



DATE: 29 APRIL 2022

REPORT TO: COUNCIL

1. ITEM NUMBER C 44A/05/22

2. SUBJECT:

REQUEST FOR THE APPROVAL TO USE DEVELOPMENT CONTRIBUTION FUNDS FOR THE EXPANSION OF TREATED EFFLUENT INFRASTRUCTURE BY GARDEN CITIES NPC

ONDERWERP:

VERSOEK OM GOEDKEURING VIR DIE GEBRUIK VAN ONTWIKKELINGSBYDRAEFONDSE VIR DIE UITBREIDING VAN INFRASTRUKTUUR VIR BEHANDELDE AFVOERWATER DEUR GARDEN CITIES NPC

ISHLOKO:

ISICELO SOKUPHUNYEZWA KOKUSETYENZISWA KWEZIMALI
EZINGEGALELO LEZOPHURLISO NGOKUJOLISWE KULWANDISO
LWESAKHEKO ESINGUNDOQO SOKUCOCWA KWAMANZI OGUTYULO
NGABEGARDEN CITIES NPC

LSU N3368

3. DELEGATED AUTHORITY

In terms of delegation

This report is for

- Committee name :**
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council**

Making progress possible. Together.

4. DISCUSSION

4.1 Introduction

Approval is sought for the use of development contribution funds due by Garden Cities Non Profit Company (NPC) for treated effluent infrastructure expansion in the Sunningdale and Parklands areas as a by-exception credit against Development Contribution (DC) levies normally due for potable water.

Treated effluent is the final effluent that goes through a further filtration process and gets supplied (and billed) as a non-potable water source for non-potable purposes such as industrial processes; irrigation to schools, offices, public open spaces, housing complexes, parks and golf courses. In line with our water sensitive city objectives, treated effluent re-use for non-potable purposes for the City of Cape Town seeks to offset potable water and contribute towards reducing bulk water demand. The use of Development Contribution Policy aims to ensure that the beneficiaries of infrastructure required for developments pay for the provision of that infrastructure.

The use of development contributions on treated effluent will assist to fund the installation of treated effluent infrastructure in the Sunningdale and Parklands areas, and consequently allow the City to sell treated effluent to the development. Priority has not been given to this area as there are other projects on top priority in line with the available City budget. Priority has been given to existing areas with the biggest benefit in terms of offsetting potable water and maximising revenue gain. The development contributions policy does not include treated effluent as one of the water sources hence the request for council to approve use of development contributions by Garden Cities NPC as an exception. The rapidly expanding areas have been missing the synergy of installing treated effluent infrastructure as they proceed with their development. In order to facilitate the uptake of treated effluent in future developments, beyond this one, it is also proposed that the Development Contributions Policy is reviewed to include treated effluent infrastructure – complementary to other infrastructure already catered for.

Garden Cities NPC applied to use development contributions for treated effluent expansion within their properties as they install new infrastructure (refer to the attached motivation for use of treated effluent for Development contributions from Garden Cities NPC). They intend to irrigate their parks and public open spaces. They highlighted this as supporting the City's By-Laws; The Municipal Planning By-Law (Item 57) in which developers are expected to make parks and public open spaces part of their developments and do the initial irrigation to those parks. Treated effluent is the affordable water source that assists with the required irrigation.

Utilising this mechanism is the only way to enable the installation of the infrastructure now. If not done now, Garden Cities NPC may then need to excavate new infrastructure for laying of Treated effluent, representing a lost opportunity for irrigation, establishment of a new "Garden" city and also impacting on final retrofit cost.

The applicable Policy is "The Development Charges Policy for Engineering Services for the City of Cape Town (Policy Number 20037)- Approved by Council: June 2020 C19/05/20¹. According to this current policy, the development contributions are to be used to supplement the provision of the following Engineering services; water, sewer, stormwater, roads, transport and solid waste. Electricity is paid for in a separate Policy. The development contributions policy does not explicitly stipulate treated effluent as an Engineering service hence posing ambiguity whether this is policy is applicable to treated effluent or not.

4.2 Recreation and Parks Norms and Standards

The City has a lot of public open spaces and parks that require continuous maintenance. Treated effluent has been identified as a main source that will assist with that objective. Expansion of parks is supported by the reference documents such as the CSIR Summary Guidelines and standards for the City of Cape Town Social Facilities and Recreational Space Document which states that the accepted ratio for open space provision is approximately 3.5m² functional open space per person and a household. Developers are required to provide landscaped parks at their own cost and required to maintain these public landscaped areas for a minimum period of 12 months before its handed over to the City for continued maintenance which includes irrigation/watering. After handover of infrastructure to the City use of treated effluent result in permanent commitment from the City's side to ensure upkeep of such infrastructure and payment for treated effluent used.

