

10 September 2015

Background:

My name is Francois van Wyk and I am **registered as an Interested and Affected Party (I&AP)** in the environmental impact assessment process – **Proposed WTE project in Wellington by Drakenstein Municipality.** I have been a Wellington resident since 1997 and intend to spend the remainder of my life in Wellington. I am a business owner and also own several properties in Wellington. I have acquired a Diploma in Electrical Engineering during the 80's. I have been in the Financial Services Industry since 1990 and also acquired a qualification in that industry. I have an extremely good understanding of electricity (specific interest in renewable energy) as well as financial matters.

Proposed Waste to Energy Project in Wellington:

Known facts from available documents and documented research.

- Several calculation mistakes and mathematical mismatches occur in official documentation (**National Treasury expressed explicitly during March 2013 correspondence to our Municipality “that DLM bears the ultimate responsibility for data and conclusions underlying the feasibility study”**). Not only does the discrepancies occur on crucial tonnage amounts of waste, but on distances of the Berg River from the proposed plant as well as the closest communities. During a meeting earlier this week between the Municipality (represented by Messrs. Deon Louw, Ronald Brown and Deon du Plessis) and Wellington Farmers the Municipality continued with the spreading of “misinformation and poor mathematics”.
- There is NO scientific evidence regarding Incineration processes available in South Africa. The scientific evidence about incineration abroad though is well documented.
- The Incineration project proposed for Wellington **will produce highly toxic byproducts in the form of fly ashes, dioxins, harmful heavy metals like mercury and bottom ash** although Mayor van Deventer informed the press that it will only be a bit of Co2! These toxic byproducts will influence almost all the businesses in the wine, food and agricultural sectors in our area. There are several businesses in this area that are sole providers to national and international chain stores and who export their produce. The chances in future for them being able to get certification for exportation of their produce will be virtually zero. This will certainly cripple the economy of Wellington!
- These highly toxic byproducts will have a devastating effect on the health of local population adjacent and in close proximity of the proposed plant. The poorest portion of our local population will experience the most exposure to these harmful emissions. Well documented scientific evidence suggests that anyone or industry within a 6 km radius would be severely affected.

- The “renewable energy” that the DLM would be able to generate through the incineration process (Mayor van Deventer’s own words, “the renewable energy from this project will alleviate load shedding”) is total rubbish! Firstly, it is a known fact that energy generation through an incineration process leaves a huge carbon footprint. Secondly, energy generation through this process will be more expensive than current Eskom energy rates. Thirdly, this process (burning waste) **is NOT renewable energy, it is in fact “extremely dirty” energy.**
- DLM does not have enough waste to successfully run the proposed incineration process, will be dependent on imported waste, in fact about 300 tonnes in total per day. Stellenbosch municipality will supply a portion of it and Interwaste will source the rest. What would happen if the Stellenbosch supply is not available anymore? Would Interwaste supply the total “shortfall”. Who will authenticate the source of the waste? The amount of waste transported to our valley per day will even further increase the carbon footprint (about 60 truck trips on the R44 per day) of this project. Who will be responsible for the damage that will occur on the R44? What if, due to the huge carbon footprint, we are taxed by International authorities in future?
- Medical waste and hazardous waste licenses were separate categories in the past. The only requirement to handle both as we speak today is to obtain a hazardous waste license. Interwaste has applied for a **hazardous waste license for this dumping site.** This implies that they would technically speaking have a license to put medical waste through this incinerator as well! (an extremely profitable business).....with even more toxic exposure to our community. There were allegations in the past against Interwaste and other waste disposal companies for “illegal waste disposal” practices.
- It is fact that our environmental authorities are useless in enforcing the environmental laws of this country. It is also a known fact that waste disposal companies have paid millions of rands in “admittance of guilt” fines to escape prosecution during the last decade. It is my opinion that there is **NO chance** that the DLM **could guarantee constant, proper and safe governing** in future of the waste disposal site. It is fact that since the **DA government took over DLM a few years ago,** the management of the current landfill site deteriorated drastically. Good practices like chipping and crushing were stopped by DLM and general access control measures at the landfill site has been at an all-time low. These reckless practices shorted the lifespan of the landfill site drastically. My question is: if you cannot manage a landfill site properly, how on earth will you be able to oversee and govern a highly technical process?
- The public was specifically informed that DLM **will not spend a cent on infrastructure** regarding the WTE project. Amandla Construction is currently erecting a “chipping and crushing” plant on **proposed site alternative 2** of around R 13 million. Chipping and crushing will form an integral part of the proposed WTE process, will this plant form part of the proposed WTE project and **who is paying for that contract? DLM or Interwaste?** DLM is also currently seeking tenders to

upgrade the sewerage works right next to the proposed WTE plant of around R 280 to R 300 million. It is common knowledge that the proposed **WTE project will also use an Anaerobic Digestion process and that sewerage sludge is required for that process. Will the Anaerobic Digestion Plant that will form part of the upgrade of the sewerage works be used in the proposed WTE project and who will pay for it? DLM or Interwaste?** If the answer on above two questions is DLM, then lies were fed to the local population, again about the proposed project.

