

BATE CHUBB & DICKSON INC.

EST. 1905

ATTORNEYS, NOTARIES AND CONVEYANCERS
Reg No 1983/001589/21

Amahlathi Local Municipality

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YOUR REF:
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Dear Sir / Madam,

**RE: AMAHLATI RESIDENTS ASSOCIATION/VARIOUS BUSINESSES // AMAHLATI MUNICIPALITY –
DEMAND FOR REINSTATEMENT OF SERVICE DELIVERY**

We represent the Amahlati Residents Association (“ARA”) and various businesses within the Amahlati Local Municipal Area (hereinafter referred to as “our clients”).

Our clients have instructed us to address you as follows:

1. On 17 October 2018, a protest action escalated to the point that various buildings and infrastructure were damaged and destroyed. From that date there have been inadequate and deficient service delivery (if any) in the area, with key services such as the traffic department, refuse removal, the accounts department, address verification services and rates clearance services becoming entirely inoperative. The situation has plummeted a municipality that was already in financial distress into a situation where it is difficult, if not impossible, to recover from, unless radical reforms are implemented. The protest action negatively impacted the town’s economy due to many days of lost productivity and trading.
2. On 18 December 2018 a delegation from the ARA hosted a contingent from the Municipal Management to ascertain what the strategy of restoring service delivery would be. From the meeting it became apparent that the municipality is unable to render any services until the protest action has been called off. The ARA subsequently concluded that the only structure which can remedy the situation is the Municipal Council. A meeting was arranged with the Speaker and an Exco member on 19 December 2018. At the meeting the Speaker committed, on behalf of the Municipal Council, that a council meeting would be called before 31 December 2018. This only materialised on 15 January 2018.
3. In a letter dated 20 December the ARA also requested the municipality to provide a plan of reinstating services with a due date of 15 January 2018. The letter clearly indicated the following expectations of the ARA:
 - a. The municipality need to urgently clean up the town, and rehabilitate the refuse disposal site, which is currently a potential environmental disaster, contaminating the water system that feeds the City of East London as well the water supply of the farms and communities in between.

- b. The municipality needs to issue all residents with up-to-date account statements, and institute legal action against any person in arrears for more than 90 days. In the event where there are disputes, it is recommended an independent arbitrator be appointed to rule on all disputes.
 - c. In terms of electrical supply, the municipality must confirm there are no outstanding payments to Eskom and at the same time implement a process of auditing all electrical meters and prepaid meters, to ensure there is no electricity theft. In the case of detecting theft, criminal cases must be opened against perpetrators and civil proceeding be instituted to recover cost of electricity stolen.
 - d. All other services, including traffic and community services, must be restored as soon as possible, with specific dates, names and contact details of responsible officials to be provided, as well as details of the locations where these services will be offered.
4. To date the municipality has not responded to the letter dated 20 December 2018, other than the Speaker acknowledging receiving it in an email dated 21 December 2018.
5. Subsequent to communications in December 2018 very little services were rendered in town, with numerous electrical outages and the refuse site becoming so cluttered and polluted with refuse to the point that it has become inaccessible. Our clients are concerned that effluent from decaying refuse in the streets, as well as the refuse site, would pollute the Cumakala River, which joins the Kubusi River ultimately feeding the Wiggleswade dam. Our client demands the refuse site be restored, and require the municipality to appoint an environmental specialist to prepare a report on the state of the refuse site, as well as conduct testing of water around the site to determine levels of pollution and propose remedial actions to prevent further pollution.
6. In addition, our clients have reviewed the Municipality's Unaudited Annual Financial Statements (AFS), and are concerned with the financial position of the Municipality as at the end of June 2018. It is also noted the AFS and Auditor General Report has not yet been tabled to the council.
7. Of equally great concern is the fact that the municipality has not sent out municipal accounts since February 2018 to most ratepayers and it can be assumed that the destruction of the municipal offices and lack of service delivery further contribute to ratepayers not settling their accounts. It stands to reason given the financial position of the municipality at the end of June 2018, combined with the lack of collection of revenue, the municipality would likely default on paying its payroll and Eskom obligations, which could trigger protest from the employees as well as Eskom disconnecting the town.
8. The Council and Municipality are requested implement the changes suggested in this letter and to urgently respond to this letter, by no later than 25 January 2018, or our clients will be left with no other option but to:

- a. Declare a dispute in terms of Section 102 (2) of the Municipal Systems Act 32 of 2000, for refuse removal with effect 1 November 2018, for all residents in the town.
- b. Appoint an environmental specialist to assess the state of the town, the refuse disposal site and levels of pollution, and apply for relief from a court to grant our clients the right to implement any recommendations, and recover all cost from the Municipality.
- c. Appoint legal counsel to make application to court for a structural interdict to compel the municipality to address the demands of our clients.

Yours faithfully

BATE CHUBB & DICKSON INC.