

6. **THAT** the fees for water supply as published in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, approves and adopts with effect from 1 July 2017 as follows:

6.1 That the fees for water supply as per paragraphs 6.2.1 and 6.2.7 below be subjected to Value Added Tax at standard rate.

6.2 By replacing the present tariffs by the following tariff structure:

6.2.1 All residential, single flats, church sites and residential units in group housing complexes:

(a) Where working meters were installed for metered purified water consumptions per month:

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R 8,35 per kl
Above ten (10) to forty (40) kiloliters	R11,25 per kl
Above forty (40) kiloliters	R11,97 per kl

(b) Erven without working water meters which are developed and occupied:

A monthly fixed levy of R86,50 per erf per month

(c) Water leak adjustment tariff R8,35

6.2.2 All undeveloped erven with access to the reticulation network

An availability levy of R49,00 per month

6.2.3 All businesses and industries, school and school hostel sites (including nursery schools and day schools)

All monthly metered consumption of purified water at R8,89 per kilolitre.

6.2.4 Supply of raw water in all cases

Per metered monthly consumption at R8,50 per kilolitre

6.2.5 Purified water outside Council's distribution areas

According to monthly metered consumption at R12,13 per kilolitre

6.2.6 That the levy for purified effluent be determined at R2,37 cent per kilolitre

## 6.2.7 Water restriction tariffs

## Level 1 restriction (water source below 60%)

## (a) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R 8,35 per kl
Above ten (10) to forty (40) kiloliters	R14,62 per kl
Above forty (40) kiloliters	R15,56 per kl

## (b) Business and industries, school and school hostel sites (including schools and day schools)

All monthly metered consumption of purified water at R11,56 per kilolitre

## Level 2 restriction (water source below 40%)

## (a) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R 8,35 per kl
Above ten (10) to forty (40) kiloliters	R18,00 per kl

Above forty (40) kiloliters R19,15 per kl

## (b) Business and industries, school and school hostel sites (including schools and day schools)

All monthly metered consumption of purified water at R14,22 per kilolitre

## Level 3 restriction (water source below 20%)

## (a) Residential

For the first six (6) kiloliters	Free
Above six (6) to ten (10) kiloliters	R 8,35 per kl
Above ten (10) to forty (40) kiloliters	R22,50 per kl
Above forty (40) kiloliters	R23,94 per kl

## (b) Business and industries, school and school hostel sites (including schools and day schools)

All monthly metered consumption of purified water at R17,78 per kilolitre

## 6.2.8 That the departmental levy for purified water be determined at R3,35 per kiloliter

6.3 That for all indigent residential households enlisted under the Council's indigent support and free basic services scheme an additional four (4) kiloliters besides the first six (6) kiloliters of monthly consumption to a total of 10 kiloliters of monthly consumption be supplied free of charge and the total cost of the consumption between six (6) and up to ten (10) kiloliters be recovered from the proportional equitable share payable to Council by the South African National Treasury.

7. **THAT** the electricity tariffs for the 2017/2018 financial year be approved in terms of the stipulations of Section 75A of the Local Government Municipal Systems Act, of 2000, approves and adopts with effect from 1 July 2017 as follows:

7.1 That the fees levied for electricity as per paragraphs 7.1.1 to 7.1.9 and paragraphs 7.1.11 to 7.1.14 below be subjected to Value Added Tax at the standard rate.

## **ELECTRICITY**

### **7.1.1 Domestic residential indigent consumers**

These tariffs are applicable to all residential indigent consumers with an ampere capacity limited to 20A per phase.

	(7,640%) <b>PRESENT</b> 2016/2017	(1,88%) <b>PROPOSED</b> 2017/2018
	c/kWh	c/kWh
(i) Energy charge (kWh)	0,00	0,00
(ii) Block 1 – 50 kWh	86,35	87,97
(iii) Block 51 – 350 kWh	111,85	113,95

Free basic electricity to a maximum of 50 kWh per month applies to registered indigent consumers.

Where more than 350 kWh is consumed during a month, the same tariff will be applied as for other domestic residential consumers.

### **7.1.2 Domestic residential consumers**

These tariffs are available to all residential consumers with a single or three phase connection with an ampere capacity of up to 80A per phase. This tariff consists out of a fixed and energy charge. The tariff is based on the inclining block principle, that is, the more units used, the higher the rate becomes.

