

JOHANNESBURG WATER

96 AMENDMENT OF TARIFF CHARGES FOR WATER SERVICES AND SEWERAGE AND SANITATION SERVICES: 2019/20**1 STRATEGIC THRUST**

Enhancing Financial Sustainability

2 OBJECTIVE

The purpose of this report is to seek approval to amend the Tariff Charges for Water, Sewerage and Sanitation Services. Council approval is required for the tariff increases proposed under item 3 below for the 2019/20 Financial Year. Business customers to pay a 2% surcharge on water services as well as sewerage and sanitary services.

3 PROPOSED TARIFF INCREASE

The proposed tariff increase for the 2019/20 financial year applicable to the various tariff bands is as follows:

- Domestic water and prepaid water and sanitation tariffs to be increased as follows
 - >0 to 6kl 9.9%
 - >6 to 10 kl 9.9%
 - >10 to 15 kl 9.9%
 - >15 to 20 kl 9.9%
 - >20 to 30 kl 9.9%
 - >30 to 40 kl 9.9%
 - >40 to 50 kl 9.9%
 - >50kl 9.9%
 - Demand Levy 9.9%
- Institutional tariffs to be increased by:
 - Consumption up to 200Kl 12.0%
 - Consumption exceeding 200kl 15.0%
 - Demand Levy 9.9%

Note: Institutional tariffs are currently substantially below cost and below Industrial/Commercial tariffs.

- Industrial/Commercial tariffs to be increased by:
 - Consumption up to 200Kl 9.9%
 - Consumption exceeding 200kl 9.9%
 - Demand Levy 9.9%
- All other tariffs to be increased by an average of 9.9%.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

The budgeted average tariff increases for 2020/21 and 2021/22 are 9.4% and 9.2% respectively. These tariff increases are purely indicative as no indication has been received from Rand Water as to the increase in the cost of water for the 2020/21 and 2021/22 financial years.

4 MOTIVATION

The following are guidelines motivating the proposed tariff:

- Awareness of water as scarce resource.
Studies indicate that the continued supply of water internationally will continue to be under threat. South Africa is considered a country in which water scarcity is a real threat. The approach to the structure of the proposed tariff is to emphasise the importance of water as a scarce resource and create a culture of controlled consumption. High consumers will continue to pay at a higher rate.
- Users of municipal services should be treated equitably in the application of tariffs.
Deemed consumption charges are currently not uniform across Johannesburg. Soweto, for example, is billed on deemed consumption of 20kl per connection per month, whereas Alexandra as well as Orange farm is billed on a deemed consumption of 10kl and 5kl per connection per month respectively. In an effort to make water tariff more cost reflective as per the guidelines in the Municipal Systems Act and the Water Services Act.
 - Tariffs are to be cost based while taking equity and sustainability into account.
 - The tariff which is historically below the cost of bulk water purchases from Rand Water will be brought in line over a period of 3 years.
- In terms of the extended social package effective 01/01/2009 the provision of free basic water to registered indigents will be up to 15kl per household, depending on the poverty index.
- The amount individual users pay for services should generally be in proportion to the use of that service.
For 2019/20 the tariff would continue to be based on a rising block tariff structure. The subsidised rising block tariff for ex-deemed consumption areas (introduced in 2003/4) ensure that these customers are now charged proportional to usage following the Soweto Infrastructure Project interventions.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

For households benefiting from the Soweto Infrastructure Project in deemed consumption areas and new private developments such as Protea Glen Ext 4; Lehae and Cosmos city, the following apply:

- ♦ A subsidised water and sanitation rising block tariff.
- ♦ A consumption based tariff for both water and sanitation.
- ♦ Incentive based debt write-off policy.

Customers who have prepayment meters installed, qualify for a progressive monthly write-off effective from the date of meter installation, over a three year period. Defaulting customers in terms of transgression of by-laws will have the debt written off reversed retrospectively with interest.

For households in informal settlements

- ♦ Free rudimentary Service (LOS 1) service levels
- ♦ Free water tanker services.
- ♦ Free vacuum tanker services.
- Tariffs must reflect the cost reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges.
The proposed price increase for 2019/20 will therefore be a step towards the alignment with the proposal above.
- Tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned.
- The economic, efficient and effective use of resources, the recycling of waste and other appropriate environmental objectives will be encouraged.
The metering of previously deemed consumption areas through the Soweto Infrastructure Project, in conjunction with the favourable tariff structure, is an important step towards the objective of the economic, efficient and effective use of resources. The initiative strongly supports demand side management.
- In order to prepare to roll out pre-paid meters to all areas of the City, the prepaid tariff has to be brought in line with conventional tariffs.
- The Managing Director of Johannesburg Water will have the authority to negotiate with customers who receive a special tariff, due to older arrangements with the City, to bring these special tariffs in line with the regular tariff.

PROPOSED TARIFFS FOR THE 2019/20 to 2021/22 FINANCIAL YEARS

The 2019/20 water and sanitation tariffs listed below reflect the various rate increases proposed above:

Proposed Domestic Water Tariff – Metered Areas

Metered areas domestic

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Kilolitres	2018/19	% Increase	2019/20	2020/21	2021/22
per connection per month	Tariff		Tariff	Tariff (9.4%)	Tariff (9.2%)
	(R/kl)		(R/kl)	(R/kl) *	(R/kl) *
0-6	8.28	9.9%	9.10	9.96	10.87
> 6-10	8.79	9.9%	9.66	10.57	11.54
>10-15	15.00	9.9%	16.49	18.03	19.69
>15-20	21.83	9.9%	23.99	26.25	28.66
>20-30	29.98	9.9%	32.95	36.05	39.37
>30-40	33.22	9.9%	36.51	39.94	43.61
>40-50	42.42	9.9%	46.62	51.00	55.69
>50	45.19	9.9%	49.66	54.33	59.33

* 2020/21 and 2021/22 cost is only indicative as the cost of bulk water has not been confirmed by Rand Water and may change once confirmed. The Rand Water tariff for 2019/20 is expected to be approved by Parliament and gazetted in March 2019.

The proposed tariff does not recover the cost of bulk water purchases from the consumer. In addition the cost of the reticulation, pumps, pipes, reservoirs and operational cost is not recovered.

Proposed Domestic Water Tariff – Pre-paid Meters

Prepaid water					
Kilolitres	2018/19	% Increase	2019/20	2020/21	2021/22
per connection per month	Tariff		Tariff	Tariff (9.4%)	Tariff (9.2%)
	(R/kl)		(R/kl)	(R/kl) *	(R/kl) *
0-10	7.57	9.9%	8.32	9.10	9.94
>10-15	9.72	9.9%	10.68	11.69	12.76
>15-20	18.07	9.9%	19.86	21.73	23.72
>20-30	28.70	9.9%	31.54	34.51	37.68
>30-40	31.11	9.9%	34.19	37.40	40.84
>40-50	40.92	9.9%	44.97	49.20	53.72
>50	45.13	9.9%	49.60	54.26	59.25

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

* 2020/21 and 2021/22 cost is only indicative as the cost of bulk water has not been confirmed by Rand Water and may change once confirmed. The Rand Water tariff for 2019/20 is expected to be approved by Parliament and gazetted in March 2019.

Proposed Domestic Water Restriction Tariff - Metered Areas

In the event that the City of Johannesburg imposes water restrictions, the Water Restriction Tariff below will apply.

