

CEDERBERG LOCAL MUNICIPALITY TARIFF POLICY
--------------------------------------------

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government Municipal Systems Act, 2000 (Government Gazette No. 21776, dated 20 November 2000), such policy to cover, among others, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

The tariff policy for Cederberg Local Municipality has been compiled taking into account, where applicable, the guidelines set out in Section 74.

### ASSESSMENT RATES

- \* All rateable property in the Cederberg Local Municipality is to be valued at least once every four years.
- \* The rate in the rand is to be uniform throughout the municipal area unless otherwise determined by the council.
- \* Varying rebates on assessment rates will be applied to the following categories:
  - Agricultural holdings and farm portions in terms of the provisions of the Municipal Property Rates Act, (Act 6 of 2004)
  - Pensioners, who earn less than a determined amount, are at least 60 years of age, are registered owners of the said property and have submitted proof of income to the municipality under oath.

The rate in the rand, as well as the rebates, will be determined and approved by Council when the budget and tariffs are annually submitted for consideration.

## ELECTRICITY

All electricity tariffs must be approved by the National Electricity Regulator.

The various categories of electricity consumers, as set out below, will be charged at the applicable tariffs, as approved by Council at least one month before implementation.

Tariff adjustments will be effected only from 1 July each year, except if the actual tariff increases announced by Eskom exceed the increase allowed for by the Council in its budget. In the latter case, the Council reserves the right to make a further adjustment to the electricity tariffs, subject to the exemption granted by the Minister of Finance in terms of section 42 of the Municipal Finance Management Act, (Act 56 of 2003) such adjustment to be effective from or after the date on which the Eskom increase takes effect.

Categories of consumption:

- \* With the single exception set out in the immediately ensuing paragraph, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- \* The first 50 kWh units for all domestic indigent electricity consumers shall be free of charge. This policy is designed to cater for poor households only.
- \* All domestic electricity consumers with the exception of pre-paid consumers shall additionally be billed an availability charge, and this charge may differentiate between properties with improvements and properties without improvements.
- \* All business properties shall additionally be billed a monthly basic and a monthly fixed charge where applicable.

- \* All high and low voltage consumers shall additionally be billed a monthly basic, fixed and KVA charge.
- \* Churches, sport clubs, public benefit organisations, retirement homes, hospitals and museum consumers shall additionally be billed a monthly basic charge.
- \* Schools and hostels shall additionally be billed a monthly basic and a monthly fixed charge where applicable.
- \* Casual electricity consumers shall additionally be charged a fixed charge and the surcharge applicable to the tariff category.
- \* The Cederberg Local Municipality's departmental electricity consumption shall be charged at the tariff applicable to the category of consumption.

## WATER

The following categories of water consumers shall be charged at the applicable tariffs, as approved by Council, at least one month before implementation, when the budget is compiled.

Tariff adjustments shall be effective from 1 July each year. However, the Council reserves the right to adjust such tariff subsequently if the bulk supplier(s) of water to the Council increases its (their) tariff by an amount greater than that allowed for by the Council in compiling its budget. Such further adjustment shall take effect from or after the date on which the bulk supplier's tariff increase takes effect and will be subject to an exemption granted by the Minister of Finance in terms of Section 42 of the Municipal Finance Management Act, (Act 56 of 2003)

The Council further reserves the right to introduce a quota system for water consumption, with penalty tariffs for consumers exceeding their quotas, whenever a quota system is imposed by a bulk supplier on the Council itself.

Finally, the Council reserves the right to apply a pre-determined water tariff whenever drought or adverse circumstances necessitates a reduction in the consumption of water due to scarcity in availability of water for the area of jurisdiction.

- \* All domestic registered indigent water consumers shall receive the first six (6) kilolitres of water consumption free per month. Thereafter a stepped tariff shall be applicable on metered water consumption. This policy is to cater for poor households.
- \* All other consumers (including business, industry, flats, hospitals, schools, churches, sport clubs, public benefit organisations and museums) shall be charged on actual water consumption at a rate per kl.
- \* A basic charge shall be charged on domestic vacant stands, and other areas identified by the council, and on business and industrial properties where applicable. Where a property has multiple consumers and/or dwellings the basic charge shall apply to each additional consumer/dwelling/user.
- \* Cederberg Local Municipality's departmental water consumption shall be charged at the tariff applicable to the category of consumption.

