



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2017-06-15

NOTICE OF A SPECIAL MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY TUESDAY, 2017-06-20 AT 14:00

TO The Speaker, Cllr DD Joubert [Chairperson]
The Executive Mayor, Ald G Van Deventer (Ms)
The Deputy Executive Mayor, Cllr N Jindela

COUNCILLORS	F Adams	MC Johnson
	DS Arends	NS Louw
	FJ Badenhorst	N Mananga-Gugushe (Ms)
	GN Bakubaku-Vos (Ms)	C Manuel
	FT Bangani-Menziwa (Ms)	LM Maqeba
	PW Biscombe	NE McOmbring (Ms)
	PR Crawley (Ms)	XL Mdemka (Ms)
	A Crombie (Ms)	RS Nalumango (Ms)
	JN De Villiers	N Olayi
	MB De Wet	MD Oliphant
	R Du Toit (Ms)	SA Peters
	A Florence	WC Petersen (Ms)
	AR Frazenburg	MM Pietersen
	E Fredericks (Ms)	WF Pietersen
	E Groenewald (Ms)	SR Schäfer
	JG Hamilton	Ald JP Serdyn (Ms)
	AJ Hanekom	N Sinkinya (Ms)
	DA Hendrickse	P Sitshoti (Ms)
	JK Hendriks	Q Smit
	LK Horsband (Ms)	E Vermeulen (Ms)

Notice is hereby given in terms of Section 29, read with Section 18(2) of the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that a **SPECIAL MEETING** of the **COUNCIL** of **STELLENBOSCH MUNICIPALITY** will be held in the **COUNCIL CHAMBER, TOWN HOUSE, PLEIN STREET, STELLENBOSCH** on **TUESDAY, 2017-06-20** at **14:00** to consider the items on the Agenda.

SPEAKER
DD JOUBERT

A G E N D A
SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2017-06-20
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1. PURPOSE OF REPORT

To inform Council that subsequent to the adoption of the proposed 2017/18 electricity tariffs in May 2017, NERSA approved a different set of tariffs. In respect of the licensing agreement the municipality has to comply with the decision of NERSA.

2. BACKGROUND

As per NERSA's request, the current tariff application was submitted for approval on 21 April 2017. On 2 June 2017 NERSA rejected the Municipality's tariffs and advised Stellenbosch Municipality on the tariffs to be implemented, necessitating the revision of the published tariffs.

3. DISCUSSION

The electricity tariff structure for 2017/18 approved by Council is attached as **APPENDIX 1A** together with the proposed changes as per **APPENDIX 1B**. It's estimated that the gross electricity income will decrease with R1.7 million.

The municipality is in the process of lodging an appeal against the NERSA approved tariffs. If the appeal is successful the revised electricity tariffs will be tabled in council for approval.

At the **9TH COUNCIL MEETING: 2017-05-31: ITEM 7.4.1**, the following was resolved:

"RESOLVED (majority vote with abstentions)

- (a) that the High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved;
- (b) that the Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved;
- (d) that the three year Capital Budget for 2017/2018, 2018/2019 and 2019/2020, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;
- (e) that the proposed rates on properties in WCO24, tariffs, tariff structures and service charges for electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3** , be approved;
- (f) that Council not approve the water tariffs at the Council Meeting of May 2017, but that Council finalise these tariffs at the Council meeting at the end of June 2017 after the public opinion has been sought on the new proposed water tariffs;

- (g) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 4 - 29**, be approved;
- (h) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the tune of R240 million of which R160 million will be required in year 1 and R 80 million in year 2 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- (i) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- (j) that Council takes note of MFMA circulars 85 and 86 that was published to guide the MTREF for 2017/2018 to 2019/2020 as set out in **APPENDICES 30 – 31**; and
- (k) that Council takes note that the public comments and the submissions that were taken into account in the compilation of the final budget as contained in **ANNEXURE 1** attached to the IDP.”

Councillors F Adams; DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

4. COMMENTS BY THE CHIEF FINANCIAL OFFICER

The recommendations contained in the report are supported, subject to Council noting that any reduction in budgeted electricity revenue will attract an equal reduction in expenditure during the adjustment budget process of which any potential adjustment will be determined during the mid-year performance assessment.

5. CONCLUSION

On approval of the recommendation below, the administration can proceed with the required system adjustment.

RECOMMENDED

that the electricity tariff structure be amended in line with the proposed NERSA tariffs as per **APPENDIX 1B**, subject to the successful appeal by the municipality.

Meeting:	Special Council: 2017-06-20	Submitted by Directorate:	Chief Financial Officer
Ref no:	8/1/Financial	Author	Manager: Budget Office
Collab:	521339	Referred from:	

**2017/2018 ELECTRICITY TARIFF
STRUCTURE AS APPROVED BY
COUNCIL ON
31 MAY 2017**

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
1. Domestic		
Domestic: Life Line PP – 0 to 60amp single phase only (For qualifying indigent customers and receiving the first 60 units free per month) (DOM1)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	104.76	107.09
Energy Rate (c/kWh) (301 - 600kWh)	159.61	163.16
Energy Rate (c/kWh) (> 600kWh)	180.41	184.42
Domestic PP Lifeline DOM1 BSST	0.00	0.00
Domestic: Regular PP (Using Prepaid Meters AND Less than 600kWh per month average previous Financial Year: 60 Ampere single and 3 - phase maximum) (DOM2)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	130.96	133.87
Energy Rate (c/kWh) (301 - 600kWh)	159.61	163.16
Energy Rate (c/kWh) (> 600kWh)	178.76	182.73
Domestic: Regular (Using Prepaid Meters with more than 600kWh per month average previous Financial Year: 60 Ampere single and 3 - phase maximum) (DOM3)		
Fixed Charge per month	115.18	119.10
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	107.38	109.77
Energy Rate (c/kWh) (301 - 600kWh)	152.18	155.56
Energy Rate (c/kWh) (> 600kWh)	178.76	182.73
Domestic: Regular (Using Credit Meters 60 Ampere single and 3-phase maximum) (DOM4)		
Fixed Charge per month	142.09	146.93
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	107.38	109.77
Energy Rate (c/kWh) (301 - 600kWh)	152.18	155.56
Energy Rate (c/kWh) (> 600kWh)	178.76	182.73

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
Domestic: Renewable Energy (DOM5) GENERATION FOR OWN USE		
Domestic: Regular PP (Using Prepaid Meters AND Less than 600kWh per month average previous Financial Year: 60 Ampere single and 3 -phase maximum)		
DOM 5.1:		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	130.96	133.87
Energy Rate (c/kWh) (301 - 600kWh)	159.61	163.16
Energy Rate (c/kWh) (> 600kWh)	178.76	182.73
Domestic: Regular (Using Prepaid Meters with more than 600kWh per month average previous Financial Year: 60 Ampere single and 3-phase maximum)		
DOM 5.2:		
Fixed Charge per month	115.18	119.10
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	107.38	109.77
Energy Rate (c/kWh) (301 - 600kWh)	152.18	155.56
Energy Rate (c/kWh) (> 600kWh)	178.76	182.73
Domestic: Regular (Using Credit Meters 60 Ampere single and 3-phase maximum)		
DOM 5.3:		
Fixed Charge per month	142.09	146.93
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	107.38	109.77
Energy Rate (c/kWh) (301 - 600kWh)	152.18	155.56
Energy Rate (c/kWh) (> 600kWh)	178.76	182.73
Domestic: Renewable Energy (DOM6) GENERATION FOR OWN USE & EXPORT		
Reading cost R/pm	140.00	70.00
Basic Charge	142.09	145.25

