



Lebalelo Water User Association

Alignment Workshop Report
20 May 2020



Bertus Bierman
Aquaman



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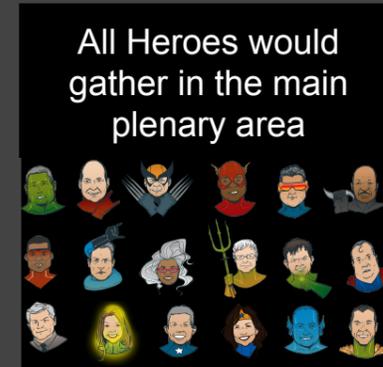
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We collaborated on a Design Thinking journey

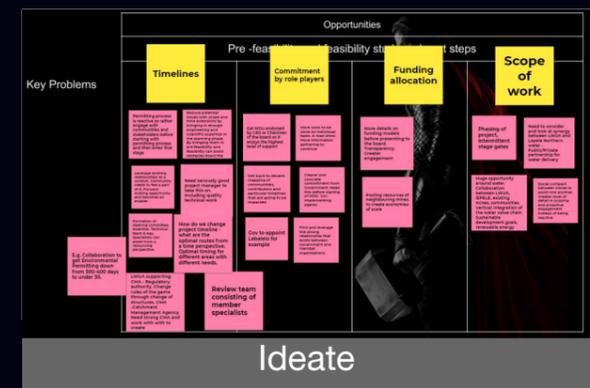
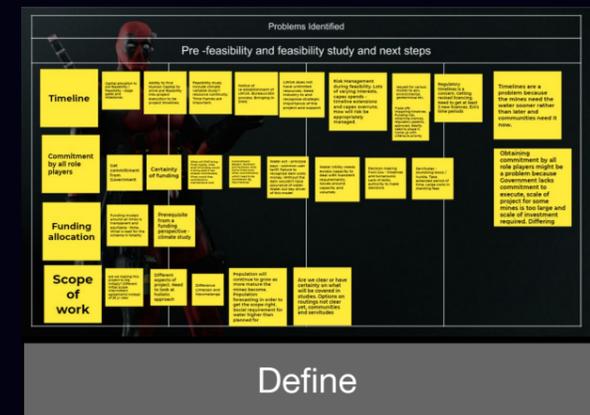
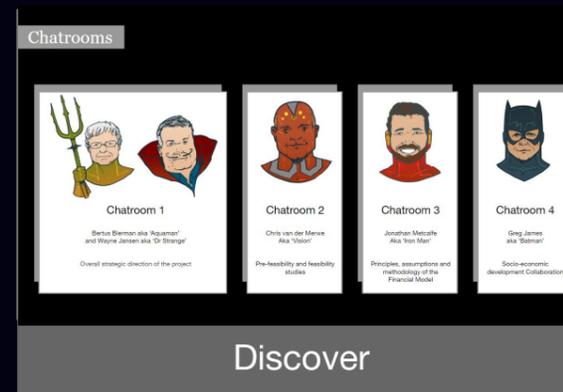
How we worked in the virtual experience centre



Why our heroes decided to join forces

Lebalelo Water User Association, supported by PwC, ran an alignment workshop for their various commercial water user stakeholders. This session allowed for collaboration like never before, enabling our heroes with the tools and knowledge they needed to truly make a difference. The stakeholders were able to align on the key elements relating to the delivery of raw and potable water as well as ideate on possible future initiatives and agree to a new way of work.

Amid the COVID-19 pandemic, the need to collaborate and align had never been more important. This is why we decided not to wait, and went ahead with the strategy session virtually, making use of virtual breakouts for teams to work together and collaborate.





The heroes that joined forces

Glencore-Merafe

- Johan van Heerden
- Japie van der Berg

Sibanye-Stillwater

- Stephan Stander
- Grant Stuart
- Leon Koorsse

Samancor Chrome

- Archie Palane
- Steph van Sittert
- Heather Booyesen
- Willem De Villiers

Sefateng

- Andries van Heerden

Samrec

- Hendrik Jones

Northam

- Zacharia Tsotetsi
- Willie Theron

Anglo American Platinum

- Natascha Viljoen
- Gordon Smith
- Prakashim Moodliar
- Dean Pelser
- Craig Stockill
- Etienne Espag
- Hermien Oberholzer

African Rainbow Minerals

- Thando Mkatshana
- Mark Brasler
- Johan Jansen
- Kelebogile Dlodla
- Jacques van der Bijl

Assore

- Conri Moolman
- Pieter Schoeman
- Marisa Pienaar

Dilokong

- Adolphus Munyai
- Ferdi Pieterse

Glencore

- Johan Combrink

Implats

- Ashwin Willemse
- Mogale Mashilane

Ivanplats

- Warwick Morley-Jepson
- Werner van den Berg
- Pierre Joubert

LWUA

- Bertus Bierman
- Alistair Collier

Bushveld Minerals

- Dr Fred Mphephu

Platmin

- Dean Riley

Chromex

- Karen Visage

PICC

- Malcolm Simpson



Discover

Our superheroes explore various topics, discovering 16 gems

“ Intelligence is a privilege and it needs to be used for the greater good of people

Dr Octopus

”

Purpose and Outcomes of this project

- A **holistic integrated solution** to the ORWRDP inclusive of potable water service
- **Aligns with and supports** the National Water and Sanitation Master Plan
- **Relieves pressure** on the already over-allocated Flag Boshielo dam
- **Accelerates provisioning of potable water** to distressed areas and communities
- Assists in **addressing social unrest**, unlocks economic potential and creates jobs in the region
- **Accelerates provisioning of bulk raw water** to take advantage of a favourable commodity cycle
- Uses capital more efficiently by **fully utilising existing infrastructure**
- **Cost control and funding leverage** through deployment of a BOOT funding model
- Potential for **reallocation of SLP spending** to include potable water

Strategic Overview

Presented by Bertus Bierman aka 'Aquaman'
And Wayne Jansen aka 'Dr Strange'

Building on Lebalelo's Covid-19 response

Lebalelo's purpose is "Improving lives through Water" and we strive to live this purpose each an every day.

