



NDLAMBE LOCAL MUNICIPALITY

POLICY FOR BULK SERVICES CONTRIBUTIONS WATER- AND SANITATION SERVICES

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NDLAMBE BULK SERVICES CONTRIBUTIONS

WATER AND SANITATION SERVICES

1. PREAMBLE

The Municipality is entitled to levy contributions from developers for the provision of bulk services to them by virtue of Section 42 of the Cape Land Use Planning Ordinance, 1985 (Ordinance No 15 of 1985). This Ordinance will remain effective until replaced or substituted by new legislation in this regard.

The contributions will be levied when approving new developments or granting increased use rights for the impact the development or alterations will have on the infrastructure already provided or which must be provided in future by the Council.

2. DEFINITIONS

“bulk infrastructure” will include the infrastructure outside private property to which distribution networks (reticulation) can connect to have access to a municipal service. (e.g. mail pipe lines, reservoirs, purification plants, etc.)

“design standards” means the standard for the provision of a specific municipal service as revised from time to time and approved by the applicable Manager of the Municipality according to his/her delegated powers;

“development” means any new township, subdivision, division, consolidation, rezoning and consent uses granted on any erf or portion of land;

“peak demand” will be the highest estimated or registered demand during a continued period of 18 months or shorter period as determined by the Municipality;

“unit contribution” will mean a monetary amount determined by the Municipality in accordance to a study to redeem a capital amount used to provide bulk infrastructure for a specific municipal service or for an estimated amount for infrastructure still to be created in future to provide for increased demand.

3. OBJECTIVE

- 3.1 The objectives of the Bulk Services Contributions are to:
- 3.1.1 Ensure that an equitable portion of the funding cost to provide the existing bulk infrastructure or new bulk infrastructure that are currently being planned for implementation is recovered from property developers who will have access to such services as and when the services are utilised or required.
 - 3.1.2 Build up reasonable levels of capital to contribute to the construction of new infrastructure when usage of existing infrastructure approaches design capacity.
 - 3.1.3 Ensure the sustainable provision of high quality potable water and a sewer purification plant conforming to legislative requirements.
- 3.2 In this regard it is accepted that existing property owners already contributed (to a certain extent) to the capital cost of bulk infrastructure at the time of their respective developments in the past.

4. WATER SUPPLY SERVICE

- 4.1 The Bulk Services Contributions as determined in this document in respect of water supply is primarily dependent on the total cost of the Albany Regional Water Supply Scheme (“the **Albany Scheme**”) that is being planned by the municipality for implementation. It is recorded that:
- 4.1.1 Nearly 60% of the supply capacity provided under the Albany Scheme will be earmarked for future developments in the region;
 - 4.1.2 This capacity is based on a detailed forecast of housing growth that is projected for the area;
 - 4.1.3 The total commercial debt that will be utilised to fund Bulk Water Supply schemes will form the basis for calculation of the Unit Contribution in the formula mentioned in paragraph 4.4 of this policy;
 - 4.1.4 It is therefore fair and equitable that a corresponding amount of the commercial debt should be recovered as Bulk Services Contributions from such future developments;
 - 4.1.5 The demand peaks that exist during holiday periods are a key contributor to the cost of providing the requisite infrastructure;

- 4.2 For purposes of determination of an equitable contribution towards water bulk infrastructure, normal residential dwellings will be categorised into three different **dwelling types** according to their expected average monthly demand namely: (i) Low Capacity, (ii) Medium Capacity and (iii) High Capacity.
- 4.3 The water demand in the Ndlambe Local Municipality is characterised by extreme summer peaks caused by the holiday influx which in turn demands a higher than normal **capacity to** maintain an acceptable level of service. The calculation of Bulk Services Contributions will be based on the expected peak demand of a normal residential dwelling type which was determined in a comprehensive study to be as follows:

Dwelling Type	Expected average demand	Peak Demand for dwelling type	
	<i>Kl per month</i>	<i>As % of annual average</i>	<i>Kl per month</i>
Low Capacity	10	110%	11
Medium Capacity	20	130%	26
High Capacity	40	150%	60

- 4.4 The Bulk Services Contribution in respect of water supply for normal residential dwellings will be calculated according to the following formula:

Contribution = peak demand for dwelling type [kl per month] * unit contribution [R/kl] * inflation index

Where:

- i. Peak demand for dwelling type is as per the table above***
- ii. Unit contribution as determined from time to time (currently set at R800 per kilolitre)***
- iii. Inflation index is calculated from the figures for the Consumer Price Index as first published by Statistics South Africa from time to time for all items – metropolitan areas***

