

# **CREDIT CONTROL AND TARIFF POLICIES**

**STATUS: FINAL**

**YEAR 2023/2024**



**Zululand**  
District Municipality

**To obtain addition copies of this document, please contact:**

The Municipal Manager  
Private Bag X76  
Ulundi  
3838

Tel 035 874 5500

This document is also available on the Internet at: [www.zululand.org.za](http://www.zululand.org.za)



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## CHAPTER 1: Definitions

(1) In these regulations, unless the context otherwise indicates -

**“Act”** means the Water Services Act, 1997 (Act No. 108 of 1997), as amended from time to time.

**"approved"** means approved by an authorised officer.

**"Authorised agent"** means a person authorised by the municipality to perform any act, function, or duty in terms of, or exercise any power under, these bylaws.

**"Connecting point"** means the point at which the drainage installation joins the connecting sewer.

**"consumer"** means –

- (a) any occupier of any premises to which or on which the municipality has agreed to provide water services or is actually providing water services, or if there be no occupier, then any person who has entered into a current agreement with the municipality for the provision of water services to or on such premises, or, if there be no such person, then the owner of the premises; provided that where water services is provided through a single connection to a number of occupiers, it shall mean the occupier, or person, to whom the municipality has agreed to provide water services; or
- (b) person that obtains access to water services are provided through a communal water service work.

**“Measuring device”** means any method, procedure, process or device, apparatus, installation that enables the quantity of water services provided to be quantified and includes a method, procedure, or process whereby quantity is estimated or assumed.

**“meter”** means a water meter as defined by the Regulations published in terms of the Trade Metrology Act, 1973 (Act No. 77 of 1973), or, in the case of water meters of size greater than 100 mm, a device which measures the quantity of water passing through it.

**"municipality"** means the water services authority as defined in the Act.

**"occupier"** means a person who occupies any premises or part thereof, without regard to the title under which he or she occupies.

**"owner"** means -

- a) the person in whom from time to time is vested the legal title to premises.
- b) in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator, or other legal representative.
- c) in any case where the municipality is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon.

- d) in the case of premises for which a lease agreement of 30 years or longer has been entered, the lessee thereof.
- e) in relation to -
  - i. a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of the common property, or
  - ii. a section as defined in the Sectional Titles Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person.

**"person"** means any natural person, local government body or like authority, a company incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association, or trust.

**"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 the Land Survey Act, 1927 (Act No. 9 of 1927), or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
- b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986).
- c) a register held by a tribal authority.

**"Prescribed tariff or charge"** means a charge prescribed by the municipality.

**"Public notice"** means a notice in a newspaper in at least two of the official languages in general use within the province or area in question, and, where possible, the notice shall be published in a newspaper appearing predominantly in the language utilised in the publication of the notice.

**"Public water"** means any river, watercourse, bay, estuary, the sea and any other water to which the public has the right of use or to which the public has the right of access.

**"Sanitation services"** has the same meaning assigned to it in terms of the Act and includes for purposes of these bylaws water for industrial purposes and the disposal of industrial effluent.

**"sewage"** means wastewater, industrial effluent, standard domestic effluent, and other liquid waste, either separately or in combination, but shall not include stormwater.

**"Trade premises"** means premises upon which industrial effluent is produced.

**"Water installation"** means the pipes and water fittings which are situated on any premises and vested in the owner thereof and used or intended to be used in connection with the use of water on such premises and includes a pipe and water fitting situated outside the boundary of the premises, which either connects to the connection pipe relating to such premises or is otherwise laid with the permission of the municipality.

**“Water services”** has the same meaning assigned to it in terms of the Act and includes for purposes of these bylaws water for industrial purposes and the disposal of industrial effluent.

**“Water supply services”** has the same meaning assigned to it in terms of the Act and includes for purposes of these bylaws water for industrial purposes and the disposal of industrial effluent.

**“Water supply system”** means the structures, aqueducts, pipes, valves, pumps, meters or other apparatus relating thereto which are vested in the municipality and are used or intended to be used by it in connection with the supply of water and includes any part of the system.

**“Working day”** means a day other than a Saturday, Sunday, or public holiday.

Any word or expression used in these bylaws to which a meaning has been assigned in

—

- a) the Act will bear that meaning; and
- b) the National Building Regulations and Building Standards Act, 1997 (Act No. 103 of 1977), the Building Regulations will in respect of Chapter III bear that meaning, unless the context indicates otherwise.

Any reference in Chapter 1 of these bylaws to water services or services must be interpreted as referring to water supply services or sanitation services depending on the services to which is applicable.

## **CHAPTER 2: General policy statements.**

2.1 Council undertakes to correctly and regular interval bill the inhabitants of the town for water, sewerage and other municipal services supplied to the inhabitants by the District Municipality.

2.2 Council undertakes to ensure that the consolidated accounts are posted/hand delivered to the respective consumers, to reach the consumers before due date printed on the account.

2.3 Council expects from the consumer to pay, in full, the account rendered on or before the due date. Failure to comply with result in debt collection actions instituted against the consumer in default.

2.4 Before being provided with water, sewerage and or other consumer services the consumer must sign a supply agreement in which inter alia the consumer agrees that the water payment system may be used for the collection of arrears sewerage and other service charges.

- 2.5 The income budget will be based on potential income with the provision that a percentage contribution out of income towards a bad debt provision will be included in the budget.
- 2.6 The level of bad debt reserve be determined by the accounting officer as per the set accounting policies and funded from unappropriated surpluses.