- Donated 70 water tanks - currently all operational
- Water trucks – rented 3 water trucks and purchased 6 more
- Accelerated solution required



Alignment with Government

Extensive engagement has taken place with Government

- Department of Water and Sanitation (DWS)
- National Treasury
- Presidential Infrastructure Coordination Committee (PICC)
- Public Private Growth Initiative (PPGI)
- Department of Minerals, Resources and Energy (DMRE)
- Limpopo Premier's office
- Limpopo Treasury
- Sekhukhune District Municipality (SDM)

Project development costs

	Pre-feasibility	Feasibility	Total study cost	Post feasibility to FID funding*
Consultants & professional fees	46,000,000	125,000,000	171,000,000	160,000,000
Contingencies for study fees	12,000,000	28,000,000	40,000,000	
<i>Total Pre-feasibility & Feasibility study cost</i>	<i>58,00,000</i>	<i>153,000,000</i>	<i>210,000,000</i>	
LWUA Owner's team	23,000,000	46,000,000	69,000'000	15,851,150
Owner's team Support	15,000,000	35,000,000	50,000,000	29,988,350
Facilities, system and incidental cost for operational team (30%)	3,500,000	7,000,000	10,500,000	14,994,175
<i>Owner's team Total</i>	<i>41,500,000</i>	<i>88,000,000</i>	<i>129,500,000</i>	<i>220,833,675</i>
TOTAL	99,500,000	241,000,000	340,500,000	220,000,000
	29%	71%	2.1% of Capex	560,500,000

Strategic Overview Gems:

1.

The proposed Programme is a collaboration between public and private sector in response to the President's call to action to address network industries infrastructure backlogs, particularly water infrastructure

2.

It is an integrated, cost effective solution addressing technical, socio-economic and financial challenges that accelerates bulk raw and potable water to much needed communities and industry

3.

Mines social license to operate is expected to become more difficult without this Programme and a collaborative approach to socio-economic development in the region

4.

Lebalelo has already demonstrated its effectiveness as a water services provider through its track record and COVID response to communities



“ *Our purpose is improving lives through water.*
Bertus Bierman

Synchronising bulk and potable water infrastructure is critical.
Wayne Jansen ”

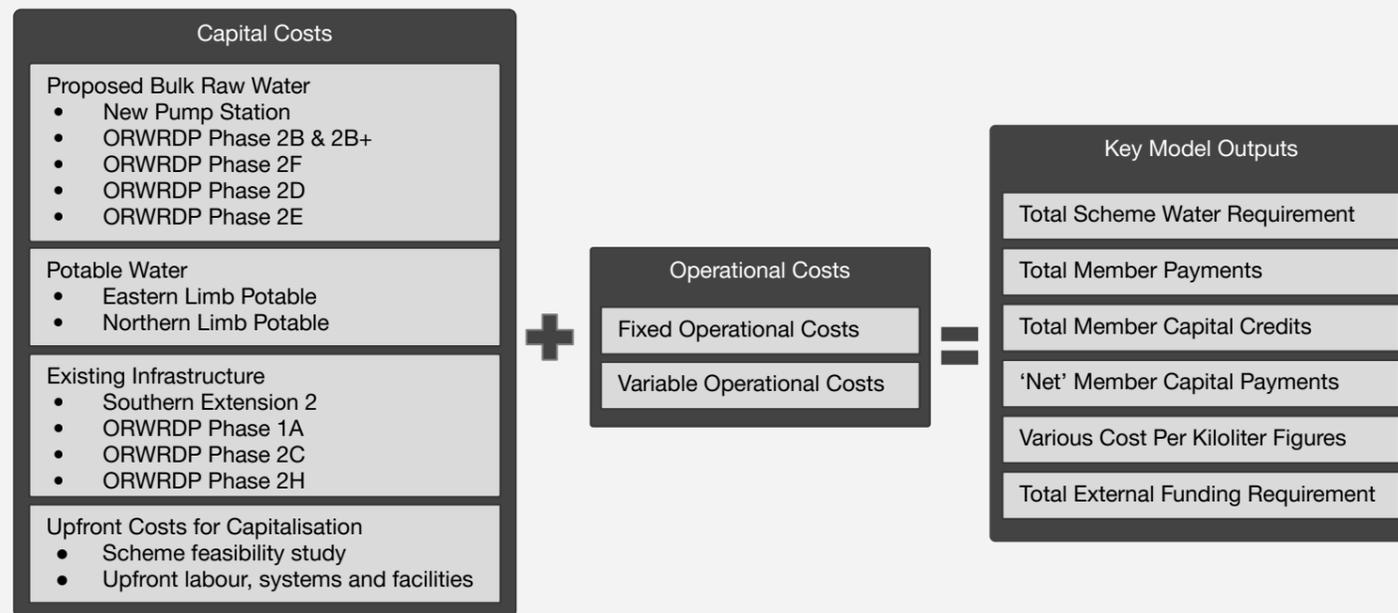
Financial model

Presented by Jonathan Metcalfe aka 'Iron Man'

Purpose

- **Consolidate costing inputs:** Consolidate costing inputs from the concept study workstreams
- **Water requirement:** Create a picture of the total water requirement across the entire scheme
- **Funding requirement:** Calculate the inflation adjusted external funding requirement for the proposed infrastructure
- **Annual tariff:** Calculate the total annual tariff due by each member
- **Capital credits:** Calculate the total capital credit due back to members for previous capital contributions
- **Net tariff:** Calculate the total 'net' tariffs payable by each member

Scope



Guiding Principles

- Systems approach with equitability to eliminate competitive advantage
- Bulk Raw Water 51:49 contribution split
- 25-year Build Own Operate & Transfer Model (BOOT)
- Fair treatment of previous capital contributions
- Purchasing of 'capacity' in the pipeline
- Take-or-pay methodology
- Potable Water 25:75 contribution split
- Defined boundaries
- 100% financing of new capital

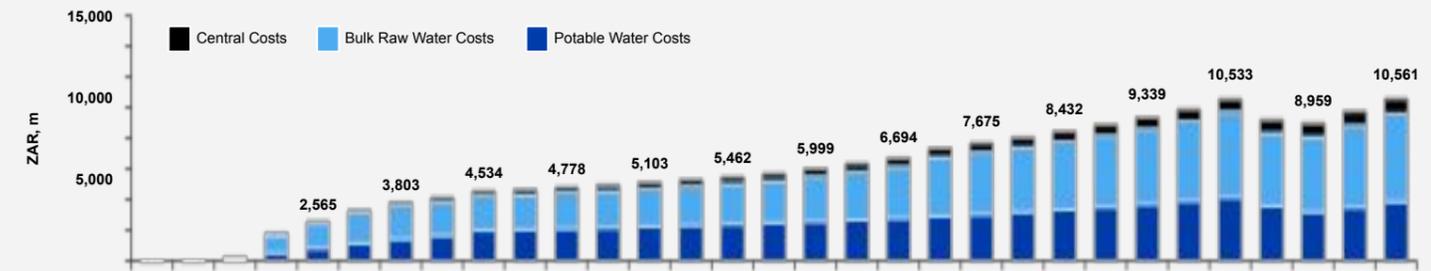
Proposed Capital Project Inputs

Proposed Project	May 2020 Cost Estimate (ZAR, m)	Inflation Adjusted Capital Drawdown (ZAR, m)
New Pump Station	126	155
ORWRDP 2B & 2B+	5,958	7,508
ORWRDP 2F	1,255	1,591
Northern Limb Potable	3,804	5,017
Eastern Limb Potable	4,798	6,209
TOTAL	15,941	20,480
Cost Inflation		4,539

