



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2020-05-22

NOTICE OF A SPECIAL MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY WEDNESDAY, 2020-05-27 AT 10:00

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

COUNCILLORS	F Adams	MC Johnson
	FJ Badenhorst	DD Joubert
	FT Bangani-Menziwa (Ms)	N Mananga-Gugushe (Ms)
	Ald PW Biscombe	C Manuel
	G Cele (Ms)	NE Mcombring (Ms)
	PR Crawley (Ms)	XL Mdemka (Ms)
	A Crombie (Ms)	C Moses (Ms)
	Z Dalling (Ms)	RS Nalumango (Ms)
	R Du Toit (Ms)	N Olayi
	J Fasser	MD Oliphant
	A Florence	SA Peters
	AR Frazenburg	MM Pietersen
	E Fredericks (Ms)	WF Pietersen
	T Gosa	SR Schäfer
	E Groenewald (Ms)	Ald JP Serdyn (Ms)
	JG Hamilton	N Sinkinya (Ms)
	AJ Hanekom	P Sitshoti (Ms)
	DA Hendrickse	Q Smit
	JK Hendriks	LL Stander
	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 **WEDNESDAY, 2020-05-27 at 10:00.**

SPEAKER
N JINDELA

22 / 05 / 2020

A G E N D A
SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2020-05-27

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE
1.	OPENING AND WELCOME	
2.	MAYORAL ADDRESS	
3.	COMMUNICATION BY THE SPEAKER	
4.	COMMUNICATION BY THE MUNICIPAL MANAGER	
5.	DISCLOSURE OF INTEREST	
6.	APPLICATIONS FOR LEAVE OF ABSENCE	
7.	STATUTORY MATTERS	
7.1	APPROVAL OF THE THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022	3
7.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021-2022/2023	7
8.	MATTERS SUBMITTED BY THE MUNICIPAL MANAGER	
8.1	APPROVAL OF THE ELECTRICAL SERVICES BY-LAW AND ADMISSION OF GUILT FINES	22
8.2	ADOPTION OF THE REVIEWED STELLENBOSCH LIQUOR TRADING HOURS BY-LAW	93
8.3	MUNICIPAL SOLIDARITY FUND TOWARDS THE CURBING OF THE SPREAD AND IMPACT OF COVID-19	109

7.	STATUTORY MATTERS
7.1	APPROVAL OF THE THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

27 May 2020

1. SUBJECT: APPROVAL OF THE THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022

2. PURPOSE

To submit the following to Council for adoption:

- (a) The Third Review of the Fourth Generation Integrated Development Plan (IDP) 2017 – 2022, attached as **ANNEXURE A**; and
- (b) The public participation inputs, written submissions and Provincial Government LG MTEC findings on the Draft Third Review of the Fourth Generation IDP 2017 - 2022, attached as **ANNEXURE B**.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Integrated Development Plan (IDP) is a 5-year Strategic Plan that is reviewed annually to accommodate changes in the municipal environment, including community priorities. It also informs the budget of the Municipality. The Third Review of the Fourth Generation IDP 2017 – 2022 details the Municipality's actions to address the needs of the community.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible revisions to the priorities listed in the municipal IDP.

5. RECOMMENDATIONS

- (a) that the Stellenbosch Municipality's Third Review of the Fourth Generation IDP 2017 – 2022, attached as **ANNEXURE A**, be adopted;
- (b) that the public participation inputs and written submissions on the Draft Third Review of the Fourth Generation 2017 – 2022, attached as **ANNEXURE B**, be noted; and
- (c) that an advertisement be placed on the official website of the Municipality, municipal notice boards and in the local newspapers notifying the public that the final Third Review of the Fourth Generation 2017 – 2022 has been adopted in Council.

6. DISCUSSION**6.1 Background**

In terms of the provisions of the MSA, each Council must, within the prescribed period after the start of its elected term, adopt a single, inclusive, strategic plan. The Fourth Generation IDP 2017 – 2022 serves as this instrument, which was adopted by the new Council on 31 May 2017 for the period 2017 – 2022.

An Integrated Process Plan and Time Schedule was approved by Council in August 2019 to guide the planning, review and adoption of the Third Review of the Fourth Generation IDP 2017 – 2022.

The following processes were followed in accordance with the process plan:

Date	Action(s)
August 2019	<ul style="list-style-type: none"> Approval of IDP/Budget/SDF Process Plan and Time Schedule.
September – November 2019	<ul style="list-style-type: none"> Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2020/21 financial year for the third review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. Ward plan update meetings were held in all 22 wards with the respective ward committees and Ward Councillors. Provincial IDP Manager's Forum hosted by Department Local Government.
December 2019 – February 2020	<ul style="list-style-type: none"> Compilation of Draft IDP document in collaboration with all Directorates. Administration prepared the Draft IDP in finalising the chapters of the document. Administration prepared the Draft Budget. Administration prepared the draft Top Layer SDBIP. Capital Planning Forum sessions held to determine capital needs for capturing the IDP and Medium Term Revenue and Expenditure Framework (MTREF) Budget. Provincial IDP Manager's Forum hosted by Department Local Government.
March – April 2020	<ul style="list-style-type: none"> Mayco and Council considered the draft IDP and Budget. Due to the Covid-19 pandemic, SDF/IDP/BUDGET public meetings could not continue due to the various regulations published in this regard. However, public participation continued on various online platforms e.g. the Municipality's website, Facebook, Twitter, SMS notifications, emails notifications and the development and publishing of a mobile public participation app. Provincial LG MTEC held. Closing date for submission on draft IDP and Budget was 08 May 2020. Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs.

Date	Action(s)
May – June 2020	<ul style="list-style-type: none"> • Mayco and Council considered the draft IDP and Budget. • Closing date for submission on draft IDP and Budget was 08 May 2020. • Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs. • Draft Top Layer Service Delivery and Budget Implementation Plan to be submitted to the Executive Mayor for approval within 28 days after the approval of the Budget.

6.2 Financial Implications

There are no financial implications beyond that which have been provided for in the MTREF budget.

6.3 Legal Implications

In terms of Section 34 of the Local Government: Municipal Systems Act, 2000 (Act No. No 32 of 2000) (MSA) prescribes that the Municipal Council: –

“(a) must review its Integrated Development Plan-

(i) annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand”.

6.4 Staff Implications

This report has no additional staff implications to the Municipality.

6.5 Risk Implication

None.

6.6 Previous / Relevant Council Resolutions:

- Item 7.2.1 of the 9th Council Meeting held on 31 March 2017. “2017 - 2022 Fourth Generation Integrated Development Plan (IDP)”;
- Item 4 of a Special Council Meeting held on 28 May 2018. “Approval of First Review of the Fourth Generation IDP (2017/18 –2021/2022)”;
- Item 5.1 of the 27th Council Meeting held on 29 May 2019. “Approval of the Draft Second Review of the Fourth Generation IDP (2017 – 2022)”;
- Item 8.1 of the 30th Council Meeting held on 28 August 2019. “Approval of the Draft First Amendment of the Fourth Generation IDP 2017- 2022”;
- Item 8.1 of an urgent Council Meeting held on 25 March 2020. “Approval of the Draft Third Review of the Fourth Generation IDP 2017 – 2022”.

6.7 Comments from Senior Management

6.7.1 Municipal Manager

Agree with the recommendations.

6.7.2 Chief Financial Officer

Agree with the recommendations.

6.7.3 Director: Infrastructure Services

Agree with the recommendations.

6.7.4 Director: Corporate Services

Agree with the recommendations.

6.7.5 Director: Planning and Economic Development

Agree with the recommendations.

6.7.6 Community and Protection Services

Agree with the recommendations.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-05-22: ITEM 6.1

- (a) that the Stellenbosch Municipality's Third Review of the Fourth Generation IDP 2017 – 2022, attached as **ANNEXURE A**, be adopted;
- (b) that the public participation inputs and written submissions on the Draft Third Review of the Fourth Generation 2017 – 2022, attached as **ANNEXURE B**, be noted; and
- (c) that an advertisement be placed on the official website of the Municipality, municipal notice boards and in the local newspapers notifying the public that the final Third Review of the Fourth Generation 2017 – 2022 has been adopted in Council.

ANNEXURES (REFER SEPARATE COVER)

Annexure A: Third Review of the Fourth Generation IDP 2017- 2022

Annexure B: Public comments received on the Draft IDP and Budget 2020/21

FOR FURTHER DETAILS CONTACT:

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POSITION	Senior Manager: Governance
DIRECTORATE	Office of the Municipal Manager
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REPORT DATE	15 May 2020

7.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021-2022/2023
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

27 May 2020

1. SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021-2022/2023

2. PURPOSE

The purpose of this report is as follows:

- (a) To consider the views/submissions of the local community in terms of Section 23(1)(a) of the Municipal Finance Management Act (Act 56 of 2003), herein after called the MFMA and to allow the Executive Mayor to respond to the views of the public as envisaged in terms of Section 23 (2) (a) and (b).
- (b) To approve the Medium Term Revenue and Expenditure Framework (inclusive of property rates charges and taxes, tariffs and service charges), annexures and amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003).
- (c) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R375 579 511 of which over the MTREF R102 779 511 will be required in year 1, R103 800 000 in year 2 and R169 000 000 in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms final approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.
- (d) That Council specifically note and consider the applications for extension of the Jonkershoek and Techstel Special Rating Areas (SRA) that is in terms of paragraph 15(a) of the SRA By-Law.

**3. DELEGATED AUTHORITY
FOR APPROVAL BY MUNICIPAL COUNCIL**

4. EXECUTIVE SUMMARY

BUDGET

Attached as **APPENDIX 1** is an executive summary by the Accounting Officer.

SPECIAL RATINGS AREAS – NEXT FIVE YEAR TERM

The Jonkershoek and Techstel Special Rating Areas (SRA) were first established in 2015 and have been successfully operating for the past five years. The respective management bodies have now applied for their SRAs to be extended for a further period of five years, ending 30 June 2025.

There are no financial implications for the municipality. SRAs are community driven initiatives and are financed by the property owners within the boundaries of the SRA. The municipality pays the approved budget over to the relevant management body in twelve equal, monthly instalments and recovers the money from property owners via the monthly consumer accounts. Normal credit control and debt collection processes are followed in instances of non-payment and retention is also withheld from the budget to offset any potential losses of the municipality. In the first five years of the SRAs being in operation, this measure has not been necessary.

Applications for extension of the terms are done in compliance with paragraph 15(a) of the SRA By-Law. Such council approval can only be given in terms of Chapter 1 of the By-Law. For good reason, the council may exempt the management body of the SRA from compliance with Chapter 1, which mainly deals with the process to be followed when first establishing a SRA. Such exemption is being requested by the management body of the SRA.

Full reports of both SRAs are attached hereto as Annexures 32 and 33. Sub Annexures A – D include the Application Letters, Business Plans, 5 Year Budgets and AGM Minutes.

5. RECOMMENDATIONS

- (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 2020/2021, 2021/2022 and 2022/2023, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;
- (e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved;
- (f) that the proposed amendments to existing budget-related policies and other policies as set out in **APPENDICES 4 - 28**, be approved;
- (g) that Council specifically notes and considers the need to take up an external loan needed for investment in income generating infrastructure to the amount of R375 579 511 of which R102 779 511 will be required in year 1, R103 800 000 in year 2 and R169 000 000 in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- (h) that Council specifically takes note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- (i) that Council takes note of MFMA circulars 98 and 99 that were published to guide the MTREF for 2020/2021 to 2022/2023 as set out in **APPENDICES 29 – 30**;

- (j) that Council notes the Jonkershoek and Techstel SRA applications for the extension of the SRAs for a further period of five years and exempts both management bodies in terms of paragraph 15(a) of the SRA By-Law from compliance with the provisions of Chapter 1 of the SRA By-Law;
- (k) that Council approves the extension of the Jonkershoek and Techstel SRAs for a further period of five years beginning 1 July 2020 and ending 30 June 2025;
- (l) that Council approves the proposed five year budgets with a combined total of R30 943 773.35 (VAT included) for Jonkershoek SRA and R15 713 218.21 (VAT included) as detailed in Annexures 31 (c) and 32 (c) respectively; and
- (m) that Council takes note that the public comments and submissions were taken into account with the compilation of the final budget.

6. DISCUSSION / CONTENTS

6.1. Background/ Legislative Framework

Section 23 of the MFMA (Act No 56 of 2003) prescribes to municipalities the process to be followed when the Annual Budget is tabled for approval, which is as follow:

- (1) "The municipal council must consider any views of the local community, the National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- (2) After considering all budget submissions, the council must give the mayor an opportunity—
 - (a) to respond to the submissions; and
 - (b) if necessary, to revise the budget and table amendments for consideration by the council.

ANNEXURE 1 to the Council Item for the Integrated Development Plan includes the input and comments received during the IDP and Budget Public Participation Process.

6.2 Discussion

The 2020 Budget review published by National Treasury notes that since the publication of the October 2019 Medium Term Budget Policy Statement (MTBPS) regardless of the growth potential the economic output has weakened following lower than expected growth in the second half of the year.

The aforementioned review highlighted the following reforms that are underway to improve spending efficiency and reduce waste:

- Procurement: The state has a complex and often ineffective procurement system, which at times hamper government's ability to efficiently contract for goods and services. The draft procurement bill has been gazette for public comment.
- Provincial grants: Government is piloting initiatives to improve municipal revenue collection and has made progress in reducing unfunded municipal budgets.

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- Medico-legal claims: Work has begun to limit unreasonable claims against government.
 - Public office bearers: There will be no increases in the salaries of public office bearers during 2020/2021.

Municipal governments face multiple pressures with the years ahead with local government expected to expand access to free basic services to poor households, while ensuring that those who can afford to pay for services do so. The 2020 MTREF includes large reductions in planned transfers to municipalities. This means that municipalities will be required to prioritise projects. Municipalities therefore must exercise caution when preparing their 2020/2021 MTREF budgets. It is advised that municipalities follow a conservative approach when projecting revenue and to eliminate waste and unnecessary expenditure. It is imperative that municipalities should ensure the following, namely, that budgets they adopt are realistic and funded, that debts owned are collected and that their creditors are paid within 30 days of receipt of invoice. Legislation governing local planning and budgeting places emphasis on community participation in decision-making. The partnerships between municipalities and its stakeholders relies on the households and businesses recognising the value of, and paying for, municipal services. Therefore, the sustainability of the municipality will heavily depend on how they collect and spend their own revenues.

The Budget of 2020 outlines a series of economic and fiscal measures to be implemented to move the economy onto a new trajectory and reduce the long-term risks to South Africa's public finances. The central economic policy goal of the government, is to accelerate inclusive growth and create jobs. The main objective is to ensure sustainable finances by containing the budget deficit and stabilising public debt. The Constitution requires the national budget and related budget processes to promote values such as transparency, accountability, as well as effective management of the economy to these requirements in a difficult environment in which economic growth remains weak, public debt and debt service costs have accelerated, and governance and operational concerns manifest across the public sector. The 2020 Budget confronts these challenges by addressing the central risks of the economy and its public finances, supporting growth-enhancing reforms and maintaining real growth in expenditure on social and economic priorities.

As a means to combat unemployment, the municipality will employ the following measures:

- Full participation in the Expanded Public Works Programme;
- Providing support to small businesses, which will create employment in the medium to long term;
- Establishment of Informal Traders;
- Promoting Internships and in-service training opportunities;
- Filling of vacancies within the municipality; and
- Developing partnerships with academic institutions for training opportunities.
- Implementation of a revised capacity building initiative, aligned to Back to Basics strategy, where the main focus will be on improving service delivery, accountability and financial management. It is always important that local government be effective and efficient, and this will be measured by its ability to perform the basic mandate of service delivery. The "Back to Basics" programme was launched to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in local government.

The President of South Africa, in his State of the Nation Address (SONA), on 13th February 2020 conceded that unemployment remains a national challenge and that job creation remains at the center of the national agenda of 2020. The following focus areas were highlighted during SONA and in the 2019 MTBPS, which will be used as instruments to reignite growth so that the economy can create much-needed jobs:

- SMMEs: Expanding the small business incubation programme which provides entrepreneurs with the physical space, infrastructure and shared services, access to specialised knowledge market linkages, training in the use of new technologies and access to finance.
- National Minimum Wage (one of the demands of the Freedom Charter) to ensure greater coherence and consistency in the implementation of economic policy
- Mining
- Youth Development and Employment through the implementation of various initiatives
- Safety and security
- Agriculture and related initiatives
- Implementation of Procurement Bill: This bill will empower black and emerging businesses and advance radical economic transformation.
- Water Conservation Initiatives
- Encourage significant new investments and promoting greater investment in key manufacturing sectors
- Provision of Infrastructure through Infrastructure Investments
- Expansion of the Tourism Sector
- Developing capabilities in science, technology and innovation towards digital industrial revolution

Government's central economic policy priority remains to promote faster, job-creating growth. Various programmes and initiatives will be established and the existing one's improved upon to ensure effective implementation of the strategic priorities.

The Western Cape Premier in his State of the Province address, on 20th February 2020, reiterated the sentiments highlighted during the State of the Nation Address and also the challenges that are faced and the initiatives that were implemented to address these challenges with regards to unemployment, especially the youth, education, building of safer communities, sustainable infrastructure development, implementation of related initiatives, provision of housing (dignified living), finding alternative energy sources to assist and reduce the strain on the electrical grid, provision of services to the poor households, among others.

The Premiers' speech focused on the following areas:

- Safety: The province has a safety plan, the biggest in the country, in place with various safety initiatives which focuses on increasing boots on the ground and reducing violence, to build a safer environment for all. Focus also to help boost the Chrysalis Academy (live-in leadership development programme aimed at empowering our most at-risk youth to become self-confident, economically-active role models within their respective communities).
- Economy : Focused on job creation initiatives to assist the private sector to create the jobs required, One of these initiatives is the Premier's Advancement of Youth Internship Programme, that helps unemployed people get the on-the-job training and experience they need to find a suitable job,

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- Energy and resilience: Finding alternative means to generate electricity for the province and alleviate the strain on the electrical grid,
 - Ease of business: creating job opportunities through provision of support to smaller businesses,
 - Education: Implement initiatives to improve quality of education and access to educational system,
 - Health: To maintain our current and health system and improve upon it. With regards to the recent outbreak of the coronavirus - or COVID-19 provincial treasury (in their 2020 Budget have stated that they have made provision for unanticipated events,
 - Transport,
 - Human settlements (implementing new initiatives to ensure that housing database is updated and backyard dwellers are prioritised) and
 - Culture change and innovation.

During his Statement of the Province Address the Premier highlighted the importance of finding ways to minimise unemployment by creating an environment that encourages job creation, through investment and growth and creating an environment which raises the quality of education and prepares generations for a digital future. The Premier mentioned the successes achieved through the implementation of various initiatives with focus on job creation, improvement of education and creation of an environment which encourages expanding social services through partnership with private partners, building of partnerships to foster safer communities, investments in new initiatives and maintenance of existing transport infrastructure and implementation of various youth development programmes which in return will boost employment opportunities. All of the above focus areas are important; however, the basis of all of this is economic growth, investment and job creation. In essence little else is possible if there is no growth or job opportunities.

