



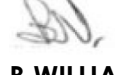
KOUGA

local municipality

Good Governance through Service Excellence

SPECIAL COUNCIL MEETING AGENDA

Date : 07 October 2022
Time : 08:00
Venue : Virtual Meeting

KOUGA MUNICIPALITY (EC108)	UMASIPALA I-KOUGA (EC108)	MUNISIPALITEIT KOUGA (OK108)
<u>NOTICE CONVENING A MEETING</u>	<u>ISAZISO NGENTLANGANISO</u>	<u>KENNISGEWING VAN VERGADERING</u>
NOTICE IS HEREBY GIVEN that in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that a virtual Council Meeting will be held on	ISAZISO sikhutshiwe ukuba ngokweCandelo-19 uMthetho weNkqubo zikaMasipala, (uMthetho 32 ka-2000), ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile	KENNIS GESKIED HIERMEE dat ingevolge Artikel 19 van die Wet op Munisipale Stelsels, 2000 (Wet No.32 of 2000), dat 'n virtuele raadsvergadering gehou sal word op
<u>DATE:</u> 07 October 2022	<u>UMHLA:</u> 07 Eye Dwarha 2022	<u>DATUM:</u> 07 Oktober 2022
<u>TIME:</u> 08:00	<u>IXESHA:</u> 08:00	<u>TYD:</u> 08:00
 <u>B.WILLIAMS</u> SPEAKER	 <u>B.WILLIAMS</u> USOMLOMO	 <u>B.WILLIAMS</u> SPEAKER

Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**
8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

9. **DISCLOSURE OF INTEREST**

10. **STATUTORY MATTERS**

11. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

12. **REPORTS BY THE PORTFOLIO CHAIRPERSONS**

12.1 **REPORTS BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE AND ENGINEERING**

22/10/I&E1 2022/23 Adjustments Budget for the Appropriation of Additional Funds Received

Pages: 6 - 9

22/10/I&E2 Re: Adjustments Budget in respect of MIG Funds within Infrastructure and Engineering Directorate

Pages: 10 -13

13. **CLOSURE**

Distribution list:

Executive Mayor
Executive Deputy Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

MATTERS DEALT
WITH IN TERMS OF
DELEGATED
AUTHORITY BY THE
EXECUTIVE
MAYOR

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
INFRASTRUCTURE &
ENGINEERING

KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

INFRASTRUCTURE AND ENGINEERING

DATE: 07 OCTOBER 2022

ITEM NO: 22/10/I&E1

2022/23 ADJUSTMENTS BUDGET FOR THE APPROPRIATION OF ADDITIONAL FUNDS RECEIVED

1. Introduction

The purpose of this item is to seek Council's approval to appropriate the additional allocation received from the National Department of Water and Sanitation into the 2022/23 annual budget, the funds received herein is in respect of the application submitted to the said department for the drought mitigation projects identified.

2. Legislative Requirements

In accordance with Section 28(2)(b) of the Municipal Finance Management Act (MFMA), Council may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for.

In accordance with Regulation 23(2) of the Municipal Budget and Reporting Regulations of 17 April 2009, an adjustment budget can be tabled to Council when additional revenues as contemplated in Section 28 (2) (b) of the Act are allocations to a municipality in a national or provincial adjustments budget. And in such instance Regulation 23(3) provides that the Mayor of the municipality must, at the next council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28 (2) (b) of the Act in the municipal council to appropriate these additional revenues.

3. Background

The municipality has been appointed by the Department of Water and Sanitation (DWS) as the implementing Agent (IA) for implementation and management of emergency drought projects funded through Water Services Infrastructure Grant (WSIG) in the affected areas of the Kouga Local Municipality. The Water Services Infrastructure Grant (WSIG) amount to R 57,4 million and is allocated to the municipality in terms of Division of Revenue Act (DoRA).

The drought projects listed below have been approved for implementation in the 2022/23 financial year.

