

# RAW WATER TARIFF CUSTOMER CONSULTATION FOR INFRASTRUCTURE

Presented by: INFRASTRUCTURE OPERATIONS AND MAINTENANCE

Office: Groblersdal Area Office

Directorate: Northern Operations

Date: 14 and 24 July 2023

WATER IS LIFE - SANITATION IS DIGNITY



**water & sanitation**

Department:  
Water and Sanitation  
**REPUBLIC OF SOUTH AFRICA**



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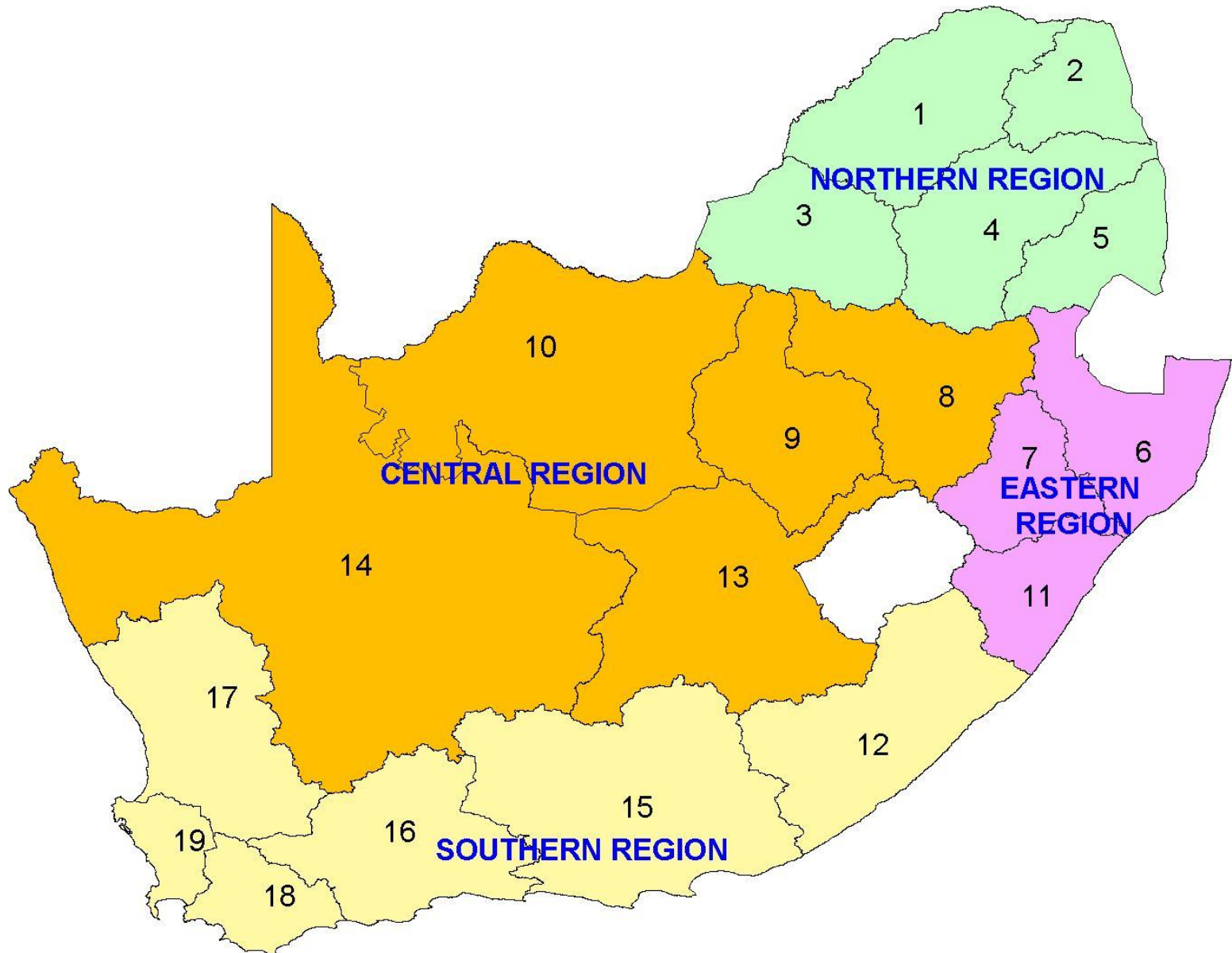
# Purpose

- To consult users on the proposed raw water use charges for National Water Resource Infrastructure (WRI) schemes for the 2024/25 financial year.
- To consider the comments/inputs of users before tariff proposals are tabled at the sector specific and national consultations and the Ministerial approval.

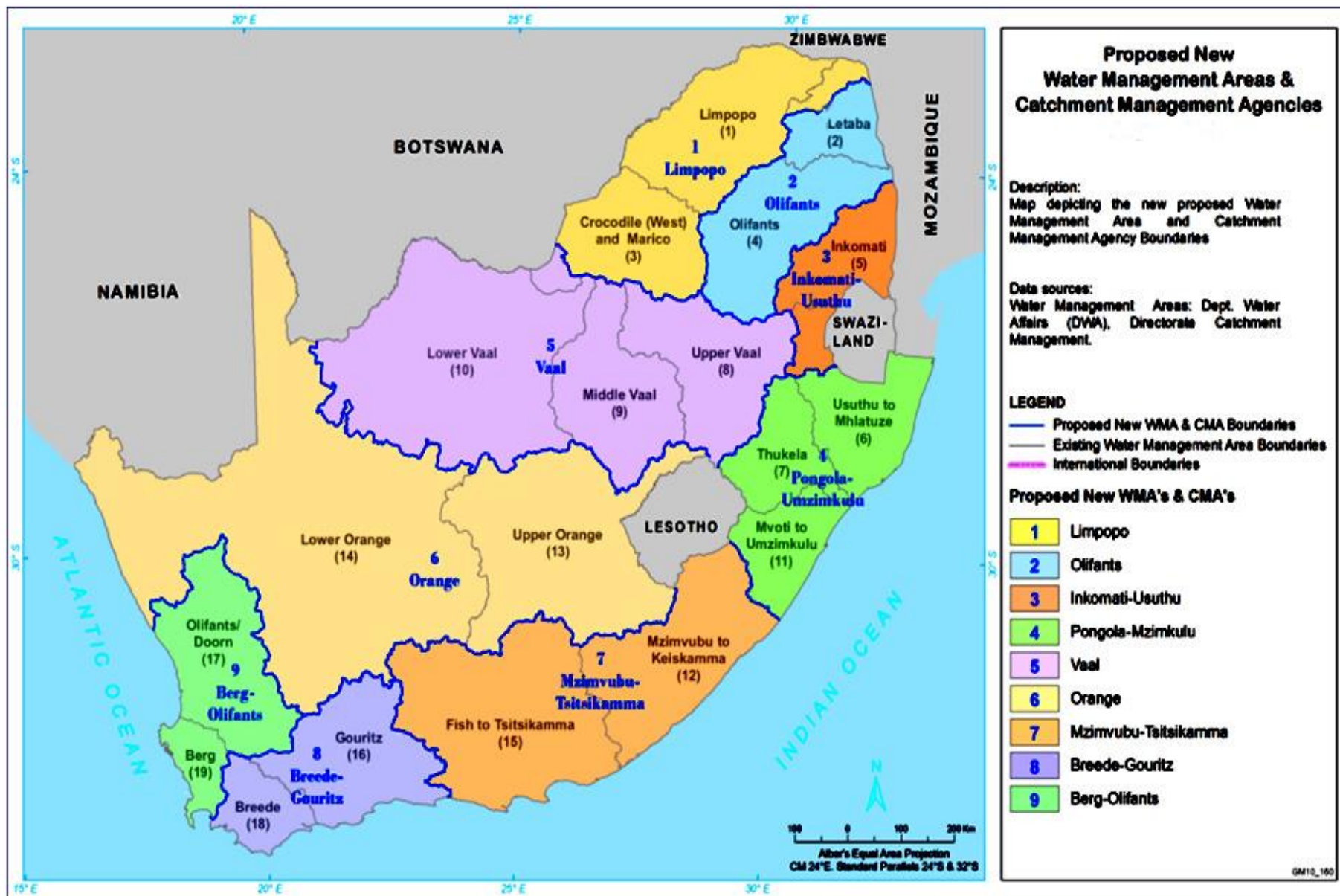
# Background of the Cluster

Northern Operations is strategically positioned in ensuring that the existing Water Resources Infrastructure in Limpopo, Mpumalanga and North West are operated, maintained, rehabilitated and refurbished to provide effective and efficient supply of Bulk Raw Water for Economic growth, social development and poverty eradication.

# RAW WATER TARIFF CUSTOMER CONSULTATION



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# Methodology for determining raw water tariffs

## Legislative Framework

- Legislative mandate: Sect 56-60 of NWA
- Raw Water Pricing Strategy established in Nov 1999
- First draft revision published in 2005
- Approved revision published on 16 March 2007
- Currently under review

## Types of Pricing

- Water Resource Management Charges
- **Water Resource Infrastructure Charges**  
(Responsibility of Infrastructure Branch)
- Water Research Levies
- Waste Discharge Charging System



## Summary of Increases & Capping on Raw Water Charges for 2024/25

- **Water Resource Infrastructure Charges:**
  - **Domestic & Industrial:**
    - Annual increase is limited to PPI (April 8,6 %) plus 10% up until the target for development charge (**full cost recovery**) is achieved on state GWS
    - Tariffs increase range from: 0% to 18,6%
  - **Irrigation charges:-**
    - Operation and maintenance cost increases limited to 50% p.a. (capping)
    - Tariffs increase range from: 0% to 50%

## Overhead costs and O&M costs

- Overhead costs
  - ❖ Direct Overhead costs of Area Office:
    - Functional Support
    - Civil Maintenance
    - Mechanical & Electrical Maintenance
  - ❖ Indirect Overhead costs for Directors Office
  - ❖ Indirect Overhead costs for Head Office  
**NOT INCLUDED**
- O & M budgets for schemes

## Allocation of components of charge between Water Use Sectors

Costs are divided between Sectors in Proportion to Assurance of Supply

<b>Sector</b>	<b>% of sectoral allocation</b>	<b>Calculation of Sectoral allocation %</b>
Irrigation	91%	(100%quota@70% + 70%quota @30% of the time)
Domestic, Industrial & Mining	97%	(100%quota@70% + 90%quota@30% of the time)
Strategic Industrial	100%	No water restrictions

# **BUDGET AND EXPENDITURE**

# RAW WATER TARIFF CUSTOMER CONSULTATION

## Budget and Expenditure for 2022/23

Funds Center/Commitment Item	Budget	Expenditure	Available Amount	% Spend
<b>FdsCtr/CmmtItem</b>	<b>94,797,331</b>	<b>82,803,847</b>	<b>11,993,485</b>	<b>87%</b>
130299 AREA MANAGER GROBLERSDAL	4,276,381	3,139,438	1,136,943	73%
130300 MAINTENANCE GROBLERSDALE	21,420,796	16,318,670	5,102,126	76%
130426 FINANCE&ADMIN SUPPORT	14,289,850	12,293,024	1,996,826	86%
130577 BRUGSPRUIT PURIFICAT	5,484,567	5,176,648	307,919	94%
130416 OPERATIONS MANAGER	603,492	533,099	70,393	88%
130301 KWENA DAM (20)	3,362,772	2,716,257	646,515	81%
130302 WITKLIP DAM (110)	2,164,063	1,536,023	628,040	71%
130303 INJAKADAM (352)	3,513,231	2,833,390	679,841	81%
130304 KOMATI RIVER GWS (DR		85,913-	85,913	
130306 OHRIGSTAD DAM (87)	2,616,622	786,195	1,830,427	30%
130307 BLYDERIVERS-POORT DAM (8)	3,541,780	2,502,444	1,039,336	71%
130308 TOURS DAM (309)	499,871	261,050	238,821	52%
130309 KLASERIE RIVER-DAM	1,200		1,200	0%
130311 MIDDLE OLIFANTS FLAG	4,295,031	3,777,188	517,843	88%
130312 DE HOOP DAM	5,127,166	4,064,276	1,062,890	79%
130313 BUFFELSKLOOF DAM (137)	2,601,283	1,704,985	896,298	66%
130314 TONTELDOOS & VLUGKRA	3,326,346	2,066,309	1,260,037	62%
130316 BUFELSDORN/MOKOTSWAN		6,258	6,258-	
130317 PIET GOUW DAM LEBOWA	93,682		93,682	0%
130327 G DWARS DER BROCHEN	28,150		28,150	0%
130329 BRONKHORSTSPRUIT DAM (11)	1,449,089	615,949	833,140	43%
130330 LOSKOP DAM (88)	2,978,225	3,007,060	28,835-	101%
130331 RUST DE WINTER DAM (28)	3,737,716	3,193,186	544,531	85%
130332 MKOMBO (RHENOSTERKOP) (316)	1,095,374	688,064	407,310	63%
130419 CROCODILE/SABIE AREA		36,723-	36,723	
130420 BUSHBUCKRIDGE	745,932	384,862	361,070	52%
130422 LOWER OLIFANTS	468,598	256,220	212,378	55%
130593 ORWRDP-2C	6,457,181	13,042,123	6,584,942-	202%
130418 UPPER OLIFANTS	618,933	539,585	79,348	87%

## Approved Operational Budget and Expenditure Summary For 2022/23 Financial Year

<b>Cost Elements</b>	<b>Plan Costs</b>	<b>Act. Costs</b>	<b>Var/ (Abs.)</b>	<b>Var. (%)</b>
Compensation Of Employees	36,751,903	33,670,052	3,081,851	92%
Goods & Services	54,900,568	47,736,501	7,164,067	87%
Movable Assets	3,144,860	1,397,294	1,747,567	44%
<b>Total</b>	<b>94,797,331</b>	<b>82,803,847</b>	<b>11,993,485</b>	<b>87%</b>

## **ECONOMIC CLASSIFICATION BUDGET 2024-25 FY % INCREASE/DECREASE**

<b>DETAILS</b>	<b>2023-24</b>	<b>2024-25</b>	<b>% Increase</b>
COE	56,302,459	53,768,086	-4.50%
G & S	44,988,723	79,537,880	76.80%
ASSETS	3,066,877	3,220,221	5.00%
<b>TOTAL</b>	<b>104,358,060</b>	<b>136,526,187</b>	<b>30.82%</b>



## Reasons for the O&M budgets Increase

- The provision made for the vacant positions that have already been advertised
- CPI Adjustment on certain Goods & Services and Assets
- Anticipation of the continuous planned and unplanned maintenance on various schemes
- Mechanical/Electrical Term Contract appointed for the maintenance and refurbishment of the infrastructure.

## Staff Establishment

- Total Establishment = 254
- Current Establishment = 108
- Post filled in 2022/23 = 4
- Post in process of being filled this financial year = 36
- Post to be filled in 2024/25 = 35

# **OPERATIONS AND MAINTENANCE**

## Performance

### OPEX PROJECTS COMPLETED FOR 2022/23 FINANCIAL YEAR

Maintenance Projects Completed for Q1	Maintenance Projects Completed for Q2	Maintenance Projects Completed for Q3	Maintenance Projects Completed for Q4
Repair of brush cutter at Injaka dam	Fixing a leaking pipe at Kwena dam	Groblersdal - Supply and deliver LED lights for various dam galleries	Groblersdal Area Office : Service and Maintenance of cameras and beams at Injaka dam
Repair of tractor at Injaka dam	Cleaning and lubrication of sleeve valves at Witklip	Groblersdal - Installation of submersible pump at Kwena Dam Gallery (Mech)	Groblersdal Area Office : Replacement of damaged gate valve at Tours dam
Repair of tractor at Witklip dam	Cleaning and lubrication of sleeve valves at Kwena dam	Groblersdal - installation of pump sleeve hood at Kwena Dam (Mech)	Groblersdal Area Office : Repair gear lever of the tractor at Witklip dam.
Repairing faulty pump stop valve at Blyderivierspoort Dam		Groblersdal- Repair of sleeve hood and concrete work in Kwena Dam (Civil)	Groblersdal Area office : Repair of damaged pipe for submersible pump.at Blyde dam
Repairing of submersible pumps in Kwena Dam		Groblersdal - Fixing the raw water pipeline from the dam to reservoir in Kwena Dam	Groblersdal Area Office : repair and or Replacement of brush cutters



# Performance Photos





# Performance Photos



## Performance

### PLANNED MAINTENANCE PROJECTS FOR 2023/24 FINANCIAL YEAR

Planned Maintenance Projects Completed for Q2	Planned Maintenance Projects Completed for Q3	Planned Maintenance Projects Completed for Q4
Crocodile River GWS (Kwena Dam)- Servicing of brush cutters and chain saw	Sand River GWS (Witklip Dam)-Annual Mechanical section routine maintenance (as per logbook) - Witklip Dam	Sand River GWS (Witklip Dam)-Servicing of a tractor and rideon lawn mower
Crocodile River GWS (Kwena Dam)- Servicing of tractor and TLB	Crocodile River GWS (Kwena Dam)-Repair and load test of crane	Sabie River GWS (Inyaka Dam)-Servicing of brush cutters and chain saw
Sand River GWS (Witklip Dam)-Servicing of brush cutters and chain saw	Sand River GWS (Witklip Dam)-Repair of leaking pipe to the reservoir	Sabie River GWS (Inyaka Dam)-Repair and load test of crane
Crocodile River GWS (Kwena Dam)-Repair of TLB	Sand River GWS (Witklip Dam)-Corrosion protection of hand rails	Crocodile River GWS (Kwena Dam)-Servicing of standby generator
Sabie River GWS (Inyaka Dam)-Repair and service of hydraulic Systems.	Sand River GWS (Witklip Dam)-Manufacture & install security door on the left bank	Crocodile River GWS (Kwena Dam)-Installation of submersible pump
Sabie River GWS (Inyaka Dam)-Servicing of brush cutters and chain saw	Sabie River GWS (Inyaka Dam)-Repair and Servicing of a tractor	Sand River GWS (Witklip Dam)-Servicing of brush cutters and chain saw
Sand River GWS (Witklip Dam)-Servicing of a tractor and ride on lawn mower	Sand River GWS (Witklip Dam)-Supply and installation of 3kVA solar system for Witklip dam office	Tours Dam-Annual Electrical section routine maintenance (as per logbook) - Tours Dam
Sand River GWS (Witklip Dam)-Repair and service hydraulic Systems.	Sabie River GWS (Inyaka Dam)-Supply and installation of 3kVA solar system for Injaka dam office	Sabie River GWS (Inyaka Dam)-Annual Electrical section routine maintenance (as per logbook) - Inyaka Dam
	Crocodile River GWS (Kwena Dam)-Annual Electrical section routine maintenance (as per logbook) - Kwena Dam	Sabie River GWS (Inyaka Dam)-annual testing of earth leakages and socket outlet at Injaka Dam houses and offices
	Sand River GWS (Witklip Dam)-Annual Electrical section routine maintenance (as per logbook) - Witklip Dam	



# Performance

## 2023/24 PLANNED CAPEX PROJECTS

Project	Implementing Agent
Witklip dam-Upgrade lighting system at Witklip dam	Term Contractor
Kwena dam-Upgrade lighting system at Kwena dam	Term Contractor

# **2024/25 TARIFF PROPOSALS**

# 2024/25 Proposed D&I Tariffs

PROPOSED DOMESTIC & INDUSTRIAL - RAW WATER TARIFFS 2024/25 FY

DETAILS

Regional Office	Scheme ID	Scheme Description	SMP ID	SMP Description	Sector	APPROVED 2021/22 Charge (c/m <sup>3</sup> )s	APPROVED 2023/24 Charge (c/m <sup>3</sup> )s	O&M c/m <sup>3</sup>	DEP c/m <sup>3</sup>	ROA c/m <sup>3</sup>	Proposed 2024/25 Charge (c/m <sup>3</sup> )s	Full Cost 2024/25 Charge (c/m <sup>3</sup> )s	% INCREASE
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	495	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO TVL SUGAR CORPORATION LIMITED	D&I	38,04	45,35	7,82	2,34	39,24	49,40	45,35	8,94%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	496	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO MUNICIPALITY OF MALELANE	D&I	38,04	45,35	7,82	2,34	39,24	49,40	45,35	8,94%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	497	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO LOCAL AREA COMMITTEE OF HECTORSPRUIT	D&I	38,04	45,35	7,82	2,34	39,24	49,40	45,35	8,94%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	498	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO FORMER KANGWANE GOVERNMENT SERVICES	D&I	38,04	45,35	7,82	2,34	39,24	49,40	45,35	8,94%
Mpumalanga	110	SAND RIVER (WITKLIP DAM)	208	FROM THE DAM	D&I	95,72	95,72			105,05	105,05	105,05	9,74%
Mpumalanga	50	DRIEKOPPIES	161	RAW WATER FROM DAM	D&I	32,79	38,50	12,88	1,62	26,35	40,86	40,86	6,12%
Mpumalanga	50	DRIEKOPPIES	762	FROM THE DAM: COMMERCIAL USERS ON LOMATI	D&I	32,79	38,50	12,88	1,62	26,35	40,86	40,86	6,12%

# RAW WATER TARIFF CUSTOMER CONSULTATION

## 2024/25 Proposed Irrigation Tariffs

PROPOSED IRRIGATION - RAW WATER TARIFFS 2024/25 FY												
Regional Office	Scheme ID	Scheme Description	SMP ID	SMP Description	Sector	APPROVE D 2021/22 Charges (c/m <sup>3</sup> )	APPROVE D 2023/24 Charges (c/m <sup>3</sup> )	O&M c/m <sup>3</sup>	DEP c/m <sup>3</sup>	Proposed 2024/25 Charges (c/m <sup>3</sup> )	Full Cost 2024/25 Charges (c/m <sup>3</sup> )	% INCREASE
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	57	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO OTHER CONSUMERS	IRR	6,62	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	499	RAW WATER FROM CROCODILE RIVER (KWENA DAM) UPSTREAM OF KROKODILPOORT	IRR	6,62	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	500	RAW WATER FROM CROCODILE RIVER (KWENA DAM) DOWNSTREAM OF KROKODILPOORT (INCLUDING KROKODILPOORT MALELANE CANALS)	IRR	6,62	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	20	CROCODILE RIVER (KWENA DAM)	501	RAW WATER FROM CROCODILE RIVER (KWENA DAM) TO DEPT OF AGRICULTURE	IRR	6,62	8,17	7,82	1,20	9,02	49,40	10,47%
Mpumalanga	110	SAND RIVER (WITKLIP DAM)	208	FROM THE DAM	IRR	32,75	37,04	36,53	8,22	44,76	116,38	20,83%
Mpumalanga	110	SAND RIVER (WITKLIP DAM)	506	FROM THE DAM: E.J. KAY	IRR	32,75	37,04	36,53	8,22	44,76	116,38	20,83%
Mpumalanga	110	SAND RIVER (WITKLIP DAM)	507	FROM THE DAM: AVELON FARMS	IRR	32,75	37,04	36,53	8,22	44,76	116,38	20,83%
Mpumalanga	352	SABIE RIVER (INJAKA DAM)	756	RELEASES FROM THE DAM TO DOWNSTREAM RIVER USERS	IRR	10,45	11,44	10,25	2,89	13,14	67,69	14,79%
Mpumalanga	352	SABIE RIVER (INJAKA DAM)	757	SUPPLY DIRECTLY FROM THE DAM PUMP STATION	IRR	10,45	11,44	10,25	2,89	13,14	67,69	14,79%
Mpumalanga	309	TOURS DAM	549	FROM THE DAM	IRR	35,01	43,55	65,33	0,00	65,33	117,99	33,33%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	524	RAW WATER FROM DAM	IRR	10,04	12,49	12,88	1,62	14,51	40,86	16,17%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	762	FROM THE DAM: COMMERCIAL USERS ON LOMATI	IRR	10,04	12,49	12,88	1,62	14,51	40,86	16,17%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	763	FROM THE DAM: RESOURCE POOR FARMERS ON LOMATI	IRR	10,04	12,49	12,88	1,62	14,51	40,86	16,17%
Mpumalanga	50	KOMATI RIVER (DRIEKOPPIES DAM)	161	FROM THE DAM: COMMERCIAL USERS ON KOMATI	IRR	10,04	12,49	12,88	1,62	14,51	40,86	16,17%

**REVENUE  
PERFORMANCE  
FOR  
2022/23**

## Billing Management 2022/23

<b>Projections</b>	R 115 600 121
<b>Billing</b>	R 115 685 769
<b>Difference</b>	R 85 648

## **Revenue Collection 2022/23**

<b>Region</b>	<b>April 2021 - March 2022</b>	<b>April 2022 - March 2023</b>	<b>Difference</b>
<b>Mpumalanga</b>	<b>R 120 730 992</b>	<b>R 139 918 481</b>	<b>R 19 187 489</b>



## **RAW WATER TARIFF CUSTOMER CONSULTATION**

**Hall of Fame/ Major Contributors (Million) for 2022/23  
Deserve a Round of Applause**

**WATERVALS RIVER IRRIGATION BOARD**

**BOOYSENDAL PLATINUM PTY LTD**

**LEBALELO WATER USER ASSOCIATION**

**HEREFORD IRRIGATION BOARD**

**LOSKOP IRRIGATION BOARD**

**LOWER BYDE WATER USER ASSOCIATION**

**KOMATI RIVER IRRIGATION BOARD**

**EMALAHLENI MUNICIPALITY**

**LEPELLE NORTHERN WATER**

**OTHER WATER USERS BELOW R1M**

## RAW WATER TARIFF CUSTOMER CONSULTATION

### Hall of Shame/Total Outstanding Debt as at 31 March 2023 (Pleading for Payments to Reduce Outstanding Debt)

Sector	Amount
Municipalities	R 250 383 913
Company	R 411 075 505
Water boards	R 217 825 751
Farmers/ Individuals	R 101 478 491
Government Departments	R 43 459 129
Irrigation Boards	R 292 427 093
<b>Total Outstanding</b>	<b>R 1 316 649 882</b>

## **Customer Relations**

- **AMBITION TO RESOLVE ALL QUERIES**
- **CUSTOMER VISIT**
- **REPAYMENT PLAN AND INCENTIVES**
- **LITIGATION**
- **IMPLEMENTATION OF SECTION 59 OF NWA  
(RESTRICTION OF WATER)**

**COMMENTS CAN BE SENT TO:**

NAME	E-MAIL ADDRESS	TELEPHONE NUMBER
Mr. Siphon Ngobe	<a href="mailto:NgobeS@dws.gov.za">NgobeS@dws.gov.za</a>	082 320 7249
Ms. Siphesihle Ngcobo	<a href="mailto:NgcoboS@dws.gov.za">NgcoboS@dws.gov.za</a>	082 382 2801



**THE END/THANK YOU**