MOQHAKA MUNICIPALITY

"People's power in action"

ANNEXURE

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METER READING POLICY
FINANCIAL YEAR 2026/27

MEETING TO BE HELD ON | **29 MAY 2026**

"People's power in action"

METER READING POLICY

2026-2027 FINANCIAL YEAR

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DEFINITIONS

“basic municipal services” – means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“debt” – means:

- a monetary liability or obligation created by a financing agreement, note, debenture, bond or overdraft, or by the issuance of municipal debt instruments, or
- a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

“electricity meter” – means a device that measures the amount of electric energy consumed by a residence, business or an electrically powered device;

“financial year” – means a year ending 30 June;

“local community”, in relation to a municipality, means that body of persons comprising:

- the residents of the municipality;
- the ratepayers of the municipality;
- any civic organization and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the municipality, and;
- visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality;

and includes, more specifically, the poor and other disadvantaged sections of such body of persons;

“meter reading” - Physical collection of water and electricity readings in selected areas of the municipality, Processing of the meter reading data & provision of information to the Municipality;

“local municipality” – means a category B municipality envisaged in section 155 (1) (b) of the Constitution (a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls);

“municipal council” or “council” – means the council of a municipality referred to in section 18 of the Municipal Structures Act;

“municipal Finance Management Act” – means the Local Government: Municipal Finance Management Act No.56 of 2003, and any regulations made under that Act;

“municipal systems act” – means the Local Government: Municipal Systems Act No. 32 0f 2000, any regulations made under that Act;

"municipality", when referred to as –

- a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

- a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act No.27 of 1998;

"municipal manager" – means a person appointed in terms of section 54 (a) of the Municipal Systems Act (is the head of administration and also the accounting officer of the municipality);

"municipal service" – means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether:

- such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76 of Municipal Systems Act; and
- fees, charges or tariffs are levied in respect of such a service or not;

these services include refuse removal, water supply, sanitation and electricity services;

"municipal tariff" – means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"property" – means

- immovable property registered in the name of a person, and includes a unit as defined in section 1 of the Sectional Title Act No.95 of 1986;
- a right registered against immovable property in the name of a person;

"ratepayer", in relation to a municipality, means a person who is liable to the municipality for the payment of –

- rates on property in the municipality;
- any other tax, duty or levy imposed by the municipality, or fees for services provided either by the municipality or in terms of a service delivery agreement;

"resident", in relation to a municipality, means a person who is ordinarily resident in the municipality;

"service delivery agreement" – means an agreement between a municipality and an institution or a person mentioned in section 76 (b) of Municipal Systems Act in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality;

"water meter" – means a device used to measure the volume of water usage/consumption by a residence, business any metered device;

1. BACKROUND

Provision of Services

Section 95 (d) of The Local Government Municipal Systems Act No.32 of 2000 states that "In relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity – where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems".

2. PURPOSE OF THE POLICY

To ensure that all consumers metered services do pay for the actual consumption. This policy also seeks to ensure that persons liable for payment receive regular and accurate accounts that indicate the basis for calculating the amounts due. The policy will protect service users from inaccurate bills from the municipality.

The other purpose is to ensure that Meter Reading policy forms part of the financial system of the municipality and to ensure that the same procedure is followed for each individual user.

3. RESPONSIBILITY OF THE POLICY

In terms of Section 101 of Local Government: Municipal System Act 32 of 2000, the occupier of premises in a municipality must give an authorized representative of the municipality or of a service provider access at all reasonable hours to the premises in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict the provision of any service.

4. SUPERVISORY AUTHORITY

The Municipality's Executive Mayor must;

(a) Oversee and Monitor:
   (i) The implementation and enforcement of the municipality's Meter Reading policy and any by-law enacted in terms of the Municipal Systems Act;
   (ii) The performance of the municipal manager in implementing the policy and any by-law;

(b) When necessary, evaluate or review the policy and any by-law, or the implementation of the policy and any such by-law, in order to improve efficiency of its meter reading mechanisms, processes and procedures;

(c) At such intervals as may be determined by the council report monthly to a meeting of the council, except when the council itself performs the duties mentioned in paragraphs (a) and (b).

5. IMPLEMENTING AUTHORITY

The municipal manager must according to Section 100 of the Municipal Systems Act:

(a) Implement and enforce the municipality's Meter Reading policy and by-laws;

(b) Establish effective administrative mechanisms, processes and procedures to levy all readings taken for payment to the municipality.

6. CONTENTS OF THE POLICY

A Meter Reading process will unfold as follows:

Target Dates - The Contractor will read water and electricity meters in the areas identified by the Municipality once every month. The Contractor will attempt to keep the period between consecutive meter readings as near as possible to thirty (30) days.

The rural meters may be read every three (3) months and interims will be used until a meter is replaced or a flat rate is insituted. Interims will be used for December billing due to many properties being locked when businesses and schools close for the holidays.

The Contractor will follow a work schedule to ensure that target dates are met. In the case of extremely unfavorable weather conditions or severe public unrest, the Contractor cannot be held responsible for not meeting the target dates.

Re-reading and test readings - Where meter reading would not be obtained during the first round, the Contractor will attempt to obtain these readings in a second round (within same period). The Contractor will leave notices containing its contact information at the premises where meter reading could not be obtained. Owners whose property remains inaccessible for readings to be taken, they must submit the readings either by phone, email or physically submit to the enquiry desk. The municipality will confirm the readings.

Re-reading may also be undertaken where variance reports show discrepancies in the meter reading data. Special readings may be taken on request of either the public or the Municipality on an ad-hoc basis. Alternatively, the public can phone in readings or provide them via e-mail. The Contractor will take and verify these readings. Meter-reading system (e.g. hand-held terminals) will be used.

Verification of Meter Readings – The meter readings submitted by the service provider are taken using handheld devices and, in most cases, include photos of meters read. Business and Industrial meters are read manually by the internal Meter Readers and do not have/use handheld devices. There are therefore no photos of such meters. Submitted meter readings are accepted as accurate, unless unreasonable variances between current readings and previous readings are identified or account holders come to complain. Photos will not be used as the source or evidence of captured readings and billed amounts. The devices employed by the contractor for reading meters are solely meant for that purpose. It is therefore concluded that all photos captured are uploaded for downloading and billing. Where photos are not available, it is because of internal meters reading meters, access to meters being denied or impossible, and many other reasons.

Absence of photos/pictures does not translate to incorrect reading. It is jus an additional measure where possible to further verify readings submitted.

Identification of Meter Readers - All meter readers of the Contractor will wear uniform and identification cards (with contact information of the Contractor and ID), number of the meter reader.

Access to meters - The Municipality will provide the Contractor with the necessary keys and remote controls (where possible) to access meters and meters located in mini-substations.

Premises - The Municipality may provide the Contractor with an office and basic furniture, preferably in the Municipal Buildings. The meter reading operation will be coordinated from there. The Contractor shall, if possible, setup his own office not far from the Municipal buildings in Hill street.

Meter Reading Software - The Contractor must have a meter reading management software that will be used for the management of staff, record keeping of clients, meters, properties, consumers, meter reading and printing of various reports.

Meter reading software handles both water and electricity meter data. Meter information will be added to the system on a "per meter" basis or bulk import. All information concerning a particular meter will be kept on this system for historical reference purposes (e.g. number, type, size). Each meter is linked to a property, enabling quick reference to the history of a specified property.

Reports on the meter readings, reading dates, meters not read and duplicate meters per area, customer book or reader book may also be requested. Meter information on the system will also be updated by importing data from the Municipality (in fixed length or delimited text file format). Meter reading reports will be shared with Technical Services or Infrastructure Department for maintenance or follow-up purposes.

The focus of the meter reading software is data quality. Information obtained from the Municipality will evaluated by the system, which then converts it to the appropriate format for the meter readers and evaluates the information again before sending it back to the Municipality for billing purposes.

Data Processing - Using the meter reading software, the Contractor will capture and verify field data. This includes the processing of data collected by municipal meter readers. The Contractor will provide the Municipality with the processed information, in accordance with the target dates.

The Contractor will handle and provide feedback on telephonic and other public enquiries. The Contractor will examine and report meter tampering (on grounds of data provided by the meter readers). The Contractor will provide support to employees of the Municipality in connection with general meter problems and during the audit process to respond to audit finding where necessary.

Data transfer (export/import) - The Contractor will update the data on its computer monthly with data from the Municipality. The Municipality will provide such data in a download (import) file. In the case of data uploaded (export) to the Municipality's system, file will be in a format compatible with that of the SOLAR financial system (provided by our Service Provider) used by the Municipality.

Estimates or Interim Readings

The financial system has a built-in formula to calculate and bill the approved tariff for water and electricity meters. This estimation is automatically reversed when an accurate reading is obtained. Estimated readings may be used until a meter is replaced or a flat rate is instituted for billing.

Where a particular service was not billed due to different reasons, corrections will only be effected as from the beginning of the current financial year. The Chief Financial Officer or the Manager Revenue may approve correcting journals extending over more than one financial year, depending on the impact the corrections will have on prior year audited figures and accounting records.

Leakages

If a meter is replaced due to leakages or any other reason, consumption on the new meter will be monitored for three months without any corrections been made, before confirming the correctness of the consumption and effecting corrections. The consumption from the old leaking meter will be reversed for the account to reflect correct billing on averages based on the readings from a new meter. In case of water leakages from inside the yard or household, Chief Financial Officer or the Revenue Manager may reverse the readings if the account holder was not negligent or the leakage was reported, but the municipality was supposed to, but couldn't attend to it on time. Corrections may also be effected where a household provided water to other households, during the period when the Municipality could not provide to all households. A supporting letter from a ward councilor should be attached to the request for correction.

Billing of Faulty Meters

Once a meter is detected to be faulty and reported to the Municipality, the next billing will be done based on the average consumption as reasonably as possible or a flat rate may be used. After the meter has been changed, the actual consumption for the first three months will be compared to the average consumption and corrections will be done accordingly.

Reports - The following written reports will be made available on a monthly basis:

- Defective and damaged meters
- Obvious leakages
- Obvious unauthorized devices used by consumers
- Obvious dangerous circumstances
- Obvious damaged municipal property
- New meters spotted by field personnel
- Water leakages or electronic faults
- Monthly reports on public enquiries and/or complaints
- Meter reference number discrepancy and/or meter identifications plate missing
- Any other relevant report available from the meter reading software.

The Contractor can assist the Municipality with loss control, by analyzing meter reading data. This is done via a function in the meter reading software, whereby the total consumption of individual meters is compared with the consumption of a bulk meter.

Data Security - The Contractor 's computer system must be protected by an anti-virus program (e.g. NOD 32) linked to the internet, which continuously monitors for the newest forms of computer viruses and also checks electronic mail. The Contractor's computer system in different locations may be linked to enable direct communication. This enhances the Contractor's ability to handle problems from distant locations.

Archives - All meter reading sheets and variance reports must be made available for audit purposes.

Equipment - The Contractor will provide its own communication facilities, computer equipment, internet, airtime and software, thereby retaining ownership of these items.

Assignment - The Contractor shall not assign, in whole or part, its obligations to perform under the contract, except with the Municipality's prior written consent.

Insurance and Guarantees - The Contractor should have a professional insurance policy. The policy must include public liability protection worth at least ten million Rand (R10 000 000).

Reporting - The successful bidder's Project Manager will report directly to the Revenue Manager, who is the Project Manager. The successful service provider will be required to report on the status of the project. On ad-hoc basis, the contractor might be required to report to the Chief Financial Officer and/or Municipal Manager.

Other – Properties without water meters and those with faulty meters that cannot be urgently replaced, but with water provision will be levied a flat rate as approved by the Municipal Council in its Tariff Schedule for the relevant financial year until a meter is installed.

There will be an exception report run before dummy billing every month. Due to the large extent of the variance reports at times, the reports will be followed up in consecutive months until finished.

When there is no water supply in an area and few households are required to supply the area with water, correction on the account for water consumed for the households providing water will be done. The correction will be done based on average consumption of the household for the previous three (3) months.

In case of meters that are discovered and not being on the system, the reading on that date will serve as start reading, unless if a meter is faulty.

7. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented once approved by Council and may be reviewed annually for amendments if any.