

VOORSITTERSVERSLAG ~ 2018 ~ CHAIRPERSON'S REPORT

Sewende Algemene Jaarvergadering

Dit is vir my as Voorsitter van die Trusteekomitee van die Brandwacht Aan Rivier Huiseienaarsvereniging 'n voorreg om aan die Sewende Algemene Jaarvergadering van die Vereniging verslag te doen oor bestuur se werksaamhede gedurende die oorsigjaar en ook oor 'n aantal algemene sake rakende die Vereniging.

By die Sesde AJV wat op 17 Augustus 2017 gehou is, is die volgende lede as Trustees verkies:

- Pierre de Villiers
- Danie Maré
- Pieter Louw
- Willem van der Colff
- Stephan van der Merwe
- Holden Marshall

During the year under review there were 4 Trustee committee meetings and 1 ad hoc meeting.

I would like to deal with several subjects of interest under the following key headings:

1. Rehabilitation of the riverbed

The Brandwacht Stream has been severely damaged by erosion and flooding caused by a series of extreme rainfall events in the Western Cape (October 2012 to November 2013).

To recap the sequence of events (as presented in last year's report):

- APEC Consulting Engineers (which specialises in the stabilising of river banks) was appointed to assist the HOA with the rehabilitation of the river bank;
- Authorisations were required from the Department of Water and Sanitation (DWS) in *terms of the National Water Act, 1998, and from the Department of Environmental Affairs and Development Planning (DEA&DP) in terms of the National Environmental Management Act, 1998;*
- A water use license application was submitted to DWS and approval was obtained for the first phase of the river stabilising project (i.e. the lower part of the Brandwacht stream in the vicinity of the entrance gate);
- In terms of environmental regulations promulgated in terms of the National Environmental Management Act, 1998, *we appointed an independent environmental practitioner to undertake an environmental impact assessment in terms of the National Environmental Management Act, 1998, in order to obtain DEA&DP's environmental authorisation for the stabilising of the river banks. These new environmental regulations have in effect nullified our historic environmental authorisation (obtained in terms of the Environmental Conservation Act, 1989) and have unduly delayed the commencement of the river stabilising project's first phase. As part of this environmental impact assessment process the independent environmental practitioner has also applied for a water use license from DWS for the second phase of the river stabilising project (i.e. the remainder of the Brandwacht stream). The independent environmental practitioner has finalised his environmental impact*

assessment report (with the relevant specialist and public input) and has submitted it to DEA&DP and DWS;

- Towards the end of 2017 we have received DEA&DP's environmental authorisation and DWS's water use license.

Given that all the authorisations have been received, APEC Consulting Engineers has been instructed to appoint a contractor and to proceed with work on the first phase (i.e. the lower part of the Brandwacht stream in the vicinity of the entrance gate). In accordance with environmental regulations, rehabilitation work is not allowed in the river between April and September.

A voluntary information session about the rehabilitation of the north river bank was arranged with the members on 30 May 2018. The purpose of the information session was to update the members in a transparent way on where we are in relation to the north river bank and also to allow members the opportunity to ask technical questions. The trustees were also of the view that having a separate information session was preferable to using the AGM since the AGM is a statutory meeting where certain aspects must be dealt with; this may lead to a situation where there is insufficient time to do justice to the discussion of this important matter. Riaan Swiegers from APEC Consulting was also present and provided detail on the planned rehabilitation work and also answered technical questions from the members.

As emphasised at the information session:

- All approvals are in place;
- the Home Owners' Association ("HOA") has a legal obligation to conduct the Rehabilitation. Negative consequences could include potential security risks if the north bank collapses; potential legal penalties might be imposed; and the HOA might be exposed to legal claims;
- The HOA will focus on the priority area, i.e. "First Phase" of the Rehabilitation. This part of the project is roughly between the entrance and Vierde Slot;
- After the First Phase has been completed, a fresh assessment will be carried out regarding the next phases;
- The HOA will throughout the process be guided and advised by the experts; &
- Initial indications are that the First Phase of the Rehabilitation process will cost approximately R2 million.

Since the Trustee Committee believes it would be irresponsible to fund the entire Rehabilitation out of existing reserves a special levy of R12 000 was introduced from 1 July 2018. To accommodate the members, the special levy may be paid monthly over 24 months (R500 per month).

2. SECURITY

We are pleased to report that the perimeter security upgrade was completed in the latter half of 2017 and included the replacement of all inverters/energisers for the electrical fence.

We have also completed the access control and gate upgrades, thereby completing the entire security upgrade plan.

We have changed the onsite security company (AM Security Services), providing BaR with well trained on site personnel, who are able to deal with most immediate emergencies competently, backed up by highly trained reaction units.

Random breach tests (day and night) have confirmed that all systems are fully functional and that the contracted response times for a potential breach are met.

Whilst we now have an advanced perimeter security system, it is important that we all remain vigilant and we encourage and thank members for their continued reporting of suspicious behaviour.

3. FINANCIAL

The Association's financial position is healthy. For more information, please refer to the audited financial statements.

Financial position: The Association made a surplus after tax of R207 213.

Capital expenditure: During the period, the Association incurred capital expenditure of R1 235 422 relating to the security upgrade. This capital expenditure was funded by a special levy. For the entire security upgrade, only R5 782 was funded with existing reserves.

Capital expenditure also included an amount of R49 690 for the construction of a footbridge opposite Vierde Slot.

Outstanding levies: Outstanding levies are under control.

Reserve levels: At 28 February 2018, the Association's reserves amounted to R2 079 595. The 1% contribution of properties being sold during the year contributed R292 000 to the reserves. After year-end, the reserves will increase with R325 000 after the sale of a portion of Erf 16143 was concluded.

Considering the reserve replacement strategy discussed in point 1 above, the capital reserves are deemed adequate. The trustee committee continue to monitor the medium and long term capital replacement requirements of the association.

Operational reserves have increased to R207 213, the first surplus in 3 years.

The Association budgets for a break-even position for the next financial year. The monthly levy was increased with 6.5% to R1 650 per member per month.

4. BOUPROJEKTE

Slegs drie bouprojekte is tans aan die gang. As gevolg van die feit dat die een bouprojek nie binne die goedgekeurde een jaar voltooi is nie, word daar tans 'n boeteheffing op die projek betaal tot en met afhandeling. Daar is nog twee oop erwe op die landgoed. Eienaars van die betrokke erwe het dit op 'n laat stadium van die Ontwikkelaar gekoop en word vyf jaar geleentheid gegun om met die bouprojekte te begin.

5. BEDANKINGS

Hiermee my dank aan:

- Die landgoedbestuurder, Gary Bernhardt, en sy span vir hulle voortreflike diens en die waarde wat hulle tot ons Landgoed toevoeg.
- Die Bestuursagent, Trafalgar. Baie dankie aan Uys en sy span vir hulle bydrae gedurende die oorsigjaar,
- My fellow Trustees for their willingness to devote personal time to attend meetings and work on Estate matters.

Pierre de Villiers

Voorsitter: Brandwacht aan Rivier HEV

Chairperson: Brandwacht aan Rivier HOA



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