



KENTON
on Sea

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Dear Mr Klaas and Ms May

NDLAMBE 2024/2025 BUGDET

The Meeting between Ndlambe Municipality and KOSRA held on 23/5/2024 to discuss budgeting, our letter of 29 April 2024 and responses received from Diane May on 16 May 2024, refer.

During the meeting various budget issues were discussed.

It was established in the meeting that the figures provided to KOSRA in the marked up response to our letter dated 29 April 2024, appeared to be inaccurate and confusing. In the markup, for example, it was stated that:

“Roads Operational Budget: It's essential to note that the total operational budget amounting to R39.4 million allocated for roads should also be considered as maintenance expenditure. However, due to the current intricacies of budget structuring, it may not be explicitly labeled as such.”

In discussion, when this statement was interrogated, the actual amount for maintenance was stated to be some R6 million. However, in further discussion, it was confirmed that, as indicated in our letter, the budget for maintenance of all infrastructure, other than water, was a minimal R2 million with the actual draft budgeted figure for road maintenance for the whole of Ndlambe being a mere R250 000! This represents an annual maintenance expenditure of 0.03% for assets with a

replacement value of over R700 million and is clearly inadequate to maintain these assets. The draft IDP shows that a routine maintenance expenditure of some R14million is envisaged and that a further 88kms of the 170km paved road network require rehabilitation.

The proposed programme and estimates of required expenditure set out below illustrates how the roads can be maintained with an annual maintenance budget equal to some 4% of the asset replacement value, which is more in line with treasury guidelines. Ndlambe is called upon to take the steps necessary to provide for and approve, for budget purposes, the realistic amount that is set out in the tables below. Only when Ndlambe makes a proper commitment of this nature, can it be said that Ndlambe is starting to comply with its constitutional obligations.

We again emphasise the high expectation that Ndlambe has of its rate payers. Even the reduced rates factor still generates a heavy obligation on individual rate payers to contribute to the municipal coffers and this endorses the reasonable expectation on the part of rate payers to get something back.

On the subject of debtors and collections, reference was made to the low collection rates provided in the Section 52 quarterly reports (in the 70% range), which we were told were “wrong” compared with the sudden dramatic budgeted expectation of much higher collection rates, varying between 84% and 96%.

We seriously doubt the accuracy of these revised figures.

Reference was made to the outstanding amount by way of rates unpaid by commercial enterprises, reflected to be more than R41 million in the Q1 Section 52 report.. In response, we were told that this amount was incorrect and that the figure should be some R3.8 million. However, attention was drawn to the Q2 Section 52 report which shows more than R42 million owing by commercial enterprises.

Clearly, the figurework presented by Ndlambe , some of which may be the result of errors, are substantially misleading to any reader thereof.

The aspects that we have focussed upon to date are only a small but very important part of the bigger picture, which still requires much analysis, attention and discussion. KOSRA is concerned that the draft budget presentation and related discussions are being held so late in the budget cycle when it is almost impossible to take corrective action.

Towards the conclusion of the meeting, KOSRA were requested to provide an estimate of the required funding for road and water reticulation infrastructure in Ndlambe that could be considered in the final budget for the next financial year.

As requested, herewith KOSRA's proposed budget amounts for this maintenance. The proposals are described in a format that could easily be incorporated in the IDP 2024-2025 and accommodated as budget votes.

2.6.1.2 Water – Add the following after this paragraph – original in italics.

- *Remedial actions include loss control and the addressing of leaks in indigent households. This has been done on a wide scale throughout Ndlambe. Future low-cost house design will focus on the quality of all water and sanitation fittings included in the house construction.*

With water losses being a major concern, particularly where bulk water supply involves expensive RO water, the identification of water leaks and repair is a high priority. The water

loss monitoring plan involves installing bulk meters as well as recording devices in zones so that water leakage can be detected and isolated to effect repairs. Bulk meters already exist in some locations, and they need to be serviced and to have their vandalised radio transmitting devices, used for recording meter readings every 2 minutes, replaced. The number of zones per township will vary between 5 and 15 depending on the reticulation network and topography and these will be identified and refined over time.