- Jan Palm Consulting Engineers who was an integral part of this process during the first feasibility study (**contracted and paid by DLM or Interwaste?**) as well as Interwaste, assisted DLM to re-write and change Municipal bylaws to unconstitutionally favor Interwaste and will have a devastating effect on current recycling businesses and people that has been financially dependent on waste removal / collection and recycling. The number of job losses that will be caused by this project will by far outnumber the proposed jobs created as mentioned in the official documents.
- Larry Eichstadt from RMS who is responsible for the final scoping report and feasibility study **is paid by Interwaste**. His reporting thus far has therefore been extremely one sided and biased to only favor **DLM and Interwaste**. NO MENTION whatsoever has been made to the toxic nature of the plant as well as the devastating impact that it will have on the environment and the economy of this town! This is in my opinion extremely irresponsible for a qualified environmentalist.
- DLM, in my opinion, did not do enough to explore other alternatives. Suggesting 3 different sites for only 1 process, of which site 1 and 2 are basically the same, is in my opinion not seeking alternatives. The only process that DLM is seeking is WTE. It is a known fact that the rest of the world is seeking “green alternatives” like proper recycling practices. **I am of the opinion that DLM should start a similar process to properly investigate alternatives.**
- The Municipal Systems Act specifically requires that unsolicited bids or proposals undergo a public participation process **before final approval of the service provider**. **DLM has already appointed the service provider more than 3 years ago, which makes this whole process illegal.**

Financial Facts:

- The Municipality says that they will have no financial risk.....with the available facts I do not see it that way. There is a huge financial risk involved in the whole transaction:
- The Municipality can be held liable for the “correctness of quoted figures” (as per correspondence from National Treasury). As it stands at this point there are huge discrepancies in published figures which would imply that the risk reverts back to DLM. This would imply that DLM is already on risk!

- Based on Interwaste's financials since 2007 and the Company profile, they will have extreme difficulty to raise the latest mentioned funds (in excess of R 600 million) and successfully service the debt. I am of the opinion that they will not be able to raise the capital within the boundaries of South Africa. The "property" remains the property of DLM (as per documentation), which will put Interwaste in a position where no asset could be used as collateral. The only option is from an overseas source, where you need to protect yourself against currency risk. This would raise the capital exposure with at least 25%. Interwaste's current liquidity ratios (based on the latest financials) is just under a factor of 2 (acceptable ratio is between 1.5 and 2.5). If Interwaste acquires a loan of R 600 million, this will change the ratio to a factor of less than 1. This implies that they will immediately be under financial duress to service the loan. This could immediately lead them to revert to more "profitable practices" (the license is in place). Cut corners so to speak. National Treasury has already questioned a profit margin of 30% as quoted in the official documentation (not even indicated as gross or nett profit). **The bottom line is, in my opinion, that Interwaste is not in a financial position to successfully handle a project of this magnitude. This in itself poses a huge financial risk to DLM and Wellington's inhabitants.**
- DLM's procurement process requires financial statements for a period of 3 years from any company on a potential tender bid to make sure that such a company is financially sound. During the time of the tender process the "vital statistics" of Interwaste was not looking good at all. Their results for the 2011 year speaks for itself and the company share price was at one of its lowest all-time levels. **I would like to get access to the process and documentation that the DLM followed to investigate Interwaste's financial soundness.**

Final thoughts:

It is my opinion that DLM made several mistakes and has cut several corners during this process. **Our leaders, the local DA Government's persistence** to continue with this project **despite damning facts and evidence** that has been presented to them is beyond me. **These** facts should have been made public the local residents **by the role-players and NOT THE pressure groups and general concerned public.** Their total lack for due process and refusal to give the public access to **ALL the documentation and information** (another democratic right) is also extremely suspicious. This only points to the fact that all the different role-player's' only interest is seeking great profit margins. The residents of Wellington has **clearly indicated THAT THEY DO NOT WANT THIS INCENIRATOR** on their front stoep. DLM has gone through the legal and procurement steps (very quietly) and seemingly followed the "high road", but the **DA council has recently clearly indicated that they are now officially following a very, very low road.** It is indeed a sad day in our democracy.

My prediction is that this fiasco will cost the local DA Government dearly during next year's local elections. Time will tell.....

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