### **CHAPTER 3: Application for water services**

- 3.1 No person shall gain access to water services from the water supply system, sewage disposal system or through any other sanitation services unless he or she has applied to the municipality on the prescribed form for such services for a specific purpose and to which such application has been agreed.
- 3.2 An application agreed to by the municipality shall constitute an agreement between the municipality and the applicant, and such agreement shall take effect on the date referred to or stipulated in such agreement.
- 3.3 A consumer shall be liable for all the prescribed tariffs and / or charges in respect of water services rendered to him or her until the agreement has been terminated in accordance with these bylaws or until such time as any arrears have been paid.
- 3.4 In preparing an application form for water services the municipality will ensure that the document and the process of interaction with the owner, consumer or any other person making application are understood by that owner, consumer, or other person. In the case of illiterate or similarly disadvantaged persons, the municipality will take reasonable steps to ensure that the person is aware of and understands the contents of the application form.
- 3.5 An application form will require at least the following minimum information -
- a) certification by an authorised agent that the applicant is aware of and understands the contents of the form.
  - b) acceptance by the consumer of the provisions of the bylaws and acceptance of liability for the cost of water services rendered until the agreement is terminated or until such time as any arrears have been paid.
  - c) Name of consumer.
  - d) address or stand number of premises to or on which water services are to be rendered or the communal water services work where water services will be used.
  - e) address where accounts will be sent.
  - f) source of income of the applicant.
  - g) name and address of the applicant's employer, where appropriate.
  - h) if water will be supplied, the purpose for which the water is to be used; and
  - i) the agreed date on which the provision of water services will commence.
- 3.6 Water services rendered to a consumer are subject to the provisions of the Water Services Bylaws and the conditions contained in the relevant agreement.

3.7 The municipality will not approve any application for water service account by the tenant, renter, or boarder. Only account applications by the property owners will be given consideration. Only the Accounting Officer or his delegate may authorise opening an account for a tenant.

#### **CHAPTER 4: Consumption and tariffs**

4.1 The Municipality must conduct an accurate measurement of the municipal services consumed by a customer at intervals determined in terms of the water and sanitation policies. Provided that nothing in this section prevents the Municipality from making an estimate of the consumption of municipal services for any relevant period if—

- a) the reading of the meter could not be obtained in respect of the period in question.
- b) for any other reason the meter could not be accessed to be read.

4.2 Calculation of estimate: The season control must be set-up in BC420 to establish the months that are to be used in determining the differences between winter and summer averages. If the month in which the levy is going to be raised = August and the consumption is normally in July, then August must be marked as a “winter” month (=). It will use the last 12 (billed) normal readings, apply the season control, and then add the consumptions together divided by the number of billing months involved.

4.3 Where a meter is installed but there is no history of consumption to calculate the interim, a default interim will be used.

4.4 The need to estimate consumption Notwithstanding all the Municipality’s attempts to take monthly meter readings of all water supplied, should it not be possible to take a reading (on-site or remotely) on the appropriate date, the Municipality reserves the right to calculate an estimated consumption from the previous actual reading to the billing date. The estimates are normally based on the seasonal historical average consumption at the property but may be adjusted by the Municipality to reflect its best estimate of what the consumption may have been.

4.5 No person may sink a borehole on premises situated in a dolomite area, and before sinking a borehole a person must determine if the premises on which the borehole is to be sunk are situated within a dolomite area.

4.6 Free basic water (6kl) will be provided only on the indigent consumers, all other consumers not declared as indigent will be billed from the first kl of consumption.

The municipality may, by public notice, require-

(1) The owner of any premises within any area of the municipality upon which a borehole exists or if the owner is not in occupation of such premises, the occupier to notify it of the existence of a borehole on such premises, and provide it with such information about the borehole that it may require; and

(2) The owner of the property who intends to sink a borehole on the premises, to notify it on the prescribed form of its intention to do before any work in connection sinking it, is commenced.

(3) The municipality may require the owner of the premises who intends to sink a borehole, to undertake an environmental impact assessment of the intended borehole, to the satisfaction of the municipality, before sinking it.

(4) The municipality may by notice to an owner or by public notice, require an owner who has existing borehole that is used for water supply services to-

(a) Obtain approval from it for the use of a borehole for portable water supply services in accordance with Section 6, 7 and 22 of the Act; and

(b) Impose conditions in respect of the use of a borehole for portable water services.

No reduction of amount payable for water wasted

4.6 A consumer shall not be entitled to a reduction of the amount payable for water wasted or lost in a water installation, unless otherwise determined by the municipality under exceptional circumstances. Most often, leaks between the meter and the house are the responsibility of the homeowner; leaks from the meter or pipes leading from the main to the meter are the responsibility of the water utility. The water utility should be contacted before any attempt to repair the water supply pipe.

### **Adjustment to estimated account**

4.7 As soon as a new actual reading has been taken, the actual consumption will be recalculated, and the previously estimated consumption will be reversed and reflected in the subsequent account.

4.8 Consumptive tariffs will reflect the costs reasonably associated with rendering the service. The budgeted income and expenditure of the service, showing any contributions to Rates and General Account(s), support services recharges and contributions from the Indigent Fund, must be provided as part of the annual report on the revision of rates and tariffs.

#### **Failure of Meter**

4.9 During the period from identification of a meter having ceased registering consumption, to when it is replaced and a reading can be taken, a standard rate of consumption will be applied. Should the owner / accountholder have been billed a zero consumption for any period and it is subsequently found to have been due to a seized meter and the property was not vacant at the time or the usage pattern had not changed, the municipality may bill retrospectively in line with paragraph 4.4. Should the property have been vacant (permanently or temporarily) or where the usage pattern had changed, the onus rests on the customer to notify the Municipality as soon as possible via a signed and affidavit for consideration. If such evidence is not on record, future claims will not be considered.

**4.10 The following categories are using the same tariff:**

- (c) Government Institutions**
- (d) Churches**
- (e) Local Municipalities**
- (f) Businesses**

#### **Prescribed tariffs and charges for water services**

4.11 All tariffs and or charges payable in respect of water services rendered by the municipality in terms of these bylaws, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest in respect of failure to pay such tariffs or charges on the specified date will be set by the municipality –by a resolution passed by the Council, in accordance with –

- (i) its tariff policy.
- (ii) any bylaws in respect thereof; and
- (iii) any regulations in terms of Section (10) of the Act.

