Olifants Management Model (OMM) Programme

ISSUE 1 | 2024

NEWSLETTER

IMPROVING LIVES THROUGH WATER

info@lebalelo.co.za
www.lebalelo.co.za/omp

PAGE 2 Minister Mchunu commissions Southern Extension 2 Phase 1

PAGE 3 Progress update

PAGE 6 Awards and events

PAGE 7 Meeting community needs

PAGE 9 Investing in our people

Follow us on LinkedIn

Visit: https://za.linkedin.com/company/lebalelo-water-user-association

Newsletter Archive

To access previous issues of our newsletter, visit: lebalelo.co.za/news-and-media/

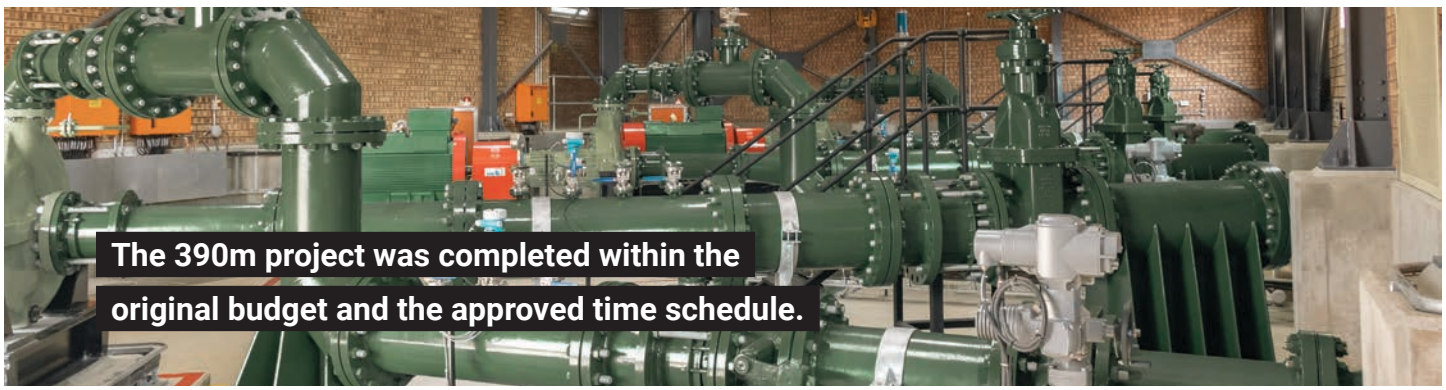
Minister Mchunu commissions LWUA's Southern Extension 2 Phase 1

The Minister of Water and Sanitation, Mr. Senzo Mchunu, officially commissioned Phase 1 of Lebalelo Water User Association's (LWUA) Southern Extension 2 (SE2) on the 26th of April 2024, marking a significant step in improving regional bulk raw water infrastructure.

The event took place at the brand new Spitskop Pump Station 2 in Steelpoort, Limpopo – one day shy of exactly 18 months after Minister Mchunu turned the sod, together with the LWUA Chairperson, on 27 October 2022 as part of the provincial launch of the Olifants Management Model Programme (OMMP).

SE2 reached practical completion in March 2024.

Phase 1 of the SE2 project reached practical completion mid-March 2024 and represents a significant milestone in the implementation of the OMMP as it is the first project to be successfully completed as part of the series of projects that form part of the OMMP. SE2 provides additional water to new and existing Commercial Members which will include two new mineral processing facilities that are currently in design phase. Phase 1 included the construction of a new pump station next to the existing Spitskop Pump Station, a new reservoir at Dwarsrivier and approximately 15km of bulk raw water pipeline from Spitskop Pump Station via Borwa to the Anglo American Platinum Mine, Mototolo.



The 390m project was completed within the original budget and the approved time schedule.

Rolling out the OMMP in waves

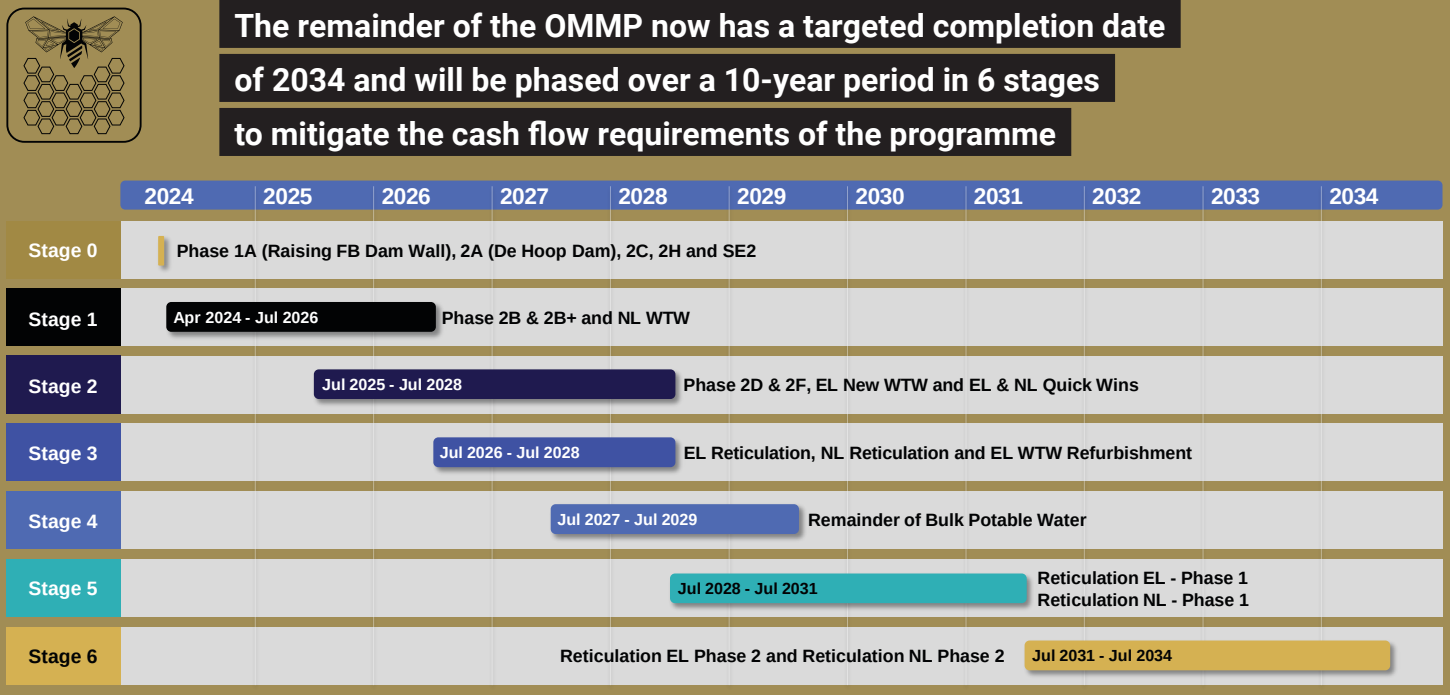
The Olifants Management Model Programme (OMMP) is a source-to-tap solution that seeks to provide approximately 263 million cubic metres per day (m^3 per day) to commercial and institutional users by 2050 and it requires an estimated R25.8 billion (nominal) in capital expenditure between 2024/25 and 2033/34.

The OMMP includes water supply from 2 dams (De Hoop and Flag Boshielo Dams) in the Olifants River catchments as well as the construction of major bulk raw water pipelines, and bulk and potable water distribution infrastructure for commercial and social use.

The OMMP seeks to benefit approximately 20 mines as well as businesses and communities within the Sekhukhune, Mogalakwena and Polokwane municipalities.

Given the current economic challenges in South Africa, particularly the impact of low commodity prices on the mining sector, a cautious approach has been adopted for the rollout of the OMMP, which will now be implemented incrementally, with implementation broken up into six stages over ten years. Stage 1, which costs R7.5 billion, has been selected to provide the maximum benefit relative to the overall OMMP's objectives while minimising costs.

The remainder of the OMMP now has a targeted completion date of 2034 and will be phased over a 10-year period in 6 stages to mitigate the cash flow requirements of the programme



Why is Phase 2B & 2B+ next?

LWUA will construct Phase 2B & 2B+ and the Northern Limb Water Treatment Works to alleviate the water shortfall in the Mokopane area.

Commencing with Stage 1 in the Northern Limb will immediately unlock Stage 0 allowing Member access to the De Hoop Dam and Phase 2C pipeline, debottlenecking the Eastern Limb and increasing security of supply in the region.

Both the Northern and Eastern Limbs will benefit through the first stage of the OMMP providing a foundation for both social and commercial growth in both regions while improving the water utilisation balance between the dams.

PROGRESS UPDATE

Financing the OMMP

In line with the guiding principles of our public-private collaboration, the funding for the OMMP is on a 50%-50% shared capex basis between Government and the commercial sector.

To date, funding support has been received from Government for Stage 1 of the OMMP through the Infrastructure Fund (IF) and grant funding. The application for BFI funding for Stage 2 (which includes Phases 2D and 2F, Eastern Limb Water Treatment Works as well as Northern and the Eastern Limb quick-win reticulation projects) is currently in progress, as is the application for RBIG funding for the social component's Water Treatment Works (WTW) of the Stage 1 projects at Mokopane and Sekuruwe.

Commercial funding for Stage 1 is progressing as planned: The due diligence process is in progress, with funding expected in August 2024. The commercial loan applications for OMMP's Stage 2 are currently in progress.

Amended Constitution expands the Association's reach and mandate

The Lebalelo Water User Association (LWUA) was established by the mining sector in 2002 to provide bulk raw water to mines and social users through the Department of Water and Sanitation (DWS) in the Eastern Limb of the Bushveld Igneous Complex (BIC) in Sekhukhune.

LWUA amended its Constitution to pave the way for the implementation of the Olifants Management Model Programme (OMMP).

The OMMP requires that the Association extend its operations into the Northern Limb of the BIC and broaden its mandate to include abstracting water from the De Hoop Dam, in addition to Flag Boshielo Dam, and making provision for our implementation scope to include potable water infrastructure.

The OMMP is an **integrated scheme solution** that will provide a systemic approach to managing water supply by balancing the available resources in the Middle Olifants Catchment Area ensuring security of supply for both commercial and social water.

Becoming BWUA

LWUA set to change its name in 2024

The signing of the Association's amended Constitution in July 2023 by the Minister of Water and Sanitation, and the approval of the Constitution by resolution at the Association's AGM in November 2023, present two key milestones in the Association's renaming and rebranding journey. There are however certain conditions that need to be met before the amended Constitution can be gazetted.

Once this process is complete, and the amended Constitution is gazetted, it will officially confirm the Association's name change from Lebalelo to Badirammogo and kick-start the rebranding rollout. As this process unfolds, we've been preparing our Brand Guideline, based on the Corporate Identity approved by ManCom in the last reporting period, in anticipation of the imminent change.

PROGRESS UPDATE

OMMP sails full speed ahead

Key recent moments in the Association's transformation progress.

December 2023

- Successful site visit with the Infrastructure Fund and National Treasury on the 1st of December 2023, with stops at LWUA's operational headquarters in Havercroft, Modubeng as well as at Clapham Pump Station and De Hoop Dam.
- Key alignment meeting at the Sekhukhune District Municipality (SDM) Council Chambers on the 1st of December 2023 with the Minister of Water and Sanitation, the Executive Mayor of SDM, the Mayors of the 4 Local Municipalities and representatives of local Tribal Authorities. The Minister announced the formation of a Multi-Stakeholder Task Team to deal with strategic issues at a political and technical level, which will allow the Association to focus on implementation of the OMMP.
- Issued the OMMP's Intermediate Business Case Report #2
- Received official confirmation of the Association's status as a 'certified international standards company' after undergoing a NOSA audit and receiving a 4-star grading.
- Issued a Request for Proposal for a Northern Limb Renewable Energy Solution (RES), linked to Stage 1 of the OMMP, where a standalone energy solution is planned for 3 pump stations.

January 2024

- DWS officially established a Project Steering Committee for the OMMP and Olifantspoort/Ebenezer Upgrade Project to support and streamline institutional involvement with the projects and ensure stakeholder alignment – it consists of a technical committee chaired by the DDG: Water and Sanitation Services Management and a political steering committee chaired by the Minister of Water and Sanitation.

February 2024

- Received official confirmation that LWUA has met the requirements for ISO standards 9001 (Quality Management), 14001 (Environmental Management) and 45001 (Health & Safety Management).
- Conducted a site visit and clarification meeting with IPPs for the OMMP's Stage 1 Northern Limb RES.

March 2024

- Reached practical completion for the newly constructed Southern Extension 2 (SE2) Phase 1.
- Showcased the OMMP at SIDSSA24 in Cape Town from 17-18 March 2024.
- Celebrated Water Month and International Water Day.
- Conducted a site with DWS to Flag Boshielo Dam and the Olifants River crossing as part of the WULA application procedure.
- Kicked off an early works professional services contract for management support of the EPC contract for Phase 2B & 2B+ and Water Treatment Works.
- Released the EPC contractor on an early works schedule for Phase 2B & 2B+.

April 2024

- DWS Minister Mchunu commissioned SE2 Phase 1 on 26 April 2024 at the new Spitskop Pump Station 2 in Steelpoort, Limpopo.
- Water & Sanitation Africa magazine showcases the Association and the OMMP in a cover story entitled: "Bridging Divides: LWUA's Transformational Story".

May 2024

- Received the award for Best Integrated 5-Star Company for the NOSA Northern Region (out of companies that achieved a 4 Platinum Star Level during their audits in the last year).

What's on the horizon?

- Gazetting of our amended Constitution, and rebranding of the Association.
- Final finishings on SE2 Phase 1 expected at the end of June 2024.
- Implementation of Phase 2 of the Southern Extension 2 Project.
- Completion of the OMMP Study Phase at the end of July 2024 – it remains within budget and schedule.
- Completion of the Final Business Case (FBC) report for all OMMP projects targeted for the end of July 2024.
- Completion of the Final Investment Decision (FID) document for the OMMP's Stage 2 Projects is targeted for August 2024.
- Holding of a General Meeting of Association Members to approve the Implementation Phase of the OMMP is expected in September.
- Finalisation of the commercial funding process and the start of the construction of Stage 1 of the OMMP.
- Submission of the BFI application, and commercial loan applications, for Stage 2 of the OMMP.

LWUA NOSA thing or two!

In May 2024, Lebalelo received the award for Best Integrated 5-Star Company for the NOSA Northern Region in our first year of formal grading. Lebalelo came out tops against all regional companies (in mining, manufacturing and commercial) that had been graded on the NOSA Integrated Five Star grading system in the last year and had achieved four platinum stars.

This recognition reflects our dedication to implementing HSE risk management systems and ensuring compliance. But we're not stopping there: Our aim is to reach even greater heights by aiming for five stars in the next audit and ultimately NOSCAR status. Watch this space!

Showcasing the OMMP at SIDSSA24

LWUA was invited by Infrastructure South Africa to exhibit at SIDSSA24 from 17-19 March and showcase the OMMP, which has been declared a strategic integrated project (SIP 19). SIDSSA24 provided a great opportunity to interface with executives from key stakeholders and also circulate LWUA- and OMMP-branded materials.

Water Acts get a makeover

The changes to South Africa's National Water Act and Water Services Act aim to enhance water resource management and service delivery.

Key amendments to the National Water Act include improving the equitable allocation of water, enhancing the conservation of water resources and expediting the decision-making process on water use applications.

For the Water Services Act, changes focus on strengthening the regulation and accountability of water service providers, ensuring the provision of high-quality drinking water and improving transparency and financial management in the water sector.

LWUA participated in all the relevant public consultation processes, which ended on 1 March 2024.

SUP kicks into gear at three schools across Limpopo

Our school upgrade programme (or SUP) is a key socio-economic development initiative that forms part of Olifants Management Model Programme being implemented by LWUA. The SUP aims to enhance each participating school's learning environment through upgrades to facilities and equipment, customised to each school's needs.

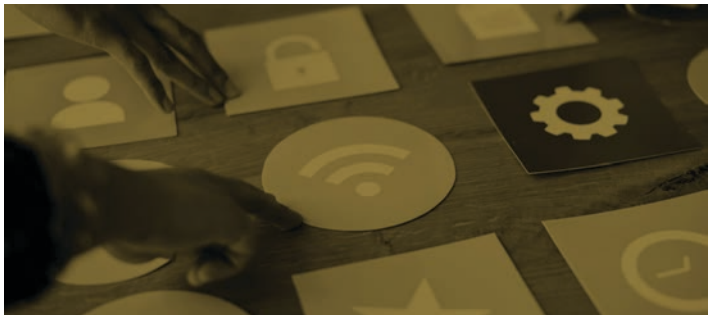
But it's not just about bricks and mortar. We're also sparking curiosity and creativity big time by training teachers and providing state of the art interactive learner whiteboards.

We are proud to announce that we are currently busy with upgrades at three schools in Limpopo: two are located in the Mogalakwena Local Municipality and one is in the Fetakgomo Tubatse Local Municipality. See below for 'before' pictures of two of the sites.

Supporting interactive and Internet-based learning

We recently completed installing interactive learning whiteboards across 4 new schools, bringing the total number of schools across our areas of operation that make use of this incredible teaching technology to 11. The first in a series of educator's training sessions took place from 15 – 17 April; educators from schools that have received the technology are enrolled in a year-long training programme on the effective and efficient use of the whiteboards.

We have also installed Wi-Fi for educational purposes at seven schools around Havercroft and the Internet connectivity at all the sites is performing optimally.



Extending our Nal'ibali-Lebalelo project

We are proud to announce that we recently extended our contract with Nal'ibali. The primary aim of the Nal'ibali-Lebalelo project is boosting access to reading material in the seven communities close to our base of operations in Havercroft while also training educators and ECD practitioners to promote reading for enjoyment. The new phase of the project will also focus on evaluating the project's impact, specifically focusing on any improvements in children's reading abilities.

To see a highlights from activities over the last three years, visit: **https://lebalelo.co.za/education-projects/**

For highlights from the Nal'ibali-Lebalelo Project World Read Aloud Day which took place in February this year, visit: **https://www.facebook.com/nalibaliSA/posts/893583125572382**

Partnering with PEN for a critical ECD Programme in Steelpoort

The Association has officially partnered with PEN (Participate, Envision, Navigate), an NGO specialising in Early Childhood Development Programmes. The aim of the PEN programme is to develop ECD centres to the Department of Education's standards by establishing ECD support centres in a community so that daycare owners and practitioners are supported and can learn and grow, enabling children to thrive through access to quality education. In terms of reach, the programme is planned for the following areas in Steelpoort – Malekana, Masha, Ga-Rantho, Magolego and Maphopha.

The programme was officially launched in Steelpoort on 29 and 30 April 2024 and received a unanimous reception from the six Tribal Authorities where the launch events took place.

Participating in World Book and Copyright Day

The World Book and Copyright Day event, which was arranged by the Fetakgomo Tubatse Local Municipality (FTLM) in partnership with Nal'ibali, took place on 30 April 2024. The purpose of the event was to encourage and promote the importance of reading and to enable learners to learn about the Copyright Act, the importance of acknowledging sources of information and avoiding plagiarism. The two primary schools (Mabu and Shai) from Lebalelo's area of operation participated in the event.

Soaring to new heights

Celebrating Vumboni's promotion

Our congratulations go to Vumboni Manganyi on her well-earned promotion to Project Manager. We would like to recognise Vumboni's dedication and hard work, and we eagerly anticipate Vumboni's future success. Well done!

Buzzing with talent

Welcoming our newest hive members

- Aretha Mabetwa (SED Officer)
- Sam Mkhabela (Electrician)
- Eunice Mamabolo (Junior Project Engineer)
- Bongani Memani (Contracts Manager)

Sailing into retirement

Saying goodbye to our beloved team members

In the last few months, we have had to bid farewell to three of LWUA's valued team members as they went on retirement. Alistair Collier, Hester Labuschagne and Carel Taljaard have been such an integral part of our success, and we wish them the very best as they set sail for new horizons.

Alistair Collier

Responsible for the governance, risk and compliance function, Alistair was with LWUA for more than 21 years as a legal water sector specialist. Up until his retirement, Alistair had been with LWUA since its inception and served with distinction.

Hester Labuschagne

Hester joined LWUA in 2012 and served as Personal Assistant to LWUA's CEOs for 11 years, while also ensuring that the office ran like clockwork.

Carel Taljaard

Carel joined LWUA as Operations Manager in 2019 before changing roles to Project Manager where he kept our infrastructure in tip-top shape and project managed the recently commissioned Southern Extension 2 Phase 1.