



HOME OWNERS ASSOCIATION

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13 December 2023†

Dear Owners and Residents,

CHAIRMAN'S REPORT 2023

It is always with a mixture of excitement and quiet serenity that I crest the last hill and see our beautiful bay before me. How privileged we are to be custodians of this breathtaking piece of nature.



Through the year, our community has seen a growth of new owners, residents and new building activity. With the "last Big Issue" finally resolved and certainty now established on the sizes of houses, it is expected that this growth will steadily increase.

Every year brings its own unique challenges, and this year was no different. On behalf of all residents, I wish to thank every member of the executive committee for their commitment and sacrifice through the year to

ably deal with every challenge in the best interest of the reserve and our residents. A special word of thanks to Mark Bowden and Frans van der Pol who will not be available to serve as trustees next year. Your contributions were immense, and we are grateful for the time you have given us. I believe that we now see the benefit of the constitutional change that ensures continuity of trustees and allows the committee to plan for the next year timeously and with more certainty.

We have experienced a change in personnel this year with the departure of our reserve manager, Harry van Bebber and the appointment of TJ Pieterse as his replacement. We would again like to thank Harry sincerely for his years of dedicated service to our community and wish him the very best in his new endeavour. TJ has certainly hit the ground running and has quickly settled into his role with energy and enthusiasm. A hearty welcome to our Nautilus community, TJ! A special word of thanks also to the rest of the team, France Itumiseng and Xola Petsha, for their hard work to take care of our reserve.

Home Owners Association Executive Committee Members

Jaco Lötter(Chairperson), Raoul Hodges(Finance) , Frans van der Pol (Aesthetics, Architectural Guidelines)
Mark Bowden (Environmental, Fire Control, Maintenance), Markus Kilian (Security)

We would also like to thank our managing agent, Status Mark, for their management of the reserve's affairs. A special word of thanks to Mariska Jacobs, Tessa Brown and their team for their capable administration and hard work behind the scenes. Your commitment to our community for many years is greatly appreciated.

With the comprehensive monthly reports from our estate manager regularly circulated to residents, the purpose of this report is only to summarise and highlight a few aspects of significance.

1. **Maintenance**

The resurfacing of our roads was one of the largest and most expensive projects undertaken on the reserve, funded through a special levy. Last year saw the completion of the external access road from the Vleesbay road intersection. The focus this year was on the internal roads, and it is expected that work will be completed by the end of the year, within budget. Certain sections of the paved roads were identified for future upgrades due to surface degradation and these sections will be attended to in consideration of available funds.

The committee has commenced with planning for the sustainable maintenance and possible upgrades to the following infrastructure:



- **Sewer system:** As part of the maintenance of the system, provision must be made for redundancies though available, functioning spare pumps. Planning is also underway to secure electricity to the pumps during times of prolonged load-shedding. Due to the fact that some pumps have different capacities and power specifications, the solution is a balance of required functionality and available finances. The committee is advised by our service provider in this regard and the aim is to upgrade, where necessary, to a standardised system.
- **Water supply and reservoir:** Provision is made in our budget for the maintenance of the reservoir and water infrastructure. Recent repairs were made with the co-operation of the municipality, but we have to make provision for the upgrade of certain degraded parts of this infrastructure. TJ has identified certain sections that require attention and where required the repairs will be prioritised and undertaken next year.
- **Security infrastructure:** The recent security survey has again highlighted the importance of this infrastructure, particularly the camera system. As is the case with the sewer system, the challenge is to establish a system that can function in times of prolonged power interruptions. Discussions are underway with a service provider to expand the wi-fi network to enable cameras to connect remotely. The provision of continuous power supply to the cameras is being investigated, as always, subject to the feasibility thereof.

2. Building and Architecture

I am sure that everyone shares our relief that certainty was finally reached on the issue of permitted house sizes on the reserve. This long outstanding matter was successfully concluded when our application to the municipality was approved on appeal. Houses on the reserve are permitted to have a total floor area of 500 square metres. A condition of the approval, however, imposed a monthly environmental levy on houses exceeding 250 square metres, calculated at R10.00 per square metre in excess of 250 square metres. This environmental fund can be used by the HOA to finance any environmental projects on the reserve. As discussed at our recent informal meeting of residents, the committee will have to determine the amounts payable by affected owners on consideration of approved plans, or on approval of as-built plans.