### **Fixed charges/Availability charge for water services**

4.12 The municipality may, in addition to the tariffs or charges prescribed for water services provided, levy a monthly **fixed/availability charge**, annual fixed charge or once-off fixed charge in respect of the provision of water services in accordance with –

- a) its tariff policy.
- b) any bylaws in respect thereof; and
- c) any regulations in terms of Section (10) of the Act.

4.13 Where a **fixed/availability** charge is levied in terms of Sub-Section (1), it shall be payable by every owner or consumer in respect of water services provided by the municipality to him, her, or it, whether water services are used by him, her, or it. Where no working water meter is installed on which the property is occupied.

## **CHAPTER 5: Deposits**

### **Payment of deposit**

5.1 Every consumer must on application for the provision of water services and before such water services will be provided by the municipality, deposit with the municipality a sum of money equal to the estimated tariff and or charge for an average month's water services as determined by the municipality except in the case of a pre-payment measuring device being used by the municipality. The minimum deposit be R250.00, subject to the accounting officer review on a case-by-case basis.

5.2 The municipality may require a consumer to whom services are provided and who was not previously required to pay a deposit, for whatever reason, to pay a deposit on request, within a specified period.

5.3 The municipality may from time to time review the sum of money deposited by a consumer in terms of Sub-Section (1) and, in accordance with such review -

- (a) require that an additional amount be deposited by the consumer; or
- (b) refund to the consumer such amount as may be held by the municipality more than the reviewed deposit.

5.4 Subject to Sub-Section (5), an amount deposited with the municipality in terms of Sub-Sections (1) or (2) shall not be regarded as being in payment or part payment of an account due for water services rendered.

5.5 If, upon the termination of the agreement for the provision of water services, an amount remains due to the municipality in respect of water services rendered to the consumer, the municipality may apply the deposit in payment or part payment of the outstanding amount and refund any balance to the consumer.

5.6 No interest shall be payable by the municipality on the amount of a deposit held by it in terms of this Section.

5.7 An agreement for the provision of water services may contain a condition that a deposit or any money due to the consumer shall be transferred to the suspense account until the client claim such amount to the municipality if it has not been claimed within twelve months of the termination of the agreement.

1. The payment of a deposit mentioned in paragraph 5.1 is subject to the criteria determined by the CFO in accordance with the Policy and is due and payable at—
  - a) the time of application for municipal services; and
  - b) any other time deemed necessary by the Municipality.
2. Payment of a deposit must be made in cash unless otherwise provided for in terms of the Policy.
3. Deposits paid by a customer to the Municipality shall be held as a consolidated deposit and used as security for any or all the charges or amounts included in the account.
4. The Municipality may at any time and at its sole discretion require a customer to increase the security furnished in terms of paragraph 5(1)(d).

#### **Payment for water services provided**

5.8 Water services provided by the municipality to a consumer shall be paid for by the consumer at the prescribed tariff or charge set in accordance with Sections (4) and (5), for the category of water services provided.

5.9 A consumer shall be responsible for payment for all water services provided to the consumer from the date of an agreement until the date of termination thereof.

5.10 The municipality may estimate the quantity of water services provided in respect of a period or periods within the interval between successive measurements and may render an account to a consumer for the services so estimated.

5.11 If a consumer uses water supply services for a category of use other than that for which it is provided by the municipality in terms of an agreement and as a consequence is charged at a rate lower than the rate which should have been charged, the Municipality may make an adjustment of the amount charged in accordance with the rate which should have been charged and recover from the consumer the tariffs and charges payable in accordance with such adjustment.

5.12 If amendments to the prescribed tariffs or charges for water services provided become operative on a date between measurements for the purpose of rendering an account in respect of the tariffs or charges -

- a) it shall be deemed that the same quantity of water services was provided in each period of twenty-four hours during the interval between the measurements; and

b) any fixed charge shall be calculated on a pro rata basis in accordance with the charge that applied immediately before such amendment and such amended charge.

5.13 A consumer must pay his or her or its account at an approved agent of the municipality. A consumer shall remain liable for the payment of an account not paid with the municipality, or approved agent.

5.14 A municipality must inform a consumer as to who the approved agents for payment of accounts are.

## **CHAPTER 6: Accounts**

### **Rendering of Accounts**

6.1 Monthly accounts will be rendered to consumers for the amount due and payable, at the address last recorded with the municipality.

6.2 Failure by the municipality to render an account does not relieve a consumer of the obligation to pay any amount due and payable.

6.3 An account rendered by the municipality for services provided to a consumer shall be paid not later than the last date for payment specified in such account, which date will be at least twenty-one days after the date of the account.

6.4 If payment of an account is received after the date referred to in Sub-Section (3), an interest on businesses as may be prescribed must be paid by the consumer to the municipality.

6.5 Accounts will –

a) show the following –

(i) the consumption or estimated consumption or assumed consumption as determined for the measuring and / or consumption period.

(ii) the measuring or consumption period.

(iii) the applicable tariff.

(iv) the amount due in terms of the consumption.

(v) the amount due and payable for any other service rendered by the municipality.

(vi) the amount in arrears, if any.

(vii) the interest payable on any arrears, if any.

(viii) the final date for payment.

(ix) the methods, places, and approved agents where payment may be made; and

(x) state that –

(xi) the consumer may conclude an agreement with the municipality for payment of the arrears amount in instalments not more than 24 months, at the municipality's

offices before the final date for payment if a consumer is unable to pay the full amount due and payable.

- (xii) if no such agreement is entered into the municipality will limit the water services after sending a final demand notice to the consumer.
- (xiii) legal action may be instituted against any consumer for the recovery of any amount 60 (sixty) days in arrears.
- (xiv) the defaulting consumer's name may be listed with a credit bureau or any other equivalent body as a defaulter.
- (xv) the account may be handed over to a debt collector for collection.
- (xvi) proof of registration, as an indigent consumer, in terms of the municipality's indigent policy must be handed in before the final date for payment; and an indigent consumer is only entitled to free basic water services and that an indigent consumer will be liable for payment in respect of water services used more than the quantity of free basic services.

## **CHAPTER 7: Disputes and enquiries in respect of accounts rendered by the Municipality**

7.1 A customer may lodge a written dispute with the Municipality to challenge the correctness or accuracy of any amount due and payable by such customer reflected in an account rendered by the Municipality in terms of this By-law: Provided that such dispute must be lodged with the Municipality before or on the due date for payment specified in the account concerned.

7.2 A customer must, pending resolution of the dispute, continue to make regular monthly payments in respect of municipal services based on the average monthly fees for the preceding three months prior to the dispute arising, plus interest if applicable, until the dispute is resolved.

7.3 Where a customer fails to lodge a dispute within the period mentioned in subsection (1), any correspondence received from the customer after such period concerning the correctness or accuracy of an account, will be treated as an enquiry and –

- (a) the account will not be suspended; and
- (b) such enquiry must be accompanied by the payment of at least an amount equal to the average amount per month that was due and payable in respect of the service concerned during the preceding three months.

7.4 Any amount not in dispute must be paid in full by the customer and municipal services may be disconnected or restricted where such amounts remain unpaid.

7.5 Authorised official must register the dispute or enquiry and take reasonable steps to ensure that the dispute or enquiry is addressed within a reasonable period and provide consumer with a reference number.

7.6 The CFO must –

- (a) investigate or cause the dispute or enquiry to be investigated within 30 days, or as soon as possible after such dispute or enquiry received: and
- (b) inform the customer, in writing, of his or her finding as soon as possible after conclusion of the investigation, instructing that either such customer's account will be credited with an amount found to have been overpaid or, alternatively, that any amount found to be due and payable must, subject to section 23, be paid within a reasonable period from the date on which the customer is notified thereof, unless an appeal is lodged within that period in terms of subsection (7.7).

7.7 Except for instances where the right of appeal is specifically afforded to a customer in terms of any other law, a customer may, subject to section 34, lodge an appeal in writing with the municipal manager in terms of section 62 of the Systems Act against a decision referred to in subsection (6), within 21 days of the date of notification of the decision.

7.8 The Municipality must inform the customer concerned in writing of the decision on the appeal, instructing that any amount found to be overpaid will be credited to such customer's account or, alternatively, that any amount found to be due and payable must be paid within seven days from the date on which the customer is notified thereof.

7.9 The Municipality will only supply records of documents to the customer for the last 5 years.

## **CHAPTER 8: Appeals against finding of municipality in respect of queries or complaints**

8.1 A consumer may in writing appeal against a finding of the municipality in Section 9.

8.2 An appeal and request in terms of Sub-Section (1) must be made in writing and lodged with the municipality within 21 (twenty-one) working days after the consumer became aware of the finding referred to in Section 9 and must –

- (a) set out the reasons for the appeal.
- (b) lodge the appeal with the municipality within 14 (fourteen) working days after the receipt of the account in question; and
- (c) be accompanied by any deposit determined for the testing of a measuring device, if applicable.

8.3 The municipality may on appeal by a consumer request him, her, or it to pay the full amount due and payable in terms of the account appealed against.

8.4 The consumer is liable for all other amounts, other than that appealed against, falling due and payable during the adjudication of the appeal.

8.5 An appeal must be decided by the municipality within 21 (twenty-one) working days after an appeal was lodged and the consumer must be informed of the outcome in writing, as soon as possible thereafter.

8.6 The decision of the municipality is final, and the consumer must pay any amounts due and payable in terms of the decision within 14 (fourteen) working days of him, her or it being informed of the outcome of the appeal. The final demand notices will not be sent out to domestic consumers since the statement/tax invoice has a standing message as follows:

- **DISCONNECTION**

The consumer (domestic) may conclude an agreement with the municipality to settle an amount sixty (60) days in arrears. The supply of services may be disconnected if no such agreement concluded, and legal action may be instituted. The defaulting consumer may be listed with credit bureau and the account may be handed over to a debt collector.

Only businesses, government, churches final demand notices will be sent out

8.7 The municipality may condone the late lodging of appeals or other procedural irregularities.

8.8 If it is alleged in an appeal that a measuring device is inaccurate, the device must be subjected to the test in accordance with the Water Services Bylaws which has financial implications liable to the customer, and the outcome will be dealt with in accordance with the Water Services Bylaws

## **CHAPTER 9: Arrears**

9.1 Failure to deliver or send a final demand notice within 7 (seven) working days does not relieve a consumer from paying such arrears.

9.2 The final demand notice must contain the following statements –

- (a) the amount in arrears and any interest payable.
- (b) that the consumer may conclude an agreement with the municipality for payment of the arrears amount in instalments within 14 (fourteen) working days of the date of the final demand notice.
- (c) that if no such agreement is entered into within the stated period that the water services will be limited and that legal action may be instituted against any consumer for the recovery of any amounts 60 (sixty) days in arrears.
- (d) that the defaulting consumer's name may be listed with a credit bureau or any other equivalent body as a defaulter.
- (e) that the account may be handed over to a debt collector for collection.
- (f) proof of registration, as an indigent consumer, in terms of the municipality's indigent policy must be handed in before the final date of the final demand notice.

- (g) that an indigent consumer is only entitled to free basic water services and that an indigent consumer will be liable for payment in respect of water services used more than the quantity of basic services.

9.3 Interest on businesses will be levied on all arrears at a rate prescribed by the municipality from time to time.

9.4 The amount due and payable by a consumer constitutes a consolidated debt, and any payment made by a consumer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order –

- (a) towards payment of the current account.
- (b) towards payment of arrears; and
- (c) towards payment of interest.

9.5 The municipality will, within 7 (seven) working days after the expiry of the 14 (fourteen) day period allowed for payment in terms of the final demand notice –

- (a) limit the provision of water services to the domestic and discontinue water services to businesses, churches government institutions and municipalities.
- (b) hand deliver or send, per registered mail, to the last recorded address of the consumer, a discontinuation notice informing him, her or it is that the provision of water services will be disconnected within 14 (fourteen) days of the date of the discontinuation notice; if –
  - (i) no payment was received within the allowed period.
  - (ii) no agreement was entered into for the payment of arrears in instalments with domestic customer.
  - (iii) no proof of registration as indigent was handed in within the 14 (fourteen) day period allowed; or
  - (iv) no payment was received in accordance with an agreement for payment of arrears.

9.6 A discontinuation notice must contain –

- (a) the amount in arrears and any interest on businesses payable.
- (b) a statement that the domestic consumer may conclude an agreement with the municipality for payment of the arrears amount in instalments, within 14 (fourteen) days of the date of the discontinuation notice.
- (c) that if no such agreement is entered into within the stated period, the municipality may limit the provision of water services with immediate effect, notwithstanding any legal action instituted or in the process of being instituted against the consumer for the recovery of the arrears amount; and
- (d) proof of registration, as an indigent consumer, in terms of the municipality's indigent policy must be handed in within 14 (fourteen) days of the date of the discontinuation notice.

9.7 The municipality may, within 10 (ten) working days after the expiry of the 14 (fourteen) day period allowed for payment in terms of the discontinuation notice, discontinue water services to the defaulting consumer, if -

- (a) no payment was received within the allowed period.
- (b) no agreement with the domestic consumer was entered into for the payment of arrears in instalments.

- (c) no proof of registration as indigent was furnished within the 14 (fourteen) day period allowed; or
- (d) no payment was received in accordance with an agreement for payment of arrears.

9.8 Where an account rendered to a consumer remains outstanding for more than 60 (sixty) days –

- (a) the defaulting consumer's name may be listed with a credit bureau or any other equivalent body as a defaulter, provided that the agreement for the provision of water services provided; therefore, and
- (b) may be handed over to a debt collector or an attorney for collection.

9.9 A consumer will be liable for any administration fees, costs incurred in acting for the recovery of arrears and any penalties, including the payment of a higher deposit.

9.10 Where a body corporate is responsible for the payment of any arrears amount to the municipality in respect of a sectional title development the liability of the body corporate shall be extended to the members thereof, jointly and severally.

9.11 No action taken in terms of this section due to non-payment will be suspended or withdrawn, unless the arrears, any interest thereon, administration fees, additional charges, costs incurred in taking relevant action and any penalties, including the payment of a higher deposit, payable are paid in full.

9.12 The municipality will not be liable for any loss or damage suffered by a consumer due to his, her or its water services being disconnected.

9.13 An agreement with domestic consumer for payment of the arrears amount in instalments, entered after the water services was discontinued, will not result in the water services being restored until the arrears, any interest thereon, administration fees, costs incurred in taking relevant action and any penalties, including payment of a higher deposit, are paid in full.

9.14 Staff and Councillors in Arrears

Schedule 2 to the Municipal Systems Act, 2000 (Act No 32 of 2000) determines in paragraph 10 as follows: "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality Adopted May 2021 Customer Care, Credit Control and Debt Collection Policy Page 21 of 32 may deduct any outstanding amounts from a staff members' salary after this period" The Chief Financial Officer shall issue a salary deduction instruction where appropriate and in compliance with the Basic Conditions of Employment Act. 3.14.2. Schedule 1 of the Municipal Systems Act, 2000 (Act No 32 of 2000) was amended per the Local Government Laws Amendment Act, 2002 (Act No. 51 of 2002) to provide as follows in paragraph 12A: "A councillor may not be in arrears to the municipality for rates and service charges for a period longer than 3 months." The Municipal Manager shall issue a salary deduction instruction where appropriate or take other action as provided for in the Act. 3.15. Time for

Reconnections or Reinstatements The municipality shall reconnect or reinstate terminated or restricted services within

#### Part 6: Arrears

##### 9.15 Consolidated Arrears

(1) If one account is rendered for more than one water service provided, all arrears due and payable by a consumer constitute a consolidated debt, and any payment made by the consumer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order:

- (a) Towards costs incurred in taking relevant action to collect amounts due and payable.
- (b) Towards payment of interest; and
- (c) Towards payment of arrears.
- (d) Towards payment of the current account.

The municipality reserves a right to disconnect or restrict water where the owner has more than two accounts and one is up to date and the other has an overdue balance.

9.16 However, the Accounting Officer or his delegate has discretion to deviate from the above-mentioned control based on the merits of each case.

### **CHAPTER 10: Agreement for the payment of arrears in instalments**

10.1 Only a consumer with positive proof of identity or a person authorised, in writing, by that consumer, will be allowed to enter into an agreement for the payment of arrears in instalments.

10.2 The amount due and payable by a consumer constitutes a consolidated debt, and any payment made by a consumer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order –

- (a) towards payment of the current account.
- (b) towards payment of arrears.
- (c) towards payment of interest; and
- (d) towards costs incurred in taking relevant action to collect amounts due and payable.

