the non-payment for services;
 - (e) the installation of pipes and fittings which are not acceptable in terms of the municipality's prescribed standard; or
 - (f) any Act, or any regulation made under it, not being complied with.
- (3) The municipality or its authorised agent may at any time after giving written notice of at least 30 days, withdraw any exemption given under subsection (2).

CHAPTER 2 SUPPLY OF MUNICIPAL SERVICES

Part 1

Application for supply and service agreements, credit screening, deposits, billing and payment, and termination of service agreements

5. Application for supply of municipal services and service agreements

- (1) Any application for any supply of services to any premises must be made at the municipal offices.
- (2) Only the owner of a property or his or her duly authorised agent on his or her behalf may apply for municipal services to be supplied to a property.
- (3) No services shall be supplied unless and until application has been made by the owner and a service agreement in the format prescribed by the municipality has been entered into and a deposit provided for in section 6 has been paid.
- (4) An application for a supply for a period of less than one year is regarded as an application for a temporary supply.

6. Deposits

- (1) On approval of the application and before the service is made available, the municipality may require the applicant –
 - (a) to deposit for municipal services with the municipality a sum of money;
 - (b) to provide any other form of security; or
 - (c) to agree to special conditions regarding payment of the municipal account,and monies so deposited with the municipality serve as security and working capital.

- (2) The Municipal Manager or his or her nominated officer reserves the right to review the sum of money deposited or the amount for which additional security is required.
- (3) The Municipal Manager or his or her nominated officer may, in respect of preferred customers, consider relaxation of the conditions pertaining to deposits as set out in subsections (1) and (2).
- (4) On termination of the supply of services, the amount of such deposit, as determined by the municipality, less any payments due to the municipality, must be refunded to an account holder.

7. Billing and payment

- (1) The account holder must pay all amounts due to the municipality as reflected in the municipal account and the onus is on the account holder to verify the accuracy of such account.
- (2) An account holder must pay for metered services, and must pay the rates, other municipal charges, levies, fees, fines, interest, taxes or any other liability or obligation from the date of origin of such municipal charges until the written termination of the services.
- (3) An account holder –
 - (a) has one account number and must be rendered one account, on which the due date for settlement of the total amount owing is reflected, subject to the provisions of subsection (14); and
 - (b) must be rendered an account monthly in cycles of approximately 30 days.
- (4) Payment must be received on or before the close of business on the due date.
- (5) The municipality may estimate the quantity of metered services supplied in respect of a period or periods within the interval between actual successive readings of the meters, and may render an account to an account holder for the quantity of metered services so estimated.
- (6) If an account holder is dissatisfied with an account rendered for metered services supplied by the municipality, such account holder may, prior to the due date stipulated therein object to the account, setting out reasons for such dissatisfaction.
- (7) Should any dispute arise as to the amount owing by an account holder, and subject to the provisions of section 102 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the account holder must notwithstanding such dispute proceed to make regular payments by the due date based on the calculation of the average municipal account for the preceding three months prior to the arising of the dispute and taking into account interest as well as the annual amendments of tariffs of the municipality.
- (8) An error or omission in any account or failure to render an account does not relieve the account holder of the obligation to pay by the due date.

- (9) If an account holder uses water or electricity for a category of use other than that for which it is supplied by the municipality and is in consequence not charged for water or electricity so used, or is charged for the water or electricity at a rate lower than that at which the account holder should be charged, the account holder is liable for the amount due to the municipality in accordance with the prescribed charges in respect of –
- (a) the quantity of water or electricity which the account holder has used and for which the account holder has not been charged; or
 - (b) the difference between the cost of the water or electricity used by the account holder at the rate at which the account holder has been charged and the cost of the water or electricity at the rate at which the account holder should have been charged.
- (10) An account holder is not entitled to a reduction of the amount payable for metered services which are lost due to a default in the meter, until such time as the provisions of section 13(8)(c) have been met.
- (11) The municipality may, in accordance with the provisions of section 102 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). –
- (a) consolidate any separate accounts of an account holder liable for payment to the Municipality; and
 - (b) credit any full or part payment by an account holder against any debt of that account holder in the following order of priority allocation:
 - (i) Interest on arrears;
 - (ii) miscellaneous charges;
 - (iii) rental charges;
 - (iv) refuse and sewage charges;
 - (v) assessment charges; and then
 - (vi) electricity and water charges.
- (12) The owner of property may enter into an agreement with the municipality in terms of which payment for rates is made annually, in which case payment must be made on or before the date determined by the municipality.
- (13) On receipt of a dishonoured cheque –
- (a) the payment shall be reversed on the account holder's account;
 - (b) services to such account holder's premises shall be disconnected and only reconnected when the account holder's account has been settled in full;
 - (c) no arrangements to pay arrears shall be entertained; and
 - (d) the account holder shall be informed that cash only will be accepted in future payments.
- (14) The owner of property may enter into an agreement with the municipality in terms of which payment for rates is made annually, in which case payment must be made on or before the date determined by the municipality.

- (15) On receipt of a dishonoured cheque –
- (a) the payment shall be reversed on the account holder's account;
 - (b) services to such account holder's premises shall be disconnected and only reconnected when the account holder's account has been settled in full;
 - (c) no arrangements to pay arrears shall be entertained; and
 - (d) the account holder shall be informed that cash only will be accepted in future payments.

8. Termination of service agreement

- (1) Termination of the service agreement must be in writing.
- (2) Where a property is sold, an owner may terminate a service agreement by giving the municipality not less than four working days' notice in writing.
- (3) The municipality may, by notice in writing of not less than 14 working days, advise an account holder of the termination of the agreement for a supply of municipal services if –
 - (a) the account holder has not consumed any water or electricity during the preceding six months, or has vacated the property and has not made satisfactory arrangements for the continuation of the agreement;
 - (b) the account holder has committed a breach of this by-law and has failed to rectify such breach; or
 - (c) the municipality cannot continue to supply the account holder with municipal services, as in terms of an arrangement with another authority supplying municipal services such authority must in future supply municipal services to the account holder.

