

# KNYSNA RATEPAYERS' ASSOCIATION

---

## MINUTES OF THE ANNUAL GENERAL MEETING HELD AT KNYSNA BOWLING CLUB On 24<sup>TH</sup> OCTOBER 2017 at 17h30

### **Present:**

**Apologies:** Graham Houghton – The Heads, Richard Bucholtz – The Heads, Leonie Du Preez – Lake Brenton.

**Welcome:** Richard Thorpe Chairperson of KRA opened the meeting at 17h42. He extended a warm welcome to the members and Mr. Kam Chetty the new Knysna Municipal Manager. Mr Thorpe extended condolences to ex –Committee member Graham McDonald on the loss of his wife.

**Adoption of Previous AGM Minutes:** held on 29th September 2016: proposed by Chris Gould and seconded by Patricia Nurse.

**Chairperson's Report:** This will be put on the website and circulated to attending members.

**Presentation of Treasurer's Report, Financial Statements and Budget:** Most evident on this year's Financials are the decrease in Administration costs which is the result of cut admin fees from R30 000-00 to R8000-00.

The Balance sheet shows a current loan of R125000-00, this was for the Ward 9 Ward allocation budget: CCTV project. The interest from this amount will be credited to the KRA as a thank you from Ward 9 for the use of their bank account facility.

Approval of the Financials: Proposed Susan Campbell. Seconded Sven Liedberg.

**Annual subscriptions:** There is no increase proposed this year in the annual subscription.

### **Election of the Executive Committee:**

The following members were nominated for the Committee: Richard Thorpe

Chris Gould  
Judy Harrison  
Leonie Du Preez  
Susan Kampbell  
Ian Uys  
Sam Lurie  
Rex Hart

The Committee members were passed by unanimous show of hands.

No further nominations were received.

The Constitution allows for 10 members, the committee is able to co-opt 2 more members. If anyone wants to volunteer their time, please contact Richard Thorpe or Judy Harrison.

**Guest Speaker:** Mr Kam Chetty: Knysna Municipality - Municipal Manager.

Much has happened in the time Mr Chetty has been MM, a lot of which he didn't sign up for. His previous appointment was in Oudtshoorn. The Municipality was in debt by 60%, and the town was run by "gangsters". Prosecution was served on 37 people including the Mayor and 37 top municipal structures. Charges were laid and sentences are being served.

When he received the offer from Knysna, his thoughts were that "Knysna was not this bad".

He is an “anti-corruption” person and has prosecuted people for corruption in 22 global companies and served on the King Commission. Mr Chetty pledged that he is on the residents’ side and will not tolerate corruption.

In this address he wanted to focus on the future and not dwell on the past. After the fires, Knysna needed to be rebuilt, but this was not the only crisis. There are a number of areas which, in his view, need to be the focus of the municipality into the future.

- He pointed out that the Akkerkloof is not a catchment dam, with most of our water being pumped from the rivers directly into the distribution system. If the rivers stop flowing such that we cannot pump water, there are only 22 days of water left for Knysna. There was no water plan for Knysna – a team was immediately tasked to work on a plan. R4 million needed to be raised, for emergency measures that include boreholes and repairs to the desalination and reverse osmosis plants.

Between 2007 and 2017 very little has happened to the water infrastructure in Knysna. If Knysna has no water – we are dead.

The immediate plans are: To have the Desalination and Reverse Osmosis Plants fixed  
Complete the Charlesford Water Augmentation Scheme  
Look into developing a system of boreholes  
Engage with Gift of the Givers for an additional desalination plant in Knysna.