4.3 Justification for use of Development Contributions on Treated Effluent

Treated Effluent comprises Bulk and Link services. The City of Cape Town currently has a Treated Effluent (TE) Masterplan which seeks to expand the current 230 km TE infrastructure to 970 km over the coming 15 years. Currently, existing customers have been identified and 35 percent allowance has been made for new developments in the Masterplan. Treated Effluent is expanding to be a significant service and use of development contributions by developers assist in combining the construction of Engineering services at the same time which will have a positive impact on the cost of installation of infrastructure.

1

[https://resource.capetown.gov.za/documentcentre/Documents/Bylaws%20and%20policies/Development%20Charges%20Policy%20for%20Engineering%20Services%20-%20\(Policy%20number%2020037\)%20approved%20on%2029%20May%202014.pdf](https://resource.capetown.gov.za/documentcentre/Documents/Bylaws%20and%20policies/Development%20Charges%20Policy%20for%20Engineering%20Services%20-%20(Policy%20number%2020037)%20approved%20on%2029%20May%202014.pdf)

Making progress possible. Together.

4.4 Internal stakeholders consulted

Future Planning & Resilience Directorate, Policy & Strategy Department:

To avoid precedent, the need for a DC policy review for W&S Bulk infrastructure can be considered in future.

Urban Mobility, Custodian/ coordinator of the DC policy development:

Supported the report with a policy review not considered necessary.

4.5 Conclusion

In conclusion, Water and Sanitation seeks to obtain approval for Garden Cities NPC to install a bulk Treated Effluent infrastructure project in the Sunningdale and Parklands development areas, in lieu of DC's due for Potable water.

- Financial Implications None Opex Capex
- Capex: New Projects.
 - Capex: Existing projects requiring additional funding
 - Capex: Existing projects with no Additional funding requirements

Policy and Strategy Yes No

4.1. Legislative Vetting Yes No

Legal Implications Yes No

Staff Implications Yes No

Risk Implications Yes The risks for approving and/or not approving the recommendations are listed below:

Making progress possible. Together.

- No Report is for decision and has no risk implications.
- No Report is for noting only and has no risk implications.

4.2. POPIA Compliance Yes It is confirmed that this report has been checked and considered for POPIA compliance.

5. RECOMMENDATIONS

It is recommended that:

- Council approve the construction of agreed bulk treated effluent infrastructure expansion by Garden Cities NPC in Parklands and Sunningdale, as a by-exception credit against Development Contribution (DC) levies normally due for potable water;
- A Services Level Agreement be entered into with the developer in this regard, as allowed for in the DC policy.

AANBEVELINGS

Daar word aanbeveel dat:

- Die Raad goedkeuring verleen vir die konstruksie van die uitbreiding van ooreengekome grootmaatinfrastruktuur vir behandelde afvoerwater deur Garden Cities NPC in Parklands en Sunningdale, as 'n by-uitsonderingskrediet teen ontwikkelingsbydraehreffings wat normaalweg vir drinkwater betaal moet word;
- 'n Diensvlakoooreenkoms in hierdie verband met die ontwikkelaar gesluit word soos waarvoor daar in die beleid oor ontwikkelingsbydraes voorsiening gemaak word.

IZINDULULO

Kundululwe ukuba:

- IBhunga maliphumeze ukwakhiwa ekuvunyelwene ngako kokwandiswa kwesakheko esingundoqo sokucocwa kwamanzi amdaka ngabeGarden Cities NPC eParklands naseSunningdale, ngokuthi kufumaneke izimali zemirhumo ezingamaGalelo kwezoPhuhliso (DC) apho bezithi zifuneke okanye zisetyenziseiwe kmanzi aselwayo;

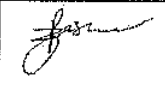
Making progress possible. Together.

- Makungenwe kwiSivumelwano seNqanaba leeNkonzo kunye nomphuhlisi ngokumalunga nalo mbandela, njengeko kuvunyelwe kumgaqonkqubo ongeDC.
-

ANNEXURES

ANNEXURE 1: MOTIVATION FOR USE OF DEVELOPMENT CONTRIBUTIONS - LETTER FROM GARDEN CITIES NPC

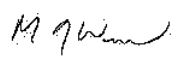
FOR FURTHER DETAILS CONTACT

NAME	Jaco de Bruyn	CONTACT NUMBER	0214004953
E-MAIL ADDRESS	Jaco.debruyne@capetown.gov.za		
DIRECTORATE	Water and Sanitation	FILE REF NO	<i>J de Bruyn</i>
SIGNATURE : DIRECTOR		Digitally signed by Zolile Basholo	Digitally signed by Jaco de Bruyn
		Date: 2022.05.19 14:13:08 +02'00'	Date: 2022.05.19 14:06:24 +02'00'

EXECUTIVE DIRECTOR

NAME MICHAEL JOHN WEBSTER COMMENT:

DATE

SIGNATURE 


Digitally signed by Michael John Webster
Date: 2022.05.19 14:22:12 +02'00'

The ED's signature represents support for report content and confirms POPIA compliance.

