

## DIHLABENG LOCAL MUNICIPALITY

Passing of By-Law: Notice is hereby given in terms of the provisions of section 13 of the Local Government : Municipal Systems Act 2000 (Act No. 32 of 2000) that the Council of Dihlabeng Local Municipality has passed a Credit Control and Debt Collection By-Law as regulations made by the Council.

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## CHAPTER 1: DEFINITIONS

1(1) For the purpose of these by-laws any words or expressions to which a meaning has been assigned in the Act, shall bear the same meaning in these by-laws unless the context indicates otherwise –

- “account” means any account rendered for municipal services provided;
- “Act” means the Local Government: Municipal Systems Act. 2000 (Act No 32 of 2000), as amended from time to time;
- “applicable charges” means the rate, charge, tariff, flat rate, or subsidy determined by the municipal council;
- “average consumption” means the average consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the total measured consumption of that municipal service by that customer over the preceding three months by three;
- “actual consumption” means the measured consumption of that municipal service by any customer;
- “agreement” means the contractual relationship between the council or its authorised agent and a customer, whether written or deemed;
- “area of supply” means any area within or partly within the area of jurisdiction of the council to which a municipal service are provided;
- “arrears” means any amount due, owing and payable by a customer in respect of municipal services rendered and not paid on the due date;
- “authorised agent” means –
- (1) any person authorised by the municipal council to perform any act, function or duty in terms of or exercise any power under these by-laws; and/or
  - (2) any person to whom the municipal council has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or
  - (3) any person appointed by the municipal council in terms of a written contract as a service provider to provide revenue services to customers on its behalf, to the extent authorised in such contract;
- “commercial customer” means any customer other than household and indigent customers, including without limitation, business, government and institutional customers;
- “connection” means the point at which a customer gains access to municipal services;
- “council” means
- (4) the Dihlabeng Local Municipality or its successors-in-title; or

“customer”	means a person with whom the council or its authorised agent has concluded an agreement for the provision of municipal services;
“defaulter”	means any customer who owes arrears;
“due date”	means the date on which the amount payable in respect of an account becomes due, owing and payable by the customer.
“emergency situation”	means any situation that if allowed to continue, poses a risk or potential risk to the financial viability or sustainability of the council or a specific municipal service;
“estimated consumption”	means the deemed consumption by a customer whose consumption is not measured during a specific period, which estimated consumption is rationally determined taking into account at least the consumption of municipal services for a specific level of service during a specific period in the area of supply of the council or its authorised agent;
“household customer”	means a customer that occupies a dwelling, structure or property for residential purposes;
“household”	means a traditional family unit consisting of a maximum of eight persons (being a combination of four persons over the age of eighteen and four persons eighteen years or younger);
“illegal connection”	means a connection to any system through which municipal services are provided that is not authorised or approved by the council or its authorised agent;
“indigent customer”	means a household customer qualifying and registered with the council as an indigent in accordance with these by-laws;
“municipal council”	means the municipal council as referred to in section 157(1) of the Constitution, 1996 (Act No 108 of 1996);
“municipal manager”	means the person appointed by the municipal council as the municipal manager of the council in terms of section 82 of the Local Government Municipal Structures Act, 1998 (Act No 177 of 1998) and includes any person – <ul style="list-style-type: none"> <li>(1) acting in such position; and</li> <li>(2) to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty;</li> </ul>
“municipal services”	means for purposes of these by-laws, services provided by the council or its authorised agent, including refuse removal, water supply, sanitation, electricity supply and rates or any one of the above.
“occupier”	includes any person in actual occupation of the land or premises without regard to the title under which he occupies and, in the case of premises sub-divided and let to lodgers or various tenants, shall include the person receiving the rent payable by the lodgers or

tenants whether for his down account or as an agent for any person entitled thereto or interested therein;

“owner”

means-

- (1) the person in who from time to time is vested the legal title to premises;
- (2) in a case where the person in whom the legal title to premises is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (3) in any case where the council or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon;
- (4) in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;
- (5) in relation to –
  - (1) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986) the developer or the body corporate in respect of the common property, or
  - (2) a section as defined in the Sectional Titles Act, 1986 (Act No 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person; or
- (6) a person occupying land under a register held by a tribal authority;

“person”

means any person, local government body or like authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

“public notice”

means publication in an appropriate medium that may include one or more of the following -

- (1) publication of a notice, in the official languages determined by the municipal council, -
  - (1) in the local newspaper or newspapers in the area of the council; or
  - (2) in the newspaper or newspapers circulating in the area of the council determined by the municipal council as a newspaper or record; or
  - (3) by means of radio broadcasts covering the area of the council;
- (2) displaying a conspicuous notice at appropriate offices and pay-points of the council or its authorised agent; or
- (3) communication with customers through public meetings and ward committee meetings;

“ratable property”	means the land situated within a village area, municipality or local area, as the case may be;
“shared consumption”	means the consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the total metered consumption of that municipal service within the supply zone in which a customer’s premises is situated for the same period, by the number of customers within that supply zone, during the same period;
“subsidised service”	means a municipal service which is provided to a customer at an applicable rate which is less than the cost of actually providing the service, including services provided to customers at no cost;
“supply zone”	means an area, determined by the council or its authorised agent, within which all customers are provided with a service from the same bulk supply connection;
“unauthorised service”	means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorised or approved by the council or its authorised agent;

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## **CHAPTER 2: PROVISION OF MUNICIPAL SERVICES TO CUSTOMERS OTHER THAN INDIGENT CUSTOMERS**

### **Part 1: Application for Municipal Services**

#### **Application for Services**

- 1.(1) A customer wanting to qualify, as an indigent customer must apply for services as set out in Chapter 4 below.
- (2) No person shall be entitled to municipal services unless application has been made to, and approved by, the council or its authorised agent on the prescribed form attached as Annexure A to these by-laws.
- (3) If, at the commencement of these by-laws or at any time, municipal services are provided and received and no written agreement exist in respect of such services, it shall be deemed that –
  - (1) an agreement in terms of sub-section (7) exists; and
  - (2) the level of services provided to that customer are the level of services elected;

Until such time as the customer enters into an agreement in terms of sub-section (2).
- (4) the council or its authorised agent must on application for the provision of municipal services inform the applicant of the then available levels of services and the then applicable tariffs and/or charges associated with each level of service.
- (5) The council or its authorised agent is only obliged to provide a specific level of services requested if the service is currently being provided and if the council or authorised agent has the resources and capacity to provide such level of service.

- (6) A customer may at any time apply to alter the level of services elected in terms of the agreement entered into, provided that such requested level of service is available and that any costs and expenditure associated with altering the level of services is paid by the customer.
- (7) An application for services submitted by a customer and approved by the council or its authorised agent shall constitute an agreement between the council or its authorised agent and the customer, and such agreement shall take effect on the date referred to or stipulated in such agreement.
- (8) In completing an application form for municipal services the council or its authorised agent will ensure that the document and the process of interaction with the owner, customer or any other person making such an application are understood by that owner.
- (9) In the case of illiterate or similarly disadvantaged persons, the council or its authorised agent must take reasonable steps to ensure that the person is aware of and understands the contents of the application form and shall assist him or her in completing such form.
- (10) Municipal services rendered to a customer are subject to the provisions of these by-laws, any applicable by-laws and the conditions contained in the agreement.
- (11) If the council or its authorised agent –
  - (1) refuses an application for the provision of municipal services or a specific service or level of service;
  - (2) is unable to render such municipal services or a specific service or level of service on the day requested for such provision to commence; or
  - (3) if the premises to receive such services are situated outside the area of supply, provided that the council, having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the council having jurisdiction of such special agreement.

#### **Special agreements for Municipal Services**

2. The council or its authorised agent may enter into a special agreement for the provision of municipal services with an applicant-
  - (1) within the area of supply, if the services applied for necessitates the imposition of conditions not contained in the prescribed form or these by-laws;
  - (2) receiving subsidised services; and
  - (3) if the premises to receive such services are situated outside the area of supply, provided that the council, having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the council having jurisdiction of such special agreement.