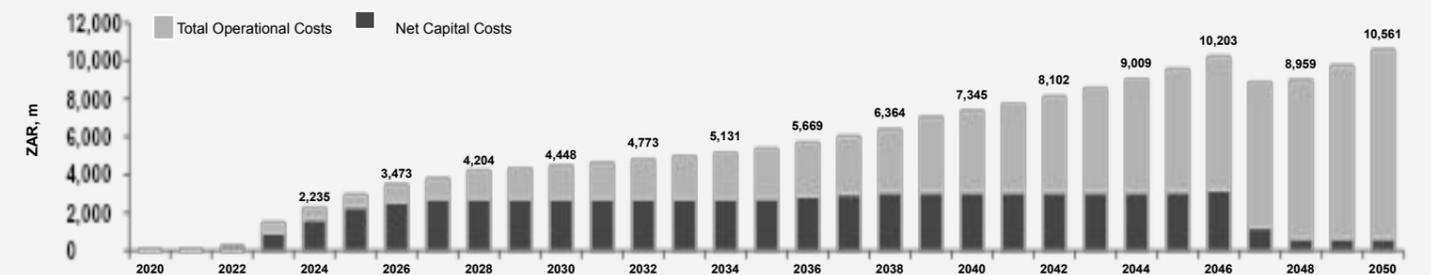
The total scheme financial model includes these proposed capital projects above in addition to the existing infrastructure, upfront costs for capitalisation and operational costs to calculate the total annual scheme payment

Summary of Outputs

Total Scheme Annual Payments



Total Annual 'Net' Scheme Payments



Financial Model Gems:

5.

Equitability is a key concept to be applied, to both individual members that make up the Commercial user group, and Government users

6.

The basis for the bulk raw water capital cost split is based on the original MoU between Government and the Commercial users

7.

Existing assets from Government and Commercial users will earn a return on assets with contributing members receiving recognition for previous capital contributions through a capital credit mechanism to reduce their water tariffs

8.

Resolution required for the treatment of shorter term life of mines and new entrants. The principles around these situations would need to be developed and the model refined during the pre-feasibility phase



“ Seeking alternative resources, or rather renewable energy, will make the project sustainable in the long run. Which is exactly what we want for communities. ”

Jonathan Metcalfe

Socio-economic development

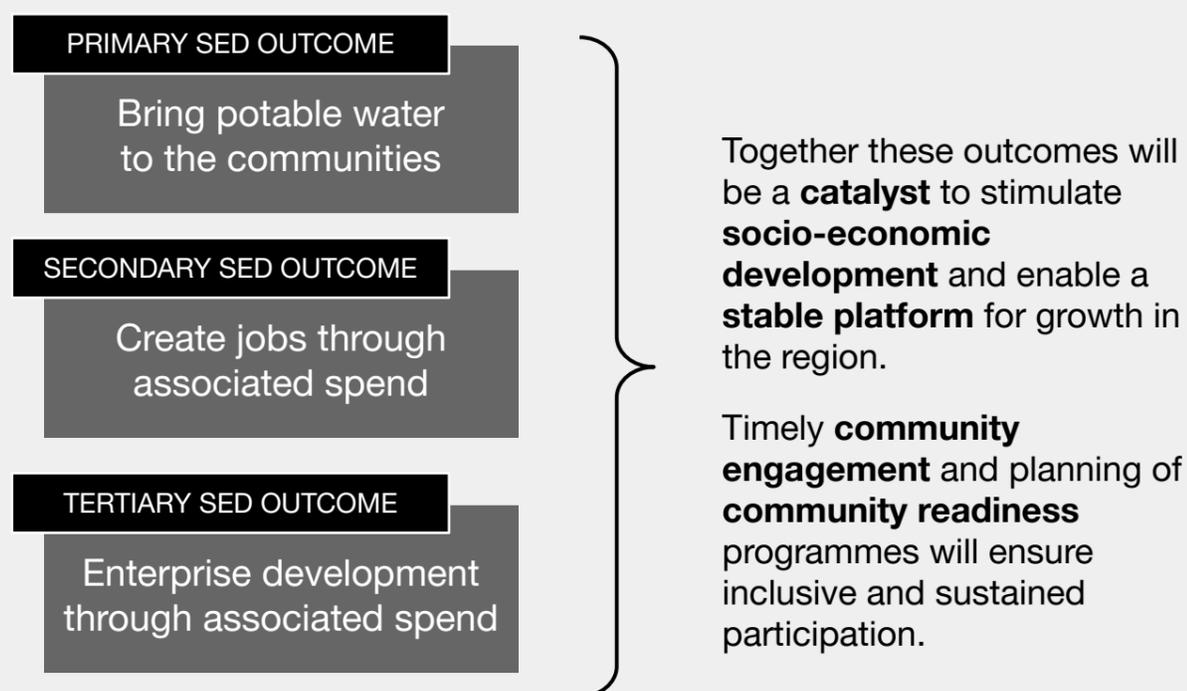
Presented by Greg James aka 'Batman'

Importance of Socio-Economic Development

- **Social license to operate** - communities will continue to hinder mining operations in the region until there is socio-economic upliftment
- **Communities don't have access to potable water** - Potable water is a basic service that is not being provided by local government
- **Need for a catalytic mechanism for SED** - development of a large scale water infrastructure project in the region would be a catalyst for significant socio-economic development in the region
- **Dependence for jobs on the mining industry** – socio-economic development could reduce the dependence for jobs on the mining industry as SME and industrialisation are developed
- **Industry collaboration** - projects of this size and complexity require collaboration across all stakeholders



Outcomes



SED Gems:

9.

The Programme provides an integrated holistic solution aligned with the DWS Master Plan, using water as a catalyst for change

10.

Total inclusive engagement with all relevant parties from start to end. Understanding the macro and micro SLP issues and combining forces on the macro issues

11.

There are three key outcomes of the Programme; potable water to defined communities, job creation through the associated capital and operational spend and enterprise development

12.

Collective engagement through the SED collaboration forum in areas such as skills and enterprise development



“

The project we're dealing with today is really the need to improve lives through water.

”

Greg James

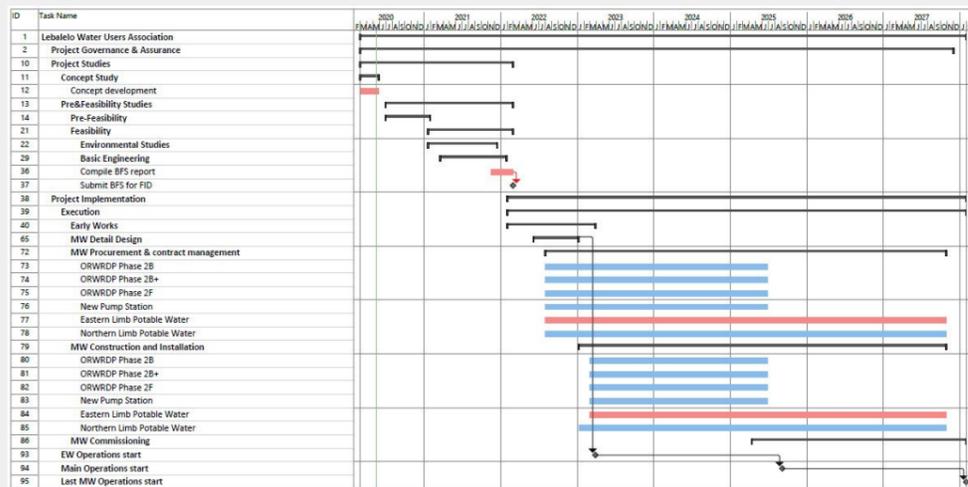
Technical

Presented by Chris van der Merwe aka 'Vision'

Concept Study Masterplan Deliverable

- Phase 2B&2B+: Bulk raw water ORWRDP : Pipeline and three associated pump stations from Flag Boshielo Dam to Sekuruwe Water Treatment Works.
- Phase 2F: Bulk raw water ORWRDP : Gravity steel pipeline from Mooihoek reservoir to Olifantspoort WTW, bypassing Clapham Pump station.
- Construction of a new pump station and reservoir between Steelpoort and Mooihoek reservoir.
- The potable water Northern Limb is a bulk and internal network reticulation project for the supply of potable water to area communities along the Northern Limb of the Bushveld Igneous Complex.
- The potable water Eastern Limb is a bulk and internal network reticulation project for the supply of potable water to area certain communities along the Eastern Limb of the Bushveld Igneous Complex.

Schedule of Lebalelo Scheme at Concept Study Level



Capital Cost of Lebalelo Scheme at concept study level of detail

Description	Total Estimate	Contingency	Total Capex Real	Escalation	Total Nominal
Bulk raw water projects	5,880,800,000	1,458,000,000	7,338,800,000	1,914,500,000	9,253,300,000
ORWRDP Phase 2B&2B+	4,779,000,000	1,179,000,000	5,958,000,000	1,550,000,000	7,508,000,000
ORWRDP Phase 2F	1,006,500,000	248,000,000	1,254,500,000	336,300,000	1,590,800,000
Pump station	95,300,000	31,000,000	126,300,000	28,200,000	154,500,000
Potable water projects	6,508,000,000	2,094,000,000	8,602,000,000	2,624,400,000	11,226,400,000
Northern Limb	2,878,000,000	926,000,000	3,804,000,000	1,213,100,000	5,017,100,000
Eastern Limb	3,630,000,000	1,168,000,000	4,798,000,000	1,411,300,000	6,209,300,000
Total Estimate	12,388,800,000	3,552,000,000	15,940,800,000	4,538,900,000	20,479,700,000
Total Owners Costs	943,300,000		943,300,000	235,800,000	1,179,100,000
Total Capitalisation (excluding feasibility study costs)	13,332,100,000	3,552,000,000	16,884,100,000	4,774,700,000	21,658,800,000

Key risks to the programme execution

Key risk	Mitigation
<ul style="list-style-type: none"> • Agreement from all stakeholders on the scope, time and cost of the project at FID 	<ul style="list-style-type: none"> • Defined gated development process • Early establishment of the Project Steering Committee and strong development team
<ul style="list-style-type: none"> • Community unrest impact on construction 	<ul style="list-style-type: none"> • Intensive community and stakeholder engagement process during the development phase • Prepare communities for participation in project expenditure through timely SED programme
<ul style="list-style-type: none"> • Capacity of the SA construction and manufacturing industries 	<ul style="list-style-type: none"> • Early engagement with potential companies • Realistic risk allocation between contracting parties • Appropriate contracting strategy • Early ordering of long lead items
<ul style="list-style-type: none"> • Multiple stakeholders impact on the construction performance 	<ul style="list-style-type: none"> • Clearly defined project governance structure • Experienced Project Steering Committee members • Continuous and clear communication to all stakeholders
<ul style="list-style-type: none"> • Delivering the project safely on time, on budget and to the expected quality 	<ul style="list-style-type: none"> • Continuous monitoring of project performance • Comprehensively defined information landscape • Experienced Steering Committee members

Key elements during project development

The upfront planning and lifecycle definition has a direct effect on the effectiveness of the control and decision making during the execution of the build project. It is crucial that this should address the **project management framework**, the **governance structure**, the **information and system landscape** as well as the **integrated project environment**.

Technical Gems:

13.

There was general acceptance of the overall technical solution being proposed to accelerate bulk raw and potable water in the Northern and Eastern Limbs

14.

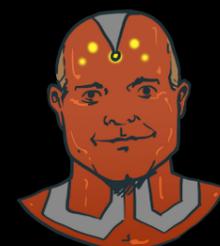
There were certain views that the solution should rather be treated as a scheme rather than as a ORWRDP system from a cost allocation perspective. This does not align with DWS or Lebalelo thinking as is not equitable

15.

The proposed solution will represent a mega project with most members having an appreciation of the complexities and risk of such a programme and the need to appropriately capacitate Lebalelo

16.