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
Inport		
Energy Rate (c/kWh) (<= 50kWh)	83.86	85.72
Energy Rate (c/kWh) (51 - 300kWh)	107.38	109.77
Energy Rate (c/kWh) (301 - 600kWh)	152.18	155.56
Energy Rate (c/kWh) (> 600kWh)	178.76	182.73
Export		
Low Season		
Peak c/kWh	80.39	82.18
Standard c/kWh	55.32	56.55
Off Peak c/kWh	36.00	36.80
High Season		
Peak c/kWh	246.41	251.89
Standard c/kWh	74.66	76.32
Off Peak c/kWh	40.55	41.45
2. Commercial		
Commercial: Life Line (<20Ampere maximum, Single & three phase Pre Paid Only for micro entrepreneurial businesses) (COM1)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	187.39	191.56
Commercial: Low (= 40Ampere maximum, Pre Paid single & three phase only) (COM2)		
Fixed Charge per month	138.00	142.70
Energy Rate (c/kWh)	142.09	145.25
Commercial: Regular PP only (80Ampere, single and 3 - phase) (COM3)		
Fixed Charge per month	243.00	251.27
Energy Rate (c/kWh)	172.71	176.55
Commercial: Credit meters (80Ampere, single and 3 - phase) (COM4)		
Fixed Charge per month	268.00	277.11
Energy Rate (c/kWh)	163.63	167.27

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TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE
TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
Commercial: Renewable Energy (COM 5) GENERATION FOR OWN USE		
Commercial: Low (40Ampere maximum, Pre Paid single & three phase only)		
COM 5.1:		
Basic charge	138.00	141.07
Energy charge	142.09	145.25
Commercial: Regular PP only (80Ampere, single and 3-phase)		
COM 5.2:		
Basic charge	243.00	248.40
Energy charge	172.71	176.55
Commercial: Credit Meters (80Ampere, single and 3-phase)		
COM 5.3:		
Basic charge	268.00	273.96
Energy charge	163.63	167.27
COMMERCIAL: Renewable Energy (COM 6) GENERATION FOR OWN USE & EXPORT		
Reading cost R/pm	140.00	70.00
Basic Charge	268.00	273.96
Inport		
Energy Rate (c/kWh)	163.63	167.27
Export		
Low Season		
Peak c/kWh	80.39	82.18
Standard c/kWh	55.32	56.55
Off Peak c/kWh	36.00	36.80
High Season		
Peak c/kWh	246.11	251.58
Standard c/kWh	74.66	76.32
Off Peak c/kWh	40.55	41.45
3. Agricultural		
Agricultural: Regular (Prepaid and Credit meters maximum 80Amp 3 phase) (AGR1)		
Fixed Charge per month	281.00	290.56
Energy Rate (c/kWh)	170.89	174.69

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ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
AGRICULTURAL: Renewable Energy (AGRI 2) GENERATION FOR OWN USE		
Fixed Charge per month	281.00	290.56
Energy Rate (c/kWh)	170.89	174.69
AGRICULTURAL: Renewable Energy (AGRI 3) GENERATION FOR OWN USE & EXPORT		
Tarif fsimilar as AGRI 1		
Reading cost R/pm	140.00	70.00
Fixed Charge per month R/pm	281.00	287.25
Inport		
Energy Rate (c/kWh)	170.89	174.69
Export		
Low Season		
Peak c/kWh	80.39	82.18
Standard c/kWh	55.32	56.55
Off Peak c/kWh	36.00	36.80
High Season		
Peak c/kWh	246.41	251.89
Standard c/kWh	74.66	76.32
Off Peak c/kWh	40.55	41.45
4. Industrial		
Industrial: Low Voltage > 80 Amp (IND1)		
Fixed Charge per month	1557.00	1609.93
Energy Rate (c/kWh)	83.03	84.88
Notified Demand (R/kVA)	38.00	38.84
Maximum Demand Charge (R/kVA)	211.00	215.69
INDUSTRIAL (IND1.1): Renewable Energy - GENERATION FOR OWN USE		
Industrial: Low Voltage > 80 Amp (IND1)		
Fixed Charge per month	1557.00	1609.93
Energy Rate (c/kWh)	83.03	84.88
Notified Demand (R/kVA)	38.00	38.84
Maximum Demand Charge (R/kVA)	211.00	215.69

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TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
INDUSTRIAL (IND 1.2): Renewable Energy - GENERATION FOR OWN USE & EXPORT		
Industrial: Low Voltage > 80 Amp		
Fixed Charge per month	1,557.00	1609.93
Reading cost R/pm	70.00	70.00
Inport		
Energy Rate (c/kWh)	83.03	84.88
Notified Demand (R/kVA)	38.00	38.84
Maximum Demand Charge (R/kVA)	211.00	215.69
Export		
Low Season		
Peak c/kWh	80.39	82.18
Standard c/kWh	55.32	56.55
Off Peak c/kWh	36.00	36.80
High Season		
Peak c/kWh	246.41	251.89
Standard c/kWh	74.66	76.32
Off Peak c/kWh	40.55	41.45
Industrial: Medium Voltage (IND2)		
Fixed Charge per month	2945.00	3045.13
Energy Rate (c/kWh)	81.71	83.53
Notified Demand (R/kVA)	37.31	38.14
Maximum Demand Charge (R/kVA)	208.94	213.58
INDUSTRIAL (IND2.1): Renewable Energy - GENERATION FOR OWN USE		
Fixed Charge	2945.00	3045.13
Energy Rate (c/kWh)	81.71	83.53
Notified Demand (R/kVA)	37.31	38.14
Maximum Demand Charge (R/kVA)	208.94	213.58
INDUSTRIAL (IND 2.2): Renewable Energy - GENERATION FOR OWN USE & EXPORT		
Tariff similar as IND2		
Fixed Charge per month	2945.00	3045.13
Reading cost R/pm	70.00	70.00

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
Inport		
Energy Rate (c/kWh)	81.71	83.53
Notified Demand (R/kVA)	37.31	38.14
Maximum Demand Charge (R/kVA)	208.94	213.58
Export		
Low Season		
Peak c/kWh	80.39	82.18
Standard c/kWh	55.32	56.55
Off Peak c/kWh	36.00	36.80
High Season		
Peak c/kWh	246.41	251.89
Standard c/kWh	74.66	76.32
Off Peak c/kWh	40.55	41.45

PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.

5. Municipal

Municipal: Street and Traffic lights (MUN1)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	180.80	184.82
Municipal: Low Voltage <80 Amp (MUN2)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	164.35	168.00
Municipal: Low Voltage >80 Amp (MUN3)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	75.33	77.00
Maximum Demand Charge (R/kVA)	223.00	227.96
Municipal: Medium Voltage (MUN4)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	67.45	68.95
Maximum Demand Charge (R/kVA)	217.00	221.82

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
6. Non Profit Organisations		
Non Profit Organisations : Single Phase 20 Amp Pre-payment (NPO1)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	175.12	179.01
Non Profit Organisations : Low Voltage Max 80 Amp Pre payment SARS Approved (NPO2)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	174.51	178.39
7. Sport		
Sport: Low Consumers and Pre-payment (SPO1)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	154.60	158.04
Sport: High Consumers Maximum Demand (SPO2)		
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	70.75	72.32
Maximum Demand Charge (R/Amp)	0.00	0.00
Maximum Demand Charge (R/kVA)	223.00	227.96
8. Time -of-Use		
1. Low Demand- Summer		
September - May		
Mondays- Fridays		
12:00am - 6:00am Off Peak		
06:00am - 7:00am Standard		
07:00am - 10:00am Peak		
10:00am - 6:00pm Standard		
06:00pm - 8:00pm Peak		
08:00pm - 10:00pm Standard		
10:00pm - 6:00am Off-Peak		
Saturday		
07:00am - 12:00pm Standard		
12:00pm - 06:00pm Off-Peak		
06:00pm - 08:00pm Standard		
08:00pm - 12:00am Off-Peak		
Sunday		
00:00- 24:00		