Town	Project Description	U-key Nr.	Allocated amount
Humansdorp	Water treatment works		R 8,200,000.00
	Borehole 7		R 3,500,000.00
	Kruisfontein		R 14,100,000.00
Total			R 25,800,000.00
Jeffreys Bay	New Oxidation water treatment plant 4ML.		R 7,400,000.00
Total			R7,400,000.00
Hankey	Water treatment works		R 3,700,000.00
	Boreholes		R 3,800,000.00
Total			R 7,500,000.00
St Francis Bay	Water treatment works		R 5,900,000.00
	Boreholes		R 4,100,000.00
Total			R 10,000,000.00
Thornhill	Groundwater development		R 3,300,000.00
Total			R 3,000,000.00
Loerie	Groundwater development		R 4,400 000.00
Total			R 4,400,000.00
GRAND TOTAL			R 57,400,000.00

4. Comments by Directorates:

4.1 Director: Planning, Development and Tourism

No comment received

4.2 Director: Community Services

Item is supported

4.3 Director: Corporate & Digital Services

No comment

4.4 Acting Director: Infrastructure & Engineering

The projects are all in the implementation stage through emergency procurement as we have limited timelines to spend the grant funding. The memorandum of agreement was only signed on Monday 26th September allowing Kouga to initiate expenditure. All these projects are in an advance stage for implementations and 80% of the projects can run concurrently.

4.5 Municipal Manager

The capital funding needs to be included into Kouga Municipality budget for 2022/23 Financial year.

4.6 CFO

Item is supported

5. Financial Implication

2022/23 approved budget will be increased by an amount of R 57,4 million in terms of the Water Services Infrastructure Grant (WSIG) and the appropriation of the additional funds into the budget will accelerate the spending programmes already budgeted for.

6. Legal Implications

Section 15 of the Local Government: Municipal Finance Management Act prescribes that a Municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget, and within the limits of the amounts appropriated or the different votes in an approved budget. Therefore in order for the department to incur any expenditure on the additional funds received herein, same must be appropriated into the Annual budget, and failing which any expenditure incurred could result in unauthorized and irregular expenditure as defined by the said Act.

7. Recommendation

- 7.1 That Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Finance Management Act, Act No 56 of 2003, approves the adjustments budget by the appropriation of an amount of R57 400 000 and for the projects as set out below.

Town	Project Description	U-key Nr.	Allocated amount
Humansdorp	Water treatment works		R 8,200,000.00
	Borehole 7		R 3,500,000.00
	Kruisfontein		R 14,100,000.00
Total			R 25,800,000.00
Jeffreys Bay	New Oxidation water treatment plant 4Ml.		R 7,400,000.00
Total			R7,400,000.00
Hankey	Water treatment works		R 3,700,000.00
	Boreholes		R 3,800,000.00
Total			R 7,500,000.00
St Francis Bay	Water treatment works		R 5,900,000.00
	Boreholes		R 4,100,000.00
Total			R 10,000,000.00
Thornhill	Groundwater development		R 3,300,000.00
Total			R 3,000,000.00
Loerie	Groundwater development		R 4,400 000.00
Total			R 4,400,000.00
GRAND TOTAL			R 57,400,000.00

Item prepared by the Acting Director: T Madatt:

Item approved by the Portfolio Councilor:

Item Endorsed by Municipal Manager:




KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

INFRASTRUCTURE AND ENGINEERING

DATE: 07 OCTOBER 2022

ITEM NO: 22/10/I&E2

RE: ADJUSTMENTS BUDGET IN RESPECT OF MIG FUNDS WITHIN INFRASTRUCTURE AND ENGINEERING DIRECTORATE

1. Introduction

The purpose of this report is to seek Council's approval for the reallocation of the internal capital funds budgeted for Municipal Infrastructure Grant (MIG) funded capital projects.

2. Background

The Infrastructure and Engineering (I&E) Directorate is seeking Council's approval to reallocate funds from two MIG funded projects within the I&E Directorate.