- The Knysna Story over the last few years:  
Knysna has had a huge population growth – mostly poor people entering Knysna that moved into the informal locations, with no skill set.  
There was a short-term property boom in the mid/late 2000’s but when this was over, the labour stayed  
The woodmill was moved from Knysna to George, but the labour stayed.  
Little was done about housing for the poor.  
Infrastructure was neglected. Knysna leveraged off the capacity of existing bulk services. This includes the current water supply, waste water treatment works, reticulation infrastructure, etc.  
Little investment was made in:

1. Water pipes which are very old and prone to breaking thus giving rise to pipe bursts. When this happens they are replaced with more durable uPVC pipes.
2. Sewage – the capacity of the Waste Water Treatment Plant was not increased.
3. Solid waste – landfill was not addressed.  
Solid Waste is a problem. The Mossel Bay facility at Petroport is full and will be closed in June 2018. A new site has been identified and the EIA completed and Knysna has budgeted R10 million for refuse transport and dumping for the next financial year. The new site is next to the old one and will cater for the Garden Route.  
Mr Chetty advocates a Green City / Green town, but decisions pre-date him and these decisions cannot easily be reversed.
4. Roads Infrastructure
5. Housing Crisis

How do we grow the economy of Knysna if there are no jobs and no growth in the economy?  
In the last 15 years, Knysna’s economy has been stagnant. This happened with the 2009 Global Economic Crisis. George, Mossel Bay and Bitou’s economies since then have grown faster than Knysna’s. The questions we need to answer are what prevented Knysna from growing – what is different in Knysna?

We have a town of incredibly clever people with a lot of talent – what happened? The MM said that he is struggling with the answers.

Mr Chetty said that the priorities going forward are:

- Water: We are in a very serious drought – due to a phenomenon called climate change. The key thing is to make Knysna resilient. Water needs a serious investment for the droughts of the future. Although we pump directly from the rivers, if they run dry we have only 22 days of water left in our dams so the solution is:
  - i) storage of as much water as possible.
  - ii) New desalination plant
  - iii) investigate underground sources
  - iv) Plan to build a dam: this is in the interests of the residents. An area 15km from Knysna has been identified. Mr. Chetty said that he had worked on the Lesotho Scheme and a dam in Cape Town.

## KNYSNA RATEPAYERS' ASSOCIATION

---

- Alien Plant invasion: The risk of fire is a serious concern and hence it is a critical priority to mitigate the risk to people and property. One solution is to create buffer zones on the urban edge. He said that he has actuaries looking at the problem.
- Whilst the solid waste issue has been resolved, we do have problems with the capacity and efficiency of the Waste Water Treatment Plant. The municipality is looking at options and is investigating a proposal for Knysna. At the moment it is undertaking technical studies. Current location is not ideal – relocate the WWTP?  
Also there is a need to regenerate the estuary and reduce the pollution.
- Roads and Road maintenance: with no maintenance we lose the value of infrastructure. A meeting was held with Mr. Neil Lurie and others where the MM put out pictures and a plan for Grey Street. This needs to be agreed and implemented.

The municipality is expressing (fast tracking) the maintenance system by tarring the roads and leaving pavements and parking areas.

- Fire impacted Infrastructure: Municipal infrastructure experienced temperatures of over 1200 degrees. This created secondary damage: the temperatures did not just burn cables and wires but also switches and other smaller items. This will impact on the financial model as these items will need to be replaced sooner than anticipated.
- Housing: there is a backlog of between 12 and 15 thousand houses. Once this is fixed, it has to be sustained. Houses have been built on steep terrain. Knysna Municipality has been supplementing the National and Provincial budgets for housing in Knysna because, whilst the houses are built with grants, the municipality has to provide the infrastructure. This is unsustainable and is a huge drain on our resources. There are serious social issues and a Housing Strategy is needed.

A number of plans have been implemented to raise financial resources and Knysna Municipality needs to invest in the town intelligently.

Questions:

Susan Campbell:

- 1) In 2003 an Organisational Review by a Cape Town company cost KM 1.3 million rand plus another R500 000-00 more. The company did not deliver. There was no Skills Audit. Melony Paulson advised the BAC to award the tender – we still do not have anything for that money.
- 2) In 2013 / 4 irregular tenders were awarded o the value of over R 9million rand. In 2014/5 the same happened to the value of R7 million rand. Avita Sunkar advised the then MM that these were illegal.
- 3) There has been no consequence of Dawie Adonis and his illegal appointment, the fact that he has had another position created for him and this was all approved under the Amended Recruitment Policy – where is that policy?

Francis Blitz: How can you run a town without a Town Engineer?

