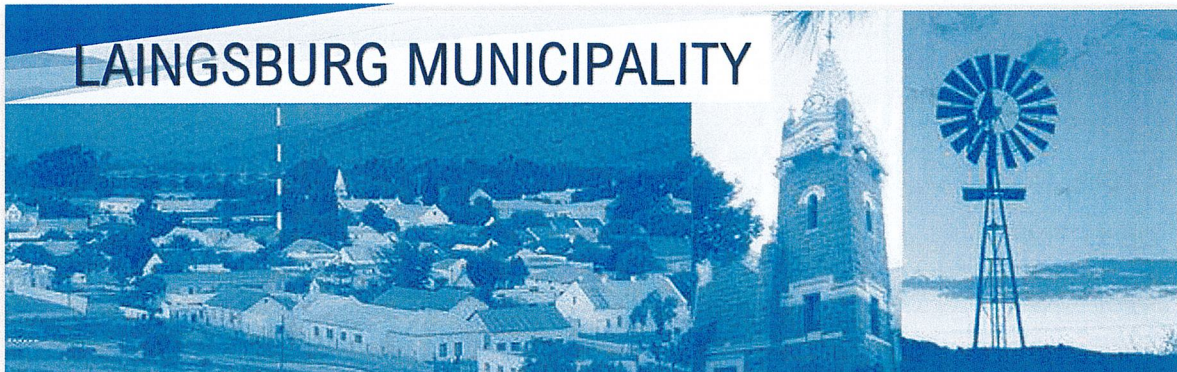


LAINGSBURG MUNICIPALITY



WATER DISTRIBUTION LOSSES POLICY 2025/2026

Financial Policy No.: 18
Revision: Version 2
Last Review: March 2025 (MTREF)
Effective From: 1 July 2025
<https://www.laingsburg.gov.za>

The Laingsburg Municipality is responsible for the purification and distribution of water within the Laingsburg municipal jurisdiction. Water losses can occur during the storage, supply, and distribution of water. This policy will also describe the disclosing of water related losses in terms of the relevant legislation. This policy should be read in conjunction with the Accounting Policy of Laingsburg Municipality.

2. OBJECTIVE

The objective of the municipality must be to minimize these losses, as these losses can have a significant financial impact with the municipality that will have to pay for the treatment and distribution of water that cannot be billed.

3. LEGISLATION

Municipal Finance Management Act 56 of 2003

Section 125(2) -The notes to the annual financial statements of a municipality or municipal entity must disclose the following information:

- (d) particulars of -
- (i) any material losses

4. TYPES OF LOSSES

The most common losses occurring in the Municipality are the following:

- Old and Ailing infrastructure.
- Pipe bursts.
- Unmetered water connections.
- Open spaces and sport fields that are unmetered.
- Undetected underground water leaks.
- Old end-user meter; and
- Inaccessible properties- cannot read meters.

This can also be split into technical losses (network / infrastructure related) and non-technical losses (Theft / illegal connections, unmetered, illegal, tampering etc.).

readings etc. being accounted for to ensure that the municipality suffer no losses in this regard; and

- The billing system must be used to detect possible cases of illegal connections (deviation / exception reporting). If theft is detected, the water supply to the premises will be disconnected and a fine need to be paid at a rate as published in the municipal tariffs applicable to the financial year it relates to. Action will be taken as in terms of the municipal policy relating to customer care, credit control and debt collection and criminal charges should be considered.

7. REPORTING

Water losses must be reported to the Director: Infrastructure on a monthly basis by means of a monthly report. Other reporting requirements will include:

- Quarterly reporting to the Department Water & Sanitation regarding water losses.
- Reporting on a quarterly basis in terms of section 52 of the MFMA.
- The total water losses incurred, must be made public in the annual financial statements of the municipality.
- Water losses are also reported in the Mid-Year Performance Report of the municipality.

The water losses reporting on in terms of financial reporting, must clearly indicate the quantity in terms of the units (Kl's) lost as well as the financial implication of the losses.

8. POLICY REVIEW

The content of the policy will be reviewed as and when required but at least on an annual basis during the budget process.