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
2. High Demand - Winter		
June - August		
Mondays- Fridays		
12:00am - 6:00am Off Peak		
06:00am - 9:00am Peak		
09:00am - 5:00pm Standard		
5:00pm - 7:00pm Peak		
07:00pm - 10:00pm Standard		
10:00pm - 6:00am Off-Peak		
Saturday		
07:00am - 12:00pm Standard		
12:00pm - 06:00pm Off-Peak		
06:00pm - 08:00pm Standard		
08:00pm - 12:00am Off-Peak		
Sunday		
00:00- 24:00		
Time of Use (Low Voltage) TOU1		
Fixed Charge per month	2,784.00	2,879.00
SUMMER: Demand Charge (R/kVA)	37.00	39.00
Access Charge (R/kVA)	37.00	39.00
Peak Energy (c/kWh)	123.49	126.24
Standard Energy (c/kWh)	81.37	83.18
Off-peak Energy (c/kWh)	61.02	62.38
Reactive Energy (c/kVArh)	0.00	0.00
WINTER: Demand Charge (R/kVA)	37.00	37.82
Access Charge (R/kVA)	37.00	37.82
Peak Energy (c/kWh)	387.25	395.86
Standard Energy (c/kWh)	116.23	118.81
Off-peak Energy (c/kWh)	68.29	69.81
Reactive Energy (c/kVArh)	16.15	16.51

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
Time of Use Low Voltage (TOU 1.1): Renewable Energy - GENERATION FOR OWN USE		
Similar as TOU 1		
Fixed Charge per month	2,784.00	2,879.00
SUMMER: Demand Charge (R/kVA)	37.00	39.00
Access Charge (R/kVA)	37.00	39.00
Peak Energy (c/kWh)	123.49	126.24
Standard Energy (c/kWh)	81.37	83.18
Off-peak Energy (c/kWh)	61.02	62.38
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	37.00	39.00
Access Charge (R/kVA)	37.00	39.00
Peak Energy (c/kWh)	387.25	395.86
Standard Energy (c/kWh)	116.23	118.81
Off-peak Energy (c/kWh)	68.29	69.81
Reactive Energy (c/kVArh)	16.15	16.51
Time of Use Low Voltage (TOU 1.1): Renewable Energy - GENERATION FOR OWN USE & EXPORT		
Inport		
Reading Cost R/pm	70.00	70.00
Fixed Charge per month	2,784.00	2,879.00
SUMMER: Demand Charge (R/kVA)	37.00	39.00
Access Charge (R/kVA)	37.00	39.00
Peak Energy (c/kWh)	123.49	126.24
Standard Energy (c/kWh)	81.37	83.18
Off-peak Energy (c/kWh)	61.02	62.38
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	37.00	39.00
Access Charge (R/kVA)	37.00	39.00
Peak Energy (c/kWh)	387.25	395.86
Standard Energy (c/kWh)	116.23	118.81
Off-peak Energy (c/kWh)	68.29	69.81
Reactive Energy (c/kVArh)	16.15	16.51

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ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
Export		
Low Season		
Peak c/kWh	80.39	82.18
Standard c/kWh	55.32	56.55
Off Peak c/kWh	36.00	36.80
High Season		
Peak c/kWh	246.41	251.89
Standard c/kWh	74.66	76.32
Off Peak c/kWh	40.55	41.45
Time of Use (Medium Voltage) TOU2		
Fixed Charge per month	5,016.00	5,187.00
SUMMER: Demand Charge (R/kVA)	36.00	38.00
Access Charge (R/kVA)	34.00	36.00
Peak Energy (c/kWh)	113.97	116.50
Standard Energy (c/kWh)	74.55	76.21
Off-peak Energy (c/kWh)	55.88	57.12
Reactive Energy (c/kVArh)	0.00	0.00
WINTER: Demand Charge (R/kVA)	36.00	38.00
Access Charge (R/kVA)	34.00	36.00
Peak Energy (c/kWh)	376.47	384.84
Standard Energy (c/kWh)	106.94	109.32
Off-peak Energy (c/kWh)	62.86	64.26
Reactive Energy (c/kVArh)	16.15	16.51
Time of Use Medium Voltage (TOU 2.1): Renewable Energy - GENERATION FOR OWN USE		
Fixed Charge per month	5,016.00	5,187.00
SUMMER: Demand Charge (R/kVA)	36.00	38.00
Access Charge (R/kVA)	34.00	36.00
Peak Energy (c/kWh)	113.97	116.50
Standard Energy (c/kWh)	74.55	76.21
Off-peak Energy (c/kWh)	55.88	57.12
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	36.00	38.00
Access Charge (R/kVA)	34.00	36.00
Peak Energy (c/kWh)	376.47	384.84
Standard Energy (c/kWh)	106.94	109.32
Off-peak Energy (c/kWh)	62.86	64.26
Reactive Energy (c/kVArh)	16.15	16.51

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
Time of Use Medium Voltage (TOU 2.2): Renewable Energy - GENERATION FOR OWN USE & EXPORT		
Fixed Charge per month	5,016.00	5,187.00
Reading Cost R/pm	70.00	70.00
INPORT		
SUMMER: Demand Charge (R/kVA)	36.00	38.00
Access Charge (R/kVA)	34.00	36.00
Peak Energy (c/kWh)	113.97	116.50
Standard Energy (c/kWh)	74.55	76.21
Off-peak Energy (c/kWh)	55.88	57.12
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	36.00	38.00
Access Charge (R/kVA)	34.00	36.00
Peak Energy (c/kWh)	376.47	384.84
Standard Energy (c/kWh)	106.94	109.32
Off-peak Energy (c/kWh)	62.86	64.26
Reactive Energy (c/kVArh)	16.15	16.51
Export		
Low Season		
Peak c/kWh	80.39	82.18
Standard c/kWh	55.32	56.55
Off Peak c/kWh	36.00	36.80
High Season		
Peak c/kWh	246.41	251.89
Standard c/kWh	74.66	76.32
Off Peak c/kWh	40.55	41.45

PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.

9. Own Generation for Own Use

Customers who wants to connect an Own Generation for Own Use only system to the municipal electrical grid without being compensated for reverse power flow can remain on their current tariff and continue to use their current meter.

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2017

	Approved 2016/2017 (VAT Excl)	Application 2017/2018 (VAT Excl)
10. Own Generation for Use and Export		
<p>Customers who wants to connect an Own Generation for Own Use and Export system to the municipal electrical grid and who wants to be reimbursed will have to do the following:</p> <ol style="list-style-type: none"> 1 The Municipality shall provide and install the requisite meters at the customer's cost. 2 The customer will stay on the existing purchase tariff. 3 For reimbursement the basic charge will be increased to include the automated meter reading cost 4 The reimbursement will only be for the export energy. 5 Customer not allowed to generate more than his total consumption per financial year. 		
11. Availability Fees (Per Annum)		
Availability		R 2,982.46
ALL TARIFFS EXCLUSIVE OF VAT		

**2017/2018 NERSA APPROVED
ELECTRICITY TARIFF
STRUCTURE**



Kulawula House
526 Madiba Street
Arcadia 0083
Pretoria, SOUTH AFRICA

PO Box 40343
Arcadia 0007
Pretoria
SOUTH AFRICA
Tel. +27(0)12 401 4600
Fax. +27(0)12 401 4700
Email. Info@nersa.org.za
www.nersa.org.za

Enquiries: **Bianka Belinska**
Tel. (012) 401-4650
Fax. (012) 401-4700
Email: bianka.belinska@nersa.org.za

Ref. NER/D/WC024/2017-18

Ms Geraldine Mettler
The Municipal Manager
Stellenbosch Municipality
P O Box 17
Stellenbosch
7599

Per Email: municipal.manager@stellenbosch.gov.za

Dear Ms Mettler,

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2017 – 30 JUNE 2018

Your application dated 21 April 2017 refers.

The Energy Regulator at its meeting held on 13 April 2017 approved the guideline increase of 1.88% for municipalities applicable for 2017/18 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 1 July 2017 - 30 June 2018 and approved the tariffs as follows:

Domestic Tariffs

- **Domestic (Dom 1) Prepaid Lifeline**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	85.58
Block 2 (51 – 300 kWh)	107.09
Block 3 (301 – 600 kWh)	159.61
Block 4 (>600 kWh)	183.80

Regulator Members: Mr JRD Modise (Chairperson) Ms MMD Nkomo (Deputy Chairperson) *Mr C Forlee (Chief Executive Officer)
Mr Y Adam *Ms N Maseti *Mr M Ncetezo Ms KR Mthimunya Mr FK Sibanda
*Full-Time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)

- **Domestic (Dom 2) Regular Prepaid**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	85.73
Block 2 (51 – 300 kWh)	133.88
Block 3 (301 – 600 kWh)	163.16
Block 4 (>600 kWh)	182.74

- **Domestic (Dom 3) Regular Prepaid**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	85.58
Block 2 (51 – 300 kWh)	109.77
Block 3 (301 – 600 kWh)	154.86
Block 4 (>600 kWh)	182.37

Basic charge(R/month)	117.35
-----------------------	--------

- **Domestic (Dom 4) Regular Conventional**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	85.58
Block 2 (51 – 300 kWh)	109.77
Block 3 (301 – 600 kWh)	154.86
Block 4 (>600 kWh)	182.37

Basic charge(R/month)	144.76
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- **Domestic (Dom 5.1) Renewable Energy Generation For Own Use**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	85.73

Block 2 (51 – 300 kWh)	133.88
Block 3 (301 – 600 kWh)	159.61
Block 4 (>600 kWh)	182.74

- **Domestic (Dom 5.2) Renewable Energy Generation For Own Use**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	85.58
Block 2 (51 – 300 kWh)	109.77
Block 3 (301 – 600 kWh)	154.86
Block 4 (>600 kWh)	182.37

Basic charge(R/month)	117.35
-----------------------	--------

- **Domestic (Dom 5.3 & Dom 6) Renewable Energy Generation For Own Use and Export**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	85.58
Block 2 (51 – 300 kWh)	109.77
Block 3 (301 – 600 kWh)	154.86
Block 4 (>600 kWh)	182.37

Basic charge(R/month)	145.25
-----------------------	--------

Reading cost(R/month)	70.00
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Exports Rates

- **Low season**
 - Energy charge
 - Peak: 81.90c/kWh
 - Standard: 56.36c/kWh

- Off-peak: 36.68c/kWh
- **High season**
 - Energy charge
 - Peak: 251.04c/kWh
 - Standard: 76.06c/kWh
 - Off-peak: 41.31c/kWh

Commercial Tariffs

- **Commercial Low<=20Amp**
 - Energy charge: 188.88c/kWh
- **Commercial Low (Com 2) and non-profitable charities 40Amp (Prepaid)**
 - Basic charge: R141.07/month
 - Energy charge: 145.25c/kWh
- **Commercial (Com 3) Regular 80Amp Prepaid**
 - Basic charge: R248.41/month
 - Energy charge: 176.55c/kWh
- **Commercial (Com 4) Regular 80Amp Credit Meters**
 - Basic charge: R273.96/month
 - Energy charge: 167.27c/kWh
- **Commercial (Com 5.1) Renewable Energy Generation For Own Use**
 - Basic charge: R141.07/month
 - Energy charge: 145.25c/kWh
- **Commercial (Com 5.2) Renewable Energy Generation For Own Use**
 - Basic charge: R247.57/month
 - Energy charge: 175.96c/kWh
- **Commercial (Com 5.3 & Com 6) Renewable Energy Generation For Own Use & Generation**
 - Basic charge: R273.96/month
 - Reading cost: R70/month
 - Energy charge: 167.27c/kWh

Exports Rates

- **Low season**
 - Energy charge
 - Peak: 81.90c/kWh
 - Standard: 56.36c/kWh

- Off-peak: 36.68c/kWh
- **High season**
 - Energy charge
 - Peak: 251.04c/kWh
 - Standard: 76.06c/kWh
 - Off-peak: 59.34c/kWh

Agricultural Tariffs

- **Agricultural: Regular (Prepaid and Credit meters 80 Amp 3 Phase) (AGR1)**
 - Basic charge: R287.25/month
 - Energy charge: 174.69c/kWh
- **Agricultural: Renewable Energy (AGRI 2 & AGRI 3) Generation For Own Use & Export**
 - Basic charge: R287.25/month
 - Reading cost: R70.00/month
 - Energy charge: 174.69c/kWh

Exports Rates

- **Low season**
 - Energy charge
 - Peak: 81.90c/kWh
 - Standard: 56.36c/kWh
 - Off-peak: 36.68c/kWh
- **High season**
 - Energy charge
 - Peak: 251.04c/kWh
 - Standard: 76.06c/kWh
 - Off-peak: 41.31c/kWh

Industrial Tariffs

- **Large Power Low Voltage > 80 Amp**
 - Basic charge: R1 572.57.00/month
 - Energy charge: 83.86c/kWh
 - Maximum Demand Charge: R213.11/kVA
 - Utilised Demand Charge: R38.38/kVA
- **Industrial: (IND 1.1 & IND 1.2): Renewable Energy - Generation For Own Use & Export**
 - Basic charge: R1 573.27/month
 - Reading cost: 70.00/month
 - Energy charge: 83.86/kWh

- Maximum Demand Charge: R213.11/kVA
- Utilised Demand Charge: R38.38/kVA

Exports Rates

- **Low season**
 - Energy charge
 - Peak: 81.90c/kWh
 - Standard: 56.36c/kWh
 - Off-peak: 36.68c/kWh
- **High season**
 - Energy charge
 - Peak: 251.04c/kWh
 - Standard: 76.06c/kWh
 - Off-peak: 41.31c/kWh
- **Industrial: Medium Voltage (IND2)**
- **Large Power MV**
 - Basic charge: R2 974.45/month
 - Energy charge: 82.53/kWh
 - Maximum Demand charge: R211.03/kVA
 - Utilised Demand charge: R37.68/kVA
- **Industrial: (IND 2.1 & IND 2.2): Renewable Energy - Generation For Own Use & Export**
 - Basic charge: R2 975.15/month
 - Reading cost: 70.00/month
 - Energy charge: 82.53/kWh
 - Maximum Demand charge: R211.03/kVA
 - Utilised Demand charge: R37.68/kVA

Exports Rates

- **Low season**
 - Energy charge
 - Peak: 81.90c/kWh
 - Standard: 56.36c/kWh
 - Off-peak: 36.68c/kWh
- **High season**
 - Energy charge
 - Peak: 251.04c/kWh
 - Standard: 76.06c/kWh
 - Off-peak: 41.31c/kWh

- **NGO Single Phase 20 Amp Prepayment (NPO1)**
 - Energy charge: 188.88c/kWh
- **NGO: Low Voltage Max 80 Amp Prepayment SARS Approved (NPO2)**
 - Energy charge: 177.79c/kWh
- **Municipal Street and Traffic Lights**
 - Energy charge: 184.82c/kWh
- **Municipal: Low Voltage Max 80 Amp (MUN2)**
 - Energy charge: 168.00c/kWh
- **Municipal: Low Voltage >80 Amp (MUN3)**
 - Energy charge: 77.00c/kWh
 - Demand Charge: R227.96/kVA
- **Municipal: Medium Voltage (MUN4)**
 - Energy charge: 68.95c/kWh
 - Demand Charge: R221.82/kVA
- **Sport: Low Consumers Max 80 Amp and Prepayment (SPO1)**
 - Energy charge: 157.51c/kWh
- **Sport: High Consumers Maximum Demand (SPO2)**
 - Demand charge: R227.19/kVA
 - Energy charge: 72.08c/kWh

Time of use Tariffs

Time of Use Low Voltage

- Basic charge: R2 846.00/month
- Demand charge: R38.00/kVA
- Access charge: R38.00/kVA
- Reactive energy: 16.51c/kVArh
- **Low Season**
 - Energy Charge
 - Peak: 126.24c/kWh
 - Standard: 83.18c/kWh
 - Off-Peak: 62.38c/kWh
- **High Season**
 - Energy charge:

- Peak: 395.86c/kWh
- Standard: 118.81c/kWh
- Off-Peak: 69.81c/kWh

Time of Use (TOU 1.1 & 1.2) Renewable Energy - Generation for Own Use & Export

- Basic charge: R2 846.00/month
- Reading Cost: R70.00/month
- Demand charge: R38.00/kVA
- Access Charge: R38.00/kVA
- Reactive Energy: 16.51c/kVArh
- **Low Season**
 - Energy charge
 - Peak: 126.24c/kWh
 - Standard: 83.18c/kWh
 - Off-Peak: 62.38c/kWh
- **High Season**
 - Energy charge
 - Peak: 395.86c/kWh
 - Standard: 118.81c/kWh
 - Off-Peak: 69.81c/kWh

Exports Rates

- **Low season**
 - Energy charge
 - Peak: 83.27c/kWh
 - Standard: 57.31c/kWh
 - Off-peak: 36.34c/kWh
- **High season**
 - Energy charge
 - Peak: 255.29c/kWh
 - Standard: 77.33c/kWh
 - Off-peak: 41.99c/kWh

Time of Use Medium Voltage

- Basic Charge: R5 128.00/month
- Demand charge: R37.00/kVA
- Access charge : R35.00/kVA
- Reactive energy: 16.51c/kVArh
- **Low Season**
 - Energy charge

- Peak: 116.50c/kWh
- Standard: 76.21c/kWh
- Off-Peak: 57.12c/kWh
- **High Season**
 - Energy charge
 - Peak: 384.84c/kWh
 - Standard: 109.32c/kWh
 - Off-Peak: 64.26c/kWh

Time of Use Medium (TOU 2.1 & 2.2) Renewable Energy - Generation For Own Use & Export

- Basic charge: R5 128.00/month
- Reading Cost: R70.00/month
- Demand charge: R37.00/kVA
- Access charge : R35.00/kVA
- Reactive energy: 16.51c/kVArh
- **Low Season**
 - Energy charge
 - Peak: 116.50c/kWh
 - Standard: 76.21c/kWh
 - Off-Peak: 57.12c/kWh
- **High Season**
 - Energy charge
 - Peak: 384.84c/kWh
 - Standard: 109.32c/kWh
 - Off-Peak: 64.26c/kWh

Exports Rates

- **Low season**
 - Energy charge
 - Peak: 83.27c/kWh
 - Standard: 57.31c/kWh
 - Off-peak: 36.00c/kWh
- **High season**
 - Energy charge
 - Peak: 255.29c/kWh
 - Standard: 77.33c/kWh
 - Off-peak: 41.99c/kWh

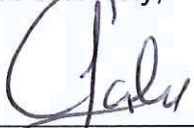
The Energy Regulator further directs that the municipality should continue to increase the repairs and maintenance expenditure to 6% of its total electricity revenue.

Please note that in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004), National Energy Regulator is entrusted to perform all the functions that the National Electricity Regulator used to perform, and amongst others, to review and approve tariff increase proposals by all licensed distributors of electricity in South Africa. Implementation of tariffs without approval of the Energy Regulator is a contravention of the license conditions issued to you.

It is therefore important that provision is made in your planning / budgeting cycle to allow time for the submission of applications for future changes or increases to NERSA for consideration.

Should you have any enquiries please do not hesitate to contact Mr M Ngobeni in the Electricity Pricing and Tariffs Department on (012) 401 4020 or email: Melusi.Ngobeni@nersa.org.za

Yours sincerely,



Chris Forlee
Chief Executive Officer

Date: 2/6/2017

5.	PROPOSED AMENDMENT TO SUPPLY CHAIN MANAGEMENT CONTRACT: EIKESTAD MALL
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1. PURPOSE OF REPORT

To obtain the necessary authorisation for the intended amendment of a contract concluded with Atterbury Holdings, trading as Eikestad Mall Joint Venture.

2. BACKGROUND**2.1 Tender process**

On 29 October 2015 a tender notice was published, calling upon landlords in the CBD of Stellenbosch to tender for the provision on $\pm 500\text{m}^2$ of Grade A office space in the CBD of Stellenbosch (BSM69/16).

Although 1 prospective tenderer attended the compulsory briefing session, no tenders were submitted on the closing date.

2.2 Deviation approved

Following the above unsuccessful tender process, the Acting Municipal Manager was requested to approve a deviation, i.e. to conclude an agreement with Atterbury Holdings for the following offices space, without following a public tender process:

a) Rental:

Area A: $484.61\text{m}^2 @ R150/\text{m}^2 = R72\ 691.50$

Area B: $144.00\text{m}^2 @ R150/\text{m}^2 = R21\ 600.00$

Area C: $28.30\text{m}^2 @ R150/\text{m}^2 = R\ 4\ 245.00$

Total area: $656.91\text{m}^2 @ R150/\text{m}^2 = R98\ 536.50$

b) Fit out cost (based on a capital amount of R750 000)

Total Area: $656.91\text{m}^2 @ R30/\text{m}^2 = R19\ 707.30$

c) Utility Charges

Assessment rates, taxes & annual levies	:	R7.42/m ² GLA
Water	:	R0.86/m ² GLA
Sanitation	:	R0.78/m ² GLA
Refuse removal	:	R1.25/m ² GLA
Electricity	:	R26.34/m ² GLA
HVAC Consumption	:	R4.86/m ² GLA

Total utility charges : $R41.51/\text{m}^2 \times 656.91\text{m}^2 = R27\ 268.33$

Total monthly cost : $R221.51/\text{m}^2 \times 656.91\text{m}^2 = R145\ 512.13$

Total annual cost : R1 746 145.60 (Excl. Vat)

Having considered the application, the Acting Municipal Manager eventually approved the deviation on 2016-07-04. The Manager: Property Management was subsequently authorised to negotiate and conclude a 3 year Lease Agreement, based on the proposal received, subject thereto that the expenditure be limited to the amount budgeted for over the 3 financial years.

2.3 Lease Agreement

Due to the long delay, when concluding the Lease Agreement with Atterbury Holdings, Area B, measuring 144m² in extent, was no longer available. For this reason the Lease Agreement was only concluded for Area A and C, totalling 512.91m².

2.4 Addendum to Lease Agreement

On 30 September 2016, following request from the Director: Planning & Economic Development, Atterbury Holding confirmed that additional space, measuring 144.4m² in extent, has subsequently become available, and that they would offer it at the same terms and conditions as the existing lease agreement.

On 13 October 2016 the Acting Municipal Manager approved the amendment to the Lease Agreement, allowing for the additional 144.4m² office space.

2.5 Fit-out cost

The agreement, *inter alia*, allowed for a fit out cost (increments of R250 000 to a maximum of R750 000) to be utilized, which, depending on the amount utilized would then be calculated into monthly rental over the course of the rental agreement's term. The Addendum Agreement, however did not allow for additional fit-out cost.

The Agreement is, however clear that all costs related to further improvements, based on the municipality's functional needs, will be for the municipality's account.

2.6 Further needs for fit-out cost

At present, expenses have been incurred for the demolition/breaking out/removal and making good on fixtures, etc on the third floor. The quotation and invoice to the amount of R240 000 (excl. VAT) has already been settled by Atterbury with the service provider. This leaves only R 510 000 (excl. VAT) available for the fit out and fixtures still to be undertaken in all three of the office spaces. The recent quotation received for such fit out and fixtures came in at much more than the allowable R510 000.00. This is largely due to the fact that the additional office on the first floor requires wet works, a kitchen, services as well as office fixtures and finishes, to transform it from the empty space it currently is into a functional office.

2.7 Application for a deviation

The Municipal Manager was subsequently requested to approve a deviation, to allow us to deviate from the normal procurement processes, i.e. to allow

Atterbury Holdings to appoint and pay a contractor for additional fit-out cost, to an amount not exceeding R318 106.14 (Exclusive of VAT).

Having considered the request on 17 March 2017, she approved the deviation, subject to a section 116 process*.

A copy of the memorandum that served before the Municipal Manager is attached as **APPENDIX 1**.

7TH COUNCIL MEETING: 2017-03-29: ITEM 7.5.2

Before the matter was dealt with, Cllr JN De Villiers recused himself from the Chambers.

During deliberations on the matter, Councillors requested additional information. The Speaker RULED that this matter be placed on hold, to allow the Administration to obtain the information requested. The meeting then proceeded with the next item on the Agenda.

After the relevant information on this matter were received and distributed to all Councillors, Speaker allowed a caucus.

At this juncture (16:10), Cllr F Adams returned to the Chambers where he apologised to the meeting and withdrew his earlier statement which led to his removal from the Chambers. The Speaker accepted Councillor F Adams's apology and allowed him back into the meeting.

When the meeting resumed, it was

RESOLVED (majority vote)

- (a) that it be noted that a deviation was approved by the Municipal Manager allowing for the additional fit-out cost of R318 106.14 (Exclusive of VAT); subject to a section 116 process;
- (b) that Council, in principle, approve the intention to amend the contract/agreement as listed under (a) above;
- (c) that the intention to amend the contract/agreement go out for public participation and public input; and
- (d) that, should any comment/input be received, same should first be considered by Council before a final decision in this regard is made.

The following Councillors requested that their votes of dissent be minuted:

F Adams; GN Bakubaku-Vos (Ms); DA Hendrickse; LK Horsband; LM Maqeba; MD Oliphant; N Sinkinya (Ms) and P Sitshoti (Ms).

Meeting: Ref no:	7 th Council: 2017-03-29 7/2/1/1	Submitted by Directorate: Author Referred from:	Human Settlements Manager: Property Management Mayoral Committee: 2017-03-22
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COMMENTS BY THE DIRECTOR: HS&PM

Following the above resolution a section 116 notice was published in the Eikestad news of 13 April 2017, a copy of which is attached as **APPENDIX 2**.

In terms hereof written objections/inputs, if any, had to reach the SCM Section by 2017-05-04.

On 2017-04-24 an e-mail was received from Mrs J Sampson raising a number of concerns, as set out in **APPENDIX 3**, hereto attached.

She *inter alia* indicated that, should the request for the amendment of the contract be approved, a total amount of R1 092 256.30 will be spend on **office furniture and seating**. This statement is incorrect the amount of R1092 256.30 is for **fit out cost**, which includes, *inter alia* internal drywalls, carpeting, lighting, fitting of 2 x kitchens etc.

Taking into account all the relevant information at hand, it is

RECOMMENDED

- (a) that it be noted that a deviation was approved by the Municipal Manager allowing for the additional fit-out cost of R318 106.14 (Exclusive of VAT); subject to a section 116 process;
- (b) that the concerns raised by Mrs J Sampson be noted; and
- (c) that approval be granted for the amendment of the contract, thereby allowing for an additional amount of R318 106.14 to be spend on fit-out costs.

Meeting: Ref no:	Special Council: 2017-06-20 7/2/1/1	Submitted by Directorate: Author Referred from:	Human Settlements Manager: Property Management
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APPENDIX 1



STELLENBOSCH
 STELLENBOSCH • PNIEL • FRANSCHHOEK
 MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Kantoor van die Direkteur: Menslike Nedersetting en Eiendomsbestuur
 Office of the Director: Human Settlements and Property Management
 I ofisi yomlawuli Wokuhlaliswa kwabantu Kunye nolawulo lwemihlaba

DOCUMENT ROUTE FORM

DOCUMENT TYPE

MEMO	VIREMENTATION	EMPLOYEMENT CONTRACT
X	Delegation	Delegation

SUBJECT: PROPOSED AMENDMENT TO LEASE AGREEMENT: ATTERBURY HOLDINGS: EIKESTAD MALL

REQUESTED SIGNATORY	SUPPORTED/ NOT SUPPORTED/ APPROVED	SIGNATURE	DATE
MANAGER	<i>S</i>	<i>[Signature]</i>	20/10/16
DIRECTOR HS&PM	<i>S</i>	<i>[Signature]</i>	13/10/2016
ACTING MUNICIPAL MANAGER	<i>Approved</i>	<i>[Signature]</i>	13/10/2016

COMMENTS

Blank area for comments with horizontal lines.



PROPERTY MANAGEMENT

TO / AAN : The Acting Municipal Manager
FROM / VAN : Manager: Property Management
DATE / DATUM : 2016-10-12
RE / INSAKE : PROPOSED AMENDMENT TO LEASE AGREEMENT: ATTERBURY HOLDINGS: EIKESTAD MALL

1. PURPOSE OF REPORT

The purpose of this memo is to obtain the necessary approval to amend the existing Lease Agreement with Atterbury Holdings.

2. BACKGROUND

2.1 Tender process: Invitation to tender

On 29 October 2015 a tender notice was published, calling upon land lords in the CBD of Stellenbosch to tender for the provision of $\pm 500\text{m}^2$ of Grade A office space (SSM 69/16).

Although 1 prospective bidder attended the compulsory briefing session, no tenders were submitted on the closing date.

2.2 Deviation approved

Following the above, unsuccessful tender process, the Acting Municipal Manager was requested to approve a deviation, i.e. to conclude an agreement with Atterbury Holdings for the following office space, without following a public tender process:

a) Rental

Area A	:	$484.61\text{m}^2 @ R150/\text{m}^2 = R72\ 691.50$
Area B	:	$144.00\text{m}^2 @ R150/\text{m}^2 = R21\ 600.00$
Area C	:	$28.30\text{m}^2 @ R150/\text{m}^2 = R4\ 245.00$
Total area	:	$656.91\text{m}^2 @ R150/\text{m}^2 = R98\ 536.50$

b) Fit out cost (based on a capital amount of R750 000)

Total area: $656.91\text{m}^2 @ R30/\text{m}^2 = R19\ 707.30$

c) Utility Charges

Assessment rates, taxes & annual levies:	R7.42/m ² GLA
Water	: R0.86/m ² GLA
Sanitation	: R0.78/m ² GLA
Refuse removal	: R1.25/m ² GLA
Electricity	: R26.34/m ² GLA
HVAC Consumption	: R4.86/m ² GLA
Total utility charges	: R41.51/m ² x 656.91m ² = R27 268.33
Total monthly cost	: R221.51/m ² x 656.91/m ² = R145 512.13
Total annual cost	: R1 746 145.60 (Excl. VAT)

Having considered the application, the Acting Municipal Manager eventually approved the deviation on 2016-07-04. The Manager: Property Manager was subsequently authorised to negotiate and conclude a 3 year Lease Agreement, based on the proposal received, subject thereto the expenditure be limited to the amount budgeted for over the 3 financial years.

A copy of the approval is attached as **APPENDIX 1**.

2.3 Lease Agreement

Due to the long delay, when concluding the Lease Agreement with Atterbury Holdings, Area B, measuring 144m² in extent, was no longer available. For this reason the Lease Agreement was only concluded for Area A and C, totalling 512.91m².

A copy of the Lease Agreement is attached as **APPENDIX 2**.

2.4 Proposal for Addendum to Lease Agreement

On 30 September 2016, following requests from the Director: Planning & Economic Development, Atterbury Holding confirmed that additional space, measuring 144.4m² in extent, has subsequently become available, and that they would offer it at the same terms and conditions as the existing lease agreement.

3. DISCUSSION

3.1 Proposal within approved deviation

As the Acting Municipal Manager has already approved a deviation for 656.91m² of office space, and only 512.91m² was taken up, the proposed additional space of 144.4m² is within the existing approval (.4m² in excess).

3.2 Financial implications

Should the additional space be taken up, it will be within the approved budget of R9 478 141.00 (Vote 1/2235/0772).