Provincial treasury reiterated most of the challenges and focus areas highlighted in the Premier's State of the Province address, the SONA and the 2020 Budget Review. Provincial Treasury placed emphasis on the new Provincial Strategic Plan which will focus on five key Vision Inspired Priorities over the next five years, namely, to create "A Safe Western Cape Where Everyone Prospers"; Growth and Jobs; Empowering People; Mobility and Spatial Transformation and Innovation and Culture. Emphasis were also placed on the following areas of importance, namely, education, health and social development, investment in new and existing infrastructure assets, envision a new cleaner and greener energy future and readiness for future risks that may negatively impact the province.

National Treasury encourages municipalities to maintain tariff increases at levels that reflects an appropriate balance between the affordability to poorer households and other customers, while ensuring the financial sustainability of the municipality. Curtailing non-core expenditure has always been emphasized by National Treasury. In order to maintain a funded budget, municipalities need to not only focus on tariff increases, but also focus on how to eliminate expenditure that is unnecessary. The initial cost containment measures were introduced through a MFMA Circular. Building on the MFMA Circular, National Treasury and other stakeholders thereafter drafted the Municipal Cost Containment Regulations that promotes the cost containment measures introduced in a number of spending areas. The Cost Containment Regulations were issued on 07 June 2019. The implementation of cost containment measures is important as it will assist municipalities to reprioritise expenditure and to free up resources targeted towards service delivery. It will also be used to eliminate wastage of public resources on non-service delivery items. The

main object of the regulations is to ensure that the resources of municipalities are used in an effective, efficient and economical manner.

The National Budget places emphasis on municipalities to ensure that expenditure is allocated in an efficient manner, that management is enhanced and that cutting of waste occur. The 2020 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to priorities of the National Development Plan and the Medium Term Strategic Framework.

The economic situation has not improved since the previous financial year. Municipalities are also faced with a difficult fiscal environment as the demand for services rises, weak economic growth put strain on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. While some municipalities have handled these challenges well, others have fallen into financial distress and face liquidity problems. As a result of above mentioned challenges there is a need for municipalities to focus on collecting revenues owed to them, and eliminate any wasteful and non-core spending. It is therefore important that municipalities make adequate provision to service their debt obligations and they must ensure that expenditure is limited to the maximum revenue collected and not spend funds they do not have.

Municipalities are encouraged by National Treasury to maintain tariff increases and adopt a tariff setting methodology that achieves an appropriate balance between the interests of poor households and other customers while ensuring the financial sustainability of the municipality. Municipalities must ensure that their budget are funded from realistically anticipated revenues. This means that the municipality must refrain from assuming collection rates that are unrealistic and unattainable. Cost reflective tariff setting is a requirement of Section 74 (2) of the Municipal Systems Act, 2000 (Act No.32 of 2000). It states that tariffs "must reflect the cost reasonably associated with rendering the service". This means that municipalities must generate sufficient revenue to fully recover their costs, deliver services to customers sustainably and invest in the infrastructure that promises local economic development.

Before a municipality start with the tariff setting process they must first assess the budget to determine whether it is effective and efficient and they must ensure that it is credible for financial sustainability. In sum, the cost considered when setting a cost reflective tariff must include day-to-day operations and maintenance costs, capital financing cost and provision for bad debt, which are collectively referred to as direct costs, and governance and administration costs referred to as indirect costs.

In the instance of bulk tariff increases for electricity municipalities are also encouraged to apply for electricity tariff increases that reflect the total cost of providing the service, to ensure that they are working towards achieving fully cost-reflective tariffs that will assist them to achieve financial sustainability. Municipalities should consider the following facts during the tariff setting process, namely, the costs of bulk purchases and the fluctuation in the seasonal cost thereof; the consumption patterns to enable better demand planning and management; and in the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved, which in turn will result in financial sustainability.

Drought conditions makes it challenging and difficult for some municipalities to improve their revenue generation from provision of water services. In respect of

water services, the following important aspects should be focused on such as improving demand management, maintenance of infrastructure, management of losses, meter reading and tariff setting. The municipality should take strategic action to ensure effective water management and resilience to drought, including the security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio-economic priorities in an equitable and sustainable manner. When setting the tariffs municipalities must ensure that the tariffs charged will be able to cover for the cost of bulk purchases, ongoing operations as well as provision for any future infrastructure.

As a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate additional revenue. Additional revenue needs to be generated because the consumer's ability to pay for services received, continues to decline, which leads to limited revenue collection. The effects of slow growth and economic challenges experienced these past years, still have an impact and continue to place pressure on the finances of the average consumer (levels of disposable income and savings). This typically results in greater difficulty for the municipality with regards to the revenue collection, which have a direct impact on the municipality's ability to provide effective and efficient services, but also to budget accurately for service delivery over the short to medium term.

Continued policy uncertainty and the deterioration in the finances of state-owned companies are some of the main risks and challenges that can hinder the economic outlook. It is as a result of above economic challenges, alongside continued unemployment and slow growth that a more conservative approach is advised for revenue projections. Municipalities affected by the drought should thus consider its impact on revenue generation. The municipalities will also have to improve their efforts to limit non-priority spending and implement stringent cost-containment measures.

Municipalities are required to focus on the following during the compilation of the 2020/2021 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as per the Cost Containment Regulations issued on 07 June 2019;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households; and
- Curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

The aforementioned were taking into account during the compilation of the municipality's budget.

The application of sound financial management principles for the compilation of the Stellenbosch's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. As a result of excellent financial discipline, the Stellenbosch Municipality has taken the theme of "Driving efficiencies- doing more with less", to heart. The municipality's business and service delivery priorities were reviewed as part of this year's planning, through the Integrated Development Plan (IDP), and the annual budget process.

Funds were shifted from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on non-core and 'nice to have' items with regards to expenditure. The municipality has embarked on developing a revenue enhancement strategy to optimize revenue, including the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarized as follows:

- The on-going difficulties in the national and local economy;
- Aging infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- The Wage Bill: The 2020 Budget Review highlighted the proposed wage bill reduction for public service, wherein municipalities are encouraged to take decisive action to address bloated organisational structures and above inflation increases;
- Attracting economic investment;
- Water Conservation and drought;
- Electricity/ Load shedding;
- Borrowing for multi-year capital projects and refinancing of existing loans;
- Reductions in allocations of some of the National and Provincial grants due to a worsening fiscal outlook; and
- Limited resources to deal with all key priorities.

The following budget principles and guidelines directly informed the compilation of the 2020/21 MTREF:

- Integrated Development Plan was used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be as affordable as possible and should ideally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. However, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- National, provincial and local priorities;
- Headline inflation forecasts; and
- Funding choices and modelling.

The Integrated Development Plan (IDP) were used as a guiding strategic document to inform the budget compilation. The challenge however is still to deliver services more efficiently and effectively with the tight financial envelope.

Stellenbosch municipality's revenue strategy was based on the following fundamentals, namely, tariff policies of the municipality, economic outlook and development for Stellenbosch and surrounding areas, National Treasury's guidelines and macroeconomic policy, National, Provincial and Regional fiscal growth rates and electricity tariffs as approved by National Electricity Regulator of South Africa (NERSA).

The financial resources to fund the Operational Budget will and must consist of realistically anticipated revenue generated from property taxes, service charges and other income. The municipality was mindful of the estimated headline inflation for 2020/2021 of around 4.5 per cent, forming the basis of the extensive income modelling exercise, but also taking into account the principles of economical services that are cost reflective, trading services generating surpluses, the effect of escalating salary costs and bulk purchases.

The national budget focuses on fiscal consolidation. This means that we as municipalities must ensure that we do not borrow beyond our ability to repay and we do not spend money we do not have, until we ignite growth and generate revenue, we have to be tough on ourselves.

The total budget quantum for the 2020/2021 year is R2 272 713 713 of which R1 899 463 402 (83.58%) is allocated to the operating budget and R373 250 311 (16.42%) to capital investment.

Budget documentation in line with the budget and reporting regulations is attached as **APPENDIX 1 – PART 1**. The report serves as an overview of the budget as a whole, budget assumptions used to compile the budget, funding sources used to fund the capital budget, different income categories to fund priorities of the municipalities, as well as the different expenditure items, including non-cash items.

CAPITAL BUDGET 2020/2021 – 2022/2023

The capital budget is infrastructure orientated and addresses the huge backlog and urgent need to upgrade/refurbish Council's infrastructure as addressed by the different master plans. It is directed by the IDP (Integrated Development Plan) and the needs of the community. It's also aligned to the strategic priority in the State of the Nation Address of Infrastructure investment and the "back to basics" approach. Council's attention is however drawn to the fact that not all needs identified by the community can realistically be funded by the municipality.

The main capital projects that the municipality will be investing in, which constitute more than 64% of the capital budget, include:

- Water Pipe Replacement
- Bulk Water Supply Pipeline & Reservoir – Jamestown
- Water Conservation & Demand Management
- Water Treatment Works: Ida's Valley
- Bulk water Supply Pipe Line & Pump stations: Franschhoek
- Bulk water supply Klappmuts
- Bulk water supply pipe and Reservoir: Kayamandi
- New Reservoir & Pipeline: Vlottenburg
- Franschhoek Sewer Network Upgrade
- Dwarsriver Bulk Supply Augmentation and Network Upgrades
- Bien don 66/11kV substation new
- Expansion of the landfill site (New cells)
- Extension of Cemetery Infrastructure
- Upgrade of WWTW: Klappmuts
- Sewerpipe Replacement: Dorp Straat
- Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)
- Upgrade of WWTW Wemmershoek
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek
- Laterra Substation

- Jan Marais Upgrade
- Integrated National Electrification Programme
- Watergang Farm Upgrading
- Upgrading of The Steps/Orlean Lounge
- Kayamandi: Zone O (±711 services)
- Klapmuts: Erf 2181 (298 serviced sites)
- Upgrading of Traffic Offices: Stellenbosch
- Kleine Libertas Precinct
- Integrated and Spray Parks

The detailed draft capital budgets for 2020/2021, 2021/2022 and 2022/2023 are attached as **APPENDIX 1**.

OPERATING BUDGET 2020/2021 – 2022/2023

The basis of the operating budget is aligned to the principle of total potential income (less income forgone as an expense where applicable) from all our services as well as a projection of total direct income. The extent, to which tariffs and levies are proposed to increase, is in the main influenced by:

- The increase in bulk purchases (water and electricity)
- Employee related costs, as per SALGBC wage agreement
- Councillor remuneration, as per SALGA upper limits
- Service delivery challenges
- Repairs and maintenance
- Operational projects impacting job creation and economic development
- Contractual commitments
- Day to day operational costs (fuel & oil, telephones, bank costs, etc.)
- Finance costs, influenced by level of borrowing

Taking all of these issues into consideration and to ensure the sustainability of our operations from realistically anticipated income flows, the following tariff and property tax increases are proposed for 2020/2021:

Electricity	6.22%
Sanitation	6.50%
Refuse removal	16.50%
Water	6.00%
Rates	6.50%

Taking cognisance of the plight of the poor and the affordability of basic services, the scale up to 20 kl of water was increased by only 6% and usage over 20 kl (20 000 litres) for domestic consumers increases in proportion to consumption.

The impact of the proposed tariff increases on the monthly services account for the various consumer categories is summarized in **APPENDIX 2**.

HIGH LEVEL CAPITAL AND OPERATING BUDGET FOR 2020/2021 – 2022/2023

The draft high level budget depicting the total budget is attached as **APPENDIX 1 – PART 1 – SECTION C**.

TARIFFS

Council's attention is further drawn to the fact that the Tariff List attached as **APPENDIX 3** includes Sundry Tariffs as a basket of services and charges, i.e. Land Use Management Fees, Development contributions, Technical Charges, etc. In this regard, the proposed tariff list must be consulted for the detail.

BUDGET-RELATED POLICIES & BY-LAWS

A summary of changes to budget related policies is attached as **Appendix 4**.

The following budget related policies and by-laws were revised:

Rates Policy (**Appendix 5**)

Tariff Policy (**Appendix 6**)

Indigent Policy (**Appendix 7**)

Special Ratings Area Policy (**Appendix 8**)

Special Ratings By-law (**Appendix 9**)

Credit Control and Debt Collection Policy (**Appendix 10**)

Irrecoverable Debt Policy (**Appendix 11**)

Petty Cash Policy (**Appendix 12**)

Travel and Subsistancy Policy (**Appendix 13**)

Cost Containment Policy (**Appendix 14**)

Accounting Policy (**Appendix 15**)

Cash Management and Investment Policy (**Appendix 16**)

Supply Chain Management Policy (**Appendix 17**)

Development Charges Policy (**Appendix 18**)

Ward Allocation Policy (**Appendix 19**)

Unchanged Policies

Virementation Policy (**Appendix 20**)

Asset Management Policy (**Appendix 21**)

Budget Implementation and Monitoring Policy (**Appendix 22**)

Borrowing, Funds and Reserves Policy (**Appendix 23**)

Financing of External Bodies performing municipal functions Policy (**Appendix 24**)

Liquidity Policy (**Appendix 25**)

SCM Policy for Infrastructure Procurement and Delivery Management (SIPDM) (**Appendix 26**)

Inventory Management Policy (**Appendix 27**)

Preferential Procurement Policy (**Appendix 28**)

Grants-In-Aid Policy (**Appendix 29**)

OTHER SUPPORTING DOCUMENTATION

The additional information as prescribed by the budget and reporting regulations are attached as **APPENDIX 1 – PART 2 – SECTION P**.

6.3. Financial Implications

Financial impact already discussed above.

6.4. External Loan for 2020/2021

That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R375 579 511 of which over the MTREF R102 779 511 will be required in year 1, R103 800 000 in year 2 and R169 000 000 in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary).

6.5. Legal Implications

The item is compliant with the relevant legislative framework.

6.6. Staff Implications

As per the approved budget

6.7. Previous / Relevant Council Resolutions:

Annual approval of budget.

6.8. Risk Implications

Covid 19's financial impact is uncertain at this stage although it is clear that it will be significant on the economy. The risks have been minimized as far as possible and will have to be managed.

7. Comments from Senior Management:**7.1 Director: Infrastructure Services**

Noted

7.2 Director: Planning and Development Services

Noted

7.3 Director: Community and Protection Services:

Noted

7.4 Director: Corporate Services:

Noted

7.5 Chief Financial Officer:

Noted

7.6 Municipal Manager:

Noted

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH
THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-05-22: ITEM 6.2**

- (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 2020/2021, 2021/2022 and 2022/2023, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;
- (e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved;
- (f) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 4 - 28**, be approved;
- (g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R375 579 511 of which R102 779 511 will be required in year 1, R103 800 000 in year 2 and R169 000 000 in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;

-
- (h) 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;
- (i) that Council takes note of MFMA circulars 98 and 99 that was published to guide the MTREF for 2020/2021 to 2022/2023 as set out in **APPENDICES 29 – 30**;
- (j) that Council notes the Jonkershoek and Techstel SRA applications for the extension of the SRAs for a further period of five years and exempts both management bodies in terms of paragraph 15(a) of the SRA By-Law, from compliance with the provisions of Chapter 1 of the SRA By-Law;
- (k) that Council approves the extension of the Jonkershoek and Techstel SRAs for a further period of five years beginning 1 July 2020 and ending 30 June 2025;
- (l) that Council approves the proposed five year budgets with a combined total of R30 943 773.35 (VAT included) for Jonkershoek SRA and R15 713 218.21 (VAT included) as detailed in Annexures 31 (c) and 32 (c) respectively; and
- (m) that Council takes note that the public comments and submissions were taken into account with the compilation of the final budget.

APPENDICES: (REFER SEPARATE COVER)**FOR FURTHER DETAILS CONTACT:**

NAME	KEVIN CAROLUS
POSITION	DIRECTOR: FINANCIAL SERVICES
DIRECTORATE	FINANCIAL SERVICES
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REPORT DATE	21 May 2020

8.	MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
8.1	APPROVAL OF THE ELECTRICAL SERVICES BY-LAW AND ADMISSION OF GUILT FINES

Collaborator No: 642470
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 27 May 2020

1. SUBJECT: APPROVAL OF THE ELECTRICAL SERVICES BY-LAW AND ADMISSION OF GUILT FINES

2. PURPOSE

To request approval from Council to finally approve the Electrical Services By-law (2017) and the appropriate Admission of Guilt Fines.

3. DELEGATED AUTHORITY

MUNICIPAL COUNCIL.

The Electrical Services By-Law is a document that must in terms of the Municipal Systems Act (Act 32 of 2000) Section 12, be adopted by Municipal Council.

4. EXECUTIVE SUMMARY

The current Electricity Supply By-Law (2013) was promulgated on 30 January 2018, but it has become necessary to review this By-Law mainly due to the municipal policy to allow the self-generation of electricity through photo voltaic or wind means.

A public participation process was followed from 24 January 2019 – 25 February 2019.

The proposed Draft Electrical Supply Services By-Law will in comparison with the existing By-law address a wider spectrum of Electrical Services management matters, thus ensuring that the Municipality conforms to its mandate in terms of the Constitution and NERSA Regulations ensuring safe and quality electrical services for its citizens.

It includes:

- a. Co-Generation
- b. Supplies to Backyard Dwellers
- c. Smart Meters
- d. Retail Wheeling
- e. Energy Efficient use
- f. Development Charges policy

A set of proposed Admission of Guilt Fines (AGF) is attached as **ANNEXURE B.**

5. RECOMMENDATIONS

- (a) that the content of this report be noted;
- (b) that the attached Draft Electrical Services By-law (2019) be approved and adopted by Council as the final Electrical Services By-Law;
- (c) that the Draft Electrical Services By-Law (2019), attached as Annexure A, once approved and adopted by Council, be promulgated in the Provincial Gazette by the Directorate: Corporate Services' Legal Services' team;
- (d) that the By-law becomes active upon the date that it is published in the Western Cape Provincial Gazette; and
- (e) that the proposed set of Admission of Guilt Fines (Attached as Annexure B) be accepted as the fines to be sought from the Chief Magistrate for this By-Law.

6. DISCUSSION / CONTENTS**6.1 Background**

The current Electricity Supply By-Law was promulgated on 30 January 2018, but it has become necessary to review this By-Law.

Permission from Council was obtained on 12 December 2018 to embark on a public participation process. The public participation was then followed by publishing the notice in the local media for the public to view and comment on the draft by-law at the various municipal libraries and also on the municipal website. The viewing/commenting period was from 24 January 2019 – 25 February 2019. No comments were received by the closing date.

6.2 Discussion

It is necessary to change the Electricity Supply By-Law to allow for the following changes as proposed to be adjusted in the current By-Law:

- a. Co-generation of electricity through sun and wind methods.
- b. Ensuring the co-generation equipment conforms to the National Grid Code
- c. To make it possible to connect backyard dwellings to the electricity grid
- d. To allow for the installation of Smart Meters
- e. To allow the process of retail wheeling (permission for a third party to use the municipal electricity network to transport electricity at a fee)
- f. Enforcing the use of energy efficient electricity motors
- g. Allowing Council to reduce Development Charges for special cases.

6.3 Financial Implications

There are no financial implications should the recommendations as set out in the report be accepted.

6.4 Legal Implications

The recommendations in this report comply with Council's policies and all applicable legislation.

The Municipal Systems Act, Act 32 of 2000 as amended, Section 12(2) & (3) applies:

“(2) A by-law must be made by a decision taken by a municipal council —

- (a) in accordance with the rules and orders of the council; and*
- (b) with a supporting vote of a majority of its members.*

(3) No by-law may be passed by a municipal council unless—

- (a) all the members of the council have been given reasonable notice; and*
- (b) the proposed by-law has been published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.”*

6.5 Staff Implications

This report has no staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:**SPECIAL COUNCIL MEETING: 2018-12-10: ITEM 4****RESOLVED** (nem con)

- (a) that the content of this report be noted;
- (b) that the Draft By-Law relating to Electrical Services, attached as **ANNEXURE A**, be accepted as the copy of the By-Law to be used in a Public Participation process;
- (c) that the Draft By-Law relating to Electrical Services be duly advertised for the purpose of a public participation process;
- (d) that, upon the completion of the public participation process, the Draft By-Law together with any comments/objections by the public be resubmitted to Council for final approval and adoption; and
- (e) that a set of proposed spot fines (**ANNEXURE B**) as well as proposed system of delegations (**ANNEXURE C**) accompany the By-Law upon submission of the final draft to Council and to formally be accepted by Council together with the final By-Law.

6.7 Risk Implications

This report has no risk implications for the Municipality.

6.8 Comments from Senior Management:**6.8.1 Director: Infrastructure Services**

Agree with the recommendations

**RECOMMENDATIONS FROM INFRASTRUCTURE SERVICES COMMITTEE MEETING
TO THE EXECUTIVE MAYOR: 2019-09-05: ITEM 5.1.3**

- (a) that the content of this report be noted;
- (b) that the attached Draft Electrical Services By-law (2019) be approved and adopted by Council as the final Electrical Services By-Law;
- (c) that the Draft Electrical Services By-Law (2019), attached as Annexure A, once approved and adopted by Council, be promulgated in the Provincial Gazette by the Directorate: Corporate Services' Legal Services' team;
- (d) that the By-law becomes active upon the date that it is published in the Western Cape Provincial Gazette; and
- (e) that the proposed set of Admission of Guilt Fines (Attached as Annexure B) be accepted as the fines to be sought from the Chief Magistrate for this By-Law.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH
THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-11-20: ITEM 7.5.2**

- (a) that the content of this report be noted;
- (b) that the attached Draft Electrical Services By-law (2019) be approved and adopted by Council as the final Electrical Services By-Law;
- (c) that the Draft Electrical Services By-Law (2019), attached as **ANNEXURE A**, once approved and adopted by Council, be promulgated in the Provincial Gazette by the Directorate: Corporate Services' Legal Services team;
- (d) that the By-law becomes active upon the date that it is published in the Western Cape Provincial Gazette; and
- (e) that the proposed set of Admission of Guilt Fines (attached as **ANNEXURE B**) be accepted as the fines to be sought approval from the Chief Magistrate for this By-Law.

ANNEXURES**Annexure A:** Draft Electrical Services By-Law**Annexure B:** Proposed set of Admission of Guilt Fines**Annexure C:** System of Delegations --- Electricity supply**FOR FURTHER DETAILS CONTACT:**

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DIRECTORATE	<i>Infrastructure Services</i>
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REPORT DATE	<i>14 April 2019</i>

ANNEXURE A

ANNEXURE A:

DRAFT STELLENBOSCH ELECTRICITY SUPPLY BY-LAW 2018

PREAMBLE

Stellenbosch Municipality by virtue of the powers vested in it by section 156(2) of the Constitution of the Republic of South Africa as amended, read with section 13 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000), enacts as follows:--

DRAFT

Table of Contents

CHAPTER 1 GENERAL.....	5
1. Definitions.....	5
CHAPTER 2.....	12
2. Provision of electricity services.....	12
3. Supply by agreement	12
4. Service of notice.....	13
5. Compliance with notices	14
6. Application for supply or generation	14
7. Processing of requests for supply or generation	14
8. Way leaves	14
9. Statutory Servitude	15
10. Right of admittance to inspect, test or do maintenance work	16
11. Refusal or failure to give information	16
12. Refusal of admittance	17
13. Improper use	17
14. Electricity tariffs and Fees	17
15. Deposits	17
16. Payment of tariffs.....	18
17. Interest on overdue accounts	18
18. Principles for the resale of electricity	18
19. Right to disconnect or remove supply	20
20. Non-liability of the municipality.....	20
21. Leakage of electricity	21
22. Failure of supply.....	21
23. Seals of the municipality	21
24. Tampering with service connection or supply mains.....	21
25. Protection of municipality's supply mains	22
26. Prevention of tampering with service connection or supply mains	23
27. Unauthorised connections	23
28. Unauthorised re-connections	23
29. Temporary disconnection and re-connection.....	23

30.	Temporary supplies.....	24
31.	Temporary work.....	24
32.	Load reduction	25
33.	High, medium and low voltage switchgear and equipment	25
34.	Substation accommodation	26
35.	Wiring diagram and specification	26
36.	Standby supply	27
37.	Customers alternate electricity supply equipment.....	27
38.	Circular letters.....	28
CHAPTER 3.....		29
39.	Customer to erect and maintain electrical installation	29
40.	Fault in electrical installation	29
41.	Discontinuance of use of supply	29
42.	Change of occupier	29
43.	Service apparatus.....	30
CHAPTER 4.....		31
44.	Service connection	31
45.	Metering accommodation	32
CHAPTER 5.....		34
46.	Load requirements.....	34
47.	Load limitations.....	34
48.	Interference with other persons' electrical equipment	34
49.	Supplies to motors	35
50.	Power factor.....	36
51.	Protection.....	36
CHAPTER 6.....		37
52.	Metering.....	37
53.	Accuracy of metering	37
54.	Reading of credit meters.....	39
55.	Prepayment metering	40
56.	Smart Metering	40
CHAPTER 7.....		42
57.	Electrical contractors additional requirements	42
58.	Liability for work by contractors	42

CHAPTER 8.....	43
59. Cost of Repair Work	43
CHAPTER 9.....	44
ENERGY SAVING MEASURES AND REDUCED USE OF ELECTRICITY	44
60. Norms, standards and guidelines.....	44
CHAPTER 10:.....	45
ELECTRICITY SUPPLY TO BACKYARD DWELLINGS.....	45
61. Application for electricity supply to Backyard Dwellings.....	45
62. Conditions for supply	45
Chapter 11.....	46
DEVELOPMENT CHARGES	46
62. Development Charges.....	46
CHAPTER 12.....	47
GENERAL PROVISIONS.....	47
63. Exemptions.....	47
64. Liaison forums in community.....	47
65. Appeal	48
66. Offences and Penalties.....	48
67. Repeal of by-laws	49
68. Short title and commencement	49

CHAPTER 1

DEFINITIONS**1. Definitions**

(1) In this by-law, unless inconsistent with the context-

"accredited person" means a person registered in terms of the Regulations as an electrical tester for single phase, an installation electrician or a master installation electrician, as the case may be;

"Act" means the Electricity Regulation Act, 2006 (Act 4 of 2006);

"applicable standard specification" means-

All approved NRS standards - specifications for the Electricity Supply Industry (ESI) in South Africa

SANS 1019 Standard voltage-, currents- and insulation levels for electricity supply

SANS 1524 Parts 0, 1 & 2 - Electricity dispensing systems,

SANS IEC 60211 Maximum demand indicators, Class 1.0,

SANS IEC 60521 Alternating current electromechanical watt-hour meter (Classes 0.5, 1 & 2),

SANS 0142 Code of practice for the wiring of premises;

"backyard dwelling" means an informal structure erected for residential purposes on premises in addition to an existing dwelling unit;

"certificate of compliance" means a certificate issued in terms of the Regulations in respect of an electrical installation or part of an electrical installation by an accredited person;

"customer" in relation to premises means:

- (a) any occupier thereof or any other person with whom the municipality has contracted to supply or generate, or is actually supplying or generating electricity thereat; or
- (b) if such premises are not occupied, any person who has a valid existing agreement with the municipality for the supply or generation of electricity to such premises; or
- (c) if there is no such person or occupier, the owner of the premises;

"credit meter" means a meter where an account is issued subsequent to the consumption of electricity;

"Development Charges" means once-off contributions made by customers/developers towards the capital costs of networks, other than the network directly and exclusively associated with the direct connection to a consumer, installed by the utility to meet

the electricity needs of the customer/developer. Development contributions are reviewed by the Council from time to time

“effective date” means the date on which the responsibility for the delivery of the electricity service is transferred to the municipality;

"electrical contractor" means an electrical contractor as defined in the Regulations;

"electrical installation" means an electrical installation as defined in the Regulations;

“grid” means an interconnected network for delivering electricity from producers to consumers. It consists of generating plants and devices that produce electrical power, high voltage transmission lines that carry power from distant sources to demand centres, distribution lines that interconnect sub regions and reticulation that connect individual customers.

“Grid Connection Code for Renewable Power Plants” means the minimum technical and design grid connection requirements for Renewable Power Plants (RPPs) connected to or seeking connection to the Stellenbosch Municipal electricity distribution system (DS).

“high voltage” means the set of nominal voltage levels that are used in power systems for bulk transmission of electricity in the range of $44\text{kV} < U_n \leq 220\text{ kV}$. [SANS 1019];

“link charges” means the once of capital costs of the network outside of the boundaries of a development or customer and exclusively used by that development or customer;

“low voltage” means the set of nominal voltage levels that are used for the distribution of electricity and whose upper limit is generally accepted to be an a.c. voltage of 1000V (or a DV voltage of 1500 V). [SANS 1019]

“medium voltage” means the set of nominal voltage levels that lie above low voltage and below high voltage in the range of $1\text{ kV} < U_n \leq 44\text{ kV}$. [SANS 1019];

“meter” means a device which records the demand or the electrical energy consumed or purchased and includes conventional, prepayment meters, smart meters and net meters;

"motor load, total connected" means the sum total of the kW input ratings of all the individual motors connected to an installation;

"motor rating" means the maximum continuous kW output of a motor as stated on the maker's rating plate;

"motor starting current" in relation to alternating current motors means the root mean square value of the symmetrical current taken by a motor when energized at its rated voltage with its starter in the starting position and the rotor locked;

"municipality" means the municipality of Stellenbosch, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorised agent or any employee acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

"NERSA" means the National Energy Regulator of South Africa

"net metering" means measuring the difference between the electricity supplied by the municipality and the electricity generated by a customer over the applicable billing period;

"NRS" means NRS specifications, covering a range of electro-technical topics as well as guidelines for sound business practice/s, are developed for use in the Electricity Supply Industry (ESI) in South Africa. The NRS Project Management Agency (PMA) manages the development of the specifications on behalf of the Electricity Suppliers Liaison Committee (ESLC). The NRS specifications are developed in collaboration with Standards South Africa (StanSA), the standards division of the South African Bureau of Standards (SABS).

"occupier" in relation to any premises means-

- (a) any person in actual occupation of such premises;
- (b) any person legally entitled to occupy such premises;
- (c) in the case of such premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants, whether on his own account or as agent for any person entitled thereto or interested therein, or
- (d) any person in control of such premises or responsible for the management thereof, and includes the agent of any such person when he or she is absent from the Republic of South Africa or his other whereabouts are unknown;

"owner" in respect of immovable property means-

- (a) the person in whom ownership vests;
- (b) in the event of the person in whom the ownership vests being insolvent or deceased, or subject to any legal disqualification, the person under whose

control and administration such immovable property vest in his or her capacity as curator, trustee, executor, administrator, judicial manager, liquidator or any other lawful representative;

- (c) in any event where the council is unable to determine the identity of such a person, the person who is entitled to the beneficial use of such immovable property;
- (d) in the event of immovable property in respect of which a lease agreement of 30 years or longer had been concluded, the lessee thereof;
- (e) in respect of-
 - (i) a portion of land demarcated on a sectional title plan and registered in accordance with the Sectional Titles Act, 1986 (Act No 59 of 1986), the developer or the governing body in respect of the joint property;
 - (ii) a portion of land as defined in this Act, the person in whose name that portion is registered in accordance with a title deed, including the lawfully appointed representative of such person;
 - (iii) any person, including but not limited to-
 - (aa) a company registered in accordance with the Companies' Act, 2008 (Act No 71 of 2008), a trust inter vivos, a trust mortis causa, a close corporation registered in accordance with the Close Corporations Act, 1984 (Act No 69 of 1984), and a voluntary association;
 - (bb) any government department;
 - (cc) any council or governing body established in accordance with any legislation in force in the Republic of South Africa; and
 - (dd) any embassy or other foreign entity;

"point of consumption" means a point of consumption as defined in the Regulations;

"point of metering" means the point at which the customer's consumption of electricity is metered and which may be at the point of supply or at any other point on the distribution system of the municipality or the electrical installation of the customer, as specified by the municipality; provided that it shall meter all of, and only, the customer's consumption of electricity;

"point of supply" means the point determined by the municipality at which electricity is supplied to any premises; "premises" means any portion of land, situated within the area of jurisdiction of the municipality, and of which the outer boundaries are demarcated on-

- (a) a general plan or diagram registered in accordance with the Land Survey Act, 1927 (Act No 9 of 1927) or the Deeds Registries Act, 1937 (Act No 47 of 1937); or
- (b) a sectional title plan registered in accordance with the Sectional Titles Act, 1986 (Act No 95 of 1986); and

includes any vehicle, aircraft or vessel.

"prepayment meter" means a meter that can be programmed to allow the flow of pre-purchased amounts of energy in an electrical circuit;

"Regulations" means Regulations made in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended;

"reseller" in terms of the Electricity Pricing policy refers to a reseller as per the definition of the National Energy Regulator of South Africa (NERSA)"

"retail wheeling" means the process of moving third party electricity from a point of generation across the distribution systems of the municipality and selling it to a customer;

"safety standard" means the Code of Practice for the Wiring of Premises SANS 10142-1 incorporated in the Regulations;

"service connection" means all cables and equipment required to connect the supply mains to the electrical installation of the customer at the point of supply;

"service protective device" means any fuse or circuit breaker installed for the purpose of protecting the municipality's equipment from overloads or faults occurring on the installation or on the internal service connection;

"smart grid" means an electrical grid which includes a variety of operational and energy measures including smart meters, smart appliances, renewable energy resources, and energy efficient resources

"smart meter" means an electricity meter that allows for –

- (a) measurement of energy consumed on a time interval basis;
- (b) real-time or near-time registration of electricity use;

- (c) two-way communication between the customer/end-user and the municipality;
- (d) storage of time interval data and transfer thereof remotely to the municipality;
- (e) remote limitation of the throughput through the meter (switching off of non-essential equipment or in the extreme case cutting of the electricity to the customer);
- (f) interconnection to premise-based networks and devices (e.g., local generation such as Photo Voltaic Cells and Wind Generation);
- (g) ability to measure electricity consumed and electricity supplied on separate registers;
- (h) ability to read other, on-premise or nearby commodity meters (e.g., gas, water); and
- (i) ability to detect theft of electricity or tampering to the meter itself.

“SSEG” Small Scale Embedded Generator: A small-scale embedded generator for the purposes of these guidelines is an embedded generator with a generation capacity of less than 1000 kVA (1MVA).

"standby supply" means an alternative electricity supply not normally used by the customer;

“supply mains” means any part of the municipality’s electricity network;

"tariff" means the municipality’s tariff for the supply of electricity and sundry fees applicable;

“temporary supply” means an electricity supply required by a customer for a period and in terms of conditions negotiated within a temporary supply agreement;

“the law” means any applicable law, proclamation, ordinance, act of parliament or enactment having force of law;

"token" means the essential element of a prepayment metering system used to transfer information from a point of sale for electricity credit to a prepayment meter and vice versa;

"voltage" means the root-mean-square value of electrical potential between two conductors.

- (2) All other terms used in this by-law shall, unless the context otherwise requires, have the meaning assigned thereto in the Electricity Regulation Act, 2006 (Act 4 of 2006), as amended, or the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended.

APPLICATION OF THIS BY-LAW

To provide for the distribution and small scale generation of electricity, in the area of the Stellenbosch Municipality, to regulate activities which may have a detrimental effect on the distribution of electricity and to provide for matters incidental thereto.

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CHAPTER 2

GENERAL CONDITIONS OF SUPPLY

2. Provision of electricity services

- (1) As per Schedule 4B and Section 156(1) of the Constitution only the municipality may supply or contract for the supply of electricity within its jurisdictional area.
- (2) As per Schedule 5B and Section 156(1) of the Constitution – Only the municipality may supply or contract for the supply of street lighting within its jurisdictional area
- (3) The municipality may permit the supply or retail wheeling of electricity through its network by another electricity supplier which is licensed to supply electricity in terms of the Act.
- (4) Permission in terms of sub section (3) shall be governed by a service delivery agreement as required by section 80 of the MSA.
- (5) The municipality may permit the co-generation of electricity its customers subject to-
 - (a) a generation agreement being entered into;
 - (b) compliance with the relevant requirements of the ERA pertaining to the generation of electricity and the safety thereof;
 - (c) registration at the municipality of all fixed installations where electricity is generated; and
 - (d) compliance with the municipality's safety and quality requirements prior to allowance of the generation of electricity onto the municipal networks.
- (6) The surplus generation of electricity may be prohibited and the municipality may determine conditions for such surplus generation pertaining to timing and quantity.

3. Supply by agreement

- (1) No person may use or be entitled to use an electricity supply from the municipality unless or until such person has entered into an agreement in writing with the municipality for such supply, and such agreement together with the provisions of this by-law shall in all respects govern such supply.

- (2) If a person uses an electricity supply without entering into an agreement he or she shall be liable for the cost of electricity used as stated in section 44 of this by-law.
- (3) No person may generate electricity by way of a fixed installation and into a municipal network unless an agreement has been concluded with the municipality, and such agreement together with the provisions of this by-law, as well as any other legislation governing the licensing of generators, shall govern such generation of electricity.

4. Service of notice

- (1) Any notice or other document that is served on any person in terms of this by-law is regarded as having been served-
 - (a) when it has been delivered to that person personally
 - (b) when it has been left at that person's place of residence or business in the Republic with a person apparently over the age of sixteen years;
 - (c) when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an acknowledgement of the posting thereof from the postal service is obtained;
 - (d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c); or
 - (e) if that person's address and agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the property or premises, if any, to which it relates.
- (2) When any notice or other document must be authorised or served on the owner, occupier or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question, and it is not necessary to name that person.
- (3) Any legal process is effectively and sufficiently served on the municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.

5. Compliance with notices

Any person on whom a notice duly issued or given under this by-law is served must within the time specified in such notice, comply with its terms.

6. Application for supply or generation

- (1) Application for the supply or generation of electricity must be made in writing by the prospective customer on the prescribed form obtainable at the office of the municipality, and the estimated load, in kVA, of the installation, must be stated therein. Such application must be made as early as possible but not less than the time allowed by NRS 047-1, paragraph 4.2.3 before the supply of electricity is required in order to facilitate the work of the municipality.
- (2) Applicants for the supply or generation of electricity must submit the following documents with their application-
 - (a) identity document or passport, and, in the case of a business, a letter of resolution delegating the authority to the applicant.
 - (b) a valid lease agreement, in the case of a tenant, or, in the case of an owner, a title deed or other proof of ownership of the premises for which a supply or generation of electricity is required.
- (3) An application for a new temporary supply or the continuation of an expired temporary supply of electricity shall be considered at the discretion of the municipality which may specify any special conditions to be satisfied in such case.

7. Processing of requests for supply or generation

Applications for the supply or generation of electricity will be processed and made available within the periods stipulated in NRS 047.

8. Way leaves

- (1) The municipality may refuse to lay or erect a service connection above or below ground or thoroughfare or land not vested in the municipality or on any private property, unless and until the prospective customer has obtained written permission granted by the owner of the said private property or by the person in whom is vested the legal title to the land or thoroughfare, authorising the laying or erection of a service connection thereon.
- (2) If such permission is withdrawn at any time or if the aforesaid private property or thoroughfare changes ownership and the new owner refuses to grant or

continue such permission, the cost of any alteration required to be made to a service connection in order that the supply of electricity may be continued, and any removal thereof, shall be borne by the customer to whose premises the supply of electricity is required to be continued.

- (3) A way leave granted in terms of sub section (1) shall be binding on the owner of the property who granted the way leave and his or her successors in title for as long as the electricity connection is operative and may not be withdrawn without permission of the municipality.

9. Statutory Servitude

- (1) Subject to the provisions of section 10(1) and subsection (3) below, the municipality may within its municipal area:
 - (a) control provides, establish and maintain electricity services;
 - (b) acquire, construct, lay, extend, enlarge, divert, maintain, repair, discontinue the use of, close up and destroy electricity supply mains;
 - (c) construct, erect or lay any electricity supply main on, across, though, over or under any street or immovable property and the ownership of any such main shall vest in the municipality;
 - (d) do any other thing necessary or desirable for or incidental, supplementary or ancillary to any matter contemplated in subsections (a) to (c).
- (2) If the municipality constructs, erects or lays any electricity supply main on, across, though, over or under any street or immovable property not owned by the municipality or under the control of or management of the municipality, it shall pay to the owner of such street or property compensation in an amount agreed upon or, in the absence of agreement, as determined either by arbitration or a court of law.
- (3) The municipality must, before commencing any work other than repairs or maintenance on or in connection with any electricity supply main on immovable property not owned by the municipality or under the control or management of the municipality, give the owner or occupier of such property reasonable notice of the proposed work and the date on which it proposes to commence such work.

10. Right of admittance to inspect, test or do maintenance work

- (1) The municipality shall, through its employees, contractors and their assistants and advisers, have access to or over any property for the purposes of-
 - (a) doing anything authorised or required to be done by the municipality under this by-law or any other law;
 - (b) inspecting and examining any service mains and anything connected therewith;
 - (c) enquiring into and investigating any possible source of electricity supply or the suitability of immovable property for any work, scheme or undertaking of the municipality and making any necessary survey in connection therewith;
 - (d) ascertaining whether there is or has been a contravention of the provisions of this by-law or any other law, and
 - (e) enforcing compliance with the provisions of this by-law or any other law.
- (2) The municipality shall pay compensation, as agreed upon, to any person suffering damage as a result of the exercise of the right of access contemplated by subsection (1).
- (3) Sub section (2) does not apply where the municipality is authorised to execute work at the cost of such person or some other person.
- (4) In the absence of agreement compensation may be determined by arbitration or a court of law.
- (5) An employee of the municipality may, by notice in writing require such owner or occupier, to provide access to such property for a purpose referred to in subsection (1).
- (6) In case of emergency the municipality may enter any premises or property without notice and may take whatever action is necessary or desirable to protect life or property.
- (7) A person representing the municipality, who wishes to enter private property, must, on request, provide his or her identification.

11. Refusal or failure to give information

- (1) No person may refuse information as may be reasonably required of him or her by any authorised official of the municipality or render any false information to any such official regarding any electrical installation work completed or contemplated.

- (2) The municipality shall not, subject to the provisions of any other law, or its Customer Care Policy, make any information available concerning the supply or account details for any premises to any third party without the written permission of the customer who signed the supply agreement for the supply to the premises or generation there from concerned except to the owner of a property upon written request to the municipality.

12. Refusal of admittance

No person may wilfully hinder, obstruct, interfere with or refuse admittance to any authorised official of the municipality in the performance of his duty under this by-law or any other relevant legislation or of any duty connected therewith or relating thereto.

13. Improper use

- (1) No person may use electricity for any purpose or deal with electricity in any manner which the municipality has reasonable grounds for believing interferes in an improper or unsafe manner or is calculated to interfere in an improper or unsafe manner with the efficient supply of electricity to any other customer, the municipality may, with or without notice, disconnect the electricity supply provided that such supply shall be restored as soon as the cause for the disconnection has been permanently remedied or removed and the relevant fees have been paid.
- (2) The fee as prescribed by the municipality for the disconnection and reconnection must be paid by the customer before the electricity supply is restored, unless it can be shown that the customer did not use or deal with the electricity in an improper or unsafe manner.

14. Electricity tariffs and Fees

Copies of tariffs and Fees may be obtained at the offices of the municipality.

15. Deposits

- (1) The municipality may in terms of its Customer Care, Credit Control and Debt Collection By-law require the customer to deposit a sum of money as security in payment of any tariff which is due or may become due to the municipality.

- (2) The amount of the deposit in respect of each electricity installation shall be determined annually by the municipality in terms of its Tariff Policy.

16. Payment of tariffs and tariff principles

- (1) The customer shall be liable for all tariffs listed in the prescribed tariff for the electricity service as approved by the municipality in terms of its Tariff Policy and all amounts due in terms thereof shall be recovered in terms of the municipality's Credit Control and Debt Collection By-law.
- (2) The Free Basic Electricity (FBE) benefits, if granted by the municipality, should be passed on to eligible end customers supplied by the reseller. Customers who qualify for FBE should be registered with the local authority in order to claim the units from the municipality.
- (3) If the reseller charges customers a tariff that is higher than the approved tariff, the reseller may face civil proceedings for the recovery of the amount overcharged and may be required to pay interest on the amount overcharged.

17. Interest on overdue accounts

The municipality may charge interest on accounts which are not paid by the due date appearing on the account, at an interest rate as approved by the municipality.

18. Principles for the resale of electricity

- (1) Unless authorised by the municipality, no person may sell or supply electricity supplied to his or her premises or generated by him or her under an agreement with the municipality, to any other person or persons for use on any other premises or permit or allow such resale or supply to take place.
- (2) In order to take part in electricity reselling, the licensed authority must complete a service level agreement with a reseller to operate in its area of jurisdiction.
- (3) The Service level agreement should contain the following conditions, among others:
 - (i) The resellers distribution system is subject to the safety standards applied by the licensed authority.
 - (ii) The reseller's distribution system, which is physically connected to the system of the supplying licensee, is subject to inspection and approval by the licensed

authority. For this purpose, the reseller must give the licensed authority access to the system and information relating thereto as may be required by the licensed authority.

- (iii) Where the reseller's distribution system is a medium or high voltage system, the reseller is responsible for the safe design, installation and operation of such system. The reseller must comply with all legal requirements necessary to free the licensed authority from responsibility for the safety of the reseller's distribution system.
 - (iv) The design and installation of the reseller's electricity network must be in compliance with the connection requirements of the licensed authority, as well as with all applicable laws, regulations and standards.
 - (v) Section 22(5) of the ERA makes provision for a licensee to terminate supply. The electricity reseller must adhere to this provision.
 - (vi) All customers within a development (for example the body corporate, office and block of flats) have the right to request supply directly from the licensed authority.
- (4) A reseller must comply with the licensing and registration requirements set out in the Electricity Regulation Act.
 - (5) **If electricity is resold for use upon the same premises, the electricity resold must be measured by a sub meter of a type which has been approved by South African Bureau of Standards (SABS) and supplied, installed and programmed in accordance with the standards of the municipality.**
 - (6) The tariff at which and the conditions of sale under which electricity is thus resold shall not be less favourable to the purchaser than those that would have been payable and applicable had the purchaser been supplied directly with electricity by the municipality.
 - (7) Every reseller must furnish the purchaser with monthly accounts that are at least as detailed as the relevant billing information details provided by the municipality to its electricity customers.
 - (8) The municipality may request audited reports from resellers to prove that the above resale conditions are met. The cost to obtain audited reports will be borne by the reseller.
 - (9) The Reseller of Electricity will further abide by conditions laid down by NERSA, from time to time, relating to resellers of electricity.

19. Right to disconnect or remove supply

- (1) The municipality has the right to disconnect the supply of electricity to any premises-
 - (a) without notice where-
 - (i) there is grave risk to person or property if the supply is not disconnected; or
 - (ii) there is evidence of tampering as contemplated in section 26; or
 - (b) with reasonable written notice where-
 - (i) a customer fails to pay any amounts due to the municipality in connection with electricity supply; or
 - (ii) any provision of this by-law has been contravened and the customer has failed to remedy the default after proper notice has been given;
 - (iii) access to inspect metering equipment has been denied; or
- (2) In the case of a contravention of section 18(1) of this by-law, the municipality has the right to limit the supply of electricity to the premises from which electricity is supplied or sold, to 20 AMP.
- (3) After disconnection for non-payment of accounts or the improper or unsafe use of electricity, the tariff as prescribed by the municipality shall be paid for re-connection of such supply.
- (4) In the case where an installation has been illegally re-connected on a customer's premises after having been legally disconnected by the municipality, or in the case where the municipality's electrical equipment has been tampered with to prevent the full registration of consumption by the meter, the municipality may remove the electricity supply from those premises.

20. Non-liability of the municipality

The municipality shall not be liable for any loss or damage, direct or consequential, suffered or sustained by a customer as a result of or arising from the cessation, interruption or any other abnormality of the supply of electricity, unless caused by negligence on the part of the municipality.

21. Leakage of electricity

No rebate shall be allowed on the account for electricity supplied and metered in respect of electricity wasted owing to leakage or any other fault in the electrical installation.

22. Failure of supply

- (1) The municipality does not undertake to attend to a failure of supply of electricity due to a fault in the electrical installation of the customer, except when such failure is due to the operation of the service protective device or any other devices of the municipality.
- (2) When any failure of supply of electricity is found to be due to a fault in the electrical installation of the customer or to the faulty operation of apparatus used in connection therewith, the municipality may charge the customer the tariff as prescribed by the municipality for each restoration of the supply of electricity in addition to the cost of making good or repairing any damage which may have been done to the service main and meter by such fault or faulty operation.
- (3) The municipality shall have the right to charge the consumer the prescribed fee for any visit requested by the consumer where no fault is found.

23. Seals of the municipality

- (1) The meter, load control devices or service protective devices and all apparatus belonging to the municipality shall be sealed or locked by an authorised official of the municipality, and no unauthorised person shall in any manner or for any reason whatsoever remove, break, deface, or tamper or interfere with such seals or locks.
- (2) The municipality may charge the fees determined in its Tariff Policy should a seal be broken or removed by a customer.

24. Tampering with service connection or supply mains

- (1) No person shall in any manner or for any reason tamper or interfere with, vandalise, fix advertising medium to or deface any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality or illegally connect into the electricity wiring of any other customer.

- (2) Where prima facie evidence exists of a customer or any person having contravened subsection (1), the municipality may disconnect the supply of electricity immediately without prior notice to the customer and in addition institute legal action against the customer. The person contemplated in subsection (1) shall be liable for all fees and charges levied by the municipality for such disconnection.
- (3) Where a customer or any person has contravened subsection(1) and such contravention has resulted in the meter recording less than the true consumption, the municipality shall have the right to recover from the customer the full cost of his estimated consumption.

25. Protection of municipality's supply mains

- (1) No person may, except with the consent of the municipality and subject to such conditions as may be imposed –
 - (a) construct, erect or lay, or permit the construction, erection or laying of any building, structure or other object, or plant trees or vegetation over or in such a position or in such a manner as to interfere with or endanger the supply mains.
 - (b) excavate, open up or remove the ground above, next to, under or near any part of the supply mains.
 - (c) damage, endanger, remove or destroy, or do any act likely to damage, endanger or destroy any part of the supply mains; or
 - (d) makes any unauthorised connection to any part of the supply mains or divert or cause to be diverted any electricity there from.
- (2) The owner or occupier must limit the height of trees or length of projecting branches in the proximity of overhead lines or provide a means of protection which in the opinion of the municipality will adequately prevent trees from interfering with the conductors should a tree or branch fall or be cut down.
- (3) Should the owner fail to observe this provision the municipality may, after prior written notification, or at any time in an emergency, order the owner to cut or trim the trees or other vegetation in such a manner as to comply with this provision?
- (3) The municipality may, subject to obtaining an order of court, demolish, alter or otherwise deal with any building, structure or other object constructed, erected or laid in contravention with this by-law.

- (4) The municipality may in the case of an emergency or disaster remove anything damaging, obstructing or endangering or likely to damage, obstruct, endanger or destroy any part of the electrical distribution system.

26. **Prevention of tampering with service connection or supply mains**

If the municipality finds it necessary or desirable to take special precautions in order to prevent tampering with any portion of the supply mains, service connection or service protective device or meter or metering equipment, the municipality may require the customer to either supply and install the necessary protection or pay the costs involved where such protection is supplied by the municipality.

27. **Unauthorised connections**

No unauthorised person shall directly or indirectly connect, attempt to connect or cause or permit to be connected any electrical installation or part thereof to the supply mains or service connection.

28. **Unauthorised re-connections**

- (1) No unauthorised person shall re-connect, attempt to re-connect or cause or permit to be re-connected to the supply mains or service connection any electrical installation or installations which has or have been disconnected by the municipality.
- (2) Where the supply of electricity that has been disconnected is found to have been re-connected, the customer using the supply of electricity shall be liable for all tariffs for electricity consumed between the date of disconnection and the date the electricity supply was found to be re-connected and any other tariff raised in this regard.
- (3) The municipality has the right to remove part of or all of the supply equipment until such time as payment has been received in full in which case the customer will be responsible for all the costs associated with the re-instatement of such supply equipment.

29. **Temporary disconnection and re-connection**

- (1) The municipality must, at the request of the customer, temporarily disconnect and re-connect the supply of electricity to the customer's electrical installation

upon payment of the prescribed tariff for each such disconnection and subsequent re-connection.

- (2) In the event of the necessity arising for the municipality to effect a temporary disconnection and re-connection of the supply of electricity to a customer's electrical installation where the customer is not responsible for bringing about this necessity, the municipality shall waive payment of the tariff referred to.
- (3) The municipality may only under exceptional circumstances temporarily disconnect the supply of electricity to any premises without notice, for the purpose of effecting repairs or carrying out tests or for any other purpose or for any other legitimate purpose. In all other instances adequate notice of 14 days must be given.
- (4) where the supply to any premises has been temporarily disconnected for any reason, any fixed or standing charges normally payable shall remain due and payable by the consumer

30. Temporary supplies

- (1) If any temporary supply of electricity supply is found to interfere with the efficient and economical supply of electricity to other customers, the municipality may, with notice, or under exceptional circumstances without notice, terminate such temporary supply and the municipality shall not be liable for any loss or damage suffered by the customer because of such termination.
- (2) A temporary supply shall be valid for 12 months after which a new application must be submitted for continued use.
- (3) The municipality may disconnect a temporary supply if conditions pertaining thereto are not complied with.

31. Temporary work

- (1) Electrical installations requiring a temporary supply of electricity may not be connected directly or indirectly to the supply mains except with the permission of the municipality.
- (2) Full information as to the reasons for and nature of such temporary work must accompany the application for such permission, and the municipality may refuse or grant permission.

- (3) Where permission is refused, the applicant must be informed of the reasons for the decision.

32. Load reduction

- (1) At times of peak load or in an emergency, or when it is necessary to reduce the load on the electricity supply system of the municipality, it may without notice interrupt and, for such period as it may deem necessary, discontinue the electricity supply to any customer's electrically operated thermal storage water heater or any other specific appliance or the whole installation.
- (2) The municipality shall not be liable for any loss or damage directly or consequentially due to or arising from such interruption and discontinuance of the electricity supply.
- (3) Except at times of peak load or in cases of emergency, the municipality shall where possible and practically viable not interrupt the electricity supply system to a customer without reasonable notice.
- (4) The municipality may install upon the premises of the customer such apparatus and equipment as may be necessary to give effect to the provisions of subsection (1), and any authorised official of the municipality may at any reasonable time enter any premises for the purpose of installing, inspecting, testing adjusting or changing such apparatus and equipment.
- (5) Notwithstanding the provisions of subsection (3), the customer or the owner, must, when installing an electrically operated water storage heater, provide such necessary accommodation and wiring as may be necessary to facilitate the later installation of the apparatus and equipment referred to in subsection (4).

33. High, medium and low voltage switchgear and equipment

- (1) In cases where a supply of electricity is given at high, medium or low voltage, the supply and installation of the switchgear, cables and equipment forming part of the service connection must, unless otherwise approved by the municipality, be paid for by the customer.
- (2) All such equipment installed on the customer's premises must comply with the municipality's electrical performance standards.

- (3) No unauthorised person shall open, close, isolate, link or earth high or medium voltage switchgear or equipment without giving reasonable prior notice to the municipality's System Control Centre.
- (4) In the case of a high or medium voltage supply, where the customer has high or medium voltage switchgear installed, the municipality must be advised of the competent person appointed by the customer in terms of the Regulations, and of any changes made to such appointments.
- (5) In the case of a low voltage supply of electricity, the customer must provide and install a low voltage main switch or any other equipment required by the municipality.
- (6) In the case where fixed generators of any kind are installed on the customer's premises, he or she must ensure that the necessary safety isolation equipment as prescribed by the municipality's safety standards is installed to prevent any back feed of electricity after the municipal network has been isolated,

34. Substation accommodation

- (1) The municipality may require the owner to provide and maintain accommodation which shall constitute a substation and which must consist of a separate room or rooms to be used exclusively for the purpose of housing medium voltage cables and switchgear, transformers, low voltage cables and switchgear and other equipment necessary for the supply of electricity requested by the applicant.
- (2) The accommodation must be situated at a point to which free, adequate and unrestricted access is available at all times for purposes connected with the operation and maintenance of the equipment.
- (2) The municipality reserves the right to supply its own networks from its own equipment installed in such accommodation, and if additional accommodation is required by the municipality, such additional accommodation must be provided by the applicant at the cost of the municipality.

35. Wiring diagram and specification

- (1) When more than one electrical installation or electricity supply from a common main or more than one distribution board or meter is required for any building or block of buildings, the wiring diagram of the circuits starting from the main switch and a specification shall on request be supplied to the municipality in duplicate for approval before the work commences.

- (2) Where an electrical installation is to be supplied from a substation on the same premises on which the current is transformed from high voltage, or from one of the substations of the municipality through mains separate from the general distribution system, a complete specification and drawings for the plant to be installed by the customer must, if so required, be forwarded to the municipality for approval before any material in connection therewith is ordered.

36. Standby supply

- (1) No person shall be entitled to a standby supply of electricity from the municipality for any premises having a separate source of electricity supply except with the written consent of the municipality.
- (2) Upon cessation of the electricity supply the municipality may supply standby electricity in any manner as necessary.

37. Customers alternate electricity supply equipment

- (1) No alternate electricity supply equipment provided by a customer in terms of any Regulations or for his own operational requirements may be connected to any installation without the prior written approval of the municipality.
- (2) Application for such approval must be made in writing and must include a full specification of the equipment and a wiring diagram.
- (3) The equipment must be so designed and installed that it is impossible for the municipality's supply mains to be energised by means of a back feed from such equipment when the municipality's supply has been de-energised.
- (4) The customer shall be responsible for providing and installing all such protective equipment.
- (5) Where, by special agreement with the municipality, the customer's alternate supply equipment is permitted to be electrically coupled to, and run in parallel with the municipality's supply mains, the customer shall be responsible for providing, installing and maintaining all the necessary synchronising and protective equipment required for such safe parallel operation.
- (6) The Municipality may disconnect the main supply to any premises if such equipment does not operate to the requirements of the Grid Connection Code for Renewable Power Plants.

38. **Circular letters**

The municipality may from time to time issue circulars detailing its requirements and standards regarding matters not specifically covered in the Regulations or this by-law but which are necessary for the safe and efficient operation and management of the supply of electricity.

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CHAPTER 3**RESPONSIBILITIES OF CUSTOMERS****39. Customer to erect and maintain electrical installation**

Any electrical installation connected or to be connected to the supply mains, and any additions or alterations thereto must be provided and maintained by the customer at his or her own expense and in accordance with this by-law and the Regulations.

40. Fault in electrical installation

- (1) If any fault develops in the electrical installation, which constitutes a hazard to persons, livestock or property, the customer must immediately disconnect the electricity supply and without delay give notice thereof to the municipality and where possible, take steps to remedy the fault.
- (2) The municipality may recover from the customer the costs for any expense to which it may be put in connection with a fault in the electrical installation.

41. Discontinuance of use of supply

In the event of a customer desiring to discontinue using the electricity supply, he or she must give at least two full working days' notice in writing of such intended discontinuance to the municipality, failing which he or she shall remain liable for all payments due in terms of the tariff for the supply of electricity until the expiration of two full working days after such notice has been given.

42. Change of occupier

- (1) A customer vacating any premises must give the municipality not less than two full working days' notice in writing of his intention to discontinue using the electricity supply, failing which he or she shall remain liable for such supply.
- (2) If the person taking over occupation of the premises desires to continue using the electricity supply, he or she must apply in terms of section 3 of this by-law, and if he or she fails to apply for an electricity supply within ten working days of taking occupation of the premises, the supply of electricity may be disconnected.

- (3) The said person shall be liable for the electricity consumption from the date of occupation till such time as the supply is so disconnected.
- (4) Where premises are fitted with pre-payment meters any person occupying the premises at that time shall be regarded to be the customer.
- (5) Until such time as an application is made in terms of section 3, he or she shall be liable for consumption at that metering point as well as any outstanding amounts whether accrued by that person or not.
- (6) The municipality may impose conditions, which may include the withholding of electricity supply to premises where the previous customer's account is in arrears.
- (7) In the event of change of ownership a new certificate of compliance for the premises shall be issued by an accredited electrician, unless the existing certificate was issued within the preceding 24 month period and no subsequent alteration of the electrical installation was effected.

43. Service apparatus

- (1) The customer shall be liable for all costs arising from damage to or loss of any metering equipment, service protective device, service connection or other apparatus on the premises, unless such damage or loss is shown to have been caused by an occurrence of natural forces or an act or omission of an employee of the municipality or caused by an abnormality in the supply of electricity to the premises.
- (2) If, during a period of disconnection of an installation from the supply mains, the service main, metering equipment or any other service apparatus, being the property of the municipality and having been previously used or removed without its permission, or has been damaged so as to render re-connection dangerous, the owner or occupier of the premises during such period shall bear the cost of overhauling or replacing such equipment.
- (3) Where there is a common metering position, the liability detailed in subsection (1) shall rest upon the owner of the premises.
- (4) The amount due in terms of subsection (1) shall be evidenced by a certificate from the municipality which shall be final and binding.

CHAPTER 4**SPECIFIC CONDITIONS OF SUPPLY****44. Service connection**

- (1) The customer shall bear the cost of the service connection, as approved by the municipality.
- (2) Notwithstanding the fact that the customer bears the cost of the service connection, ownership of the service connection, laid or erected by the municipality, shall vest in the municipality and the municipality shall be responsible for the maintenance of such service connection up to the point of supply.
- (3) The customer shall not be entitled to any compensation from the municipality in respect of such service connection.
- (4) The work to be carried out by the municipality at the cost of the customer for a service connection to his or her premises shall be determined by the municipality.
- (5) A service connection shall be laid underground, whether the supply mains are laid underground or erected overhead, unless an overhead service connection is specifically required by the municipality.
- (6) The municipality may require a customer to replace an overhead connection with an underground service connection when overhead services are damaged or where it poses a threat to the installation.
- (7) The customer must provide, fix or maintain on his premises such ducts, wire ways, trenches, fastenings and clearance to overhead supply mains as may be required by the municipality for the installation of the service connection.
- (8) The conductor used for the service connection must have a cross-sectional area according to the size of the electrical supply but may not be less than 10 mm² (copper or copper equivalent), and all conductors must have the same cross-sectional area, unless otherwise approved by the municipality.
- (9) Unless otherwise approved, the municipality shall only provide one service connection to each registered erf.
- (10) Where two or more premises belonging to one owner and the properties are operated in a consolidated manner, only a single bulk supply of electricity may be made available, provided that the municipality may require the customer to consolidate the erven or to have them tied notarial. The erven may be jointly

supplied by a single supply or a ring upon permission of the Engineer. Permission must also be sought to install privately owned cables within public areas in order to interconnect co-owned properties. The Owner of such co-owned properties shall be responsible for the operation, cost and maintenance of the interconnection between properties and residing in public areas and any costs involved to create such an account. The Municipality shall not be held responsible for any damaged or cost whatsoever caused, to any network and equipment of the interconnection, by other users within the public area.

- (11) Any covers of a wire way carrying the supply circuit from the point of supply to the metering equipment must be made to accept the seals of the municipality.
- (12) The service conductor or cable within the meter box must terminate in an unobscured position and the conductors must be visible throughout their length when cover plates, if present, are removed.
- (13) In the case of blocks of buildings occupied by a number of individual customers, separate wire ways and conductors or cables must be laid from the common metering room or rooms to each individual customer in the block of buildings; alternatively, if trunking is used, the conductors of the individual circuits must be clearly identified (tied together every 1,5m) throughout their length.

45. Metering accommodation

- (1) The customer must, if required by the municipality, provide accommodation in an approved position, the meter board and adequate conductors for the municipality's metering equipment, service apparatus and protective devices.
- (2) Such accommodation and protection must be provided and maintained at the cost of the customer or the owner and must be situated, in the case of credit meters, at a point to which free and unrestricted access must be available for the reading of meters but at all times for purposes connected with the operation and maintenance of the service equipment.
- (3) Where sub metering equipment is installed, accommodation separate from the municipality's metering equipment must be provided.
- (4) The customer or, in the case of a common meter position, the owner of the premises must provide adequate electric lighting in the space set aside for accommodating the metering equipment and service apparatus.
- (5) Where the position of the meter, service connection, protective devices or main distribution board is no longer readily accessible or becomes a course of danger to life or property or in any way becomes unsuitable, the customer

must remove it to a new position, and the cost of such removal must be borne by the customer.

- (6) The accommodation for the municipality's metering equipment and protective devices may, if approved, include the customer's main switch and main protective devices and no apparatus other than that used in connection with the supply of electricity and use of electricity may be installed or stored in such accommodation unless approved.

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CHAPTER 5

SYSTEMS OF SUPPLY

46. Load requirements

Alternating current supplies shall be given as prescribed by the NRS 048 and in the absence of a quality of supply agreement, supplies as set out in applicable standard specification shall be given.

47. Load limitations

- (1) Where the estimated load, calculated in terms of the safety standard, does not exceed 15 kVA, the electrical installation shall be arranged for a two-wire single-phase supply of electricity, unless otherwise approved by the municipality.
- (2) Where a three-phase four-wire supply of electricity is provided, the load shall be approximately balanced over the three phases but the maximum out-of-balance load shall not exceed 15kVA, unless otherwise approved by the municipality.
- (3) No current-consuming appliance, inherently single phase in character, with a rating which exceeds 15kVA may be connected to the electrical installation without the prior approval of the municipality.

48. Interference with other persons' electrical equipment

- (1) No person may operate electrical equipment having load characteristics which, singly or collectively, give rise to voltage variations, harmonic currents or voltages, or unbalanced phase currents which fall outside the applicable standard specification.
- (2) The assessment of interference with other persons' electrical equipment shall be carried out by means of measurements taken at the point of common coupling.
- (3) Should it be established that undue interference is in fact occurring, the customer must, at his or her own cost, install the necessary equipment to filter out the interference and prevent it reaching the supply mains.

49. **Supplies to motors**

Motors used shall be of the Energy Efficient kind as regulated by National Government from time to time. Unless otherwise approved by the municipality the rating of motors shall be limited as follows:

(1) Limited size for low voltage motors –

The rating of a low voltage single-phase motor shall be limited to 2kW or the starting current may not exceed 70A. All motors exceeding these limits shall be wound for three phases at low voltage or such higher voltage as may be required.

(2) Maximum starting and accelerating currents of three-phase alternating current motors. -

The starting current of three-phase low voltage motors permitted shall be related to the capacity of the customer's service connection, as follows:

Insulated service cable, size in mm ² , copper equivalent mm ²	Maximum permissible starting current A	Maximum motor rating in kW		
		Direct on line (6x full-load current)	Star/Delta (2,5 x full-load current)	Other means (1,5 x full-load current)
		kW	kW	kW
16	72	6	13,5	23
25	95	7,5	18	30
35	115	9	22	36,5
50	135	10	25	45
70	165	13	31	55
95	200	16	38	67
120	230	18	46	77
150	260	20	52	87

(3) Consumers supplied at medium voltage –

In an installation supplied at medium voltage the starting current of a low voltage motor shall be limited to 1,5 times the rated full-load current of the transformer supplying such a motor. The starting arrangement for medium voltage motors shall be subject to the approval of the municipality.

50. Power factor

- (1) If required by the municipality, the power factor of any load must be maintained within the limits 0,85 lagging and 0,9 leading.
- (2) Where, for the purpose of complying with subsection (1), it is necessary to install power factor corrective devices, such corrective devices must be connected to the individual appliance terminals unless the correction of the power factor is automatically controlled.
- (3) The customer must, at his or her own cost, install such corrective devices.

51. Protection

Electrical protective devices for motors must be of such a design as effectively to prevent sustained over current and single phasing, where applicable.

CHAPTER 6

MEASUREMENT OF ELECTRICITY

52. Metering

- (1) The municipality shall, at the customer's cost in the form of a direct charge or prescribed tariff, provide, install and maintain appropriately rated metering equipment at the point of metering for measuring the electricity supplied.
- (2) Except in the case of prepayment meters, the electricity used by a customer during any metering period shall be ascertained by the reading of the appropriate meter or meters supplied and installed by the municipality and read at the end of such period except where the metering equipment is found to be defective, or the municipality invokes the provisions of section 54(2) of this by-law, in which case the consumption for the period shall be estimated.
- (3) Where the electricity used by a customer is charged at different tariff rates, the consumption shall be metered separately for each rate.
- (4) The municipality reserves the right to meter the supply to blocks of shops and flats, tenement-houses and similar buildings for the buildings as a whole, or for individual units, or for groups of units.
- (5) No alterations, repairs or additions or electrical connections of any description may be made on the supply side of the point of metering unless specifically approved in writing by the municipality.

53. Accuracy of metering

- (1) A meter shall be presumed to be registering accurately if its error, when tested in the manner prescribed in subsection (5) hereof, is found to be within the limits of error as provided for in the applicable standard specifications.
- (2) The municipality has the right to test its metering equipment. If it is established by test or otherwise that such metering equipment is defective, the municipality must -
 - (a) in the case of a credit meter, adjust the account rendered;
 - (b) in the case of prepayment meters-
 - (i) render an account where the meter has been under-registering; or (ii) issue a free token where the meter has been over-registering;

in accordance with the provisions of subsection (6).

- (3) The customer shall be entitled to have the metering equipment tested by the municipality on payment of the prescribed tariff and if the metering equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of subsections (2) and (6) must be made.
- (4) In case of a dispute, the customer shall have the right at his own cost to have the metering equipment under dispute tested by an approved independent testing authority, and the result of such test shall be final and binding on both parties.
- (5) Meters shall be tested in the manner as provided for in the applicable standard specifications.
- (6) When an adjustment is made in terms of subsection (2) or (3), such adjustment shall either be based on the percentage error of the meter as determined by the test referred to in subsection (5), or upon a calculation by the municipality from consumption data in its possession; where applicable, due allowance shall be made, where possible, for seasonal or other variations which may affect the consumption of electricity.
- (7) When an adjustment is made as contemplated in subsection (6), the adjustment may not exceed a period of six months preceding the date on which the metering equipment was found to be inaccurate. The application of this section does not prohibit a customer from claiming back overpayment for any longer period.
- (8) Where the actual load of a customer differs from the initial estimated load provided for under section 47(1) to the extent that the municipality deems it necessary to alter or replace its metering equipment to match the load, the costs of such alteration or replacement shall be borne by the customer.
- (9) Prior to the municipality making any upward adjustment to an account in terms of subsection (6), the municipality must -
 - (a) notify the customer in writing of the monetary value of the adjustment to be made and the reasons therefore;
 - (b) in such notification provide sufficient particulars to enable the customer to submit representations thereon, and

- (c) call upon the customer in such notice to provide it with reasons in writing, if any, within 21 days or such longer period as the municipality may permit why his or her account should not be adjusted as notified.
- (10) Should the customer fail to make any representations during the period referred to in subsection 9(c), the municipality shall be entitled to adjust the account as notified in subsection 9(a).
- (11) The municipality shall consider any reasons provided by the customer in terms of subsection (9)(c) and shall, if satisfied that a case has been made out therefore, adjust the account appropriately.
- (12) If the municipality, after having considered the representation made by the customer, decides that such representations do not establish a case warranting an amendment to the monetary value established in terms of subsection (6), the municipality shall be entitled to adjust the account as notified in terms of subsection 9(a), subject to the customer's right to appeal the decision of the official in terms of section 62 of this by-law.

54. Reading of credit meters

Note that the municipality has standardised on Prepayment or Smart meters and Credit Meters are therefore being phased out. All new meters will therefore conform to Pre-Payment or Smart meters. This section only applies to existing Credit Meters still in use.

- (1) Unless otherwise prescribed, credit meters shall normally be read at intervals of one month and the fixed or minimum amount due shall be assessed accordingly.
- (2) If for any reason the credit meter cannot be read, the municipality may render an estimated account; provided that the consumption shall be adjusted in a subsequent account in accordance with the actual consumption.
- (3) When a customer vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly.
- (4) If a special reading of the meter is desired by a customer, this may be obtained upon payment of the prescribed tariff and at least two days' notice to the municipality

- (5) If any calculating, reading or metering error is discovered in respect of any account rendered to a customer, the error must be corrected in subsequent accounts.
- (6) Any such correction shall only apply in respect of accounts for a period of three years preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariff applicable during the period.
- (7) The application of this sub section (6) does not prevent a customer from claiming back overpayment for any longer period.

55. Prepayment metering

- (1) No refund of the amount tendered for the purchase of electricity credit shall be given at the point of sale after initiation of the process by which the prepayment meter token is produced.
- (2) Copies of previously issued tokens for the transfer of credit to the prepayment meter may be issued at the request of the customer.
- (3) When a customer vacates any premises where a prepayment meter is installed, no refund for the credit remaining in the meter shall be made to the customer.
- (4) The municipality shall not be liable for the re-instatement of credit in a prepayment meter lost due to tampering with, or the incorrect use or the abuse of, prepayment meters or tokens.
- (5) Where a customer is indebted to the municipality for electricity consumed or for any other service supplied by the municipality (including rates) or for any levy previously raised against him or her in connection with any service rendered, the municipality may deduct a percentage from the amount tendered to offset the amount owing to the municipality, as set out in the agreement for the supply of electricity.
- (6) The municipality may, at its discretion, appoint vendors for the sale of credit for prepayment meters and shall not guarantee the continued operation of any vendor.

56 Smart Metering

- (1) The Municipality may install smart metering to equivalent premises at it sees fit.

- (2) Smart metering may be set up as a prepayment method or a credit payment method and policies may be designed to regulate the method to be used for the various classes of consumers.
- (3) The municipality may introduce a Residential and Commercial Time-of-Use tariff in addition to the current set of tariffs for use in collaboration with Smart Meters.

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CHAPTER 7

ELECTRICAL CONTRACTORS

57. Electrical contractors additional requirements

In addition to the requirements of the Regulations the following requirements shall apply:

- (a) where an application for a new or increased supply of electricity has been made to the municipality, any duly authorised official of the municipality may at his or her discretion accept notification of the completion of any part of an electrical installation, the circuit arrangements of which permit the electrical installation to be divided up into well-defined separate portions, and such part of the electrical installation may, at the discretion of any authorised official of the municipality, be inspected, tested and connected to the supply mains as though it were a complete installation.
- (b) the examination, test and inspection that may be carried out at the discretion of the municipality in no way relieves the electrical contractor or accredited person or the user or lessor, from his or her responsibility for any defect in the installation.
- (c) such examination, test and inspection shall not be taken done in a way (even where the electrical installation has been connected to the supply mains) as to indicate or guarantee in any way that the electrical installation has been carried out efficiently with the most suitable materials for the purpose or that it is in accordance with this by-law or the safety standard, and the municipality shall not be held responsible for any defect or fault in such electrical installation.

58. Liability for work by contractors

The municipality shall not be held responsible for the work done by the electrical contractor or accredited person on a customer's premises and shall not in any way be responsible for any loss or damage which may be occasioned by fire or by any accident arising from the state of the wiring on the premises.

CHAPTER 8

COST OF REPAIR WORK

59. Cost of Repair Work

The municipality may repair and make good any damage done in contravention of this by-law or resulting from a contravention of this by-law and the cost of any such work carried out by the municipality which was necessary due to the contravention of this by-law, shall be to the account of the person who acted in contravention of this by-law.

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CHAPTER 9

ENERGY SAVING MEASURES AND REDUCED USE OF ELECTRICITY

60. Norms, standards and guidelines

- (1) The municipality may determine and publish norms, standards and guidelines which prescribe appropriate measures to save energy or to reduce the use of electricity and such norms standards and guidelines must be kept in the form of an operational manual.
- (2) The norms, standards and guidelines contemplated in subsection (1) may differentiate between communities, geographical areas and different kinds of premises.

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CHAPTER 10:

ELECTRICITY SUPPLY TO BACKYARD DWELLINGS

61. *Application for electricity supply to Backyard Dwellings*

In recognising the guidelines and principles of the Integrated National Electrification Programme, the municipality shall consider applications for electricity supply to backyard dwellings.

62. *Conditions for supply*

The municipality may approve an application in terms of section 61 on the following conditions-

- (a) that the network capacity is sufficient to carry the additional load; and
- (b) if more than one customer on the same premises has to be provided with a separate connection, such customer shall be responsible for upgrading of the network and be responsible for payment of the prescribed tariff for such upgrading.

Chapter 11

DEVELOPMENT CHARGES

63. Development Charges

- (1) Each Developer or Customer must pay the Development Charges when applying for a new connection to a Development and the premises of a consumer.
- (2) Development Charges will be calculated as per the requirements of NRS 069: Code of Practice for the Recovery of Capital Costs for Distribution Network Assets
- (3) No formal electricity may be supplied to a development or premises of a consumer unless the Development Charges have been paid
- (4) The Occupational Certificate of such building, premises or development may be withheld until the Development Charges have been paid in full
- (5) Council may, at its discretion, reduce or delay the payment of the amount of the Development Charges to a specific development or premises, for the purpose of accelerating business development or to low cost housing developments in order to make such developments more affordable.

CHAPTER 12

GENERAL PROVISIONS

64. Exemptions

- (1) Any person may in writing apply to the municipality for exemption from any provision of this by-law.
- (2) The municipality may –
 - (a) grant an exemption in writing and set and determine the period for which such exemption is granted;
 - (b) alter or cancel any exemption or condition in an exemption; or
 - (c) refuse to grant an exemption in which case the applicant must be informed of the reasons for refusal.
- (3) An exemption does not take effect before the applicant has undertaken in writing to comply with the conditions imposed by the municipality, however, if an activity is commenced before such undertaking has been submitted to the municipality, the exemption lapses.
- (4) If any condition of an exemption is not complied with, the exemption lapses immediately.

65. Liaison forums in community

- (1) The municipality may establish one or more liaison forums in a community for the purposes of obtaining community participation with regard to the matters dealt with in this by-law.
- (2) A liaison forum may consist of –
 - (a) a member or members of an interest group, or an affected person;
 - (b) a designated official or officials of the municipality; and
 - (c) a councillor.

- (3) (a) The municipality may, when considering an application for consent, permit or exemption in terms of this by-law, request the input of a liaison forum.
- (b) A liaison forum or any person may on own initiative submit an input to the municipality for consideration.

66. Appeal

A person whose rights are affected by a decision delegated by the municipality may appeal against that decision by giving written notice of the appeal and the reasons therefore in terms of section 62 of the Local Government: Municipal Systems Act, Act 32 of 2000 to the municipal manager within 21 days of the date of the notification of the decision.

67. Offences and Penalties

- (1) Any person who contravenes any of the provisions of sections 5, 6, 11,12, 13, 18, 23, 24, 25, 27, 28, 33, 37, 40 and 48 of this by-law shall be guilty of an offence and be liable to-
 - (a) a fine or imprisonment, or either such fine or imprisonment or to both such fine and such imprisonment and,
 - (b) in the case of a continuing offence, to an additional fine or an additional period of imprisonment or to such additional imprisonment without the option of a fine or to both such additional fine and imprisonment for each day on which such offence is continued and,
 - (c) further amount equal to any costs and expenses found by the court to have been incurred by the municipality as result of such contravention or failure.
 - (d) The Municipality may obtain approval for spot fines and issue these when the transgressions were made of sections listed above.
- (2) A person may appeal against the spot fines mentioned under 2(d) by submitting reasons, why such fine should not be issued, in writing to the Municipal Manager within 14 days of such spot fine being issued.
- (3) The municipal Manager may overturn or reduce such a spot fine based on the explanation given by the person who has received a spot fine.
- (4) If the Municipal Manager refuses to overturn such spot fine, or when more than 14 days have expired before an application has been made, the person

that has received the spot fine, must pay such fine in order to have the electricity to the affected premises returned.

68. **Repeal of by-laws**

The provisions of any by-laws previously promulgated by the municipality or by any of the disestablished municipalities now incorporated in the municipality are hereby repealed as far as they relate to matters provided for in this by-law.

69. **Short title and commencement**

This by-law shall be known as the Electricity Supply By-law and shall come into operation on the date of publication thereof in the Provincial Gazette.

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ANNEXURE B

ELECTRICAL SERVICES BY-LAW

OFFENCES AND FINES

Section Contravened	Description of Offence	Proposed Fine (1)	Approved Fine (2)
32(1) (4)	Refusal of Load Control Equipment installation	R700.00	
24, 26 &32	Tampering with any municipal electrical installation	R5000.00	
12	REFUSAL OF ADMITTANCE Wilfully hindering, obstructing/ interfering with or refusing access to the engineer /duly authorised official in the performance of his/her duties	R1900.00	
13(1)	IMPROPER USE Using electricity in a way that interferes in an improper or unsafe manner or is calculated to interfere in an improper or unsafe manner, with the efficient supply of electricity to any other consumer	R1900.00	
18 (1)	RESALE OF ELECTRICITY Selling/ Supplying or allowing/ permitting the selling/ supplying of electricity to any other person/persons without permission	R1900.00	
18	Rendering a monthly account reflecting tariffs/charges not approved by the Municipality	R1600.00	
23	SEALS AND LOCKS OF THE MUNICIPALITY Removing/ breaking/ defacing/ tampering/ interfering with seals/locks or any part of the electricity distribution equipment, or storing of goods obstructing access to equipment, or being in possession of the security lock keys without authorization	R2600.00	

ELECTRICAL SERVICES BY-LAW

OFFENCES AND FINES

25	PROTECTION OF ELECTRICITY DISTRIBUTION SYSTEM		
25(1)(a)	Without consent of wayleave – Constructing /erecting or permission the erection of any building/ structure / other object, or plant trees/ vegetation over or in a position/ manner that interferes with or endangers the electricity system	R1700.00	
25(1)(b)	Without consent – Excavating / opening up/ removing the ground above / next to / under any part of the electricity system, or dumping anything onto / next to / under electricity distribution system	R2700.00	
25(1)(c)	Without consent – Damaging/ endangering/ removing / destroying any part of the electricity system	R2700.00	
25(1)(d)	Without consent - Abstracting/ branching off/ diverting any electricity current or causing any electric current to be abstracted/ branched off /using any abstracted/ branched off/ diverted electricity current	R2200.00	
25(2)	Failing to limit the height of trees or vegetation or the length of projecting branches in the proximity of overhead lines or provide a means of protection	R2200.00	

ELECTRICAL SERVICES BY-LAW

OFFENCES AND FINES

27	<p>UNAUTHORISED CONNECTIONS Directly or indirectly connect, attempt to connect or cause or permit the connection of a new electrical installation or part of a new electrical installation to the supply mains or service connection</p>	R3200.00	
28(1)	<p>UNAUTHORISED RECONNECTIONS Reconnecting, attempting to reconnect or causing or permitting the reconnection of the supply mains or service connection of an electrical installation that has been disconnected by the Municipality</p>	R3200.00	
33, 33(3)	<p>MV AND LV SWITCHGEAR AND EQUIPMENT Operating MV switchgear at the points of supply without the written authorisation of the engineering</p>	R7200.00	
34	<p>TRANSFORMER SUBSTATION ACCOMMODATION Refusing or restricting an engineer/ duly authorised official from operating or maintaining equipment in the performance of his duties</p>	R2300.00	
36	<p>Consumers emergency standby supply equipment – connecting emergency standby supply equipment provided by a consumer to an installation without the prior written approval of the engineering</p>	R5000.00	

ELECTRICAL SERVICES BY-LAW

OFFENCES AND FINES

48	Interference with other consumers - operating electrical equipment having characteristics which give rise to voltage variations, harmonic currents/ voltages or unbalanced phase currents that fall outside thE standards determined by NRS048	R2400.00	
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Fines applicable to 1st Offence only
2nd Offence within 6 months from 1st offence to be dealt with by Magistrate



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MUNISIPALE KENNISGEWING 4/2019
PUBLIEKE DEELNAME PROSES VIR ELEKTRIESE DIENSTE
VERORDENING

Kennis geskied hiermee dat Stellenbosch Munisipaliteit in die proses is om die Elektriese Dienste Verordening te hersien en nooi die publiek uit om insette te lewer. Die konsep weergawe sal vanaf 24 Januarie 2019 tot 25 Februarie 2019 vir openbare inspeksie en kommentaar by al die munisipale biblioteke in die WC024 area asook op www.stellenbosch.gov.za beskikbaar wees.

Alle kommentaar moet verwys word na die Direkteur: Infrastruktuurdienste

Kontak persoon: Deon Louw
 Tel: 021 808 8213
 E-Pos: engineering.services@stellenbosch.gov.za
 Verwys asseblief in die onderwerpslyn van u epos na 'ELECTRICITY SERVICES BY-LAW'

Geraldine Mettler
MUNISIPALE BESTUURDER
 Posbus 17
 STELLENBOSCH
 7599

MUNICIPAL NOTICE 4/2019
CALLING FOR COMMENTS ON ELECTRICAL SERVICES
BY-LAW

Notice is hereby given that Stellenbosch Municipality is in the process to review the Electrical Services By-Law and invites the public to provide input/comment. The draft by-law will be available for public comment at all the municipal libraries in the WC024 area and on www.stellenbosch.gov.za from 24 January 2019 to 25 February 2019.

All comments must be submitted to the Director: Infrastructure Services

Contact person: Deon Louw
 Tel: 021 808 8213
 Email: engineering.services@stellenbosch.gov.za
 Please make mention in the subject line of the email to 'ELECTRICAL SERVICES BY-LAW'

Geraldine Mettler
MUNICIPAL MANAGER
 PO BOX 17
 STELLENBOSCH
 7599



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MUNICIPAL NOTICE 4/2019 – CALLING FOR PUBLIC COMMENTS ON THE ELECTRICAL SERVICES BY-LAW

MUNISIPALE KENNISGEWING 4/2019- BEROEP OP PUBLIEK VIR INSETTE IN DIE ELEKTRIESE DIENSTE VERORDENING

Comments from the public and stakeholders are important to us. Publiek en rolspelers se insette word van waarde geag.

Your Name & Surname/ U Naam & Van: (opsioneel/ optional)

Your Telephone Number/ U Telefoonnommer (opsioneel/optional)

LIBRARY	RECEIVED BY	DATE	SIGNATURE
STELLENBOSCH	Thobela	14/02/19	[Signature]
KAYAMANDI	BABALWA	14/02/19	[Signature]
JAMESTOWN	B. King	14/2/19	[Signature]
KLAPMUTS	Chevonne	15.02.19	[Signature]
FRANSCHHOEK	Z. Saduza	15/2/19	[Signature]
GROENDAL	S.K.	15.02.19	[Signature]
IDASVALLEY	M. Jeffras	14.02.2019	[Signature]
CLOETESVILLE	BUSISIWE	14.02.19	[Signature]
PNIEL	Bromberg	14/2/19	[Signature]

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ANNEXURE C

POWERS/DUTIES CONFERRED						
ITEM NUMBER	LEGISLATIVE MANDATE	DESCRIPTION OF POWER OR DUTY	RESPONSIBILITY/ DELEGATED FROM	DELEGATED TO	SUB-DELEGATED TO	CONDITIONS/LIMITATIONS/ INSTRUCTION TO ASSIST
	Supply: Quality of Service NRS 047					& Construction
EL6	Electricity Supply Quality of Supply NRS 048	To allocate resources to ensure compliance with license conditions re quality of supply	Council as Licensee and Organ of State	Accounting Officer (Municipal manager)		Senior Manager: Technical Services
EL7	Code of Practice for Electricity Metering NRS 057	To allocate resources to ensure compliance with license conditions re electricity metering	Council as Licensee and Organ of State	Accounting Officer (Municipal manager)		Senior Manager: Technical Services
EL8	Electricity Regulations for compulsory Norms and Standards R773	To allocate resources to ensure compliance with license conditions re compulsory norms and standards	Council as Licensee and Organ of State	Accounting Officer (Municipal manager)		Senior Manager: Technical Services
EL9	Electricity Pricing Policy 750 2008	To allocate resources to ensure compliance with license conditions re electricity pricing	Council as Licensee and Organ of State	Accounting Officer (Municipal manager)		Senior Manager: Technical Services
EL10		To comply with Regulations and enforcement of energy efficiency measures promulgated i.t.o. this Act	Council as Organ of State	Accounting Officer (Municipal manager)		
PROPOSED ELECTRICITY SUPPLY BY-LAWS 2020						
EL11	Section 2(3) of Electricity Supply By-Law (ESB)	To permit the supply or retail wheeling of electricity through its network	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL12	Section 2(5)	To permit co-generation of electricity	Director: Infrastructure Service	Senior Manager: Electrical Services		

POWERS/DUTIES CONFERRED						
ITEM NUMBER	LEGISLATIVE MANDATE	DESCRIPTION OF POWER OR DUTY	RESPONSIBILITY/ DELEGATED FROM	DELEGATED TO	SUB-DELEGATED TO	CONDITIONS/LIMITATIONS/ INSTRUCTION TO ASSIST
EL13	Section 2(6)	To prohibit the surplus generation of electricity	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL14	Section 3(1)	To conclude an Electricity Supply Agreement	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL15	Section 3(3)	To conclude an Electricity Generation Agreement	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL16	Section 4	To Serve a notice ito the ESB	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL17	Section 8	To issue or withdraw a way leave application	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL18	Section 10	To authorize a staff member, ee to gain access to any property for the purpose of conducting inspection, tests or maintenance works	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL19	Section 13	To authorize the disconnection of electricity to property where such electricity is used unsafely or improperly	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL20	Section 18	To authorize a person to resell electricity to another person or persons and to determine condition of sale of such electricity	Director: Infrastructure Service	Senior Manager: Electrical Services		

POWERS/DUTIES CONFERRED						
ITEM NUMBER	LEGISLATIVE MANDATE	DESCRIPTION OF POWER OR DUTY	RESPONSIBILITY/ DELEGATED FROM	DELEGATED TO	SUB-DELEGATED TO	CONDITIONS/LIMITATIONS/ INSTRUCTION TO ASSIST
EL21	Section 19(1)	To authorize the disconnection of electricity upon misuse, tampering or non-payment of any fees.	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL22	Section 19(2)	To authorize the limitation of an electricity supply due to any contravention Section 18(1) of the ESB	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL23	Section 19(4)	To authorize the removal of an electricity installation due to a repeated illegal re-connection	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL24	Section 23	To authorize an official to seal electricity meters or protective devices as well as to remove these seals	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL25	Section 24(2)	To authorize the disconnection of electricity, supply due tampering with a meter, or metering equipment or service connection	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL26	Section 25(3)	To instruct the owner or occupier of a house to which an electricity supply connection is given, to cut trees interfering with such electricity supply	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL27	Section 25(4)	To authorize the removal of anything damaging, obstructing or endangering or likely to damage, obstruct, endanger or destroy from the electricity distribution system	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL28	Section 30	To authorize the connection or removal of any temporary supplies	Director: Infrastructure Service	Senior Manager: Electrical Services		

POWERS/DUTIES CONFERRED						
ITEM NUMBER	LEGISLATIVE MANDATE	DESCRIPTION OF POWER OR DUTY	RESPONSIBILITY/ DELEGATED FROM	DELEGATED TO	SUB-DELEGATED TO	CONDITIONS/LIMITATIONS/ INSTRUCTION TO ASSIST
EL29	Section 32(1)	To authorize the reduction of load during peak times or emergencies	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL30	Section 32(4)	To authorize the installation of any load control devices within the premises of a customer	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL31	Section 34(1)	To authorize the provision of accommodation of substation or switching rooms	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL32	Section 37(5)	To permit the use of an alternate electricity supply	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL33	Section 37(6)	To authorize the disconnection of the main supply if the alternate supply is not operated within the Grid Connection Code for Renewable Power Plants	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL34	Section 38	To authorize the issuing of circular letters	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL35	Section 44(5)	To determine whether an electricity supply should be underground or overhead	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL36	Section 44(6)	To instruct a customer to replace an overhead connection with an underground cable	Director: Infrastructure Service	Senior Manager: Electrical Services		

POWERS/DUTIES CONFERRED						
ITEM NUMBER	LEGISLATIVE MANDATE	DESCRIPTION OF POWER OR DUTY	RESPONSIBILITY/ DELEGATED FROM	DELEGATED TO	SUB-DELEGATED TO	CONDITIONS/LIMITATIONS/ INSTRUCTION TO ASSIST
EL37	Section 44(9)	To authorize more than one connection to registered erf	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL38	Section 45(1)	To instruct a customer to provide metering accommodation	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL39	Section 45(5)	To instruct a customer to move a meter accommodation to a new position if the old one has become unsuitable	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL40	Section 48(3)	To instruct a customer to install the necessary equipment to filter out any undue interference	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL41	Section 50(1)	To instruct a Customer to maintain his power factor to the limits set by Section 50(1)	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL42	Section 52(4)	To determine whether a block of shops, flats, tenant houses or similar buildings may be metered individually or as a group	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL43	Section 56(1)	To determine whether smart meters are to be introduced to a premises	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL44	Section 57(b)	To authorize an official, inspect, test or connect a supply	Director: Infrastructure Service	Senior Manager: Electrical Services		

POWERS/DUTIES CONFERRED						
ITEM NUMBER	LEGISLATIVE MANDATE	DESCRIPTION OF POWER OR DUTY	RESPONSIBILITY/ DELEGATED FROM	DELEGATED TO	SUB-DELEGATED TO	CONDITIONS/LIMITATIONS/ INSTRUCTION TO ASSIST
EL45	Section 60(1)	To determine and publish norms, standards and guidelines to save energy	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL46	Section 61	To authorize the connections to Backyard Dwellings	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL47	Section 62	To authorize the calculation of Development Contributions to a development or upgraded electricity supply	Director: Infrastructure Service	Senior Manager: Electrical Services		
EL48	Section 64(2)	To authorize the granting, altering, canceling or refusing of any exemption	Municipal Manager	Director: Infrastructure Service		
FINANCIAL FUNCTIONS - POLICIES AND DEPARTMENTAL REGULATIONS						
EL49		To approve payment of electricity accounts	Chief Financial Officer (CFO)	Director: Infrastructure Services	Senior Manager: Electrical Services	
EL50		To approve progress and final payments to contractors executing projects and suppliers upon delivery of materials or rendering of services	Chief Financial Officer (CFO)	Director: Infrastructure Services	Senior Manager: Electrical Services	
EL51		To determine diverse electricity services tariffs	Chief Financial Officer (CFO)	Director: Infrastructure Services	Senior Manager: Electrical Services	Subject to approval by Council
EL52		To determine electricity tariff structures and annual tariff adjustments	Chief Financial Officer (CFO)	Director: Infrastructure Services	Senior Manager: Electrical Services	Subject to approval by Council

8.2	ADOPTION OF THE REVIEWED STELLENBOSCH LIQUOR TRADING HOURS BY-LAW
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Collaborator No:

IDP KPA Ref No:

Meeting Date: 27 May 2020

1. SUBJECT: ADOPTION OF THE REVIEWED STELLENBOSCH LIQUOR TRADING HOURS BY-LAW

2. PURPOSE

To request final approval of the Reviewed Stellenbosch Liquor Trading Hours By-law by Council.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The reviewed Stellenbosch Liquor Trading Hours By-Law corrects various deficiencies in the current Liquor Trading Hours By-Law. The aforementioned By-law has now been advertised for public comments, and since no comments were received, it is now submitted for final approval.

5. RECOMMENDATIONS

- (a) that Council adopts the reviewed Stellenbosch Liquor Trading Hours By-Law; and
- (b) that the approved By-law be published in the Western Cape Provincial Gazette.

6. DISCUSSION / CONTENT

6.1 Background

Due to certain flaws in the current Liquor Trading Hours By-law the Administration was compelled to review the By-law.

The reviewed policy with the Schedule for Admission of Guilt Fines addresses deficiencies relating to:

- Powers to the municipal law enforcement officers to enforce the bylaw;
- Regulations on electronic selling of alcohol like the internet;
- The jurisdiction in which the by-law will be applicable;
- Consumer friendly language and easier enforceable by-law;
- Maximum fines for transgressors of the by-law irrespective of the size of the business.

The reviewed Stellenbosch Liquor Trading Hours By-Law, **ANNEXURE 1**, served at the 30th Council Meeting of the Stellenbosch Municipality on 28 August 2019. Council resolved that the By-law be advertised for public comments for a period of 30 days. The aforementioned policy was then published in the Eikestad News and on the municipal website on 5 September 2019. Notice of the advertisement is attached as **ANNEXURE 2**. By the closing date, 5 September 2019, no comments were received.

6.3 Financial Implications

None

6.4 Legal Implications

In terms of Section 11(3) of the Local Government Municipal Systems Act 32 of 2000, a municipality exercise its executive and legislative authority by developing and adopting policies, plans, strategies, programmes. All statutory prescripts in terms of section 12 of the Municipal Systems Act had been adhered to.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

At the 30th Council Meeting of the Stellenbosch Municipality, 28 August 2019, it was resolved that the By-law be advertised for public comments for a period of 30 days.

6.7 Risk Implications

The risk relates to the weak implementation and monitoring of the policy objectives and provisions.

6.8 Comments from Senior Management:

6.8.1 The Director Planning & Economic Development

Supports the recommendations

6.8.2 The Municipal Manager

Supports the recommendations

ANNEXURES

Annexure 1: The reviewed Stellenbosch Liquor Trading Hours By-Law

Annexure 2: Notice of Advertisement

FOR FURTHER DETAILS CONTACT:

NAME	Craig Alexander
POSITION	<i>Acting Director</i>
DIRECTORATE	<i>Planning & Economic Development</i>
CONTACT NUMBERS	<i>021 808 8491</i>
E-MAIL ADDRESS	<i>craig.alexander@stellenbosch.gov.za</i>
REPORT DATE	<i>13-03-2020</i>

ANNEXURE 1



STELLENBOSCH MUNICIPALITY

LIQUOR TRADING HOURS BY-LAW

PREAMBLE

Stellenbosch Municipality, by virtue of the powers vested in it by **section 156 (2)** of the **Constitution of the Republic of South Africa** as amended, read with **section 13** of the **Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)** , herewith publish the By-law set out below.

In this by-law, words used in the masculine gender include the feminine.

All singular meanings shall include the plural interpretation and vice versa.

The English text shall prevail in the event of an inconsistency between the different texts, unless the context otherwise indicates.

INDEX

1. Definitions
 2. Application of this by-law
 3. Interpretation
 4. Trading days and hours for sale and consumption of liquor on licensed premises
 5. Trading days and hours for sale and consumption of liquor off licensed premises
 6. Extension of trading times
 7. Obligations of the licensee
 8. Compliance and enforcement
 9. Appeal
 10. Offence and Penalties
 11. Transitional Provisions
 12. Short title
- Schedule

1. DEFINITIONS

In this by-law unless the context otherwise indicates –

“**Act**” means the **Western Cape Liquor Act, 2008 (Act No 4 of 2008)**

“**agricultural area**” means an area predominantly zoned for agriculture or any other equivalent such as a small holding, zoning with the purpose of promoting and protecting agricultural activity on a farm as an important economic, environmental and cultural resources, where limited provision is made for non-agricultural uses to provide owners with an opportunity to increase the economic potential of their properties, without causing a significant negative impact on the primary agricultural resources;

“**authorized official**” means a law enforcement officer appointed by the Municipality

“**business premises**” (besigheidsperseel) means a place from which business is conducted and may include a restaurant, pub, bar or tavern, spa or wellness centre, special function venue or other building for similar uses, but excludes a place of entertainment, quest accommodation establishment, hotel, sports and community club;

“**Council**” means the Municipal Council of Stellenbosch Municipality.

“**general business area**” means an area predominantly zoned for general business or any other equivalent zoning, with the purpose of promoting activity in a business district and development corridor;

“**guest accommodation establishment**” means premises used as temporary residential accommodation, and includes but not limited to the provision of meals for transient guests for compensation, also including backpackers’ lodges, a bed-and-breakfast establishment, guest farm or lodge(s), as well as facilities for business meetings, conferences, events or training sessions of resident guests, but excludes a hotel;

“**guesthouse**” (gastehuis) means a commercial residential establishment of 15 or less bedrooms , accommodating no more than 30 guests at a time, for compensation, which:-

- (a) Primary source of business and purpose is the supply of tourist accommodation, meals and beverages (which may include liquor) for transient guests;
- (b) May include facilities for business meetings or training sessions of guests on the property;
- (c) A wellness centre and conference facility for transient guests with necessary consent of Council limited to service of guests only; and
- (d) May consists of one or a group of buildings which are designed as a harmonious architectural entity.

“**hotel**” (hotel) is a commercial residential establishment of 16 or more bedrooms, accommodating more than 30 guests at a time, for compensation, and may include:-

- (a) A restaurant or restaurants forming part of the hotel;
- (b) Conference and entertainment facilities that are subservient and ancillary to the dominant use of the property as a hotel;
- (c) Premises which are licensed to sell liquor for consumption on or off the property together with or without meals to guests and/or the public;
- (d) May consist of one or a group of buildings which are designed as a harmonious architectural entity;

But excludes a backpacker’s lodge, a bed-and-breakfast establishment, guesthouse, guest farm or lodge(s), as well as facilities for business meetings, conferences, events or training sessions of resident guests of on-consumption facilities.

“**Industrial area**” means an area predominantly zoned general industry or any other equivalent zoning, with the purpose to accommodate all forms of industry including manufacturing and related processing, but excludes noxious or hazardous risk activity;

“**licensee**” means the person who has a valid liquor licence¹ issued in terms of the Act;

“**licensed premises**” means the premises specified in the liquor licence or certificate issued in terms the Act;

“ internet sales” means the sale of liquor to a purchaser who does not attend the licensed premises from which the liquor is sold but instead orders the delivery of liquor electronically through e-mail, internet websites, interactive digital TV or like manner and such sales will be deemed to occur at the time of delivery of the ordered liquor to the purchaser

“**liquor**” means any liquid or substance which contains or is intended to contain more than 1% of alcohol by volume or mass, but excluding—

“**liquor authority**” means the Western Cape Liquor Authority established by section 2(1) of the Act;

“manufacture” means to produce or bottle liquor with the intention of selling it”

“**mixed use development**” means any urban, suburban or village development, or even housing a single building, that blends a combination of residential, commercial, cultural, institutional or industrial uses, where those functions are physically and functionally integrated, and that provides pedestrian connections.

¹ Section 33 of the Act provides for the following categories of licences –

- (a) a licence for the micro-manufacture and sale of liquor for consumption both on and off the premises where the liquor is sold;
- (b) a licence for the sale of liquor for consumption on the premises where the liquor is sold;
- (c) a licence for the sale of liquor for consumption off the premises where the liquor is sold;
- (d) in exceptional circumstances, a licence for the sale of liquor for consumption both on and off the premises where the liquor is sold

“municipality” means Stellenbosch Municipality established in terms of section 12 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998), published in Provincial Notice 5643 dated 4 December 2000 and includes any political office-bearer, councillor, or any employee therefore acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political office-bearer, councillor, or employees;

“place of entertainment” (vermaaklikheidsplek) is a place used predominantly for commercial entertainment where patrons participate in the activities or observe performances, which may on a regular basis attract large numbers of people, and may generate noise from music or revelry, and where alcohol may be consumed, such as a night club, pub, cinema, theatre, amusement arcade;

“place of sport and recreation” (buitemuurse ontspanningsplek) means land which may be public or privately owned and which is set aside for outdoor sport and recreation such as sports grounds and fields, sports stadiums, putt-putt, miniature golf, golf courses, and where the following buildings are permitted only with Council’s additional consent, ablution facilities, clubhouse, stores, gatehouses and related administrative buildings;

“residential area” means an area, predominantly zoned informal, single or general residential or any equivalent zoning, with the purpose to predominantly house single family dwelling houses in low to medium density neighbourhoods, as well as higher density living accommodation and which includes controlled opportunities for home employment , additional dwellings and low intensity mixed use development;

“room service facility” means a mini bar or self-help facility for the consumption of liquor in guest rooms or a hotel room, and includes a call-up service for resident guests;

“sparkling wine” means an effervescent wine resulting from the fermentation of grapes, whether by natural or artificial process, and includes Champagne;

“specific business” (spesifieke besigheid) means a business use of a particular nature, but within the compass of section 10(7) that is prescribed for a specific site by the Council

“sports and community club” means premises or a facility used for the gathering of community and civic organizations or associations, sports clubs or other social or recreational clubs run mostly not for profit and may include community service clubs and community centres or similar amenity facilities, but excludes a night club;

“the Act” means the Western Cape Liquor Act 4 of 2008, as amended ;

“trading days” means the days on which liquor may be sold during trading

hours; **“trading hours”** means the hours during which liquor may be sold on

trading days;

(H) a licence for the sale of liquor for consumption on or off the premises upon which liquor is sold at special events; and

(I) a temporary liquor licence for the sale for consumption on or off the premises upon which liquor is sold .

² Definitions of Stellenbosch Zoning scheme regulations

“**wine**” means wine as defined in Section 1 of the Liquor Products Act 60 of 1989;

“**winery**” means premises or facilities which are used in the production of wine and such premises or facilities include facilities for crushing grapes and fermentation and aging of wine, tasting rooms, barrel and storage rooms, bottling rooms, tank rooms, laboratories or offices and other accessory or ancillary facilities incidental to the production of wine and accessible by the public, which may include:-

- (a) A restaurant and other food services; or
- (b) A subsidiary retail facility to tours or visitors selling wines of the specific winery excluding any other form of liquor.

“**wine industry**”(wynbedryf) means a site or building, or portion of a site or building utilized or intended to be utilized for the manufacture of liquor in the form of wine or spirits from grapes.

2. APPLICATION OF THIS BY-LAW

This By-Law applies to all licensees that sell liquor within the area of jurisdiction of the municipality

3. INTERPRETATION

Any authorising in terms of this by-law, should not be interpreted as the sanctioning of any trade, which had not been approved in terms of relevant legislation.

4. TRADING DAYS AND HOURS FOR SALE AND CONSUMPTION OF LIQUOR ON LICENSED PREMISES

- (1) A licensee may sell liquor for consumption on the licensed premises on the following days and hours:
 - (a) On all days,
 - (b) During the hours of trade as set out in the Schedule.
- (2) Despite **subsection (1)**, a hotel or guest accommodation establishment or guest house licensed to sell liquor may offer a room service facility at any time of the day.
- (3) Despite **subsection (1)**, a licensee may serve sparkling wine,
 - (a) from 8.00 to 23.00 for 7 days a week;
 - (b) as part of a meal; and
 - (c) to guests who are part of an organized function where admittance is controlled.

5. TRADING DAYS AND HOURS FOR SALE OF LIQUOR OFF LICENSED PREMISES INCLUDING INTERNET SALES

(1) A licensee may sell liquor for consumption off the licensed premises on the following days and hours :-:

- (a) Monday to Saturday from 09.00 – 20.00
- (b) Sunday from 09.00-16.00

(2) Despite the provisions of subsection (1) a Winery or any other licensee within the boundaries of Stellenbosch agriculture area (included, but not limited, to wineries) will be permitted to trade on the following days and hours:-

- (a) Monday to Saturday from 08.00 – 20.00
- (b) Sunday from 09.00-18.00

6. EXTENSION OF TRADING TIMES

Application for extended trading days and hours pertaining to Tourism facility, Special Events, private functions or any other event or facility motivated by the applicant :-

- (1) Council has authority to approve or decline, or to approve with special terms and conditions as it may resolve any applications for extension of trading days and/or hours.
- (2) A licensee may, upon payment of the required fee, submit a written application referred to in (a) to the office of the Municipal Manager.
- (3) The Municipal Manager will prepare the application in the form of an item to Council for final decision, taking in consideration the following factors:-
 - (a) Outcome of community consultation;
 - (b) Public interest and impact on the environment;
 - (c) The risks to the surrounding community;
 - (d) Nuisance on the surrounding community;
 - (e) The possible benefits of extended liquor trading hours and days on the surrounding community;
 - (f) Any other relevant factor.

7. OBLIGATIONS ON THE LICENSEE

(1) Display of signage and certificates

- (a) A licensee must, to the satisfaction of the authorized official, ensure that following certificates are prominently displayed inside the licensed premises:
 - (i) The certificate issued by the Municipality stating the zoning or land use in respect of the premises for purposes of this by-law;
 - (ii) The population certificate in respect of the premises issued in terms of the Fire Safety by-law of the Municipality;
 - (iii) Business license and/or certificate issued by the Municipality.

- (b) A licensee must, to the satisfaction of the authorized official, ensure that the following information are prominently displayed on the front door or window of the premises in characters not less than five centimetres in height:
 - (i) The liquor license number under which liquor may be sold; and
 - (ii) The hours during which liquor may be sold.

(2) Safety and Security

- (a) A licensee must ensure compliance with all applicable legislation.
- (b) A licensee must ensure that reasonable and adequate safety and security measures are in place for the protection of patrons by ensuring, amongst others but not limited to, that:-
 - (i) the storage of goods and equipment and the condition of the premises and any structure thereon do not endanger the lives of patrons inside the premises; and
 - (ii) there is adequate lighting on the outside of the premises where patrons and staff access and exit the licensed premises.

8. COMPLIANCE AND ENFORCEMENT

- (1) An Authorized Official may, in the performance of his or her functions in terms of this by-law or the Act, at all reasonable times enter-
 - (a) any licensed premises;
 - (b) any premises in respect of which a liquor license application is pending;
 - (c) any premises on which he or she on reasonable grounds suspects that liquor is being sold contrary to the provisions of this by-law of the Act; and make such investigation, enquiries or inspections as he or she may deem necessary.
- (2) When entering premises in terms of this section, the authorized official must on request identify himself or herself to the person in charge of the premises.
- (3) An authorized official may issue and serve a notice of non-compliance, on the licensee or any person in control of licensed premises, calling upon such person to comply with the provisions of this by-law, a condition of the license or the Act within a specified but reasonable time.
- (4) A compliance notice must stipulate:-
 - (a) the provisions of the by-law, license condition or the Act that must be complied with;
 - (b) the act or omission constituting non-compliance;
 - (c) the measures which must be taken to comply;
 - (d) the date or time by which compliance must be achieved, where applicable;
 - (e) the possible consequences of non-compliance.
- (5) An authorized official may issue the licensee or any person in control of licensed premises with a fine as provided in the fines list of this by-law or the Act.

9. APPEAL

A person or judicial entity whose rights are affected by a decision of the Municipality in terms of delegated authority may appeal that decision by giving written notice of the appeal and the reasons therefore in terms of section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) to the Municipal Manager within 21 days of the date of notification of the decision.

10 OFFENCE AND PENALTIES

A licensee who contravenes or fails to comply with any-

- (1) Provision of this by-law;
- (2) Condition or instruction in connection with this by law; or
- (3) Notice from an authorized official,

shall be guilty of an offence and is liable to pay a fine as determined by the Magistrate's Court or authorised accordingly in the fine list from time to time, by the Magistrate in the area, or the fine list in terms of the Act, whichever is applicable at the time concerned, or to imprisonment as determined by a Court, or both, or any other punishment which the Court may find appropriate in the circumstances.

11 TRANSITIONAL PROVISIONS

The trading hours in respect of any license for premises upon which liquor may be sold for consumption either on or off the licensed premises, or both on and off licensed premises, issued prior to the commencement of this by-law will be replaced by the provisions of this by-law from the date of publication of this by-law.

12 SHORT TITLE

This by-law is called the "Stellenbosch Liquor Trading Hours By-Law" and shall come into operation as soon as it is published in the Provincial Gazette.

SCHEDULE

Trading hours for selling liquor on licensed premises is according to the certificate provided for in 4(1)(a)(i) and (ii) are:

LOCATION CATEGORY & LICENSED PREMISES TYPE	MAXIMUM PERMITTED TRADING HOURS
1 RESIDENTIAL AREA	
(a) Guest accommodation establishment/Guest house.	11h00 to 24h00
(b) Business premises/Specific business.	
(c) Place of entertainment/Place of recreation/Gathering place.	
(d) Sports and Community club excluding special events requiring temporary licenses.	
(e) Hotel	

2. LOCAL OR NEIGHBOURHOOD BUSINESS	
(a) Guest house/Guest accommodation establishment/Guest house (b) Business premises/Specific business, / Gathering place. (c) Place of entertainment/Place of recreation.	11h00 to 24h00
(d) Sports and community club excluding special events requiring temporary licences.	
(e) Hotel	
3. GENERAL BUSINESS AREA	
(a) General business area including mixed use areas. (b) Guest house/Guest accommodation establishment.	10h00 to 2h00 the following day
(c) Business premises/Specific business	
(d) Place of entertainment/Place of recreation/Gathering places.	
(e) Sports and community club excluding special events requiring temporary licences.	
(f) Hotel	
4. INDUSTRIAL AREA	
(a) Industrial area including mixed use area	10h00 to 2h00 the following day
(b) Business premises/ Specific business	

Note : Determine of application of applicable location category

Where the location category as set out above is unclear or in dispute or difficult to determine or areas are not zoned homogenously (e.g. a business zoned premises in the middle of a residential area) then the actual zoning, consent use or departure rights of the subject licensed premises will take precedence in order to determine the category, and in terms of Section 6(1)(a)(i) above.

Stellenbosch Municipality

STELLENBOSCH MUNICIPALITY LIQOUR TRADING HOURS BY-LAW 2017**ADMISSION OF GUILT FINES**

The following Admission of Guilt fines for the enforcement of the Stellenbosch Municipality Liquor Trading Hours By-law 2017 are approved in terms of Section 57(5)(a) and 341(5) of the Criminal Procedure Act 51 of 1977 for the magisterial district of Stellenbosch.

SECTION	OFFENCE	FINE
Section 3 read with section 8(1).	Selling liquor outside of permitted hours.	R5 000.00
Section 6(1)(a) read with section 8(1).	Failing to display liquor license.	R500
Section 6(1)(b) read with section 8(1).	Failing to display the current renewal certificate alternatively proof of payment of renewal fee for current year.	R500
Section 6(1)(c) read with section 8(1).	Failing to display the certificate issued by the Municipality stating the zoning or land use in respect of the licensed premises.	R500
Section 6(1)(d) read with section 8(1).	Failing to display the business license and/or certificate issued by the Municipality to the licensee.	R500
Section 6(2)(a) read with section 8(1).	Failing to display the liquor license number under which liquor may be sold.	R500

Section 6(2)(b) read with section 8(1).	Failing to display the hours during which liquor may be sold.	R500
Section 7(2).	Hindering an authorised official in the execution of his or her duties.	R1500

I hereby certify that the admission of guilt fines listed above as submitted by the Municipality of Stellenbosch have been approved by me in terms of section 57(5)(a) and 341(5) of the Criminal Procedure Act, 51 of 1877, for the magisterial district of Stellenbosch. This determination replaces any previous determination for the said magisterial district.

Magistrate

ANNEXURE 2



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

5-9-19

NOTICE NO. 74/2019 OF THE ADVERTISEMENT FOR THE DRAFT STELLENBOSCH INFORMAL TRADING POLICY

Council considered the following policy during its 30th Council Meeting,
dated the 28 of August 2019:

DRAFT STELLENBOSCH INFORMAL TRADING POLICY

Notice is hereby given that the above-mentioned policy has been made
available to the public for perusal and/or comment at the following venues:

- Municipal Office, Plein Street, Stellenbosch
- Municipal Office, Hugenote Road, Franschhoek
- Municipal Office, Main Road, Pniel
- Ward Offices
- Library, Plein Street, Stellenbosch
- Library, Jamestown, Stellenbosch
- Library, Sonnebloem Street, Idas Valley, Stellenbosch
- Library, Vredelust Street, Cloeteville, Stellenbosch
- Library, Masithandane Street, Kayamandi, Stellenbosch
- Library, Main Road, Pniel
- Library, Stiebeul Street, Groendal, Franschhoek
- Library, Reservoir Street-West, Franschhoek

**Downloadable copies of the documents are available on the
Municipal's official website at www.stellenbosch.gov.za.**

Any person wishing to comment on the above-mentioned policy, must do
so in writing to the below mentioned address on or before the 08 October
2019, at 16h00.

Any person who cannot write may come during office hours to Mr
Widmark Moses, Manager: Local Economic Development, who will assist
that person to transcribe his/her comments or representations at: 58
Andringa Street, Stellenbosch,

All correspondence should be address to:

The Office of the Municipal Manager, PO Box 17, Third Floor, Main
Building, Plein Street, STELLENBOSCH, 7600.

**THE MUNICIPAL MANAGER
05 SEPTEMBER 2019**



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK
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5-9-20

NOTICE NO. 75/2019 OF THE ADVERTISEMENT FOR REVIEWED STELLENBOSCH LIQUOR TRADING HOURS BY-LAW

Council considered the following policy during its 30th Council
Meeting, dated the 28 of August 2019:

REVIEWED STELLENBOSCH LIQUOR TRADING HOURS BY-LAW

Notice is hereby given that the above-mentioned policy has been made
available to the public for perusal and/or comment at the following venues:

- Municipal Office, Plein Street, Stellenbosch
- Municipal Office, Hugenote Road, Franschhoek
- Municipal Office, Main Road, Pniel
- Ward Offices
- Library, Plein Street, Stellenbosch
- Library, Jamestown, Stellenbosch
- Library, Sonnebloem Street, Idas Valley, Stellenbosch
- Library, Vredelust Street, Cloeteville, Stellenbosch
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- Library, Main Road, Pniel
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**Downloadable copies of the documents are available on the
Municipal's official website at www.stellenbosch.gov.za.**

Any person wishing to comment on the above-mentioned policy, must do so
in writing to the below mentioned address on or before the 08 October 2019,
at 16h00.

Any person who cannot write may come during office hours to Mr Widmark
Moses, Manager: Local Economic Development, who will assist that person
to transcribe his/her comments or representations at: 58 Andringa Street,
Stellenbosch,

All correspondence should be addressed to:

The Office of the Municipal Manager, PO Box 17, Third Floor, Main Building,
Plein Street, STELLENBOSCH, 7600.

**THE MUNICIPAL MANAGER
05 SEPTEMBER 2019**

8.3	MUNICIPAL SOLIDARITY FUND TOWARDS THE CURBING OF THE SPREAD AND IMPACT OF COVID-19
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

27 May 2020

1. SUBJECT: MUNICIPAL SOLIDARITY FUND TOWARDS THE CURBING OF THE SPREAD AND IMPACT OF COVID-19**2. PURPOSE OF REPORT**

To inform Council of the SALGA Circular received on the Municipal Solidarity Fund towards the curbing of the spread and the impact of COVID-19. Council to consider the proposals contained in the circular.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

The President of the Republic, His Excellency President Cyril Ramaphosa, announced the establishment of a national Solidarity Fund on 23 March 2020 to unite the nation in its response to the COVID-19 crisis. As a direct contribution from local government, SALGA proposed that municipalities consider the creation of a Municipal Solidarity Fund. This fund is envisaged to be used as a platform to mobilize and coordinate financial and in-kind contributions from councillors, municipal officials, stakeholders, civil society, as well as the general public, to contribute to a consolidated effort at a local municipal level.

5. RECOMMENDATION

FOR CONSIDERATION

6. DISCUSSION / CONTENT**6.1 Background**

Following the President's announcement on 9 April 2020 that members of the Cabinet and Deputy Ministers will each take a one-third salary cut for the next three (3) months as a contribution towards the Solidarity Fund, a number of public representatives and executives of large companies have responded to the President's call by similarly pledging salary contributions to the Fund.

The SALGA National Executive Committee (NEC) meeting of 10 April 2020 considered whether local government as a sector, should also respond to the President's call.

Given the above, it was acknowledged that councillors are the least paid public office bearers which is evident by the huge salary gap between local and both provincial and national public office bearers.

Subsequently, requests were made to municipalities by either political parties or professional bodies for deductions to be effected from their respective members. It

should be noted that in terms of Section 34 (1) of the Basic Conditions of Employment Act, deductions by the municipality from an employee's remuneration without the employee's consent is prohibited. Therefore, for any deductions to be made, the municipality must secure the necessary consent from each employee, similarly to that of councillors. Contributions to the fund is voluntary.

6.2 Discussion

The Municipal Solidarity Fund is required to mobilize and coordinate financial and in-kind contributions from councillors, municipal officials, stakeholders, civil society, as well as the general public. Funds are raised and other in-kind contributions to both ameliorate the COVID-19 pandemic and the social consequences of the pandemic.

The focus areas are to be a rapid response vehicle through which pooled contributions can be deployed to immediately fund high-impact initiatives such as social development, combatting homelessness, food security, informal traders, safe havens and unemployment.

The Fund must be governed by an independent board of directors that brings diverse views and perspectives to the work of the Fund i.e. the Executive Mayor/Mayor of the Municipality who serves as the Chairperson, two (2) councillors, two (2) representatives from organized labour, two (2) representatives from the local civic movement, the Chairperson of the Municipality's Audit Committee, one (1) representative from the Local Business Chamber or his/her nominee, one (1) representative from the Local Religious Leaders, one (1) representative from the Local Traditional Leadership.

Furthermore, the Municipal Manager must establish a team to provide administrative support to the Board of the Fund.

The Fund will be independently audited by the Auditor-General of South Africa and should be committed to complete transparency. All donations and payments from the Fund is made public and must be shared with the public on an on-going basis.

Contributions made should be used at a municipal level, linked to a COVID-19 programme targeting the vulnerable in the community and to immediately fund high-impact initiatives such as improving the well-being of targeted communities, combatting homelessness; food security and assistance to informal traders; safe havens and the unemployed and job-seeking young people.

6.3 Financial Implications

Funds donated can be ring-fenced in terms of Section 12(2) of the MFMA for the specific used of COVID-19 response.

6.4 Legal Implications

Contributions must be voluntary as no person can be forced to donate money.

6.5 Staff Implications

Staff and councillors will have to decide individually what their response will be regarding donations and provide a written request to deduct money from salary and pay over to a fund.

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

Extraordinary circumstances which require extraordinary actions and responses at a local level to collectively curb the spread of COVID-19 and ensure the safety of our communities.

6.8 Comments from Senior Management

None required

RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-05-22: ITEM 7.10.1

that the matter be forwarded to the full Council for consideration.

Appendix 1: Terms of Reference of the Municipal Solidarity Fund

Appendix 2: Circular Solidarity Fund 14 April 2020

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	municipal.manager@stellenbosch.gov.za
REPORT DATE	11 May 2020

THE AGENDA HAS BEEN DISCUSSED WITH THE SPEAKER, CLLR N JINDELA, AND HE AGREES WITH THE CONTENT.

APPENDIX 1

MUNICIPAL SOLIDARITY FUND

APRIL 2020

1. OVERVIEW OF THE MUNICIPAL SOLIDARITY FUND

- 1.1 The President of the Republic, His Excellency President Cyril Ramaphosa announced the establishment of a national Solidarity Fund on 23 March 2020 to unite the nation in its response to the COVID-19 crisis. As a direct contribution from local government, a Municipal Solidarity Fund (herein after referred to as the Fund) is created as a platform for all councillors, municipal officials, stakeholders, civil society, as well as the general public, to contribute to a consolidated effort at a local municipal level.
- 1.2 The Fund is a rapid response vehicle designed to fund impactful municipal initiatives that will augment the national response, contribute to a national humanitarian effort and mobilise local communities to act to stop the virus and support their compatriots.
- 1.3 While it will work closely with the Municipality, it is separate and independent from the municipality. It is the custodian of money donated by Councillors, municipal officials and stakeholders, civil society and the general public and it is accountable to them.
- 1.4 The Fund is independently administered and transparently governed. It aims to ensure that all contributions are responsibly administered and disbursed to have the greatest possible impact in combatting the COVID-19 pandemic and other future municipal support initiatives and ameliorating its effects.

2. MANDATE OF THE MUNICIPAL SOLIDARITY FUND

- 2.1 The Fund is required to mobilise and coordinate financial and in-kind contributions from councillors, municipal officials, stakeholders, civil society, as well as the general public.
- 2.2 The Fund is required to use funds raised and other in-kind contributions to both ameliorate the COVID-19 pandemic and the social consequences of the pandemic.
- 2.3 The Fund is required to bring the local community of the Municipality together to play their part in combatting COVID-19 and any other municipal support initiatives.
- 2.4 The Funds' guiding principles are:
 - 2.4.1 Target interventions that are catalytic and complement, enhance or augment those provided by the State at a local municipal level.
 - 2.4.2 Gap funding that accelerates the delivery of critical interventions.
 - 2.4.3 Interventions that will support the most vulnerable citizens.

3. FOCUS AREAS OF THE MUNICIPAL SOLIDARITY FUND

- 3.1 The Fund will be a rapid response vehicle through which pooled contributions can be deployed to immediately fund high-impact initiatives in the following key focus areas:
- 3.1.1 **Social development:** Improving the well-being of targeted communities affected by the COVID-19 pandemic so that they can move forward on their path to self-sufficiency.
 - 3.1.2 **Combating Homelessness:** A community driven response to ending family and youth Homelessness.
 - 3.1.3 **Food Security:** Ensure that communities affected by COVID-19 have physical, social, and economic access to sufficient, safe, and nutritious food and addressing dietary needs for an active and healthy life.
 - 3.1.4 **Informal Traders:** Support interventions for informal traders.
 - 3.1.5 **Safe Havens:** Support to institutions taking care of abused women and children.
 - 3.1.6 **Unemployment:** Assistance to the unemployed and job seeking young people.

4. GOVERNANCE

- 4.1 The Fund is governed by a strong, independent board of directors that brings diverse views and perspectives to the work of the Fund.
- 4.2 The Board will include representation as follows:-
- 4.2.1 The Executive Mayor/Mayor of the Municipality (Chairperson);
 - 4.2.2 Two (2) Councillors from the Municipality;
 - 4.2.3 Two (2) representatives from Organised Labour;
 - 4.2.4 Two (2) representatives from the local civic movement;
 - 4.2.5 The Chairperson of the Municipality Audit Committee;
 - 4.2.6 One (1) representative from the Local Business Chamber or his/her nominee;
 - 4.2.7 One (1) representative from the Local Religious Leaders;
 - 4.2.8 One (1) representative from the Local Traditional Leadership;
- 4.3 The Municipal Manager will establish a team to provide administrative support to the Board of the Fund.
- 4.4 The board will operate with high standards of corporate governance and established relevant sub-committees, with membership of no more than five (5) members from different stakeholders, which may include:
- 4.4.1 A Disbursements Committee to interrogate all disbursement proposals;
 - 4.4.2 An Audit and Risk Committee;
 - 4.4.3 A Fundraising Committee which will drive the Fund's fundraising efforts and ensures appropriate processes are in place to safeguard the highest levels of accountability to funders and donors.
- 4.5 The Fund will open a separate and independent bank account;
- 4.6 The Fund will develop a governance framework that will guide the allocation and spending of all funds.

5. REPORTING

- 5.1 The Fund will be independently audited by the Auditor General of South Africa.
- 5.2 The Fund is committed to complete transparency. The Fund will report and make public all donations and all payments from the Fund and share these with the public on an ongoing basis.

APPENDIX 2

CIRCULAR 16 / 2020

FROM : CHIEF EXECUTIVE OFFICER

**TO : EXECUTIVE MAYORS / MAYORS
SALGA PROVINCIAL CHAIRPERSONS
SALGA NATIONAL EXECUTIVE COMMITTEE
CITY/MUNICIPAL MANAGERS**

DATE : 26 APRIL 2020

**SOLIDARITY PLEDGES TO CONTRIBUTE TOWARDS THE CURBING OF THE SPREAD OF
AND IMPACT OF COVID-19**

The President of the Republic, His Excellency Cyril Ramaphosa announced the establishment of a Solidarity Fund on 23 March 2020 to unite the nation in our response to the COVID-19 crisis. The Solidarity Fund has created a platform for all South Africans, from the public and private sectors, civil society, as well as the general public, to contribute to one consolidated effort.

Following the President's announcement on 9 April 2020 that members of the Cabinet and Deputy Ministers will each take a one-third salary cut for the next three (3) months as a contribution towards the Solidarity Fund; a number of public representatives and executives of large companies have responded to the President's call by similarly pledging salary contributions to the Fund.

The SALGA National Executive Committee (NEC) meeting of 10 April 2020, considered whether local government as a sector, should also respond to the President's call and if so, how? During the discussions, the SALGA NEC noted the following:-

- Acknowledgement that Councillors are the least paid public office bearers which is evidenced by the huge salary gap between local and both provincial and national public office bearers;
- Both Councillors and Senior Managers are yet to receive their annual increase for the 2019/20 financial year

which is to be back dated to 1 July 2019; and

- As a commitment and good will it is necessary for local government to respond as a collective to the President's call.

SALGA NEC RESOLUTIONS pertaining to COVID-19

As such the SALGA NEC resolved to recommend that:-

1. Councillors, municipal officials and SALGA Staff should respond to the President's Call;
2. Councillors should pledge to contribute the 4% annual increment for the months of April, May & June 2020;
3. Senior Managers of municipalities and SALGA staff should pledge their annual increment for the months of April, May & June 2020;
4. the South African Local Government Bargaining Council should be approached to recommend that municipal bargaining staff make a similar contribution over the next three (3) months;
5. Every municipality considers establishing a Municipal Solidarity Fund Linked to COVID-19 and other related future municipal support initiatives;
6. All pledges/contributions should be paid into the Municipal Solidarity Fund;
7. The contributions from Councillors and municipal officials should constitute seed funding for the Municipal Solidarity Fund to encourage other stakeholders and role players within the municipal area to contribute;
8. All contributions so made should be used at a municipal level, linked to a COVID-19 programme targeting the vulnerable in the community and to immediately fund high-impact initiatives such as improving the well-being of targeted communities, Combatting Homelessness; Food Security and assistance to informal traders; Safe Havens and the unemployed and job seeking young people.

Informed by the aforementioned SALGA NEC resolutions, we are therefore calling on municipalities to positively consider the recommendations. Kindly note that with regard to resolution 4 above, we are consulting with SAMWU and IMATU and will provide an update upon conclusion thereof. For the benefit of providing clarity and certainty on the Municipal Solidarity Funds to be so established, we attach hereto a draft framework for establishing Municipal Solidarity Funds with generic terms of reference.

Proposed Processing of the Solidarity Fund Contributions

Within the context of the current national lockdown due to the COVID-19 pandemic, municipalities are reminded that physical meetings of Council are suspended until after the lockdown. It therefore requires municipalities, in

considering this matter in addition to the Upper Limits Notices for Councillors and Senior Managers, to consider convening virtual meetings of Council. If this is not feasible, municipalities may consider any other measure prescribed in the Rules of Council, including round robin, where provided for.

Proposed Council Resolutions

In so doing, and to provide guidance to municipalities, Municipal Councils should consider the following proposed resolutions:-

1. THAT Councillors and municipal officials should respond to the President's Call;
2. APPROVE that Councillors pledge to contribute the 4% annual increment for the months of April, May & June 2020;
3. RECOMMEND that Senior Managers, which includes the Municipal Manager and Managers directly reporting to the Municipal Manager, should pledge their annual increment for the months of April, May & June 2020;
4. APPROVE the establishment of a Municipal Solidarity Fund linked to COVID-19 and other related future municipal support initiatives;
5. APPROVE the terms of reference for the establishment of the Municipal Solidarity Fund;
6. APPROVE that all pledges/contributions should be paid into the Municipal Solidarity Fund;
7. APPROVE that the contributions from Councillors and municipal officials will constitute seed funding for the Municipal Solidarity Fund; and
8. APPROVE that the seed funding may be used to encourage other stakeholders and role players within the municipal area to similarly contribute towards the Municipal Solidarity Fund.

Our attention has also been drawn to requests made to municipalities by either political parties or professional bodies for deductions to be effected from their respective members. We would in this regard remind municipalities that in terms of Section 34 (1) of the Basic Conditions of Employment Act, deductions from an employee's remuneration **without the employee's consent is prohibited**. Therefore, for any deductions to be made, municipalities would have to secure the **necessary consent from each employee, similarly that of councillors**.

Once again, mindful that we are dealing with extraordinary circumstances, which require extraordinary action and responses at a local level, SALGA is calling on all councillors and municipal officials to contribute towards this fight against COVID-19. It is only through these means that we can collectively defeat this pandemic and ensure the safety of our communities.

To support your endeavours, we will also make available our SALGA support expertise, including IT related support for

virtual meetings, and any queries may be directed to Mr Lance Joel at SALGA National Office per email ljoel@salga.org.za or cell: 0829083335.

Yours faithfully,

XOLILE GEORGE
CHIEF EXECUTIVE OFFICER