#### **Change in purpose for which municipal services are used**

3. Where the purpose for on extent to which any municipal service used is changed, the onus and obligation is on the customer to advise the council or its authorised agent of such change and to enter into a new agreement with the council or its authorised agent.

#### **Property developments**

- 4.(1) A property developer must, on the provision of infrastructure for the provisioning of municipal services, inform the council or its authorised agent in writing of the details of all municipal services that may be provided through the infrastructure and the details of all measuring devices that will be installed.

- (2) A property developer that fails to comply with the provisions of sub-section (1) shall be liable for the payment of all estimated applicable charges that would have been payable by customers in respect of municipal services, provided if the details thereof was known by the council or its authorised agent.

## **Part 2: Applicable Charges**

### **Applicable charges for municipal services**

- 5.(1) All applicable charges payable in respect of municipal services, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest will be set by the municipal council in accordance with –
- (a) its Rates and Tariff policy;
  - (b) any by-laws in respect thereof; and
  - (c) any regulations in terms of national or provincial legislation
- (2) Applicable charges may differ between different categories of customers, users of services, types and levels of services, quantities or services, infrastructure requirements and geographic areas.

### **Availability/Fixed charges for Municipal Services**

6. The municipal council may, in addition to the tariffs or charges prescribed for municipal services actually provided, levy a monthly fixed charge or once-off fixed charge where municipal services are available, whether or not such services are consumed.

### **Subsidised Services**

- 7.(1) The municipal council may, from time to time, and in accordance with national policy, but subject to principles of sustainability and affordability, by public notice, implement subsidies for a basic level of municipal service.
- (2) The municipal council may in implementing subsidies differentiate between types of household customers, types and levels of services, quantities of services, geographical areas and socio-economic areas.
- (3) Public notice in terms of sub-section (1) must contain at least the following details applicable to a specific subsidy –
- (a) the household customers that will benefit from the subsidy;
  - (b) the type, level and quantity of municipal service that will be subsidised;
  - (c) the area within which the subsidy will apply;
  - (d) the rate (indicating the level of subsidy);
  - (e) the method of implementing the subsidy; and
  - (f) any special terms and conditions that will apply to the subsidy.
- (4) If a household customer's consumption or use of a municipal service is –
- (a) less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion; and
  - (b) in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- (5) A subsidy implemented in terms of sub-section (1) may at any time, after reasonable notice, be withdrawn or altered in the sole discretion of the municipal council.



- (6) Commercial customers may not qualify for subsidised services.
- (7) Subsidised services shall be funded from the portion of revenue raised nationally that is allocated to the council and if such funding is insufficient, the services may be funded from revenue raised by rates, fees and charges in respect of municipal services.

#### **Authority to recover additional costs and fees**

- 8. The council or its authorised agent has the authority to, notwithstanding the provisions of any other sections contained in these by-laws, recover any additional costs incurred in respect of implementing these by-laws against the account of the customer, including but not limited to –
  - (a) all legal costs, including attorney and client costs incurred in the recovery of amounts in arrears shall be against the arrears account of the customer; and/or
  - (b) the average costs incurred relating to any action taken in demanding payment from the customer or reminding the customer by means of telephone, fax, e-mail, letter or otherwise.

### **Part 3 : Payment**

#### **Payment of deposit**

- 9.(1) The municipal council may, from time to time, determine different deposits for different categories of customers, users of services, debtors, services and service standards, provided that the deposit will not be more than three times the monetary value of the most recent measured monthly consumption of the premises for which an application is made.
- (2) A customer must on application for the provision of municipal services and before the council or its authorised agent will provide such services, pay a deposit if the municipal council has determined a deposit.
- (3) The council or its authorised agent may annually review a deposit paid in terms of sub-section (2) and in accordance with such review –
  - (a) require that an additional amount be deposited by the customer where the deposit is less than the most recent deposit determined by the municipal council; or
  - (b) refund to the customer such amount as may be held by the council or its authorised agent where the deposit is in excess of the most recent deposit determined by the municipal council.
- (4) If a customer is in arrear, the council or its authorised agent may require that the customer –
  - (a) pay a deposit if that customer had not previously been required to pay a deposit, if the municipal council had determined a deposit; and
  - (b) pay an additional deposit where the deposit paid by the customer is less than the most recent deposit determined by the municipal council.
- (5) Subject to sub-section (6), the deposit shall not be regarded as being in payment or part payment of an account.
- (6) If the final account is in arrear, the deposit will be applied in payment or part payment of the arrears.
- (7) No interest shall be payable to the customer on any deposit held.

- (8) The deposit, if any, is refundable to the customer on settlement of all arrears and termination of the agreement. A deposit shall be forfeited to the council if it has not been claimed by the customer within 12 (twelve) months of termination of the agreement.

#### **Methods for determining amounts due and payable**

- 10.(1) The Council or its authorised agent must in respect of municipal services that can be metered, endeavour to within available financial and human resources, meter all customer connections and/or read all metered customer connections on a regular basis, subject to sub-section (2).
- (2) If a service is not measured a council or its authorised agent may, notwithstanding sub-section (1), determine the amount due and payable by a customer for municipal services supplied to him/her or it, by calculating the –
- (a) the shared consumption; or if not possible
- (b) the estimated consumption.
- (3) If a service is metered, but it cannot be read due to financial and human resource constraints or circumstances or beyond control of the council or its authorised agent, and the customer is charged for an average consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustment.
- (4) Where water supply is provided through a communal water service work (standpipe), the amount due and payable by customers gaining access to this water supply services through a communal water services work, must be based on the shared or estimated consumption of water supplied to that water services work.
- (5) Where in the opinion of the council or its authorised agent it is not reasonably possible or cost effective to meter all customer connections and/or read all metered customer connections within a determined area, the municipal council may, on the recommendation of the council or its authorised agent, determine a basic tariff (flat rate) to be paid by all the customers within the area irrespective of actual consumption.
- (6) The council or its authorised agent must inform customers of the method for determining amounts due and payable in respect of municipal services provided that will apply in respect of their consumption or supply zones.

#### **Payment for Municipal Services provided**

- 11.(1) A customer shall be responsible for payment of all municipal services consumed by him/her or it from the commencement date of the agreement until his/her or its account has been settled in full and the council or its authorised agent must recover all applicable charges due to the council.
- (2) If a customer uses municipal services for a use other than that for which it is provided by the council or its authorised agent in terms of an agreement and as a consequence is charged at a charge lower than the applicable charge the council or its authorised agent may make an adjustment of the amount charged and recover the balance from the customer.
- (3) If amendments to the applicable charge become operative on a date between measurements for the purpose of rendering an account in respect of the applicable charges –
- (a) it shall be deemed that the same quantity of municipal services was provided in each period of twenty-four hours during the interval between the measurements; and
- (b) any fixed charge may be calculated on a pro rata basis in accordance with the charge that applied immediately before such amendment and such amended applicable charge.

**Full and final settlement of an amount**

- 12.(1) Where an account is not settled in full, any lesser amount tendered to and accepted shall not be deemed to be in final settlement of such an account.
- (2) Sub-section (1) shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full and final settlement, unless the municipal manager or the manager of the council's authorised agent made such acceptance in writing.

**Responsibility for amounts due and payable**

- 13.(1) Notwithstanding the provisions of any other section of these by-laws, the owner of premises shall be liable for the payment of any amounts due and payable to the council or its authorised representative in respect of the preceding two years, where the owner is not the customer and the council or its authorised agent after taking reasonable measures to recover any amounts due and payable by the customer from the latter, could not recover such amounts such an account must then be closed and new one opened with the new customer.

**Dishonoured payments**

- 14.(1) Where any payment made to the council or its authorised agent by negotiable instrument is later dishonoured by the bank, the council or its authorised agent –
- (a) may recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer; and
- (b) shall regard such an event as default on payment.

**Incentive Schemes**

15. The municipal council may institute incentive schemes to encourage prompt payment and to reward customers that pay accounts on a regular and timeous basis.

**Pay-points and Approved Agents**

- 16.(1) A customer must pay his/her or its account at pay-points, specified by the council or its authorised agent from time to time, or at approved agents of the council its authorised agent.
- (2) The council or its authorised agent must inform a customer of the location of specified pay-points and approved agents for payment of accounts.

**Part 4 : Accounts****Accounts**

- 17.(1) Accounts shall be rendered monthly to customers at the address last recorded with the council or its authorised agent. The customer may receive more than one account for different municipal services if they are accounted for separately.
- (2) Failure to receive or accept an account does not relieve a customer of the obligation to pay any amount due and payable.
- (3) The council or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request.
- (4) Accounts must be paid not later than the last date for payment specified in such account.

- (5) Accounts will as far as possible –
- (a) reflect at least –
- (i) the services rendered;
  - (ii) the consumption of metered services or average, shared or estimated consumption;
  - (iii) the period addressed in the account;
  - (iv) the applicable charges;
  - (v) any subsidies;
  - (vi) the amount due (excluding value added tax payable)
  - (vii) value added tax;
  - (viii) the adjustment, if any, to metered consumption which has been previously estimated;
  - (ix) the arrears, if any;
  - (x) the interest payable on arrears, if any;
  - (xi) the final date for payment;
  - (xii) the methods, places and approved agents where payment may be made; and
- (b) state that –
- (i) the customer may conclude an agreement with the council or its authorised agent for payment of the arrears amount installments, at the council or its authorised agent's offices before the final date for payment, if a customer is unable to pay the full amount due and payable.
  - (ii) if no such agreement is entered into, the council or its authorised agent will limit the services after sending a final demand notice to the customer;
  - (iii) legal action may be instituted against any customer for the recovery of any amount 40 (forty) days in arrears;
  - (iv) the account may be handed over to a debt collector for collection; and
  - (v) proof of registration, as an indigent customer, in terms of the council or its authorised agent's indigent policy, must be handed in at the offices of the council or its authorised agent before the final date for payment.

### **Consolidated Debt**

- 18.(1) If one account is rendered for more than one municipal service provided the amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order –
- (a) towards payment of the current account;
  - (b) towards payment of arrears; and
  - (c) towards payment of interest.
- (2) If an account is rendered for only one municipal service provided any payment made by a customer of an amount less than the total amount due, will be allocated in the following order –
- (a) towards payment of the current account;
  - (b) towards payment of arrears; and
  - (c) towards payment of interest
- (3) A customer may not elect how an account is to be settled if it is not settled in full or if there are arrears.

## **Part 5 : Queries, Complaints and Appeals**

### **Queries or complaints in respect of accounts**

- 19.(1) A customer may lodge a query or complaint in respect of the accuracy of an amount due and payable in respect of a specific municipal service as reflected on the account rendered.
- (2) A query or complaint must be lodged with the council or its authorised agent in writing before the due date for payment of the account.
- (3) In the case of illiterate or similarly disadvantaged customers, the council or its authorised agent must assist such a customer in lodging his or her query or complaint in writing and must take reasonable steps to ensure that the query or complaint is reflected correctly.
- (4) A query or complaint must be accompanied by the payment of at least the total amount, excluding the amount in respect of which a query or complaint is lodged, due and payable in respect of the account.
- (5) The council or its authorised agent will register the query or complaint and provide the customer with a reference number.
- (6) the council or its authorised agent –
  - (a) shall investigate or cause the query or complaint to be investigated within 7 (seven) days after the query or complaint was registered; and
  - (b) must inform the customer, in writing, of its finding within 9 (nine) days after the query or complaint was registered.

### **Appeals against the finding of a council or its authorised agent in respect of queries or complaints**

- 20.(1) A customer may appeal in writing against a finding of the council or its authorised agent in terms of section 19 above.
- (2) An appeal and request in terms of sub-section (1) must be made in writing and lodged with the council within 14 (fourteen) days after the customer became aware of the finding referred to in section 19 and must –
  - (a) set out the reasons for the appeal; and
  - (b) be accompanied by any security determined for the testing of a measuring device, if applicable.
- (3) The council may on appeal by a customer, request him or her to pay the amount agreed on by the appeal committee.
- (4) The customer is liable for all other amounts, other than that appealed against, falling due and payable during the adjudication of the appeal.
- (5) An appeal must be adjudicated by the council within 21 (twenty one) days after it was lodged and the customer must be informed of the outcome in writing as soon as possible thereafter.
- (6) The decision of the appeal committee is final and the customer must pay any amounts due and payable in terms of the decision within 14 (fourteen) days of being informed of the outcome of the appeal.
- (7) The council may condone the late lodging of appeals or other procedural irregularities.

- (8) If it is alleged in an appeal that a measuring device is inaccurate, the device must be subjected to a standard industry test to establish its accuracy. The customer must be informed of the possible cost implications including the estimated amount of such test prior to such test being undertaken.
- (9) If the outcome of any test shows that a measuring device is –
- (a) within a prescribed range of accuracy, the customer will be liable for the costs of such test and other amounts outstanding. Such costs will be debited against the customer's account;
  - (b) is outside a prescribed range of accuracy, the municipality or its authorised agent will be liable for the costs of such test and the customer must be informed of the amount of any credit to which he, she or it is entitled.
- (10) The security referred to in sub-section (2)(b), if applicable, and the amount paid in terms of sub-section (3) may be –
- (a) retained by the council or its authorised agent if the measuring device is found not to be defective; or
  - (b) refunded to the applicant if the measuring device is found in terms of those sub-sections to be defective.
- (11) In addition to sub-sections (9) and (10) the council or its authorised agent, must if the measuring device is found defective –
- (a) repair the measuring device or install another device which is in good working order without charge to the customer, unless the costs thereof are recoverable from the customer in terms of these or any other by-laws of the council; and
  - (b) determine the quantity of municipal services for which the customer will be charged in lieu of the quantity measured by the defective measuring device, by taking as basis for such determination, and as the council or its authorised agent may decide;
  - (c) the quantity representing the average monthly consumption of the customer during the three months preceding the month in respect of which the measurement is disputed, and adjusting such quantity in accordance with the degree of error found in the reading of the defective meter or measuring device;
  - (d) the average consumption of the customer during the succeeding three metered periods after the defective meter or measuring device has been repaired or replaced; or
  - (e) the consumption of services on the premises recorded for the corresponding period in the previous year.

### **Part 6 : Arrears**

#### **Arrears**

- 21.(1) If a customer fails to pay the account on or before the due date, a final demand notice may be hand deliver or sent per registered mail to the most recent recorded address of the customer within 7 (seven) working days of arrears accruing.
- (2) Failure to deliver or send a final demand notice within 7 (seven) working days does not relieve a customer from paying arrears.

- (3) All arrears of deceased indigent customers who left an estate of less than R60 000,00 up and until 30 June 2001 be cancelled.
- (4) All arrears of classified indigent pensioners up and until 30 June 2001 be cancelled.

### **Consolidated Arrears**

- 22.(1) If one account is rendered for more than one municipal service, provided all arrears due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the local amount due, will be allocated in reduction of the consolidated debt in the following order –
- (a) towards payment of the current account;
  - (b) towards payment of arrears;
  - (c) towards payment of interest; and
  - (d) towards costs incurred in taking relevant action to collect amounts due and payable.

### **Interest**

- 23.(a) Interest may be levied on arrears at the prevailing prime interest rate plus 1%.

### **Final Demand Notice**

- 24.(1) The final demand for arrears and any interest payable –
- (a) the amount in arrears and any interest payable;
  - (b) that the customer may conclude an agreement with the council or its authorised agent for payment of the arrears in installments within 5 (five) working days of the date of the final demand notice;
  - (c) that if no such agreement is entered into within the stated period that –
    - (i) the electricity services will be disconnected; or
    - (ii) that water supply services will be disconnected in the event that –
      - (aa) no electricity services are provided by the council or its authorised agent; or
      - (bb) the arrears amount exceed the amount payable in respect of electricity services;
  - (d) that legal action may be instituted against any customer for the recovery of any amount 40 (forty) days in arrears;
  - (e) that the account may be handed over to a debt collector for collection; and
  - (f) that proof or registration, as an indigent customer, in terms of the council or its authorised agent's indigent policy must be handed in at the offices of the council or its authorised agent before the final date of the final demand notice.
  - (g) legal action may not be instituted against indigent customers but water may be restricted by a reducing washer.

### **Limitation or disconnection of municipal services**

- 25.(1) The council or its authorised agent may, within 5 (five) working days after the expiry of the expiry of the due date for the payment as stipulated on the monthly account –

- (a) disconnect the provisions of electricity services to the defaulter;
  - (b) disconnect water supply services in the event that –
    - (i) no electricity services are provided by the council or its authorised agent; or
    - (ii) the arrears amount exceeds the amount payable in respect of electricity services.
  - (C) disconnect electricity service and water supply without sending a final demand notice as stipulated in section 24
- (2) If a customer fails to pay the amount/s due and payable within 7 (seven) working days after implementation of the actions specified in sub-section (1), the council or its authorised agent may hand deliver or send, per registered mail, to the most recent recorded address of the customer a disconnection of water supply services notice where actions taken in terms of sub-section (1) resulted in only electricity services being disconnected.
- (3) Failure to deliver or send a disconnection of water supply services notice within 7 (seven) working days does not relieve a customer from paying such arrears.
- (4) This disconnection of water supply services notice must contain the following statements –
- (a) the amount in arrears and any interest payable;
  - (b) a statement that the customer may conclude an agreement with the water services provider for payment of the arrears amount in installments, within 14 (fourteen) days of the date of the notice;
  - (c) that if no such agreement is entered into within the stated period, the council or its authorised agent may discontinue the water supply with immediate effect, notwithstanding any legal action instituted or in the process of being instituted against the customer for the recovery of the arrears amount, without further notice.
- (5) The council or its authorised agent may, within 7 (seven) working days after the expiry of the 14 (fourteen) day period allowed for payment in terms of the disconnection of water supply services notice disconnect the provision of water supply services to the defaulter.
- (6) the costs associated with the limitation or disconnection of municipal services which will be determined by Council will be for the cost of the customer and will be included in the account following the reconnection.

#### **Accounts 40 (forty) days in arrears**

- 26.(1) Where an account to a customer remaining outstanding for more than 40 days in respect of business consumers and 60 days in respect of residential consumers the council or its authorised agent may –
- (a) institute legal action against a customer for the recovery on the arrears; and
  - (b) hand the customer account over to a debt collector or an attorney for collection.
- (2) A customer will be liable for any administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit, as may be determined by the municipal council from time to time.

#### **General**



- 27.(1) No action taken in terms of this section due to non-payment will be suspended or withdrawn, unless the arrears, any interest thereon, administration fees, additional charges, costs incurred in taking relevant action and any penalties, including the payment of a higher deposit payable, are paid in full.
- (2) The council or its authorised agent will not be liable for any loss or damage suffered by a customer due to his/her electricity services being disconnected or his or her water services being disconnected.

### **Part 7 : Agreement for the Payment of Arrears in Installments**

#### **Agreements**

- 28.(1) The following agreements for the payment of arrears in installments may be entered into –
- (a) an Acknowledgement of Debt;
  - (b) a Consent of Judgement; or
  - (c) an Emolument attachment order
- (2) Only customers with positive proof of identity or persons duly authorised in writing as a representative of a customer, will be allowed to enter into an agreement for the payment of arrears in installments.
- (3) The council or its authorised agent must require a customer to pay at least its current account on entering into an agreement for the payment of arrears in installments.

#### **Additional costs, Partial settlement and Installments**

- 29.(1) The costs associated with entering into agreements for the payment for arrears in installments and the limitation of the municipal services in accordance with section 25, will be included in the arrears amount due and payable by the customer.
- (2) In the event of a customer proving to the council or its authorised agent that he/she or it is unable to pay the amount referred to in sub-section (1) on entering into an agreement for the payment of arrears in installments, the council or its authorised agent may –
- (a) extend the payment thereof to the end of the month in which the customer enters into such an agreement; or
  - (b) include it in the amount payable in terms of the agreement;
    - (i) the credit record of the customer;
    - (ii) the arrears amount;
    - (iii) the level of consumption of municipal services;
    - (iv) the level or service provided to the customer;
    - (v) previous breaches of agreements for the payment of arrears in installments; and
    - (vi) any other relevant factors
- (3) The council or its authorised agent may, after taking into account the factors referred to in sub-section (2), require a customer to pay the following amounts on entering into an agreement for the payment of arrears in installments; an amount in addition to the current account, representing a percentage of the arrears amount.
- (4) The council or its authorised representative shall determine the installments payable in respect of any arrears amount by taking into account the same factors referred to in sub-section(2).

#### **Duration of Agreements**

- 30.(1) No agreement for the payment of arrears will be longer than 12 months, unless the circumstances referred to in sub-section (2) prevail.
- (2) The council or its authorised agent may, on an individual basis, allow a not longer period than twenty-four months for the payment of arrears if special circumstances prevail, that in the opinion of the council or its authorised agent warrants such an extension and which the customer reasonably could not prevent or avoid. The customer, on request by the council or its authorised agent, must furnish documentary proof of any special circumstances.
- (3) The council or its authorised agent may, in exercising his or her discretion under sub-section (2) have regard to a customer's –
- (a) credit record;
  - (b) consumption;
  - (c) income level;
  - (d) level of service;
  - (e) previous breaches of agreements for the payment of arrears in installments; and
  - (f) any other relevant factors.
- (4) A copy of the agreement shall be made available to the customer.

#### **Failure to honour Agreements**

- 31.(1) If a customer fails to comply with an agreement for the payment of arrears in installments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will be immediately due and payable, without further notice or correspondence and the council or its authorised agent may –
- (a) disconnect the electricity services provided to the customer;
  - (b) in the event that no electricity services are provided by the council or its authorised agent, disconnect the water supply services provided to the customer;
  - (c) institute legal action for the recovery of the arrears; and
  - (d) hand the customer's account over to a debt collector or any attorney for collection.

#### **Voluntary application for the limitation or disconnection of Services**

- 32.(1) A customer may on entering into an agreement for the payment of arrears in installments request the council or its authorised agent in writing to limit or disconnect any metered municipal service provided to him/her or it for a specified period to limit the quantity of services consumed.
- (2) the reasonable costs associated with a request in accordance with sub-section (1) shall be included in the arrears amount due and payable by the customer.

#### **Reconnection of Services**

- 33.(1) An agreement for payment of the arrears amount in installments, entered into after the electricity services was discontinued and/or the water services was limited or disconnected, will not result in the services being restored until –
- (a) the arrears, any interest thereon, administration fees, costs incurred in taking relevant action and any penalties, including payment of a higher deposit, are paid in full; or

- (b) a written appeal by the customer due to timeous and full payment of installments and current amounts due and payable for a period of at least 6 (six) months has been approved by the municipality or its authorised agent.
- (2) In addition to any payments referred to in sub-section (1) the customer shall pay the standard reconnection fee as determined by the council from time to time, prior to the reconnection of municipal services by the council in its authorised agent.
- (3) Municipal services shall be restored within 7 (seven) working days after a customer have complied with the provisions of sub-sections (1) and (2).