The potable solution linked to the bulk infrastructure development provides an opportunity to utilise the mines' SLPs and relationships in their immediate vicinity



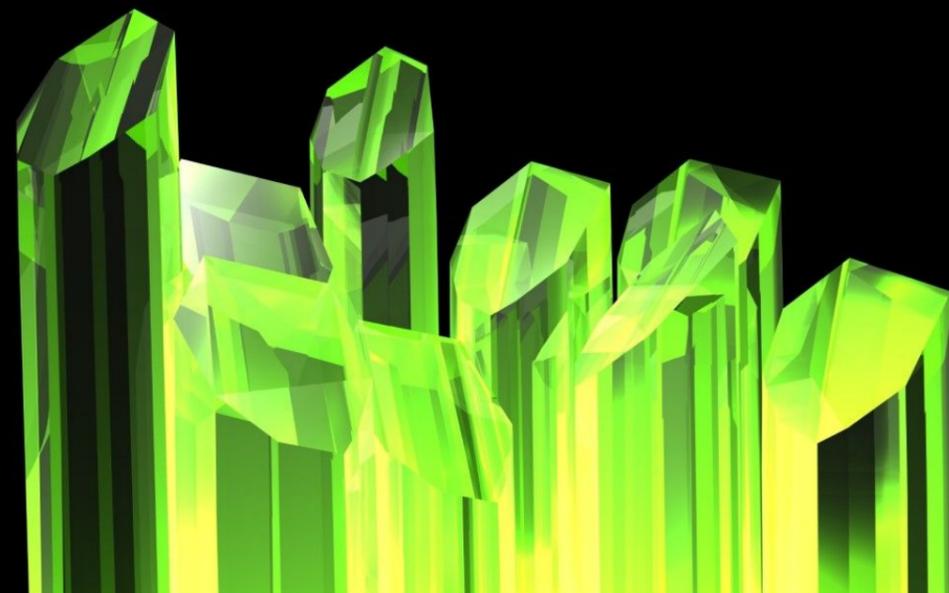
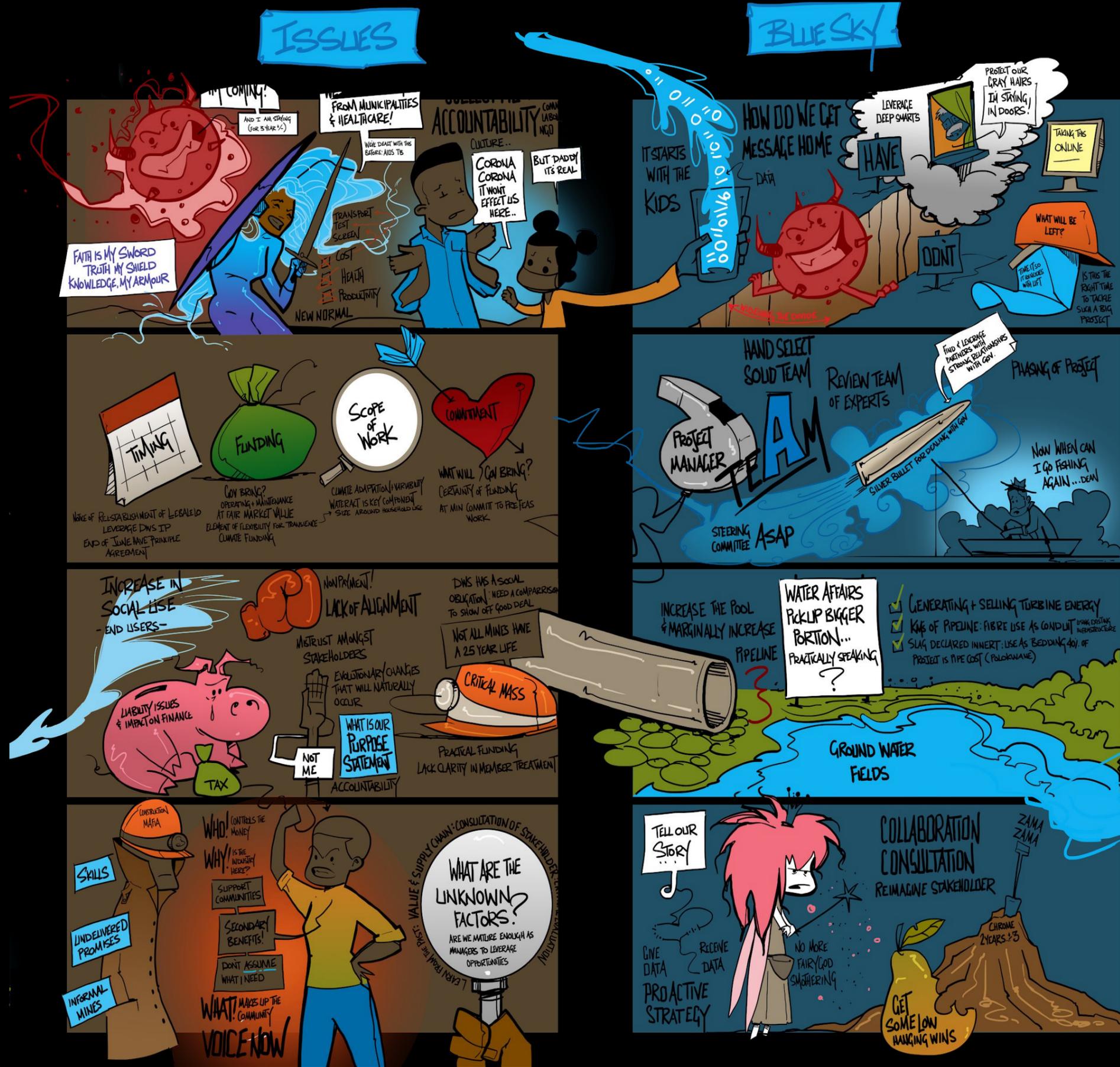
“ *The pipeline is as strong as its weakest link.* ”

Chris van der Merwe

Defining our kryptonite and how we shatter it

During this discussion we defined challenges in social unrest, pre-feasibility and feasibility studies, the impact of COVID-19 and the affordability of the scheme.

We then identified opportunities in each of these four areas.



Areas of potential misalignment

Misalignment

Scheme versus System

There was only one area of misalignment with certain views that the solution should rather be treated as a scheme rather than as a ORWRDP system from a cost allocation perspective. There was a view that mines closer to the source of water should pay a lower tariff. Certain non-producing mines were of the view that they should not pay a tariff until they became operational as they would be benefiting operational mines. Another view was that mines in the Eastern Limb would be cross subsidising the more expensive bulk raw water infrastructure in the Northern Limb.

Lebalelo Response

Adoption of a scheme approach does not align with DWS or Lebalelo thinking. The main rationale is that DWS is in the process of moving towards adopting a National systems based pricing strategy. This is being done to firstly, reduce the cost of water by spreading it across a wider customer base, and secondly providing an equal playing field for industry through a standard tariff.

Lebalelo supports this thinking as the commercial and social objectives of the Programme can only be achieved through adopting a collaborative approach where the costs of the Programme are shared on an equitable basis. The principle applied is for each participating member to pay for its share of the 'acquired capacity' in the system infrastructure.

Whilst not a misalignment, members did raise the point that they could not comment on the affordability of the Programme for their organisations until they had sight of the completed Concept Study Report. This report has now been issued



Impact of COVID-19

Discussion hosted by Bertus Bierman, Wayne Jansen and Savannah Otto

Challenges

1. Deferral of capex

Commercial users and Government have all been financially adversely impacted by COVID. Commercial users are struggling with reduced revenues and higher costs operating under COVID regulations and changing market conditions which is impacting their liquidity and profitability. There is a risk that capex funding may be deferred or withdrawn

Lebalelo response

The project development phase will take another 18 months before a financial investment decision needs to be made committing members to the build Programme. There is a critical need for water in the defined areas and any further delay may cause significant socio-economic damage to the region and economy. The Programme also aligns with the President's call to action to rebuild the economy post-COVID through an infrastructure led recovery. Options could also be considered to reduce cost through design changes and build specifications, albeit less optimal from a system design perspective

2. Lives vs Livelihood

A key challenge will be to get the balance right between protecting lives and livelihoods. This has the potential to erupt into social unrest with mines unable to operate should income levels reduce and unemployment increase. Youth unemployment was raised as of particular concern

Lebalelo response

Lebalelo has continued to provide water to its operating members under the stipulated regulations. Lebalelo has recognised the need to use the current emergency water programme and Pre-feasibility / Feasibility Study spend to identify work packages to inject cash into communities. The establishment of a SED Collaboration Forum amongst members and others will also assist in identifying crisis areas where resources could be pooled to mitigate this risk. There was consensus for members to identify areas to work together

3. Collective accountability

Within the context of COVID there appears to be no clear accountability of who is responsible for what between Government, Councils, Municipalities, Employers, Industry bodies, Labour, Communities and NGO's which is creating uncertainty

Lebalelo response

This will need to be clarified and addressed through contractual arrangements during the next project development phase for avoidance of doubt and to mitigate Programme risk

4. Sustainability of emergency water to communities

COVID is adversely impacting the local economy exposing social and infrastructural flaws to combat the spread of the disease, including the lack of water to communities

Lebalelo response

Lebalelo, with its members support, proactively reached out to DWS to offer assistance and to-date have installed 70 water tanks and are delivering potable water to communities. Whilst these measures have been well received, the cost is expensive and requires a sustainable water solution. Aspects of the potable infrastructure build programme will be accelerated to address this issue and will be incorporated into the Pre-feasibility phase

5. Culture and behavioural change

There was an overall concern of the lack of awareness of communities of the dangers of COVID and the behaviour change required to reduce the risk of infection. There was also concern that mine workers, whilst complying with regulations at work, did not enforce this at home

Lebalelo response:

A behavioural programme has been identified as part of the socio-economic development plan to assist in addressing the hygiene factors relating to COVID. This to be done in close co-operation with the Departments of Health and Education to minimise the risk during planning and construction. This is another potential collaboration area amongst members

Impact of COVID-19

Opportunities

1. Behaviour change

Focus should be on schools at grass roots level with behavioural change programmes to address hygiene, ethics, payment for services culture, etc. There is an opportunity for a wi-fi platform which makes data available for people to self-educate. This can be leveraged off current COVID communications to prevent future disease

2. Circular economy

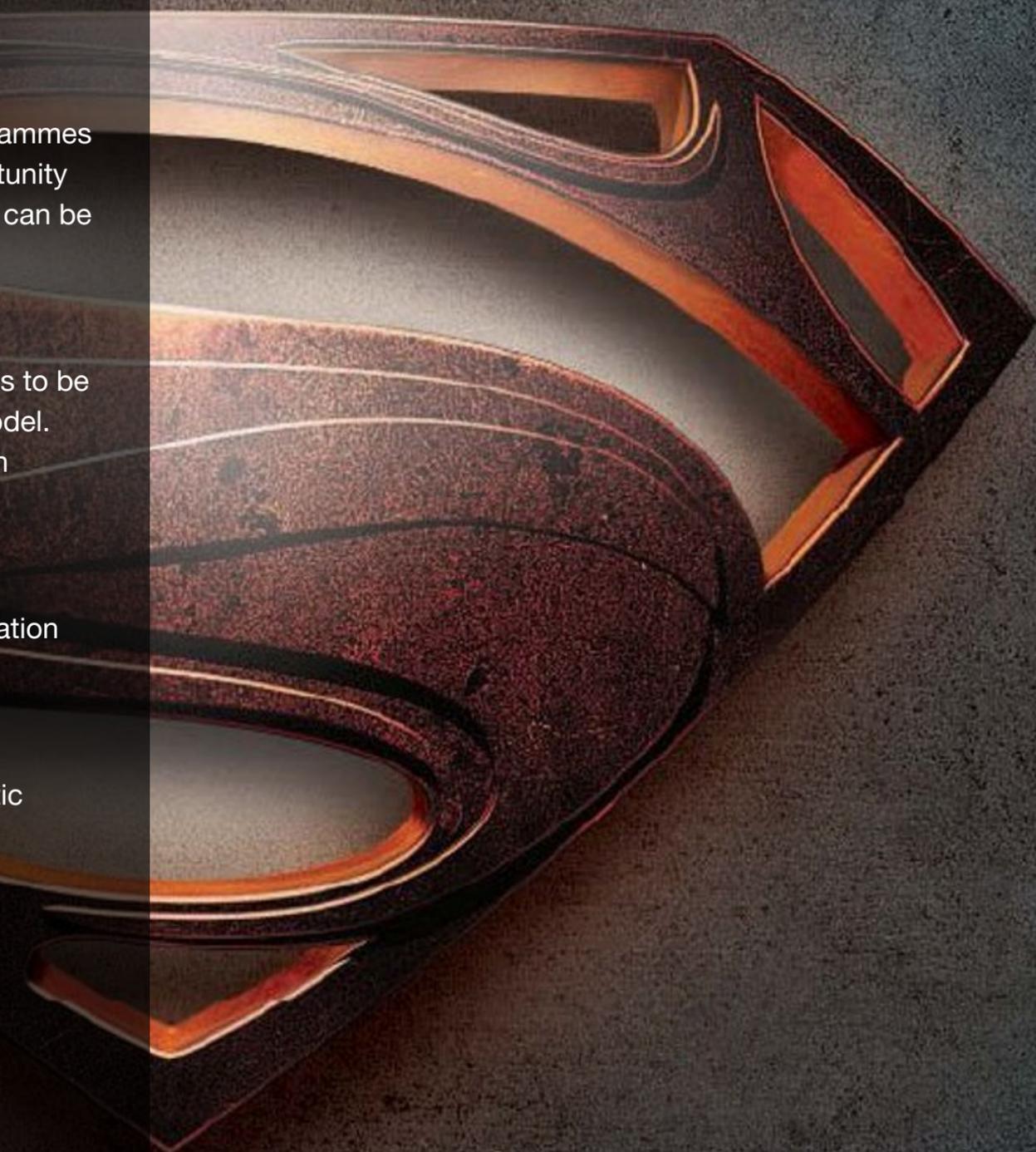
Create a local circular economy by designing for mass job creation. Cash needs to be injected into communities on a daily basis similar to India/China piece work model. Identify opportunities for communities to own/rent renewable energy farms with offtakers communities, Lebalelo and Commercial users

3. Pathway to local delivery

Map a pathway to implement local delivery. Make a direct link between job creation and enabling communities to have potable water

4. ORWRDP catchment

Set ambition to establish this as a world class catchment area delivering holistic water services; will need to be resourced and regulated properly



Affordability of the scheme

Discussion hosted by Jonathan Metcalfe and Katia Lopes

Challenges

1. Value proposition

Certain members expressed concern over the lack of a clear unified value proposition, citing conflicting agendas between social and commercial goals

Lebalelo Response:

The Programme has been designed to address the interests of both commercial and social users. Commercial users need water to operate and expand operations without social disruption whereas social users need potable water and jobs. Both user groups need water to be safely, reliably and cost efficiently delivered. The proposed integrated solution addresses these needs

2. Entrant and exit strategies

Some members expressed concern over the exit or entrance to the proposed Programme in the future given commodity price volatility, and that some members having short life of mines

Lebalelo Response:

All entrance and exit of members will be handled in the Lebalelo Members agreement. Members wishing to exit would be able to sell the acquired capacity to another member or potential member. Late entrance to the Lebalelo programme may be possible where surplus water and capacity is available, but at a significant financial premium

3. Contribution calculation

Some commercial members expressed concern over how remaining contributions will be calculated in the instance where potential members drop out of the programme at the various stages

Lebalelo Response:

Member commitments at each stage gate are important. Once members have committed to acquire capacity, a liability will be created that the member will be responsible for. As such, all other member's financial contributions are 'ring-fenced' at the point the total acquired volume is confirmed across the entire user group

4. Non-operational mining assets

Some of the member mines are still under development or are currently on care and maintenance. In these instances, members have expressed concern over contributing towards the programme even though their mining asset is not operational

Lebalelo Response:

Members who contribute to the upfront project development costs are essentially acquiring a right to capacity in the pipeline. The Financial Investment Decision is expected to be taken in 2022. Each member should assess their participation in the proposed Programme based on their own cost benefit analysis of the investment decision. If the member chooses not to participate in the programme early, they may not have access to water in the future either due to design changes or additional allocations to members

5. Underutilisation of water

With uncertainty around the global commodity outlook and the unknown technological advancements in the efficient use of water in mining, members want clarity on how the underutilisation of 'acquired capacity' will be handled. Particular questions have been raised on how the on-selling of surplus water will be treated

Lebalelo Response:

The member allocation is bound up in the association's licence, hence Lebalelo would act on behalf of the member as the distributor and collecting agent. Clarity on the mechanism through which capacity of other members could be distributed to other users and the financial recoupment of tariffs will be explored in the following project stages. The current financial model assumption is that each member fully utilises their acquired capacity



Affordability of the scheme

Challenges Continued

6. Critical mass

The question was raised on how many commercial members or what volume of water needs to be accounted for in order to make the programme financially viable

Lebalelo Response:

Given the current infrastructure sizing assumption the proposed programme needs approximately 80% of the member volume to be confirmed. The design principle for the concept study phase has been to design the infrastructure based on the water required by members, hence if members do not opt-in early, then the project team will re-size the designs to account for a smaller volume of required water. This will help reduce costs for those members remaining. Once again this reiterates the point that if a member chooses not to opt-in early, should they require water later, there may not be any capacity left in the pipeline

7. Size of the proposed programme

Certain commercial members expressed concern that the scope of the proposed programme is too large and unmanageable

Lebalelo Response:

The proposed programme significantly reduced the capital cost of the originally envisioned ORWRDP through the resequencing of the capital build. The Programme in its current form will benefit from significant economies of scale and will result in a more cost efficient delivery compared to a multiple project approach. Thus, this is the most cost effective solution for members

8. Tax benefits

Commercial members are interested in accessing tax relief / benefits from aiding government in the implementation of bulk raw and potable water infrastructure

Lebalelo Response:

In the pre-feasibility and feasibility studies the project team will engage with donor funders and regulators to explore all tax benefits that would be available to members

9. Time horizons

Some members have highlighted that they work on a 5-10 year mine plan horizon and as such, the proposed program's 25-year repayment structure is too long to commit to

Lebalelo Response:

Although member allocation licence agreements will be reviewed on a 5-year rolling basis, each members financial liability will need to align with the capital debt amortisation schedule. In its current format this means each member will carry the liability for 25-years. As the capital structuring of the proposed programme is explored in more detail with potential financiers in the next project phases, options around better aligning the amortization of debt with the time horizons of mine plans will be reviewed

10. Force-majeure events

The current COVID-19 pandemic has highlighted the need for clarity around unforeseen mine closures and how the repayment of debt would be handled when the underlying operating asset is forced to stop producing

Lebalelo Response:

During the pre-feasibility and feasibility studies, focus will be placed on the risk mitigation strategies available for Lebalelo and each of the program's members. This may take the form of insurance, debt holidays and amortisation elongations to name a few.

Affordability of the scheme

Opportunities

1. Alternative funding mechanisms:

One of the key steps in the pre-feasibility and feasibility study stages will be the identification of alternative funding mechanisms. The purpose of these mechanisms will be to make the entire programme cheaper for all members. Such mechanisms could include donor, grant, crowdsourcing and DFI funding, to name a few. Some members may also consider to invest capital or assist in sourcing alternative funding

2. Energy Optimisation:

Exploring alternative energy solutions will help reduce the operational costs of the entire system. This will not only help make the programme more affordable but could also support members own decarbonisation goals. Options such as PV floating solar, wind, in-line gravity turbines, battery storage and green hydrogen conversion technology will all be explored in the next phase of the project

3. Tax Optimisation:

Multiple avenues are being explored on how each members can gain tax relief on the basis that they are contributing towards both a bulk raw and potable water system, and as such aiding government in delivering against its mandate

4. On-selling of acquired capacity:

As mining technology progresses, the member mines are getting more efficient in the utilisation of water. It is for this reason that the commercial user groups water demand is expected to level-off over time whereas the water to communities is expected to continually grow. It is within each members own interest to help nurture the socio-economic development of the region in which they operate. Assisting in the development of new businesses and industries, so that when they have an excess of water, alternative users will be in place to take over a portion of that member's acquired capacity



Social unrest

Discussion hosted by Greg James and Jaynesh Tailor

Challenges

1. History of undelivered promises

Communities feel they have been neglected by Government and Industry through the lack of basic services delivery and unmet expectations of jobs. This has led to increased social unrest and damage to Government and Lebalelo infrastructure. There is a concern that if not properly managed the Programme could be disrupted by disgruntled communities

Lebalelo Response:

The solution proposed by Lebalelo aims to address aspects of this through the delivery of potable water to communities and a skills and enterprise development programme using the Programme's capital and operational spend. This will require inclusive engagement with communities from start to end. Increased economic activity and growth of other industries in the area will also assist in diluting the current dependence on the mining industry to support communities

2. Community leadership structures

The concern was raised that community leadership structures were often unclear with traditional leadership positions often being contested making stakeholder management processes very difficult.

