

Circular 016

22 February 2023

Dear Residents,

We are aware that there are some residents that have questioned how the sewerage charge from the City of Joburg (COJ) has been applied in the Village. We feel the need to address this issue to all the residents to avoid any miscommunication and correspondence in a piecemeal fashion which can lead to the dissemination of incorrect information.

For the avoidance of doubt and to put your mind at ease, please refer to the below explanation of how the COJ have been charging the Village.

Please be reminded of the general communication that I sent out at the end of 2022 where it was explained that Evergreen Lifestyle Broadacres is a sectional title village that consists of three erven. Factually, therefore, there are multiple dwellings on a single Erf. It is important at this juncture to NOT confuse a section with an Erf.

We receive a bulk bill from the COJ for a sewerage charge in the amount of R67 649.40 (As shown below in "Figure 1") which is an extract from our COJ Bill for the month of January 2023. Sewerage is a fixed charge and does NOT fluctuate on a monthly basis.

"Figure1" – extract from Village Bulk Sewerage Bill

Sewer availability charge (Billing Period 2023/01)	67,649.40
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Charges shall be payable in respect of land having a drainage installation thereon which is connected to Johannesburg Water's sewer network as per section 2 of the Tariff book.

Specifically, the COJ Tariff book (As shown below in "Figure 2") refers to a dwelling on a single erf (2.1) and to multiple dwellings on a single erf (2.3).

It is however crucial to read section 2.3 (a) that stipulates that where there are multiple dwellings on a single erf, the erf size on which the dwelling is situated will be calculated by dividing the area of the erf by the number of dwelling units erected thereon. The sewerage charge will then be levied in respect of each dwelling in accordance with clause 2.1, HOWEVER, the minimum charge will be R520.38. Therefore, even if your erf size is calculated according to clause 2.1(a) where the charge would be R267,32 it will not be R267,32 because of the minimum charge requirement under clause 2.3, it will automatically revert to being the minimum charge which is R520.38.

Clause 2.1 is only used for standalone properties, which is a single dwelling on a single erf. None of the units in the Village are standalone properties, they are units on a single erf, in other words multiple dwellings on a single erf.

“Figure 2” - extract of page 53 of the COJ Tariff book

2.1. Dwelling on a single erf, per erf- R/month	
The following charges shall be payable in respect of land having a drainage installation thereon which is connected to Johannesburg Water’s sewer network:	
(a) Erf size up to and including 300 m ²	R 267.32
(b) Erf size from 301 m ² to 1 000 m ²	R 520.38
(c) Erf size from 1 001 m ² to 2 000 m ²	R 787.24
(d) Erf size larger than 2 000 m ²	R 1,134.28
2.2. Block 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 267.32 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: R31.34/kl.”	
(c) This is a subsidized charge applicable to qualifying block of flats and qualifying households as per section 10.1	
2.3. Multi-dwellings	
(a) Where two or more dwelling units have been erected <u>on a single erf</u> , 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 unit in accordance with the provisions of section 2.1 above, provided that the minimum charge shall be: R 520.38 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: R39.41/kl.	



Therefore, taking the bulk charge amount of R67 649.40 (“Figure 1”) and dividing it by 130 houses, you will get to the minimum charge of R520.38 per dwelling (“Figure 2”) which balances to the COJ bill and to the charges that Evergreen Lifestyle Village is recovering from house residents on their monthly levy accounts.

Some residents have asked:

Question - “Should the bulk amount not be divided by 238, inclusive of the apartments?”

Answer - Following on to the Tariff book in "Figure 2" above should we divide the bulk amount of R67 649.40 ("Figure 1") by 238 it will equate to an amount of R284.24 - You will clearly see on the Tarriff Book that this number does NOT balance to any of the figures as prescribed by COJ and therefore can be accepted that following that suggestion is clearly not correct.

Question – "Is there a bulk bill for the apartments, and if not, how is Evergreen recovering costs from apartment residents?"

*Answer – At this moment in time we are not receiving any bill for the Erf that the Apartments are on from the COJ. We are following the Tarriff Book in ("Figure 2") above 2.2 **Block of Flats** and accruing R267.32 per month from apartment residents.*

The COJ, by their own admission, is in a backlog in their finance department in terms of recoveries. We have first-hand experience dealing with the COJ on billing and the delay in receiving accounts. At Evergreen Broadacres we received a bill for refuse, backdated from April 2019 to June 2022.

Question – Why is it important for Evergreen to accrue this amount from Apartment residents?

Answer – Because if the COJ does indeed provide a backdated bill – like they did with the refuse in June 2022 and there has been no accrual raised, residents will be presented with a large bill. For example, if we assume that the charge of R267.32 per month is billed for in a 24-month backdated charge, apartment residents will each be faced with a bill of R6415.68.

Question – "How long will Evergreen accrue this amount for the apartments?"

Answer – Until such time we receive the bill from the COJ for the apartments, or until such time we have clarity from the COJ that there is an alternative method for recovering these charges. This accrual is ring fenced will not be utilised for any other expenses within the village.

We would like to re-iterate that we remain completely transparent in regards this matter and to all our residents and encourage residents who might have questions or need further explanation to put their minds at ease and to engage with the Village Manager, on an individual basis, to ensure that they are receiving the correct information which may not always be the case with group communication.

We trust that the above clarifies any uncertainty or confusion in regards this matter, however, please direct any individual queries to the Village Manager should you require any further assistance.

Kind Regards,

Garry Reed
Managing Director
Evergreen Lifestyle Villages