- 4.5 For purposes of classifying normal residential dwellings into the three different dwelling types the following rules will be applied:

- 4.5.1 Any dwelling with 1 or less toilets will be classified as Low Capacity;
 - 4.5.2 Any dwelling with more than 1 but less than 3 toilets will be classified as Medium Capacity;
 - 4.5.3 Any dwelling with 3 or more toilets will be classified as High Capacity;
 - 4.5.4 Classification of dwellings will be conducted by the Directorate: Technical Services when building plans are approved;
 - 4.5.5 Classification of dwellings will be confirmed when building inspections are conducted and will be confirmed on the final occupancy certificate issued;
 - 4.5.6 Classification of dwellings may not be used to avoid payment of Bulk Services Contributions or to reduce the aggregate amount payable;
 - 4.5.7 Where more than one residential dwelling and/or building is erected on a site, stand or erf, each such building or dwelling will be classified in terms of the above and will attract payment of the relevant Bulk Services Contributions with the proviso that a maximum of 1 outside toilet located in an out-building may be added to the number of toilets of the main building in order to classify the main building.
- 4.6 In the case of non-residential developments the following procedure to calculate the Bulk Services Contributions will apply:
- 4.6.1 The Directorate Infrastructural Services will calculate the average monthly demand of the development taking into consideration factors including (but not limited to) the following:
 - 4.6.1.1 The maximum flow characteristics of the planned connection;
 - 4.6.1.2 Benchmarking with other similar developments (in other municipalities) and by applying a suitable scale factor;
 - 4.6.1.3 Number of expected daily visitors;
 - 4.6.1.4 A contracted maximum consumption rate;
 - 4.6.2 The Directorate Infrastructural Services will estimate a peak factor for the development;
 - 4.6.3 The Bulk Services Contribution is then calculated as per 4.4.

5. SANITATION SERVICE

- 5.1 The Bulk Services Contributions as determined in this document in respect of sanitation services in Port Alfred is primarily dependent on the total cost of the upgrade and expansion of the Port Alfred Sewage Treatment Scheme that is being planned by the municipality for implementation. It is recorded that:
- 5.1.1 Nearly 50% of the supply capacity provided under the Port Alfred Sewage Treatment Scheme will be earmarked for future developments in the region;
- 5.1.2 This capacity is based on a detailed forecast of housing growth that is projected for the area;
- 5.1.3 The total commercial debt will be utilised to calculate the Unit Contribution as referred to in the formula mentioned in paragraph 5.4 of this policy;
- 5.1.4 It is therefore fair and equitable that a corresponding amount should be recovered as Bulk Services Contributions from such future developments;
- 5.1.5 The demand peaks that exist during holiday periods are a key contributor to the cost of providing the requisite infrastructure;
- 5.2 For purposes of determination of an equitable contribution towards sanitation infrastructure, the same categorisation of normal residential dwellings as outlined in 4.5 will be applied.
- 5.3 Studies and practical experience has indicated that the volumes of sewer outfall are closely related to water consumption. The apportionment factor is higher in cases with low water consumption and lower where the water consumption is high. The following factors will be recognised in the relation between water consumption and sewer outfall for the three normal residential dwelling types identified:

Dwelling Type	Expected peak water demand <i>Kl per month</i>	Peak sewage outfall for dwelling type	
		<i>Apportionment factor</i>	<i>Kl per month</i>
Low Capacity	11	80%	8.8
Medium Capacity	26	70%	18.2
High Capacity	60	60%	36.0

- 5.4 The Bulk Services Contribution in respect of sanitation for normal residential dwellings will be calculated according to the following formula:

Contribution = peak outflow for dwelling type [kl per month] * unit contribution [R/kl] * inflation index

Where:

- iv. Peak outflow for dwelling type is as per the table above***
- v. Unit contribution as determined from time to time (currently set at R650 per kilolitre)***
- vi. Inflation index is calculated from the figures for the Consumer Price Index as first published by Statistics South Africa from time to time for all items – metropolitan areas***

- 5.5 In the case of non-residential developments the following procedure to calculate the Bulk Services Contributions will apply:

5.5.1 The Directorate Infrastructural Services will calculate the apportionment factor between water consumption for the development as calculated in 4.6 and sewage outfall.