	<b>PRESENT</b> 2016/2017	<b>PROPOSED</b> 2017/2018
	R	R
A fixed charge whether electricity is consumed or not, per month or part thereof per point of supply. The amount is charged once per month.		
(i) Single phase	58,00	59,00
(ii) Three phase	77,50	80,00

	c/kWh	c/kWh
Energy charge		
(i) Block 1 – 50 kWh	87,91	89,56
(ii) Block 51 – 350 kWh	119,16	121,40
(iii) Block 351 – 600 kWh	147,14	149,91
(iv) Block > 600 kWh	165,63	168,74

### 7.1.3 Domestic residential consumers (lifeline)

This is a new tariff structure and is available to all residential consumers with a single or three phase connection with an ampere capacity of up to 40A per phase with no fixed charge. This tariff consists only out of an energy charge and will suite low to medium consumption residential consumers. The tariff is based on the inclining principle, that is, the more units used, the higher the rate becomes.

	PRESENT 2016/2017	PROPOSED 2017/2018
	c/kWh	c/kWh
(i) Block 1 – 50 kWh	97,65	99,49
(ii) Block 51 – 350 kWh	134,72	137,25
(iii) Block 351 – 600 kWh	150,59	153,42
(iv) Block > 600 kWh	167,08	170,22

### 7.1.4 Business, industrial & general consumers

These tariffs are applicable to all business, industrial and general consumers with a single and/or three phase connection with a capacity of up to 80A per phase.

	PRESENT 2016/2017	PROPOSED 2017/2018
	R	R
A capacity charge whether electricity is consumed or not, per ampere of supply capacity, per month, per point of supply or part thereof		
(i) Single phase	16,15	16,45
(ii) Three phase	48,45	49,40
	c/kWh	c/kWh
Energy charge	104,93	106,90

### 7.1.5 Business lifeline consumers

These tariffs are applicable to all business lifeline consumers with a single phase connection with a capacity of up to 40A per phase. This tariff has no capacity charge.

	PRESENT 2016/2017	PROPOSED 2017/2018
	c/kWh	c/kWh

Energy charge kWh	154,89	157,80
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#### 7.1.6 Bulk consumers - low voltage three phase demand scale (Time of Use)

These tariffs are applicable to all bulk consumers metered at low voltage with an annual average metered load with a capacity higher than 80A per phase.

	PRESENT 2016/2017	PROPOSED 2017/2018
	R	R
A fixed charge, whether electricity is consumed or not per point of supply (meter point)	1 881,00	1 917,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	45,08	45,93
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	23,68	24,13
	c/kWh	c/kWh
An active energy charge for all kWh consumers (kWh)		
(i) High demand season (June, July, August)		
Peak	341,38	347,80
Standard	130,60	133,05
Off-peak	69,80	71,11
(ii) Low demand season (September to May)		
Peak	143,84	146,54
Standard	88,21	89,87
Off-peak	61,73	62,89
Reactive energy charge (kVA)		
High demand season (June – August)	21,60	22,00

#### 7.1.7 Bulk consumers – 11 000 Volt three phase demand scale (Time of Use)

These tariffs are applicable to all bulk consumers metered at medium voltage where electricity is supplied at 11 000 V.

	PRESENT 2016/2017	PROPOSED 2017/2018
	R	R
A fixed charge whether electricity is consumed or not, per point of supply (meter point)	3 139,00	3 198,00
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	42,96	43,77
A network access charge per kVA of half hourly maximum demand payable in peak and standard	22,60	23,02

periods on weekdays and Saturdays

	c/kWh	c/kWh
An active energy charge for all consumers (kWh)		
(i) High demand season (June, July, August)		
Peak	304,62	310,35
Standard	121,61	123,90
Off-peak	65,07	66,29
(ii) Low demand season (September to May)		
Peak	134,28	136,80
Standard	82,86	84,42
Off-peak	57,62	58,70
Reactive energy charge (kVA)		
High demand season (June – August)	20,58	20,97

#### 7.1.8 Other bulk consumers

This tariff is only available to specific consumers as approved by Council resolution due to special circumstances. The following charges will be payable:

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kWh peak	-	equal to Eskom megaflex tariff structure plus 10%
kWh standard	-	equal to Eskom megaflex tariff structure plus 10%
kWh off-peak	-	equal to Eskom megaflex tariff structure plus 3%
kVA r h	-	equal to Eskom megaflex tariff structure

#### 7.1.9 Street light and traffic light consumption

	PRESENT 2016/2017	PROPOSED 2017/2018
	c/kWh	c/kWh
Energy charge kWh	147,41	150,18
Illuminated advertisement signs	92,00	93,73

#### 7.1.10 Departmental levies & sport clubs

This tariff is applicable to all municipal buildings, levies and sport clubs. Where time of use meters are installed the applicable tariffs as per the time of use categories as determined will apply.

	PRESENT 2016/2017	PROPOSED 2017/2018
	c/kWh	c/kWh
Energy charge kWh	147,41	150,18

#### 7.1.11 Other charges

This tariff is applicable to all undeveloped erven with access to the reticulation network.

PRESENT 2016/2017	PROPOSED 2017/2018
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	R	R
A fixed charge per month or part thereof	111,00	113,00

**7.1.12 Schools & welfare organizations - low voltage three phase demand scale (Time of Use)**

This is a new tariff structure and applicable to schools and welfare organizations metered at low voltage with an annual average metered load with a capacity higher than 80A per phase.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure.

	PRESENT 2016/2017	PROPOSED 2017/2018
	R	R
A fixed charge, whether electricity is consumed or not per point of supply (meter point)	1 410,62	1 437,14
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	33,82	34,46
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	17,81	18,14
	<b>c/kWh</b>	<b>c/kWh</b>
An active energy charge for all kWh consumers (kWh)		
(i) High demand season (June, July, August)		
Peak	256,02	260,83
Standard	97,88	99,72
Off-peak	52,37	53,35
(ii) Low demand season (September to May)		
Peak	107,88	109,91
Standard	66,14	67,38
Off-peak	46,29	47,16
Reactive energy charge (kVA)		
High demand season (June – August)	16,20	16,50

**7.1.13 Schools & welfare organizations – 11 000 Volt three phase demand scale (Time of Use)**

This is a new tariff structure and applicable to schools and welfare organizations metered at medium voltage where electricity is supplied at 11 000 V.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure.

PRESENT 2016/2017	PROPOSED 2017/2018
R	R

A fixed charge whether electricity is consumed or not, per point of supply (meter point)	2 386,00	2 431,00
	<b>c/kWh</b>	<b>c/kWh</b>
A demand charge per kVA of half hourly maximum demand payable in peak and standard periods on week days and Saturdays	32,65	33,26
A network access charge per kVA of half hourly maximum demand payable in peak and standard periods on weekdays and Saturdays	17,17	17,49
An active energy charge for all consumers (kWh)		
(i) High demand season (June, July, August)		
Peak	231,51	235,86
Standard	92,44	94,18
Off-peak	45,93	50,37
(ii) Low demand season (September to May)		
Peak	102,04	103,96
Standard	62,59	63,77
Off-peak	43,79	44,61
Reactive energy charge (kVA)		
High demand season (June – August)	15,18	15,46

#### 7.1.14 Schools & welfare organizations

This is a new tariff structure and applicable to all schools and welfare organizations with a single and/or three phase connection with a capacity of up to 80A per phase.

Schools and welfare organizations must meet the criteria as per the rates policy to qualify for this tariff structure. This tariff has no capacity charge.

	<b>PRESENT 2016/2017</b>	<b>PROPOSED 2017/2018</b>
	<b>c/kWh</b>	<b>c/kWh</b>
Energy charge kWh	116,63	118,82

#### Note:

For the purpose of time of use tariffs the defined daily time of use period throughout the year are:

#### Peak hours:

- |       |           |                                |
|-------|-----------|--------------------------------|
| (i)   | Weekdays  | 07:01 – 10:00<br>18:01 – 20:00 |
| (ii)  | Saturdays | None                           |
| (iii) | Sundays   | None                           |

#### Standard hours:

- |     |          |                                |
|-----|----------|--------------------------------|
| (i) | Weekdays | 06:01 – 07:00<br>10:01 – 18:00 |
|-----|----------|--------------------------------|



(ii)	Saturdays	07:01 – 12:00 18:01 – 20:00
(iii)	Sundays	None

Off-peak hours:

(i)	Weekdays	22:01 – 06:00
(ii)	Saturdays	12:01 – 18:00 20:01 – 07:00
(iii)	Sundays	00:00 – 24:00

The Director: Electrical Engineering Services may impose a specific minimum load requirement for qualification for time of use tariff scales.

8. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, the adjusted sundry tariffs, Value Added Tax inclusive, under Schedule 2 be approved and adopted for implementation with effect from 1 July 2017.
9. **THAT** a rate of R160,00 per day be approved for temporary workers limited to a maximum of three (3) months, unless otherwise specified in the personnel budget and/or human resources policies.
10. **THAT** the new personnel posts and the abolishment of posts as reflected under Schedule 3 be approved to be implemented with effect from 1 July 2017.
11. **THAT** the cost containment measures as contained under Schedule 4 be approved to be implemented for the 2017/2018 financial year.
12. **THAT** the following budget-related policies as amended be approved and adopted for implementation from 1 July 2017:
  - 12.1 Budget policy.
  - 12.2 Credit control and debt collection policy.
  - 12.3 Free basic services and indigent support policy.
  - 12.4 Investment and surplus funds policy.
  - 12.5 Methodology – impairment of receivables policy.
  - 12.6 Pay day policy.
  - 12.7 Petty cash policy.
  - 12.8 Property rates policy.
  - 12.9 Travelling and subsistence policy.
  - 12.10 Write-off debtor's policy

13. **THAT** the following unchanged budget-related policies be noted and be approved and adopted for implementation from 1 July 2017:
  - 13.1 Asset management policy.
  - 13.2 Blacklisting policy.
  - 13.3 Borrowing policy.
  - 13.4 Funding and reserves policy.
  - 13.5 Methodology – classification and treatment of land policy.
  - 13.6 Methodology – impairment and assessment of useful lives of assets policy.
  - 13.7 Short term risks and liabilities policy.
  - 13.8 Tariff policy.
  - 13.9 Unclaimed monies policy.
14. **THAT** the measurable performance objectives for revenue from each source as per table A4 be approved and adopted for the 2017/2018 budget year.
15. **THAT** the Chief Financial Officer be authorized to move budget allocations within a “vote” as defined by the MFMA as a special delegation for the first year implementation of MSCOA as per the budget virement policy.
16. **THAT** the tabled budget in both printed and electronic formats be submitted to National and Provincial Treasury.
17. **THAT** the tabled budget be placed on the municipal website within five (5) working days from approval.
18. **THAT** the tabled budget and supporting documentation with Council resolution be made public in terms of Section 21(A) of the Municipal Systems Act, 32 of 2000 within ten (10) workings days after Council approval.

**SC50/05/2017**

**INSTITUTION: INTRODUCTION OF GOVERNANCE SUPPORT PROGRAMME (GSPII)**

12/3/3 (G)

**RECOMMENDATION BY THE EXECUTIVE MAYOR**

- 1 **THAT** the report by the Acting Municipal Manager on the partnership with the Governance Support Programme II, be noted.

- 2 **THAT** approval be granted to participate with the Governance Support Programme from 1 April 2017 to 31 March 2020 and that the Acting Municipal Manager be authorized to sign the Memorandum of Understanding.
- 3 **THAT** a word of appreciation be extended to the Office of the Premier about including Steve Tshwete Local Municipality in this programme.

**SC51/05/2017**

**FINANCES: SECTION 19: CAPITAL PROJECTS 2017/2018**

5/1/19 (G)

**RECOMMENDATION BY THE EXECUTIVE MAYOR**

- 1 **THAT** Council take note of the report by the Executive Director: Financial Services regarding the Section 19 Capital Projects for 2017/2018 financial year.
- 2 **THAT** in terms of Section 19(1) of the Municipal Finance Management Act, Act 56 of 2003, all capital expenditure on the annual budget be implemented with effect from 1 July 2017.
- 3 **THAT** it needs to be noted that the sources of funding once considered and made available from the still to be approved annual budget must not be committed for any other purpose than originally indicated.