	2019/20	DOMESTIC WATER RESTRICTIONS							
Band	Normal Tariff	Level 1 - 15%	Level 2 - 20%	Level 3 - 25%	Level 4 - 30%	Level 5 - 35%	Level 6 - 40%	Level 7 - 45%	Level 8 - 50%
	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)
0-6	9.10	9.84	10.01	12.28	12.74	16.38	20.02	20.93	22.29
> 6-10	9.66	10.92	12.03	14.01	14.49	18.84	22.22	23.18	25.12
>10-15	16.49	19.62	28.02	32.64	34.45	44.18	49.46	51.10	57.70
>15-20	23.99	31.79	43.18	55.18	56.26	66.70	76.77	81.81	95.96
>20-30	32.95	54.36	62.63	81.71	84.01	115.15	121.91	131.79	135.19
>30-40	36.51	65.72	73.05	101.49	104.05	136.87	153.34	164.47	182.76
>40-50	46.62	88.58	97.90	134.26	139.85	197.66	214.42	233.12	270.64
>50	49.66	99.23	119.19	153.70	173.28	234.46	246.78	273.40	298.24

Proposed Domestic Water Restriction Tariff - Pre-paid meters

	2019/20	PRE-PAID WATER RESTRICTIONS							
Band	Normal Tariff	Level 1 - 15%	Level 2 - 20%	Level 3 - 25%	Level 4 - 30%	Level 5 - 35%	Level 6 - 40%	Level 7 - 45%	Level 8 - 50%
	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)
0-10	8.32	9.41	10.36	12.06	12.48	16.22	19.13	19.97	21.63
>10-15	10.68	12.71	18.16	21.15	22.33	28.63	32.05	33.12	37.39
>15-20	19.86	26.31	35.75	45.68	46.57	55.21	63.55	67.72	79.44
>20-30	31.54	52.04	59.96	78.22	80.43	110.24	116.70	126.17	129.41
>30-40	34.19	61.54	68.41	95.05	97.44	128.18	143.60	154.03	171.15
>40-50	44.97	85.44	94.44	129.52	134.91	190.67	206.83	224.88	261.07
>50	49.60	99.09	119.03	153.50	173.05	234.15	246.45	273.04	297.84

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Proposed Water tariffs for indigents as part of the Expanded Social Package

Indigent Category	Score on Prevailing COJ Poverty Index	Allocation of additional free water per person per day (litres)	Monthly allocation cap of free water per household in which at least 50% of registered social package recipients qualify for the band in question (Kilo-litres)
Band 1	1-34	25l.	10kl.
Band 2	35-70	35l.	12kl.
Band 3	71-100	50l.	15kl

Note:

- Band 1 refers to individuals / households within the vulnerability range defined by the approved CoJ Poverty index of the expanded social package policy.
- Band 2 refers to individuals/ households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ Poverty index of the expanded social package policy.
- Band 3 refers to individuals/ households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ Expanded Social Package policy.

Note: These benefits are applicable to the 2019/20 financial year.

Proposed Institutional Water Tariffs

Institutional Water					
Kilolitres	2018/19	% Increase	2019/20	2020/21	2021/22
per connection per month	Tariff (R/kl)		Tariff (R/kl)	Tariff (9.4%) (R/kl) *	Tariff (9.2%) (R/kl) *
Consumption up to 200kl	28.70	12.0%	32.14	35.17	38.40
Consumption exceeding 200kl	31.03	15.0%	35.68	39.04	42.63

* 2020/21 and 2021/22 cost is only indicative as the cost of bulk water has not been confirmed by Rand Water and may change once confirmed. The Rand Water tariff for 2019/20 is expected to be approved by Parliament and gazetted in March 2019. The tariff applies to both conventional and prepaid meters.

Proposed Industrial/Commercial Water Tariffs

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Industrial/Commercial Water Tariffs					
Kilolitres	2018/19	% Increase	2019/20	2020/21	2021/22
per connection per month	Tariff (R/kl)		Tariff (R/kl)	Tariff (9.4%) (R/kl) *	Tariff (9.2%) (R/kl) *
Consumption up to 200kl	38.39	9.9%	42.19	46.16	50.40
Consumption exceeding 200kl	40.49	9.9%	44.50	48.68	53.16

*2020/21 and 2021/22 cost is only indicative as the cost of bulk water has not been confirmed by Rand Water and may change once confirmed. The Rand Water tariff for 2019/20 is expected to be approved by Parliament and gazetted in March 2019. The tariff applies to both conventional and prepaid meters.

Proposed Pre-paid Industrial/Commercial Water Tariffs

Industrial/Commercial Water Tariffs					
Kilolitres	2018/19	% Increase	2019/20	2020/21	2021/22
per connection per month	Tariff (R/kl)		Tariff (R/kl)	Tariff (9.4%) (R/kl) *	Tariff (9.2%) (R/kl) *
Consumption up to 200kl	38.39	9.9%	42.19	46.16	50.40
Consumption exceeding 200kl	40.49	9.9%	44.50	48.68	53.16

*2020/21 and 2021/22 cost is only indicative as the cost of bulk water has not been confirmed by Rand Water and may change once confirmed. The Rand Water tariff for 2019/20 is expected to be approved by Parliament and gazetted in March 2019. The tariff applies to both conventional and prepaid meters.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Proposed Private Dwelling Domestic Sanitation Tariffs

Proposed Private Dwelling Sanitation				
ERF Size (m ²)	2018/19	2019/20	2020/21	2021/22
	Tariff (R/erf/month)	Tariff (9.9%) (R/erf/month)	Tariff (9.4%) (R/erf/month *)	Tariff (9.2%) (R/erf/month) *
Up to and including 300m ²	194.67	213.94	234.05	255.59
Larger than 300m ² to 1000m ²	378.95	416.47	455.61	497.53
Larger than 1000m ² to 2000m ²	573.29	630.05	689.27	752.68
Larger than 2000m ²	826.02	907.80	993.13	1 084.50

*2020/21 and 2021/22 cost is only indicative as the cost of bulk water has not been confirmed by Rand Water and may change once confirmed. The Rand Water tariff for 2019/20 is expected to be approved by Parliament and gazetted in March 2019.

Proposed sanitation tariffs for indigents as part of the Expanded Social Package

Indigent Category	Score on Prevailing COJ Poverty Index	Reduction in sewerage tariff charge for applicable indigent band
Band 1	1-34	70%
Band 2	35-70	100%
Band 3	70-100	100%

Note:

- Band 1 refers to individuals / households within the vulnerability range defined by the approved CoJ Poverty index of the expanded social package policy.
- Band 2 refers to individuals/ households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ Poverty index of the expanded social package policy.
- Band 3 refers to individuals/ households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ Expanded Social Package policy.

Note: These benefits are applicable to the 2019/20 financial year.

Proposed Domestic Sanitation Tariffs – Pre-paid Meters

Pre-paid Domestic Sanitation

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Kilolitres per connection per month	2018/19	2019/20	2020/21	2021/22
	Tariff Subsidised measured (R/kl)	Tariff Subsidised measured (R/kl)	Tariff Subsidised measured (R/kl) *	Tariff Subsidised measured (R/kl) *
0-10	7.47	8.21	8.98	9.81
>10-15	9.45	10.39	11.36	12.41
>15-20	11.41	12.54	13.72	14.98
>20-30	16.93	18.61	20.36	22.23
>30-40	19.34	18.61	20.36	22.23
>40-60	22.82	18.61	20.36	22.23
>60	22.82	18.61	20.36	22.23

*2020/21 and 2021/22 cost is only indicative as the cost of bulk water has not been confirmed by Rand Water and may change once confirmed. The Rand Water tariff for 2019/20 is expected to be approved by Parliament and gazetted in March 2019.

Water Demand management levy

The demand charge is a fixed charge for each water connection to cover the cost of the base water installation over the lifespan of the meter, irrespective of the consumption. In addition, Rand Water is exceeding their water extraction licence from the Vaal river system and this was also introduced as a reminder to consumers to reduce their water consumption to allow the City to reduce its bulk water requirement and allowing Rand Water to reduce their water extraction license from the Department of Water and Sanitation. Rand Water may introduce large penalties in the future to municipalities when they exceed their water allocation which will then also be built into this charge.

The cost of a water installation is substantially more than the R20 per month, but it was a starting point to which will be increased in the future to cover the cost of the installation, which is currently borne by Johannesburg Water and which adds into the substantial loss suffered in the sale of water.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

For domestic properties, a monthly water demand management levy of R24.88 per month will be charged. It will be applicable to the following:

- Residential consumers per dwelling
- Residential prepaid dwelling
- Residential indigent dwelling when using more than free water (e.g. 15kl)
- Multi dwelling per dwelling
- Multi dwelling prepaid per dwelling
- Mixed use per dwelling

For non-domestic customers, a monthly water demand management levy of R219.80 per month per stand will be charged. It will be applicable to the following:

- businesses,
- institutions,
- industrial customers; and
- commercial customers
- mixed use per stand

Note: All the above charges are exclusive of VAT.

