



(Registration Number: 2001/000705/08)

NOTICE TO MEMBERS

ALTERNATIVE LOCATIONS FOR PROPOSED WATER STORAGE FACILITY

1 INTRODUCTION

Due to frequent interruption in the supply of water, the Raptor's View Home Owners Association (the Association) decided to investigate the possibility of installing 1500m³ of potable water storage capacity on the estate.

Several tank designs were considered including pre-fabricated concrete tanks, reinforced concrete tanks, galvanized steel tanks, "gunite" tanks and "zincalume" coated steel tanks.

After careful consideration, it was decided to install "zincalume" coated steel tanks due to the ease of installation, life span and cost. It is the most suitable design for the storage of potable water. It consists of a reinforced concrete ring beam, steel side panels coated with a high corrosion resistant alloy of zinc and aluminium and an inner PVC liner.

Three manufacturers were considered and after tender adjudication, Rainbow Reservoirs were chosen. The first of two tanks was ordered and has been manufactured and is awaiting installation.

A new pump house will be built next to the new tank and the existing pumps will be relocated. The pipe network will be modified to suit.

Stand 10 was purchased in 2014 by the Association because it was considered ideal for the location of water tanks, estate offices and maintenance workshops.

However when the Board applied to have the stand re-zoned, a number of objections were received. On 5th August 2015 a meeting was held with interested and affected parties. The Board agreed not to build any workshop facilities on the stand and to screen the tanks from neighbours

but no consensus was reached. The Board then agreed to consider other possible locations before reverting to the members.

Soon thereafter the Board was advised that the Maruleng Municipality plan to build a new Water Treatment Works on land purchased from Welverdiend close to the railway spur on one of the highest pieces of land in the area. Unfortunately information about this facility is sketchy and we do not know whether we will receive our water via the existing supply line or directly from the new facility, or when it will be completed.

As promised the Board has considered several other locations and identified two possible alternatives.

The Board now wishes to determine which of the three options are preferred by the members before spending more precious time and money doing the engineering and completing the project plan and capital cost estimate.

Once the preferred option is known, the Board will concentrate on addressing all the constraints and preparing a proposal. The Board will then request approval for the capital expenditure by means of Ordinary Resolution.

2 OPTIONS

4.1 Option 1 – Stand 10

Stand 10 is the first residential stand on the right hand side of the entrance road after Safari Junction and the Raptor's Lodges. It is situated next to the main incoming pipeline and water meter. It is at an elevation of 516 meters.

It was preferred over all other locations at the time because of its elevation, close proximity to the main incoming pipeline and the costs of establishing the facility.

Before construction can begin on Stand 10, the Association would have to have it rezoned which is unlikely without agreement from interested and affected parties.

However the Board is still of the opinion that the facility can be effectively screened from view and the pump house sufficiently insulated to prevent any noise being heard from neighbouring stands.

The location of the stand is shown in the extract below:



4.2 Option 2 – Southern Cross Schools (SCS)

After hearing of the Municipality's plans, the Board considered areas in the north east of the estate and identified a suitable piece of land on SCS property just above the sports fields. It is at an elevation of 531 meters and within reasonable proximity to the proposed new Municipal Water Treatment Works.

The proposed location is shown in the extract below:



SCS have agreed to make the land available to the Association for construction of the tanks provided they benefit from the facility. However the SCS property was acquired by Deed of Donation which may have its own complications. We also have to consider the implications of constructing a facility on property we do not own.

Unfortunately if the facility is constructed before the municipal water treatment plant, we will have to install 1800m of 160mm diameter feed water piping and another 960m of supply piping.

4.3 Option 3 - Welverdiend

The owners of Portion 6 of the Farm Welverdiend 243 Proprietary Limited (Welverdiend) have offered land immediately east of the Buffalo Camp in close proximity to the new Municipal Water Treatment Works and Green Fig Propriety Limited (Green Fig) have agreed to transfer the current piece of land used by the Association for refuse collection to the Association – both at no cost to the Association - in exchange for a 10 hectare servitude for the movement of game across the south east corner of RV.