In light of the above it is

RECOMMENDED:

- a) that approval be granted for the amendment of the Lease Agreement to include an extra 144.4m²m based on the same terms and conditions of the existing Lease Agreement;
- b) that the Manager: Property management be authorised to conclude the Addendum Agreement.

I await your further instructions.

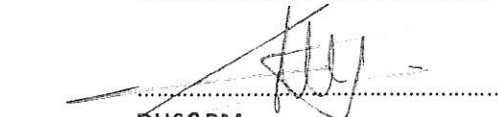
Yours faithfully



.....
PIET SMIT
MANAGER: PROPERTY MANAGEMENT

RECOMMEND FOR APPROVAL

YES/ NO



.....
DHS&PM

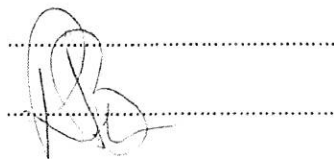
.....
DATE

APPROVED	<input checked="" type="checkbox"/>
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NOT APPROVED	<input type="checkbox"/>
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Conditions (if any):.....

Approved FOR AMENDMENT



.....

ACTING MUNICIPAL MANAGER

2016/01/13
DATE

APPENDIX 2

Closing date: 20th April 2017

Eikestad Nuus 13 April 2017



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

OFFICIAL NOTICE: STELLENBOSCH MUNICIPALITY

Notice is hereby given in terms of Section 116(3) of the Municipal Finance Management Act of Stellenbosch Municipality's intention to amend a contract concluded with Atterbury Holdings, trading as Eikestad Mall Joint Venture, to allow for additional fit-out cost, amounting to R318 106.14 (exclusive of VAT).

Notice is further given in accordance with Section 21 of the Local Government: Municipal Systems Act, No 32/2000 that:-

- The local community and interested persons/parties are invited to submit comments or representations to the Municipality in respect of the above, such comments or representations must be received within 14 days of advertisement via electronic mail to the e-mail address provided below, or be delivered to the undersigned to the mailing address provide hereunder;
- Further detail is available from the undersigned during office hours.

Further details and clarity may be requested via e-mail from piet.smit@stellenbosch.gov.za

Physical Address:

3rd Floor
Oude Bloemhof (ABSA) building
Pleinstreet
Stellenbosch
7600

Mailing Address:

The Manager: Property Management
Stellenbosch Municipality
PO Box 17
Stellenbosch
7599

Comments or representation can be submitted to Israel Saunders at s116.contracts@stellenbosch.gov.za via electronic mail by no later than 21 days from date of this notice.

Persons who are physically disabled or unable to write, but who wants to participate in the process, may present themselves during office hours at the office of the undersigned where a staff member will assist them to transcribe the relevant comments or representations.

Municipal Manager

Date: 13 April 2017

0000000-EN130417

Save
Save



MUNICI

The Mayor of Stellenbosch Municipality is pleased to announce that the Municipality has been awarded the Mayor's Award for high unemployment development in the area. We are therefore pleased to enlist the help of

We are therefore pleased to enlist the help of a wide age range who want to improve their environment. Successful candidates will receive an accredited certificate of full time employment from Stellenbosch Municipality.

Must be a

The programme will be open to all time learners will be

To apply please contact

Interview day:
Tuesday 25 April
Street, Fr

For any questions contact

radiah

Please bring ID.



Nuus net vir Jou sedert 1950
Eikestad NUUS Betrekkings |

APPENDIX 3

Lorelle Adams

Subject: FW: [EX] MFMA S116(3): AMENDMENT OF CONTRACT

From: Jane Sampson [mailto:janesampson01@gmail.com]
Sent: Monday, April 24, 2017 4:19 PM
To: S116 Contracts
Subject: [EX] MFMA S116(3): AMENDMENT OF CONTRACT

Dear Sir/Madam

As a ratepayer I have the following concern regarding the amendment of the contract

In view of the notice published in the Eikestadnuus of 13 April 2017 I like to comment of the following:

- a) what was the reason for the proposed amendment
- b) was it considered by council
- c) what was council resolution regarding this request and have council approved the item.

Further to my comments, I like to mentioned the following:

- a) In a deviation dated 9 February 2016, the fit out cost total area: 656.91m² @ R30/m² and other relevant details regarding the lease of the premises.
- b) In deviation 32/17 dated 31/1/2017 a full work study was done by Space Designer with a final resolution to the open plan layout. Quotations were obtained from service providers of which two were accepted to the total cost of R674 150.16(open plan office furniture, soft seating, etc.)

Financial implications:

Monthly fit out cost (based on a capital amount of R750 000)

Total area: 656.91m² @ R30m² = R19 707.00

Based on the allowance of R750 000 (tenant fit -out) will be recovered from the aforementioned amount and that the landlord is responsible for the installation and fit-out on behalf of the tenant

- c) it is also stated in the quotation submitted by Atterbury Holdings, "that in the event of the Parties not renewing the lease after the initial 3 year lease period (renewal for a further 3 year period), the Tenant shall refund half (50%) of the Tenant Fit-out allowance to the Landlord".

Floor space

Current: Municipal building = 600m²

Rental space = 656.91m²

The aforementioned cost, according to the work study assessment should cover the cost of for the required need.

With the s116(3) request the total cost for office furniture and seating will amount to R1 092 256.30

I therefore disagree to the additional fit-out cost.

Kind regards

JR Sampson

6.	DECLARING A STATE OF DISASTER IN TERMS OF THE DROUGHT
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1. PURPOSE OF REPORT

To inform Council of the state of the drought and to request Council to declare a State of Disaster in line with the equivalent declaration of a state of disaster called by the Western Cape Provincial Government.

2. BACKGROUND

Severe drought conditions exist within and around the Cape Metropolitan Area. Stellenbosch falls within this area. With currently very little rainfall and very high temperatures during summer, the supplies of water have reached critical levels. If the same rainfall is experienced in the 2017 winter as was the case in the 2016 winter, then the Cape Metropolitan area is certain to have no surface water available before the next rainfall season in 2018.

3. DISCUSSION**3.1 Drought Conditions**

Due to the severe water supply constraints it is extremely important to severely limit the usage of water and to plan the augmentation of water supply to our citizen, since water is extremely critical for the lives of our citizens. All indications are that we will not see enough rainfall this winter for dams to fill up sufficiently to last us through the next summer.

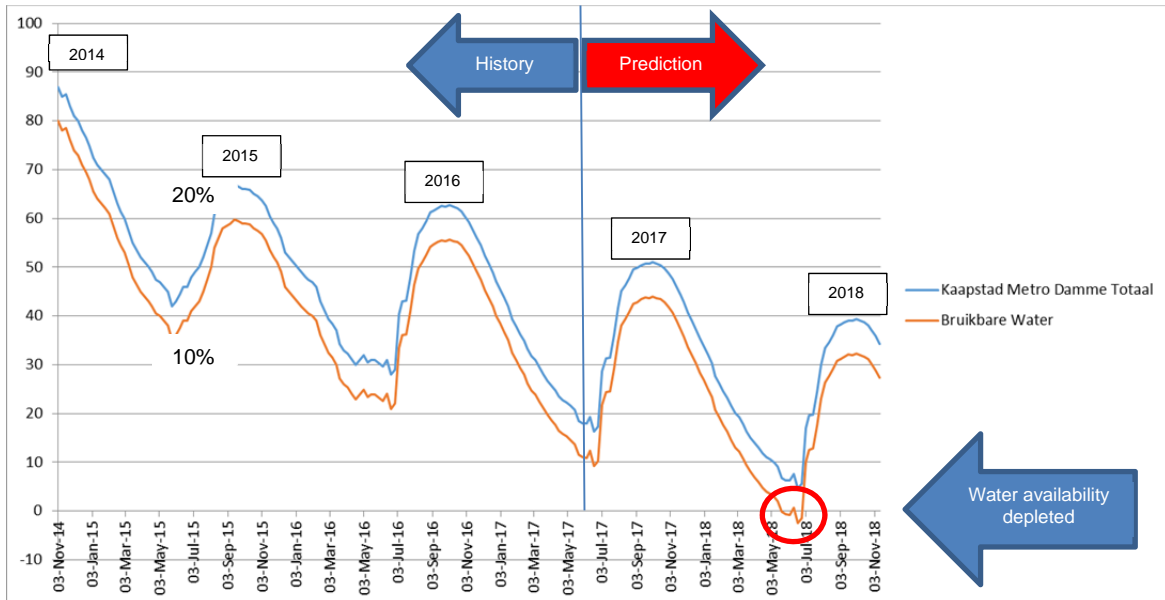


Figure 1: Current Prediction for the Water availability in the next year

In reference to Figure 1 above it can be seen that if the same water availability and water consumption patterns are to be followed in the next 12 months, then we will have no water by middle May 2018. For this reason a State of Disaster was declared by the Western Cape Provincial Government. In order for this State of Disaster to be effective it is required that all municipalities within the disaster zone to also declare a States of Disaster.

