



Credit Control and Debt Collection Policy

2026/2027



UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

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1 DEFINITIONS

In this policy, unless the context indicates otherwise, the word or expression has the following meaning:

- 1.1 “Account” Any invoice rendered by the Municipality;
- 1.2 “Accounting Fee” means a fee for the setting up of new account as determined by The Municipality from time to time;
- 1.3 “Accounting Officer” The Municipal Manager appointed in terms of Section 82(1)(a) or (b) of the Municipal Structures Act, 1998 (Act No. 117 of 1998);

- 1.4 "Account Holder" includes a customer/consumer and refers to any occupier of any premises to which the Municipality has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;
- 1.5 "Acknowledgement of Debt" commonly referred to as an "AOD", is a document which contains an unequivocal admission of liability by the debtor.
- 1.6 "Actual consumption" means the measured consumption of a consumer of a municipal service during a specified period;
- 1.7 "Administration Fee" means a fee for any additional administration on Municipal billing accounts as determined by the Municipality from time to time;
- 1.8 "Arrangements for payments" means a formal agreement entered into between the Municipality and a debtor where specific repayment parameters are agreed to.
- 1.9 "Arrears" means any amount due, owing and payable by a customer in respect of a municipal account not paid on the due date;
- 1.10 "Average consumption" means the deemed consumption of a customer of a municipal service during a specific period, which consumption is calculated by adding the recorded monthly average consumption and the current actual consumption and, dividing the total by the applicable number of months
- 1.11 "Bank guarantee" refers to an undertaking by a registered financial institution whereby it guarantees a specified maximum amount to be paid if the principal debtor ("the consumer") fails to pay;
- 1.12 "Billing cycle" means the start of the cycle in which the account is billed to the date on which it becomes due and payable (30 days)
- 1.13 "Bill Proration" means to first estimate what the bill would be if computed for usage based on a complete billing cycle duration and then scale the estimated bill according to the actual days of use.
- 1.14 "Calculated amounts" refers to the amounts calculated by the Chief Financial Officer, in consultation with the relevant technical departments, to be due to the Council by a consumer in respect of the supply of the applicable municipal services for any period during which the exact quantity of the supply cannot be determined accurately for reasons beyond the control of the Chief Financial Officer. This shall normally be based on the average consumption figures, if available, for the service rendered to the customer or, failing the availability of such data, on the average consumption figures applicable to one or more properties of similar size and nature in the area in which the customer resides or carries on business;

- 1.15 “Chief Financial Officer” refers to the person so designated in terms of Section 80 (2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) or any person duly authorized to act on behalf of such person;
- 1.16 “Consolidated account” refers to one combined account for all municipal services, housing rents and instalments, rates, basic charges, sundry charges and miscellaneous charges, and “consolidated bill” has a corresponding meaning;
- 1.17 “Collection Charges” means a penalty raised as provided for in Section 75 A 1(b) of the Local Government; Municipal Systems Act 2000 (Act No 6 of 2000)
- 1.18 “C D U” shall mean the central distribution unit that distributes electricity from a central point to households;
- 1.19 “Consumption” means the ordinary use of municipal services, including water and sanitation
- 1.20 “Water meters” means water meters,(including prepaid meters) , which are used to determine the supply of water and which are normally read on a monthly or other fixed interval basis;
- 1.21 “Councillor” refers to a member of a Municipal Council
- 1.22 “Deposit” refers to a minimum sum of money specified by the Chief Financial Officer and payable by the consumer to the Municipality prior to occupation of the property or prior to the date on which services to the property are required; and also refers to a minimum sum of money specified by the relevant business unit and payable by the customer to the municipality prior to concluding a housing rental and/or a business rental/lease agreement.
- 1.23 “Estimated consumption” arises when no actual reading can be taken and is equivalent to the existing average consumption providing that this is done in accordance with the relevant provisions of the water and electricity bylaws.
- 1.24 “Final payment date” in the absence of any express agreement in relation thereto between the Municipality and the customer, refers to the date stipulated on the account and determined from time to time as the last date on which the account must be paid;
- 1.25 “Final Demand” means a notice sent to an account holder calling for settlement of any municipal debt that has not been paid by due date and where legal action may be taken after giving due consideration to the notice period specified in the notice.
- 1.26 “Financial year” refers to the period starting from 1 July in a year to 30 June the next year;

- 1.27 “Interest” is a charge levied on overdue accounts.
- 1.28 “Meter audits” refers to a verification by the municipality of the correctness of the consumption and supply of electricity and water;
- 1.29 “Municipality” Means: An organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the local government: Municipal Demarcation Act, 1998.
- 1.30 “Municipal Manager” is the accounting officer of the Municipality appointed in terms of Section 82 of the Municipal Structures Act , 1998 (Act No 117 of 1998)
- 1.31 “Municipal services” means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether:
- (a) Such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 of the Municipal Systems Act, 2000 (Act No 32 of 2000) or by engaging an external mechanism contemplated in section 76 of the Municipal Systems Act.
- 1.33 “Official”, in relation to the Municipality or Municipal entity, means,
- (a) An employee of the Municipality or Municipal entity
- (b) A person seconded to the Municipality or Municipal entity to work as a member of the staff of the Municipality or Municipal entity; or
- (c) A person contracted by the Municipality or Municipal entity to work as a member of the staff of the Municipality or Municipal entity otherwise than as an employee.
- 1.34 “Occupier” in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property,
- 1.35 “Owner” means
- (a) In relation to property referred to in paragraph (a) of the definition of “property, means a person in whose name ownership of the property is registered;
- (b) In relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) In relation to 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; or
- (d) In relation to 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”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

- i. A trustee in the case of a property in a trust excluding state trust land; ii. An executor or administrator, in the case of a property in a deceased estate; iii. A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; iv. A judicial manager, in the case of a property in the estate of a person under judicial management;
- v. A curator, in the case of a property in the estate of a person under curatorship; vi. A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- vii. A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- viii. A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
- ix. Member in the case of a property registered as a close corporation

1.35 “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 a person, excluding a mortgage bond registered against a property;
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) Public service infrastructure;

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

1.37 “Service agreement” refers to a written agreement for the consumption of water and other services.

1.38 “The Municipality” refers to The Uthukela District Municipality and its successors in law and includes the Council of that municipality or any other body acting by virtue of any power

delegated to it in terms of legislation, as well as any official to whom the Executive Committee who has delegated any powers and duties with regard to this policy;

- 1.39 “Sundry charge” means any charge other than rates, housing rental, housing loans, business rental, encroachments, informal traders, metered services, sewerage and regular refuse removal.
- 1.40 “Variable flow-restricting device” refers to a device that is coupled to the water connection that allows the water supply to be restricted or closed;
- 1.41 “Visitation fee” refers to the fee charged for attendance and/or disconnection/reconnection of water supply when the supply is been disconnected/reconnected due to non-payment and/or tampering, or where access to disconnect/restrict has not been gained, which fee shall be determined from time to time by the Municipality;
- 1.42 “Garnishee order/Emoluments order” refers to a court order for the deduction of an amount of money from the salary or other income of a customer.
- 1.43 “Municipal Pay-Point” shall mean all Municipal Cash Offices and third party vendors who are authorized to collect monies on behalf of the Municipality”.
- 1.44 “Notice” means any notice or other document that is served on any person in terms of the Municipality’s Electricity and Water Supply Bylaws

2. INTRODUCTION

- 2.1 The Municipality must develop, maintain and implement a Credit Control and Debt Collection Policy that is consistent and complies with the relevant legislation.
- 2.2 This policy is to be read in conjunction with or other relevant legislation, policies and bylaws, (including the Register of Tariffs and Charges).

3 OBJECTIVES

- 3.1 The objectives of the Credit Control and Debt Collection Policy are:

- 3.1.1 To define a framework which enables the municipality to bill for and collect its revenues;
- 3.1.2 To ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner as prescribed by the Municipal Systems Act, 2000 (Act No. 32 of 2000), and other applicable legislation;
- 3.1.3 To maintain and implement a credit control and debt collection policy, which complies with Section 97 of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

4 **APPLICATION FOR SERVICES AND SERVICE AGREEMENTS**

- 4.1 Only the owner or pending rate payer shall enter into a service agreement for the provision of municipal services. However, in the event that the owner is not resident within the municipal area, an agent may with a proxy enter into a service agreement in the name of the owner or the tenant may sign surety for the debt pending the finalisation of the winding up of the Estate.
- 4.2 In any account opening arrangement that may suit any consumer/user as detailed below, the consent of the property owner for the opening of the account shall be required since the property owner is a default responsible person for all Municipal Services provided to the property.
- 4.3 The only exception to (4.1) above will be for the following:
 - 4.3.1 Individuals and businesses, with lease agreements, who lease properties from the Municipality, will be allowed to open an account in the name of the lessee of the property.
 - 4.3.2 Debtors who have not opened accounts but utilised services and have become legitimate debtors to the Municipality.
- 4.4 Directors of companies, members of Close Corporation and Trustees of Trust shall sign personal surety ships with the Municipality when opening services accounts.
- 4.5 A new Service Agreement will only be entered into in respect of a property, once all amounts due (other than historic debt incurred by a previous owner of the property), which include the current account due in respect of that property and all other properties owned by the respective owner, are settled in full or a suitable payment arrangement has been made by the owner of the property.
- 4.6 The District Manager or his/her delegated authority at his/her discretion may engage the customer and agree, due to the merits of the case at hand, to a different arrangement, at which the District Manager or his/her delegated authority shall report on her decisions and

motivations for such matters to the relevant portfolio committees within three months of the decision being taken.

- 4.7 Failure by the owner or occupier of the property to enter into an agreement for the provision of services does not absolve the property owner from the responsibility for the payment of services on the property,
- 4.8 The Municipality will bill for all applicable rates and the associated charges including services consumed at the property. The property owner shall be responsible for the payment of such services and charges regardless of the person occupying the property.
- 4.9 An occupier who illegally consumes services without a valid service agreement will be subject to disconnection and/or removal of the service and may be prosecuted. However, the property owner shall be responsible for the payment of such services and charges regardless whether the person occupying the property has an agreement with the landlord or not.
- 4.10 Application forms are available at the municipal offices and the application process should occur in advance (depending on the nature of the services required and the timeframes applicable to those services required) prior to taking occupation of the premises. This will ensure that services are available when occupation is taken.
- 4.11 Failure to adhere to this may result in customers not having the services available when occupation is taken. Once the application has been approved, a service agreement will be entered into and services provision will commence.
- 4.12 The service agreement shall set out the conditions under which the services are provided and shall require the signatories thereto to agree to abide by the provisions of the Municipalities, Credit Control and Debt Collection Policy and Bylaws.
- 4.13 The Municipality will render the first account after the first billing cycle following the date of signing the service agreement or as soon as is administratively possible. However, the account holder is also obliged to make enquiries regarding the account, with the Municipality within the first two months of receiving the services.
- 4.14 If the customer does not engage the Municipality, he/she will accept the liability of an account, when provided at a later stage and such bill such be payable within 30 days of issuing.
- 4.15 The owner of the property shall be jointly and severally liable with the consumer in respect of all amounts due for the municipal services provided to the property. However, the property owner is a default responsible person for all Municipal Services provided to the property.
- 4.16 Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the owner to advise the Municipality of such a change by filling and submission

of an appropriate form. Such change shall not be effective until such time that the municipality indicates its acceptance and communicates such, to the property owner or occupier in writing.

- 4.17 The Municipality may consolidate any separate accounts of persons liable for payments to the Municipality in terms of Chapter 9 of the Municipal Systems Act.

5 DEPOSITS AND GUARANTEES

- 5.1 The purpose of requiring deposits from property owners is to mitigate the financial risk to the Municipality should the property owner/ tenant/ occupier consumes services but defaults in their payments. The deposits demanded may therefore differ from each customer depending of their risk profile.
- 5.2 Deposit are payable on application for the provision of municipal services or on request after the risk assessment, Business Rentals / Leases before the Municipality renders any service to the property.
- 5.3 Deposits payable to the Municipality shall be a consolidated deposit, paid in full. Neither a Financial Guarantee nor Sureties will be accepted in lieu of deposits.
- 5.3 Deposits are payable on all housing rental accounts and business rental/lease accounts prior to conclusion of the agreement.
- 5.4 The minimum deposit payable is determined by the Municipality in terms of each customer category.
- 5.5 No interest will accrue on the deposit payable to any debtor.
- 5.6 The Municipality reserves the right to review deposits based on risk exposure as and when required, the review can be done as follows:
 - 5.6.1 The Municipality has a prerogative to periodically conduct risk assessment to each and every account. The outcome of the risk assessment will determine the deposits that the Municipality should hold for each individual account.
 - 5.6.2 Upon establishment that the deposits held by the municipality on an account is below the Municipality's financial risk exposure, the Municipality will in writing, inform the account holder of this finding.

- 5.6.3 The account holder will be given fourteen (14) calendar days from the date of the communication, to provide his/her input, prior to the finalisation of this decision.
- 5.6.4 The Municipality, after considering the account holders input, will then make the final decision which shall be communicated in writing to the account holder.
- 5.6.5 The increased deposit shall be payable in full within three (3) to a maximum of twelve (12) calendar months after the decision has been communicated.
- 5.6.6 The full amount shall be included in the Municipal Bill and where it is not paid, the services of the customers shall be summarily discontinued in terms of this policy until the amount is paid in full.
- 5.6.7 The following are the reason which will increase the risk of each account:
- 5.6.7.1 Irregular payment of the Municipal Account
- 5.6.7.2 The account being in more than thirty (30) days arrears for more than two (2) month in succession
- 5.6.7.3 If there was tampering found on the concerned property
- 5.6.7.4 If the average monthly account has been more than the deposits held for more than three (3) months
- 5.6.8 If the Municipality does not hold any deposit from the account holder and the outcome of the risk assessment suggests that the Municipality should hold the deposits due to the increased risk exposure, the Municipality may issue a written request of such deposits/sureties as detailed above.
- 5.6.9 The risk assessment may be conducted on both credit and prepaid customers and the process will be the same.
- 5.7 The Municipality reserves the right to raise deposits on Sundry debtor accounts.
- 5.8 On termination of the supply of services and after the finalization of the account, the amount of the deposit less any payment due to the Municipality will be refunded to the account holder based on the Municipality's refund processes and applicable timelines.
- 5.9 The account holder will apply for the refund and submit all required documents.
- 5.10 The District Manager or his/her delegated authority, may approve the wavering of any required deposit for Approved Indigent Debtors.