Effluent re-use tariff

Effluent re-use will be charged where the off take is from the treatment plant at the cost of the user. Where any infrastructure has to be provided, additional charges will apply on a case by case basis dependant on the cost to Johannesburg Water and the period of the agreement.

Name of Catchment	2018/19 (R/kl)
Integrated Vaal River System (IVRS)	R 4.718
Crocodile West Marico	R 5.70

The Water Treatment Works that dispense effluent to both Integrated Vaal River System and Crocodile West Marico are listed below:

Integrated Vaal River System (IVRS)

- Olifantsvlei works
- Bushkoppies works
- Goudkoppies works
- Ennerdale works

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Crocodile West Marico

- Driefontein works
- Northern works

5 POLICY IMPLICATIONS

The proposed increases are in line with the City of Johannesburg's guiding principles on the determination of tariffs in that tariffs should be equitable and affordable.

6 LEGAL AND CONSTITUTIONAL IMPLICATIONS

This report has been finalized in conjunction with Legal and Compliance to ensure compliance with all relevant Legislation. It should though be kept in mind that by virtue of Section 28 (6) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), once the new tariffs have been determined in respect of the 2018/19 Financial Year, it may not be further increased during that financial year, except when required in terms of a financial recovery plan as contemplated in the Act. For that reason it is essential to ensure that the proposed increases comply with the budgeted needs of the Council in respect of 2019/20 Financial Year.

7 FINANCIAL IMPLICATIONS

The proposed tariff structure does allow Johannesburg Water to comply with its commitments of financial sustainability and the pursuance of the upgrading and enhancement of the water and sanitation infrastructure and other efficiency initiatives.

8 ECONOMIC IMPLICATIONS

The economic implications of the proposed tariff are to ensure that the increases in the various tariff bands are maintained at reasonable levels, but having regard to the principle of higher increases for the high level consumption customers.

9 COMMUNICATION IMPLICATIONS

The relevant information regarding the amended tariffs will be communicated to all role players in the manner prescribed by law.

10 OTHER DEPARTMENTS/BODIES CONSULTED

The following bodies have been consulted prior to submission of this proposal:

1. Environmental, Infrastructure and Services department.
2. Legal and Compliance.

11 KEY PERFORMANCE INDICATOR

The report relates to the Johannesburg Water Revenue key performance indicator.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

IT IS RECOMMENDED

- 1 That, in terms of Sections 11(3)(i) and 75A (1) of the Local Government: Municipal Systems Act 2000, (Act 32 of 2000) as amended, read with Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the City of Johannesburg declares its intention to amend with effect from 1 July 2019 its Tariff of Charges:

For:

- (1) Water Services as set out in Annexure "A" and
 - (2) Sewerage and Sanitary Services as set out in Annexure "B"
- 2 That, in terms of Sections 17(3) (a) (ii) and 22(a) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and Sections 21, 21A (1) and 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, the City of Johannesburg:
 - (1) display the notice and the documents and notice in the manner prescribed;
 - (2) Seek to convey to the local community by means of radio broadcasts covering the area of the City, the information contemplated in Section 21A(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended; and
 - (3) Publish a notice in the manner prescribed and invites the local community to submit written comments or representations in respect of the City's declared intention to amend or determine Tariffs of Charges.
 - 3 That in terms of Section 22(b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) a copy of the notice and documents be sent forthwith to the National and Provincial Treasury; MEC for local government; as well any other organ of state or municipality affected by the budget to solicit their views
 - 4 That the Executive Director : Finance in conjunction with Director: Legal and Compliance, in consultation with the Council's relevant Departments and all interested parties, report on the comments received in terms of Paragraph 2 above with recommendations on the final draft of the Tariffs of Charges for approval.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

5 That the report be submitted to a relevant Section 79 Committee for comment.

(JOHANNESBURG WATER)

(tc)

THE NEXT ITEM FOLLOWS THE ANNEXURES TO THIS ITEM

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

ANNEXURE "A"

CITY OF JOHANNESBURG

AMENDMENT OF TARIFF OF CHARGES FOR WATER SERVICES

In terms of:

The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) as amended: Sections 17(3)(a)(ii), and 22(a)(i) and (ii) ;
the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) as amended: Sections 21(1) and (3), 21A and 75A(3) and (4) ;, it is hereby notified that the City of Johannesburg has, in terms of Sections 11(3)(i) and 75A(1) and (2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, read with Section 24(2)(c)(ii) of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003), amended its tariff of charges for Water Services with effect from 1 July 2018. A 2% surcharge is levied on business customers.

The following tariffs shall be effective from 1 July 2019:

1. DEFINITIONS

For the purposes of this tariff of charges the following definitions will apply:

- 1.1. "Dwelling unit" means one or more rooms including kitchen/s designed as a unit for occupancy for purpose of cooking, living and sleeping which includes nearby outbuildings, sheds and granny flats within the curtilage of the property excluding multi dwellings and flats;
- 1.2. "Multi-dwelling" means any arrangement of premises that comprises more than one dwelling unit, including semi-detached houses, simplex units, townhouses and any other arrangement of residential premises;
- 1.3. "Hostel" means collective accommodation for Local Authority and Provincial Government workers which accommodation may be single rooms or dormitories, with shared facilities such as kitchens and bathrooms;
- 1.4. "Service Level 1" shall mean a service delivery option consisting of water supply from communal water points located within 200 metres of each other.
- 1.5. "Service Level 2" shall mean a service delivery option consisting of an un-metered water connection to each stand or erf with an individual yard standpipe that is purposefully not connected to any plumbing fixtures located on the property.

JOHANNESBURG WATER

- 1.6. "Service Level 3" shall mean a service delivery option consisting of a metered pressured water connection to each stand or erf that can legally be connected by the developer/owner to the dwelling (or any other point on the property);.
- 1.7. "ESP" means Expanded Social Package policy;
- 1.8. "Residential purposes" shall be deemed not to include the letting of accommodation units for any category of hotel uses, which shall be deemed to constitute use for commercial purposes;
- 1.9. "Institution" means tertiary educational institutions, public schools, public hospitals, orphanages or other similar premises operated by a registered welfare organisation or old aged homes, sport clubs or premises used for public worship, including halls or other buildings used for religious purposes.

2 CHARGES FOR THE SUPPLY OF METERED WATER:

2.1 (A) Residential Consumers

For the supply of water to any dwelling where such a dwelling unit has its own meter supplied by Johannesburg Water and is used for residential purposes:

- (a) For the first 6 kilolitres R9.10 per kilolitre per month;
- (b) In excess of 6 kilolitres up to 10 kilolitres: R9.66 per kilolitre per month.
- (c) In excess of 10 kilolitres up to 15 kilolitres: R16.49 per kilolitre per month.
- (d) In excess of 15 kilolitres up to 20 kilolitres: R23.99 per kilolitre per month.
- (e) In excess of 20 kilolitres up to 30 kilolitres: R32.95 per kilolitre per month.
- (f) In excess of 30 kilolitres up to 40 kilolitres: R36.51 per kilolitre per month.
- (g) In excess of 40 kilolitres up to 50 kilolitres: R46.62 per kilolitre per month.
- (h) In excess of 50 kilolitres: R49.66 per kilolitre per month.
- (i) A water demand management levy of R24.88 per month per stand.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

2.1 (B) Residential Indigent Consumers

For the supply of water to any dwelling unit where such a dwelling unit has its own meter supplied by Johannesburg Water and is used for residential purposes by a consumer that is registered indigent in terms of the Council's Expanded Social Package policy:

Indigent Category	Score on Prevailing COJ Poverty Index	Allocation of additional free water person per day (litres)	Monthly allocation cap of free water per household in which at least 50% of registered social package recipients qualify for the band in question (Kilo-litres)
Band 1	1-34	25l.	10kl.
Band 2	35-70	35l.	12kl.
Band 3	71-100	50l.	15kl

Note :

- a. Band 1 refers to individuals / households within a vulnerability range defined by the approved CoJ Poverty index of the ESP policy.
- b. Band 2 refers to individuals/ households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ Poverty index of the ESP policy.
- c. Band 3 refers to individuals/ households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ Expanded Social Package policy.