10.3 A consumer may be required to complete a debit order for the payment of arrears.

- 10.4 No agreement for the payment of arrears will be longer than twenty-four months unless the circumstances referred to in Sub-Section (5) prevail.
- 10.5 The municipality may, on an individual basis, allow a longer period than thirty-six months for the payment of arrears if special circumstances prevail, that in the opinion of the municipality warrants such an extension and which the consumer reasonably could not prevent or avoid. Documentary proof of any special circumstances must be furnished by the consumer on request by the municipality.
- 10.6 The municipality may, in exercising his or her discretion under Sub-Section (5) have regard to a consumer's—
- (a) credit record.
  - (b) consumption.
  - (c) level of service.
  - (d) previous breaches of agreements for the payment of arrears in instalments; and
  - (e) any other relevant factors.
- 10.7 A copy of the agreement will, on request, be made available to the consumer.
- 10.8 If a consumer fails to comply with an agreement for the payment of arrears in instalments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will be immediately due and payable, without further notice or correspondence.
- 10.9 If a consumer fails to comply with an agreement for the payment of arrears in instalments entered into after receipt of a discontinuation notice, access to services may be discontinued without further notice or correspondence in addition to any other actions taken against or that may be taken against such a consumer.
- 10.10 No consumer will be allowed to enter into an agreement for the payment of arrears in instalments where that consumer failed to honour a previous agreement for the payment of arrears in instalments, entered after the receipt of a discontinuation notice.

## **CHAPTER 11: Termination or restriction of a municipal service**

- 11.1 The Municipality must undertake regular maintenance of the relevant municipal infrastructure to ensure continuous and undisturbed supply of municipal services to its customers.
- 11.2 The provisions of subsection (1) must not be interpreted as preventing the Municipality from terminating or restricting the provision of any service in terms of the prescribed termination and restriction procedures set out in the Policy to any premises if the customers, heirs, or trustees in respect of the municipal service concerned –

- (a) fails to make full payment of arrears on or before the final date for the payment thereof, and the customer fails to sign an acknowledgement of debt in terms of section 26 in respect of the arrears concerned before termination or restriction.
- (b) fails to pay any instalment payable in terms of an agreement referred to in paragraph (a) before or on the due date.
- (c) fails to comply with any condition of provision imposed by the Municipality in respect of the service concerned.
- (d) obstructs the efficient provision of the service concerned to another customer.
- (e) provides the service concerned to a person who is not entitled thereto or permits such provision to continue.
- (f) causes a situation relating to any service which, in the opinion of the Chief Financial Officer, is dangerous or constitutes a contravention of any applicable law, including the common law.
- (g) tampers with water meter or in any way reinstates without the Municipality's knowledge or consent the provision of a previously terminated or restricted service.
- (h) is placed under provisional sequestration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act, 1936 (Act No. 24 of 1936) or is subject to an administration order granted in terms of section 74 of the Magistrate's Court Act, 1944 (Act No. 32 of 1944), and there is a failure to enter into a new service agreement within 14 days of the Municipality requiring such service agreement in terms of section 9 read with section 18 of this By-law; or
- (i) fails to notify the Municipality within 30 days from date of death of the customer.

## **CHAPTER 12: Reinstatement of the supply of a municipal service**

12.1 Where the supply of a municipal service to a customer has been terminated or restricted by the Municipality in terms of section 19, the supply of such service to the customer concerned may not be reinstated either fully or partially until –

- (a) the full amount of arrears, including interest and collection charges, if any, have been paid.
- (b) an agreement for payment of arrears contemplated in paragraph (a) has been entered into in terms of section 26.
- (c) the full amount of arrears in respect of any agreement referred to in paragraph (b), including interest and collection charges, if any, and any increased deposit, where required, have been paid; or
- (d) any other condition considered by the CFO to be appropriate, including payment of additional security, has been complied with.

12.2 Once all the conditions stipulated in subsection (1) have been met, a reconnection order must be issued by the authorised official to the effect that every applicable condition contemplated in subsection (1) has been complied with and that the municipal service concerned may be reconnected.

## **CHAPTER 13: Administration charges/Reconnection fee**

### 13.1

A prescribed administration charge/reconnection fee may be levied by the Municipality against the account of a customer in respect of any action taken by or on behalf of the Municipality in terms of this By-law or the Policy.

## **CHAPTER 14: Actions for the recovery of outstanding amounts**

14.1 The Municipality may recover charges, costs, and interest on any outstanding amount, which may include but are not limited to—

- (a) costs and administration fees where payments to the Municipality by negotiable instruments are dishonoured by banks when presented for payment.
- (b) legal and administration costs, including attorney-and-client costs and tracing fees incurred in the recovery of debts.
- (c) restriction, disconnection, and reconnection fees, where any service has been restricted or disconnected because of non-compliance with this by-law.
- (d) any losses the Municipality may suffer because of tampering with municipal equipment or meters; and
- (e) any collection commission incurred.

14.2 Subject to section 18, if an amount payable to the Municipality in respect of an account for service charges remains outstanding, wholly or in part, after the due date for the payment thereof—

- (a) the defaulting customer may be listed with a credit bureau; and
- (b) may be handed over to a debt collector or an attorney for collection.

14.3 In the event of an overdue account being handed over to a debt collector or an attorney for collection, the customer concerned is liable for any interest and collection charges raised in respect thereof.

14.4 An action taken in terms of this By-law may not be suspended or withdrawn unless the arrears, any charge, cost, interest thereon, and additional security, if required by the Municipality, have been paid in full.

14.5 Subject to Schedule 2 item 10 of the Systems Act, any amount in arrears on an account of a municipal staff member may be deducted by the Municipality from such municipal staff member's salary.

14.6 The Municipality may enter into an agreement with any councillor whose account is in arrears to deduct any amount in arrears from the councillor's allowance.

14.7 Charges, costs, and interest recovered in terms of subsection 1 may be levied against the arrear account of the customer.

14.8 The amount or manner of calculation of the interest charged a repo rate is used.

### **CHAPTER 15: Agreement with Employer**

15.1 Subject to section 103 of the Systems Act, the Municipality may, with the consent of the customer, enter into an agreement with the customer's employer to deduct from the salary or wages of the customer—

(a) any outstanding amount due by that customer to the Municipality; or

(b) regular monthly amounts as may be agreed upon.

### **CHAPTER 16: Acknowledgements of debt**

16.1 Residential customer who is indebted to the Municipality may be required to sign a written acknowledgement of debt on a form prescribed by the Municipality for that purpose setting out the terms which are agreeable to the Municipality for the payment of such debt.

16.2 If the amount payable by a customer in terms of an acknowledgement of debt contemplated in subsection (1) is payable in instalments, any payment received from such customer in an amount less than the total amount due may be allocated in reduction of the consolidated debt of such customer in the order prescribed in the Policy, notwithstanding any instruction to the contrary by the customer concerned.

16.3 A customer may be required to arrange a debit order for the payment of arrears in respect of which an acknowledgement of debt contemplated in subsection (1) has been signed by the customer concerned.

16.4 Subject to subsection 16.5, no acknowledgement of debt may provide for payment over a period longer than 24 months.

16.5 An acknowledgement of debt providing for payment over a period in excess of 24 months, may be accepted by the Municipality in terms of delegated authority, if special circumstances which the customer could not reasonably have prevented or avoided, prevail and which, in the opinion of the CFO, warrant a longer period of

payment; and Documentary proof of any special circumstances as contemplated in paragraph (a) must be furnished by a customer on request by the Municipality.

16.6 The Municipality must, in exercising its discretion in terms of subsection (5), have regard to a customer's—

- (g) credit record.
- (h) consumption of services.
- (i) ability to afford the proposed instalments, considering the customer's financial situation.
- (j) level of service.
- (k) previous breaches of agreements for the payment of arrears in instalments; and
- (l) any other relevant factors.

16.7 If a customer fails to comply with the terms of an acknowledgement of debt contemplated in subsection (1), the total outstanding amount, including the arrears, any interest thereon, any collection charges, and payment of a higher deposit if required by the Municipality, will immediately become due and payable, and the additional security, if so required, must be provided, without further notice.

16.8 If a customer fails to comply with the terms of an acknowledgement of debt contemplated in subsection (1) that was signed after receipt of a disconnection notice for water, the municipal service concerned may be disconnected without further notice, in addition to any other action taken against or which may be taken by the Municipality against the customer concerned.

16.9 The Municipality may not accept an acknowledgement of debt by a customer if that customer has failed to honour a previous acknowledgement of debt for the payment of arrears to the Municipality, unless the CFO otherwise decides on good cause shown.

16.10 Once an acknowledgement of debt contemplated in subsection (1) is signed, the amount in arrears must be reflected as a current amount.

## **CHAPTER 17: Assistance to the poor**

- 17.1 The Municipality may, in terms of the qualifying criteria set out in the Policy, grant assistance to any person who is regarded by the Municipality as poor based on the qualifying criteria as determined by the Municipality from time to time in the Policy.
- 17.2 The person who qualifies for assistance in terms of subsection (1) must be prepared to convert to pre-payment metering whenever required by the Municipality to do so.
- 17.3 The Municipality must conduct regular audits of persons who are receiving assistance in terms of subsection (1) to ensure that they still meet the criteria for such qualification and, if not, take the necessary steps for the withdrawal of such assistance, subject to due compliance with the Constitution and the rules of natural justice.

## **CHAPTER 18: Municipality's right of access to premises**

- 18.1 In accordance with the Policy and section 101 of the Systems Act, an authorised official may access any premises at any reasonable time in order to read, inspect, install or repair any meter or service connection, or to disconnect, stop or restrict the provision of any service.
- 18.2 Should access to the premises be unreasonably denied or prevented, a disconnection penalty fee may be raised in the account, over and above any penalty which may be imposed in terms of section 35.

## **CHAPTER 19: Transmission of documents**

- 19.1 Where any account, notice or other document issued by the Municipality in terms of this By-law is required to be given or delivered by the Municipality to any person, such communication may be posted by ordinary mail to the last known address of the customer; e-mailed to the customer's e-mail account provided;

messaging (SMS's) to the customer's cell phone number; or be given or delivered in terms of Section 115 of the Systems Act or the Electronic Communications Act, 2005 (Act 36 of 2005).

#### **CHAPTER 20: *Prima facie* evidence of documentation**

20.1 For the purposes of the recovery of any amount due and payable to the Municipality in terms of this By-law—

- i. a copy of any relevant account; and
- ii. an extract from the Municipality's records containing the details of such account and certified by an authorised official as being correct, shall constitute *prima facie* evidence of the information contained in such documents.

#### **CHAPTER 21: Update of customer details**

21.1A customer must furnish the Municipality with updated information details of the customer when a change of such information occurs, which includes but is not limited to—

- (a) contact details of the customer.
- (b) details of executors or administrators of deceased estates.
- (c) deregistration of a company, close corporation, or trust if the company, close corporation, or trust is the account holder; and
- (d) details of deceased—
  - (i) company directors.
  - (ii) members of close corporations; and
  - (iii) trustees of Trusts.

#### **CHAPTER 22: Procurement of goods and services by the Municipality**

22.1 When submitting a tender for the provision of goods or services to the Municipality, every tenderer must prove to the satisfaction of the Municipality that all accounts for municipal services for which the tenderer and each of its directors, members,

owners, partners or trustees are liable, have been paid in accordance with the requirements contained in the Policy and the Municipality's Supply Chain Policy.

22.2 The Municipality may at its sole discretion check whether all the municipal accounts of its supplier of goods or services are up to date and if found to be in arrears, any amount payable to the supplier may be set off against the arrear amount.

22.3 Where a contractor's place of business is out of the jurisdiction of the Municipality, a Revenue Clearance Certificate from the relevant Municipality must be produced.