The full extent of the proposal is as follows:

- **Wolverdiend will:**

- Re-zone, subdivide and transfer to the Association 3600m² of land just east of the Buffalo Camp worth an estimated R500 000 at no cost to the Association for construction of the proposed water storage and treatment facility.
- Register a servitude from Raptor's View to the above mentioned portion for direct access by the Association to the new facility.
- Build a hide at a cost of R200 000 that will only be accessible by foot from Raptor's View and a waterhole at a cost of R30 000 on the proposed servitude.
- Carry the legal costs of re-zoning, registration, transfer and fencing
- Contribute R500 000 towards construction of the water storage facility -together with the Wolverdiend Properties Share Block Company (WPSB) – the home owners on Wolverdiend.
- Make an additional once off contribution of R1m to the Association.
- Contribute to the ongoing maintenance costs of the water storage facility.

- **Green Fig will:**

- Transfer the current refuse collection yard near the contractor's gate to the Association at no cost to the Association. (This portion is valued at R500 000 but in fact should already have been transferred since it was part of an earlier agreement)

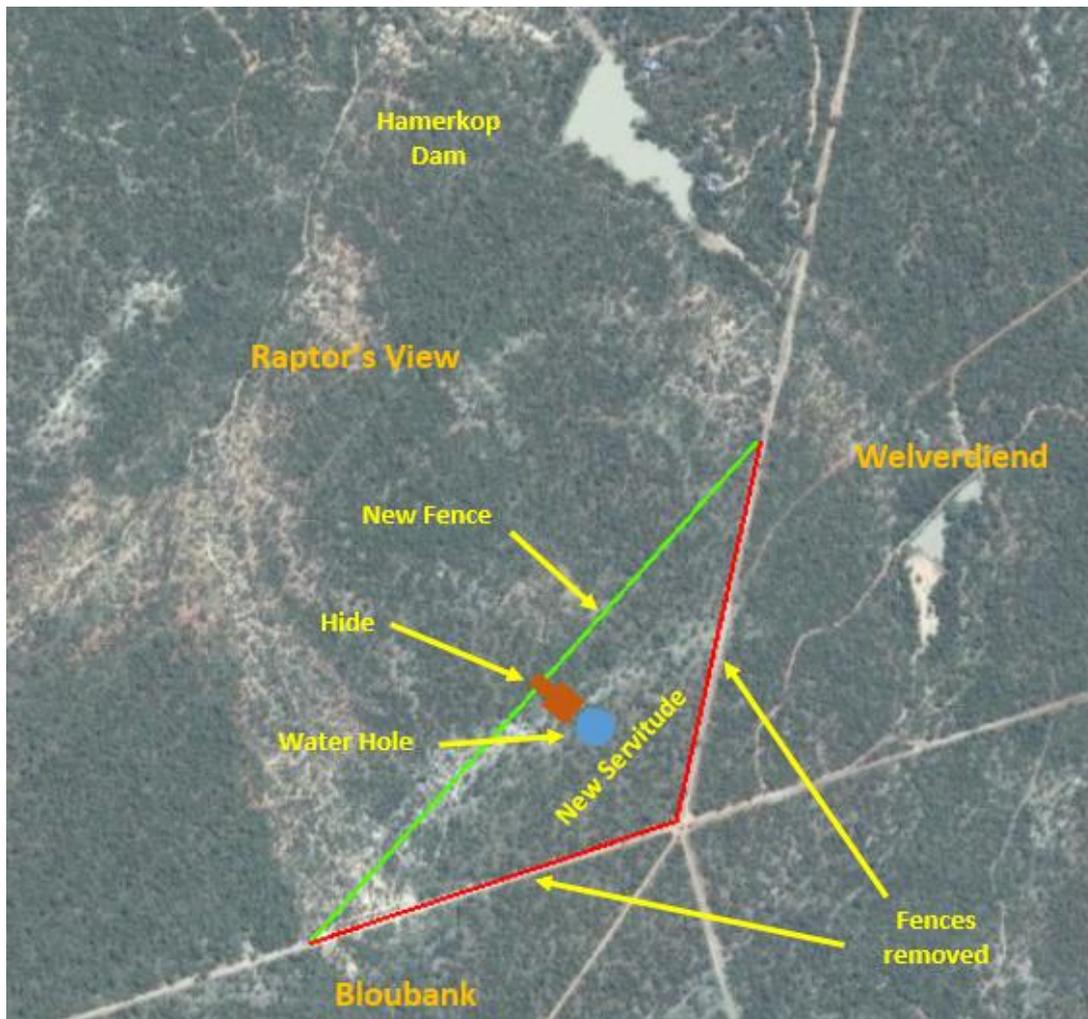
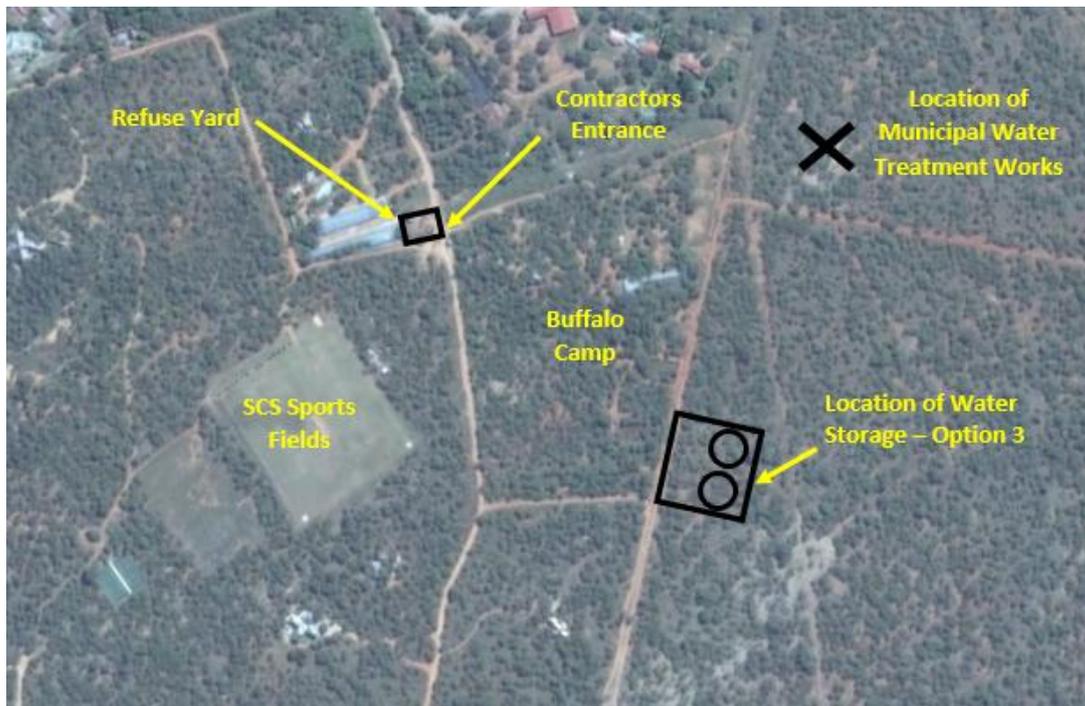
- **In exchange the Association must agree to:**

- Registration of a 10 hectare servitude across the south east corner of the estate for the sole purpose of game movement.

As far as the Board can ascertain, Wolverdiend is owned by GT Ferreira, Dirk Schoeman and Trevor Jordan and Green Fig by Trevor Jordan but the Association's lawyers are busy obtaining the necessary title deeds. The WPSB will have to be a signatory to any agreement.

The Association will not enter into any agreement with Wolverdiend, Green Fig and WPSB without full involvement of the Associations lawyers and without final approval of the Members.