Part 2

Non-payment of municipal accounts

9. Arrangements for payments

- (1) Non-payment of a municipal account on the due date as indicated on the account shall result in debt collection action.
- (2) A consumer who cannot pay the municipal account may enter into an arrangement with the municipality to pay the account over an extended period of time, however, the municipality shall entertain one arrangement only.
- (3) In the event of an arrangement being made, the consumer must –
 - (a) sign an acknowledgement of debt;
 - (b) acknowledge that interest will be charged at the prescribed rate;
 - (c) acknowledge that if the arrangements being negotiated later are defaulted on, restrictions of water supply and disconnection of electricity of water supply and disconnection of electricity and legal proceedings shall follow immediately; and
 - (d) acknowledge liability of all legal costs incurred.
- (4) In the event that an arrangement has been broken, all arrear arrangement instalments plus the

current monthly account must be paid before the arrangement is reinstated, and should the required payments not be made, debt collection action shall be instituted immediately.

10. Interest on overdue municipal accounts

- (1) The municipality may, by resolution of its determined number of members, charge or recover interest at a determined interest rate in respect of any arrear amounts due and payable to the municipality.
- (2) Interest is calculated monthly according to the interest rate approved by the municipality, and a portion of a month is regarded as a month.
- (3) Interest is payable if payment is not received at an office of the municipality or to the credit of the bank account of the municipality at the close of business on the due date.
- (4) Subsections (1), (2), and (3), do not apply to a person who has been granted the status as poor household in terms of section 15.

11. Debt collection mechanisms

- (1) Where appropriate, the Municipality must at all times attempt to advise an account holder of an impending disconnection or restriction of a supply and the following mechanisms may be applied should an account holder fail to settle a municipal account by the due date:
 - (a) delivering or mailing of a final demand and explaining to the account holder the status of the account and the consequences of not paying or concluding an arrangement;
 - (b) informing the account holder verbally, in writing, telephonically, or by electronic means of the overdue amount and the impending disconnection or restriction of services;
 - (c) disconnecting or restricting the supply of municipal services to the premises and the serving of a disconnection or restriction notice on the account holder; or
 - (d) debiting the municipal account of the account holder with all relevant fees or penalties approved by the municipality.
- (2) Where the metered supply had been disconnected or restricted, and should the account holder still fail to pay the account, the premises may be revisited at regular intervals to ensure that the metered supply remains disconnected or restricted, and if it is found that the supply which had been disconnected or restricted previously has been restored –
 - (a) the municipality has the right to take whatever action is required in terms of section 29, and the account holder is responsible for the relevant fees or charges or damages caused;

- (b) the municipality may refuse to supply services for a period determined by the municipality ; and
 - (c) in the instance of the use of a pre-paid meter, the municipality may cease further vending of pre-paid services.
- (3) Where a duly authorised officer of the municipality has visited the premises for the purpose of disconnecting or restricting the supply and was obstructed or prevented from effecting such disconnection or restriction, an amount equal to the prescribed fee for a reconnection becomes payable for each visit necessary for the purpose of such disconnection or restriction, subject to a maximum of two such visits during which disconnection or restriction could not be effected.
- (4) The municipality may use any one or more of the following mechanisms to secure full payment of any amounts owing to it:
- (a) restricting or denying the sale of pre-paid services to an account holder, or disconnecting any pre-paid metering system of an account holder, who is in arrears with other services;
 - (b) requiring of the account holder to convert to another metering system;
 - (c) allocating a portion of any pre-paid payment to other debts;
 - (d) releasing debtor information to a credit bureau;
 - (e) publishing a list of account holders who remain in default;
 - (f) withholding payment of a grand-in-aid and subject to the provisions of section 31, excluding the account holder from the tender process;
 - (g) withholding payment on contracts for settlement of the municipal account;
 - (h) reviewing and altering the conditions of the service agreement;
 - (i) instituting legal proceedings for the recovery of the debt;
 - (j) classifying the account holder as an unreliable customer;
 - (k) using the services of external debt collection specialists or agencies;
 - (l) insisting on conversion to pre-paid metering at the cost of the account holder; or
 - (m) employing any other methods authorised by the municipality from time to time to recover arrear amounts.
- (5) The cost of collection, where applicable, is to the account holder's account.

- (6) Subject to the provisions of sections 28 and 29 of the Property Rates Act, 2004 (Act 6 of 2004), and section 102(2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the right to deny, restrict, disconnect or terminate services due to the non-payment for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation prevails notwithstanding the fact that –
- (a) payment was intended for any specific service; or
 - (b) the person who entered into a service agreement for supply of services with the municipality and the owner are different entities or persons, as the case may be.

Part 3
Metering equipment and metering of services

12. General provisions

- (1) The municipality may introduce various metering equipment and may encourage an account holder to convert to a system which is preferred by the municipality when there are benefits for the municipality.
- (2) After commencement of this by-law and where possible and applicable, pre-paid meters must preferably be installed for all new connections.

13. Metering equipment and measuring of consumption

- (1) The municipality must, at the consumer's cost in the form of a direct charge or prescribed fee, provide, install and maintain appropriately rated metering equipment at the point of metering for measuring metered services.
- (2) The municipality reserves the right to meter the supply to a block of shops, flats, tenement-houses and similar buildings for the building as a whole, or for an individual unit, or for a group of units.
- (3) Where any building referred to in subsection (2) is metered by the municipality as a whole –
 - (a) the owner may, at own cost, provide and install appropriate sub-metering equipment for each shop, flat and tenement; or
 - (b) the municipality may require the installation, at the account holder's expense, of a meter for each unit of any premises in separate occupation for the purpose of determining the quantity of metered services supplied to each such unit.

- (4) Where the electricity used by consumers is charged at different tariff rates, the consumption must be metered separately for each rate.
- (5) Where sub-metering equipment is installed, accommodation separate from the municipality's metering equipment must be provided where appropriate.
- (6) Except in the case of pre-payment meters, the quantity of metered services used by a consumer during any metering period is ascertained by reading the appropriate meter or meters supplied and installed by the municipality at the beginning and end of such metering period, except where the metering equipment is found to be defective.
- (7) For the purpose of calculating the amount due and payable for the quantity of metered services consumed, the same amount of metered services is deemed to be consumed during every period of 24 hours between readings.
- (8) The following apply to the accuracy of metering:
 - (a) A meter is conclusively presumed to be registering accurately if its error, when tested in the manner prescribed in subsection (13), is found to be within the limits of error as provided for in the applicable standard specifications;
 - (b) the municipality has the right to test its metering equipment, and if it is established by test or otherwise that such metering equipment is defective, the Municipality must –
 - (i) in case of a credit meter, adjust the account rendered; or
 - (ii) in the case of prepayment meters:
 - (aa) render an account where the meter has been under-registering; or
 - (bb) issue a free token where the meter has been over-registering; and
 - (c) the consumer is entitled to have the metering equipment tested by the municipality on payment of the prescribed fee; and if the metering equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of paragraph (b) and subsection (7) must be made and the aforesaid fee must be refunded.
- (9) No alterations, repairs, additions or connections of any description may be made on the supply side of the point of metering unless specifically approved in writing by the Municipal Manager or a duly authorised officer of the municipality.
- (10) Prior to the municipality making any upward adjustment to an account in terms of subsection (8)(b), the municipality must –
 - (a) notify the consumer in writing of the monetary value of the adjustment to be made and the reasons therefor;
 - (b) in such notification provide sufficient particulars to enable the consumer to submit representations thereon; and

- (c) call upon the consumer in such notice to present it with reasons in writing, if any, within 21 days or such longer period as the municipality may permit, why the account should not be adjusted as notified, and should the consumer fail to provide any representation during the period the municipality is entitled to adjust the account as notified in paragraph (a).
- (11) The Municipality must consider any representation provided by the consumer in terms of subsection (10) and must, if satisfied that a case has been made out therefore, adjust the account appropriately.
- (12) If the Municipal Manager or a duly authorised officer of the municipality decides, after having considered the representation made by the consumer, that such representation does not establish a case warranting an amendment to the monetary value established in terms of subsection (15), the municipality is entitled to adjust the account as notified in terms of subsection (10)(a), and the consumer has the right to appeal the decision of the official in terms of section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- (13) Meters are tested in the manner provided for in the applicable standard specifications.
- (14) When an adjustment is made to the consumption registered on a meter in terms of subsection (8)(b) or (8)(c), such adjustment is based either on the percentage error of the meter as determined by the test referred to in subsection (13), or upon a calculation by the Municipality from consumption data in its possession, and where applicable, due allowance must be made, where possible, for seasonal or other variations which may affect consumption.
- (15) When an adjustment is made as contemplated in subsection (14), the adjustment may not exceed a period of six months preceding the date on which the metering equipment was found to be inaccurate, however the application of this subsection does not bar a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.
- (16) The municipality may dispense with the use of a meter in case of –
 - (a) an automatic sprinkler fire installation; and
 - (b) special circumstances at the Engineer's discretion.
- (17) The municipality may by notice –
 - (a) prohibit or restrict the consumption of metered services –
 - (i) for specified or non-specified purposes;
 - (ii) during specified hours of the day or on specified days or otherwise than during specified hours of the day or on specified days; and
 - (iii) in a specified or non-specified manner;

- (b) determine and impose –
 - (i) limits on the quantity of metered services which may be consumed over a specified period;
 - (ii) charges additional to those prescribed in respect of the supply of metered services in excess of a limit contemplated in subparagraph (i); and
 - (iii) a general surcharge on the prescribed charges in respect of the supply of metered services; and
 - (c) impose restrictions or prohibitions on the use or manner of use or disposition of an appliance by means of which metered services is used or consumed, or on the connection of such appliance.
- (18) The municipality may limit the application of the provisions of a notice contemplated by subsection (17) to specified areas and classes of account holders, premises and activities and may provide for the Municipality to permit deviations and exemptions from and the relaxation of any of the provisions on such grounds as he or she may deem fit.
- (19) To ensure compliance with a notice published in terms of subsection (17), the municipality may take, or by written notice require an account holder at the account holder's expense to take, such measures, including the installation of measuring devices and devices for restricting the flow of metered services as may be necessary.
- (20) In addition to the person by whose act or omission a contravention of or failure to comply with the terms of a notice published in terms of subsection (17) is actually committed, an account holder in respect of the premises to which metered services are supplied is presumed also to have committed the contravention or to have so failed to comply, unless evidence is adduced that the account holder had taken all reasonable steps to prevent such a contravention or failure to comply by any other person, however, the fact that the account holder issued instructions to the other person shall not of itself be accepted as sufficient proof that the account holder took all such reasonable steps.
- (21) The provisions of this section also apply in respect of metered services supplied directly by the municipality to account holders outside its area of jurisdiction, notwithstanding anything to the contrary in the conditions governing such supply, unless otherwise specified in the notice published in terms of subsection (17).
- (22) If such action is necessary as a matter of urgency to prevent waste of metered services, refuse or sewerage, damage to property, danger to life, or pollution of water, the municipality may –
- (a) without prior notice disconnect the supply of metered services to any premises; and
 - (b) enter upon such premises and do such emergency work, at the account holder's expense, as he or she may deem necessary, and in addition by written notice require the account holder to do within a specified period such further work as the municipality may deem necessary.

- (23) Before any metered or pre-paid metered supplies which have been disconnected or restricted for non-payment is restored, an account holder must pay all fees and charges as determined by the municipality.
- (24) The municipality may, at the written request of an account holder and on the dates requested by the account holder –
- (a) disconnect the supply of metered services to the account holder's premises; and
 - (b) restore the supply, and the account holder must before the metered services is restored pay the prescribed charge for the disconnection and restoration of his or her supply of metered services.
- (25) After disconnection for non-payment of an account or a contravention of any provision of this by-law, the prescribed fees must be paid before reconnection is made.
- (26) The following apply to the reading of credit meters:
- (a) unless otherwise prescribed, credit meters are normally read at intervals of approximately one month and the fixed or minimum charges due in terms of the tariff are assessed accordingly and the municipality is not obliged to effect any adjustments to such charges;
 - (b) if for any reason the credit meter cannot be read, the municipality may render an estimated account, and estimated consumption must be adjusted in a subsequent account in accordance with the consumption actually consumed;
 - (c) when an account holder vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly;
 - (d) if a special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee; and
 - (e) if any calculating, reading or metering error is discovered in respect of any account rendered to a consumer –
 - (i) the error must be corrected in subsequent accounts;
 - (ii) any such correction applies only in respect of accounts for a period of six months preceding the date on which the error in the accounts was discovered,
 - (iii) the correction is based on the actual tariffs applicable during the period; and
 - (iv) the application of this section does not prevent a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.

(27) The following apply to prepayment metering:

- (a) no refund of the amount tendered for the purchase of electricity or water credit is given at the point of sale after initiation of the process by which the prepayment meter token is produced;
- (b) copies of previously issued tokens for the transfer of credit to the prepayment meter may be issued at the request of the consumer;
- (c) when an account holder vacates any premises where a prepayment meter is installed, no refund for the credit remaining in the meter is made to the owner by the municipality;
- (d) the municipality is not liable for the reinstatement of credit in a prepayment meter lost due to tampering with, or the incorrect use or the abuse of, prepayment meters or tokens;
- (e) where an account holder is indebted to the municipality for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation, the municipality may deduct a percentage from the amount tendered to offset the amount owing to the municipality; and
- (f) the municipality may appoint vendors for the sale of credit for prepayment meters and does not guarantee the continued operation of any vendor.

14. Resale of water or electricity

- (1) No account holder who is supplied with metered services in terms of this by-law may sell or supply water or electricity, supplied to the account holder's premises under an agreement with the municipality, to any other person or persons for such use upon any premises other than those in respect of which such agreement is made, or permit or suffer such resale or supply to be made, unless provision has been made therefore in a special agreement or unless prior permission from the municipality to do so has been obtained.
- (2) If the municipality grants the permission referred to in subsection (1), it may stipulate the maximum price at which the water or electricity may be sold and impose such other conditions as it may deem fit.
- (3) Permission referred to in subsection (1) may be withdrawn at any time.
- (4) Where water or electricity is resold for use on the same premises, such resale must be in accordance with the tariff and subject to such conditions as the municipality may decide.

Part 4
Indigence relief measures

15. Requirements for indigence relief and auditing

- (1) To qualify for indigence relief, the following requirements must be met:
- (a) the applicant, who may be either the owner or occupier of property, must be an account holder;
 - (b) the applicant must, before a date determined by the municipality, apply annually, or at such intervals as determined by the municipality, to be granted the status as a poor household, and for these purposes must –
 - (i) complete and sign the prescribed forms; and
 - (ii) provide any other documentation as may be required by the municipality, such as, but not limited to an affidavit stating the collective household income contemplated in paragraph (d) copies of the latest payslips of employed members of the collective household and copies of identity documents;
 - (c) the applicant may not be the owner of more than one fixed property;
 - (d) the collective household income may not exceed the amount determined by the municipality annually; and
 - (e) the Ward Councillor in the particular ward must confirm the applicant's impecuniousness.
- (2) The process for auditing an application is as follows:
- (a) all indigent registrations must be audited.
 - (b) should the audit establish that the applicant filed an application containing false information, this shall be communicated to the Ward Councillor contemplated in subsection (1)(e), and the Ward Councillor must, within 14 days, either confirm that the application contains false information, or that the application does not contain false information.
 - (c) should the Ward Councillor confirm that the application contains false information, the account holder shall be removed from the indigent register and, where applicable, parked arrears shall be reinstated onto his or her municipal account.
 - (d) should the Ward Councillor confirm that the application does not contain false information, the account holder shall remain on the indigent register.
 - (e) in the instance where the Ward Councillor does not confirm as contemplated in paragraph (b), the account holder shall be informed that the application was regarded as having contained false information, and he or she shall be removed from the indigent register.

- (3) In the event of the death of an indigent account holder, the following apply:
- (a) proof of the death of the account holder must be supplied;
 - (b) the occupier of the property must open a municipal account.
 - (c) such occupier must complete the required disconnection form for the deceased account holder, and thereafter must enter into a service agreement with the municipality as contemplated in section 5(3) and, where applicable, apply to be granted the status as a poor household as contemplated in subsection (1)(b).
 - (d) such occupier must pay the deposit as contemplated in section 6, and such connection fee as determined by the municipality.
 - (e) such occupier is liable for the payment of all service charges as from the date of the deceased.
 - (f) the process of transferring the property to such occupier must be proceeded with forthwith.
 - (g) any monies owed by the deceased to the municipality shall be referred to the deceased's estate.
- (4) In the instance where a account holder who formerly has not been granted the status if a poor household be granted such status, his or her debt, excluding the current year's charges, shall be parked.
- (5) The municipality shall keep and maintain a register of all households which have been granted the status as poor households.

16. Credit given

- (1) Households which qualify for indigence relief measures may receive a credit for some or all of the following:
- (a) a quantity of electricity, as determined by the municipality;
 - (b) a quantity of water, as determined by the municipality;
 - (c) the refuse removal charges, as determined by the municipality;
 - (d) the sewerage charges, as determined by the municipality;
 - (e) rates, as determined by the municipality; or
 - (f) any other service fees, taxes or charges over and above the rendered services.
- (2) The municipality has the right to visit the property mentioned in section 15(1)(c) at any reasonable time for the purposes of auditing or application.
- (3) The normal rates, fees and charges and the requirement to pay an account will apply should a household account exceed the credit given.
- (4) Where it has been established that indigence relief has been granted on the basis of false or fraudulent information supplied, the municipality may withdraw such relief with immediate effect.

CHAPTER 3 TARIFFS

Part 1

General principles, calculation of tariffs for major services

17. General principles

- (1) The municipality adopts, subject to subsection (13), sections 20(3)(d) and (e) and 21(5)(d), a two-part tariff structure consisting of a fixed availability charge coupled with a charge based on consumption.
- (2) In setting its annual tariffs the municipality must at all times take due cognisance of the –
 - (a) tariffs applicable elsewhere in the economic region; and
 - (b) impact which its own tariffs may have on local economic development.
- (3) With the exception of the indigence relief measures approved by the municipality, service tariffs imposed by the municipality should be viewed as user charges and not as taxes, and the ability of the relevant consumer or user of the services to which such tariffs relate, to pay for such services, should not be considered as a relevant criterion.
- (4) The municipality must ensure that its tariffs are uniformly and fairly applied throughout the municipal area.
- (5) Tariffs for the following services rendered by the municipality, must as far as possible recover the expenses associated with the rendering of each service concerned and where feasible, generate a modest surplus as determined in each annual budget:
 - (a) supply of electricity;
 - (b) supply of water;
 - (c) sanitation services, including sewerage and waste water disposal services; and
 - (d) refuse (solids waste) removal services.
- (6) A surplus contemplated in subsection (5) must be applied in relief of property rates or for the future capital expansion of the service concerned or both.
- (7) The tariff, which a particular consumer or user pays, must be directly related to the standard of service received and the quantity of the particular service used or consumed.
- (8) The municipality must annually review its indigence relief measures, as contemplated in sections 15 and 16, and must set out the –

