



New Electricity Pre-paid system!

A new initiative was launched by the City of Tshwane (CoT), called the Security of Revenue Project. This project is prescribed in the CoT electricity by-laws which was approved and promulgated in August 2013. This is important to us as it involves the replacement of all existing electricity meters in Tshwane with "smart prepaid meters".

How does this affect sectional title complexes?

The CoT will only be replacing bulk meters. Individual sectional title units will not receive pre-paid meters from the CoT and no current meters will be replaced inside the complexes. At this point in time the CoT is in the process of giving notices for installation of the meters and the time of installation is not negotiable. Following the installation, a short time period is allowed to buy pre-paid electricity.

The body corporate will have to pay for the complex's electricity in **advance** while monies for electricity already used by the units are only received afterwards, as it is currently done. In practise, the initial transition from post-paid bulk meter to pre-paid, will place a huge burden on the finances of the complex, where many bodies corporate can not afford it. The body corporate will have to budget for the extra cost. It might be necessary to charge a special levy to cover the cost.

Aula experienced the process first hand as some of the complexes managed by Aula have already received notice of installation of the bulk pre-paid meters. The five complexes already nominated are Dormidero, Heritage Hill, Millstone, Wentwood and Heuwelsig Office Park and we have already engaged in formal discussions with them. Aula strongly advises that bodies corporate investigate the installation of individual pre-paid meters at the units, prior to the installation of

the bulk meter by CoT to prevent unnecessary frustrations. With individual pre-paid meters in place, the process will work as follows: The residents will buy electricity from the pre-paid service provider who in turn will pay the funds over to the body corporate. The managing agent will then be able to purchase pre-paid electricity from CoT for the bulk pre-paid meter. These payments can be done fast and easy through the internet.

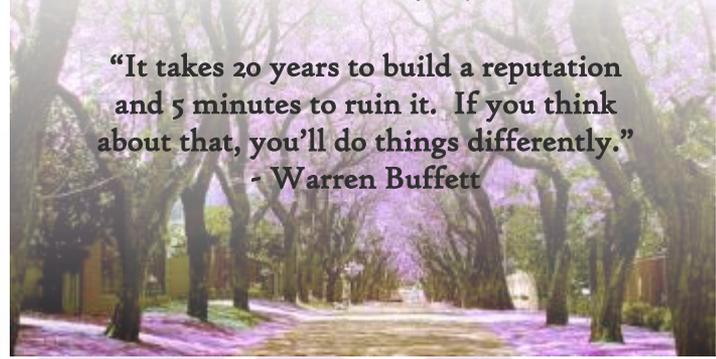
What happens if electricity credits runs out - will the complex get stuck without electricity?

The consumer / or managing agent will have the option to be notified via sms or email if credits run low. The loading of credit will be done automatically by the system when you purchase electricity and the funds have cleared. The consumer will then be notified via email or sms when these credits have been loaded.

According to the CoT, there is **no charge** for the smart prepaid bulk meter and the installation thereof. The cost of the installation of pre-paid meters at each individual unit will be for the account of the individual consumer and not for the body corporate.

"It takes 20 years to build a reputation and 5 minutes to ruin it. If you think about that, you'll do things differently."

- Warren Buffett



Satellite Dishes- the debate goes on!

The issues about satellite dishes still remains and we experience many complaints from dissatisfied clients, about whether dishes may be erected and especially, whether it may be taken down again!

Management rule 33 refers to improvements such as the installation of satellite dishes, to the common property and whether such installation is a luxury or not. It will often be deemed a non-luxurious improvement, as it became essential in households for different reasons. The trustees will then have to acquire a special resolution before permission can be granted to owners. Residents will then have to obtain approval from trustees before they can install satellite dishes.

However, it is strongly advised that bodies corporate have a strong set of rules in place regarding the installation of satellite dishes, before this issue becomes a problem and damage is caused to common property.

If its erected to an outside wall its a fixture and may not be removed again? Conduct rules, Annexure 9, Rule 4 (1) states that "An owner or occupier of a section shall not mark, paint, drive nails or screws or the like into, or otherwise damage, or alter, any part of the common property without first obtaining the written consent of the trustees".

Therefore fixtures may not be installed without prior consent, because of the damage it may cause to the common property. We often see the result of many different dishes that were installed and

taken down again by the many holes that were left, often in plain sight in a complex. Often these residents will move away and leave the damage for the body corporate to repair. It should be remembered the damage caused by removal of such fixtures will increase the cost of maintenance of the complex, especially when it is a plastered complex. Even though permission is granted subject to the repair of the holes, repair is not that easy when holes should be filled professionally and painted so that it look the same as the rest of the wall (and complex)! It might also be worthwhile for complexes to have a "satellite dish deposit" charged, in order to cover the repair work. Owners should then keep in mind that the cost and trouble of repairing these holes might easily make it worthwhile to rather buy a new dish or to come to a mutual agreement with the next owner, and rather leave it in place.

But what should be done when a resident installs his own satellite dish and insists on taking it down again when he moves away?

Owners should remember that the outside of the unit is common property and therefore belongs to the body corporate. It could easily be debated that the dish becomes the property of the body corporate when its fixed to common property and should stay where it is.

Alternatively, complex rules should state that every dish that is installed, should be kept in place with the same bracket and pipe against the wall. This is to ensure when the dish is taken down the bracket stays in place for use by the next resident, without causing new holes.