

CAPE AGULHAS MUNICIPALITY

1 Dirkie Uys Street
Bredasdorp
7280

Attention: Mr Shane Roach

L'AGULHAS LIFESTYLE ESTATE: DRAFT WATER SERVICES AGREEMENT

The meeting of Friday 4 September 2020, held at the offices of the Cape Agulhas Municipality, as well as the following Appendixes refers:

- *Appendix A: Extract of SRK Assessment of Groundwater Resources for Water Supply_2004*
- *Appendix B: Extract of SRK Groundwater Monitoring Report_2016*
- *Appendix C: L'Agulhas Municipal Water Capacity_26August2019*
- *Appendix D: AGES_L'Agulhas Estate Hydrogeological Study_June2020*

Background

The Cape Agulhas Municipality has a severe water shortage in the Struisbaai area – especially during the months of December/January. The abstraction of groundwater from the Bredasdorp aquifer is the main water source for the Struisbaai area. The proposed L'Agulhas Lifestyle Estate will require a gross average daily water demand which would exceed the current “surplus” abstraction from the Bredasdorp aquifer (*refer Appendix A and B for extracts from the SRK Groundwater Resources Report 2004 and SRK Groundwater Monitoring Report 2016*). The L'Agulhas Lifestyle Estate has two existing boreholes, i.e. KOOS2 and AGUL04/A, which was installed in April 2004. These boreholes are deemed to be good production boreholes in terms of yield and water quality as they are situated in the Table Mountain Aquifer and will have very little to no adverse effect on the existing Struisbaai or Agulhas municipal boreholes which are situated in the Bredasdorp Aquifer. The boreholes, KOOS2 and AGUL04/A, have not been in use and both require rehabilitation to achieve a combined sustainable yield of approximately 400m³/day or 146,000m³/annum (*refer Appendix D for AGES Hydrogeological Study June 2020*). It was agreed at a meeting, held at Cape Agulhas Municipality on 21 August 2019, between Messrs Dean O'Neill, Derick Burger, Gideon Roos and Riaan van Dyk, that the best solution

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to meet the water demand of the proposed development, would be to pump the water from boreholes KOOS2 and AGUL04/A as supplementary water source to the municipal reservoir, situated due east of the development site. The treatment, distribution and metering would become the responsibility of the Cape Agulhas Municipality (*refer Appendix C for the Water Capacity Letter August 2019*). To formalise this arrangement, a services level agreement would be drafted using the information in this Agreement Letter confirming the operational, financial, and administrative responsibilities of all parties involved. A Water Use License Application has since been commissioned, by Square Turn Developments, for the abstraction of 189,800m³/annum on behalf of L'Agulhas Lifestyle Estate.

I wish to confirm the following items discussed and agreed at the meeting of 4 September 2020:

a) Water Use License Applicant

It was agreed that the name of the Water Use License applicant will remain Square Turn Developments for the current Water Use Application. During the formal town planning application and assessment process, a formal service level agreement will be negotiated between the developer and the Municipality and the final conditions of Rezoning and Subdivision approval will include implementation of the development in accordance with the principles of the service level agreement. One of these conditions will be an application to transfer the water use licence from Square Turn Developments to the Cape Agulhas Municipality. In principle, the Municipality will then become the Water Service Provider taking over the legal responsibilities assigned to them by the Water Services Act (*Act 108 of 1997*).

b) Water Use License Abstraction Volume

It was agreed that the proposed abstraction volume of the Water Use License Application for the L'Agulhas Lifestyle Estate should remain at 520m³/day or 189,800m³/annum, as per the original pre-application volume. This will adhere to the development's required water demand. The Cape Agulhas Municipality will be able to apply for an increased abstraction volume, making use of the infrastructure of the Estate, once the Water Use License has successfully been transferred from the L'Agulhas Lifestyle Estate into their name (*this will be done via a separate Water Use License Application Process*).

c) Service Level Agreement

The distribution, treatment, and metering of water to the L'Agulhas Estate will be the responsibility of the Cape Agulhas Municipality, from the onset of project implementation. Once the Water Use License has been authorised, the operational details will be fixed in the services level agreement. The utilisation of development contributions for upgrades to the existing municipal infrastructure has in-principle been agreed too and will be finalised in the service level agreements that will be signed by the developer and Municipality.

I trust that you will find the above as an accurate account of our meeting and in-principle agreements.

Yours sincerely,

A handwritten signature in black ink, consisting of a circle with several overlapping lines and a long horizontal stroke extending to the right.

Riaan van Dyk

For KLS Consulting Engineers

cc. Gideon Roos (*Firstplan*)
Claret Walker (*Walker Water Solutions*)
Pieter van der Westhuizen (*SquareTurn*)