

2014/15 Tariff Structure

Water and Sanitation

AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION FOR CHRIS HANI DISTRICT MUNICIPALITY



CHRIS HANI
DISTRICT MUNICIPALITY
SUSTAINING GROWTH
THROUGH OUR PEOPLE

Chris Hani District Municipality as a Water Service Provider is currently experiencing challenges in the billing, collection and implementation of the water tariffs across the district. The local municipalities have in the previous financial year's implemented different tariff structures hence no uniformity in the tariff structure used. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability

Chris Hani District Municipality is a Water Services Provider therefore has to recognise own revenue from the rendering of water and sanitation services. The above allocations are not sustainable to maintain, repair and ensure the sustainability of the water infrastructure assets that should generate a revenue base for the municipality in order to cover operational and capital costs. Below is the breakdown of the tariffs to be implemented in recognising own revenue from water services.

TARIFFS: WATER SUPPLY SERVICES AND INCIDENTAL CHARGES

In terms of the relevant legislation the Chris Hani District Municipality will be implementing tariffs for the water and sanitation services with effect from **1 July 2014** as follows:

Start date: 01 JULY 2014

VAT INCLUDED

End date: 30 JUNE 2015

1. TARIFFS: WATER SUPPLY SERVICES AND INCIDENTAL CHARGES

The amounts due for water services for the 2014/2015 financial year be paid on dates as indicated on accounts which will be rendered from 1 July 2014.

- ✚ The Sewerage Charges will be linked to the account where the water connection is billed.
- ✚ Reference to “per month” in the tariffs is based on a meter reading period of 30 days with regard to the calculation of a charge for the free consumption portion.
- ✚ Use is the determining factor for tariff application but where a mixed use occurs on any given property the property zoning will be the determining factor in the tariff Application.
- ✚ ALL TARIFFS LISTED BELOW OR TO BE CALCULATED IN TERMS OF THIS SCHEDULE OF TARIFFS **EXCLUDE VAT.**

2. WATER TARIFFS

Charges shall be levied in respect of each separate connection for water. It is further noted that the tariffs effective to consumption as from 01 July 2014 and accounts as from those to be generated from July 2014 on a pro rata basis where applicable, will be levied.

3. CONSUMPTION TARIFFS

The tariffs listed in this item shall be payable where water, used solely for household purposes, including temporarily connections for this purpose, has been supplied. In the case of hostels and old age homes, every 4 beds shall be deemed to be a residential unit. Where the Housing Department officially accommodates two or three beneficiaries (families) per stand, each beneficiary (family) is deemed to be a residential unit.

3.1 Household use

This tariff is only applicable to properties used exclusively for household purposes.

In the event that a small business is conducted as a primary right in terms of a **Town Planning Scheme**, or home enterprise in terms of the **Council’s policy**, from a property used for household purposes, and the connection size is either a 15mm or 20mm connection, the tariffs in the table below shall apply. However, any connection which is greater than 20mm and the property is not exclusively used for residential purposes, shall be charged in terms of the

tariffs. Spaza Shops, defined as an area of a dwelling unit and or associated immovable outbuilding not more than 20m² in extent, used by the occupant of such a dwelling unit for the purposes of selling basic household goods, is also included in this tariff, provided the connection size is either a 15mm or 20mm connection.

Table 1

Tariff Summary	Tariff R/kl 2013/14	Tariff R/kl 2014/15
Number of residential units x (0 – 6 kl / month)	R 0.00	R 8.66
Number of residential units x (5 – 15 kl / month)	R 0.00	R 10.02
Number of residential units x (16 – 30 kl / month)	R 0.00	R 12.28
Number of residential units x (31 – 45 kl / month)	R 0.00	R 15.29
Number of residential units x (46 – 60 kl / month)	R 0.00	R 16.70
Number of residential units x (61 or more kl / month)	R 0.00	R 18.85

3.2 Institutional Use: Welfare Organizations, Government Schools Institutional Public Hospitals, Churches

Public Benefit Organizations, Non-Governmental Organizations and Cultural Organizations approved in terms of section 30 of the Income Tax Act 58 of 1962, read with items 1, 2 and 4 of the ninth Schedule to the Act; Welfare organizations registered in terms of the National Welfare Act, 1978 (Act No 100 of 1978), State Assisted Public Schools or Colleges, Public Hospitals and Churches.

