

MINUTES

GENERAL MEETING OF PORT OWEN MARINA AUTHORITY HELD AT THE RIVIERA HOTEL AT 10h30 ON SATURDAY 14 NOVEMBER 2020

WELCOME

The Chairman welcomed those present and thanked them for their interest and support shown. He asked all the attendees whether they were satisfied with the Covid-related arrangements. There were no complaints.

The Chairman introduced the new POMA Board for the next term:

		<i>Directors</i>		<i>Alternate Directors</i>
WAG	–	Briers van Rensburg	and	Llewellyn Delport
POPOA	–	Abe Uys	and	Fanie Joubert
POYC	–	John Scudder	and	George Breeze
POWA	–	Derek Robinson	and	John de Meillon

The meeting was informed about the fee increase that is moving to January of each year. This has necessitated that the general meeting will now permanently move to October of each year, to give sufficient time for the publishing of the new rates.

Attendees signed the attendance register.

The purpose of the meeting was to present the latest forecast for 2020 and the Budget and Business Plans for 2021/2022/2023.

PRESENTATION OF 2020 LATEST FORECAST 2021/2022/2023 BUSINESS PLAN

This presentation was done by John de Meillon. The following figures were presented:

- Actual figures for 2018 and 2019
- Forecast 2020 (actual figures to August, Forecast September to December)
- Budget 2021 to 2023

A special Covid discount was given to all clients for the period April 2020 to July 2020. This caused a decrease in fees of almost R400,000 for the period. This gesture was appreciated by the clients, as voiced by Derick Truscott and Patrick Knobel.

An amount of R1,400,000 was budgeted for the Municipal Grant, but only R700,000 was received during 2020. This was due to Bergervier Municipality adjusting their budget to provide for the Covid pandemic. The assumption for 2021 is that the Municipal Grant will be paid in full and the full amount has been budgeted for.

The July 2020 increase moving to January 2021 is responsible for another loss of revenue of about R67,000.

The budget was done on the basis to first determine the income and then prioritizing the expenses. The expense budget was done to stay within the income budget.

The budget project expenditure cost exceeds the project revenue. This is due to the dredging expenses. This will be covered from the ring-fenced amount set aside for dredging. This amount is currently R2,700,000. If it was not for the cut in the 2020 Municipal Grant, this amount would have been R3,400,000. With the current budget there is no need for a loan to finalise the dredging based on the assumptions used.

The major assumptions are that

- the operational revenue will be increased below the expected inflation rate of 7% per annum;
- salaries will increase by 5% in 2021 and 7% in 2022 and 2023;
- the Municipal Grant will revert to its previous level after the Covid pandemic;
- POMA will commence with own dredging from February 2021 at the rate of 20,000 m³ per annum and that the required permits will be obtained in order to add Contracted Dredging from January 2022 at the rate of 50,000 m³ per annum for the years 2022 and 2023;
- major repairs on embankments and walkways would have been completed by 2022 and 2023 and only emergency repairs are planned for these two years;
- the budget assumptions are based on current cash reserves and projected cash generated, with the overall view of staying cash positive at all times.

Dredging budget

- Budget for 2022/23 was done on assumption of R50 per m³ for additional, contracted work.
- Bob Fordyce was unhappy about this assumption, as he saw a quote of R20 per m³ during the previous tender process and the R50 is two and a half times more
- Briers van Rensburg said that the quotes received at the time of the tender varied from R80 per m³ to R150 m³. He explained that R50 per m³ is a reasonable number from own experience. Everyone must remember that this is a budget and not cast in stone. Once we are going out on tender, we shall have exact numbers.
- Tender can't go out now, as a contractor won't start before 2022
- Bob Fordyce was unhappy about POMA planning to do their own dredging in 2021, as it is much more expensive compared to a contractor.
- Abe Uys confirmed that the average dredging cost for POMA's own dredging for the five months in 2019 was R91 per m³. The best average working hours were 40 hours a month for the five months. He explained that 2021 would be a year of preparation for "the Big Dredge" and that everything assumed could change, depending on the reaction we get from the authorities.
- The previous contractor would have dredged for under R30 per m³.
- Some of the current conditions that have an influence on efficiency
 - o Only allowed to dredge during daylight hours and weekdays.
 - o Settling ponds will be used for the removal of coarse sediment from the dredged material
 - o Fine material will be directly disposed of into the Berg River, provided the particle size of dredged material consists of more than 97% fines with a particle size of less than 0.5mm in diameter.
 - o The settling ponds will be used should the dredged material comprise more than 3% coarse material, with a particle size of more than 0.5mm in diameter.
 - o The fines will be released into the Berg River on outgoing tides of approximately 200m³/s and the coarse material will be collected for disposal at the Vredenburg Landfill Site.

Bill O'Reilly wanted to know why POMA do not simply remove the spoils to the ocean by using barges.

Abe Uys explained that nothing can be done without authorisation from the relevant Authorities. The budgets were done using historical data, experience, assumptions and available information. The Board is trying their best. At this point in time these budgets are our best shot. If things change in future, we will adjust the budget. If we can't get a dredging contractor for R50 per m³, then we need to reset and do something else. If we go from the premise that we don't need any permits we can do whatever we want. Then we can get a machine in and get dredging done in one week, working night and day, pumping everything directly into the river. The better the efficiency, the lower the cost per m³, but POMA has a "Duty of Care" responsibility and we cannot just do what we like, and damn the consequences.

Patrick Knobel suggested that the budget figures must be made available before the general meeting. This way it can be studied and more informed questions could be asked.

Derick Truscott offered his assistance if POMA need any help with future TERS applications.

John de Meillon thanked everyone for their patience. The presentation is available on POMA's website <https://poma.co.za/stay-up-to-date-news/> "Budget presentation – 14 November 2020".

Outstanding debtors

- Abe Uys confirmed that POMA debtors are managed well and are generally good.
- There are a small number of people that are having disputes, but POMA is dealing with them.
- Court cases that were delayed in 2020 due to the lockdown, are now scheduled for early 2021.
- About R160 000.00 of the total of R200 000.00 for default debtors, are made up by four clients.

PRESENTATION OF 2021 LEVIES

John de Meillon confirmed the increase assumption of 7% for the next three years.

Bob Fordyce raised his discontent about the proposed 7% increase, as inflation is only 4%.

UPDATE ON PROGRESS WITH DREDGING AUTHORISATION

The Chairman reported that the problem that POMA is facing is not the actual dredging, but how we get rid of the spoils. We can dredge as much as we like.

First dredging was done by Owen Wiggins in 1988 when Port Owen was founded. After that Bergvliet Municipality dredged in 2000. The ICMA Act brought new regulations in 2008.

Our legal advice is that we don't need the additional permits, but that we must jump through all the hoops to get to a stage where we can appeal the decision if it is not in POMA's favour. Consequently, we have applied for

- A dumping at sea permit in terms of Section 71 of the National Environmental Management: Integrated Coastal Management Act, 2008 (ICMA)
- A coastal waters discharge permit in terms of Section 69 of the National Environmental Management: Integrated Coastal Management Act, 2008 (ICMA)

Together with these two applications we have submitted a letter informing the Department of Environmental Affairs that we don't think that we need these permits, but that we are only doing the applications through an abundance of caution. Dredging has commenced lawfully in 1988 and have been ongoing on an ad hoc basis ever since. Some 10 years prior to ICMA coming into force and 30 years prior to the Coastal Water Discharge Regulations that were promulgated under ICMA in 2019.

We are working with the presumption that we don't need these permits, because of historic events. Port Alfred Marina went through the same process during 2016 and got exemption. They don't need any permits to dredge. This means that there is a precedent. Government must take us to court, we won't take them to court.

The assumption is that we can dredge 20,000 m³ with our own dredger in 2021. We won't be dredging for a full year, as we have to wait the statutory time allowed before DEFF has to respond. We are hoping to get answers in January 2021, get everything ready and to start pumping in March.

Further assumptions are that we go to court or negotiate with DEFF to finalise our permit conditions. This must be sorted out next year.

We are hoping to get extra capacity in by 2022. We have enough funds for three years and are hoping to finish the job in that time. This will mean an additional capacity of 50,000 m³ per year. This could be done by appointed a contractor on a tender basis or purchasing a second dredger.

Currently we have an emergency situation with a huge demand. If the process is delayed, our assumptions will move forward. If we end up in court and they tell us that we can't dredge, the community must come together and decide on a way forward without any dredging happening in future.

The dredging currently happening in St Helena Bay and Lamberts Bay is done under a maintenance permit. It is done by government and the same rules don't apply to them.

David van Ryswyk (owner of the property next to settling dams, erf 888) offered his assistance if POMA needs any help with the settling dams. He also thanked Derek Robinson and Riaan Adendorff with helping him to sort out issues with his boundary lines.

BOATING LICENCES 2020/21

The new boating licences fees were distributed and are effective from 1 July 2020. The annual permit fees are calculated as six times the 30-day permit fees.

Abe Uys suggested that clients must do the calculations and rather buy 30-day permits as needed if they don't need an annual permit. The permit is valid from date of purchase for one month.

The bylaw was amended and also distributed to all clients.

DISPOSAL OF USED ENGINE FLUIDS AND BILGE WATER

A big boat that sank in the main basin a few months ago, raised a couple of alarms. The most important one is that the vessel owner is entirely responsible for any pollution caused by his vessel.

Pieter Viljoen sent a request to POMA for the installation of a collection facility for old boat engine oil and contaminated bilge liquid.

Derek Robinson reported that only a maximum of three people a year change their engine oil. Such a container can be damaged by the public and POMA does not have the facility to deal with the liquid. He confirmed that old engine oil can be put in a container and taken to Bergvliet Meganies. They have a contractor who collects old oil.

Derek Robinson explained that the owners/skippers are obliged to clean up polluted bilge water prior to emptying bilges into the marina. Absorption pads can be purchased from the POMA office at R10 per pad. Once the bilge water is free of fuel and oil it can be safely pumped out into the marina. Alternatively, connect the bilge pump to 20L containers and empty the bilges directly into the containers for disposal. Automatic bilge pumps are an issue, but Riaan Adendorff will deal directly with the vessel owners as there are only a few of these in the main basin.

Everyone is responsible for his own vessel. If your vessel pollutes, you will be held responsible. If you see a problem arising, POMA can assist in isolating the vessel. POMA has enough booms to isolate the vessel and to clean the water around the vessel. POMA has enough booms to close off the main basin from the rest of the river and the rest of the Loop. If there is a big issue in the main basin, we could put a boom across the main entrance and contain the pollution into the main basin. POMA is currently in the process to get enough boom material to put a boom across the Western entrance and the Eastern entrance, either to protect the river from a pollution problem that we have or protect ourselves from a pollution problem that might occur in the river.

Derek Robinson invited anyone that has questions or suggestions to contact Riaan or himself for a discussion.

GENERAL

No further queries were raised.

Abe Uys once again thanked everyone for attending the meeting. He also thanked The Board and personnel for all their hard work.