2.2 (A) Residential pre-paid customer

Where a residential pre-paid meter has been installed, for the supply of water.

- a) For the first 10 kilolitres: R8.32 per kilolitre per month.
- b) In excess of 10 kilolitres up to 15 kilolitres: R10.68 per kilolitre per month.
- c) In excess of 15 kilolitres up to 20 kilolitres: R19.86 per kilolitre per month.
- d) In excess of 20 kilolitres up to 30 kilolitres: R31.54 per kilolitre per month.
- e) In excess of 30 kilolitres up to 40 kilolitres: R34.19 per kilolitre per month.
- f) In excess of 40 kilolitres up to 50 kilolitres: R44.97 per kilolitre per month.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

g) In excess of 50 kilolitres: R49.60 per kilolitre per month.

h) A water demand management levy of R24.88 per month.

An annual allocation for emergencies of 4 kl will be provided free of charge to a consumer in the case where the meter is prepaid.

2.2 (B) Residential Indigent pre-paid customer

Where a residential pre-paid meter has been installed for the supply of water, where such water is consumed by a consumer that is declared indigent in terms of the Council's Expanded Social Package policy resolution, the proposed tariff will be as follows:

Indigent Category	Score on Prevailing COJ Poverty Index	Allocation of additional free water per person per day (litres)	Monthly allocation cap of free water per household in which at least 50% of registered social package recipients qualify for the band in question (Kilo-litres)
Band 1	1-34	25l.	10kl.
Band 2	35-70	35l.	12kl.
Band 3	71-100	50l.	15kl

Note :

- Band 1 refers to individuals / households within a vulnerability range defined by the approved CoJ Poverty index of the ESP policy.
- Band 2 refers to individuals/ households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ Poverty index of the ESP policy.
- Band 3 refers to individuals/ households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ Expanded Social Package policy.

2.3 Multi dwelling

2.3 (A) Credit Multi dwelling meters

For the supply of water to multi dwelling where water consumed in all such units are metered by one or a combination of meters supplied by Johannesburg Water, but not individually metered by meters: the combined aggregate consumption be divided by the number of dwelling units:

- For the first 6 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R9.10 per kilolitre per month.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

- (b) In excess of 6 kilolitres up to and including 10 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R9.66 per kilolitre per month.
- (c) In excess of 10 kilolitres up to and including 15 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R16.49 per kilolitre per month.
- (d) In excess of 15 kilolitres up to and including 20 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R23.99 per kilolitre per month.
- (e) In excess of 20 kilolitres up to and including 30 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R32.95 per kilolitre per month.
- (f) In excess of 30 kilolitres up to and including 40 kilolitres per dwelling multiplied by the number of dwelling units: R 36.51 per kilolitre per month.
- (g) In excess of 40 kilolitres up to and including 50 kilolitres per dwelling multiplied by the number of dwelling units: R46.62 per kilolitre per month.
- (h) For any quantity in excess of 50 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R49.66 per kilolitres per month.
- (i) A water demand management levy of R24.88 per dwelling per month.

2.3 (B) Pre-paid Multi dwelling meters

For the supply of water to multi dwelling where water consumed in all such units are metered by one pre-paid meter supplied by Johannesburg Water the aggregate consumption be divided by the number of dwelling units:

- (a) For the first 10 Kilolitres per dwelling multiplied by the number of dwelling units on the premises: R8.32 per kilolitre per month.
- (b) In excess of 10 kilolitres up to and including 15 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R10.68 per kilolitre per month.
- (c) In excess of 15 kilolitres up to and including 20 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R19.86 per kilolitre per month.

JOHANNESBURG WATER

- (d) In excess of 20 kilolitres up to and including 30 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R 31.54 per kilolitre per month.
- (e) In excess of 30 kilolitres up to and including 40 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R 34.19 per kilolitre per month.
- (f) In excess of 40 kilolitres up to and including 40 kilolitres per dwelling multiplied by the number of dwelling units on the premises concerned: R44.97 per kilolitre per month.
- (g) For any quantity in excess of 50 kilolitres per dwelling multiplied by the number of dwelling units on the premises concerned: R49.60 per kilolitre per month.
- (h) A water demand management levy of R24.88 per dwelling per month.

2.4 Mixed use

For the supply of water to any dwelling, with or without appurtenant outbuildings, and used for more than one purpose (excluding any such units used merely for purposes incidental to such other purposes which constitute the main activities on the premises), where water consumed in all such units is metered by one meter supplied by Johannesburg Water for any quantity of water supplied, the aggregate consumption be divided by the number of dwelling units.

- (a) For the first 6 Kilolitres per dwelling multiplied by the number of dwelling units on the premises: R9.10 per kilolitre per month
- (b) In excess of 6 kilolitres up to and including 10 kilolitres per dwelling multiplied by the number of dwelling units: R9.66 per kilolitre per month.
- (c) In excess of 10 kilolitres up to and including 15 kilolitres per dwelling multiplied by the number of dwelling units on the premises: R16.49 per kilolitre per month.
- (d) In excess of 15 kilolitres up to and including 20 kilolitres per dwelling multiplied by the number of dwelling units: R23.99 per kilolitre per month
- (e) For any quantity in excess of 20 kilolitres per dwelling multiplied by the number of dwelling units: R49.66 per kilolitre per month.

JOHANNESBURG WATER

- (f) In the case where a domestic customer conducts commercial/business activities on their residential unit where pre-paid meters have been installed, the first 6kl/month shall be charged at R9.10 per kilolitre. Any consumption will be charged at the rate of the tariff band listed in sub-paragraphs (b) to (e).
- (g) A water demand management levy of R24.88 per dwelling per month plus R194.70 per stand.

2.5 Hostels

For the supply of water to any hostels with or without appurtenant outbuildings where water consumed in all such units is metered by one meter supplied by Johannesburg Water. The aggregate consumption be divided by the factor of the number of registered beds divided by six and the tariff stipulated in sub paragraph (1) above be applied per hostel.

- (a) For the first 6 Kilolitres per dwelling multiplied by the number of dwelling units on the premises: R9.10 per kilolitre per month.
- (b) In excess of 6 kilolitres up to and including 10 kilolitres per hostel multiplied by the factor of the number of registered beds per hostel divided by six: R9.66 per kilolitre per month.
- (c) In excess of 10 kilolitres up to and including 15 kilolitres per hostel multiplied by factor of the number of registered beds per hostel divided by six: R16.49 per kilolitre per month.
- (d) In excess of 15 kilolitres up to and including 20 kilolitres per hostel multiplied by the factor of the number of registered beds divided by six per hostel: R23.99 per kilolitre per month.
- (e) For any quantity in excess of 20 kilolitres per hostel multiplied by the factor of the number of registered beds divided by six per hostel: R49.66 per kilolitre per month.

2.6 Institutions

For the supply of water to institutions:

- (a) For consumption up to 200 kilolitres: R32.14 per kilolitre per month
- (b) For consumption exceeding 200 kilolitres: R35.68 per kilolitre per month.
- (c) A water demand management levy of R219.58 per stand per month.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

2.7 Commercial / Industrial

For the supply of water through any one meter to premises other than those provided for in clauses 2.1 to 2.6:

- (a) For consumption up to 200 kilolitres: R42.19 per kilolitre per month.
- (b) For consumption exceeding 200 kilolitres: R44.50 per kilolitre per month.
- (c) A water demand management levy of R219.58 per stand per month.