The approval of this application also necessitated an amendment to our constitution, proposed to be voted on at our 2023 AGM, as well as appropriate amendments to our architectural guidelines and building rules. The municipality's full decision and the revised guidelines are available on our website, www.nautilusbayhoa.co.za under the "downloads" tab.

We would like to recognise the efforts of everyone who assisted in the approval process. Thank you, Kobus Steyn and residents who initially obtained pre – approval at their cost from the municipality, thereby enabling the HOA to launch the formal application. Frans van der Pol, the aesthetic committee and our town planning consultant, Deon Nel, who steered the process over the finish line should be congratulated for their tireless efforts.



Through the year the committee considered and approved the following activities:

- Two houses were completed and one more is expected to be completed by year-end.
- One house is in progress with building work completed to floor level.
- Four plans were approved for houses exceeding 250sqm.
- Revision of as-built plans commenced during the first week of December 2023.
- One plan was reviewed as it exceeded the one-year inactivity period.

Owners are reminded to submit as-built plans for all houses exceeding 250sqm for approval by the HOA and the municipality.

3. Security

We are thankful that there have been no major security incidents during 2023. Harry, TJ and Markus Kilian, trustee for security, have done an excellent job of liaising with our security services provider and to take matters up with the service provider when guards were not performing according to our expectations.

Through the course of the year, the committee has received some complaints from residents regarding the performance of the security guards. The most common causes for complaint have been that security guards are not always phoning the resident involved before admitting contractors, couriers and visitors. There have also been reports from residents that security guards are not always following the correct procedures for signing in casual workers that are brought onto the reserve by residents.

We would like to assure members that these complaints are always taken seriously and are always escalated to the area manager of our security services provider. We have experienced a higher than usual turnover of guards this year, which resulted in many new guards that are not well versed in our procedures.



In July, a meeting was held with the security services provider to discuss the standards of the night patrols, which had deteriorated. After this meeting, the standards of the night patrols improved satisfactorily.

In the first quarter of 2023, a quotation for guard services was obtained from a different security company in order to evaluate the rates we are currently paying for these services. However, the quotes received from the other company was very much in line with our current costs and the received quote was not acted upon, seeing as there was no compelling reason to change to a different service provider.

Various maintenance tasks were performed by the respective reserve managers during the year. This included servicing and/or replacement of the PTZ controller in the guard room, various spotlights at the guard room and at the eastern beach road camera and backup batteries for some of the cameras. We have been experiencing some issues with the DVR system in the guard room and some investment will be needed to upgrade the system to get it operating optimally.

A security survey was conducted during November 2023 by means of an electronic questionnaire circulated to all members. Feedback was received from 29 members, and we would like to thank everyone who participated. The report containing the results of the survey will be made available to all members.

The results of the survey indicated that the majority of respondents are still satisfied with the current security measures, but there is a definite appetite for some improvements, especially relating to the processes and systems employed for signing in visitors. An overwhelming majority of respondents indicated that unauthorized access to the reserve – both the residential side and the undeveloped western side – is the highest security risks faced by the reserve.

The results from the survey will be extremely valuable to the 2024 committee in determining how resources should be allocated in 2024 to address the security concerns of members. Feedback received from respondents also indicated that not all members are completely informed about the guarding services we currently receive from our security services provider. During the day one guard is on duty at the main gate. At night one guard is on duty at the

main gate and one guard patrols the residential side of the reserve on foot or bicycle. Each guard is equipped with a PTT radio with which they can contact one another as well as the control centre and through which their movements can be tracked in real time by the control centre. The radios are also equipped with panic buttons which would alert the control centre and trigger the dispatch of a response vehicle.

Funds permitting, the year ahead might see us make significant progress in laying the foundations for improving our security systems and putting us on a path of sustainable and continuous improvement.