The tariff payable in terms of this item is as follows:

Tariff Summary	Tariff R/kl 2013/14	Tariff R/kl 2014/15
0-200kls per month	R 0.00	R 10.24
201-2500 kl per month	R 0.00	R 11.32
2501 or more kl per month	R 0.00	R 12.39

3.3 Informal Settlements:

Tariff Summary	Tariff R/kl 2013/14	Tariff R/kl 2014/15
This item is applicable in cases where stands and /or dwelling units are supplied by means of a standpipe (no stand connection available)	R 0.00	R 0.00

3.4 Un-metered and/or Unread Connections

Tariffs payable in respect of un-metered and/or unread connections where the Water Supply **By laws of the Council** do not provide an alternative method for calculating consumption or estimating consumption for purposes of interim charges: -

3.4.1 Household use:

The applicable tariff listed below, and not the tariffs listed in item 3 is payable where water is supplied but there is no relevant meter reading available for the relevant month, irrespective of whether or not a meter has been fitted.

Tariff Summary	Tariff R/kl 2014/15
Fixed rate per month (estimated consumption less than or equal to 15 kl / month)	R 91.00
Fixed rate per month (estimated consumption exceeding 15 kl / month, but less than or equal to 30 kl / month)	R 275.00
Fixed rate per month (estimated consumption exceeding 30 kl / month)	R 588.00

3.4.2 Institutional Uses as listed in item (public benefit organizations)

The tariff specified below, and not the tariff specified in item for Public Benefit Organizations, Non-Governmental Organizations and Cultural Organizations, is payable where water is supplied, but there is no relevant meter reading for the relevant month, irrespective of whether or not a meter has been fitted

Tariff Summary	Tariff R/kl 2014/15
Fixed rate	R 1 024.00

3.4.3 Business & Other Uses not included in items 3.1, 3.2, 3.3, 3.4.1, 3.4.2 & 3.5:

Business and Other Uses Municipal

The tariff specified below, and not the tariffs listed in item 3.6, is payable where water is supplied but there is no relevant meter reading for the relevant month, irrespective of whether or not a meter has been fitted.

Tariff Summary	Tariff R/kl 2014/15
Fixed rate	R 1 970.00

3.5 Flow Restriction/Water Consumption Management Meter

3.5.1 Properties used exclusively for household purposes as defined in 3.1: For as long as a flow restriction/water consumption management meter implemented by the Head of Department: Water and Sanitation or his nominee in respect of the supply of water to the relevant premises applicable, the relevant tariff listed as per 3.1 shall be payable:

3.5.2 Registered Indigent Account Holders as defined in the Indigent Policy: If so requested by a registered indigent account holder, or deemed necessary by the Head of Department:

Water and Sanitation or his nominee, a flow restrictor/water consumption management meter can be installed on the premises, subject to such Indigent being registered in terms of the Council's Indigent Policy:

The registered indigent will receive the allocated 9 kl free basic water per month on a daily pro rata basis where after the tariff in 3.1 will be applicable

3.6 Business and Other Uses

The tariffs listed in this item are payable in respect of all uses not listed in items 3.1, 3.2 and 3.3.

These tariffs apply to e.g. the following uses: business, commercial, industrial, government, mining, private schools, crèches, sport clubs including sport clubs whose lease agreements with Council have expired, private hostels, private hospitals and clinics, agriculture, temporary connections for building or business use, fire hydrant use, including Council owned properties, where the usage is not defined as in paragraphs 3.1, 3.2 or 3.3

Tariff Summary	Tariff R/kl 2014/15
0 – 5 000 kl / month	R 13.14
5001 -25000 kl / month	R 13.36
25 001- 50000 kl/month	R 13.57
50 001- or more kl / month	R 13.57

The tariffs listed in this item shall be levied in respect of each water connection provided to the premises on which a use as intended in this item is being exercised. The relevant tariffs listed in this item shall be levied accumulatively.

3.7 Minimum Basic Charges

3.7.1 Min Basic Household Use

Any premises, including vacant stands, where Council Water Supply is available, but the supply is not directly connected to the Council's water reticulation system, the monthly minimum basic charge below will be levied until such time that the relevant premises including vacant stands, have been connected where after the tariff sliding scale in item 3.1 will apply.

Tariff Summary	Tariff R/kl 2014/15
Fixed rate	R 91.00

3.7.2 Min Basic Institutional Uses

Any premises, including vacant stands, where Council Water Supply is available, but the supply is not directly connected to the Council's water reticulation system, the monthly minimum basic charge below will be levied until such time that the relevant premises including vacant stands, have been connected where after the fixed tariff in item 3.2 will apply.

Tariff Summary	Tariff R/kl 2014/15
Fixed rate	R 241.00

3.7.3 Min Basic Informal Settlements: Tariff as per item 3.3.

3.7.4 Min Basic Business and Other Uses, Min Basic Business and Other Uses Municipal

Any premises, including vacant stands, where Council Water Supply is available, but the supply is not directly connected to the Council's water reticulation system, the monthly minimum basic charge below will be levied until such time that the relevant premises including vacant stands, have been connected where after the tariff sliding scale in item 3.6 will apply.

Tariff Summary	Tariff R/kl 2014/15
Fixed rate	R 473.00

3.8 Private Internal Water Leaks

In case of exceptionally high meter readings of water consumption, due to leaks from a private internal pipeline, the Director Income; Finance Department or his nominee, may determine that the excess consumption be levied at **R8.66** per kilolitre for a maximum period of 91days, the commencement date of such period to be determined in the entire discretion of the said Director. A reduction in consumption is required as well as proof of the leak been rectified as substantiated by a plumbers invoice or affidavit from the consumer which must be submitted to the municipality within 90 days after repair of the leak.

3.9 Service Audit

3.9.1 Where a service audit identifies residential and agricultural zoned properties used for business purposes, the adjustment to service charges from residential to business use will be effected from the date the audit was conducted.

3.9.2 The water consumption in government subsidized housing scheme areas identified through a service audit in respect of water meters not being incorporated in the Council's records will be calculated from the date the error was detected, provided a reading was obtained on such a date.

4. CONNECTION PIPES, WATER CONNECTIONS INCLUDING FIRE CONNECTIONS OR UPGRADING OF SUCH CONNECTIONS, METERING OF UNMETERED CONNECTIONS AND METERING OF UNMETERED FIRE CONNECTIONS USED ILLEGALLY

The following tariffs or charges are payable in respect of the installation of connection pipes, water connections including fire connections or upgrading of such connections, the metering of unmetered connections and where existing unmetered fire connections are unlawfully used.

In the latter case the Council reserves the right to change the water supply installation to a meter installation metered by a combination meter as sized by the Council and to recover the appropriate cost as listed in 4.1.1 from the owner. **(All tariffs exclude Vat).**

4.1 Where a water or fire hydrant connection is supplied:

(Note: Only combination meters are to be installed for connections larger than 25mm up to 150mm.)

4.1.1 Combination meters

Main Meter size	Tariff R/kl 2014/15
50mm	R 32 991.00
80mm	R 35 978.00
100mm	R 44 222.00
150mm	R 70 188.00

4.1.2 Normal meters and Water Consumption Management meters. (WCM). It is currently

CHDM policy to only install WCM meters and the charges for normal meters are only included should the policy revert back to normal mechanical meters.

Installation, including a standpipe, the connection into the reticulation pipeline, connection pipe to meter, isolating valve, meter, meter box with connecting pipe extending to boundary line and / or entrance to stand. (Road crossing included).

Main Meter connection	Tariff R/kl 2014/15
-----------------------	---------------------

15mm	R 2 271.00
15mm WCM	R 3 269.00
25mm	R 4 238.00

The installation of a Water Consumption Management meter is at the discretion of the Head of Department: Water and Sanitation.

4.1.3 Full Installation by Council, which includes a standpipe, the connection into the reticulation pipeline, connection pipe to meter, isolating valve, meter, meter box with connecting pipe extending to boundary line and / or entrance to stand, (Road crossing excluded – refer paragraph 6):

Main Meter connection	Tariff R/kl 2014/15
15mm	R 1 729.00
15mm WCM	R 2 767.00

The installation of a Water Consumption Management meter is at the discretion of the Head of Department: Water and Sanitation.

5. ILLEGAL CONNECTIONS AND OR CONSUMPTIONS AND DAMAGES TO SERVICES

5.1 Illegal use of the fire connection and/or use of unauthorized connections / consumption:

5.1.1 A fee of **R5, 006.00** per unit representing water consumption and related administration costs in cases of Household usage.

5.1.2 A fee of **R10, 201.00** per unit representing water consumption and related administration costs in cases where Business and Other usage is applicable.

Other:

5.1.3 A fee of **R13, 800.00** per incident representing water consumption and related administration costs in cases of unauthorized usage by vehicles such as tankers.

5.2 Any damages to the network or connections: **Actual cost of repairs + cost of water loss + 15% administration fee per incident.**

5.3 Neglect by an owner to repair a leaking fire connection within 48 hours after notification in terms of the policy of CHDM: **Actual cost of repairs + 15% administration fee per incident**

6. CHARGES IN RESPECT OF SERVICES FOR WHICH NO TARIFFS ARE LISTED

In cases where a connection to or service in respect of the water system is required and for which a charge has not been listed above, the party applying for such connection or service shall pay the cost of such work plus an administration fee of 15%, such cost to be determined by the Head of Department: Water and Sanitation or his nominee in advance and such cost to be paid in advance.

7. READING OF METERS ON REQUEST

Should a person require that a meter be read at any time other than the time appointed by the Head of Department: Water and Sanitation or his nominee, a charge of **R236.00** shall be paid in advance for each such reading.

8. DISCONTINUATION AND RESTRICTION OF WATER SUPPLY AS CREDIT CONTROL MEASURE AND RE-INSTATEMENT OF SUPPLY

In the event of the water supply to a premises being cut off or restricted as a credit control measure, the consumer will be charged the following tariffs:

8.1 Household Usage

8.1.1 To deliver by hand at the premises being supplied with water, a notice addressed to the consumer instructing the consumer to settle the account within 14 days from the date of the notice: No proof of delivery required: **R78.00**.

8.1.2 To install Water Consumption Management meter in order to restrict the flow through the connection to 30 kl or less per month: **R2, 691.00 -applicable to 15mm connection**.

8.1.3 To disconnect the water supply by removing the connection pipe and / or T piece or Meter **R836.00**.

8.1.4 To adjust the Water Consumption management meter in order to re-instate full flow to the premises: **R439.00 -applicable to 15mm connection**.

8.2 Business and Other Usage

8.2.1 To deliver by hand at the premises being supplied with water, a notice addressed to the consumer instructing the consumer to settle the account within 14 days from the date of

the notice: No proof of delivery required: **R78.00**

8.2.2 To terminate the water supply **R836.00**

8.2.3 To re-instate the water supply **R836.00**

8.2.4 To install Water Consumption Management meter in order to restrict the flow through the connection to 30 kl or less per month: **R2, 691.00 -applicable to 15mm connection**

8.2.5 To adjust the Water Consumption Management meter in order to re-instate full flow to the premises: **R439.00 -applicable to 15mm connection**

10.2.6 To disconnect the water supply by removing the connection pipe and / or T piece or meter: **R836.00.**

11 DAMAGES TO THE MUNICIPAL WATER PIPE SYSTEM AND/OR WATER INSTALLATIONS

Any damages to the municipal pipe system and/or installation: Actual costs of repairs + cost of water loss calculated as follows:

a) Pipes with diameter of 50mm or less R6, 111.00

b) Pipes with diameter larger than 50mm but less than or equal to 100mm R12, 223.00

c) Pipes with diameter larger than 100mm but less than or equal to 250mm R18, 334.00

d) Pipes with diameter larger than 250mm but less than or equal to 400mm R24, 446.00

e) Pipes with diameter larger than 400mm but less than or equal to 700mm R48, 892.00

f) Pipes with diameter larger than 700mm R67, 226.00

12. Utility Services- Water Consumption Tariffs

Services Rendered	Unit	Remarks	2014/15 Tariffs
			R
COMMERCIAL	Per kl	Water supplied to premises predominantly of a commercial nature	14.27
INDUSTRIAL	Per kl	Water which is used in manufacturing, generating electricity, land-based transport, construction or any related purpose	14.27
Government	Per kl	National and Provincial Departments	13.55
Schools/Sport Bodies/ Churches/ Charities	Per kl	Any educational activity and / or sporting body	12.61
Miscellaneous	Per kl	All consumers who do not fall within the above categories	13.55
Homeless people shelters/ homes catering of physically or mentally challenged individuals		Homeless people shelters/ homes catering for the health of physically or mentally challenged individuals, including HOMAC accredited children's homes, registered with council on an annual basis. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility	
Step 1 (0 to 1.5kls)	Per kl per person		0.0
Step 2 (above 1.6kls)	Per kl per person		12.61
Vulnerable Groups (Subsistence farming)		As defined in the CHDM's Agriculture Policy for approved and registered groups, considered on an annual basis.	