6 METERING OF MUNICIPAL SERVICES

- 6.1 The water meters together with their associated accessories such as cable jumpers, seals and incoming mains cables are the property of the Municipality but the property owner/occupier is responsible for their safekeeping and security whilst used for metering consumer supplies.
- 6.2 The property owner shall be responsible for the cost of replacement of meter(s) and accessories installed within the property should they be stolen, vandalised, or damaged.
- 6.3 The replacement will be made after the property owner has reported the matter to the South African Police Services and provided the Municipality with the case number and paid the replacement cost of the meter(s) and accessories.
- 6.4 The Municipality reserves the right to remove or replace the existing meter(s) and accessories from time to time, as deemed necessary for the following reasons:
 - 6.4.1 Metering and accessory upgrade
 - 6.4.2 Meter and accessory found to be dysfunctional
 - 6.4.3 Meter and accessory found to be inaccurate
 - 6.4.4 Meter and accessory has reached the end of its useful life
 - 6.4.5 Contravention of the water bylaws and or this policy
 - 6.4.6 When the Municipality has introduced a new metering scheme that renders that meter and its accessories redundant/obsolete.
 - 6.4.7 As referred to in item 6.5 below.
- 6.5 The Municipality, at their own cost reserves the right to remove part of or the whole water service or only the metering installation where:
 - 6.5.1 The supply has been disconnected for non-payment and remain not in use for more than twelve (12) months.
 - 6.5.2 The supply has been disconnected at the request of the customer and remain not in use for more than twelve (12) months.
 - 6.5.3 Where the customer in all the above instances opted not to pay the monthly service availability charge and such disconnection has lasted for longer than twelve (12) Months.
 - 6.5.4 Should the customer require the services in the future after it has been removed as detailed, such service request shall be treated as a new or additional installation.
- 6.6 The Municipality shall endeavour to read, all credit water meters in cycles of approximately thirty (30) days, since tariffs are designed on the basis of an average month. At times a reading

may not be possible until beyond the 30-day billing cycle. Thus, when the actual meter reading at the end of the billing cycle occurs outside the reasonable range, such as less than 30 days or more than 30 days, the monthly bill will be computed on a pro rata basis. However, the Municipality reserves the right to read the meters once in twelve (12) months.

- 6.7 The Municipality reserves the right to read the water meters anytime during the month and project such reading to the end of the month and charge the customer according to projected readings monthly.
- 6.8 If for any reason the municipality is unable to read any credit water meters on any property, the Municipality will estimate the consumption of the service concerned and thereafter bill the consumer for the monetary value of such estimated consumption. The water estimate will be up to a maximum of 70 kl for households only and 3 months average for other consumers.
- 6.9 In the event that the authorised representative of the municipality or of a service provider, is unable to gain access at all reasonable hours to the premises, in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict the provision of any service, the following procedure shall be followed:
 - 6.9.1 First attempt - The authorized representative of the municipality or of a service provider will leave a letter notifying the customer of the failed attempt to access the premises. The customer will be requested to provide access to the premises within seven (7) days from the date of the first attempt notice. The customer must call the Municipality and make the appointment that will suit both parties.
 - 6.9.2 Second attempt - The authorized representative of the municipality or of a service provider will leave a letter notifying the customer of the failed second attempt to gain access, this letter will request access to the premises, at a mutually agreed reasonable time, that the customer will provide access to the premises. The customer will be given five (5) days from the date of the second attempt notice to provide access to the premises. This failed visit shall attract a visitation fee as contained in the Municipality Tariff Register.
 - 6.9.3 Third attempt – If the Municipality continues to be unsuccessful in obtaining access to the premises after the second attempt notice period has lapsed, a service provider will be appointed to gain access to the property. The visitation fee as contained in the Municipality Tariff Register shall be charged to the customer as well as all costs associated with gaining access to the premises, will be for the account of the customer.
 - 6.9.4 The metered supply shall be disconnected and remain disconnected until such time that the consumer provides access to the property. The cost of such disconnection and reconnection shall be borne by the customer.
 - 6.9.5 The Municipality may after conducting the installation audit demand within reasonable time of twenty-one days (21), that the consumer relocates the meter box to the boundary of their

property at their own cost. Should the consumer fail to adhere to this, the Municipality may disconnect supply until such time that the customer complies with this requirement.

6.9.6 The cost of disconnection and reconnection shall be charged to the customer and such fee shall be in accordance with the rates of such activity as found on the approved tariff register.

6.10 Readings provided by consumers may be accepted subject to the following:

6.10.1 Monthly readings must be taken and submitted in an appropriate manner to the Municipality, clearly indicating the reading and the date at which the reading was taken.

6.10.2 The 3rd month reading must be accompanied by a photo showing the following:

6.10.2.1 It must show in one photo, the meter, meter number, meter reading and meter seals.

6.10.2.2 For water, it must show in one photo, the meter, meter number & meter reading

6.10.3 The customer must at least bi-annually allow for an installation audit to be conducted to its water installations. These may be done on mutual arrangements during business hours between the customer and the Municipality.

6.10.4 The consumer may because of reasons of non-accessibility to their properties by meter readers, voluntarily provide monthly meter readings for billing purposes, subject to compliance with this policy and By-laws.

6.10.5 The District Manager or his/her delegated authority may, cancel this option if the consumer fails to render readings on two (2) or more consecutive occasions.

6.11 If any calculation, reading or metering error is discovered in respect of any account rendered to a Customer:

6.11.1 The error will be corrected in the subsequent account.

6.11.2 Any such correction shall only apply in respect of account for a period of (3) three years preceding the date on which the error in the account was discovered.

6.11.3 The correction will be based on the tariffs applicable during the period.

6.11.4 The Customer may settle the back charge in equal instalments over the same period in relation to the period of the back charge.

6.11.5 If it is deemed that the meter reading error/calculation lies as the fault of the Municipality, this payment period in (6.8.4) may be interest free.

6.12 The owner or occupier of premises in this municipality must give an official of the municipality, or any representative of a service provider authorised by the Municipality, (who must clearly identify him/herself by either a letter of appointment signed by authorised person of the Municipality or a Municipal Identification card or a clearly marked vehicle confirming the relationship with the Municipality) access to the premises at all times in order to:

6.12.1 Change the metering installation and or accessories.

6.12.2 Conduct repairs to metering installation/customer service cable to the meter,

6.12.3 Conduct installation audit, Meter reading, installation inspections

6.12.4 Disconnection of supply for fault finding purposes and for operational reasons

6.12.5 Upgrade the metering technology together with associated accessories,

6.12.6 Reconfigure the metering system and or connection setup as and when necessary or where Municipality deems fit.

6.12.7 Inspect the premises

6.12.8 Disconnect supply (s),

6.12.9 Stop or restrict the provision of any service.

7 ACCOUNTS, BILLING AND PAYMENT

7.1 The Municipality may endeavour to update the customer information annually on their data base system. The onus to ensure that the records kept by the Municipality are all updated rests with the customer.

7.2 The Municipality shall provide the account holder with a monthly consolidated bill for services and/or any other municipal charges.

7.3 The Municipality has established a number of electronic systems / platforms to deliver the Municipal Monthly accounts/statement, these are an email system, a mobile based Application, & Web based platforms. On registration on any of these electronic platforms would

automatically withdraw the postage of Municipal Monthly accounts/statement to the postal address, and the customer shall be deemed to have received their statements once uploaded to or delivered through the technological system / platform.

- 7.4 The Municipality shall furnish the account to the account holder's address, in South Africa, as supplied by each account holder. However, non-receipt of an account does not negate the responsibility of the account holder to pay the amount owing by final date nor prevent interest charges and debt collection procedures.
- 7.5 In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the most recent account, before the final payment date.
- 7.6 The account holder shall notify the Municipality in writing of any change of address, including an e-mail address, and contact details, on an appropriate form as soon as possible.
- 7.7 The account holder of a lease must notify in writing the vacation of the dwelling. This will ensure that the Municipality uses the current information to send statement and communicate with the customer; however, in the absence of the updated information the Municipality shall use the property address where the services are consumed as the default correspondence address.
- 7.8 Accounts must be paid in full on or before the final payment date as indicated on the account.
- 7.9 Failure to comply with this section shall result in credit control measures being instituted against the consumer. Interest on the capital arrears will accrue after the final payment date if the account remains unpaid.
- 7.10 Only Bank guaranteed and attorney trust cheques will be accepted at the Municipal Offices and no 3rd party agencies can accept cheques.
- 7.11 The Municipality will only accept payment by Credit card and Debit card if it is presented by the card holder together with proof of Identity Document/Card. Council will only accept card payments for any municipal service/s and will not allow any withdrawal of money
- 7.12 In the event that the consumer is not the card holder making payment via a Credit/Debit Card, Council reverses the right to request proof of identification together with the required bank authorization when making payment/s.
- 7.13 Where the payment is made by debit or credit card, such payments are limited to R 3 000.00 per month. Payments made in excess of this value, including multiple payments which exceeds the R 3 000.00, will result in an administration charge.
- 7.14 The Municipality will not accept card payments from the following: Diners Club, American Express, Investec Bank & FNB Private Bank

7.14 An official receipt issued by the Municipality or its authorized agents will be the only proof of payments made.

7.15 No interest will accrue on amounts paid in excess of the existing debt on an account. Such credit balance/s will be held in anticipation of future rates and fees for municipal services.

7.16 It should be noted that it takes between 3 to 5 working days for the payment made to third party vendors to be received by the Municipality and be properly allocated to the relevant account, the onus is therefore that of the account holder who elect to pay through the third party vendors to pay at least 5 days before the due date in order for the payment to appear on the next statement and to avoid disconnections of services for non-payment.

8 INTEREST ON ARREARS AND OTHER PENALTY CHARGES

8.1 Amounts on accounts, which remain unpaid after the due date shall attract interest irrespective of the reasons for non-payment.

8.2 Simple Interest shall be charged on all capital arrear amounts. Interest will be calculated on a daily basis as per the formula contained in Paragraph 40(2) of Regulation no. 489 to the National Credit Act no. 34 of 2005. The interest rate as per the approved tariff of charges, shall be used to calculate daily interest.

8.3 Applied Indigent debtors shall not be billed interest, provided they have entered into a payment arrangement to settle arrear debt and such a payment arrangement instalment together with the monthly current account due, is paid in full by the due date.

8.4 Where interest has been charged and billed on account and later found that there was a billing error and is deemed to be the fault of the Municipality, the interest charges that were erroneous amount (only) shall be reversed. Such interest reversal may only be permitted after obtaining approval of the Senior Manager: Revenue or his authorised representative.

8.5 The Municipality will be entitled to raise the following charges in addition to the interest charge contemplated in section 8.1

8.5.2. Charges for disconnection or reconnection of water services

8.5.3. Charges for restriction or removal of water services

8.5.4. Charges for reconnection or reinstatement of water services

8.5.5. Charges for notices of default and other correspondence

- 8.5.6. Surcharge penalty charges for illegal reconnections and/or tampering of any nature
- 8.5.7. Penalty charges for dishonoured cheques or dishonoured direct debits and electronic funds transfers (EFT) payments
- 8.5.8. Legal and administration costs, including attorney, client, disbursements, tracing fees and collection costs incurred in the recovery of debts

9 PAYMENT ARRANGEMENTS FOR ARREAR DEBTS

9.1 The Municipality or its authorized agents may enter into payment arrangements with account holders in arrears with their accounts and to grant account holders extensions of time for settlement of the amounts due to the Municipality.

9.2. BUSINESS/COMMERCIAL CATEGORY

9.2.1 Where an account holder in arrears, is a business or commercial concern, a minimum of 30%, up to a maximum of 50% of the total overdue amount, as an initial payment, shall be paid, and the balance of the account shall be paid in equal instalments over a maximum period of six (6) months. **(extend the term to 12 months)**

9.2.2 In the event that the customer cannot pay the 30% upfront payment and provided that they can honour a three (3) month maximum period, the City Manager or his/her delegated authority, is authorised to approve the payment arrangement.

9.3. DOMESTIC/OTHER CATEGORY

9.3.1 Where a customer in arrears is a domestic consumer, a minimum of 20%, up **(minimum of 10% to a maximum of 50% of the total overdue balance, as an initial payment)**, and the balance of the account shall be paid in equal instalments over a maximum period of twelve (12) months.

9.3.2 In the event that the customer cannot pay the 20% upfront payment and provided that they can honour a six (6) month maximum period the District Manager or his/her delegated authority, is authorised to approve the payment arrangement.

9.4 A customer who has defaulted on a payment arrangement and brings their initial payment arrangement up to date by an immediate payment shall have their services reconnected as soon as is practically possible.

- 9.5 A customer who fails to comply with any payment arrangement and is unable to bring the initial payment arrangement up to date by an immediate payment, will be required to pay 50% of the total balance on the account and the balance to be paid in 3 equal instalments and shall have their services reconnected as soon as is practically possible. The debtor must agree to the compulsory debit order for the payment of the arrear instalment monthly.
- 9.6 An account holder who fails to comply with any payment arrangement of debt may have the water credit meter or prepaid meter disconnected/removed, and/or the water service restricted.
- 9.7 Only debtors with positive proof of identity or an authorized agent with a proxy shall be permitted to enter into an Acknowledgment of Debt agreement with the Municipality.
- 9.8 Where a debtor is a close corporation, trust, or a company, the person who signs an acknowledgment of debt on behalf of such close corporation, trust or company, shall produce written proof that they are authorized to sign such acknowledgment on behalf of all members and/or directors of the close corporation, trust, or the company.
- 9.9 Any account holder who makes a payment arrangement in terms of 9.2 or 9.3 shall ensure that the owner completes a waiver in terms of section 118 (i) of the Local Government Municipal Systems Act (Act 32 of 2000).
- 9.10 Where consumers using prepaid meters have arrear amounts (60 days or more) in respect of any Municipal Debt rendered by the Municipality, the Municipality shall allocate a proportionate amount as determined by the Municipal Council, of any future prepaid purchases to arrear amounts until such time as the arrears have been brought up to date or a payment arrangement is entered into and being maintained.
- 9.11 All payment arrangements shall be subject to review as and when the Municipality deems necessary

9.12 INCENTIVES

50% to be given to customers settling the account and or 33.3% incentive to be given to customers owing 90 days to 120+ days provided the 66.6% is paid upfront together with current to 60 days. Incentive to apply in all categories except government departments.

10 SPECIAL CONDITIONS REGARDING PAYMENT ARRANGEMENTS

- 10.1 A payment arrangement, where circumstances exist, that are beyond the control of the debtor and the debtor cannot meet the current arrangement terms, may be approved.