### **CHAPTER 3 : ASSESSMENT RATES**

#### **Amount due for assessment rates**

- 34.(1) The provisions of Chapter 2 applies in respect of the recovery of assessment rates.
  - (2) All assessment rates due by owners are payable by a fixed date as determined by the council.
  - (3) Joint owners of property shall be jointly and severally liable for payment of assessment rates.
  - (4) Assessment rates may be levied as an annual single amount, or in equal monthly installments. When levied in equal monthly installments the amount payable may be included in the municipal account.
  - (5) A property owner remains liable for the payment of assessment rates included in municipal accounts, notwithstanding the fact that –
    - (a) the property is not occupied by the owner thereof; and/or
    - (b) the municipal account is registered in the name of a person other than the owner of the property.
  - (6) Payment of assessment rates may not be deferred beyond the fixed date by reason of an objection to the valuation roll.

#### **Claim on rental for assessment rates in arrears**

- 35. The council or its authorised agent may apply to Court for the attachment of any rent due in respect of rateable property, to cover in part or in full any amount outstanding in respect of assessment rates for a period longer than three months after the fixed date.

#### **Disposal of council's property and payment of assessment rates**

- 36.(1) The purchase of municipal property is pro rata liable for the payment of assessment rates on the property as from the date of registration in the name of the purchaser in respect of the financial year in which the purchaser becomes the new owner.
- (2) In the event that the council repossesses the property, an outstanding and due amount in respect of assessment rates will be recovered from the purchaser.

#### **Assessment rates payable on municipal property**

- 37.(1) The lessee of municipal property is responsible for payment of any general assessment rates payable on the property for the duration of the lease as if the lessee is the owner of such property.

- (2) The council or its authorised representative may elect to include the assessment rates in respect of municipal property in the rent payable by the lessee, instead of billing it separately as in the case of owners of properties.

#### **CHAPTER 4 : PROVISION OF MUNICIPAL SERVICE TO INDIGENT CUSTOMERS**

##### **Qualification for registration**

38. All households where the combined gross income of all the members of the household over the age of 18 years is less than the amount determined by National Treasury, and does not own more than one property, may apply for registration as an indigent customer.

##### **Applicant for registration**

- 39.(1) A household wishing to qualify as an indigent customer must complete the application form entitled “Application for Registration as Indigent Customer” attached as Annexure B to these by-laws.
- (2) Any application in terms of sub-section (1) must be –
- (i) documentary proof of income, such as a letter from the customers employer, a salary advice, a pension card, unemployment fund card; or
  - (ii) an affidavit declaring unemployment or income; and
  - (iii) the customer’s latest municipal account in his/her possession; and
  - (v) the names and identity numbers of all occupants over the age of 18 years who are resident at the property.
- (3) A customer applying for registration as an indigent customer shall be required to submit a sworn declaration to the effect that all information provided in the application form and other documentation and information provided in connection with the application is true and correct.
- (4) The responsible officer or authorised agent shall countersign the application form and certify that the consequences and conditions of such an application for the customer were explained to the customer and that the customer indicated that the contents of the declaration was understood.

##### **Approval of application**

- 40.(1) The municipal manager or his authorised agent may send authorised representatives to premises or households applying for registration as indigent customers to conduct an on-site audit of information provided prior to approval of an application.
- (2) An application received in accordance with section 39 shall be considered by the council or its authorised agent and the applicant shall be advised in writing within 14 (fourteen) working days of receipt of such application by the council or its authorised agent as to whether or not the application is approved. If it is not approved, the applicant shall be given reasons therefore.
- (3) The provisions of Part 5 of Chapter 2 shall mutatis mutandis apply in respect of a customer that feels aggrieved by a decision of the council or its authorised agent in terms of sub-section (2).
- (4) An application shall be approved for a period of 24 (twelve) months only, subject to review and verification that will take place annually.

##### **Conditions**

- 41.(1) The council or its authorised agent may on approval of an application or any time thereafter –

- (a) install a pre-payment electricity meter for the indigent customer where electricity is provided by the council or its authorised agent; and
- (b) limit the water supply services of an indigent customer to a basic supply of not less than 6 (six) kilolitre.

#### **Annual application**

- 42.(1) An indigent customer must annually reapply for registration as an indigent customer, failing which the assistance will cease automatically.
  - (2) The provisions of sections 38 and 39 shall apply to any application in terms of sub-section (1).
  - (3) The council or its authorised agent given no guarantee of renewal.
  - (4) The council or its authorised agent shall inform the applicant in writing within 14 (fourteen) working days of receipt of such application by the council or its authorised agent as to whether or not the application is approved; if it is not approved, the applicant shall be given reasons therefore.
  - (5) The provisions of Part 5 of Chapter 2 shall mutatis mutandis apply in respect of a customer that feels aggrieved by a decision of the council or its authorised agent in terms of sub-section (4).

#### **Subsidised services for indigent customers**

- 43.(1) The municipal council may annually, as part of its budgetary process, determine the municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
  - (2) The municipal council may in the determination of municipal services that may be subsidised for indigent customers give preference to subsidizing at least the following services –
    - (a) 50 (fifty) kilowatt electricity per household per month;
    - (b) water supply services of 6 (six) kilolitres per household per month;
    - (c) sanitation services of daily night soil removal or an improved ventilated pit latrine per household per month, whichever is the most affordable to the council or its authorised agent; and
  - (3) The council must on a determination in terms of sub-section (1) give public notice of such determination.
  - (4) Public notice in terms of sub-section (3) must contain at least the following:
    - (a) the level or quantity of municipal service that will be subsidised;
    - (b) the level of subsidy;
    - (c) the method of calculating the subsidy; and
    - (d) any special terms and conditions that will apply to the subsidy, not provided for in these by-laws.
  - (5) Any other municipal services rendered by the council or municipal services consumed in excess of the levels or quantities determined in sub-section (1), shall be charged for and the indigent customer shall be liable for the payment of such charges levied on the excess consumption.
  - (6) The provisions of Chapter 2 shall mutatis mutandis apply to the amounts due and payable in terms of sub-section (5).

#### **Funding for subsidised services**

- 44.(1) The subsidised services referred to in section 43 shall be funded from the portion of revenue raised nationally that is allocated to the council and if such fundings are insufficient, the services may be funded from revenue raised through rates, fees and charges in respect of municipal services and or capital working reserve/provision for bad debts.
- (2) The subsidy amount to be funded from revenue raised nationally that is allocated to the council shall be calculated by dividing the amount allocated by the estimated number of customers that may qualify for registration as indigent customers.

#### **Existing arrears of indigent customers on approval of application**

- 45.(1) Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers may be suspended, and interest shall not accumulate in respect of such arrears for the period that a customer remains registered as an indigent customer.
- (2) Arrears suspended in terms of sub-section (1) shall become due and payable by the customer in monthly installments as determined by the council or its authorised agent, on deregistration as an indigent customer in accordance with section 47.
- (3) Notwithstanding the provisions of sub-section (2) arrears suspended for a period of two (2) years or longer shall be recovered from a customer on deregistration.

#### **Audits**

46. The council may undertake regular random audits and may be carried out by the council or its authorised agent to –
- (a) verify the information provided by indigent customers;
  - (b) record any changes in the circumstances of indigent customers; and
  - (c) make recommendations on the deregistration of the indigent customer.

#### **Deregistration**

- 47.(1) Any customer who provides or provided false information in the application form and/or any other documentation and information in connection with the application –
- (a) shall automatically, without notice, be deregistered as an indigent customer from the date on which the council or its authorised agent became aware that such information is false; and
  - (b) shall be held liable for the payment of all services received; in addition to any other legal actions the council or its authorised agent may take against such a customer.
- (2) An indigent customer must immediately request deregistration by the council or its authorised agent if his or her circumstances has changed to the extent that he or she no longer meets the qualifications set out in section 38.
- (3) An indigent customer shall automatically be deregistered if an application in accordance with section 42 is not made or if such application is not approved.
- (4) An indigent customer shall automatically be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he or she no longer meets the qualifications set out in Section 38.
- (5) An indigent customer may at any time request deregistration.

- (6) In the event of the deregistration in terms of sections (2) and (4), the council or its authorised representative shall notify the customer in writing of such deregistration within 7 (seven) working days after deregistration.
- (7) The provisions of Part 5 of Chapter 2 shall mutatis mutandis apply in respect of a customer feeling aggrieved by deregistration in terms of sub-section (3) and (4).

## **CHAPTER 5 : EMERGENCY SITUATIONS**

### **Emergency situations**

- 48.(1) The municipal council may, at the request of or after consultation with its authorised agent in a specific area, declare a supply zone as an emergency area if –
  - (a) the financial records of the council or its authorised agent indicate that payment levels in that supply zone has been less than thirty-five percent (35%) or that water losses in that supply zone has exceed forty percent (40%) for a period of three (3) consecutive months;
  - (b) that supply zone represents more than three percent (3%) of the area of supply of its authorised agent or customers.
- (2) In the event of the declaration of a supply zone as an emergency area in accordance with sub-section (1) the water supply services to that supply zone may be limited to a quantity equal to six (6) kilolitres per household of the number of estimated households residing in that zone.
- (3) The council must change the declaration of an emergency area if –
  - (a) the payment levels in that area improves to fifty percent (50%); or
  - (b) the water losses in that area are reduced to twenty percent (20%).

## **CHAPTER 6 : UNAUTHORISED SERVICES**

### **Unauthorised services**

- 49.(1) No person may gain access to municipal services unless it is in terms of an agreement entered into with the council or its authorised agent for the rendering of those services.
- (2) The council or its authorised agent may, irrespective of any other action it may take against such person in terms of these by-laws by written notice, order a person who is using unauthorised services to –
  - (a) apply for such services in terms of sections 1 and 2; and
  - (b) undertake such work as may be necessary to ensure that the customer installation through which access was gained, complies with the provisions of these or any other relevant by-laws.

### **Interference with infrastructure for the provision of municipal services**

- 50.(1) No person other than the council or its authorised agent shall manage, operate or maintain infrastructure through which municipal services are provided.
- (2) No person other than the council or its authorised agent shall effect a connection to infrastructure through which municipal services are provided.

### **Obstruction of access to infrastructure for the provision of municipal services**

- 51.(1) No person shall prevent or restrict physical access to infrastructure through which municipal services are provided.

- (2) If a person contravenes sub-section (1), the council or its authorised agent may –
- (a) by written notice require such person to restore access at his or her own expense within a specified period; or
  - (b) if it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

### **Illegal reconnection**

- 52.(1) A person who unlawfully and intentionally or negligently reconnects to services or unlawfully and intentionally or negligently interferes with infrastructure through which municipal services are provided, after such customers access to municipal services have been limited or disconnected shall immediately be disconnected.
- (2) A person who reconnects to municipal services in the circumstances referred to in sub-section (1) shall be liable for the cost associated with any consumption, notwithstanding any other actions that may be taken against such a person.
- (3) The consumption will be estimated based on the average consumption of water supplied to the specific area within which the unauthorised connection was made.

### **Immediate disconnection**

- 53.(1) The provision of municipal services may immediately be disconnected if any person –
- (a) unlawfully and intentionally or negligently interfere with infrastructure through which the council or its authorised agent provided municipal services;
  - (b) fails to provide information or provide false information reasonably requested by the council or its authorised agent.

## **CHAPTER 7 : OFFENCES**

### **Offences**

54. Any person who
- (a) fails to give access required by the council or its authorised agent terms of these by-laws;
  - (b) obstructs or hinders the council or its authorised agent in the exercising of the powers or performance of functions or duties under these by-laws;
  - (c) assists any person in providing false or fraudulent information or assists in willfully concealing information;
  - (d) uses, tampers or interferes with municipal equipment, service supply equipment and reticulation network or consumption of services rendered;
  - (e) fails or refuses to give the council or its authorised agent such information as may reasonably be required for the purpose of exercising the powers or functions under these by-laws or gives such council or its authorised agent false or misleading information, knowing it to be false or misleading;
  - (f) contravenes or fails to comply with a provision of these by-laws;



- (g) fails to comply with the terms of a notice served upon him/her in terms of these by-laws; shall be guilty of an offence and liable upon conviction to a period not exceeding six months imprisonment or community service or a fine not exceeding R6 000,00 or a combination of the aforementioned, subject to prior discussion with the Chief Magistrate of the Bethlehem Magistrate's Court first.

## **CHAPTER 8 : DOCUMENTATION**

### **Signing of notices and documents**

55. A notice or document issued by the council in terms of these by-laws and signed by a duly-authorized staff member of the council or its authorised agent, shall be deemed to be duly issued and must on its mere product be accepted by a court as evidence of the fact.

### **Notices and documents**

- 56.(1) A notice or document issued by the council or its authorised agent in terms of these by-laws shall be deemed to be duly authorised if an authorised agent signs it.
- (2) Any notice or other document that is served on an owner, customer or any other person in terms of these by-laws is regarded as having been served –
- (a) if it has been delivered to that person personally;
  - (b) when it has been left at that person's village, place of residence, or business or employment in the Republic with a person apparently over the age of sixteen years;
  - (c) when it has been posted by registered or certified mail to that person's last known residential address or business address in the Republic and an acknowledgement of posting thereof from the postal service is obtain;
  - (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 in sub-section (a)-(c); or
  - (e) if that person's address and agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the property or premises, if any, to which it relates.
- (3) When any notice or other document must be authorised or served on the owner, occupier or holder of any property it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question, and is not necessarily the name of that person.
- (4) In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice.

### **Authentication of documents**

- 57.(1) Every order, notice or other document requiring authentication by the council shall be sufficiently authenticated, if signed by the municipal manager or by a duly authorised officer of the council or the authorised agent of the council; such authority being conferred by resolution of the council, written agreement or by-law.

### **Prima facie evidence**

58. In legal proceedings by or on behalf of the council or its authorised agent, a certificate reflecting the amount due and payable to the council or its authorised agent, under the hand of the municipal manager, or suitably qualified municipal staff member authorised by the municipal manager or the Manager of the

council's authorised agent, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness.

## **CHAPTER 9 : GENERAL PROVISIONS**

### **Power of entry and inspection**

59. The council or its authorised agent may enter and inspect any premises for any purpose connected with the implementation or enforcement of these by-laws, at all reasonable times, after having given reasonable written notice to the occupier of the premises of the intention to do so.

### **Exemption**

- 60.(1) The council may, in writing exempt an owner, customer, any other person or category of owners, customers, rate payers, users of services from complying with a provision of these by-laws, subject to any conditions it may impose, if it is of the opinion that the application of operation of that provision would be unreasonable, provided that the council or its authorised agent shall not grant exemption from any section of these by-laws that may result in –
- (a) the wastage or excessive consumption or municipal services;
  - (b) the evasion or avoidance of water restrictions;
  - (c) significant negative effects on public health, safety or the environment;
  - (d) the non-payment for services;
  - (e) the Act, or any regulations made in terms thereof, is not complied with
- (2) The council at any time after giving written notice of at least thirty days, withdraw any exemption given in terms of sub-section (1).

### **Availability of by-laws**

- 61.(1) A copy of these by-laws shall be included in the municipalities Municipal Code as required in terms of legislation.
- (2) The council or its authorised agent shall take reasonable steps to inform customers of the contents of the credit control by-laws.
- (3) A copy of these by-laws shall be available for inspection at the municipal offices or at the offices of its authorised agent at all reasonable times.
- (4) A copy of the by-laws may be obtained against payment as determined by Council from the council or its authorised agent.

### **Conflict of laws**

- 62.(1) When interpreting a provision of these by-laws, any reasonable interpretation which is consistent with the purpose of the Act as set out in Chapter 9 of Credit Control and Debt Collection, must be preferred over any alternative interpretation which is inconsistent with that purpose.
- (2) If there is any conflict between these by-laws and any other by-laws of the Council, these by-laws will prevail.

### **Repeal of existing municipal credit control by-laws**

63. The provisions of any by-laws relating to the control of credit by the council are hereby repealed in so far as they relate to matters provided for in these by-laws; provided that such provisions shall be deemed not to have been repealed in respect of any such by-law which has not been repealed and which is not repugnant to these by-laws on the basis as determined by the relevant by-laws.

#### **Short Title and Commencement**

- 64.(1) These by-laws are called the Credit Control and Debt Collection By-laws of the Dihlabeng Local Municipality.
- (2) The council may, by notice in the Provincial Gazette, determine that provisions of these by-laws, listed in the notice, does not apply in certain areas within its area of jurisdiction listed in the notice from a date specified in the notice.
- (3) Until any notice contemplated in sub-section (2) is issued, these by-laws are binding.

**ANNEXURE A : APPLICATION FOR MUNICIPAL SERVICES**

**DIHLABENG LOCAL MUNICIPALITY**

**APPLICATION FOR MUNICIPAL SERVICES**

Type of application

Domestic

Commercial

Institution










Type of Customer

Individual

CC

Partner

Pty(Ltd)

Lessee

Owner

**Particulars of Application**

Name of corporate entity

Registration number of corporate entity

Surname

Initials

ID Number

Marital Status

If married – in/out of community of property	
Occupation	
Tel No.	
Cell No.	
<b>Address of Applicant (for purposes of account delivery)</b>	
Physical Address	Postal Address
<b>Next of Kin</b>	

1.	
Name	Tel No.
Address	
2.	
Name	Tel No.
Address	

<b>Employer's Details</b>	
Name	Tel No.
Physical Address	Period in Service

<b>Credit References</b>	
1.	Name of Company
	Account No.
	Address
	Tel. No.
2.	Name of Company
	Account No.
	Address
	Tel. No.
<b>Particulars of Owner (if not Applicant)</b>	
Name of corporate entity	
Registration number of corporate entity	
Surname	Initials
ID Number	
Occupation	
Tel. No.	



Cell No.	
Physical Address	Postal Address
<b>Property to which municipal services must be provided</b>	
Suburb	
Zone	
Street name	
Street number	
Number of persons over the age of 18 years living on the property	

Type of municipal services to be provided	
Water Supply Services	Communal Standpipe
	Yard Connection
	In-house connection
Sanitation Services	Night Soil Removal
	Water borne sewerage
Electricity Services	Pre-paid
	Other
Refuse removal Services	
<b>Date on which provision of services should commence</b>	
Payment Details	
Cash (including cheque & credit card)	
Debit Order	
Stop Order	
Other method of electronic transfer	
Bank Details	Branch
Account No.	
<b>A CERTIFIED COPY OF THE APPLICANT'S IDENTITY DOCUMENT / POWER OF ATTORNER MUST BE ATTACHED TO THE APPLICATION</b>	
I/We hereby –	
(a) Apply for the provision of municipal services to be provided to the above property;	
(b) Accept the conditions applicable to the provision of municipal services as set out the council's by-laws and the conditions of Supply of any service provider of the council;	
(c) Declare that I was informed that the documents referred to in (b) are available for inspection at the offices of the council during office hours;	
(d) Declare that this application form and the implications thereof was explained to me;	
(e) Declare that all payments due and payable by me in pursuance of this application shall promptly be paid by me on the due date; and	
(f) Declare that the information provided in this application form is true and correct.	

Applicant

Council/Authorised Agent

\_\_\_\_\_ Date  
Date

Signature of Owner (if not applicant)

Date

**CERTIFICATION BY COUNCIL**

The consequences of the above declaration made by the applicant were explained to him/her/it and he/she/it indicated that the contents of the application were understood.

\_\_\_\_\_ Council/Authorised Agent

Date

<b>FOR OFFICE USE ONLY</b>	
Deposit paid	Date
Amount	
Receipt Number	
Account Number	
Commencement date of services	
Area Code	

**ANNEXURE B : APPLICATION FOR REGISTRATION AS INDIGENT  
CUSTOMER**

**DIHLABENG LOCAL MUNICIPALITY**

<b>APPLICATION FOR REGISTRATION AS INDIGENT CUSTOMER</b>
--

**Note: An application for Municipal Services must be completed or updated on submission of this application.**

<b>Particulars of Application</b>
Surname
ID Number
Marital Status
If married – in/out of community of property
Occupation
Tel No.
Cell No.

<b>Address of Applicant</b>	
Physical Address	Postal Address
<b>Number of properties owned by applicant and all members of the household</b>	
<b>Details of properties, if applicable</b>	
Property 1	Physical address
Name of owner	

Name of bondholder	
Account number	
Deed Registration Number	
Type of structure	
Property 2	
Physical address	
Name of owner	
Name of bondholder	
Account number	

Deed Registration Number
Type of structure
Is property/properties or a portion thereof leased to a third person? (Yes/No)
If leased, rent received
Number of all members in household
Combined gross Income of all members of the household per month



Details of all members of the household over the age of 18 years resident at the property			
1.	Surname	2.	Surname
	Full Name		Full Name
	ID Number		ID Number
	Employed? (Yes/No)		Employed? (Yes/No)
	Salary including benefits if relevant		Salary including benefits if relevant
3.	Surname	4.	Surname
	Full Name		Full Name
	ID Number		ID Number
	Employed? (Yes/No)		Employed? (Yes/No)
	Salary including benefits if relevant		Salary including benefits if relevant

5. Surname	6. Surname
Full Name	Full Name
ID Number	ID Number
Employed? (Yes/No)	Employed? (Yes/No)
Salary including benefits if relevant	Salary including benefits if relevant

<b>Details of any other income received by household:</b> (i.e such as old age pension disability pension welfare, etc)	
1. Type of income	2. Type of income
Institution	Institution
Amount	Amount
Reference number	Reference number
3. Type of income	4. Type of income
Institution	Institution
Amount	Amount
Reference number	Reference number
5. Type of income	6. Type of income
Institution	Institution
Amount	Amount
Reference number	Reference number

Details of monthly expenses of household:	
1. Groceries	2. School fees
3. Clothes	4.
5.	6.
7.	8.
9.	10.

Details of current debts of the household: (including insurance policies and credit purchases)			
1.	Institution	2.	Institution
	Account number		Account number
	Amount owing		Amount owing
3.	Institution	4.	Institution
	Account number		Account number
	Amount owing		Amount owing

5.	Institution	6.	Institution
	Account number		Account number
	Amount owing		Amount owing

<b>Details in respect of legal or other actions taken against me in respect of current expenses/debts of the household:</b> (i.e Administration orders sequestration, other court orders, listed with a Credit Agency, etc.)	
1. Institution	2. Institution
Type of action	Type of action
Case number	Case number
Amount owing	Amount owing
3. Institution	4. Institution
Type of action	Type of action
Case number	Case number
Amount owing	Amount owing
5. Institution	6. Institution
Type of action	Type of action
Case number	Case number
Amount owing	Amount owing
The following documents must be attached-	
<ol style="list-style-type: none"> <li>1. Documentary proof of income (such as a letter from the customer's employer, a salary advice, a pension card, unemployment fund card, etc.); or</li> <li>2. An affidavit declaring unemployment or income; and</li> <li>3. Latest municipal account in the possession of customer; and</li> <li>4. A certified copy of the applicant's identity document.</li> </ol>	
<ol style="list-style-type: none"> <li>A. I, hereby – <ol style="list-style-type: none"> <li>1. apply for registration as an indigent customer for a period of one year;</li> <li>2. accept the conditions applicable to this application as set out the council's by-laws and the Conditions of Supply of any service provider of the council;</li> <li>3. declare that I was informed that the documents referred to (2) are available for inspection at the offices of the council during office hours;</li> <li>4. declare that this application form and the implications thereof was explained to me;</li> <li>5. declare that all payments due and payable by me in pursuance of this application shall promptly be paid by me on the due date; and</li> <li>6. declare that the information provided in this application form is true and correct.</li> </ol> </li> </ol>	

- B. I further declare and accept that the following specific conditions shall apply to this application-
1. The council or its authorised agent may send authorised representatives to premises or households applying for registration as indigent customers to conduct an on-site audit of information provided prior to approval of an application or any time thereafter.
  2. An application shall be approved for a period of 12 (twelve) months only.
  3. The council or its authorised agent may on approval of an application or any time thereafter-
    - 3.1 install a pre-payment electricity meter for the indigent customer where electricity is provided by the council or its authorised agent; and
    - 3.2 limit the water supply services of an indigent customer to a basic supply of not less than 6 (six) kilolitres per month.
  4. An indigent customer must annually re-apply for registration as an indigent customer, failing which the assistance will cease automatically.
  5. The council or its authorised agent gives no guarantee of renewal.
  6. The municipal council may annually as part of its budgetary process determine the municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
  7. Any other municipal services rendered by the council or its authorised agent or municipal services consumed in excess of the quantities specified in 6 above shall be charged for and the indigent customer shall be liable for the payment of such charges levied on the excess consumption. Normal credit control procedures shall apply in respect of such excess consumption.
  8. Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers will be suspended, without interest accumulating in respect of such arrears, for the period that a customer remains registered as an indigent customer.
  9. suspended arrears shall become due and payable by the customer in monthly installments as determined by the council or its authorised agent, on deregistration.
  10. Arrears suspended for a period of two (2) years or longer shall not be recovered from a customer on deregistration.
  11. The council or its authorised agent may undertake regular random audits to-
    - 11.1 verify the information provided by indigent customers;
    - 11.2 record any changes in the circumstances of indigent customers; and
    - 11.3 make recommendations on the deregistration of the indigent customer.
  12. Any customer who provides or provided false information in the application form and/or any other documentation and information in connection with the application-
    - 12.1 shall automatically, without notice, be deregistered as an indigent customer from the date on which the council or its authorised agent became aware that such information is false; and
    - 12.2 shall be held liable for the payment of all services received;
    - 12.3 in addition to any other legal actions the council or its authorised agent may take against such a customer.
  13. An indigent customer must immediately request deregistration by the council or its authorised agent if his or her circumstances has changed to the extent that he or she no longer meets the qualifications set out in the by-laws.
  14. An indigent customer shall automatically be deregistered if an annual application is not made or if such application is not approved.
  15. An indigent customer shall automatically be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he or she no longer meet the qualifications set out in the by-laws.



16. An indigent customer may at any time request deregistration.

\_\_\_\_\_  
Applicant

Council/Authorised Agent

\_\_\_\_\_  
Date

Date

**CERTIFICATION BY COUNCIL**

The consequences of the above declaration made by the applicant were explained to him/her and he/she indicated that the contents of the APPLICATION were understood.

\_\_\_\_\_  
Council/Authorised Agent

Date

<b>FOR OFFICE USE ONLY</b>
Account Number
Date of receipt of application
First Verification
Date
Site Visit (Yes/No)
Name of verifier
Designation of verifier
Indicate information not verified
Recommendation
<b>APPLICATION APPROVED / NOT APPROVED</b>
<b>Second Verification</b>

Date
Site Visit (Yes/No)
Name of verifier
Designation of verifier

### ANNEXURE C : FIDELITY BOND

In consideration of Dihlabeng Local Municipality providing services to

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(Full name of client)

("the debtor") in respect of electricity, sewerage, refuse, water and relevant charges, conditions hereinafter set out, I/we the undersigned

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(Name(s) of surety/ties)

1. Bind and oblige myself/ourselves, jointly as well as severally, as surety/ies and co-principal debtor/s in solidum for the repayment on demand of all or any sum or sums of money which the debtor may now or from time to time hereafter owe or be indebted to the Dihlabeng Local Municipality, its successors or assigns, whether such indebtedness be incurred by the debtor in the debtor's own name or in the name of any firm under which the debtor may be trading and whether solely or jointly with another or others or in partnership or otherwise, and whether such indebtedness arises from money already advanced or hereafter to be advanced, or from promissory notes, or bills of exchange already or hereafter to be made, accepted or endorsed or by virtue of any individual or joint suretyship, or guarantee, or bond, or pursuant to any cession or assignment from third parties or otherwise howsoever, including interest, discount, commission, legal costs incurred or to be incurred on an attorney-client scale, including collection commission, stamps and all other necessary, usual or incidental charges and expenses and I/we further agree and declare that I/we shall be liable to the Dihlabeng Local Municipality in the event of the insolvency/liquidation of either the debtor or myself/ourselves in respect of proving a claim in my/our or the debtor's insolvent estate/liquidation, including all costs and expenses of maintaining, conserving and/or realizing any security which the Dihlabeng Local Municipality may hold for such claim, and all amounts which may become payable by the Dihlabeng Local Municipality to the trustee/liquidator in consequence of its proving such claim, provided nevertheless that the total amount to be recovered from me/us hereunder shall not exceed, in the whole the sum of the debtor's liabilities to the Dihlabeng Local Municipality from time to time, together with such further sum or sums for interest, charges and costs including legal costs on an attorney-client scale as shall from time to time have accrued or become due and payable thereon.
2. I/we renounce the beneficium ordinis seu excussionis et divisionis and agree and declare that this suretyship is in addition and without prejudice to any other securities now held or hereafter to be held from or on behalf of the debtor and that it shall remain in force as a continuing covering security, notwithstanding any intermediate settlement of account and notwithstanding my/our death or legal disability. Furthermore this suretyship shall similarly remain in force as a continuing covering security as regards me/us or one or more of us, notwithstanding it may have ceased to bind one or more of the other undersigned, if any, on account of liquidation, insolvency or otherwise.
3. At the opinion of the Dihlabeng Local Municipality claim arising hereunder may be recovered in any Magistrate's Court having jurisdiction in respect of my/our person/s notwithstanding the amount of the claim, and I/we hereby consent to the jurisdiction of any such Magistrate's Court.
4. No variation of this suretyship shall be of any force or effect unless reduced to writing and signed by me/us and confirmed by the Dihlabeng Local Municipality in writing.
5. It is agreed that this suretyship constitutes the whole of the agreement between me/us and the Dihlabeng Local Municipality and that there are no conditions precedent suspending its operation and that no warranties, promises or representations whatsoever have been made or given by the Dihlabeng Local Municipality or by any other person to me/us to sign this suretyship and to bind myself/ourselves to the terms hereof, and any such warranties, promises, representations are hereby expressly excluded.

- 6. This document is and shall at all times remain the property of the Dihlabeng Local Municipality.
- 7. No alterations or variation of any present or future agreement between the debtor and the Dihlabeng Local Municipality shall in any way release me/us from my/our liability hereunder.
- 8. I/we acknowledge that I/we may only be released from my/our obligations hereunder by written notice from me/us to the Dihlabeng Local Municipality or from my/our executors, trustees or other legal representatives, as the case may be, requesting the Dihlabeng Local Municipality to release me/us from this suretyship, which shall be terminated only on written notice from the Dihlabeng Local Municipality to me/us acknowledging that such suretyship has been terminated, but such termination shall only come into effect when the sum or sums already due or accruing at the date of receipt of such notice, together with interest and costs thereon, have been paid.
- 9. I/we acknowledge that this document is an unconditional suretyship.
- 10. In the event of this suretyship having been prepared on the basis that it is to be signed by more than one surety, then any such surety or sureties signing this suretyship shall be firmly bound hereunder as being the sole surety/sureties.
- 11. Furthermore for the purpose of the suretyship and of any proceedings which may be instituted by virtue hereof, I/we have chosen domicilium citandi et executandi at: -

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Signed at \_\_\_\_\_ on \_\_\_\_\_  
 This suretyship was complete in all respects at the time of signature thereof.

WITNESSES

1. \_\_\_\_\_  
 Signature

Name \_\_\_\_\_  
 Address \_\_\_\_\_

\_\_\_\_\_

1. \_\_\_\_\_  
 Surety (signature)

2. \_\_\_\_\_  
 Signature

Name \_\_\_\_\_  
 Address \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_  
 Surety (signature)