- (a) municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents; and
 - (b) the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- (9) (a) The municipality's tariff policy must be transparent.
- (b) The extent to which there is cross-subsidisation between categories of consumers or users must be evident to all consumers or users of the service in question.
- (10) The municipality undertakes to –
- (a) ensure that its tariffs are explained to and understood by all consumers and users affected by this by-law;
 - (b) render its services cost effectively in order to ensure the best possible cost of service delivery.
- (11) In the case of the directly measurable services, namely electricity and water, the consumption of such services must be properly metered by the municipality, and meters must be read, wherever circumstances reasonably permit, on a monthly basis, and the charges levied on consumers must be proportionate to the quantity of the service which they consume.
- (12) In considering the costing of its water, electricity and sewerage services, the municipality must take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services.
- (13) (a) The municipality's tariffs for electricity services are determined to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from Eskom, have to bear the costs associated with these charges.
- (b) For the purposes of paragraph (a), the municipality must install demand meters to measure the maximum demand of such consumers during certain periods.
- (c) Such consumers must pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.
- 18. Calculation of tariffs for major services**
- (1) In order to calculate the tariffs which must be charged for the supply of the services contemplated in section 17(5), the municipality must identify all the costs of operation of the undertakings concerned, including specifically the following:
- (a) Cost of bulk purchases in the case of water and electricity;

- (b) distribution costs;
- (c) distribution losses in the case of electricity and water;
- (d) depreciation expenses;
- (e) maintenance of infrastructure and other fixed assets;
- (f) administration and service costs, including –
 - (i) service charges levied by other departments such as finance, human resources and legal services;
 - (ii) reasonable general overheads, such as the costs associated with the office of the municipal manager;
 - (iii) adequate contributions to the provisions for bad debts and obsolescence of stock; and
 - (iv) all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area;
- (g) the intended surplus to be generated for the financial year, such surplus to be applied –
 - (i) as an appropriation to capital reserves;
 - (ii) generally in relief of rates and general services; or
 - (iii) as an appropriation to capital reserves and generally in relief of rates and general services; and
- (h) the cost of indigence relief measures.

Part 2

Structure of tariffs for major services, minor tariffs

19. Structure of tariffs

- (1) The municipality must –
 - (a) provide the first 50 kilowatt-hours of electricity per month and the first 6 kilolitre of water per month free of charge to a consumer who have registered as an indigent in terms of section 15(1)(b); and
 - (b) consider relief in respect of the tariffs for sewerage and refuse removal for such registered indigent to the extent that the council deems such relief affordable in terms of each annual budget, however, such relief may not be less than a discount of 50% on the monthly amount billed for the service concerned.

- (2) The tariff for a pre-paid meter is the same as the ordinary consumption tariffs levied on the category of consumer concerned, and no availability charge is levied on a property where a pre-paid meter has been installed.

20. Electricity

- (1) The various categories of electricity consumers, as set out in subsection (3), are charged at the applicable tariffs, as approved by the municipality in each annual budget.
- (2) Tariff adjustments are effective from 1 July each year or as soon as possible thereafter.
- (3) Categories of consumers and charges are as follows:
 - (a) with the exception of a registered indigent, a consumer must be billed for all the electricity consumed at the tariff applicable to the category in which the particular consumer falls.
 - (b) the tariff for domestic consumption of electricity may not exceed 75% per kilowatt-hours of the tariff applicable to other consumers, and all other consumers, including businesses, industries and institutional consumers, must pay the same tariff per kilowatt-hour.
 - (c) a domestic electricity consumer of the municipality who is registered as an indigent with the municipality must receive free the first 50 kilowatt-hours of electricity consumed per month.
 - (d) a domestic electricity consumer other than a registered indigent and a consumer using a prepaid meter per month must additionally be billed a basic charge per meter installed.
 - (e) a commercial, industrial and other non-domestic property must additionally be billed a monthly basic charge per meter installed and, where applicable, a demand charge appropriate to its respective levels of consumption.

21. Water

- (1) The categories of water consumers as set out in subsection (5), are charged at the applicable tariffs, as approved by the municipality in each annual budget.
- (2) Tariff adjustments are effective from 1 July each year.
- (3) The tariff levied for domestic consumption of water escalates according to the volume of water consumed and the tariff for domestic consumption is based on a monthly consumption of –
 - (a) up to 6 kilolitres, for non-indigents;
 - (b) more than 6 kilolitres, but not more than 15 kilolitres;
 - (c) more than 15 kilolitres, but not more than 25 kilolitres;

- (d) more than 25 kilolitres, but not more than 40 kilolitres; and
- (e) more than 40 kilolitres.
- (4) The tariff for non-domestic water consumption is based on a single tariff per kilolitre consumed, irrespective of the volume of consumption concerned.
- (5) Categories of consumers and charges are as follows:
 - (a) a domestic water consumer registered as an indigent with the municipality must receive free the first six kilolitre of water consumed per month, thereafter a stepped tariff per kilolitre as determined by the municipality is applicable on metered water consumption.
 - (b) all other domestic consumers are charged for actual water consumption at a stepped tariff per kilolitre as determined by the municipality.
 - (c) the tariff applicable to domestic consumption of water may not exceed 75% per kilolitre of the tariff applicable to other consumers, and all other consumers, including businesses, industries and institutional consumers, must pay the tariff as contemplated in subsection (4).
 - (d) a basic charge per water meter, as determined by the municipality, is charged on a water consumer, except a registered indigent and a consumer using a prepaid meter.

22. Refuse removal

- (1) The categories of refuse removal users as set out in subsection (3) are charged at the applicable tariffs, as approved by the municipality in each annual budget.
- (2) Tariff adjustments are effective from 1 July each year.
- (3) A separate fixed monthly refuse removal charge applies to each of the following categories of users, based on the costs of the service concerned:
 - (i) domestic and other users, where refuse is removed by the municipality once weekly; and
 - (ii) business and other users, where refuse is removed by the municipality twice weekly;
 - (iii) business and other users, where refuse is removed by the municipality thrice weekly; and
 - (iv) business and other bulk consumers.
- (4) A registered indigent may receive such discount on this charge as the municipality deems affordable when approving each annual budget, which discount may not be less than 50% of the monthly amount billed as a refuse removal charge.

23. Sewerage

- (1) The categories of sewerage users as set out in subsection (3) are charged per month at the applicable tariff as approved by the municipality in each annual budget.
- (2) Tariff adjustments are effective from 1 July each year.
- (3) Categories of users and charges are:
 - (a) an availability charge is charged per month for an undeveloped erf, irrespective of its permitted or intended use;
 - (b) a fixed monthly charge based on the costs of the service, is charged for bucket removal for a domestic user, however, a registered indigent may receive such discount on this charge as the municipality deems affordable when approving each annual budget, which discount may not be less than 50% of the monthly amount billed for this service;
 - (c) a fixed monthly charge based on the costs of the service is charged for a domestic user, however, a registered indigent may receive such discount on this charge as the municipality deems affordable when approving each annual budget, which discount may not be less than 50% of the monthly amount billed for this service;
 - (d) a fixed monthly charge based on the costs of the service per sewer point or toilet is charged to all businesses, industries and institutional users; and
 - (e) an effluent fee is payable by a factory and another industrial user where the wastewater emanating from such user requires special purification measures by the municipality, and the fee is based on the toxic content of the wastewater concerned and the costs of the purification.

24. Minor tariffs

- (1) All minor tariffs are standardised within the municipal region.
- (2) All minor tariffs are approved by the municipality in each annual budget and are, when deemed appropriate by the municipality, subsidised by property rates and general revenues, particularly when the –
 - (a) tariffs prove uneconomical when charged to cover the cost of the service concerned;
 - (b) cost cannot accurately be determined; or
 - (c) tariff is designed purely to regulate rather than finance the use of the particular service or amenity.
- (3) Unless there are compelling reasons why such adjustment should not be effected, all minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, are adjusted annually at least in accordance with the prevailing consumer price index.

- (4) The following services are subsidised services, and the tariffs levied cover 50%, or as near as possible to 50%, of the annual operating expenses budgeted for the service concerned:
- (a) burial services and the provision of cemeteries; and
 - (b) the provision of municipal sports facilities for use against a fee.
- (5) The following services are considered as being community services, and no tariffs are levied for their use of:
- (a) a municipal swimming pool;
 - (b) a municipal museum and art gallery;
 - (c) the disposal of garden refuse at the municipal tip site;
 - (d) a municipal reference library;
 - (e) a municipal lending library, except for fines determined;
 - (f) a municipal botanical garden, other park or open space;
- (6) The following services are considered as being economic services, and the tariffs levied cover 100%, or as near as possible to 100%, of the budgeted annual operating expenses of the service concerned:
- (a) the maintenance of graves, gardens of remembrance and crematoria against payment of a fee;
 - (b) the availability of a house against payment of a housing rental;
 - (c) subject to subsection (9), the use of a municipal hall and other premises against payment of a fee;
 - (d) the supply of a building plan against payment of a fee;
 - (e) the selling of –
 - (i) plastic refuse bags;
 - (ii) the selling of refuse bins; or
 - (iii) livestock and plants;
 - (f) the cleaning of stands against payment of a fee;
 - (g) the connection of electricity, water and sewerage against payment of a connection fee;
 - (h) the Photostatting of copies against payment of a fee; and

- (i) the issuing of a clearance certificate against payment of a fee.
- (7) The following charges and tariffs are considered as regulatory or punitive, and are determined as appropriate in each annual budget:
 - (a) Fines for lost or overdue library books;
 - (b) advertising sign fees;
 - (c) pound fees;
 - (d) disconnection and reconnection fees of electricity and water;
 - (e) penalty and other charges imposed in terms of Chapters 1 and 2; and
 - (f) penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques.
- (8) A market-related rental is levied for the lease of a municipal property.
- (9) If the municipal manager is satisfied, in the case of a rental for the use of a municipal hall and premises, that the hall or premises is required for non-profit making purposes and for the provision of a service to the community, the municipal manager may waive 50% of the applicable rental.
- (10) The municipal manager must determine whether an indemnity or guarantee is to be lodged in each instance for the rental of a municipal hall, premises or sports field; and in so determining must be guided by the likelihood of the municipality's sustaining damages as a result of the use of the facilities concerned.
- (11) The costs of the democratic process in the municipality such as, but not limited to, all expenses associated with the political structures of the municipality, form part of the expenses to be financed from property rates and general revenues and are not included in the costing of the major services of the municipality.

CHAPTER 4

RATES

25. Imposition of rates

- (1) The municipality must impose and imposes, as part of each annual operating budget component, a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll.
- (2) When imposing the rate for each financial year, the municipality must take proper cognisance of the –
 - (a) aggregate burden of rates and service charges on property owners in the various categories of property ownership; and

- (b) extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

26. Rebates on rates

- (1) The municipality grants rebates in recognition of the following factors:
 - (a) the inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they produce;
 - (b) the need to accommodate indigents and less affluent pensioners;
 - (c) the services provided to the community by public service organisations;
 - (d) the value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities;
 - (e) the need to preserve the cultural heritage of the local community;
 - (f) the need to encourage the expansion of public service infrastructure; and
 - (g) the indispensable contribution which property developers, especially in regard to commercial and industrial property development, make towards local economic development, and the continuing need to encourage such development.
- (2) The municipal manager must, subject to section 15(3) and 15(4) of the Property Rates Act, 2004 (Act 6 of 2004), ensure that rebates are indicated on the rates accounts submitted to each property.
- (3) The municipality must in respect of each category of –
 - (a) property specified in column 1 of Schedule 1 grant the rebate set out against it in column 2 of Schedule 1; and
 - (b) owner specified in column 1 of Schedule 2 grant the additional rebate set out against it in column 2 of Schedule 2.
- (4) In determining whether a property forms part of a particular category contemplated in subsection (3), the municipality must have regard to the actual use to which the relevant property is put, and in the case of vacant land not specifically included in any of the categories, the permitted use of the property determines into which category it falls.
- (5) The rebates granted under subsection (3) apply in addition to the provisions of section 17(1)(h) of the Property Rates Act, 2004.