Housing issue: Knysna subsidises thousands of illegal foreigners in houses – not sustainable.

Gerda Kenyon: The more houses you build the more people you are going to attract – when does Knysna reach saturation point? There are no jobs and insufficient infrastructure.

Answers:

- In terms of the R1.3 million Organisational Review – will have to come back to the members on that point.
- Tender processes in 2013/4 – “local content” – incorrect term, not legal and the consequences are being investigated.
- Will recommend to the Council to refer this to the Director of Public Prosecutors and the Hawks. The issues need to be explained and civil and legal prosecutions need to be laid. Same for 2014 / 2015 issues.
- Adonis: not prepared to discuss the appointment but happy to supply the amended recruitment policy.
- There is a Director for Engineering and Technical Services but no Civil Engineer. The Director of Engineering is Michael Rhode. His contract ends April 2018.
- Housing: I do agree on these points. It is a financial risk for the Municipality to subsidise housing. It is a Provincial and National issue. The applications of the 12 000 will be looked at for legalities. Where we currently build on steep terrain is inappropriate, it is dangerous, expensive and the subsidy levels are high. It has been raised as a major concern.
- Unfunded mandates create problems for municipality.
- Gerda Kenyon: who actually approved these subsidies?
- Richard Thorpe: It is very difficult in any department when corruption is at the top levels. It is difficult to get people to believe when something is wrong. The Auditor General is making ‘Consequence Management’ one of his top priorities.
- Kam Chetty: If Municipality gets a comment from the Auditor General, this could indicate no financial control. It is then turned over to the Hawks and they investigate. When there is no procurement in Planning, then deviations start. Deviations are a bad practice and need to be brought under control.
- Kam Chetty: asked for a Forensic Auditor to be part of the AG’s team this year – as residents don’t trust Municipality (laughter).
- Francis: Will Municipality address this issue?
- Chris Gould: Have heard that the current deviation level is R83 / 84 million – what is an acceptable level of deviation in a year when there is no disaster? What is being done about contracts that run over time?
- Kam Chetty: This is dependent on many factors: water / storms / sole source, we will have to look at comparable towns for benchmarks.  
It is easy to let a contract run over – this needs stronger contract management. We are starting to introduce penalty clauses in contracts, but this is being challenged by Government.
- Kam Chetty: The scale of deviations currently is too high – but most of this is due to the emergency of the fire – reconnecting electricity and water.  
Deviations are due to:
  - Sole source – when there is only one supplier of goods.
  - Poor supply chain management.
  - Emergency expenditure
 Chris Gould asked for last year’s deviation costs. Chetty to send to RT.
- Residents: Who picks up the slack if rates / electricity bills are not paid? What truth is there in the rumour that the Mayor instructed water / electricity to be reconnected to Hornlee when the CFO instructed cuts to be effected due to non payment of rates and taxes?
- Kam Chetty: the policy of cut offs continued as from last week. As long as it is consistent with policy – it will continue. Debt is high – old debt is longer than 3 months. The South African Constitution states that a basic minimum supply of water has to be made available to residents. It is illegal to cut off all water.  
Sam Lurie: There is a local shopping centre that owes rates to the value of about R800 000-00, nothing is being done about claiming that money.  
Kam Chetty: lawyers are being consulted this week and action is being taken.
- Francis Blitz: The Heads Water Main installation is a travesty compounded by the fact that the contractor is not capable of the job and yet he is carrying on regardless. He is creating a legacy of infrastructure that will fail in the future.
- Kam Chetty: The KHA had a meeting with KM this morning about the issue and KHA will send a report to the Residents. The process met with standard requirements.
- Sam Lurie: has the Tourism issue been addressed? What of the social media posts that Chris Botes has resigned and is suing Knysna Tourism for R2.5million?
- Kam Chetty: I haven’t seen this and will have to get back to you on it.

## KNYSNA RATEPAYERS' ASSOCIATION

---

- Johan Nel: Kam Chetty has been in this position under 4 months and doesn't deserve this vitriolic attack.. Attitudes are unjust and I believe he will make things better and go forward from here.

Richard Thorpe closed the meeting at 19h10.