

# POWER MEASUREMENT NEWSLETTER



**Presenting our new office in Cape Town!**



**A special article from TVDM's community scheme consultant, Rizaar Smidt, discussing the legalities of meter installation:**

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SEPTEMBER

# PRESENTING OUR NEW OFFICE IN CAPE TOWN!



George weren't the only ones to get a new office!

Should you require any assistance from Power Measurement in Cape Town, feel free to come visit us at Unit 24 Prestige Business Park, Democracy Way.



[www.powermeasurement.co.za](http://www.powermeasurement.co.za)



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## **THE LEGALITIES OF METER INSTALLATION**

Many older sectional title schemes were developed without separate meters for measuring the consumption of water and electricity. In these cases, the body corporate receives a bill from the local municipality or Eskom, as the case may be, and the costs are allocated to owners based on their participation quota. This method ties the expenses to the size or floor area of the owner's unit rather than actual usage, resulting in inequities; for example, owners of larger units may pay more despite lower consumption, while owners of smaller units, who reside there full-time, may pay less despite higher usage.

To address this issue and facilitate a fairer distribution of these costs, the installation of separate meters for water and electricity is advisable. The Sectional Titles Schemes Management Act 8 of 2011 ("ST SMA") and the Regulations promulgated thereunder provide the legal framework for such installations. Below we explore the available options for the body corporate regarding the implementation of separate metering and the associated legal implications.

Now, that we understand the legalities surrounding these 2 installations in sectional title schemes, it is vitally important to ensure that you choose the correct reputable and knowledgeable utility management service provider, as any system is only as good as its installation and maintenance, as well as proper usage recording and recovery, including charges associated with the supply of services.

## **SEPARATE METERS IN A SECTIONAL TITLE SCHEME**

In terms of Prescribed Management Rule ("PMR") 29(3) to the ST SMA, a body corporate must, if so, directed by a resolution of members:

- (a) install and maintain separate meters to measure the supply of electricity, water, gas, or the supply of any other service to each member's sections and exclusive use areas and the common property; and
- (b) recover from members the cost of such supplies to sections and exclusive use areas based on the metered supply.

It is important to note that the body corporate will need to install separate meters for the common property areas such as outdoor lights, security gates, and garden sprinklers and taps. The division of such metered expenses will be based on the owners' participation quotas.

# **SEPARATE PRE-PAYMENT METERS IN A SECTIONAL TITLE SCHEME**

Another manner of dealing with water and electricity consumption in sectional title schemes is for the body corporate to install pre-payment meters. In terms of PMR 29(4), a body corporate may on the authority of a special resolution install separate pre-payment meters on the common property to control the supply of water or electricity to a section or exclusive use area.

In these circumstances, all members and occupiers of sections must be given at least 60 (sixty) days' notice of the proposed resolution with details of all costs associated with the installation of the pre-payment system and its estimated effect on the cost of the services over the next 3 (three) years.

Moreover, in terms of PMR 29(5), if a pre-payment system referred to in sub-rule (4) is installed:

- (a) the body corporate is responsible to ensure that the system does not infringe on the constitutional rights of section occupiers to access basic services; and
- (b) any member who leases a unit to a tenant is responsible for ensuring that the system does not infringe the rights of the tenant in terms of the Rental Housing Act 50 of 1999 ("RHA"), or any other law.

## **CONCLUSION**

The pre-payment meter option allows for the separate metering of water and electricity consumption, enabling direct allocation of expenses to the individual owner of each section. This system also addresses issues related to non-payment of service fees. However, this system is not without drawbacks, which would include, but not limited to, the following:

- 1.) It requires a special resolution to authorise its implementation as opposed to the ordinary resolution required to authorise separate meters in terms of PMR 29(3).
- 2.) The process to authorise the installation is more complicated and time-consuming as at least 60 (sixty) days' notice of the proposed resolution needs to be sent to all the members with details of all costs associated with the installation of the pre-payment system and its estimated effect on the cost of the services over the next 3 (three) years.
- 3.) The installation of the pre-payment system for the scheme may be expensive as it would require extensive rewiring and re-plumbing.
- 4.) Furthermore, the body corporate would need to consider that there would be service fees charged by third-party vendors who supply the pre-payment facilities and software.
- 5.) The body corporate needs to keep in mind that the 6-kilo litres of free water per month that the local municipality provides for each household will need to be allocated into each meter such that the body corporate ensures that the pre-payment system does not infringe on any owner's constitutional right of access to water.



6.) All members who lease their units to tenants are responsible for ensuring that the system does not infringe on the rights of the tenant in terms of the RHA, or any other law.

7.) Finally, the body corporate must keep in mind that they are not entitled to disconnect or cut an owner's water or electricity supply off for non-payment of levies as the scheme is not the supplier. Only the service supplier, being the local municipality or Eskom, as the case may be, is entitled to cut off the supply of water or electricity. Should the body corporate do so it would amount to an illegal act of spoliation, and the owner concerned would be entitled to approach a court for the necessary relief, i.e., restoring the supply of water or electricity to the section.

Accordingly, we are of the view that the installation of separate water and electricity meters may well be the most viable option, available to bodies corporate, for the accurate allocation of water and electricity expenses on a more equitable and proportionate basis and will further help the overall financial management of the scheme.

Should you require any more information regarding this topic, don't hesitate to contact TVDM Consultants today on 061 536 3138 or at [info@tvdmconsultants.com](mailto:info@tvdmconsultants.com)



**TVDM**  
CONSULTANTS



Rizaar Smidt- Community  
scheme consultant



SEPTEMBER

# "LETS GET PHYSICAL" EVENT



On 10 September, Power Measurement attended the "Let's Get Physical" event, hosted by Stratafin.

## About the event:

Panel speakers informed all those in attendance about relevant trends in their respective industries.

At Power Measurement's table, flyers for the upcoming TID Rollover were handed out.



SEPTEMBER

# LANDBOUSKOU

## EVENT:



### Thumbs up from PMD!

Power Measurement was present at the event to inform farmers about our products and solutions available for sub-letting.

### About the event:

The Outeniqua Society has an extraordinary 163-year history and annually hosts one of the largest and most exciting agricultural shows in the Southern Cape. Held every August at the George Showgrounds, this event has become a cornerstone for the farming community.

The George Agricultural Show continues to expand each year, thanks to the Show Board's focused commitment to agriculture and the local community.



### Second place winners for friendliest table!

Power Measurement walked away with the silver prize for the best presented stall and friendly, helpful staff at the show. Jenny Watkins and Tiaan Bruwer were very pleased to receive this prize for all their hard work.



SEPTEMBER

# OUR LATEST LUCKY DRAW WINNER!



Here our new sales representative in Gauteng, Tracy Godden, hands over the lovely hamper to Garrah.

Keep your eyes peeled at the next NAMA event – the next lucky winner could be you!



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