The approval must be authorised by the City Manager or his/her delegated authority and reported to Council yearly for noting.

- 10.2 Should the current account be higher than normal, due to, but not limited to: Under-estimations and faulty meters, metering calculations or metering errors, unbilled Municipal services, previous accounts rendered may be taken into consideration, when determining an amount to pay in order to enter into a payment arrangement or an existing arrangement is reviewed.
- 10.3.1 The Municipality would normally only enter into payment arrangements with property owners and account holders, and may, on receipt of an affidavit by the occupier or tenant of a residential property, which certifies that the owner of the property which such tenant or occupier so resides in, is untraceable or not contactable, or such owners whereabouts are unknown and –
 - 10.3.2 That they have a right to occupy such property and stating the time period that they have so occupied the property;
 - 10.3.3 The last known address of the owner;
 - 10.3.4 The rental due for such right to so occupy;
 - 10.3.4 That such occupier or tenant undertakes to advise the owner at the first reasonable opportunity of the current situation and that the tenant or occupier further agrees to obtain the consent of the owner to condone the process as set out in this sub item-
 - 10.3.5 Enter into a payment arrangement with such a tenant or occupier in terms of this policy, to pay off arrears on an account which is a charge against the property.
 - 10.3.6 The Municipality may disconnect or restrict any service to a property, if the owner of the property or account holder withdraws, in writing, any permission granted to an agent or tenant where the tenant has defaulted on the payment arrangement made.

11. ALLOCATION OF PAYMENTS

- 11.1 Any payment made shall be allocated in the following order:
 - 11.1.1 To any outstanding security deposit
 - 11.1.2 To any unpaid interest raised on the account;
 - 11.1.3 To any other sundry debtors (miscellaneous);
 - 11.1.4 To any unpaid sewerage charges;
 - 11.1.5 To any unpaid water charges;
 - 11.1.6 To any other unpaid charges and

12. DISPUTES IN RESPECT OF ACCOUNTS

- 12.1 A customer who has lodged a dispute in terms of section 102 (2) of the Municipal Systems Act No 32 of 2000 is not relieved of the responsibility to maintain regular payment on his/her account. Such dispute should be lodged to the accounting officer within reasonable time.
- 12.2 In the event of an account holder providing reasonable grounds as a basis (in compliance with accounts dispute resolution mechanism/policy process) for a dispute on any item or items on the monthly municipal account, and an “amount in dispute” is established in terms of the accounts dispute resolution policy, and only the amount in dispute is the only arrear amount in the bill, no action shall be taken against the account holder. This only applies where the accountholder has followed the process as laid down in accounts dispute resolution policy.
- 12.3 When the dispute has been investigated and concluded in terms of the accounts dispute resolution policy, the entire amount becomes payable.
- 12.4 Internal or Suspected internal water leak queries are not regarded as a dispute.

13. DISCONNECTIONS/RESTRICTIONS OF SERVICES

13.1 PREAMBLE

- 13.1.1 The Municipality is obliged to issue any final request notices or other reminders to customers whose accounts are in arrears, prior to disconnection in terms of the Promotion of Administrative Justice Act, 2000 (Act No.3 of 2000) in so far as possible.
- 13.1.2 The account, if in arrears, a notice of the Municipality’s intention to disconnect/restrict services will be issued. This notice is intended to comply with the legislative requirements to notify the customer about the intention to disconnect or restrict services due to nonpayment.
- 13.1.3 In the event that full payment of the account, including any accumulated arrears and interest, is not received on or before the due date, the water supply may be disconnected /restricted, unless a formal acknowledgement of debt has been signed by the customer and the necessary payment arrangement for an extension of time has been approved.
- 13.1.4 Even though a customer may have concluded a satisfactory payment arrangement, the Municipality is not obliged to effect a reconnection of services

on the day that payment is received or the agreement has been signed but shall do so as soon as possible after such payment arrangement have been approved.

13.1.5 Where a customer's services are disconnected/ restricted, the customer shall be charged a visitation fee, as determined by the Municipality from time to time. In the event that the premises were visited but no access was gained to effect the disconnection / restriction, the visitation fee shall be charged still.

13.1.6 Where an account is in arrears and no payment arrangement for the settlement of any outstanding debt has been entered into, and whether the services to the property have been disconnected/restricted or not, the Municipality may, regardless of whether the service agreement is terminated or not, implement the procedures for debt collection as set out in Section 16 of this policy, if such action is deemed to be in the best interests of the Municipality.

13.1.8 The Municipality may affect the disconnection protocol detailed below when disconnecting water supply, however the Municipality will use its own discretion on the best mechanism to be used to recover the arrears from customers:

13.1.9 Any customer who has tampered with their water installation in the past and or who has reconnected/switched him/herself on without following procedure laid down in this policy shall in future be hard disconnected without being soft disconnected.

13.3 HARD DISCONNECTION

13.3.2 The Hard Disconnection shall be effected in instances where the following applies:

13.3.2.1 Where on the discretion of the Municipality, the soft disconnection is not the preferred method/mechanism.

13.3.2.2 Soft disconnection was applied and the consumer broke (tampered with) the seal and switched him/herself on without following the process outlined 13.2.3 above,

13.3.2.3 The soft disconnection cannot be effected due to refusal of access, property found locked or any reason that made the Municipal Representative to fail to access the Miniature Circuit Breaker(s) to effect soft disconnection.

13.3.2.4 The water installation was found to be unsafe and the official of the Municipality felt that the only solution to prevent accident will be to interrupt the supply using the hard disconnection method.

13.3.2.5 Or any other eventuality that in the opinion of the Municipal Official assigned to do the disconnection, the best way to effect the disconnection should be by way of hard disconnection.

13.3.2.6 The Municipality representative shall leave the notice which shall detail the process the consumer must follow to remedy the situation.

13.3.3 The Customer/Consumer/Occupier shall not reconnect him/herself in any way. The customer who reconnects him/herself in any way shall be considered to have tampered with the installation in terms of this policy, Uthukela District water Supply Bylaws and the whole water supply installation shall be removed without any further notice until such time that he/she follow the process to remedy the situation and where necessary pay the reinstatement fees as detailed in this policy document.

13.4 COMPLETE SERVICE INSTALLATION REMOVAL

13.4.1 The complete service installation removal shall mean amongst others the following or a combination of the following:

13.4.3 The complete service installation removal shall be effected in instances where the following applies:

13.4.3.1 Hard disconnection was applied and the consumer reconnected him/herself which is then considered as tampering in terms of this policy and electricity supply bylaws,

13.4.3.2 Or any other eventuality that in the opinion of the Municipal Official assigned to do the disconnection, the best way to effect the disconnection should be by way of complete service installation removal.

13.4.4 The Municipality representative shall leave the notice which shall detail the process the consumer must follow to remedy the situation.

13.4.5 The Customer/Consumer/Occupier shall not reconnect him/herself in any way. The customer who reconnects him/herself in any way shall be considered to have tampered with installation for the second time in terms of this policy, Uthukela District Supply Bylaws and the whole electricity supply installation shall be removed without any further notice until such time that he/she follow the process to remedy the situation and where necessary pay the reinstatement fees as per tariff of charges document.

