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**HEARING SESSION ON BWB'S ANNUAL REPORT  
2004 - 2005**

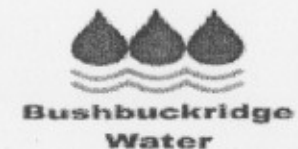
**22 MARCH 2006**

**PARLIAMENT OF THE RSA IN CAPE TOWN  
PORTFOLIO COMMITTEE ON WATER AFFAIRS AND  
FORESTRY.**

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**Presented By:**

**Ms. TP.Nyakane - Maluka (Chairperson)  
Mr. RS. Mathebula (Acting - Chief Executive)**



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## BWB' S SERVICE AREA

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- ∞ BWB was established in December 1997 in accordance with the Water Services Act, Act 108 of 1997.
- ∞ The socio-economic profile of the service area is characterized by rural small villages and dense villages with total population of ABOUT 1.5 million people (BDM + MLM area).
- ∞ The area was also afflicted by severe drought which have intensified over the past 5 years.



## STRATEGIC CHALLENGES & MECHANISMS PUT IN PLACE

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- ⌚ The 2005 Local Government Elections.
  - Poor cost recovery - Intensify negotiations and credit control
  - WSA status of Bohlabela District Municipality
  - Lack of guaranteed operational grants/subsidies relating to operation and maintenance
  - Signing of water services provider agreements with water services authorities.
- ⌚ Expansion of Business;
  - Nkomazi and Thaba Chweu Municipalities
  - Focusing on sanitation
- ⌚ Governance
  - ⌚ Forensic Audit - SCOPA





## STRATEGIC PLAN

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∞ The Board reviewed the Vision and Mission, and then adopted the following Strategic Objectives

- Providing sustainable water and sanitation services
- Pro-actively engage in water resource management
- Provide support services to all clients
- Explore and exploit strategic ways for organizational financial sustainability and business development
- Continuously participate in community development.



## The Chief Executive's Annual Report for 2004/05

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- ∞ The financial year presented new challenges in the areas of Governance, management and interaction with outside stakeholders.

Bushbuckridge Water acknowledges that;

- there is a duty on all spheres of government to ensure that water services are provided in a manner, which is efficient, equitable and sustainable.
- all South Africans have a right of access to potable water and safe sanitation as enshrined in the Constitution.
- the responsibility for the provision of these services rests with local government (Water Services Authorities).
- water has now become a key indicator of government's performance on service delivery, hence the target to reach water supply to all by 2008 and basic sanitation by 2010.



## The Chief Executive's Annual Report for 2004/05

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- ∞ Drought intensified in our area of supply to a level that two dams dried up, the sand river catchment as well could not sustain normal flow.
- ∞ The Board managed to implement alternative supply systems in order to lessen the impact of the drought.
  - Development of the Inyaka Scheme was fastracked
  - Abstraction points were cleaned and rationed
  - Consumption was rationed at certain areas
- ∞ Equitable distribution of available potable water is still a challenge due to unauthorized connections, growing water demand, and capacity constraints related to infrastructure.

## SERVICE DELIVERY DURING 2004/2005 (Continued)

### OPERATIONS, MAINTENANCE AND DISTRIBUTION

- Ω Operations and maintenance are conducted such that production costs are minimized while maximizing quantity without compromising quality.
- Ω The total average monthly volume of water produced and distributed to the population of about 1.5 million people indicate a theoretical water use of 100 l/ca.d.
- Ω But in reality this is not the case on the ground, hence BWB developed equitable distribution plans for Nsikazi and Bushbuckridge areas.
- Ω These plans aims at achieving the 'some for all' target by rationing water supply to villages as per demand.
- Ω The average monthly cost for O & M is standing at R2.7 (<R1.00/kl)



## SERVICE DELIVERY INFRASTRUCTURE

The present water supply systems comprise ground water, river schemes and treated water supply.

BWB operates 9 wtw, 2 river schemes and 1 sewage works.

- ⌚ Hoxani wtw - 26MI/day (Being upgraded to 50 MI/d), Inyaka wtw - 5MI/day (being upgraded to 25MI/d), Thulamahashe wtw - 4.5MI/day (Being upgraded to 9M/d), Sand River wtw - 1MI/day, Edinburgh A wtw - 1.1 MI/day, Edinburgh B wtw - 1MI/day, Acornhoek wtw - 3MI/day (being upgraded to 6MI/d), Dwarsloop wtw -4.5MI/day, KaNyamazane New wtw - 55MI/day, Kanyamazane Old wtw - 4 MI/d.
- ⌚ Marite river scheme - 3.6MI/day, and Nyongani river scheme - 16MI/day.
- ⌚ kaBokweni sewage works - 2MI/d

Current daily average production is 119.7 MI/d

## SERVICE DELIVERY DURING 2004/2005

BWB have continued to interact with the water services authorities and DWAF regional/national in the formulation of water services development plans, IDP, drought management plans, and water conservation initiatives. Projects being implemented are:

- ∞ Refurbishment of boreholes (R20m) targeting a population of about 250 000 people in the Bushbuckridge area.
- ∞ Upgrading of Hoxane water treatment works (R62m) from 26 MI/day to 50 MI/day in order to reach the communities of Nsikazi North (200 000 people) and parts of the Bushbuckridge South (150 000 people).
- ∞ Upgrading of Inyaka water works from 5 - 25 MI/day.
- ∞ Construction of the 45 km transfer pipeline to convey treated water from Inyaka works further north up to Acornhoek.
- ∞ The next phase of the Inyaka works should commence next year. This phase will be an additional 25 MI/day capacity which will target the Mariti area.

The average capital investment per capita required is estimated at R135.50 in order to address the service backlog.



## ACTIVITIES DURING 2004/2005 (Corporate Services)

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- Ω BWB has a total of 246 employees of which 76 are contract employees. The institution managed to;
- Maintain a healthy relationship with all the labour unions (NeHAWU, PSA & SAMWU)
  - Establish and start implementing the employment equity plan.
  - Set up structures as required by the Occupational Health and Safety Act 85 - 1993
  - Set system to respond to HIV and AIDS challenges
  - Provide in-service training to two students
  - Conduct community awareness campaigns to enhance public participation on water issues.
  - Create partnerships with SALGA - Mpumalanga, and Bohlabela District Municipality.



## ACTIVITIES DURING 2004/2005 (Institutional Restructuring)

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- Ω The Petterson grading for all employees (excluding executive managers) was adopted and implemented since September 2004.
- Ω The Board approved the restructuring in order
  - for the organization to address current and future challenges.
  - to institute a formal system for remuneration of employees (Patterson Grading)
- Ω As a result of restructuring, more employees were allocated traveling allowances as their duties demanded.
- Ω Business travel rate was also reviewed to align with market related trends, hence it was increased from R1.53/km to R2.38/km.
- Ω The restructuring and Implementation of the Petterson grading resulted in the increase (29%) of the annual salary expenses from R11.7 million to R15.1 million.





## ACTIVITIES DURING 2004/2005 (Social Responsibility)

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### SOCIAL RESPONSIBILITY ACTIVITIES

- ∞ BWB conducted a water conservation education program at a number of schools. The program aims at highlighting the value of water and how water can be conserved.
- ∞ Bushbuckridge Water supported and participated during National Water Week and Arbor week in partnership with the Department of Health, Bohlabela District Municipality and DWAF.
- ∞ We also participated and supported the Captain Crime Stop programs conducted by the Police services at various schools in our area.