

# **POLICY DOCUMENT**

## **FINANCIAL SERVICES DEPARTMENT METERED SERVICES MANAGEMENT**





## **FINANCE DEPARTMENT METERED SERVICES MANAGEMENT**

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## A. BACKGROUND

AND WHEREAS section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

IT IS HEREBY ADOPTED: a Metered Services Management Policy of the uMhlathuze Municipality.

## B. DEFINITIONS

For the purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

- **“Account”** “any account(s) rendered by the municipality specifying amounts due to the municipality arising from whatever cause, including municipal accounts as defined hereinafter
- **“Municipal systems act”** – means Local Government: Municipal Systems Act: (Act No 32 of 2000) as amended from time to time.
- **“Municipal Finance Management Act”** – means the Local Government: Municipal Finance Management Act No.56 of 2003, and any regulations made under that Act;
- **“Contractor”** – means a person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
- **“CFO”** – means a person appointed as the Deputy Municipal Manager – Financial Services of the Municipality (Chief Financial Officer), or his nominee and include any person acting in that position or to whom authority was delegated.
- **“Council”** – means the municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa Act 108 of 1996, of the uMhlathuze Municipality established by part 7 of Provincial Notice 80, dated 27 September 2000.

- **“Customer”** - means any occupier of any premises to which Council 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.
- **“Equipment”** - means a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories
- **“Implementing Authority”** - means the City Manager or his or her nominee, acting in terms of section 100 of the Systems Act.
- **“Municipal account”** – means an account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and/or assessment rates levies.
- **“Municipality”**, when referred to as –
  - means the uMhlathuze Municipality;
  - a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
  - a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act No.27 of 1998;
- **“Chief Executive Officer”** – means the person appointed as Municipal Manager and/or the Chief Accounting Officer and include any person acting in that position or to whom authority was delegated. That person is appointed in terms of section 54 (a) of the Municipal Systems Act (is the head of administration and also the accounting officer of the municipality)
- **“Infrastructure and Technical Services Department** – means the applicable section within the Engineering Department, being responsible for either Electricity or Water.
- **“Municipal services”** – means those services provided by the municipality, such as
  - the supply of water and electricity, refuse removal, sewerage treatment, and for which services charges are levied.
  - such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76 of Municipal Systems Act;
- **“Meter”** – means the physical piece of equipment that measures the flow, energy and load.
- **“Metered services”** – means the services rendered by Council that are metered being water and electricity.



- **“Load”** – refers to the single highest demand passing through a meter during a given cycle.
- **“Energy”** – is the number of unit (kWH) measured during a cycle.
- **“Consumption”** – means the measured units during a given cycle.
- **“Meter-reading”** – means the reading taken by a meter-reader or contractor on a given date and time.
- **“Official documentation”** - means the accepted documents in use within the uMhlathuze Municipality for a given purpose.
- **“Consumer/customer”** – means the person or entity that Council has a consumer agreement with.
- **“Shared water supply” (also known as Supply point)** – means multiple properties who share the same water supply meter.
- **“Municipal tariff”** – means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff.
- **“Rebates”** - means the re-calculation of the amount due for a given consumption at a lower scale of the applicable tariff.
- **“Premises”** – means includes any piece of land, the external surface boundaries of which are delineated on a general plan or diagram registered in terms of the Land Survey Act, 1927 (9 of 1927), or in terms of the Deed Registry Act, 1937 (47 of 1937); or
- **“Rural”** – refer to un-proclaimed and non-divided properties, managed by the traditional authorities.
- **“Urban”** – refer to proclaimed, described and registered properties in the Surveyor General and Deeds offices.
- **“Spiked water consumption”** – refers to a sharp increase of water consumption in one month.



## C. PURPOSE OF THE POLICY

To ensure that all consumers with metered services pay for their actual consumption. This policy also seeks to ensure that persons liable for payment receive regular and accurate accounts that indicate the basis for calculating the amounts due. The policy will protect service users from inaccurate bills.

The other purpose is to ensure that Meter Reading policy forms part of the financial system of the municipality and to ensure that the same procedure is followed for each individual user.

### 1. AREA OF APPLICATION:

This policy applies throughout the jurisdiction area of the City of uMhlathuze Municipality.

### 2. ROLES AND RESPONSIBILITIES:

In terms of Section 101 of Local Government: Municipal System Act 32 of 2000, the occupier of premises in a municipality must give an authorized representative of the municipality or of a service provider 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.

### 3. CONTENTS OF THE POLICY

A Meter Reading process will unfold as follows:

- a. **Target Dates** - The Contractor will read water and electricity meters in the areas identified by the Municipality once every month. The Contractor will attempt to keep the period between consecutive meter readings as near as possible to thirty (30) days.
- b. **Special Reading and Test Readings** - Where meter reading would not be obtained during the first round, the Contractor will attempt to obtain these readings in a second round (within same period). Owners whose property remains inaccessible for readings to be taken, they must submit the readings either by phone, email or physically submit to the enquiry desk. The municipality will confirm the readings.

Special Reading will also be undertaken where variance reports show discrepancies in the meter reading data. Special readings may be taken on request of either the public or the Municipality on an ad-hoc basis. Alternatively, the public can phone in readings or provide them via e-mail.



The Contractor will take and verify these readings. Meter-reading system (e.g. hand-held terminals) will be used.

- c. **Identification of Meter Readers** - All meter readers of the Contractor will wear uniform and identification cards (with contact information of the Contractor and ID).
- d. **Access to Meters** - The Municipality will provide the Contractor with the necessary keys (where applicable) to access meters and meters located in mini-substations.
- e. **Premises** - The Contractor shall be advised to setup its own office not far from the Municipal buildings in Richards Bay.
- f. **Meter Reading Software** - The Contractor must have a meter reading management software that will compactible with the municipality billing system.
- g. **Meter Reading Software** - The meter reading software should handle both water and electricity meter data. Meter information will be added to the system on a “per meter” basis or bulk import. All information concerning a particular meter will be kept on this system for historical reference purposes (e.g. number, type, size). Each meter is linked to a property, enabling quick reference to the history of a specified property.
- h. **Reports** - Reports on the meter readings, reading dates, meters not read and duplicate meters per area, customer book or reader book may also be requested. Meter information on the system will also be updated by importing data from the Municipality.
- i. **Data Quality** - The focus of the meter reading software is data quality. Information obtained from the Municipality will evaluated by the system, which then converts it to the appropriate format for the meter readers and evaluates the information again before sending it back to the Municipality for billing purposes.
- j. **Archives** - All meter reading data and variance reports must be made available for audit purposes.
- k. **Equipment** - The Contractor will provide its own communication facilities, computer equipment, internet, airtime and software, thereby retaining ownership of these items.
- l. **Assignment** - The Contractor shall not assign, in whole or part, its obligations to perform under the contract, except with the Municipality’s prior written consent.



- m. **Insurance and Guarantees** - The Contractor should have a professional insurance policy.
- n. **Residential Customers with Shared Water Supply** – To allow for free basic water allocation, a single measuring device is installed for the entire property and the number of units supplied will be captured on the billing system.

#### 4. **METER DATA MAINTENANCE:**

- a. The Financial Databases have been identified as Councils Official record keeping sources and as such, all other Applications and Systems should feed off it for information where applicable.
- b. Establishing of due dates and Billing dates are done annually before the commencement of each calendar year, for the entire calendar year.
- c. The Financial Services Department administers and keeps record of all active meters and readings in the Municipal area once the service has been established on the municipal billing system.
- d. The Engineering Department is responsible for the correct information relating to meter installations being passed on to the Financial Services Department.
- e. Any query received from a customer are handled by the Finance Department's Customer Liaison Section in conjunction with the Metered Services Section in a supportive role until it has been established that the readings taken corresponds with the physical readings on the meter. If the customer is still not satisfied after that point, the query reverts to the relevant Engineering Sections for further investigation and resolution

#### 5. **PHYSICAL METER MAINTENANCE AND CONTROL:**

- a. The Engineering Department installs and maintains most meters and water supply in the whole of the Municipal Area. They notify the Financial Services Department of all installations and replacements together with all the relevant documented information to ensure an accurate recording of each meter data.
- b. The Engineering Department is to ensure that installations are compliant with the legislative and operational requirements to ensure accurate and unobstructed meter-readings of all installed meters.
- c. The Financial Services Department will install all prepaid water meters and ensure that there is support for these customers.





## **6. METERING OF SERVICES:**

- a. The municipality may introduce various metering equipment and customers may be encouraged to convert to a system preferred by the municipality.
- b. All meters must be read monthly. Should circumstances prevent reading, the Municipality will estimate the readings using actual readings from previous months.
- c. Meters without consumption history or that have been estimated in the last six months will be estimated at the discretion of the Metered Services Supervisor.

## **7. METER FAULT REPORTING AND ESCALATION PROCESS**

The faulty meter has to be reported through the municipal call centre number and it will be escalated to the relevant department.

## **8. CORRECTION OF WATER METER READINGS/CONSUMPTIONS:**

- 8.1 Where meter reading charges were done incorrectly or a leak has occurred, one of the following criteria will apply. Failure by the consumer to adhere to the following steps will result in the forfeiture of the rebate.

**a. Leak on Municipal side of the water meter.**

This water leak is a Municipal loss and it does not register on the meter, nor bill on the customer's account.

**b. Full Rebate: When the leak is on the municipal side**

The water usage registered due to the leakage must be at least twice the average consumption used in the 3 months prior to the leak being detected and or fixed by the municipality. If no such consumption is available the average will be determined at the discretion of the Metered Services Supervisor. The consumption exceeding the normal average of this meter is to be written back as it is water not consumed by the customer and Council accepts responsibility for all leaks within a meter radius of the water meter.

**c. Partial Rebate: When the leak is on the consumers side**

The leakage must have been one that the consumer was not aware of and which should not have been readily or easily noticeable. This does not include leakages by taps, toilets



and normal household water fittings or appliances. The customer has to provide a proof of having such leak fixed, or produce proof of having purchased materials for the fixing of the leak. Further to that, the customer must submit an affidavit or a letter stating that the leak is fixed. The consumer will then be rebated for the consumption exceeding the normal average of this meter at the first nominal scale of the applicable tariff.

**d. Sewer based on water consumption.**

Sewer service is billed 100% of water consumed by the business not unless the business can demonstrate to the satisfaction of the municipality that some of water is used for production. When sewer is charged based on water consumption and there is a leak on the property, partial rebate will be passed on water consumption. There will be no rebate for sewer as the credit has been passed for water service (Irrespective of the different proportions to water).

- 8.2 A written request for a concessionary rebate must reach the Municipality within 30 days after the leak have been repaired, together with documents proving that the leak was repaired by a registered plumber. In the event that the leak was repaired by an un-registered plumber, a sworn affidavit or a letter must be submitted to the Financial Services Department – Metered Services for assessment and approval.
- 8.3 A concessionary rebate to adjust a consumer account will only be allowed once all the required conditions have been met and may not exceed a maximum period of four (4) successive months (approximately 120 days).
- 8.4 Any subsequent request for a concessionary rebate for a property for which a previous adjustment was passed will not be considered until a period of two (2) full years have lapsed from date of such adjustment.
- 8.5 If it happens that there is a spike in the consumption the municipality will investigate. Partial or full rebate will be considered as per the investigation report.
- 8.6 The Chief Financial Officer will determine any further administrative matters in this regard if applicable.



## **9. THE EFFECTIVE DATES OF THE RATES POLICY**

The metered services policy takes effect from 1 July 2012. Any amendment during the budget review process in the ensuing years, will apply from the 1st day of the new financial year.

## **10. SHORT TITLE**

This policy is the Metered Services Policy of the uMhlathuze Municipality.