5.5.2 The Directorate Infrastructural Services will estimate the peak outfall flow for the development;

5.5.3 The Bulk Services Contribution is then calculated as per 5.4.

5.6 In the event that a dwelling or development is currently serviced through a septic tank or conservancy tank and the Ndlambe Local Municipality decides to upgrade the service to a fully fledged water borne sanitation scheme then:

5.6.1 Bulk Services Contributions in respect of sanitation as calculated in terms of this policy will be payable by the registered owner of each property so affected on the date that the new service becomes available as notified by the Ndlambe Local Municipality;

5.6.2 A standard credit of an amount determined by the Ndlambe Local Municipality in its sole discretion will be granted to each registered owner in recognition of the capital previously invested by the owner in respect of the septic tank infrastructure;

5.6.3 A credit for any amount previously contributed towards Bulk Service Contributions in respect of sanitation will be granted to each registered

owner;

- 5.6.4 A further credit may be extended in the discretion of the Ndlambe Local Municipality in recognition of existing bulk infrastructure that may be utilised for purposes of extending the sanitation service;
- 5.6.5 The registered owner shall be required to decommission the septic tank or conservancy tank and install the necessary link from his existing sewer system to the reticulation system to be provided at the boundary of the property at his own cost and within 6 months of the provision of the sanitation connection point as per the notice issued by the Ndlambe Local Municipality referred to in 5.6.1.
- 5.7 In the event that a new dwelling or development is constructed in an area where the Ndlambe Local Municipality is not yet able to provide a fully fledged water borne sanitation scheme then:
- 5.7.1 no Bulk Services Contributions in respect of sanitation as calculated in terms of the formula in 5.4 of this policy will be payable by the registered owner of the property or development as the case may be; or
- 5.7.2 the Ndlambe Local Municipality may levy a reduced Bulk Service Contribution to (partially) cover the capital cost of equipment such as tanker vehicles and a proportional contribution for using the purification works for dumping and purifying of outfall removed through a conservancy tank or similarly system in order to render a reduced service;
- 5.7.3 the election of 5.7.1 or 5.7.2 will be decided by the Ndlambe Local Municipality on a case by case basis for each new development;
- 5.7.4 the quantification of the reduced Bulk Service Contribution referred to in 5.7.2 will be conducted by the Ndlambe Local Municipality on a case by case basis;

6. GENERAL POLICY MATTERS

- 6.1 Bulk Services Contributions are payable in addition to any other service charges, charges for consumption, availability charges and connection fees of any nature.
- 6.2 All Bulk Services Contributions are adjusted annually for inflation as illustrated in 4.4 and 5.4 and will be charged and be payable at the revised unit contribution which are applicable at the time of (i) transfer of the erf or

property concerned or (ii) the approval of development/building plans in respect of such erf or property, whichever takes place earlier.

6.3 In the event that the number of normal residential dwellings on a stand or erf change, additional Bulk Services Contributions shall be payable calculated in accordance with the then existing unit contributions when such changes take place or building plans are approved, as the case may be, whichever shall be the earlier.

6.4 In the event that:

6.4.1 the floor area of a non-residential development changes;

6.4.2 the number of toilets of an existing normal residential dwelling increases;

6.4.3 approved building plans are changed, amended or altered;

6.4.4 the existing or authorised use of any building changes;

6.4.5 a new building(s) is erected;

the owner shall be liable for payment of additional Bulk Services Contributions in respect of such extensions, additions, alterations or changes, as the case may be, in accordance with this policy. Such additional Bulk Services Contributions shall become payable upon (i) approval of the building plans in respect of such extensions or additions or (ii) the occurrence of such change or (iii) such change, addition or alteration comes to the notice of the municipality whichever is the earlier.

6.5 Should any Bulk Services Contributions have been paid upon approval of building plans or at any time before transfer of a property and any changes as contemplated in paragraphs 4.3 or 4.4 subsequently occur, the provisions of paragraphs 4.3 and 4.4 shall apply *mutatis mutandis* in determining the additional Bulk Services Contributions payable.

6.6 Bulk Services Contributions shall be payable by the registered owner of the property concerned at the time when such contribution is due and payable, which shall be upon transfer of land or approval of building plans, whichever shall be earlier, unless any conditions of approval provide otherwise. No occupancy certificate shall be issued by the Ndlambe Local Municipality unless the Bulk Services Contributions payable in terms of this policy have been paid in full.

- 6.7 The Bulk Services Contributions determined in terms of this policy shall be payable unless the payment of such amount is replaced by a condition imposed in terms of Section 42 of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985) or any other legislation that may be applicable.

7. SERVICES OTHER THAN WATER AND SANITATION

- 7.1 This policy is only applicable on the Water and Sanitation service and existing policies with regard to Engineering services or bulk service contributions for any other service should remain in force until reviewed by the Council. These contributions shall be calculated in accordance with the applicable standard formula of Ndlambe Local Municipality by the Municipality's Director: Infrastructural Services from time to time.