13.5 DISCONNECTION REQUESTED BY THE LANDLORD/PROPERTY OWNER/ OCCUPIER

13.5.1 The Municipality shall respond to request by the Customer/Consumer/Occupier/ Landlord/ Property owner after an application has been made for such request for disconnection. The Customer/Consumer/Occupier/Landlord/Property owner shall do the following:

13.1.6.1 First and foremost the person requesting the disconnection should be the account holder or duly authorised and have a written authorisation from the property owner/landlord if the service is not registered in his/her name or he/she is not the property owner.

13.1.6.2 Fill in the appropriate form and in it he/she shall indicate the reasons for such request.

13.1.6.3 Specify the type of disconnection that is required to be performed amongst the three disconnection methods, ie Soft Disconnection, hard Disconnection & Complete service removal.

13.1.6.4 Pay the appropriate fees for the disconnection as reflected on the tariff register or quoted to do by the Municipality.

13.5.1.4.1 Accept the responsibility of equipment that remains in his/her property such as the water meter.

13.1.6.5 Accept the responsibility of tampering should the occupiers of the property bridge the meter or reconnect themselves unless otherwise the Customer/Consumer/ Occupier/Landlord/Property owner requested the complete removal of the water installation.

13.1.6.6 Accept the fact that the turnaround time for such request for disconnection is 5 working days and it also depends on the accessibility of the property. It shall not be done within 24 hours.

13.1.6.7 The owner reserves the right to request disconnection of services by filling the

appropriate form, in the event that his/her tenant is not meeting the municipal service obligations.

13.1.6.8 On request of any disconnection/removal of services by the customer, the Municipality may conduct the installation audit of all meters in the property and apply this policy where tampering is found.

13.5.2 Customer/Consumer/Occupier/Landlord/Property owner shall understand that this service is not a tool to evict tenants or to resolve disputes between occupants of the property, but it is to limit the loss of water. Where the Municipality can determine that the service is used for reasons not intended for, the Municipality may refuse to offer this service and the Customer/Consumer/ Occupier/Landlord/ Property owner may be liable for the services costs associated with the consumption of services.

13.5.3 Customer/Consumer/Occupier/Landlord/Property owner should understand that on request of the service, the Municipality will require a reconnection fees and the supply shall not be restored until the installation audit is conducted. Where the supply has been disconnected for more than 12 months, the Municipality shall escalate such disconnection to a complete service installation removal as detailed in item 13.4 of this policy.

13.5.4 Customer/Consumer/Occupier/Landlord/Property owner should understand that should they be found Connected to the municipal network without following the reconnection process, they will be subjected to the

CRIMINAL MATTERS AMMENDMENT ACT 18 of 2015

Section 3(1): Any person who unlawfully and intentionally – a) tampers with, damages or destroys essential infrastructure; or b) colludes with or assists any person in the commission performance or carrying out of an activity referred to in paragraph (a), and who knows or ought to have known or suspected that it is essential infrastructure, is guilty of an offence and liable on conviction to a period of imprisonment not exceeding 30 years or in the case of a corporate body as contemplated in section 332(2) of the criminal procedure act, 1977, a fine not exceeding R100 million

14. RECONNECTION/REINSTATEMENT OF TERMINATED / RESTRICTED SERVICES

14.1 Services which have been terminated or restricted shall only be reconnected or reinstated by the Municipality when all the following conditions have been met:

14.1.1 The arrear account and all other accounts in the name of the debtor has been paid in full, including the interest raised on such account; Or an acceptable payment arrangement has been entered into with the Municipality for the

payment of the arrear account, including the interest raised on such account; Or a dispute, as contemplated in Section 12, has been resolved and arrangements for payment as approved by the Municipality have been concluded;

14.1.2 A revised service agreement has been entered into or an existing one reinstated with the Municipality, as contemplated in Section 4 of this policy; and

14.1.3 A deposit, as determined by the Municipality in terms of Section 5, has been paid to the Municipality.

14.1.4 Where water service was discontinued and the customer elected not to pay the monthly water service retention fee, this application shall be subjected to verification if there is water capacity available prior to the payment being accepted.

15. PERIOD FOR RECONNECTION OR REINSTATEMENT

15.1 The Municipality shall endeavour to reconnect or reinstate terminated or restricted services within three (3) working days after the date on which the conditions set out in Section 14 of this policy have been met, unless unable to do so because of circumstances beyond the control of the Municipality.

15.2 The Municipality have a special reconnection which can be made within three (3) hours at a cost determined on the tariff of charges. The customer needs to make the necessary application and pay the appropriate fee.

16. DEBT COLLECTION

16.1 Where debtor accounts are in arrears, the Municipality is authorised to institute any action available in law for the purposes of recovering such debt, including making application to a competent court of law for the issuing of garnishee/ emoluments orders.

16.2 The Municipality may issue a letter of final demand for all amounts in arrears.

16.3 The Municipality may withhold payment to suppliers whose accounts are in arrears in terms of the Supply Chain Management policy.

- 16.4 The approval of building plans (SUBJECT TO AGREEMENT WITH THE COMPENTANT AUTHORITY) may be withheld/ rejected if there are arrears on the property, where plans are submitted or other properties in the name of the debtor.
- 16.5 The Municipality may decline attending, to any infrastructure faults lodged; if there are amounts in arrears in respect of that property the fault is lodged.
- 16.6 Arrear rates, service charges and other charges may be recovered from tenants/occupiers and/or agents by attaching the rentals as set out in Sections 28 and 29 of the Municipal Property Rates Act no 6 of 2004 and in terms of Section 104 (f)(iii) of the Local Government Municipal Systems Act, 2000 (Act 32 Of 2000).
- 16.7
- 16.7.1 Apply the credit control policy in terms of section 13 above and disconnect the prepaid restrict the water supply.
- 16.7.2 The Municipality may also elect to block the purchase of water until such time that the customer has signed an acknowledgement of debt or settled the debt.
- 16.7.3 The Municipality reserves the right to install prepaid meters, at a cost to the consumer, where the consumer has an arrear balance outstanding.
- 16.7.4 The Municipality may also recover the arrears amount from purchase of water, this can be done by deducting a percentage of amount for purchasing the water, until the debt is paid up.
- 16.8 The Municipality may publish the names of account holders, persons or entities with outstanding debt.
- 16.10 The Municipality may hand the collection of arrear debt to an authorised collecting agent of the Municipality. All costs incurred will be for the account of the arrear debtor.
- 16.11 The Municipality may list debtors with arrear balance on the credit bureau.
- 16.12 The Municipality may consolidate all the accounts of a property owned by the customer who is in arrears and thereafter effect section 13 of this policy. The municipality has the right in terms of the law to consolidate as follows:

16.12.3 Where the customer/Landlord/Entity holds a number of properties within the Municipality whilst some of them he/she owes water & sanitation account, and all these are in the name of the Customer/Landlord/Entity, there are accounts in these properties that are in arrears, whilst the water and sanitation services accounts are in the names of his/her tenants, the Municipality shall consolidate all the property accounts in his/her name into one consolidated account thereafter recover the outstanding arrears by instituting water restrictions as per section 13 of this policy. The Municipality will elect to disconnect all or the properties that will ensure that the customer settles his/her debt.

16.13 The Municipality (COMPETANT AUTHORITY) may withhold the issuance of a rates clearance certificate for the transfer of a property, if the District accounts in the name of the debtor is in arrears.

18. COUNCILLOR AND MUNICIPAL STAFF ARREARS

18.1 Staff arrears will be dealt with in accordance with schedule 2 (10) of the Municipal Systems Act, 2000 (Act 32 Of 2000) and in terms of any procedures, method or actions referred to in this policy. Notwithstanding any other procedure, method or action that may be taken in terms of this policy, the Municipality shall deduct any outstanding amount from such staff members' salary.

18.2 In accordance with schedule 1, item 12 A of the Municipal Systems Act, 2000 (Act 32 of 2000), a councillor of the Municipality may not be more than 90 days in arrears for municipal service fees, surcharges on fees, Rates or any other municipal taxes, levies and duties levied by the Municipality.

19. SUNDRY CHARGES

19.1 Interest will be charged on all overdue accounts. In the recovery of sundry charges, the Municipality reserves the right to institute any legal action at its disposal as well as making use of any third party debt collectors.

19.2 Restrictions, disconnections and the termination of services may be instituted to recover overdue Sundry Charges.

20. TAMPERING WITH AND/OR THEFT OF SERVICES

20.1 With regards to water services, if tampering of any nature or theft of such services is identified, the supply to the property may be discontinued by applying one of the

methods identified in item 13.2 to 13.4 for and the water supply may be restricted or discontinued.

- 20.2 The discretion on which method to apply is that of the authorised official.
- 20.3 Water metering and connection equipment remain the property of the Municipality, anyone found to be vandalising the property of the Municipality in any form shall be prosecuted in terms of criminal procedure act, such vandalism may be in terms of tampering with water meters, damaging electrical or water infrastructure and or theft thereof.
- 20.4 The landlord, property owner or the occupier has a responsibility to ensure that the equipment mentioned above is kept safe at all times. Should they be lost or stolen, the cost of replacement shall be borne by the landlord, property owner or the occupier and the Municipality shall only replace them after the relevant replacement costs have been paid and the case number is presented to the municipality as well as the affidavit stating that the meter and or associated accessories indeed were stolen.
- 20.5 The matter may be investigated and if the Municipality is of the opinion that the meter was removed to eliminate evidence, the Municipality may make such claim and substantiate it and claim the relevant losses from such customer. Until the relevant fees/costs are paid, the Municipality shall not restore the service.
- 20.6 If the restricted water supply is tampered with the water supply may be discontinued and the service connection removed
- 20.7 All required outstanding amounts shall be paid in full, or a payment arrangement is entered into; before any reconnection, however the tampering fee is payable up front and in full. Any deviation from this shall be authorised by the Chief Financial Officer or his/her delegated authority.
- 20.8 Where a tampered supply is unmetered/meter bridged etc, the Municipality reserves the right to calculate the lost revenue and back charge the customer from the date that such tampering happened, where the date could not be ascertained, the Municipality will calculate the back charge for 36 months.

- 20.9 The onus is on the customer to provide material evidence sufficient to convince the Municipal Official that the likelihood of the tampering is less than 36 months. In the absence of such evidence, 36 months shall be used.
- 20.10 Back charges will be raised in respect of meters that have been tampered with for the following reasons:
- 20.10.1 Broken seals in order to tamper with the bridge screw
 - 20.10.2 Bridge wire illegally connected to bypass the meter
- 20.10.5 Direct connection to another consumer
- 20.10.7 Any other illegal activity not covered above, a calculated amount will be levied against the account for the period under review. The calculated amount is payable before services are reinstated.
- 20.11 Where the meter installation has been found to be tampered with, and the customer has paid the reinstatement fee, the Municipality shall demand that before the reinstatement is done, the customer brings the meter to the boundary of the property, and the cost for this shall be borne by the customer.
- 20.12 The meter shall not be allowed to be concealed in the customer's property. Where the most appropriate new position of the meter is in dispute, the decision of the Municipal Official duly authorised to determine this shall be final.
- 20.14 In order to calculate the financial loss suffered by the Municipality during the time of tampering, the Municipality may follow at of the following methods:
- 20.14.2 Use an average consumption of the similar a type of installation, similar size, same customer type and where available same consumption profiles and use this to calculate the energy/water consumed
 - 20.14.3 Use an average consumption of the similar a customer prior to tampering happened if this can be established with certainty.

21. AUDIT OF SERVICES ON PROPERTIES

21.1 INSTALLATION AUDITS

In order to ensure that the Municipality does not lose revenue due to services not billed, services billed at wrong tariffs and services falling within the cracks after installation, the following shall be prescribed installation audits:

21.1.1 Once the installation has been commissioned by the technical department, the chief financial officer shall conduct an audit by no later than 3 months after the installation was commissioned, the installation audit should determine the following:

21.1.1.1 The information uploaded to the system is the same as the information on site,

21.1.1.2 The metering instrumentation was installed properly and the meter is registering the correct consumption used by the customer

21.1.1.3 The meter number, seal numbers etc are the same as the system's records

21.1.1.4 The Customer has received the first bill in accordance with consumption taken,

21.1.1.5 The position of the meter is in no way compromising the Municipal revenue (installed in such a manner that it makes it easy for the customer to tamper)

21.1.1.6 The auditor on completion of this audit, must issue an audit certificate to the customer with all the installation records as collected from site. The auditor must also take all the necessary data and photos to be kept in customer file.

21.1.2 After each reinstatement as a result of tampering after the installation has been commissioned by the technical department, the chief financial officer shall conduct an audit by no later than 3 months after the installation was commissioned, the installation audit should determine the following:

21.1.2.1 The information uploaded to the system is the same as the information on site,

21.1.2.2 The metering instrumentation was installed properly and the meter is registering the correct consumption used by the customer

21.1.2.3 The meter number, seal numbers etc are the same as the system's records

- 21.1.2.4 The Customer has received the first bill in accordance with consumption taken,
 - 21.1.2.5 The position of the meter is in no way compromising the Municipal revenue (installed in such a manner that it makes it easy for the customer to tamper)
 - 21.1.2.6 The auditor on completion of this audit, must issue an audit certificate to the customer with all the installation records as collected from site. The auditor must also take all the necessary data and photos to be kept in customer file.
- 21.1.3 After reconnection for non-payment, reconnection requested by the customer, meter was bridged by staff for operational reasons, account change/transfer and any other operation that was done on the meter and after the installation has been commissioned by the technical department, the chief financial officer shall conduct an audit by no later than 3 months after the installation was commissioned, the installation audit should determine the following:
- 21.1.3.1 The information uploaded to the system is the same as the information on site,
 - 21.1.3.2 The metering instrumentation was installed properly and the meter is registering the correct consumption used by the customer
 - 21.1.3.3 The meter number, seal numbers etc are the same as the system's records
- 22.1.3.4 The Customer has received the first bill in accordance with consumption taken,
- 22.1.3.5 The position of the meter is in no way compromising the Municipal revenue (installed in such a manner that it makes it easy for the customer to tamper)
- 22.1.3.6 The auditor on completion of this audit, must issue an audit certificate to the customer with all the installation records as collected from site. The auditor must also take all the necessary data and photos to be kept in customer file.

21.4 It should be noted that after each and every audit conducted by the Municipality, an audit certificate must be issued to the customer and record be kept on the customer file.

21.5 TAMPERED WITH INSTALLATION

21.5.1 If the auditor's findings are such that the installation is tampered with, he/she shall collect all the necessary evidence and issue a notice to the owner/customer/occupier or leave the notice on the post box or inside the meter box whichever will be convenient.

