



CUSTOMER CARE, CREDIT CONTROL AND REVENUE MANAGEMENT POLICY

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CUSTOMER CARE, CREDIT CONTROL AND REVENUE MANAGEMENT POLICY

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1. Definitions

For the purposes of this policy, unless the context otherwise indicates –

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

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

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

“**arrears**” means any amount that the consumer and or owner was billed for and which was not paid in full on the account payment due date and is therefore regarded as outstanding the day following the account payment due date;

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

“**consumer**” means the occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, then any person who has entered into a service agreement with the municipality for the supply of municipal services to such premises, or, if there be no such person, then the owner of the premises, and “**domestic consumer**” or “**domestic user**” of municipal services means the person or household to which municipal services are rendered in respect of residential property;

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

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

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

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

“**customer service centre**” means and serves as –

(a) an office where an applicant may apply for services and enter into a service agreement with the municipality;

(b) an office where an account holder may settle an account or may make pre-payment for services;

(c) a credit screening point where the credit assessment of an applicant can be processed; or

(d) an office where an account holder may query or verify accounts and metered consumption, and may communicate grievances, inquiries, recommendations and other relevant issues to the municipality and from where the response from the municipality can be conveyed to the account holder;

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

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

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

(a) acquired the property through the provision of the Land and Assistance Act, 1993

(Act 126 of 1993);

(b) acquired the property through the provision of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);

(c) holds the property subject to the Communal Property Associations Act, 1996

(Act 29 of 1996); or

(d) holds or acquires the property in terms of such other land tenure reform legislation as may be enacted;

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

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

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

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

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

“municipal entity” means –

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

(b) a service utility;

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

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

“municipal property” includes a property owned by a municipal entity;

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

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

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

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

(a) any person in actual occupation of those premises;

(b) any person legally entitled to occupy those premises;

(c) in the case of those premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether on the person’s own account or as agent for any person entitled thereto or interested therein;

(d) any person having the charge or management of those premises, and includes the agent of any such person when the person is absent from the Republic of South Africa or his or her whereabouts are unknown; and

(e) the owner of those premises;

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

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

“owner”, in relation to –

(a) a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;

(b) a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;

(c) a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; and

(d) public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”,

however, the municipality may, for the purposes of the Property Rates Act, 2004 (Act 6 of 2004), regard as the owner of a property –

(i) in the case of a property in a trust, but excluding state trust land, a trustee,;

(ii) in the case of a property in a deceased estate, an executor or administrator;

(iii) in the case of a property in an insolvent estate or in liquidation, a trustee or liquidator;

- (iv) in the case of a property in the estate of a person under judicial management, a judicial manager;
- (v) in the case of a property in the estate of a person under curatorship, a curator;
- (vi) in the case of a property that is subject to a usufruct or other personal servitude, a person in whose name a usufruct or other personal servitude is registered;
- (vii) in the case of a property that is registered in the name of the municipality and is leased by it, a lessee; and
- (viii) in the case of a property sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of such buyer, a buyer;

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

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

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

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

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

“property” means –

- (a) immovable property registered in the name of a person, including in the case of a sectional title scheme a sectional title unit registered in the name of a person;

- (b) a right registered against immovable property in the name of the person, but excluding a mortgage bond registered against the property;

- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation, such as a “land reform beneficiary”; and

- (d) public service infrastructure;

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

“public service infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme servicing the public;

- (c) power stations, power sub-stations or power lines forming part of an electricity scheme serving the public;

- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuel forming part of the scheme for transporting such fuels;

- (e) railway lines forming part of a national railway system;

- (f) communication towers, masts, exchanges and lines forming part of a communication system serving the public;

- (g) runways or aprons at national or provincial airports;

- (h) breakwaters, seawalls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

- (i) any other publicly controlled infrastructure as may be prescribed by law; and

- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

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

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

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

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

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

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

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

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

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

“**tampering**” means any unauthorised interference with the municipality’s supply, seals and metering equipment and “**tamper**” has a corresponding meaning;

“**target**” means realistic targets which may be set by the municipality ; and

“**tariffs for major services**” means tariffs set for the supply and consumption or usage of major services;

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

CHAPTER 1

CUSTOMER CARE PRINCIPLES, OBJECTIVES AND IMPLEMENTATION, AND DIFFERENTIATION

2. Customer care principles, and objectives

- (1) The municipality aims –
 - (a) to move progressively towards the social and economic upliftment of the community in harmony with its natural environment;
 - (b) to provide basic services that are affordable to all its people, and specifically to the poor and disadvantaged, provided that, where applicable, service fees, rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable, arising from any other liability or obligation, are paid for;
 - (c) to engage the active participation of the community in the municipality’s affairs, in particular in planning, service delivery and performance management;
 - (d) to provide efficient, effective and transparent administration that conforms to constitutional principles;
 - (e) to ensure that the municipality is financially and economically viable; and
 - (f) to create a harmonious relationship between the municipality and the community through the acknowledgement of reciprocal rights and duties;
- (2) The municipality by this policy, within the scope and spirit of the Constitution, the Local Government Municipal Systems Act, 2000 (Act 32 of 2000), and the Property Rates Act, 2004 (Act 6 of 2004) and any amendments thereto, gives effect to the principles underlying and expressed in these Acts, and therefore designs, regulates on and implements –
 - (a) a customer care and management system which has as purpose –
 - (i) to create a positive and reciprocal relationship between the municipality and an account holder;
 - (ii) to establish mechanisms for an account holder to give feedback to the municipality regarding the quality of the services and the performance of the municipality;
 - (iii) to ensure that reasonable steps are taken to inform an account holder of the costs involved in service provision, the reasons for payment of service fees, and the manner in which monies raised from the services provided, are utilised;
 - (iv) to ensure, where the consumption of services has to be measured, that reasonable steps are taken to measure the consumption by individual account holders of services through accurate and verifiable metering systems;

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

3. Municipal Manager responsible officer

The Municipal Manager –

- (a) is responsible to the Council for the implementation and enforcement of the provisions of this policy;
- (b) must, for the purposes of paragraph (a) take the necessary steps to implement and enforce the provisions of this policy;
- (c) is accountable to the Council for the agreed performance targets as approved by the Council, and for these purposes must –
 - (i) report to the Council on matters relating to this policy, including but not limited to –
 - (aa) the effectiveness of administrative mechanisms, resources processes and procedures to collect money that is due and payable to the municipality;
 - (bb) billing information, including the number of account holders, accruals, cash-flow, and customer management;
 - (cc) the satisfaction levels of account holders regarding services rendered; and
 - (dd) the effectiveness of the municipality's indigence relief measures; and
 - (ii) at regular intervals meet with municipal officials with the aim of submitting a joint recommendation on the policy to the Council;
 - (iii) where necessary, propose steps to the Council with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures;
 - (iv) where necessary, propose to the Council actions and adjustments to correct deviations;
 - (v) establish effective communication channels between the municipality and account holders with the aim of keeping account holders abreast of all decisions by the municipality that may affect them;
 - (vi) establish customer service centres which are located in such communities as determined by the municipality;
 - (vii) identify, appoint, and enter into agreements with suitable business concerns, institutions, organizations, establishments or para-statal institutions to serve as agencies for the purposes of this policy;
 - (viii) convey to account holders information relating to the costs involved in service provision, the reasons for payment of service fees, and the manner in which monies raised from the services are utilised, and may where necessary, employ the services of local media to convey such information;
 - (ix) expedite the processing of complaints or inquiries received from an account holder and must ensure that an account holder receives a response within a time determined by the municipality and must monitor the response time and efficiency in these instances;
 - (x) in line with the latest technological and electronic advances, endeavour to make 24-hour electronic inquiry and payment facilities available to account holders;
 - (xi) encourage and bear on account holders, where needed, to settle outstanding accounts within the ambit of this policy; and
 - (xii) with the consent of an account holder, enter into an agreement with the account holder's employer to deduct from the salary or wages of the account holder –

- (aa) any outstanding amounts as may be agreed; or
- (bb) such regular monthly amounts as may be agreed, and may provide special incentives for employers to enter into such agreements, and employees to consent to such agreements.

4. Differentiation between customers and exemption

- (1) In accordance with the principles embodied in the Constitution and the provisions of sections 6 and 8 of the Property Rates Act, 2004, and sections 74(3) and 75 of the Local Government: Municipal Systems Act, 2000, the municipality differentiates between different categories of users and consumers in regard to the tariffs which it levies, categories of ratepayers, account holders, customers, debtors, taxes, services, service standards and other matters, however, such differentiation must at all times be reasonable, and must be fully disclosed in each annual budget.
- (2) The municipality may, in writing, exempt an account holder, category of account holders, or other persons from complying with a provision of this policy, subject to any conditions it may impose, if the application or operation of that provision would be unreasonable, however the municipality or its authorised agent may not grant exemption from any section of this policy that may result in –
 - (a) the wastage or excessive consumption of water or electricity;
 - (b) the evasion or avoidance of water or electricity restrictions;
 - (c) significant negative effects on public health, safety or the environment;
 - (d) the non-payment for services;
 - (e) the installation of pipes and fittings which are not acceptable in terms of the municipality's prescribed standard; or
 - (f) any Act, or any regulation made under it, not being complied with.
- (3) The municipality or its authorised agent may at any time after giving written notice of at least 30 days, withdraw any exemption given under subsection (2).

CHAPTER 2 SUPPLY OF MUNICIPAL SERVICES

Part 1

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

5. Application for supply of municipal services, service agreements, credit control and encouragement to pay arrear accounts

- (1) Any application for any supply of services to any premises must be made at the municipal offices at least four working days prior to the service being required and must comply with the conditions determined by the Municipal Manager or his or her nominated officer .
- (2) After the commencement of this policy and subject to the provisions of section 26 only the owner of a property or his or her duly authorised agent on his or her behalf may apply for municipal services to be supplied to a property.
- (3) No services shall be supplied unless and until application has been made by the owner and a service agreement in the format prescribed by the municipality has been entered into, signed and a deposit provided for in section 7 has been paid.
- (4) An application for a supply for a period of less than one year is regarded as an application for a temporary supply.
- (5) The following information must be included in the application form and disclosed by the applicant:
 - (i) Full name of applicant;
 - (ii) Postal address and fixed abode;
 - (iii) Identity number and a photo-copy of the identity documents of both husband and wife, and if a tenant also copies of the identity document of the owner is compulsory;
 - (iv) Marital status;
 - (v) Three recent references;
 - (vi) Vehicle registration number if any;

- (vii) Name, telephone number and address of next of kin not residing with applicant;
 - (viii) Applicant's home, work and cellular phone numbers;
 - (ix) If a tenant, the owner or representative must sign the application form for approval of the services to be connected;
 - (x) A service deposit paid in advance on request and before the services can be connected;
 - (xi) The application forms must be completed in such a manner that it serves as an agreement with the Council of which a copy must be handed to the applicant;
 - (xii) The application forms must be filed for ease of future reference;
 - (xiii) If the applicant cannot read or write he/she should be assisted with the completion of the form and the agreement explained;
 - (xiv) A paragraph must be inserted whereby the owner will be held responsible for the debt if not paid by the tenant;
 - (xv) Previous address.
- (6) As the Code of Conduct for Councilors in terms of Schedule 1 of the Act does not make provision as in the case of schedule 2 Section 12 of the Code of Conduct for Municipal staff members in respect of the payment of arrears it will form part of this policy that a Council member of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months. The Municipality may deduct any outstanding accounts from the Council member's allowance after this period.
- (7) Upon application for services the following should be obtained from the applicant:-
- (i) photocopies of identity documents of both husband and wife and if the applicant is a tenant, copies of the owner's identity document are compulsory;
 - (ii) names and addresses of next of kin;
 - (iii) motor registration numbers;
 - (iv) the owner or representative of the owner has to sign the application form for approval of the services to be connected;
 - (v) the previous address should be stated for reference.
- (8) Where a service agreement with the municipality has been entered into by the consumer, water and electricity will be disconnected until such time as a service agreement has been signed and the applicable deposit paid;
- (9) New consumer deposits for business and industrial consumers must be re-assessed three months after the initial deposit date.
- (10) All other business and industrial deposits will be reviewed annually during the month of September each year;
- (11) Where electricity and/or water supply have been disconnected erroneously a written apology will be dispatched within seven working days;
- (12) Where consumers fail to pay their water and electricity accounts by the due date, the following actions should be taken:-
- (i) Final notices may be delivered or posted after the due date, and the final notice will contain a notice that the client may arrange to pay the outstanding balance off in terms of the Credit Control Policy;
 - (ii) An Acknowledgement of Debt Agreement must be completed with all arrangements for paying off arrear amounts. Copies must be handed to the client and filed on the Debt Agreement file;
 - (iii) The Acknowledgement of Debt must be signed within 48 hours after the receipt of the final notice;
 - (iv) Debit orders must be completed for the monthly payment of the agreed amount or at least the current amount, as far as possible. If the arrangement is dishonored the full balance will immediately become payable;
 - (v) Extension for the payment of arrears, together with the current accounts, should not exceed 36 months with first payment within 30 days of the date of agreement;
 - (vi) No interest will be charged on the arrear amount of such an agreement;

- (vii) Only consumers with positive proof of identity or an authorized agent with a Power of Attorney will be allowed to complete an "Acknowledgement of Debt;"
- (viii) When cheques are returned "Refer to Drawer" where an arrangement has been made, the full balance will immediately become payable. Electricity and/or water supply to such consumer will be disconnected until the full amount is paid in cash or per bank guaranteed cheque;
- (ix) No consumers will be allowed to enter into a second agreement if the first agreement was dishonored, except in special merit cases;
- (x) Merit cases, where special circumstances prevail, must be treated individually and could, amongst others, include the following categories:-
 - (a) Unemployed persons;
 - (b) Deceased estates;
 - (c) Liquidated companies or CC's;
 - (d) Private persons under administration;
 - (e) Outstanding enquiries on accounts for example, unallocated payments, water leaks, journals, incorrect levies, etc.;
 - (f) Pensioners;
 - (g) Any other cases not mentioned which may be regarded as merit cases due to circumstances approved by the Chief Financial Officer.
- (xi) Extension for payments of arrears in respect of merit cases should not exceed 60 months (5 years) or any other period in the discretion of the Chief Financial Officer.
- (xii) With the first payment within 30 days of the date of the agreement.
 - (a) Only the Chief Financial Officer, the Deputy Chief Financial Officer or the Accountant Income may make extensions and these cases must be supported by documentary proof. Previous payment records will be taken into consideration when a decision with regard to extensions is to be made.
- (xiii) When disconnections of electricity and/or water supply take place due to non-payment, the consumer's deposit will be adjusted to the current minimum;
- (xiv) When services are illegally restored, criminal action will be taken if possible and an administrative penalty as per the budget minor tariffs shall be levied;
- (xv) Where water and electricity accounts remain outstanding or unpaid for more than 2 months, the account will be handed over to Debt Collectors for collection and/or legal action to the Attorneys and will be listed at the Information Trust Corporation. These clients will have to make further arrangements at the Attorney and/or Debt Collectors, for the arrears account. The current monthly accounts must be paid directly to the Municipality.
- (xvi) After a debtor has been handed over for collection, the case will not be withdrawn unless there was a mistake or oversight on the part of the municipality.
- (xvii) Where a property is provided with a pre-paid electricity and or water meter and being in arrears, the municipality has the option to either refuse sales, disconnect services or allocate 20% of the purchases of electricity towards the arrears;
- (xviii) Where consumers fail to pay their accounts in respect of assessment rates, refuse, sewerage and sundry charges and availability charges, the following action should be taken:-
 - (a) To recover the outstanding debts in respect of annual levies a 14 days' notice must be served on the debtor during October each year informing the debtor that it is noted that he/she has not paid the accounts and reminding him/her of the due date the account is payable i.e. end of September;
 - (b) A final demand be served on the debtor early during October of each year informing him/her that he/she has 7 days to pay the account after which he/she will be handed over to the Attorneys for collection and that his/her name will be forwarded to the Information Trust Corporation for listing;
 - (c) The same notification procedures must be followed as applicable to other services for arrangements for paying off arrears;
 - (d) If a consumer is in arrears and an Acknowledgement of Debt Agreement has been signed and the household income does not exceed R1 800.00 per month, and the Debt Agreement is honoured, the levying of interest will be stopped to allow the consumer to

eliminate the outstanding debt within 36 months or within a shorter period, as agreed by the consumer.

6. Credit screening

- (1) The municipality may require of an applicant to submit information and documentary proof so as to enable the municipality to bring its records up to date and to assess the creditworthiness of the applicant, and the municipality reserves the right to call for an affidavit.
- (2) For the purposes of determining the creditworthiness of an account holder the municipality may make use of the service of a credit bureau, or any other agency or means as the Municipal Manager or his or her nominated officer may determine.

7. Deposits

- (1) On approval of the application and before the service is made available, the municipality may require the applicant –
 - (a) to deposit for municipal services with the municipality a sum of money equal to the estimated tariff or charge for an average month's services as determined by the municipality, excluding the cost of a service rendered by means of a pre-payment device used by the municipality;
 - (b) to provide a bank guarantee as security for the sum of money calculated in terms of 7(1) ; or(a) above
 - (c) to agree to special conditions regarding payment of the municipal account, and monies so deposited with the municipality serve as security and working capital;
 - (d) if a guarantee provided per 7(1)(c) above is revoked or matures, the account holder shall supply the municipality with a cash deposit failing which the provision of services shall be terminated and or restricted.
- (2) The Municipal Manager or his or her nominated officer reserves the right to review the sum of money deposited or the amount for which additional security is required.
- (3) Subject to subsection (5), an amount deposited with the municipality in terms of subsections (1) and (2) shall not be regarded as being in payment or part payment of an account due for services rendered.
- (4) The Municipal Manager or his or her nominated officer may, in respect of preferred customers, consider relaxation of the conditions pertaining to deposits as set out in subsections (1) and (2).
- (5) On termination of the supply of services, the amount of such deposit, as determined by the municipality, less any payments due to the municipality, must be refunded to an account holder.
- (6) No interest shall be payable by the municipality on the amount of a deposit held by the municipality in terms of this section.
- (7) A deposit held by the municipality will be forfeited in the event an account holder does not claim the deposit within 12 months from date of termination of services.

8. Billing and payment

- (1) The account holder must pay all amounts due to the municipality as reflected in the municipal account, and the onus is on the account holder to verify the accuracy of such account.
- (2) An account holder must pay for metered services, and must pay the rates, other municipal charges, levies, fees, fines, interest, taxes or any other liability or obligation from the date of origin of such municipal charges until the written termination of the services.
- (3) An account holder –
 - (a) has one account number and must be rendered one account, on which the due date for settlement of the total amount owing is reflected, subject to the provisions of subsection (14); and
 - (b) must be rendered an account monthly in cycles of approximately 30 days.
- (4) Payment must be received on or before the close of business on date as stipulated on the account.
- (5) Payment made via any of the service providers appointed by the municipality to receive payments on its behalf, should be made at least four working days before the due date to enable the payment to be

processed, and interest accrues should the municipality receive payment after the due date as per the account.

- (6) Where the account holder effects payment of an account via a service provider four working days or more before the due date and such service provider fails to furnish the municipality with the relevant payment details, such service provider may be held liable for all charges incurred by the municipality to recover an arrear amount erroneously reflected on the account of the account holder, as well as for interest charges.
- (7) The municipality may estimate the quantity of metered services supplied in respect of a period or periods within the interval between actual successive readings of the meters, and may render an account to an account holder for the quantity of metered services so estimated, subject that:
 - (a) Estimate consumption shall not be applied for a period in excess of three reading intervals per financial year and the three intervals so estimated shall not be consecutive reading intervals;
 - (b) Estimate consumption shall be based on the actual average consumption of the preceding three reading intervals.
- (8) If an account holder is dissatisfied with an account rendered for metered services supplied by the municipality, such account holder may, prior to the due date stipulated therein object to the account, setting out reasons **in writing** for such dissatisfaction.
- (9) Should any dispute arise as to the amount owing by an account holder, and subject to the provisions of section 102 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the account holder must notwithstanding such dispute proceed to make regular payments by the due date based on the calculation of the average municipal account for the preceding three months prior to the arising of the dispute and taking into account interest as well as the annual amendments of tariffs of the municipality.
- (10) An error or omission in any account or failure to render an account does not relieve the account holder of the obligation to pay by the due date.
- (11) If an account holder uses water, refuse removal services, sanitation services or electricity for a category of use other than that for which it is supplied by the municipality and is in consequence not charged for water refuse removal services, sanitation services or electricity so used, or is charged for the water, refuse removal services, sanitation services or electricity at a rate lower than that at which the account holder should be charged, the account holder is liable for the amount due to the municipality in accordance with the prescribed charges in respect of –
 - (a) the quantity of water or electricity the refuse removal services and sanitation services which the account holder has used and for which the account holder has not been charged; or
 - (b) the difference between the cost of the water or electricity used by the account holder at the rate at which the account holder has been charged and the cost of the water or electricity at the rate at which the account holder should have been charged.
- (12) An account holder is not entitled to a reduction of the amount payable for metered services which are lost due to a default in the meter, until such time as the provisions of section 14(8)(c) have been met.
- (13) The municipality may –
 - (a) consolidate any separate accounts of an account holder liable for payment to the Municipality;
 - (b) credit any payment by an account holder against any debt of that account holder; and
 - (c) implement any of the debt collection and credit control measures provided for in this policy in relation to any arrears on any account of such a person.
- (14) The owner of property may enter into an agreement with the municipality in terms of which payment for rates is made annually, in which case payment must be made on or before the date determined by the municipality.
- (15) Monthly accounts shall be rendered to consumers for the amount due and payable, at the address last recorded with the municipality.
- (16) Accounts shall –
 - (a) show –
 - (i) the consumption or estimated consumption or assumed consumption as determined for the measuring or consumption period;
 - (ii) the measuring or consumption period;
 - (iii) the applicable tariff;
 - (iv) the amount due in terms of the actual, estimated or assumed 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 arrears, if any;
 - (viii) the final date for payment;
 - (ix) the methods, places or approved agents where payment may be made;
- (17) In the event an account holder relocates to another premise, the account holder must pay all outstanding service charges and rates and taxes, if rates and taxes are in arrears, before a service agreement is entered with the consumer at the other premises.
18. In the event an account holder offers to the municipality a “refer to drawer”, post-dated, stale or incorrectly completed cheque for payment of services and or other charges, the municipality must-
- (a) levy an administrative fee as provided for in the annual budget;
 - (b) recover the bank costs, if any;
 - (c) debit the full amount of the cheque against the account;
 - (d) require payment in cash;
 - (e) follow the credit control measures as provided for in the policy after proper notice has been given and the account holder fails to adhere to the notice and request for payment;
 - (f) refuse in future any cheque payment of the account holder for any services or charges.

9. Termination of service agreement

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

Part 2

Non-payment of municipal accounts

10. Arrangements for payments

- (1) Should an account holder, before any of the steps have been taken in terms of section 12, not be able to pay the municipal account in full, the account holder may approach the municipality with the aim of making short-term arrangements to settle the account.
- (2) Should an account holder, after any of the steps have been taken in terms of section 12, experience difficulties in paying the municipal account, the account holder may approach the municipality with the aim of making arrangements to settle the account, and the account holder must enter into a written agreement with the municipality to repay to the municipality the outstanding and due amount under the conditions and on a basis determined, by the Municipal Manager, or his or her nominated officer.
- (3) The written agreement has to be signed on behalf of the municipality by a duly authorised officer.
- (4) Only a consumer with positive proof of identity and address and authorised by the owner of the property in writing, shall be allowed to enter into an agreement for the payment of arrears in instalments.
- (5) 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, or in the event of a deposit allocated for arrears or final settlement of an account, payment shall be allocated in reduction of the consolidated debt as provided for in the service level agreement or on the following basis –
 - (a) firstly towards payment of the current account for:
 - (i) water charges;
 - (ii) sanitation charges;
 - (iii) refuse charges;

- (iv) property tax charges
 - (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.
 - (e) lastly towards payment of electricity charges.
- (6) In the instance where arrangements for payment have been made the municipality may –
 - (a) review the deposit;
 - (b) require of an account holder to pay by means of a stop order or debit order;
 - (c) require of an account holder to convert to a pre-paid metering system;
 - (d) require any other form of security, including personal suretyship by the directors or members of a company, closed corporation, trust or body corporate, or;
 - (e) waive the interest on the arrear amount.
- (7) A consumer may be required to complete a debit order for the payment of arrears.
- (8) No agreement for the payment of arrears shall be longer than 24 months, unless the circumstances referred to in subsection (9) prevail.
- (9) The Municipality may, on an individual basis, allow a longer period than 24 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, and documentary proof of such special circumstances must be furnished by the consumer on request by the Municipality.
- (10) The Municipality may, in exercising its discretion under subsection (5), have regard to a consumer's –
 - (b) credit record;
 - (c) consumption;
 - (d) level of service;
 - (e) previous breaches of agreements for the payment of arrears in instalments (if any); and
 - (f) any other relevant factors.
- (11) A copy of the agreement shall, on request, be made available by the Municipality to the consumer.
- (12) 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 immediately be due and payable, without further notice or correspondence.
- (13) 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.
- (14) No consumer shall 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 into after the receipt of a discontinuation notice.
- (15) If a consumer owes the municipality more than R5 000.00 for a period in excess of 150 days, the Accounting Officer may after negotiations with the consumer write off 50% of the arrear amount that is in excess of 150 days.

11. Interest and penalties on overdue municipal accounts

- (1) The municipality may, by resolution of its determined number of members, charge or recover interest and penalties at a determined interest rate in respect of any arrear amounts due and payable to the municipality.
- (2) Irrespective of the reason for non-payment, interest accrues if an account is unpaid.
- (3) Interest is calculated monthly according to the approved interest rate as determined in the annual budget, and a portion of a month is regarded as a month.
- (4) Interest or penalties are payable if payment is not received at an office of the municipality at close of business on the due date.
- (5) In an effort to encourage payment no interest will be payable on the arrear amount when a consumer makes arrangements for payment of an arrear account.
- (6) Penalties of 10% will be charged on all services accounts that are in arrears and due to the municipality.

12. Debt collection mechanisms

- (1) Where appropriate, the Municipality must at all times attempt to advise an account holder of an impending disconnection, or restriction of a supply, and the following mechanisms may be applied should an account holder fail to settle a municipal account by the due date:
 - (a) delivering or mailing of a final demand and explaining to the account holder the status of the account and the consequences of not paying or concluding an arrangement;
 - (b) informing the account holder verbally, in writing, telephonically, or by electronic means of the overdue amount and the impending disconnection or restriction of services;
 - (c) disconnecting or restricting the supply of municipal services to the premises and the serving of a disconnection or restriction notice on the account holder; or
 - (d) debiting the municipal account of the account holder with all relevant fees or penalties approved by the municipality.
- (2) Where the metered supply had been disconnected or restricted, and should the account holder still fail to pay the account, the premises may be revisited at regular intervals to ensure that the metered supply remains disconnected or restricted, and if it is found that the supply which had been disconnected or restricted previously has been restored –
 - (a) the municipality has the right to take whatever action is required in terms of section 26, and the account holder is responsible for the relevant fees or charges or damages caused;
 - (b) the municipality may refuse to supply services;
 - (c) in the instance of the use of a pre-paid meter, the municipality may cease further vending of pre-paid services; and
 - (d) levy and administrative penalty as provided for in the budget.
- (3) Where a duly authorised officer of the municipality has visited the premises for the purpose of disconnecting or restricting the supply and was obstructed or prevented from effecting such disconnection or restriction, an amount equal to the prescribed fee for a reconnection becomes payable for each visit necessary for the purpose of such disconnection or restriction, subject to a maximum of two such visits during which disconnection or restriction could not be effected.
- (4) The municipality may use any one or more of the following mechanisms to secure full payment of any amounts owing to it:
 - (a) Restricting or denying the sale of pre-paid services to an account holder, or disconnecting any pre-paid metering system of an account holder, who is in arrears with other services;
 - (b) requiring of the account holder to convert to another metering system;
 - (c) allocating a portion of any pre-paid payment to other debts;
 - (d) releasing debtor information to a credit bureau;
 - (e) publishing a list of account holders who remain in default;
 - (f) withholding payment of a grand-in-aid and subject to the provisions of section 33, excluding the account holder from the bid process;
 - (g) withholding payment on contracts for settlement of the municipal account;
 - (h) reviewing and altering the conditions of the service agreement;
 - (i) instituting legal proceedings for the recovery of the debt;
 - (j) classifying the account holder as an unreliable customer;
 - (k) using the services of external debt collection specialists or agencies;
 - (l) insisting on conversion to pre-paid metering at the cost of the account holder; or
 - (m) employing any other methods authorised by the municipality from time to time to recover arrear amounts.
- (5) The cost of collection, where applicable, is for the account holder.
- (6) Subject to the provisions of sections 28 and 29 of the Property Rates Act, 2004 (Act 6 of 2004), the right to deny, restrict, disconnect or terminate services due to the non-payment for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation prevails notwithstanding the fact that –
 - (a) payment was intended for any specific service; or
 - (b) the person who entered into a service agreement for supply of services with the municipality and the owner are different entities or persons, as the case may be.

- (7) Where an account holder is indebted to the municipality for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation, the municipality may deduct a percentage from the amount tendered for the purchase or payment of services to offset the amount owing to the municipality;
- (8) In the event that the municipality decides to implement the provisions of sub-clause 14(e) to deduct a percentage from the amount tendered by a person owing amounts to the municipality for pre-payment services to offset against any arrear amounts, such percentage shall be done on a 60/40 basis where 60% of the tendered amount is allocated towards pre-payment sales and 40% of the tendered amount is allocated towards the amount owing to the municipality;

Part 3

Metering equipment and metering of services

13. General provisions

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

14. Metering equipment and measuring of consumption

- (1) The municipality must, at the consumer's cost in the form of a direct charge or prescribed fee, provide, install and maintain appropriately rated metering equipment at the point of metering for measuring metered services.
- (2) The municipality reserves the right to meter the supply to a block of shops, flats, tenement-houses and similar buildings for the building as a whole, or for an individual unit, or for a group of units.
- (3) Where any building referred to in subsection (2) is metered by the municipality as a whole -
 - (a) the owner may, at own cost, provide and install appropriate sub-metering equipment for each shop, flat and tenement; or
 - (b) the municipality may require the installation, at the account holder's expense, of a meter for each unit of any premises in separate occupation for the purpose of determining the quantity of metered services supplied to each such unit.
- (4) Where the water or electricity used by consumers is charged at different tariff rates, the consumption must be metered separately for each rate.
- (5) Where sub-metering equipment is installed, accommodation separate from the municipality's metering equipment must be provided where appropriate.
- (6) Except in the case of pre-payment meters, the quantity of metered services used by a consumer during any metering period is ascertained by reading the appropriate meter or meters supplied and installed by the municipality at the beginning and end of such metering period, except where the metering equipment is found to be defective.
- (7) For the purpose of calculating the amount due and payable for the quantity of metered services consumed, the same amount of metered services is deemed to be consumed during every period of 24 hours between readings.
- (8) The following apply to the accuracy of metering:
 - (a) A meter is conclusively presumed to be registering accurately if its error, when tested in the manner prescribed in subsection (13), is found to be within the limits of error as provided for in the applicable standard specifications;
 - (b) the municipality has the right to test its metering equipment, and if it is established by test or otherwise that such metering equipment is defective, the Municipality must –
 - (i) in case of a credit meter, adjust the account rendered; or
 - (ii) in the case of prepayment meters:
 - (aa) render an account where the meter has been under-registering; or
 - (bb) issue a free token where the meter has been over-registering; and

- (c) the consumer is entitled to have the metering equipment tested by the municipality on payment of the prescribed fee, and if the metering equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of paragraph (b) and subsection (7) must be made and the aforesaid fee must be refunded.
- (9) No alterations, repairs, additions or connections of any description may be made on the supply side of the point of metering unless specifically approved in writing by the Municipal Manager or a duly authorised officer of the municipality.
- (10) Prior to the municipality making any upward adjustment to an account in terms of subsection (8)(b), the municipality must –
- (a) notify the consumer in writing of the monetary value of the adjustment to be made and the reasons therefore;
 - (b) in such notification provide sufficient particulars to enable the consumer to submit representations thereon; and
 - (c) call upon the consumer in such notice to present it with reasons in writing, if any, within 21 days or such longer period as the municipality may permit, why the account should not be adjusted as notified, and should the consumer fail to provide any representation during the period the municipality is entitled to adjust the account as notified in paragraph (a).
- (11) The Municipality must consider any representation provided by the consumer in terms of subsection (10) and must, if satisfied that a case has been made out therefore, adjust the account appropriately.
- (12) If the Municipal Manager or a duly authorised officer of the municipality decides, after having considered the representation made by the consumer, that such representation does not establish a case warranting an amendment to the monetary value established in terms of subsection (15), the municipality is entitled to adjust the account as notified in terms of subsection (10)(a), and the consumer has the right to appeal the decision of the official in terms of section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- (13) Meters are tested in the manner provided for in the applicable standard specifications.
- (14) When an adjustment is made to the consumption registered on a meter in terms of subsection (8)(b) or (8)(c), such adjustment is based either on the percentage error of the meter as determined by the test referred to in subsection (13), or upon a calculation by the Municipality from consumption data in its possession, and where applicable, due allowance must be made, where possible, for seasonal or other variations which may affect consumption.
- (15) When an adjustment is made as contemplated in subsection (14), the adjustment may not exceed a period of six months preceding the date on which the metering equipment was found to be inaccurate, however the application of this subsection does not bar a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.
- (16) The municipality may dispense with the use of a meter in case of –
- (a) an automatic sprinkler fire installation; and
 - (b) special circumstances at the Engineer's discretion.
- (17) The municipality may by notice –
- (a) prohibit or restrict the consumption of metered services –
 - (i) for specified or non-specified purposes;
 - (ii) during specified hours of the day or on specified days or otherwise than during specified hours of the day or on specified days; and
 - (iii) in a specified or non-specified manner; and
 - (b) determine and impose –
 - (i) limits on the quantity of metered services which may be consumed over a specified period;
 - (ii) charges additional to those prescribed in respect of the supply of metered services in excess of a limit contemplated in subparagraph (i); and
 - (iii) a general surcharge on the prescribed charges in respect of the supply of metered services; and
 - (c) impose restrictions or prohibitions on the use or manner of use or disposition of an appliance by means of which metered services is used or consumed, or on the connection of such appliance.

- (18) The municipality may limit the application of the provisions of a notice contemplated by subsection (17) to specified areas and classes of account holders, premises and activities, and may provide for the Municipality to permit deviations and exemptions from, and the relaxation of any of the provisions on such grounds as he or she may deem fit.
- (19) To ensure compliance with a notice published in terms of subsection (17), the municipality may take, or by written notice require an account holder at the account holder's expense to take, such measures, including the installation of measuring devices and devices for restricting the flow of metered services as may be necessary
- (20) In addition to the person by whose act or omission a contravention of or failure to comply with the terms of a notice published in terms of subsection (17) is actually committed, an account holder in respect of the premises to which metered services are supplied is presumed also to have committed the contravention or to have so failed to comply, unless evidence is adduced that the account holder had taken all reasonable steps to prevent such a contravention or failure to comply by any other person, however, the fact that the account holder issued instructions to the other person shall not of itself be accepted as sufficient proof that the account holder took all such reasonable steps.
- (21) The provisions of this section also apply in respect of metered services supplied directly by the municipality to account holders outside its area of jurisdiction, notwithstanding anything to the contrary in the conditions governing such supply, unless otherwise specified in the notice published in terms of subsection (17).
- (22) If such action is necessary as a matter of urgency to prevent waste of metered services, refuse or sewerage, damage to property, danger to life, or pollution of water, the municipality may –
- (a) without prior notice disconnect the supply of metered services to any premises; and
 - (b) enter upon such premises and do such emergency work, at the account holder's expense, as he or she may deem necessary, and in addition by written notice require the account holder to do within a specified period such further work as the municipality may deem necessary.
- (23) Before any metered or pre-paid metered supplies which have been disconnected or restricted for non-payment is restored, an account holder must pay all fees and charges as determined by the municipality.
- (24) The municipality may, at the written request of an account holder and on the dates requested by the account holder –
- (a) disconnect the supply of metered services to the account holder's premises; and
 - (b) restore the supply, and the account holder must before the metered services is restored pay the prescribed charge for the disconnection and restoration of his or her supply of metered services.
- (25) After disconnection for non-payment of an account or a contravention of any provision of this policy, the prescribed fees must be paid before reconnection is made.
- (26) The following apply to the reading of credit meters:
- (a) Unless otherwise prescribed, credit meters are normally read at intervals of approximately one month and the fixed or minimum charges due in terms of the tariff are assessed accordingly and the municipality is not obliged to effect any adjustments to such charges;
 - (b) if for any reason the credit meter cannot be read, the municipality may render an estimated account, and estimated consumption must be adjusted in a subsequent account in accordance with the consumption actually consumed.
 - (c) when an account holder vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly;
 - (d) if a special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee; and
 - (e) if any calculating, reading or metering error is discovered in respect of any account rendered to a consumer –
 - (i) the error must be corrected in subsequent accounts;
 - (ii) any such correction applies only in respect of accounts for a period of six months preceding the date on which the error in the accounts was discovered,
 - (iii) the correction is based on the actual tariffs applicable during the period; and
 - (iv) the application of this section does not prevent a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.
- (27) The following apply to pre-payment metering:

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

15. Re-sale of water or electricity

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

CHAPTER 3

CHAPTER 4

ENFORCEMENT

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

The municipality may, over and above the provisions of any other provisions in this policy restrict or disconnect the supply of water and electricity, or discontinue any other service to any premises if -

- (a) an administration order is granted in terms of section 74 of the Magistrates Court Act, 1944 (Act 37 of 1944), in respect of an account holder;
- (b) an account holder of any service fails to comply with a condition of supply imposed by the municipality;
- (c) an account holder obstructs the efficient supply of electricity, water or any other municipal services to another account holder;
- (d) an account holder supplies such municipal services to any person who is not entitled thereto or permits such service to continue;
- (e) an account holder causes a situation which is dangerous or a contravention of relevant legislation; or
- (f) an account holder is placed under provisional registration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act, 1936 (Act 24 of 1936).

17. Tampering, unauthorised connections and reconnections, and improper use

- (1) The municipality reserves the right to monitor the service network for signs of tampering or irregularities.
- (2) No person may in any manner or for any reason whatsoever tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality.

- (3) Where prima facie evidence exists of an account holder or any person having contravened subsection (2), the municipality has the right to disconnect the supply immediately and without prior notice to the account holder, and the account holder is liable for all fees and charges levied by the Municipality for such disconnection plus penalty as provided for in the annual budget.
- (4) Where an account holder or any person has contravened subsection (2) and such contravention has resulted in the meter recording less than the true consumption, the municipality has the right to recover from the account holder the full cost of his or her estimated consumption and the cost of repair or replacement of damaged metering devices.
- (5) Where prima facie evidence exists of an account holder or any person having contravened subsection (2), the municipality must report the matter to the South African Police Services.
6. Where an account holder or any person has contravened subsection (2), the account rendered to the premises must be paid in full before consumption is resumed.
7. Where an account holder or any person has contravened subsection (2), all credit service consumption meters must be replaced with pre-paid meters and such conversion costs shall be for the account of the account holder.

22. Clearance certificate

To effect the transfer of any immovable property from one registered owner to another, the Registrar of Deeds requires a clearance certificate, which certificate is obtainable from the municipal manager or a duly authorised officer of the municipality, upon payment of the prescribed fee and subject to the conditions of Section 118 of the Municipal Systems Act, 2000 (Act 32 of 2000) being met.

18. Bids and grants-in-aid

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

19. Power of council to recover costs

- (1) Where a bank dishonours any payment made to the municipality, the municipality may levy and recover all related costs and any administration fees against an account of the defaulting account holder and may disconnect or restrict the supplies to the premises of such account holder.
- (2) All legal costs, including attorney-and-client costs incurred in the recovery of amounts in arrears and payable in terms of the Magistrates Court Act, 1944 (Act 32 of 1944), must be levied against the arrears account of the account holder.
- (3) For any action taken in demanding payment from an account holder or reminding an account holder by means of telephone, fax, electronic mail, letter or otherwise that payments are due, a fee will be levied against the municipal account of the account holder in terms of the municipality's tariff provisions.

20. Prima facie evidence

A certificate reflecting the amount due and payable to the municipality, signed by the municipal manager or a duly authorised officer of the municipality, is upon mere production thereof prima facie evidence of the indebtedness of the person mentioned in it.

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

- (1) Before terminating the debt collection procedure in any individual instance, the municipal manager must –
 - (a) ensure that all debt collection mechanisms as provided for in section 12 have been utilised where reasonable;
 - (b) maintain an audit trail; and
 - (c) document the reasons for terminating the debt collection procedure, including the cost of enforcement and necessary financial adjustments.
- (2) The municipal manager or a duly authorised officer of the municipality may consider an offer for full and final settlement, and must, if in the interests of the municipality, in writing consent to the acceptance of a lesser amount as full and final settlement of the amount due and payable.
- (3) Where the exact amount due and payable to the municipality has not been paid in full, any lesser amount tendered to and accepted by any the municipality employee, except the municipal manager or the municipal manager's delegate, shall not be deemed to be in full and final settlement of such an amount.

22. Power of entry and inspection

- (1) A duly authorised representative of the municipality may for any reason related to the implementation or enforcement of this policy at all reasonable times or in emergency at any time, enter premises, request information and carry out such inspection as deemed necessary, and may for purposes of installing or repairing any meter or service connection for reticulation disconnect, stop or restrict the provision of any service.
- (2) If the municipality considers it necessary for work to be performed to enable an officer to perform a function referred to in subsection (1) properly and effectively, it may –
 - (a) by written notice require an account holder to do, at own expense, specified work within a specified period; or
 - (b) if the situation is a matter of urgency, without prior notice do such work or cause it to be done at the expense of the account holder.
- (3) If the work referred to in subsection (2) is carried out for the sole purpose of establishing whether a contravention of this policy has been committed and no such contravention has taken place, the municipality must bear the expense connected therewith together with that of restoring the premises to their former condition.

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

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

- (4) Service of a copy is deemed to be service of the original.
- (5) Any legal process is effectively and sufficiently served on the municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.

CHAPTER 5

MISCELLANEOUS PROVISIONS

24. Right of appeal

- (1) A person whose rights are affected by a decision of a municipal officer may appeal against that decision 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.
- (2) The Municipal Manager must promptly submit the appeal to the appropriate appeal authority mentioned in subsection (4).
- (3) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.
- (4) When the appeal is against a decision taken by –
 - (a) a staff member other than the municipal manager, the municipal manager is the appeal authority;
 - (b) the municipal manager, the Mayor is the appeal authority; or
 - (c) a political structure or political officer bearer or a the councillor, a committee of councillors who were not involved in the decision and appointed by the municipality for this purpose is the appeal authority.
- (5) An appeal authority must commence with an appeal within six weeks and decide the appeal within a reasonable time.

25. Offences and penalties

A person is guilty of an offence and liable upon conviction to a period not exceeding six months of community service or a fine or a combination of the aforementioned if he or she –

- (a) fails to give access required by an officer in terms of section 22;
- (b) obstructs or hinders an officer in the exercise of his or her powers or the performance of functions or duties under this policy;
- (c) uses or interferes with the municipality equipment for consumption of services supplied;
- (d) fails or refuses to give the municipality or an officer such information as the municipality or the officer may reasonably require for the purpose of exercising powers or functions under this policy, or gives the municipality or the officer false or misleading information knowing it to be false or misleading;
- (e) fails to comply with the terms of a notice served upon him or her in terms of this policy; or
- (f) tampers or breaks any seal on a meter or on any equipment belonging to the municipality, or for any reason determined by the municipal manager causes a meter not to register the services used properly, and the person shall furthermore be charged for usage of electricity or water, as the case may be.

26. Transitional provision

- (1) A person who has been the owner of property within the Municipality before the commencement of this policy must within a period determined by the municipality, after the commencement of this policy, enter into a new service agreement with the municipality in terms of which such owner undertakes to be solely responsible for any municipal charges relating to each of such owner's properties failing which the supply of services to the property may be discontinued or restricted.
- (2) A lessee of a premises who consumes services provided by the Municipality before the commencement of this policy must within a period determined by the municipality, after the commencement of this policy, enter into a new service agreement with the municipality in terms of which such lessee undertakes to be solely responsible for any municipal charges relating to each of such properties leased, failing which the supply of services to the property may be discontinued or restricted.

27. Short title and commencement

This Policy may be cited as the Umsobomvu Municipality Customer Care, Credit Control and Revenue Management Policy, and commences on the date of approval and or amendment by Council.

REVISION CHECKLIST

Approved per Council Resolution	34/05/2013	dd	31 May 2013
Reviewed per Council Resolution	90/05/2014	dd	30 May 2014
Reviewed per Council Resolution	3/05/2015	dd	25 May 2015
Reviewed per Council Resolution	03/06/2016	dd	31 May 2016
Reviewed per Council Resolution	03/03/2017	dd	31 May 2017
Reviewed per Council Resolution	02/05/2018	dd	31 May 2018
Reviewed per Council Resolution	02/05/2019	dd	30 May 2019
Reviewed per Council Resolution	03/05/2020	dd	28 May 2020