Annexure A reflects a request from the Western Cape Provincial Government to municipalities to also declare states of disaster.

3.2 Intervention Required

In order for the Provincial Disaster declaration to be effective, it is required that Stellenbosch Municipality also declare a State of Disaster.

In terms of Section 55 of the Disaster Management Act, Act 57 of 2002, as amended, the Council of a Municipality, who is experiencing a disaster and has the primary function of controlling this disaster, is authorised to publish the declaration of a local disaster in the Provincial Gazette, should current legislation and measures be insufficient to mitigate the disaster.

Provincial Government has requested the Municipality to declare a State of Disaster in order for assistance of the disaster and management thereof to become effective.

4. LEGAL IMPLICATION

Section 55 of the Disaster Management Act, 2002, reads as follows

Declaration of local state of disaster

55. (1) *In the event of a local disaster the council of a municipality having primary responsibility for the co-ordination and management of the disaster may, by notice in the provincial gazette, declare a local state of disaster if-*

- (a) existing legislation and contingency arrangements do not adequately provide for that municipality to deal effectively with the disaster; or*
- (b) other special circumstances warrant the declaration of a local state of disaster*

(2) If a local state of disaster has been declared in terms of subsection (1), the municipal council concerned may, subject to subsection (3), make by-laws or issue directions, or authorise the issue of directions concerning-

- (a) the release of any available resources of the municipality, including stores, equipment, vehicles and facilities;*
- (b) the release of personnel of the municipality for the rendering of emergency services;*
- (c) the implementation of all or any of the provisions of a municipal disaster management plan that are applicable in the circumstances;*
- (d) the evacuation to temporary shelters of all or part of the population from the disaster-stricken or threatened area if such action is necessary for the preservation of life;*
- (e) the regulation of traffic to, from or within the disaster-stricken or threatened area;*

- (f) *the regulation of the movement of persons and goods to, from or within the disaster-stricken or threatened area;*
 - (g) *the control and occupancy of premises in the disaster-stricken or threatened area;*
 - (h) *the provision, control or use of temporary emergency accommodation;*
 - (i) *the suspension or limiting of the sale, dispensing or transportation of alcoholic beverages in disaster-stricken or threatened area;*
 - (j) *the maintenance or installation of temporary lines of communication to, from or within the disaster area;*
 - (k) *the dissemination of information required for dealing with the disaster;*
 - (l) *emergency procurement procedures;*
 - (m) *the facilitation of response and post-disaster recovery and rehabilitation: or*
 - (n) *other steps that may be necessary to prevent an escalation of the disaster, or to alleviate, contain and minimise the effects of the disaster.*
- (3) *The powers referred to in subsection (2) may be exercised only to the extent that this is necessary for the purpose of--*
- (a) *assisting and protecting the public;*
 - (b) *providing relief to the public;*
 - (c) *protecting property;*
 - (d) *preventing or combating disruption;*
 - (e) *dealing with the destructive and other effects of the disaster.*
- (4) *By-laws made in terms of subsection (2) may include by-laws prescribing penalties for any contravention of the by-laws*
- (5) *A municipal state of disaster that has been declared in terms of subsection (1) -*
- (a) *lapses three months after it has so been declared;*
 - (b) *may be terminated by the council by notice in the provincial gazette before it lapses in terms of paragraph (a): and*
 - (c) *may be extended by the council by notice in the provincial gazette for one month at a time before it lapses in terms of paragraph (a) or the existing extension to expire*

5. FINANCIAL IMPLICATION

Funds for the disaster are being made available by Western Cape Provincial Government. The 2017/18 budget has made some provision for disaster relief.

6. COMMENTS FROM OTHER RELEVANT DEPARTMENTS**6.1 DIRECTORATE: STRATEGIC & CORPORATE SERVICES**

The content of the report and the recommendations are supported. Item is legally compliant.

6.2 DIRECTORATE: FINANCIAL SERVICES**6.3 DIRECTORATE: COMMUNITY SERVICES & PUBLIC SAFETY****RECOMMENDED**

- (a) that this report be noted;
- (b) that the request to local municipalities by Western Cape Provincial Government to declare a disaster, be heeded;
- (c) that Council declares a local state of disaster for the prevailing drought conditions in terms of Section 55(1) of the Disaster Management Act, Act 57 of 2002; and
- (d) that the declaration of this disaster be forwarded to the Provincial Government to be published in the Provincial Gazette at the earliest possible time.

<i>Meeting: Ref no:</i>	<i>Special Council: 2017-06-20</i>	<i>Submitted by Directorate: Author Referred from:</i>	<i>Infrastructure Director: Engineering Services</i>
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APPENDIX 1

Annexure A: Provincial Drought Declaration, received 26 May 2017



Jacqueline Pandaram
 Director: Disaster Operations
 E-mail: jacqueline.pandaram@westerncape.gov.za
 Tel.: +27 21 937 6306 Fax: +27 21 9319031

Reference number: 23/3/2 (Provincial Drought)

Western Cape Disaster Management
 Private Bag x3
 Sanlamhof
 7532

Enquiries: Mrs J. Pandaram

All Municipal Managers in the Western Cape Province

Dear Sir

PROVINCIAL DROUGHT DECLARATION

As you are well aware, the Western Cape Province is currently suffering the effects of a prevailing drought. The Province was also plagued by devastating fires, specifically in the informal settlement of Imizamo Yethu in Hout Bay and Hessequa and Oudtshoorn municipalities which adversely affected the agricultural sector during the past fire season.

The impact of these two occurrences necessitated the request for disaster declarations. The Western Cape Provincial Cabinet has duly declared the prevailing drought as a **provincial state of disaster** on 17 May 2017, and the fires as **local states of disaster** on 26 April 2017 by means of cabinet resolutions.

Although the drought was declared as a provincial disaster, municipalities that are affected by the drought must still adhere to the legal requirements and obtain their council's approval and support to declare the occurrence as a disaster. It therefore does not imply that all municipalities are automatically included in the declaration. Should Municipalities consider a disaster declaration it is required that they still follow the normal disaster declaration process.

Cognisance must be taken that **only** the drought is covered under a provincial declaration and the fire declaration, a local state of disaster. This means that the Provincial Disaster Management Centre will request the National Disaster Management centre (NDMC) to extend the drought declaration after the three months has lapsed but in the case of the fire declaration, the onus rests on municipalities to request the extension from the NDMC.

It should also be noted that a provincial disaster declaration does not mean that local authorities are not required to coordinate the disaster within its municipality. The Provincial Disaster Management Centre will coordinate the provincial interventions and also provide support to those declared municipalities.

Kindly contact the Provincial Disaster Management Centre should clarity be needed or advice required.

Your cooperation is appreciated.

Kind regards



Mr Colin Deiner

Head of Western Cape Disaster Management Centre

Date: