



DATE: 30 MAY 2022

LEPHALALE LOCAL MUNICIPALITY

PUBLIC NOTICE OF INCREASE IN WATER RATES AND CHARGES

Notice is hereby given that, in terms of Sections 2, 7, 8 and 14 of the Local Government: Municipal Property Rates Act 6 of 2004 ("the Act"), read with Sections 4(1)(c)(i) & (ii) and 11(3)(i) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act") and Section 24(2)(c)(i) of the Local Government: Municipal Financial Management Act 56 of 2003 ("the MFMA"), the Council of Lephalale Municipality is intending to consider the increment of fees, tariffs and charges for implementation with effect from 01 July 2022 to 30 June 2023. All determined tariffs will include 15% VAT except where indicated.

The Lephalale Municipality is dedicated to providing reliable water services in a cost-effective manner while protecting our water resources and the public's health. The Municipality strives to keep its costs as low as possible, however some costs, such as the price of purchasing raw water supplied from Mokolo Dam, are beyond the Municipality's control.

The following percentage increase has been considered for approval by Council:

	CURRENT 2021/2022 FY	PROPOSED 2022/2023 FY
% INCREASE		60%
0 - 6kl, per kl:	R 6,42	R 10,27
7 - 20kl, per kl:	R 7,39	R 11,82
21 - 40kl, per kl:	R 8,45	R 13,52
41 - 60kl, per kl:	R 9,17	R 14,67
61 - 120kl, per kl:	R 10,46	R 16,74
Above 120kl, per kl:	R 13,63	R 21,81
Commercial, per kl:	R 9,67	R 15,47
Unproclaimed areas and temporary consumers (whether from a temporary connection or fire hydrant), per kl:	R 12,62	R 20,19
Schools, pensioners and institutions, per kl:	R 6,35	R 10,16
Sport Club, per kl:	R 7,69	R 12,30

The Municipality is increasing the water tariffs based on the following factors:

The current water tariffs include only the costs of purified water and exclude the cost of raw water abstraction from Mokolo Dam, and the Municipality is obliged to pay the monthly bill from the Department of Water and Sanitation as the custodian of the national water resources management.

The Department of Water and Sanitation developed Raw Water Pricing Strategy (November 1999), where water users are expected to pay for raw water abstraction from the resource. The Department of

Water and Sanitation pricing strategy for raw water use includes, *inter alia*, Capital Costs (Depreciation & Return on Assets) and Operation & Maintenance Costs. The Municipality has been issued with own Water Use Licences (allocated quota = 7,2 Million m³/pa out of Mokolo Dam) and expected to pay all costs related to Raw Water Abstraction.

Therefore, the Municipality is proposing rates adjustment for the supply of water to pay for the increased costs of both purified and raw water, our water supply and delivery systems, and to continue to maintain appropriate debt service coverage levels necessary for our outstanding debt and credit standing.

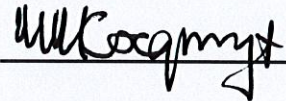
The community is also made aware of the increased costs for the operation and maintenance of our own water infrastructure assets. The proposed rates would assist the Municipality to continue to generate sufficient revenues to operate, manage, and maintain its facilities and services. The proposed water rates will also fund capital improvement projects to improve the water system as well as for operation and maintenance costs.

The draft budget tariffs will be available for inspection on the **31st May 2022** during office hours at the municipal offices as well as on the municipal website at www.lephalale.gov.za. Written representations regarding these draft documents can be submitted to the office of the Municipal Manager by no later than **12h00 on Wednesday 15th June 2022**.

The Municipal Manager
Email: tariffs@lephalale.gov.za
Tel: 010 020 1092

Council will be holding public participation meeting on the **22nd June @ 16H00** to inform community members about the changes and increase of water rates and charges, in line with the Water Services Act and Regulations as issued from time-to-time.

Members of the public are requested to submit their written comments and inputs by Hand, post or email, and the tariffs document can be accessed from our municipal offices and website.



MM COCQUYT
MUNICIPAL MANAGER