CHIEF FINANCIAL OFFICER

NAME KEVIN JACOBY COMMENT:

DATE

SIGNATURE 

Digitally signed by Kevin Jacoby
Date: 2022.05.19 14:50:43 +02'00'

Making progress possible. Together.

MAYORAL COMMITTEE MEMBER

NAME **Zahid Badroodien** COMMENT:

DATE

SIGNATURE **Zahid Badroodien** Digitally signed by Zahid Badroodien Date: 2022.05.20 14:30:32 +02'00'

LEGAL COMPLIANCE

- REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.
- NON-COMPLIANT

NAME COMMENT:

DATE

SIGNATURE **Joan-Mari Holt** Digitally signed by Joan-Mari Holt Date: 2022.05.23 12:37:45 +02'00'

Due to the urgency of the report the following comments are made regarding legal compliance:

Certified as legally compliant based on the contents of the report, subject to full compliance with any other policy or legislation applicable thereto.

Note: the "by exception credit" amount against the DC levy normally due for potable water has not been detailed in this report and was not provided by line department. Such amount ought to have been included in order to place Council in a position to make an informed determination on the matter.



100 YEARS
OF BUILDING COMMUNITIES
GARDEN CITIES CENTENARY 2019

GARDEN CITIES

NON PROFIT COMPANY (RF)

REG. NO. 1928/000607/08

Annexure A

50 LOUIS THIBAUT DRIVE
EDGEMEAD 7441

TELEPHONE 021-558 7181
TELEFAX 021-558 7172

ALL CORRESPONDENCE TO BE ADDRESSED TO:

THE CHIEF EXECUTIVE OFFICER
P O BOX 166
EDGEMEAD 7407

E-MAIL: info@gcinc.co.za

03 February 2022

City of Cape Town
Head: Water Demand Management and Operational Implementation
Water Demand Management & Strategy
Water and Sanitation Department; Water and Waste Directorate

Att. Mr Collin Mubadiro

Dear Collin

MOTIVATION: TREATED EFFLUENT AS DC ELEMENT FOR PUBLIC OPEN SPACE AND HIGHER ORDER ROAD RESERVES LANDSCAPING PURPOSES

Garden Cities as a responsible and environmentally sensitive developer constantly strives to limit our impact on the environment, limit our carbon footprint and review and implement alternative processes and materials to achieve such goals.

We have implemented our Green Policy several years previously and constantly adjust these living documents and processes for our homeowners, consultants and suppliers to ensure that we achieve the least invasive and most environmental responsible solutions throughout our supply chain from raw land up to and including handing over completed housing units to clients.

We constantly review landscaping solutions to ensure more hardy, maintenance free and water wise solutions, but one can only cater for a certain amount of water wise, hard landscaping and alternative solutions and ultimately either potable water or an alternative water source must be found to undertake the required irrigation of the soft landscaped areas. In our Sunningdale Development we have explored alternative water sources, but regrettably all the boreholes explored resulted in extremely saline water supply rendering it unusable for the intended purpose of irrigation. These alternative water sources would also be problematic; even if the water quality was of a good quality, as this infrastructure would have to be handed over to the City of Cape Town as part of the landscaped areas.

The only truly sustainable and suitable alternative water source is that of treated effluent and we urge the City of Cape Town to review and add this infrastructure as a DC element; or at least as a sub element of the water DC, to allow the relevant City officials and developers to plan such major and supporting infrastructure as an alternative water source to allow for the irrigation of City parks and higher order roads ensuring and facilitating the beautification of the City as a whole.

We await your feedback and hope that we can achieve success in this regard.

Yours sincerely,


Garden Cities

REFERENCE: Sunningdale Treated Effluent (SD/T.E.1)

ENQUIRIES: Mr Renier Smith
RS/ldt

DIRECTORS: S S STUTTAFORD (CHAIRMAN) P D A BAIRNSFATHER CLOETE V A CHRISTIAN M FEBRUARY (Mrs) P J HEEGER J ISAACS
T E MAFATLE R A MARSH E R STUTTAFORD A E SPARKS J E WHITE

CHIEF EXECUTIVE OFFICER : J W MATTHEWS

COMPANY SECRETARY : K MILAN