#### REFUSE REMOVAL

The following categories of refuse removal consumers shall be charged at the applicable tariffs, as approved by Council at least one month before implementation, when the budget is compiled:

\* A separate fixed monthly refuse removal charge shall apply to each of the following categories of users:

- (a) Domestic
- (b) Cederberg Local Municipality's departments
- (c) Casual consumers
- (d) Business/Industrial
- (e) Builders/Contractors
- (f) Public benefit organisations
- (g) Schools/Hostels/Hospitals
- (h) Any other class or category of consumer not included in the above categories

Tariff adjustments will be effected from 1 July each year.

Indigent consumers may be exempted from the payment of the refuse removal domestic tariff, either partially or in full, or may be subsidised in the payment for domestic refuse removal as determined in the Indigent policy of the Municipality.

The council further reserves the right to, at a tariff determined charge for the removal of bulk refuse per M<sup>3</sup> for the following categories of consumers:

- (a) Business/Industrial
- (b) Builders/Contractors
- (c) Casual or incidental consumers
- (d) Schools/Hostels/Hospitals
- (e) Any other class or category of consumer not included in the above categories

## SEWERAGE

The following categories of sewerage users shall be charged per month at the applicable tariff as approved by Council at least one month before implementation, when the budget is compiled:

- \* A charge per toilet on the applicable incremental scale shall be charged for domestic consumers.
- \* A charge per toilet on the applicable incremental scale or tariff specifically determined for the individual or category of consumers shall be charged for business/industrial users connected to the sewerage reticulation system.
- \* Sewer availability charges may be charged in respect of unimproved stands where a connection to the sewer reticulation network of the municipality is possible.
- \* A fixed charge shall be charged for builders/contractors.
- \* A fixed charge shall be charged to Cederberg Local Municipality's departments based on actual costs.
- \* Sewer fees for vacuum tank services shall be determined annually for areas not connected to the water borne sewerage system of the Municipality and will be charged per removal/load and varied fees shall be charged for weekdays, weekends, after normal office hours and for public holidays.

Indigent consumers may be exempted from the payment of sewer fees, either partially or in full, or may be subsidised in the payment for sewer fees for the service being rendered to one toilet per household only as determined in the Indigent policy of the Municipality.. Additional toilets must be paid at the tariff applicable to the domestic category of consumers.

Tariff adjustments will be effected from 1 July each year.

### GENERAL

Uniform rates and tariffs structures shall apply throughout the Cederberg municipal area for all types of services and residents unless otherwise determined in the annual budget of the municipality to deliver or enhance a specific municipal service or services for an area determined by the Council.

The policy of Cederberg Local Municipality for electricity, water, refuse removal and sewerage shall be at least to recover all costs, and whenever appropriate to generate a 10% surplus, or such lesser percentage determined when the budget is compiled and approved by the Council.

The determination of rates and service tariffs shall take into account provisions for bad debts. The bad debts provision for Cederberg Local Municipality must at all times be at least 50% of the total outstanding rates and service debtors aged beyond 120 days as at 30 June of each year.

In order to ensure an adequate provision for bad debt the provision for bad debt shall be phased in over a period of 3 (three) financial years commencing on 1 July 2009.

All minor and sundry tariffs shall be approved and implemented on an annual basis, and shall, when appropriate, be subsidised by the rates account, particularly when the tariffs will prove uneconomical when charged at cost or when cost cannot accurately be determined or when the tariff is designed purely to regulate rather than finance the use of a particular service or amenity.

Operating surpluses generated through the application of any tariff for any service will form part of the general operating income of the council, unless

otherwise stipulated. All operating surpluses will at year-end be consolidated and shall accrue to the general operating surplus of the council.

All minor tariffs shall be standardised with the municipal region.

Minor tariffs includes, but is not limited to the following:

- Ambulance fees (agency service for Province)
- Cemetery fees
- Flat rentals
- Housing rentals
- Library fees (e.g. membership, fines, lost books, lost membership cards)
- Fire brigade fees
- Health (e.g. systologic test, sale of milk powder)
- Rent: Town Hall
- Application fees for town planning and related issues
- Rent: sport grounds
- Refuse removal: mass removal
- Plastic bag sales
- Refuse bin sales
- Cleaning of stands
- Sewerage application fees
- Factory effluent
- Photostat copies
- Clearance certificates
- Rent of garages: private/government
- Electricity: reconnection fees
- Electricity: new connection for pre-paid meters
- Electricity: new connection fees
- Water: reconnection fees
- Water: new connection fees
- Fines for the tampering with council metering or other equipment

Where the imposition of fees, tariffs or fines are not expressly mentioned in the tariff policy document, council resolution or where applicable, the tariff determination of the relevant by-laws shall apply.