The zonal meters need to be linked to zonal valves which could either involve existing valves as well as new valves located to isolate zones so that the water in the zone can be shut-off to allow for pipe repairs. Some of the old original valves are over 35 years old and are out of order and need to be replaced. An annual valve replacement programme is to be developed and implemented.

This involves the following annual maintenance budget elements:

1. Bulk water meter repair and replacement	R200 000.
2. Installation of zonal meters	R300 000
3. Installation and operation of recording devices	R200 000.
4. Replacement of defective valves	R300 000
5. Leak detection and repair	R1 000 000
Total annual budget	R2 000 000.

In addition, water facilities need to be made secure to prevent vandalization and an annual budget amount of **R100 000** needs to be made available for this.

2.6.2.1 Roads Maintenance Plan

The input that we have provided to date is mainly focussed upon road maintenance with Kenton-on-Sea.

However, Arthur Taute, the professional roads engineer who sits on our committee, has already carried out extensive work in regard to planning and requirements for maintenance of the road network in all the towns that fall within Ndlambe as a whole. We provide the result of this work below, in good faith as a demonstration of our commitment to assist and improve wherever possible, for the assistance of Ndlambe.

The current IDP shows tables for road rehabilitation of individual roads which can be removed as the total length of road identified for Pothole and Slurry sealing involves some 88km, or roughly ½ the paved road length. While this is indicative of the current poor state of the roads and accelerated deterioration that is occurring, this level of funding is unaffordable. Instead, it is proposed that the road maintenance management plan involve patching and low-cost surface rejuvenation, to retard or arrest deterioration over the short term and to allow for subsequent resurfacing on a more systematic basis over several years.

Therefore, it is proposed that roads maintenance budget be shown as a table in the IDP that includes both routine as well as periodic maintenance. An amount of R70 000 per km is proposed for periodic maintenance which involves resurfacing roads every 15 years at a rate of R175/sqm or R70 000 /km per year assuming the roads are generally 6m wide.

Proposed amendment to the IDP and related budget:

2.6.2.2 Road Maintenance Budget Provision

The road maintenance budget shown in the table below provides for a 15 year resurfacing cycle which means that roughly 6% of the roads are resurfaced every year.

Gravel Roads: Annual Routine Maintenance Rate per km (Blading and Drainage Repair and Waterway Cleaning)	R35 000
Paved Roads: Annual Routine Maintenance Rate per km (Patching, Vegetation Control, Drainage Repair and pipe and Waterway Cleaning)	R60 000
Paved Roads: Annual Periodic Maintenance Rate per km (R175/sqm Resurfacing every 15 years)	R70 000

Town and Suburb	Length Surfaced	Annual Routine Maintenance	Annual Periodic Maintenance	Length Gravel	Annual Routine Maintenance	Total Annual Cost
Ward 10	49.24	R2 954 220	R3 446 590	26.40	R923 930	R7 324 740
Port Alfred : CBD & River	11.94	R716 220	R835 590	1.89	R66 045	R1 617 855
Golf Course	18.90	R1 133 700	R1 322 650	8.23	R287 980	R2 744 330
Forest Downs	3.77	R225 960	R263 620	6.83	R239 190	R728 770
High School	6.55	R393 060	R458 570	3.14	R109 935	R961 565
East Beach	4.26	R255 780	R298 410	2.70	R94 605	R648 795
Station Hill	3.83	R229 500	R267 750	3.61	R126 175	R623 425
Wards 7, 8 and 9	21.83	R1 309 500	R1 527 750	20.45	R715 750	R3 553 000
Nemato	21.83	R1 309 500	R1 527 750	20.45	R715 750	R3 553 000
Ward 1	1.44	R86 400	R100 800	15.84	R554 435	R741 635
Kwanonqubela	1.44	R86 400	R100 800	15.84	R554 435	R741 635
Ward 2	31.55	R1 892 820	R2 208 290	17.19	R601 650	R4 702 760
Alexandria : Town Area	13.73	R823 500	R960 750	2.62	R91 525	R1 875 775
Wentzel Park	2.56	R153 300	R178 850	4.30	R150 430	R482 580
Boknes	10.65	R638 820	R745 290	2.60	R91 070	R1 475 180
Cannon Rocks	4.62	R277 200	R323 400	7.68	R268 625	R869 225
Ward 3	18.69	R1 121 280	R1 308 160	15.11	R528 675	R2 958 115
Marseille	4.01	R240 300	R280 350	7.08	R247 625	R768 275
Harmony Park (Klipfontein)		R0	R0	3.13	R109 550	R109 550
Bushmans River Mouth – Town	7.44	R446 580	R521 010	1.95	R68 250	R1 035 840
River's Bend and Industrial	7.24	R434 400	R506 800	2.95	R103 250	R1 044 450
Ward 4	30.81	R1 848 600	R2 156 700	4.16	R145 495	R4 150 795
Kenton : Town Area and CBD	20.22	R1 212 900	R1 415 050	1.59	R55 650	R2 683 600
Merry Hill	3.67	R220 200	R256 900		R0	R477 100
Ellengone	0.72	R42 900	R50 050	0.38	R13 125	R106 075
Ekuphumleni	6.21	R372 600	R434 700	2.19	R76 720	R884 020
Ward 5	9.17	R550 200	R641 900	39.26	R1 374 205	R2 566 305
Bathurst Town Area	5.51	R330 300	R385 350	22.45	R785 855	R1 501 505
Nolukhanyo	3.67	R219 900	R256 550	16.81	R588 350	R1 064 800
Ward 6	9.33	R559 980	R653 310	1.80	R63 000	R1 276 290
Seafield / Kleinemonde	9.33	R559 980	R653 310	1.80	R63 000	R1 276 290
Totals Annual Maintenance Cost for Ndlambe	172.05	R10 323 000	R12 043 500	140.20	R4 907 140	R27 273 640

In practice, the scope of the work will be adjusted by initially providing a less costly patching and surface rejuvenation treatment so that the entire road network can be attended to over

3 years to improve condition and retard deterioration. This will be followed by more durable chip and spray surface treatments of around 10% of the roads each year until such time that the entire road network has been resurfaced and the normal 15 year resurfacing cycle can commence.

Considering

2.6.2.3 Stormwater Drainage

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Add the following after this paragraph.

Currently, Ndlambe Municipality is dedicated to advancing stormwater management planning to foster sustainable development and enhance resilience in the face of changing climate conditions. Through the development of a formal stormwater management plan, data-driven decision making, community engagement, integration of green infrastructure, and capacity building initiatives, we will be laying the foundation for a more resilient and prosperous future for our municipality.

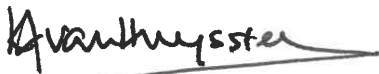
At this stage the stormwater maintenance and repair budgets are incorporated into the routine road maintenance budgets shown above in Table... while programming of stormwater improvements is included as part of periodic road maintenance planning.

We confirm that we hold ourselves available to discuss and assist wherever we reasonably can in order to achieve a proper end result in the best interests of the broader population of Ndlambe, not necessarily confined only to Kenton on Sea.

Please note that this letter is not intended to deal with all our concerns about the budget, the Section 52 reports, the Ndlambe Annual Financial Statements and numerous other major concerns about service delivery.

We confirm that a follow up meeting has been scheduled for Monday 3 June 2024 at 14h00.

Yours sincerely



KEVIN VAN HUYSTEEN AND ARTHUR TAUTE

KOSRA

Executive Committee

- Kevin Van Huyssteen (Chair) •Vivienne Holmes (Treasurer) •Trish Barwick (News & Marketing) •Martin Smook (Membership)
- Adrian Purdon (Security, Water, Infrastructure & Maintenance) •Arthur Taute (Roads & Infrastructure) •Tom Lawless (Public Accounts)
- Steve Barwick (Recycling & Waste) •Bev Lloyd (Merryhill representative) •Steve Tredoux (Chamber of Business representative) •Janda Theron (Secretary)

Town Planning sub-committee

- Pollos Purdon (Chair) •Kreason Naidoo •Norman Griffiths