Step 1 (0 to 10 kl)	Per kl	Free allocation. Corresponding Sanitation consumption not free	0.00
Step 2 (above 10kl)	Per kl	Normal tariff	Normal tariff for which the facility is situated

13. Utility Services- Water Sanitation Tariffs

Services Rendered	Unit	Remarks	2014/15 Tariffs
			R
SANITATION VOLUMETRIC TARIFFS	Per kl	Free basic services portion included	
Domestic Full- Standard		Single residential properties- 70% of water consumption to a maximum of 35kl of sewerage per month (70% of 50kl water = 35 kl of sewerage)	
Step 1 (0to 4kl)	Per kl		7.84
Step 2 (4.1kl to 7.35kl)	Per kl		8.21
Step 3 (7.36kl to 14 kl)	Per kl		15.46
Step 4 (14.1 kl to 24.5 kl)	Per kl		16.90
Step 5 (24.6kl to 35 kl)	Per kl		17.74
COMMERCIAL- Standard	Per kl	95% of water consumption	10.96
INDUSTRIAL - Standard	Per kl	95% of water consumption	10.96
Government	Per kl	National / Provincial – 95% of water consumption	10.96
Schools/ Sport Bodies / Churches/ Charities	Per kl	Schools/ Sport Bodies / Churches/ Charities	10.96
Miscellaneous	Per kl	All consumers who do not fall within the above categories	10.96
Homeless people shelters/ homes catering of physically or mentally challenged individuals		Homeless people shelters/ homes catering for the health of physically or mentally challenged individuals, including HOMAC accredited children's homes, registered with council on an annual basis. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility	

SANITATION VOLUMETRIC TARIFFS		Free basic services portion included	
Step 1 (0 to 0.6 kls)	Per kl per person		0.0
Step 2 (above 0.6 kls)	Per kl per person		10.09
Old Aged Homes as defined		Registered old aged homes as defined. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility	
Step 1 (0 to 0.6 kls)	Per kl per person		0.0
Step 2 (above 0.6 kls)	Per kl per person		10.09

14. Utility Services- Municipal Health Services and Environmental Management

Below find a table of service that is proposed for tariffs:

SERVICE	DESCRIPTION	PROPOSAL
Water Quality Analysis	Laboratory Analysis	(Annex 1)
Food Safety	Certificate of Acceptability – Application	R 200.00
Meat Safety Inspections	Meat Inspection service	Tariff to be calculated as per EHP salary and travelling cost
Funeral Parlour COC	Certificate of Competency	R 250.00
Exhumations	Reburial and Exhumation – Application	R 250.00
Exhumations	Reburial and Exhumation	Tariff to be calculated as per salary and travelling cost
Condemnations	Issue of Condemnation Certificate	R 150.00
Air Quality Licensing	Application	R 500.00
Air Quality Licensing Fee	Fee calculator	As per National Regulations

PROPOSED FINES – LAW ENFORCEMENT OFFICERS (EHP's)

Environmental Pollution – (Municipal Boundaries) Relating to Environmental pollution created during protest Action	R 20 000.00 or the cost incurred by Council to remediate the pollution
Noise Control	R 500.00
- Air pollution - Residential	R 2 500.00
Air pollution – Commercial	R 5 000.00
Trading without COA	R 250.00
Environmental pollution (Waste Water)	R 10 000.00
Illegal transport of Meat	R 250.00
Illegal transport of Milk	R 250.00
Illegal keeping of Animals	R 500.00
Illegal trading – Pesticides / Chemicals	R 250.00 (Community Services)
Application for selling of foodstuff during events - Agriculture Show - School events - Open Air Markets Municipal events	R 300.00
-	

WATER QUALITY – LABORATORY

DOMESTIC				
	REAGENT PACK	UNITS	INDIVIDUAL COST	TARRIF
pH	R 296.00	20	R 14.80	R 20.72
Turbidity (Silicon oil)	R 175.00	20	R 8.75	R 12.25
Conductivity	R 241.00	20	R 12.05	R 16.87
Chlorine	R 921.00	200	R 4.61	R 6.45
TDS	R 595.00	20	R 29.75	R 41.65
Sulphate	R 1 254.00	25	R 50.16	R 70.22
Fluoride	R 1 254.00	25	R 50.16	R 70.22
Nitrate	R 1 576.00	25	R 63.04	R 88.26
WASTE WATER				

	REAGENT PACK	UNITS	INDIVIDUAL COST	TARRIF
Quanti Trays (E.coli)	R 1 200.00	100	R 12.00	R 16.80
Colilert	R 850.00	100	R 8.50	R 11.90
pH	R 296.00	20	R 14.80	R 20.72
Electrical Conductivity	R 241.00	20	R 12.05	R 16.87
Suspended Solids	R 560.00	25	R 22.40	R 31.36
Ammonia	R 1 200.00	25	R 48.00	R 67.20
COD	R 2 500.00	25	R 100.00	R 140.00
Nitrate	R 1 576.00	25	R 63.04	R 88.26
Phosphate	R 1 338.00	25	R 53.52	R 74.93