2.8 Pre-paid Industrial/Commercial Water Tariffs

For the supply of water through any one meter to premises other than those provided for in clauses 2.1 to 2.6:

- (a) For consumption up to 200 kilolitres: R42.19 per kilolitre per month.
- (b) For consumption exceeding 200 kilolitres: R44.50 per kilolitre per month.
- (c) A water demand management levy of R219.58 per stand per month.

2.9 (A) Tariffs when there's water restriction – metered areas

For the supply of water to any dwelling where at least a Water restriction has been declared by Johannesburg Water and is used for residential purposes:

	2019/20	DOMESTIC WATER RESTRICTIONS							
Band	Normal Tariff	Level 1 - 15%	Level 2 - 20%	Level 3 - 25%	Level 4 - 30%	Level 5 - 35%	Level 6 - 40%	Level 7 - 45%	Level 8 - 50%
	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)
0-6	9.10	9.84	10.01	12.28	12.74	16.38	20.02	20.93	22.29
> 6-10	9.66	10.92	12.03	14.01	14.49	18.84	22.22	23.18	25.12
>10-15	16.49	19.62	28.02	32.64	34.45	44.18	49.46	51.10	57.70
>15-20	23.99	31.79	43.18	55.18	56.26	66.70	76.77	81.81	95.96
>20-30	32.95	54.36	62.63	81.71	84.01	115.15	121.91	131.79	135.19
>30-40	36.51	65.72	73.05	101.49	104.05	136.87	153.34	164.47	182.76
>40-50	46.62	88.58	97.90	134.26	139.85	197.66	214.42	233.12	270.64
>50	49.66	99.23	119.19	153.70	173.28	234.46	246.78	273.40	298.24

2.9 (B) Tariffs when there's water restriction – prepaid areas

For the supply of water to any dwelling where at least a Water restriction has been declared by Johannesburg Water and is used for residential purposes:

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

	2019/20	PRE-PAID WATER RESTRICTIONS							
Band	Normal Tariff	Level 1 - 15%	Level 2 - 20%	Level 3 - 25%	Level 4 - 30%	Level 5 - 35%	Level 6 - 40%	Level 7 - 45%	Level 8 - 50%
	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)
0-10	8.32	9.41	10.36	12.06	12.48	16.22	19.13	19.97	21.63
>10-15	10.68	12.71	18.16	21.15	22.33	28.63	32.05	33.12	37.39
>15-20	19.86	26.31	35.75	45.68	46.57	55.21	63.55	67.72	79.44
>20-30	31.54	52.04	59.96	78.22	80.43	110.24	116.70	126.17	129.41
>30-40	34.19	61.54	68.41	95.05	97.44	128.18	143.60	154.03	171.15
>40-50	44.97	85.44	94.44	129.52	134.91	190.67	206.83	224.88	261.07
>50	49.60	99.09	119.03	153.50	173.05	234.15	246.45	273.04	297.84

3 INTERIM CHARGES

- (b) For the purpose of assessing any charge where a meter reading could not be obtained, for whatever reason, in an area other than a deemed consumption area, the consumption trend of the customer's interim charges are raised in absence of an actual reading. Where there is no trend available, a township average may be applied.
- (c) The interim charge shall be reversed when actual meter readings are again obtained and the account adjusted accordingly.
- (d) Interim charges levied are payable and due in the same way as an actual charge.

4 MISCELLANEOUS

- 4.1. For the supply of water for use outside the area of jurisdiction of the City of Johannesburg (excluding water supplied in bulk to another local authority) such supply to be metered at a point within the boundary of the City of Johannesburg in any one month, the charge payable shall be the prevailing Rand Water bulk supply price plus a surcharge of 25% on the aggregate of such charge.
- 4.2. In the case of meters registering the supply of water in gallons, the number of kilolitres supplied shall be determined by dividing the number of gallons registered by 220 and rounding off the result, up or down to the nearest 10.
- 4.3. The Managing Director of Johannesburg Water will have the authority to negotiate with customers who receive a special tariff, due to older arrangements with the City, to bring these special tariffs in line with the regular tariff.

5 CUSTOMER REQUESTS TO CHANGE BILLING TARIFF

When customers request in writing to change the billing tariff, it will be confirmed by Johannesburg Water and will only apply from the date of which the request is received by the City and will not be backdated.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

6 CHARGES FOR THE SUPPLY OF UNMETERED WATER

6.1 (A) Deemed consumption areas

Erven within previously disadvantage areas where a flat rate for water consumption was charged and it has not been possible to assess metered water consumption over the past 12 months:

5kl per month: R45.50 per month;
 10 kl per month: R93.24 per month;
 20 kl per month: R295.64 per month.

6.2 (B) Deemed consumption areas: Indigent customers

Erven within previously disadvantaged areas where a flat rate was charged and it has not been possible to assess metered water consumption over the past 12 months and the consumer is declared indigent in terms Expanded Social Package Policy of Council:

5kl per month: Free of charge;
 10 kl per month: Free of charge;
 20 kl per month: R119.95 per month

6.3 Informal settlements

Informal dwelling structures on an erf, which is not connected to the water reticulation system of the Council and is supplied by water from a communal water point: Free of charge per month.

7 SUNDRY CHARGES

7.1 Availability Charges

The following availability charges shall be payable in respect of:

- (a) Per vacant residential stands;
- (b) Per unoccupied improved residential stands;
- (c) Per improved occupied residential stands where no water supplied by Council is being consumed for any reason, including, but not restricted to stands using borehole water;
- (d) Per occupied unmetered residential stands R329.70 per month per stand for items (a), (b), (c) and (d) above;
- (e) Per non-residential vacant stands;
- (f) Per unoccupied improved non-residential stand;
- (g) Per improved occupied non-residential stands where no water supplied by Council is being consumed; R824.25 per month per stand for items (e), (f) and (g) above.

JOHANNESBURG WATER

- (h) Stands belonging to the City of Johannesburg and its Municipal Owned entities that do not consume water will be exempted from the availability charge.

7.2 Charges for connecting supply

7.2 (A) Disconnections and/or reconnections

- (a) For the removal of an unused meter up to and including a 20 mm connection, and consequent disconnecting of supply: R2,431.85
- (b) For the removal of an unused meter larger than 20 mm up to and including a 40 mm connection, and consequent disconnecting of supply: R13,188.00
- (c) For the removal of an unused meter larger than 40 mm up to and including a 100 mm connection, and consequent disconnecting of supply: R24,178.00
- (d) For the removal of an unused meter larger than 100 mm connection, and consequent disconnecting of supply: R35,168.00

For the re-connection of supply which has been cut off.

- (a) Flow restrictions: R1, 894.82
- (b) Cut-off, Level 2- Disconnection and re-connection at the water meter: R3, 794.59
- (c) Cut-off, Level 3- Disconnection and reconnection at the water mains supply: R7, 645.78
- (d) Disconnection and re-connection of supply for an incidence of bypassing of the service installation and/or meter:
R14, 287.00 for up to a 20mm connection and R32, 970.00 for a connection larger than 20mm.
- (e) Disconnection and re-connection of supply for an incidence of vandalism/tampering of the service installation and/or meter: R14, 287.00 for up to a 20mm connection and R32,970.00 for a connection larger than 20mm. In the event of stands with multiple households or business premises, the charge will be multiplied by the number of households / business premises per stand even if there is a single bulk meter.

7.2 (B) New Connections

- (a) For providing and installing a 20 mm connection with a meter:
 - (i) Service Level 1 and Level 2 water connection: Free
 - (ii) New complete connection: R10, 073.23
 - (iii) New meter only: R3, 446.27
- (b) For providing and installing a 25 mm connection with a meter: R 24,476.28

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

- (c) For providing and installing a 40 mm connection with a meter: R 32,884.81
- (d) For providing and installing a 50 mm connection with a meter: R 42,057.72
- (e) For providing and installing a 80 mm connection with a meter: R 65,763.26
- (f) For providing and installing a 100 mm connection with a meter: R 68,060.75
- (g) For providing and installing a 150 mm connection with a meter: R 81,051.50
- (h) In the event of an illegal connection not installed by Johannesburg Water or with a letter from Johannesburg Water authorising the installation by a developer or their agent, a fine, over and above the charges in 7.2 (B) (a) to (g) above, which will be equal to two (2) times the applicable new connection tariff above, per connection and multiplied by the number of households on the stand.

7.2 (C) Fire Service Connections

- (a) For providing and installing a 25 mm fire service connection without a meter: R 22,319.91
- (b) For providing and installing a 40 mm fire service connection without a meter: R 24,476.69
- (c) For providing and installing a 50 mm fire service connection without a meter: R 25,235.12
- (d) For providing and installing a 80 mm fire service connection without a meter: R 38,234.62
- (e) For providing and installing a 100 mm fire service connection without a meter: R 44,357.57
- (f) For providing and installing a 150 mm fire service connection without a meter: R 54,292.46

7.3 Special charges in connection with meters supplied by Johannesburg Water:

JOHANNESBURG WATER

- (1) For special reading of a meter at the request of a consumer (excluding new consumers) provided that only a single charge be levied under this item for the simultaneous reading of water and electricity meters for a single consumer: R 549.50;
- (2) For installing a meter after the removal thereof; R 3,446.27 (As per section 6.2 (B) (a) (iii))
- (3) For testing a water meter owned by Johannesburg Water at the request of the consumer, if it is found that the meter does not show an error of more than the prescribed tolerance:
 - (a) Meters for pipes with a diameter measuring up to and including 25 mm, for each meter: R 3,790.89
 - (b) Meters for pipes with a diameter measuring more than 25 mm, for each meter: R 7,581.78
- (4) Rules applicable to clause 6.3 (3):
 - (a) The method and results of a test carried out by Johannesburg Water in terms of sub items 6.3 (3), shall be accepted by the consumer as conclusive.
 - (b) The consumer shall be entitled, on giving Johannesburg Water (SOC) Ltd reasonable notice of his intention, to be present at the testing of any meter in which he is interested.
 - (c) Johannesburg Water shall retain every water meter for 3 months after it has been tested in order to make any further check or adjustment which may be necessary.
 - (d) When a meter fails the test, the meter testing fees will be refunded.
 - (e) When the meter fails the test, meter reading and billing will be adjusted using the by-law calculations to raise/reverse charges for the period affected.
- (5) For testing a meter owned by the consumer the charge shall be as follows:
 - (a) Meters for pipes with a diameter measuring up to and including 25mm, for each meter: R 4,396.00
 - (b) Meters for pipes with a diameter measuring more than 25 mm, for each meter: R 8,242.50
- (6) For the hire of a movable meter:
 - (a) Nominal diameter 20 mm, per month: R 1,335.99
 - (b) Nominal diameter 56 mm, per month: R 1,754.96
- (7) Deposit payable for a movable meter:

JOHANNESBURG WATER

- (a) Nominal diameter 20 mm: R 13,386.27
 - (b) Nominal diameter 56 mm: R 49,468.14
- (8) If a water meter remains unused for more than three months Johannesburg Water shall be entitled to remove it free of cost to the consumer and shall replace it when it is again required; the replacement shall be at the consumer's expense (refer section 6.2).
- (9) For the purpose of rule 8, a meter shall be deemed to have been unused during any period between readings if less than 4 kilolitres passed through it.
- (10) Charges applicable to the moving of water meter outside the boundary of a property at the consumer's request:
- (a) For the moving of a Meter size 20, 25 and 40mm which can be moved as a unit. R 11,964.08 per meter;
 - (b) For the moving of a Meter size 50 and 80mm R 14,876.57 per meter;
 - (c) For the moving of a meter size 100 and 150mm for which a chamber needs to be built. R 18,953.94 per meter
- (11) Temporary interruption
- (a) For the temporary interruption of a consumer's water supply at his request and the subsequent reconnection thereof, for including the time taken for travelling, whether one or more trips to the erf are necessary: R 2,289.90;
 - (b) In the case where a consumer fits an internal stopcock which will allow the consumer to perform the interruption without the assistance of Johannesburg Water in future: free of charge
- (12) Charge for issuing of notice:
- For the issuing of a notice in respect of arrear amounts on one or more services: R 413.24

8. EFFLUENT RE-USE TARIFF

Effluent re-use will be charged where the off take is from the treatment plant at the cost of the user. Where any infrastructure has to be provided, additional charges will apply on a case by case basis dependant on the cost to Johannesburg Water and the period of the agreement.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Name of Catchment	2018/19 (R/kl)
Integrated Vaal River System (IVRS)	R 4.718
Crocodile West Marico	R 5.70

The Water Treatment Works that dispense effluent to both Integrated Vaal River System and Crocodile West Marico are listed below:

Integrated Vaal River System (IVRS)

- Olifantsvlei works
- Bushkoppies works
- Goudkoppies works
- Ennerdale works

Crocodile West Marico

- Driefontein works
- Northern works

9. VALUE ADDED TAX

All the above charges are **exclusive** of VAT.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

ANNEXURE "B"

CITY OF JOHANNESBURG

AMENDMENT OF TARIFF OF CHARGES FOR SEWERAGE & SANITARY SERVICES

In terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) as amended: sections 17(3)(a)(ii) and 22(a) of ; of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended: sections 21(1) and (3), 21A and 75A(3) and (4) of , it is hereby notified that the City of Johannesburg has, in terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended: Sections 11(3)(i) and 75A(1) and (2), read with the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) as amended: section 24(2)(c)(ii) of, amended its Tariff of Charges for Sewerage and Sanitary Services with effect from 1 July 2019. A 2% surcharge is levied on business tariffs.

The following tariffs shall be effective from 1 July 2019:

1. DEFINITIONS

For the purposes of this Tariff of Charges the following definitions will apply:

- 1.1. "Dwelling unit" means one or more rooms including a kitchen/s designed as a unit for occupancy for the purpose of cooking, living and sleeping which includes nearby outbuildings, sheds and granny flats within the curtilage of the property excluding multi dwellings and flats ;
- 1.2. "Multi-dwelling" means any arrangement of premises that comprises more than one dwelling unit including semi-detached houses, simplex units, townhouses and any other arrangement of residential premises excluding a block of flats;
- 1.3. "Flat" means a dwelling unit set aside in a single multi storey building on a single erf with a communal entrance to the building, which building comprises more than one dwelling unit; and where the rates valuation does not exceed R700,000.00
- 1.4. "Hostel" means collective accommodation for Local Authority and Provincial Government workers which accommodation may be single rooms or dormitories, with shared facilities such as kitchens and bathrooms;
- 1.5. "Service Level 1" shall mean a service delivery option consisting of a ventilated improved pit latrine or equivalent dry sanitation system located on each. No water and sewer connections are provided to each individual property, and no waterborne sewer system is available.
- 1.6. "Service Level 2" shall mean a service delivery option consisting of a pour-flush waterborne sewer connection to each erf which must not be directly connected to the water installation.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

- 1.7. "Service Level 3" shall mean a service delivery option consisting of a conventional waterborne sewer network with individual sewer connections to each erf.
- 1.8. "Condominial Sewer" shall mean a sewer network that is characterised by shallow gradients and small-diameter pipes, with numerous simplified inspection features. The system is divided into a main network and the condominial branches. A block of houses is considered a customer unit by the service provider, and this customer unit connects to the main network via a single connection. Within a block of houses, the households connect up to the condominial branch individually via a house connection that forms part of their private sanitary installation;
- 1.9. "Institution" means tertiary educational institutions, public schools, public hospitals, orphanages or other similar premises operated by a registered welfare organisation or old aged homes, sport clubs or premises used for public worship, including halls or other buildings used for religious purposes.

2. SEWERAGE AND SANITATION CHARGES

The following charges shall be payable in respect of land having a drainage installation thereon which is connected to Johannesburg Water's sewer network:

2.1. Dwelling on a single erf, per erf- R/month

(a) Up to and including 300 m ²	R 213.94
(b) From 301 m ² to 1 000 m ²	R 416.47
(c) From 1 001 m ² to 2 000 m ²	R 630.05
(d) Larger than 2 000 m ²	R 907.80

A person qualifying for a rebate on Assessment Rates in terms of Section 15 of the Local Government Municipal Property Rates Act 6 of 2000 as amended, will be entitled to be charged for domestic sewage at the charge applicable to an erf to 300 m². (R 213.94 per month).

2.2. Blocks of Flats

- (a) Where information to the satisfaction of the Managing Director: Johannesburg Water, or his duly authorised representative, has been furnished as to the number of flats on premises: R 250.00 per unit per month.
- (b) Where information to the satisfaction of the Managing Director: Johannesburg Water, or his duly authorised representative, has not been furnished as to the number of flat units in a complex: For each kilolitre or part thereof of the metered or estimated water consumption: R25.08/kl."

JOHANNESBURG WATER

2.3. Multiple dwellings

- (a) Where two or more dwelling units have been erected on a single erf, an erf size shall be determined in respect of each dwelling house erected on such property, by dividing the area of the erf by the number of dwelling units erected thereon. The charge shall then be levied in respect of each such dwelling house in accordance with the provisions of section 2.1 above, provided that the minimum charge shall be: R 416.47 per unit per month.
- (b) Where information to the satisfaction of the Managing Director: Johannesburg Water, or his duly authorised representative, has not been furnished as to the number of dwelling units on a complex: For each kilolitre or part of the metered or estimated water consumption: R31.54/kl.

2.4. Informal Settlements

Informal dwelling structures used for human habitation in respect of which no building plan has been lawfully approved by any competent authority and the dwelling on the erf is not individually connected to Johannesburg Water's water reticulation system: Free of charge.

2.5. Residential pre-paid meter

Where residential pre-paid meter has been installed for the supply of water to a dwelling, block of flats and multi-dwellings where such service is provided in respect of land having a drainage installation thereon which is connected to Johannesburg Water's sewer:

- (a) For the first 10 kilolitres: R8.21 per kilolitre per month.
- (b) In excess of 10 kilolitres up to 15 kilolitres: R10.39 per kilolitre per month.
- (c) In excess of 15 kilolitres up to 20 kilolitres: R12.54 per kilolitre per month.
- (d) In excess of 20 kilolitres up to 30 kilolitres: R18.61 per kilolitre per month.
- (e) In excess of 30 kilolitres up to 40 kilolitres: R18.61 per kilolitre per month.
- (f) In excess of 40 kilolitres up to 60 kilolitres: R18.61 per kilolitre per month.
- (g) In excess of 60 kilolitres: R18.61 per kilolitre per month.

An annual allocation for emergencies of 4 kl will be provided free of charge to a consumer.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

2.6. Residential Indigent Consumers

A reduction in tariff will be given to a consumer in terms of clauses 2.1 to 2.5 above who is having a drainage installation, connected to Johannesburg Water's sewer network and who is declared indigent in terms of the Council's Expanded Social Package policy resolution:

Indigent Category	Score on Prevailing COJ Poverty Index	Reduction in Sewerage tariff
Band 1	1-34	70%
Band 2	35-70	100%
Band 3	70-100	100%

Note :

- a. Band 1 refers to individuals / households within a vulnerability range defined by the approved CoJ Poverty index of the ESP policy.
- b. Band 2 refers to individuals / households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ Poverty index of the ESP policy.
- c. Band 3 refers to individuals/ households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ Expanded Social Package policy.

2.7. Condominial Sewer

For the supply of water to the occupier of any dwelling where such service is provided in respect of land having a drainage installation thereon which is connected to Johannesburg Water's sewer via a condominial sewer network:

- (a) For the initial consumption up to 10 kilolitres: R8.21 per kilolitre per month.
- (b) In excess of 10 kilolitres up to 15 kilolitres: R10.39 per kilolitre per month.
- (c) In excess of 15 kilolitres up to 20 kilolitres: R12.54 per kilolitre per month.
- (d) In excess of 20 kilolitres up to 30 kilolitres: R18.61 per kilolitre per month.
- (e) In excess of 30 kilolitres up to 40 kilolitres: R21.25 per kilolitre per month.
- (f) In excess of 40 kilolitres up to 60 kilolitres: R25.08 per kilolitre per month.
- (g) In excess of 60 kilolitres: R27.00 per kilolitre per erf per month.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

2.8. Institutional Buildings

For the provision of sewerage service to Institutional Buildings will be charged at R25.08/kl.

2.9. Mixed used Buildings

Any premises comprised of two or more dwelling units, with or without appurtenant outbuildings, and any unit for other purposes (excluding any such premises if such units are used merely for purposes incidental to such other purposes which constitute the main activities on the premises), where water consumed in all such units is metered by one meter supplied by Johannesburg Water, for any quantity of water supplied to the premises, for each kilolitre or part thereof of the metered or estimated water consumption: R 31.54/kl.

2.10. Other classes of property

All classes of property other than those specified in clauses 2.1 to 2.9 above: For each kilolitre or part thereof of the metered or estimated water consumption: R 31.54/kl.

2.11 Industrial / Commercial Pre-paid

For each kilolitre or part thereof of the metered or estimated water consumption: R 31.54/kl

2.12 The Managing Director of Johannesburg Water will have the authority to negotiate with customers who receive a special tariff, due to older arrangements with the City, to bring these special tariffs in line with the regular tariff.

3. CUSTOMER REQUESTS TO CHANGE BILLING CATEGORY

When customers request in writing to change the billing category it will be confirmed by the City and will only apply from the date of request received by the City.

4. NIGHT SOIL AND VACUUM TANKER SERVICES

The following charges shall be payable for night soil and vacuum tanker services:

4.1. Vacuum Tanker Service

- (1) For the removal of sewage by vacuum tanker outside a sewer reticulated area, per kilolitre or part thereof: R268.77/kl.
- (2) Discharge of contents of tankers used to evacuate portable toilets to works: per kilolitre or part thereof R 450.71/kl.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

- (3) Discharge of contents of tankers used to evacuate portable toilets to works, and where such tankers are hired on contract by Johannesburg Water: Free of charge.

5. CHARGES FOR INDUSTRIAL EFFLUENT

5.1 The charge shall be calculated in accordance with the following formulae:

The sum of:

$$A: \quad C + \frac{T \cdot (\text{COD})}{700} \quad \text{cent/kilolitre,}$$

Subject to a minimum charge of R 31.54/kl;
and:

- B: (i) $T \cdot (\text{As}-2,5)$ cent/kilolitre, where As is greater than 2,5 mg/l; 2,5
and (ii) $T \cdot (\text{Cd}-2,5)$ cent/kilolitre, where Cd is greater than 2,5 mg/l; 2,5
and (iii) $T \cdot (\text{Co}-20)$ cent/kilolitre, where Co is greater than 20 mg/l; 20
and (iv) $T \cdot (\text{Cr}-20)$ cent/kilolitre, where Cr is greater than 20 mg/l; 20
and (v) $T \cdot (\text{Cu}-20)$ cent/kilolitre, where Cu is greater than 20 mg/l; 20
and (vi) $T \cdot (\text{Hg}-1)$ cent/kilolitre, where Hg is greater than 1 mg/l; 1
and (vii) $T \cdot (\text{Mo}-5)$ cent/kilolitre, where Mo is greater than 5 mg/l; 5
and (viii) $T \cdot (\text{Ni}-10)$ cent/kilolitre, where Ni is greater than 10 mg/l; 10
and (ix) $T \cdot (\text{Pb}-10)$ cent/kilolitre, where Pb is greater than 10 mg/l; 10
and (x) $T \cdot (\text{Se}-2,5)$ cent/kilolitre, where Se is greater than 2,5 mg/l; 2,5
and (xi) $T \cdot (\text{Zn}-20)$ cent/kilolitre, where Zn is greater than 20 mg/l; 20
and (xii) $C \cdot (7-\text{pH})$ cent/kilolitre, where pH is less and 4 units
and (xiii) $(C+T) \cdot (\text{FOG}-200)$ cent/kilolitre, where FOG is greater than 200mg/l;
200

Where $C = 892.49$ and $T = 973.29$

Where the COD is Chemical Oxygen Demand:

and As = Total Arsenic;
Cd = Total Cadmium;
Co = Total Cobalt;
Cr = Total Chromium;

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Cu	= Total Copper;
Hg	= Total Mercury
Mo	= Total Molybdenum
Ni	= Total Nickel;
Pb	= Total Lead;
Se	= Total Selenium;
Zn	= Total Zinc.
pH	= - log [H ³⁰⁺]
FOG	= Total fat, oil and grease

As determined by the analytical methods used by the CYDNA Scientific Services Laboratory of Johannesburg Water (SOC) Ltd.