21.10 In order to calculate the loss suffered during the period the meter was bridged, the Municipality shall follow this process:

21.10.1 Analyses the purchase/consumption history and establish where there is 6 months of consumption/purchase history that indicates clearly that the meter was not bridged then,

21.10.2 From that 6 months, calculate the monthly average,

21.11.1 When the Technician has tried everything to ensure that the water supply to the customer is restored and the key problem is a faulty meter and at that time there is no way of resolving that meter problem, the Technician at that time has only one option but to bridge the meter. The water shall follow this process in bridging the meter,

21.11.2 Establish first that all the seals are intact in the meter and there are no signs of tampering that are visible. If there are visible signs of tampering,

21.11.2.1 The water must stop at once and call the Senior Installation Auditor, 21.11.2.2
If this is not possible, he/she must call his foreman/standby foreman.

21.11.2.3 The Foreman shall request where possible, the person present at the property to witness when collecting the evidence of this tampering.

21.11.2.4 The water shall not restore the supply at that premise.

21.11.2.5 The matter shall be referred to the Senior Installation Auditor in writing during the next shift together with all the evidence collected.

21.11.2.6 The Senior Installation Auditor will then take over the matter including communicating with the customer the process that need to be followed to remedy the situation.

21.11.3 Where there is no tampering visible the engineer shall follow the process detailed below

- 21.11.3.2 Remove the terminal cover of the meter and disconnect the phase cable supplying Water to the meter,
- 21.11.3.6 Record what was done on the appropriate form filling in the reason for bridging the meter, the date, time, meter reading at the time of bridging, the meter number, seal, current, voltage, number, and where possible take the photo of the installation as it is left,
- 21.11.3.7 Call faults office clerk and inform them to send an email to the Manager Installation that the meter of the property concerned has been bridged.
- 21.11.3.8 At the end of the shift hand over all the documentation on the tray at faults office for the Manager Service Installations.
- 21.11.3.9 Within 7 days of the bridging of the meter, make a follow up to Manager: Service Installation to find out whether the documentation left at faults office indeed reached the Manager and the rectification was done.

22. CHANGES TO AND OR TERMINATION TO THE SERVICE AGREEMENT

- 22.1 A property owner or account holder who intends varying the service agreement must do so by submitting the application to the finance unit of Uthukela District Municipality. The Municipality will allow only one change per any 12 months period. During the scale change, the active peak demand shall be used for billing until it lapses after its 12 months anniversary.
- 22.2 The Municipality will notify the customer in writing of the decision in terms of downgrade of supply. The Municipality reserves the right to approve or decline the application.
- 22.3 The property owner or account holder should take it into account the fact that when they apply for the upgrade after 12 months of the approved downgrade, their application shall be treated as a new application for capacity increase, this application will therefore undergo the normal upgrade process. The application will incur cost to property owner or account holder and it may depend on the availability of capacity at that stage.
- 22.4 Any new installation together with its installation will regarded as first application in this regard and no change will be allowed until the first 12 months
- 22.5 A property owner or account holder must terminate an agreement with the Municipality for the provision of any municipal services by notice in writing (completing the relevant termination and account closure forms of the Municipality) not less than seven (7) working days before the required termination date.

22.7 Should the service account(s) or the meter sit idle for longer than 12 months, the Municipality shall by virtue of time lapsed, terminate the services to that property, remove the whole water service or only the metering installation. This includes properties with more than one meter, such meters shall be removed from the consumer's property and the installation downgraded accordingly. Should the customer require the services in the future, such service request shall be treated as a new or additional installation. It should be noted that the balance owing shall still be recoverable from the customer.

23. SET-OFF

23.1 The Municipality may set off any credit balance due on an account, against any overdue debt outstanding on another account.

24. REFUNDS

24.1 Credits on accounts shall only be refunded

24.2 On application and subject to all the other accounts being fully paid:

24.2.1 to the account holder, on a rates or services account;

24.2.2 to the owner;

24.2.3 to the conveyancer to pay the buyer or seller, on transfer of a property,

24.2.4 unless otherwise directed by an order of Court.

24.3 The provisions of subsection 24 above shall apply to any credits that may arise from an objection or Appeal process.

24.4 A credit balance shall prescribe, after three (3) years if no formal refund application was submitted by the account holder.

25. DECEASED ESTATES

25.1 The Executor representative of a Deceased Estate shall be liable for payment of all debts on the property.

- 25.2 For the purposes of liability for an account, including a consolidated account, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor administrator has been appointed, will be regarded as the Deemed Owner.
- 25.3 The Chief Financial Officer may request a deemed owner to sign a services agreement.
- 25.4 Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.
- 25.5 “Deemed Ownership” does not confer any rights on an occupier other than the liability to pay the accounts.
- 25.6 Failure to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor has been appointed.
- 25.7 The Municipality may conclude a payment arrangement with any person who wishes to settle a deceased person’s debt or a portion thereof. This provision is intended to assist family members of a deceased person or an occupier of property that is vested in a deceased estate, to receive Municipal services pending the winding up of an estate.
- 25.6 Where a deceased estate is insolvent (liabilities exceed all assets) and a property is sold by the executor pursuant to section 34 of the Administration of Deceased Estates Act, 1965 (Act 66 of 1965), the Municipality enjoys preferent creditor status in terms of section 118 (1) of the MSA. Accordingly, no revenue clearance certificate will be issued until all amounts assessed for the prescribed 2-year period, have been paid. The balance of the debt will be dealt with as guided by the law on the administration of deceased estates.
- 25.7 Where a deceased estate has not been wound up within a period of 3 years, then the Municipality, without derogating from such other rights as
- may exist in law, may disconnect a Municipal service to the property, or review the provisions of any applicable Service Agreement.

26 BUSINESS RESCUE

- 26.1 In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property. Accordingly

26.2 Where in terms of the Companies Act, 2008, a company is required to publish a notice in terms of subsection (3)(a) or (4)(b) of Section 129 relating, respectively to the adoption of a resolution to be placed under business rescue or the appointment of a business rescue practitioner, it must simultaneously give notice to the Municipality for the attention of the Senior Manager: Revenue,

27. MISREPRESENTATION

27.1 Any person who has received any benefit or relief in terms of this Policy and who has misrepresented themselves in order to qualify for such benefit or relief commits an offence and, in addition to criminal proceedings, remedial measures will be taken in a manner as determined by the Municipality from time to time, and the Chief Financial Officer–

27.1.1 Will reverse all benefits and relief received;

27.1.2 Will raise any fee, as determined by Council from time to time, as set out in the Tariff Policy; and

27.1.3 Will cancel any Payment Arrangement and all amounts due to the Municipality will become payable immediately.

27.1.4 The Municipal Manager shall report any misrepresentation in terms of this Policy to the South African Police Services.

28. CONSOLIDATION OF ACCOUNTS

28.1 In terms of Section 102 of the Municipal Systems Act, the municipality may:

28.1.1 Consolidate any separate accounts of persons liable for payments to the municipality;

28.1.2 Credit a payment by such a person against any account of that person; and

28.1.3 Implement any of the debt collection and credit control measures provided for in this Chapter in relation to any arrears on any of the accounts of such a person.

28.1.4 This does not apply where there is a dispute between the municipality and a person referred to in that subsection concerning any specific amount claimed by the municipality from that person.