22.4 Where a contractor, or its directors, members, owners, partners or trustees, is indebted to the Municipality for rates or any service charges and payments are due to that contractor in respect of goods or services provided to the Municipality, or in terms of any contractual arrangement with the Municipality, the arrear amount owing may be set off against such payments.

22.5 A contractor, Service Provider, or supplier whose water account is in arrears of more than sixty (60) days with the payment due to them will be subjected to a set-off with the amount for which the account is in arrears.

## **CHAPTER 23: Appeals**

23.1 A person whose rights are affected by a decision taken by an authorised official in terms of this By-law may appeal against the decision in terms of the Appeals provision contained in Section 62 of the Systems Act by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.

23.2 The municipal manager must promptly submit the appeal to the appropriate appeal authority.

23.3 The appeal authority must commence with an appeal within six weeks and decide the appeal within a reasonable period.

23.4 The appeal authority must confirm, vary, or revoke the decision, but no such variation or revocation of a decision may detract from any rights which may have accrued because of the decision.

23.5 The appeal authority must furnish written reasons for its decision on all appeal matters.

23.6 All appeals lodged are done so in terms of the Systems Act and not in terms of this By-law.

#### **CHAPTER 24: Offences and penalties**

24.1 Any person who contravenes or fails to comply with section 29 of this By-law is guilty of an offence and is liable upon conviction to a fine or imprisonment for a period not exceeding one year.

24.2 Any person who fails to furnish the Municipality with updated information details in terms of section 32 may result in the Municipality–

- (a) withholding the provision of services of; or
- (b) imposing a sundry charge on, the customer concerned.

#### **CHAPTER 25: Delegations**

25.1 Subject to the Constitution and applicable national and provincial laws, any-

- (a) power, excluding a power referred to in section 160(2) of the Constitution.
- (b) function; or
- (c) duty,

conferred, in terms of this By-law, upon the council, or on any of the Municipality's other political structures, political office bearers, councillors or staff members, may be

delegated or sub- delegated by such political structure, political office bearer, councillor or staff member, to an entity within, or a staff member employed by, the Municipality.

25.2 The delegation in terms of sub-section (1) must be affected in accordance with the system of delegation adopted by the council in accordance with section 59(1) of the Systems Act, subject to the criteria set out in section 50(2) of the said Act.

25.3 Any delegation contemplated in this section must be recorded in the Register of Delegations, which must contain information on the-

- (a) entity or person issuing the delegation or sub-delegation; (b) recipient of the delegation or sub-delegation; and
- (c) conditions attached to the delegation or sub-delegation.

## **CHAPTER 26: Repeal of laws and savings**

26.1 The By-laws mentioned in the first and second columns of the Schedule to this By-law are hereby repealed to the extent set out in the third column of the said Schedule.

26.2 Any rights accrued or obligations incurred under the By-laws repealed in terms of subsection (1) remain in force as if those By-laws have not been repealed.

## CHAPTER 27: Tampering

- 27.1 Where a water supply is found to be tampered with or bypassed, the water supply will be disconnected in such a way that no further water consumption at the premises is possible in anyway whatsoever. The applicable tampering fee will be applied accordingly.
- 27.2 A written notice will be served on the consumer, stating the intention of the district municipality, to disconnect the water supply within a set number of days as determined by legislation.
- 27.3 Tamperers will be dealt with in the following manner:
- 27.3.1 First tampering Offence
- (a) Isolate supply at point of supply.
  - (b) Notify the occupier by letter of the action to isolate and to pay the applicable re-commissioning fee as determined in the schedule of tariffs for a first offence plus the calculated services consumed.
  - (c) A service to be re-instated after the required amount has been paid.
- 27.3.2 Second tampering offence
- (a) Remove the service supply including pipes and meter.
  - (b) Notify the occupier of the action to remove services and of any outstanding fees and calculated consumption due and if the money due has not been paid by a specific date and time, the matter will be handed over to debt collection specialists.
- 27.4 Notify the owner that the service supply has been removed and that a new supply will only be installed when the following conditions have been met.
- (a) The occupier is not the defaulter or alternatively satisfactory proof is given that the defaulter has been rehabilitated.
  - (b) The fee for a new connection including the pipe cost as well as all service consumption and all other outstanding amounts have been paid.
- 27.5 Services to be re-instated after the required amount has been paid.
- 27.6 Re-connection fees are annually determined during the budget process.
- 27.7 The tampering fee together with the outstanding service account to be paid in full before the supply will be re-instated. State the tempering fee also change the line that says full outstanding balance to be paid but rather say strictly 50% of an outstanding debt to be paid

27.8 Council reserves the right to enforce any other rights given to Council by the Water Act, and bylaws.

**CHAPTER 28: Provision for Bad Debts**

28.1 The methodology for the calculation of the provision for bad debts shall be done as follows:

<b>Category</b>	<b>Characteristics</b>
<b>Category O</b>	<b>If closing balance &lt;=0 – Category O</b>
<b>Category A</b>	<b>If 30 days balance &gt;= closing – Category A</b>
<b>Category A</b>	<b>If collection &gt;= Total owing – Category A</b>
<b>Category C</b>	<b>If collection = 0 – Category C</b>
<b>Category C</b>	<b>If opening balance &gt; collection – Category C</b>

**Any other thing becomes category B**

**Category C - Debtors that pay below opening balance at 1 July and Debtors with no single payment**

**CHAPTER 29: Irrecoverable debts**

29.1 Where a debt owing to the Municipality is considered irrecoverable in terms of the criteria set out in the Policy, and if there is sufficient provision to cover bad debts due to the Municipality, the CFO must write off such debt in accordance with the Policy.

29.2 The CFO must report to the council at its next meeting all amounts that have been written off as irrecoverable in terms of subsection (1), and all such information must also be included in the monthly budget statements which must be rendered by the municipal manager in terms of section 71 of the Municipal Finance Management Act.