The location and extent of the various portions of land included in this proposal are shown below:



3 CAPITAL COST

The capital cost estimate for the three options is shown below:

SUMMARY OF COST ESTIMATES	Stand 10	SCS Land	New Land on Welperdiend
	Option 1	Option 2	Option 3
Piping to and from the tank	R86,402	R1,508,864	R1,231,344
Tank, pump house and power supply	R1,443,850	R1,399,218	R1,399,218
Less proceeds from sale of stand 10		-R300,000	-R300,000
Less financial contribution from Welperdiend and Khaya Ndlovu		-R500,000	-R500,000
Less financial contribution from Welperdiend			-R1,000,000
TOTAL COST ESTIMATE	R1,530,252	R2,108,081	R830,562
Variance compared to Stand 10	0.0%	37.8%	-45.7%

It has been assumed that if option 1 is not the preferred option, the Association will sell Stand 10. For the purposes of the exercise we have assumed a selling price of R300 000 net of commission and taxes.

There are other costs associated with Stand 10 of about R250 000 that are not recoverable. They are not accounted for above and include costs for surveying the stand, the cost of re-zoning, architects fees, earthworks and rates.

The cost of piping for options 2 and 3 assumes that the installation will take place before the Municipal Water Treatment Works is built. If the Works were to be built in the next 12 to 18 months and water was fed directly to the new storage tank, a saving of between R500 000 and R700 000 should be possible.

The acquisition of extra land for the water storage facility, the eventual transfer of the refuse yard to the Association and the benefits of a new water hole and hide in the southern wilderness area are not accounted for above.

4 PROS AND CONS

6.1 Option 1 – Stand 10

Pros:

- The ground has already been prepared for construction of the tanks
- The facility could be constructed within 6 months of Municipal approval

Cons

- We need to convince interested and affected parties that their properties will not lose value and that their lifestyle will not be affected.
- Ideally those that objected to the rezoning would have to withdraw their objections
- The elevation is lower than the other two options necessitating the continuous use of pumps to pressurize the system.
- We must forego the levy and pay rates on Stand 10 indefinitely

6.2 Option 2 – Southern Cross School

Pros:

- It is at a higher elevation than option 1 and therefore less energy will be required to pressurize the system.
- The facility would be reasonably close to the new Municipal Water Treatment Facility (only relevant if they are built concurrently)
- No land purchase costs.
- We could sell Stand 10 to help offset the costs
- The facility will not impact on any RV Home Owners

Cons

- The facility would be constructed on SCS land
- This option is more expensive than both other options

6.3 Option 3 – Welverdiend

Pros:

- It is the lowest cost option
- The facility would be at the highest elevation possible with the result that less energy will be required to pressurize the system
- The facility will not impact on any RV home owners
- The facility is close to an electrical power source
- We could sell stand 10 to help offset the costs

- The Buffalo trail will be extended so the RV members will have access to the new hide in the game servitude
- There will be no vehicle access to the water hole and it will only be visible from RV and the hide.

Cons

- We effectively hand over 10 hectares of land in the SE corner of the estate to create a game servitude. Although we will still own the land, we will never be able to fence it off again.
- There could be some delay in rezoning and transferring of the properties.
- If we construct the facility before the Municipal Water Treatment Works, there will be increased cost of piping (already included in estimate)

5 DISCUSSION

Whilst Board members have their particular preferences, the Board does not endorse or favour any particular option. This decision will be taken by the members.

The Board is optimistic that all three options are achievable but when we get into the detail, there is the possibility that the preferred option is just not practical for one reason or another. If this is the case we will revert to the members.

The three options differ in their construct and therefore cost is not the only criteria.

Due to the complexity and number of variables, we will be hosting an information sharing session on Saturday 28th May 2016. A notice has been sent with this document.

6 DETERMINATION OF PREFERRED LOCATION

Since this is not a Board Resolution, no voting will be required. However the Board wishes to determine which of the three options is preferred by the Members so that we don't waste time and money on an option which is unlikely to be accepted by the Members at a later date.

If you are unable to attend the information session on the **28th May 2016**, please email your preferred option with any comments and questions to the Association (rvhoa@mweb.co.za) as soon as possible. Your emails and a show of hands at the information session will indicate which option(s) to pursue and which to drop altogether.

The Board