The two applicable projects are:

- Hankey Sanitation upgrade
- Upgrade of Gravel Roads in Kouga

Intention: To re-allocate the amount of R3 132 006.07 from the Upgrade Sanitation System of Old Hankey (ukey 20190710991734) to Upgrading of Gravel Roads in Kouga (ukey 20221303055077) in the 2022/23 financial year, and to re-allocate an amount of R9 761 864.07 from Upgrade of Gravel Roads in Kouga to Upgrade Sanitation System of Old Hankey in the 2023/2024 financial year.

Motivation: A Contractor is currently appointed for the implementation of the Gravel Roads Upgrade project and funding is required for the project within the 2022/23 financial year.

The Hankey Sanitation Upgrade, Phase 1 and 2 is in the process of being completed within the allocated budget. Phase 3 of the project is currently at BEC pending approval. There is currently insufficient funding to complete Phase 3 of the project within the Council approved 2022/23 approved Budget allocation. However, the overall approved MIG approved project funding, registered by CoGTA for the Hankey Sanitation Upgrade is sufficient, and as such the intention is to complete Phase 3 over two Financial Years, namely 2022/23 and 2023/24.

Applicable legislation: Section 28(1) of the Local Government: Municipal Finance Management Act (the Act) provides that a municipality may revise an approved annual budget through an adjustments budget. Section 28(2(d) prescribes that an adjustments budget may authorize the utilisation of projected savings in one vote towards spending under another vote.

3. Comments by Directorates:

3.1 Director: Infrastructure and Engineering

The re-allocation of funds is in the interest of council to achieve the percentage expenditure as per the MIG agreement of 40% and also critically important that we do not stall other projects which is in the interest of service delivery.

3.2 Director: Corporate & Digital Services

No comment

3.3 Director: Planning, Development and Tourism

No comment received

3.4 Director: Community Services

Item is supported

3.5 Municipal Manager

Item is supported

3.6 CFO

Item is supported

4. Financial Implications

There is no financial implications as this is only a reallocation of funds within the approved budget.

Project Name	2022/2023 Approved Budget (Excl. VAT)	Actual Expenditure (Excl. VAT)	Available Balance (Excl. VAT)	2022/2023 Proposed Adjustments (Excl. VAT)	Total Adjusted Budget (Excl. VAT)
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R6,687,112.00	R3,860,634.32	R2,826,477.68	+R3,132,006.07	R9,819,118.07
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R18,440,235.00	R1,541,269.60	R16,898,965.43	-R3,132,006.07	R15,308,228.93

Project Name	2023/2024 Approved Budget (Excl. VAT)	Actual Expenditure (Excl. VAT)	Available Balance (Excl. VAT)	2023/2024 Proposed Adjustments (Excl. VAT)	Total Adjusted Budget (Excl. VAT)
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R26,176,869.57	R0.00	R26,176,869.57	-R9,761,864.07	R16,415,005.50
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R0.00	R0.00	R0.00	+R9,761,864.07	R9,761,864.07

5. Legal Implications

Transferring of approved budget allocations of the capital budgets, and budgets included in a SDBIP can only be adjusted through an adjustments budget approved by Council. Failure to so re-allocate budget allocation in the absence of a Council approval may render subsequent expenditure to be unauthorized and irregular.

6. Recommendation

- 6.1 That Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed adjustments to the 2022/2023 and 2023/2024 Capital Budget:

Project Name	2022/2023 Approved Budget (Excl. VAT)	2022/2023 Proposed Adjustments (Excl. VAT)	Increase	Decrease
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R6,687,112.00	R9,819,118.07	R3,132,006.07	R0.00
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R18,440,235.00	R15,308,228.93	R0.00	R3,132,006.07

Project Name	2023/2024 Approved Budget (Excl. VAT)	2023/2024 Proposed Adjustments (Excl. VAT)	Increase	Decrease
Upgrading of Gravel Roads in Kouga U-Key: 20221303055077	R26,176,869.57	R16,415,005.50		R9,761,864.07
Upgrade Sanitation System of Old Hankey- U-Key: 20190710991734	R0.00	R9,761,864.07	R9,761,864.07	

Item prepared by: PMU Manager: J Du Toit:

Item approved by: Acting Director I & E:

Item noted by the Portfolio Councillor:

Item endorsed by the Municipal Manager: