

UNDERSTANDING RESIDENTIAL WATER

15th March 2021

INTRODUCTION

Several years ago, the municipal by-laws were amended for East London municipality regarding the supply of services (Like water, sewerage, electricity, etc..) and the method prior to this for rented property was that the owner of the property was billed direct for rates and taxes, but the tenant would go to the municipality and apply for water, etc... and pay their deposit and open an account in their own name. Each month, the municipality would bill the tenant directly and the “contractual” relationship for services remained between the municipality and the tenant. As you can imagine, there were a lot of cases where a tenant would leave a property and simply just not pay the outstanding municipal account and for this reason as well as a few others, the municipality established new by-laws whereby ONLY an owner can have services supplied to a property and the “Commercial” relationship shifted to between the property owner and the municipality. This created the need for property owners to recover these costs from their tenants and for this reason, the lease agreements will include sufficient clauses that aptly cover this aspect. Considering that the billing is “consumption based”, our tenants are billed for services “in arrears” which meant the month you move into the premises, we will bill you at the end of the month for “consumption”.

PROVISIONAL BILLING

The municipality is not consistent with taking meter readings and therefore there are several months that they apply a charge “PROVISIONAL WATER” and an estimated consumption [Like 15kl ~ 15 000 Litres for example] and then in their next billing cycle, they will refund the provisional amount and bill for the full amount for consumption with backdated meter readings]. We simply pass the ACTUAL amounts billed for onto our tenants statements, so if there is a provisional credit then we pass that on, etc...

WHAT HAPPENS WHEN YOU VACATE THE PROPERTY

Considering that you have been billed for consumption in arrears, at the end of the month in which you are departing, you will be billed for that previous month consumption. So let's say you departed the property at the end of February 2021, then your invoice dated 1st March 2021 will NOT include rent (because you no longer rent the premises), but will include the arrears services for the month of February 2021.

Now this is where it can be complicated.... Due to the latency of municipal billing, we sometime are in a situation where the services billing from the municipality is 60 days out of cycle and once we receive the next month's municipal account, we will raise a further invoice in the next month cycle to cover the additional amount and pass credit for the first month we billed for services based on the cycle latency. Normally this practice has not been much of an issue because services like sewerage and refuse are fixed amounts, but water consumption is a changing amount and during normal consumption economy we have found that most homes consume very similar monthly water quantity. The issue comes significant when the municipality is declaring a water crisis and adopts punitive tariff billing policy.

WHAT IS PUNITIVE TARIFF BILLING ?

In an effort to encourage consumers to use water sparingly, the municipality has a water tariff table that prescribes the billing price for water on a variable consumption scale during normal times, but increases some of the charges on the variable scale during punitive measure time. By way of example, the illustration below shows what the municipality will bill for water if you consume say 16kL (16 000 litres in a month):

QTY RANGE		PUNITIVE 3		PUNITIVE 2		PUNITIVE 1B		PUNITIVE 1A		NORMAL	
		TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT
6	0-6	R 19.54	R 117.25	R 19.54	R 117.25	R 19.54	R 117.25	R 19.37	R 116.20	R 19.54	R 117.25
3	7-10	R 19.93	R 59.78	R 19.93	R 59.78	R 19.93	R 59.78	R 19.75	R 59.24	R 19.93	R 59.78
7	11-20	R 138.37	R 968.57	R 138.37	R 968.57	R 27.67	R 193.71	R 28.09	R 196.65	R 27.67	R 193.71
0	21-30	R 719.46	R -	R 179.86	R -	R 179.86	R -	R 38.15	R -	R 35.97	R -
0	31+	R 900.37	R -	R 450.18	R -	R 225.09	R -	R 50.05	R -	R 45.02	R -
16		R 1145.59		R 1145.59		R 370.74		R 372.08		R 370.74	

From the example above, you will notice that during normal times, the water bill (including VAT) will be R370-74. Now you will notice the red arrow at the top reflecting "CURRENT" – this is because at the time of this document (and for some months prior), we have been at punitive 1A and Punitive 1B tariff's respectively. In our example above, using only 16kL has been below the monthly punitive threshold for now – so the billing remains at R370-74, but if we were to move to Punitive level 2, the amount would shoot up to R1 145-59.

So let's explore another example – a monthly consumption of 25kL per month which many of our clients have consumed in a typical household with a swimming pool:

QTY RANGE		PUNITIVE 3		PUNITIVE 2		PUNITIVE 1B		PUNITIVE 1A		NORMAL	
		TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT
6	0-6	R 19.54	R 117.25	R 19.54	R 117.25	R 19.54	R 117.25	R 19.37	R 116.20	R 19.54	R 117.25
3	7-10	R 19.93	R 59.78	R 19.93	R 59.78	R 19.93	R 59.78	R 19.75	R 59.24	R 19.93	R 59.78
10	11-20	R 138.37	R 1383.67	R 138.37	R 1383.67	R 27.67	R 276.73	R 28.09	R 280.93	R 27.67	R 276.73
6	21-30	R 719.46	R 4316.74	R 179.86	R 1079.18	R 179.86	R 1079.18	R 38.15	R 228.91	R 35.97	R 215.84
0	31+	R 900.37	R -	R 450.18	R -	R 225.09	R -	R 50.05	R -	R 45.02	R -
25		R 5877.43		R 2639.88		R 1532.94		R 685.27		R 669.60	

It is clearly shown that during normal times, the bill would have been R669-90, but during Punitive 1B tariff period it is now R1 532-94 and if it moved up to punitive level 2 it would be a staggering R2 639-88.

We currently have an example where the consumption was 55kL and the billing looks like this:-

CURRENT

QTY	RANGE	PUNITIVE 3		PUNITIVE 2		PUNITIVE 1B		PUNITIVE 1A		NORMAL	
		TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT	TARIFF	AMOUNT
6	0-6	R 19.54	R 117.25	R 19.54	R 117.25	R 19.54	R 117.25	R 19.37	R 116.20	R 19.54	R 117.25
3	7-10	R 19.93	R 59.78	R 19.93	R 59.78	R 19.93	R 59.78	R 19.75	R 59.24	R 19.93	R 59.78
10	11-20	R 138.37	R 1 383.67	R 138.37	R 1 383.67	R 27.67	R 276.73	R 28.09	R 280.93	R 27.67	R 276.73
10	21-30	R 719.46	R 7 194.56	R 179.86	R 1 798.64	R 179.86	R 1 798.64	R 38.15	R 381.51	R 35.97	R 359.73
26	31+	R 900.37	R 23 409.57	R 450.18	R 11 704.78	R 225.09	R 5 852.39	R 50.05	R 1 301.40	R 45.02	R 1 170.48
55			R 32 164.82		R 15 064.12		R 8 104.79		R 2 139.27		R 1 983.97

So during normal times, the bill would be R1 983-97, but because we are at punitive level 1B, the amount is R8 104-79 and you can see for yourself the whopping fee will be under Punitive level 2 and level 3 if reached ~ leading up to a massive bill of R32 164-82.

SO HOW DO I REDUCE MY WATER CONSUMPTION?

I would suggest starting by discussing with the occupants of your household (or other tenants on the same property ERF is applicable) and talk about the water crisis and measures to reduce consumption. Watering gardens and filling up swimming pools is a no-no !! Encourage people to take very short showers (no baths). Try do less laundry and even consider sending your laundry to a professional service (Commercial properties are not subject to punitive water tariffs). Follow the toilet flushing principal: "If it's mellow, let it mellow, but if brown, flush it down". If you have ANY leaking toilet or dripping tap, address it IMMEDIATELY !!! a running toilet can waste hundreds of litres of water in a day. Considering this is a water crisis at the moment and our dams are depleted, we all have to do our bit to reduce consumption and of course avoid being hit with punitive tariff charges.

WHAT HAPPENS IN A MULTI-TENNANT PROPERTY?

There are several properties that consist of a main house and a flat or two on the same ERF. In these instances, the municipal water supply is a single supply to the property and billing from the municipality is for the collective consumption. If you are renting one of these property types, you will see that your lease agreement covers this aspect whereby you agree to be billed on a "shared percentage basis" of the municipal account. So if you rent the house portion for example and the lease prescribes that you will be billed for 70% of the water consumed on the property, then if the total water account during normal time came to R370-34, then you will be billed your portion of R259-24. At the end of the day, it's a net sum game for the property owner ~ They will make neither a profit nor a loss from the municipal services as the entire services account portions will be passed directly on to the tenants.

THERE IS NO WAY THAT WE USED THE QUANTITY OF WATER BILLED FOR – WHAT NOW?

The property owner and their appointed agency is not residing on the premises, so cannot even offer an opinion as to actual consumption. There are measures that we strongly suggest that you follow in order to protect yourself and to collect sufficient evidence in order to lodge a complaint with the municipality to seek relief. The measure we propose is that you take a photo of the actual municipality water meter on the last day of every month around the same



time of day. Keep these photos as evidence and calculate the water consumption each month by subtracting the unit count from the closing month reading to the previous months reading. Looking at the example in the picture, the reading is 309.4875kL and the municipality rounds off to kL, so it would be a total reading of 309kL and if the previous month reading was say 286kL then the amount consumed would be 23kL.

Now what is making things even more complicated is that the municipality NO LONGER reads the actual meter and have instead installed devices on most properties that link into the water meter and electronically record consumption and send the information direct to the municipality. In the example above, the unit was installed and first reflected on the properties billing cycle in December 2020:



26/12/20	🔌	METER-NO S202009983 TARIFF: WATER DOMESTIC Curr = 48 Prev = 0 Cons = 48 Reading dates: Curr 02/11/2020 Prev 08/09/2020 WATER 48 kl	R 2594.15	R 389.12	R 2983.27
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You will notice that the meter PREV reading starts at 0 and ended at 48, therefore yielding a consumption of 48kL consumed during the period stated.

Then for illustration purposes I will post the next account following:

23/01/21	🔌	METER-NO S202009983 TARIFF: WATER DOMESTIC Curr = 88 Prev = 48 Cons = 40 Reading dates: Curr 02/12/2020 Prev 02/11/2020 WATER 40 kl	R 3984.98	R 597.75	R 4582.73
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Note how the reading starts where the previous one left off (48) and the new current reading is 88 which = 40kL

Then the next invoice:

22/02/21	🔌	METER-NO S202009983 TARIFF: WATER DOMESTIC Curr = 143 Prev = 88 Cons = 55 Reading dates: Curr 02/01/2021 Prev 02/12/2020 WATER 55 kl	R 6792.80	R 1018.92	R 7811.72
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Note how the reading starts where the previous one left off (88) and the new current reading is 143 which = 55kL

Please note that the two periods above both carry punitive tariffs and hence the whopping R7811-72 water bill in the most recent account. (The meter reading dates overlap punitive periods, so the municipal calculations would have taken that into account)

The difficulty is that the municipality is deriving their data now from their sealed unit, so the ONLY way to validate your consumption is to take photos of the physical water meter – I suggest doing it on the 2nd Day of each month to synchronise with the municipality's data period or the last day in each month – so long as your reading dates remain consistent. If you find that the water accounts unit's on your monthly invoice [we will provide the kL total in the comments section from now on in your invoice] vary drastically from the meter readings you are observing, then we encourage you to investigate the matter and take it up with the municipality. In such case, please e-mail our office and request copies of the municipal accounts for the period you would like to query and then with all your evidence in hand, engage with the municipality and lodge your query with them. Note: Please make sure that the meter number on the municipal account MATCHES the meter you are recording (We have found several instances where the municipality is accidentally billing you for your neighbour's water and so on).