4. Finance

Notwithstanding a few unexpected expenses, we are grateful that expenditure for the 2023 period was nevertheless contained within the approved budget, Raoul Hodges should be commended for keeping a keen eye on our finances. The budget for 2024 was circulated with the 2023 AGM information pack. Raoul will present the financial position of the reserve and the planning for the next year at the 2023 AGM, but a summary is set out hereunder.

i. Budget

Est Income	2021-2022	2022-2023	2023-2024	2024-2025
Estimated Income	R1 947 064	R2 040 998	R2 185 031	R2 401 405-49
Estimated Expenses	R1 905 712	R1 934 872	R2 111 872	R 2 172 629.46
Estimated depreciation	R 89 000	R104 625	R110 000	R 110 000-00
Profit/Loss	-R47 648	R1 501	R 36 841	R 118 766.03

ii. Levies

	2021-2022	2022-2023	2023-2024	2024-2025
Levy	R 1 874-00	R 1 967-70	R 2085-76	R 2294.34
Road Fund	R 550-00	R 577-50	R 606-38	R 0
Total	R 2424-00	R 2545-20	R 2692-14	R 2294.34

Although the special road levy has now come to an end, many members expressed the view that it must be retained in some form as a source of additional income for future capital expenditure. It is proposed that the mothly levy be increased at a slightly higher rate of 10% to provide this additional income. The income to be generated from the new environmental fund will only become clearer as the year progress.

5. Environmental

Over the last few two years efforts to remove alien plant species were limited to the residential side of the reserve. We have noticed significant regrowth of alien plant species on the western side of the reserve. Plans are in place for the systematic clearing of this side in 2024. It is anticipated that the associated costs can be covered from the new environmental fund.

TJ has done an inspection of our boundary fences and identified certain areas which require maintenance. He is also in discussions with neighbouring farmers for the clearing of the fire breaks and removal of invasive plants on their side of the fence.



Following the leak in the PetroSA condensate pipeline on the reserve, we have kept a close watch on progress with the repair and rehabilitation of the area. A temporary repair was successfully installed and the contaminated soil in the area removed and replaced. The work was done under the supervision of the provincial and municipal environmental authorities who conduct regular inspections on site. The rehabilitation will be completed once the final repair has been done. We have received the following report from PetroSA on 2 November 2023:

"A firm decision has now been made to temporarily discontinue the flow of gas and condensate from the FA Platform. In order to do this, we require a nitrogen production unit that will allow us to purge the gas / condensate pipelines and other systems. The nitrogen unit is scheduled to be on-site early in January and we will then stop the production of gas and condensate to allow us to depressurize and drain the lines toward the GTL Refinery. The nitrogen will be used for the inspection process and to remove hydrocarbons from the lines. This process (drain, purge, inspect) will be completed by end January 2024.

The lines will then be left in an inert condition (nitrogen blanket) until a revamp / reinstatement project can be completed on the FA Platform, which will allow us to again produce significant quantities of hydrocarbons.

Due to the delayed delivery of the nitrogen unit, the inspection of the condensate line will now take place in January.

The permanent repair is on schedule for completion by April 2024. As the pipe will be drained and free of hydrocarbons, the repair process will be much simpler with lower risks.

The clamp on the condensate line was inspected today by opening the manhole cover of the pit. No evidence of any leaking hydrocarbons could be found."

We are grateful for the co-operation that we received in this regard from the municipality and the provincial department during this process.

We will monitor the progress of the repair and rehabilitation until final completion.

6. Conclusion



As always, we wish to thank all our owners and residents for their valuable contributions to our community and for initiating and participating in so many activities through the year. In this regard, the spontaneous beach clean-up initiated by Andre Els deserves a special mention.

From the 2023 committee, we wish all our residents a blessed, peaceful and safe Christmas season and only the very best for the new year.

Warm regards,

A handwritten signature in black ink, appearing to be 'PJ Lötter', written over a large, stylized, abstract line that resembles a wave or a signature flourish.

THE EXECUTIVE COMMITTEE
NAUTILUS BAY COASTAL RESERVE

Per: PJ Lötter (Chairman)