It is important that the sewer system is protected against acidic effluents and the charge for pH is therefore punitive. Similarly, metals are detrimental to the environment and the metal charge is also punitive. In addition, the discharge of excessive quantities of fat, oil and grease (FOG) into the sewer system causes blockages which is a public nuisance, a health risk and impedes the proper operation of the City's Waste Water Treatment Works. Hence the FOG charge is also punitive. Therefore, in cases where the Water Services By-laws are violated, pH will be assessed on the lowest and metals and FOG on peak values recorded during a six monthly period, irrespective of whether the industrial effluent volume discharged during that period is less than the value stipulated in clause 4.2 below.

- 5.2 In the case of any trade or industry in respect of which the average monthly volume of trade or industrial effluent generated during the previous half-year period was less than 100 kilolitres, the charge shall be: R31.54 per kilolitre except where punitive charges are applied.
- 5.3 In respect of domestic effluent discharged from the premises of any trade or industry for which a charge was levied in terms of clause C (1) above, the charge shall be: R 31.54 per kilolitre.

In the absence of direct measurement, the domestic effluent will be estimated as follows:

- (i) 1,0 kilolitre per full-time staff member per month.
- (ii) 4,0 kilolitre per resident per month {not included in (i) above}.
- (iii) For staff canteens: 0,15 kl per meal served per month.
(The working month will be based on a 5-day working week. In cases where the working week deviates from 5 days, a pro rata adjustment will be made).

- 5.4 Where the average monthly volume of trade or industrial effluent generated during the previous half-year period was more than 50 kilolitres, rebates under A above to be granted under conditions specified by the Council as follows—

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

- (a) 10% if discharge occurs at specified times only;
- (b) 15% if flow is balanced and discharged evenly over seven days at specified times only;
- (c) 20% if effluent contains readily bio-degradable carbon beneficial to the Council's treatment processes; and
- (d) 50% maximum if (c) occurs with (a) and (b).

5.5 For the disposal of organic industrial wastes delivered by tanker to the wastewater treatment works: R18.54 per kilogram of COD.

6. CHARGES FOR GARBAGE GRINDERS:

For each rated 0.75kW or part thereof of the drive motor of each grinder:
R 660.71 per month.

7. SUNDRY CHARGES

7.1. Availability Charges

The following availability charges shall be payable in respect of:

- (a). Per vacant residential stands;
- (b). Per unoccupied improved residential stands;
- (c) Per improved occupied residential stands where no water supplied by Council is being consumed for any reason;
- (d) Per occupied unmetered residential stands;
R 215.83 per month per stand for items (a), (b), and (c) above.
- (e). Per non-residential vacant stands;
- (f). Per unoccupied improved non-residential stand;
- (g) Per improved occupied non-residential stands where no water supplied by Council is being consumed; R 636.30 per month per stand for items (e), (f) and (g) above.
- (h) Stands belonging to the City of Johannesburg and its Municipal Owned entities that do not consume sewer and sanitation services will be exempted from the availability charge.

7.2 Charges for work carried out by Johannesburg Water (SOC) Ltd:

Re-inspection fee, per inspection	R 3,913.31
Sealing opening, per connection	R 6,047.46
Re-opening sealed connections and re-Connecting drainage installation to the Sewer, per connection	R 6,047.46

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Alterations to gullies, per gully	R 1,553.81
Removing blockages on private drainage system up to the main municipal sewer, Per blockage:	
On a stand up to 300 m ²	R 525.21
On a stand larger than 300 m ²	R 1,178.18

8. DAMAGES TO MUNICIPAL WATER PIPE SYSTEM AND OR WATER INSTALLATIONS TARIFFS:

Any damages to the municipal water system and or installation: Actual costs of repairs plus cost of water lost. The cost of water lost will be charged as indicated below:

- a. Pipe with a diameter of 50mm or less R11,541.77
- b. Pipe with a diameter larger than 50mm but less than or equal to 100mm R23, 085.08
- c. Pipe with a diameter larger than 100mm but less than or equal to 250mm R34,629.45
- d. Pipes with diameters larger than 250mm but less than or equal to 400mm R46,170.13
- e. Pipes with diameters larger than 400mm but less than or equal to 700mm R92,340.28
- f. Pipes with diameters larger than 700mm R 126,965.58

The above tariffs will be levied per incident reported:

- a. The reporting should be done as soon as the incident is known to both City of Johannesburg Call Centre wherein the reference number will be given and a Water Service Regional Manager or a Customer Care Manager. It is up to the person working within City of Johannesburg to obtain the necessary contact details.
- b. If the incident was not reported but was found by the City/Johannesburg Water a surcharge of 10% will be applied.
- c. For a repeated offender in a project or area, within a 12 month period, a surcharge will be levied as follows:
 - a. For a second transgression 5% will be levied above the tariff as determine previously based on the size of water pipe inclusive of water losses and cost or repairs.
 - b. Third transgression 10% surcharge to be levied.
 - c. Fourth transgression 15% surcharge to be levied.
 - d. Fifth transgression 25% surcharge to be levied.
 - e. For any transgression above five, 50% surcharge will be levied,
 - i. In this circumstance Johannesburg Water/ City of Johannesburg reserves the right to review contractual relationship if the transgressor is the service provider.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

- ii. If the transgressor is not contractual bound to Johannesburg Water/City of Johannesburg, the municipality reserves the right to request the transgressor to cease operations within 24 hours.

9. VALUE ADDED TAX

All the above charges are **exclusive** of VAT.

City of Johannesburg Council 2019-03-14/15

COJ : MAYORAL COMMITTEE 2019-03-06

JOHANNESBURG WATER

Annexure C”

TARIFFS PROPOSAL FOR FINANCIAL YEAR 2018/19

What are the major benefits to the Communities of Johannesburg?

The 2019/20 tariffs would continue to be based on a rising block tariff structure. The amount individual users pay for water services is generally in proportion to the use of the service.

Domestic customers will be no longer receiving 6kl free basic water except for indigents. In terms of the extended social package, the provision of free basic water to registered indigents will be in the range between 10kl and 15 kl per household, depending on levels of income.

Customers who have prepayment meters will be charged on a subsidized water and sanitation rising block tariff, based on consumption, although charges will be brought in line with conventional charges over a period.

Which Communities will primarily benefit (if relevant state the region, ward, suburb, or socio economic group etc.)?

The tariffs are structured to benefit the indigent/poorer households through the tiered tariff where households that uses less water benefit from lower tariffs.

When will implementation of tariffs start?

Tariff increases for the 2019/20 financial year will be effective from 1 July 2019.

Pending the approval of proposed tariff increases by the Mayoral Committee, tariffs would be published for public participation in April/May 2019 to afford the citizens of Johannesburg the opportunity to provide comments before the tariffs are gazetted

What is the total cost of implementation?

Nil

How will communities be informed of the contents of this report?

This tariff report would be published at the CoJ’s Walk-in-Centres, People Centres, CoJ’s Buildings and the website for public scrutiny and comments.

How can communities be involved in the implementation of this report?

Communities could participate in the implementation of this report through Ward Committee Meetings, General Community/Civic Meetings, Stakeholder Summit and other community based forums.

Who can be contacted to provide additional information and/or clarity?

Johan Koekemoer
Financial Director
Johannesburg Water SOC Ltd
011 688 1485

What other information can be given to assist Councillors to communicate the contents of this report to communities?

Annexures “A” and “B” to this report details the proposed tariff increases for water and sanitation services.