- (6) (a) Subject to the provisions of section 9 of the Property Rates Act, 2004, a property, other than one referred to in section 17(1)(h)(i) of that Act, is rated on the value assigned to each component, and receives the rebate applicable to such component.
- (b) Where one component on average represents 90% or more of the property's actual use, such property must be rated as though it were used for that use only.
- (7) A person who wishes to apply for a rebate, must –
- (a) do so on the form supplied for this purposes by the municipality;
- (b) submit such completed form before 30 September of each year;
- (c) include the following in the application:
- (i) Proof of income;
- (ii) a copy of his or her identity document; and
- (iii) an affidavit stating that income from all sources does not exceed R1500,00 per month.
- (8) An application for rebates as contemplated in subsection (7) must be submitted annually.

27. Adjustment of rates

- (1) Where the rates levied on a particular property have been incorrectly determined, whether because of –
- (a) an error or omission on the part of the municipality;
- (b) false information provided by the property owner concerned; or
- (c) a contravention of the permitted use to which the property concerned may be put, the rates payable must be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- (2) Where the error occurred as contemplated in subsection (1)(b) or (c), interest on the unpaid portion of the adjusted rates payable must be levied at the maximum rate permitted by prevailing legislation.

CHAPTER 5 ENFORCEMENT

28. Municipality's powers to restrict or disconnect supply of services

- (1) The municipality may, over and above the provisions of any other provisions in these by-laws restrict or disconnect the supply of water and electricity, or discontinue any other service to any premises if –
- (a) an administration order is granted in terms of section 74 of the Magistrates Court Act, 1944 (Act 37 of 1944), in respect of an account holder;
- (b) an account holder of any service fails to comply with a condition of supply imposed by the municipality;

- (6) A person who in any manner whatsoever tampers or interferes with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality commits an offence.

30. Clearance certificate

- (1) To effect the transfer of any immovable property from one registered owner to another, the Registrar of Deeds requires a clearance certificate, which certificate is obtainable from the municipal manager or a duly authorised officer of the municipality, upon payment of the prescribed fee and subject to the conditions of section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) being met.
- (2) Should an amount due, as contemplated in section 118(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), be due for a period exceeding two years, a judgement shall be obtained and the conveyancing attorney must deduct such amount from the proceeds of the sale of the property.
- (3) Where property is sold in execution the sheriff shall be informed of the amount due, as contemplated in section 118(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and must deduct such amount from the proceeds of the sale of the property.

31. Tenders and grants-in-aid

- (1) Each tender submitted to the municipality must be accompanied by a certificate from the municipality stating that the proposed supplier is not indebted to the municipality for any arrear amount reflected on the municipal account.
- (2) Should a proposed supplier be so indebted, the municipality may disallow the tender.
- (3) The municipality may only consider a tender once the proposed supplier has made satisfactory arrangements to pay the outstanding amount by means of instalments, or has settled all arrear amounts in full.
- (4) The municipal manager or a duly authorised officer of the municipality must in the condition of contract, provide for the deduction from moneys owed to the supplier in order to settle any outstanding amount.
- (5) Payment of any grants-in-aid approved by the municipality may be withheld pending payment of any outstanding municipal account, or pending an agreement between the municipality and the receiver of a grant-in-aid in which satisfactory arrangements have been made regarding the settlement of the outstanding municipal account.

32. Power of council to recover costs

- (1) Where a bank dishonours any payment made to the municipality, the municipality may levy and recover all related costs and any administration fees against an account of the defaulting account holder and may disconnect or restrict the supplies to the premises of such account holder.

- (c) an account holder obstructs the efficient supply of electricity, water or any other municipal services to another account holder;
- (d) an account holder supplies such municipal services to any person who is not entitled thereto or permits such service to continue;
- (e) an account holder causes a situation which is dangerous or a contravention of relevant legislation; or
- (f) an account holder is placed under provisional registration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act, 1936 (Act 24 of 1936).

29. Tampering, unauthorised connections and reconnections and improper use

- (1) The municipality reserves the right to monitor the service network for signs of tampering or irregularities, and may visit premises on house-to-house basis to detect tamperers, and may follow up after meters have been disconnected for non-payment of accounts.
- (2) No person may in any manner or for any reason whatsoever tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality.
- (3) Where prima facie evidence exists of an account holder or any person having contravened subsection (2), the municipality –
 - (a) in the instance of tampering with an electricity meter –
 - (i) may have a photograph taken of the suspected tampering; and
 - (ii) may have an electrician inspect the suspected tampering, and should the tampering be confirmed, the meter will be disconnected, and the meter will only be reconnected on the payment of the relevant tamper fee, and the settlement of the arrear account or after suitable arrangement to settle the arrears; and
 - (iii) after the third offence the meter shall be removed and the consumer must pay the penalties and the reconnection cost before the electricity is reconnected; and
 - (b) in the instance of tampering with a water meter –
 - (i) may place a restriction washer the pipe, lock the meter, and remove bypassing pipes, and the water flow shall only be restored on the payment of the relevant tamper fees, and the settlement of the arrear account or after a suitable arrangement to settle the arrears; and
 - (ii) after the third offence the meter and water connection shall be removed and the consumer must pay the penalties and the reconnection cost before the water supply is reconnected, and the municipal account must be settled in full.
- (4) The electricity and water consumption not charged due to tampering shall be calculated and the consumer must pay the amount before the services are restored.
- (5) Where an account holder or any person has contravened subsection (2) and such contravention has resulted in the meter recording less than the true consumption, the municipality has the right to recover from the account holder the full cost of his or her estimated consumption.

- (2) All legal costs, including attorney-and-client costs incurred in the recovery of amounts in arrears and payable in terms of the Magistrates Court Act, 1944 (Act 32 of 1944), must be levied against the arrears account of the account holder.
- (3) For any action taken in demanding payment from an account holder or reminding an account holder by means of telephone, fax, electronic mail, letter or otherwise that payments are due, a fee will be levied against the municipal account of the account holder in terms of the municipality's tariff provisions.

33. Abandonment of bad debts, and full and final settlement of account

- (1) Before terminating the debt collection procedure in any individual instance, the municipal manager must –
 - (a) ensure that all debt collection mechanisms as provided for in section 11 have been utilised where reasonable;
 - (b) maintain an audit trail; and
 - (c) document the reasons for terminating the debt collection procedure, including the cost of enforcement and necessary financial adjustments.
- (2) The municipal manager or a duly authorised officer of the municipality may consider an offer for full and final settlement, and must, if in the interests of the municipality, in writing consent to the acceptance of a lesser amount as full and final settlement of the amount due and payable.
- (3) Where the exact amount due and payable to the municipality has not been paid in full, any lesser amount tendered to and accepted by any the municipality employee, except the municipal manager or the municipal manager's delegate, shall not be deemed to be in full and final settlement of such an amount.

34. Power of entry and inspection

- (1) A duly authorised representative of the municipality may for any reason related to the implementation or enforcement of this by-law at all reasonable times or in emergency at any time, enter premises, request information and carry out such inspection as deemed necessary, and may for purposes of installing or repairing any meter or service connection for reticulation disconnect, stop or restrict the provision of any service.
- (2) If the municipality considers it necessary for work to be performed to enable an officer to perform a function referred to in subsection (1) properly and effectively, it may –
 - (a) by written notice require an account holder to do, at own expense, specified work within a specified period; or
 - (b) if the situation is a matter of urgency, without prior notice do such work or cause it to be done at the expense of the account holder.

- (3) If the work referred to in subsection (2) is carried out for the sole purpose of establishing whether a contravention of these by-laws has been committed and no such contravention has taken place, the municipality must bear the expense connected therewith together with that of restoring the premises to their former condition.

35. Authentication and service of orders, notices and other documents

- (1) An order, notice or other document requiring authentication by the municipality must be signed by the municipal manager or by a duly authorised officer of the municipality, such authority being conferred by resolution of the municipality or by a by-law or regulation, and when issued by the municipality in terms of this by-law is deemed to be duly issued if it is signed by an officer authorised by the municipality.
- (2) Any notice or other document that is served on a person by a duly authorised officer of the municipality in terms of these by-laws, is regarded as having been served –
- (a) when it has been delivered to that person personally;
 - (b) when it has been left at that person's place of residence or business in the Republic with a person apparently over the age of 16 years;
 - (c) when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an acknowledgement of the posting thereof from the postal service is obtained;
 - (d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c);
 - (e) if that person's address and agent or representative in the Republic is unknown, when it has been placed in a conspicuous place on the property or premises, if any, to which it relates;
 - (f) in the event of a body corporate, when it has been delivered at the registered office of the business premises of such body corporate to a person apparently over the age of 16 years; or
 - (g) when it has been delivered, at the request of a person, to that person's electronic mail address.
- (3) When any notice or other document has to be served on the owner, an account holder or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, account holder or holder of the property or right in question, and it is not necessary to name that person.
- (4) Service of a copy is deemed to be service of the original.
- (5) Any legal process is effectively and sufficiently served on the municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.

SCHEDULE 1

CATEGORIES OF PROPERTY AND REBATE GRANTED

COLUMN 1	COLUMN 2
CATEGORY OF PROPERTY	% OF REBATE GRANTED
1. Residential properties or properties of any category used for multiple purposes where the residential component represents on average 90% or more of the property's actual use.	40%
2. Industrial properties.	0%
3. Business and commercial properties.	0%
4. Farm properties with a residential component.	40%
5. Farm properties with a business and commercial component	0%
6. Farm properties with an agricultural component.	50%
7. Farm properties which is used for no purpose.	0%
8. Smallholdings with a residential component.	40%
9. Smallholdings with a business and commercial component.	0%
10. Smallholdings with an industrial component.	0%
11. Smallholdings with an agricultural component.	50%
12. State-owned properties (residential).	40%
13. State-owned properties (public service infrastructure).	30%
14. State-owned properties (other).	0%
15. Municipal properties (residential).	40%
16. Municipal properties (public service infrastructure)	30%
17. Municipal properties (other).	0%
18. Formal (all properties with a rateable value of up to R30 000).	60%
19. Formal (all properties with a rateable value of R30 000 or more).	50%
20. Communal land.	50%
21. State trust land.	50%
22. Protected areas.	100%
23. Properties on which national monuments are situated and where no business or commercial activities are conducted in respect of such monuments.	100%
24. Properties on which national monuments are situated, but where business or commercial activities are conducted in respect of such monuments.	40%
25. Properties owned by public benefit organisations and used to further the objectives of such organisations.	100%

CHAPTER 6

MISCELLANEOUS PROVISIONS

36. Offences and penalties

A person who has committed an offence is liable, on conviction, to fine or a period not exceeding of community service or a combination of a fine and community service.

37. Repeal of By-laws

By-laws on Customer Care and Revenue Management previously made by the municipality or its constituent predecessors in respect of any portion of the area of the Lephalale Local Municipality are hereby repealed in so far as they are inconsistent with the provisions of this By-law.

38. Short title and commencement

This By-law is called Lephalale Local Municipality Customer Care and Revenue by-law and commences into operation on the date of publication thereof in the Provincial Gazette.

SCHEDULE 2**CATEGORIES OF OWNERS AND ADDITIONAL REBATE GRANTED****COLUMN 1****COLUMN 2****CATEGORY OF OWNERS****ADDITIONAL REBATES
TO BE GRANTED**

- | | |
|--|--|
| 1. A property owner who is the permanent occupant as well as the sole owner of the property concerned as well as a registered indigent in terms of the municipality's indigence relief measures. | 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value above R30 000. |
| 2. A property owner who is over 60 years of age as well as the permanent occupant as well as the sole owner of the property concerned, and whose aggregate household income is proved to the municipal manager not to exceed R2 500 per month, or such amount as the the municipality may determine. | 100% of the rates based on the rateable value up to R30 000, 50% of the rates based on the rateable value above R30 000 but below R100 000, and 40% of the rates based on the rateable value above R100 000. |
| 3. An owner of property which is being developed for approved commercial or industrial usage. | 80% of the rates based on the rateable value until the development is completed, 60% of the rates based on the rateable value for the municipality's financial year or part thereof immediately following the completion of development, 40% of the rates based on the rateable value for each of the ensuing years. |