Lebalelo Response:

Lebalelo has recognised that this is a problem and that progress has been made in understanding these situations and managing them. This will however require close collaboration with members and Municipalities through the proposed SED Collaboration Forum

3. Understanding communities

A common theme raised was to avoid the mistake made in the past of deciding for communities what their needs are

Lebalelo Response:

The communities are at the heart of the SED strategy. Our strategies would fail if we unilaterally decided for the communities. Instead we will build our strategies collaboratively with the people in the communities and their leaders to ensure our actions and activities are well aligned to actual community needs

4. Informal mining sector

Concern was raised by chrome miners over the ungoverned, informal mining sector and its impact on the Programme

Lebalelo Response:

Although the informal mining sector is not a direct threat to Lebalelo; further investigations will be needed. We would need to assess how big this risk is and what the impact will be on the overall project. The industry needs to consider a potential solution that could be the absorption of the informal sector into the industry

Social unrest

Opportunities

1. Social compact

Lebalelo uses water as a catalyst for change. There is a significant opportunity to enter into a social compact with key stakeholders around the fundamental right to water

2. Education and wellbeing

Investing in education via mobile and virtual classrooms and sport-focused youth upliftment. As part of SLPs, Lebalelo can collaborate with various stakeholders to combine efforts to provide more coverage for e-learning utilising the wifi infrastructure that existing stakeholders have access to

3. SED Collaboration Forum

Lebalelo has recognised that the provisioning of water will not address the long term aspirations and needs of communities. A more comprehensive socio-economic programme will need to be implemented to address other pressing needs. Skills and enterprise development are two areas that can be prioritised. This will however require close collaboration between members and other stakeholders. To facilitate this there is an opportunity to establish a SED Collaboration Forum to pool resources in addressing macro issues of shared interest

4. Communication platform

A communication platform could be created using the aforementioned wifi infrastructure to enable consistent and regular communication between stakeholders.



Pre-feasibility and feasibility

Discussion hosted by Chris van der Merwe and Andrew Roberts

Challenges

1. Skill Requirements

The programme is a mega project that require skills and experience to execute

Lebalelo Response:

There is an appreciation of the complexities and risk of such a programme and the need to appropriately capacitate Lebalelo. This will be done through a well defined operating model, strong owner's team supported by appropriate service providers, an emphasis on the front end loading (FEL) of the project and by leveraging member's experience and skills

2. Government's Involvement

There is a concern about government's involvement and their ability to contribute. It is however seen as extremely crucial in moving forward

Lebalelo Response:

There is continued engagement with all spheres of government and their commitment is continuously monitored

3. Risks

The risk allocation to different members and their "competitive advantage" either has to be acknowledged or demystified

Lebalelo Response:

The scheme has developed a solution that incorporates the principle of equality to all at a scheme level. It further focuses on serving all communities on an equal basis

4. Pressure on timeline

Managing risk, regulatory approvals and limiting cost overrun

Lebalelo Response:

An experienced owner's team will drive the project and approvals utilising the relationships of its members

5. Social unrest

Social unrest during construction is a big unknown

Lebalelo Response:

The early adoption of the SED programme focussed on all aspects of the project and its commercial strategy will incorporate the communities and business at the appropriate levels. There is also a focus on utilising existing capacity that was created in support of the mines, e.g. the pipe factory in Mokopane

6. Pressure to deliver water

Pressure to deliver water to communities and mines as soon as possible

Lebalelo Response:

During the feasibility study phase opportunities will be identified to accelerate delivery where it is possible. The efficient execution of the programme is still the optimum delivery for everyone.

Opportunities

1. Timeline

Reducing the overall execution timeline by:

- bringing in the right commercial, SED and engineering expertise in the planning phase
- stagger the delivery of potable water so that portions of the scheme become operational as soon as the construction is completed
- optimise the construction footprint in order to create multiple work fronts with different construction teams

2. Commitment and collaboration

Clearer commitment from all stakeholders to drive the same congruent objectives. Further mapping of all stakeholders to ensure overall project buy-in and support

3. Digital

Optimise the execution by incorporating digital construction tools that will also assist to manage the large execution footprint effectively.

4. Model for PPP execution

The collaboration between LWUA, Commercial Users, Government and Communities can be a model for execution of infrastructure development in South Africa

The importance of collaboratively defining a new way of work

Agreeing on a new way of work and set of behaviours as a collaborative unit, ensures that all stakeholders involved have an equal voice and feel that their point of view has been carefully considered. This creates buy-in and solidifies a positive team dynamic.



What are our new ways of work?

collaboration

/kəlabə'reɪʃn/

noun

the action of working with someone to produce something.

interdependent

/ɪntədɪ'pendənt/

adjective

two or more people or things dependent on each other.

trust

/trʌst/

noun

firm belief in the reliability, truth, or ability of someone or something.

What are the behaviours we are going to adopt?

commitment

/kə'mɪtm(ə)nt/

noun

the state or quality of being dedicated to a cause, activity, etc.

flexible

'fleksɪb(ə)l/

Adjective

ready and able to change so as to adapt to different circumstances.

empathy

'empəθi/

noun

the ability to understand and share the feelings of another.

“Heroes are made by
the path they choose,
not the powers they
are graced with”

- Brodi Ashton



“The Whole is Greater than the Sum of its Parts.”

- Aristotle



Want to find out more?

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WATER LIFE

THE STARS HAVE ALIGNED

Teamwork impact lives through water

WELCOME LEBALELO

ALL I NEED IS A HERO!

VISION & ALIGNMENT

THERE ARE CHALLENGES BUT WE WILL OVERCOME!

WE NEED YOUR SUPPORT

COVERED WILL END

STAKEHOLDERS

IS A VIRTUAL MULLET!

SETTING THE SCENE

STRATEGIC DIRECTION

No Profit Cost Recovery

ALIGNMENT W/ GOV

WE RESIGNED WELL

TWO TIER COMMUNICATION

RECOMMENDING COSTS

75 CUBES/DAY

800/1005 HUNT

120 KPa

HERBICIDE

HERBICIDE COSTS

SCHEDULE

28 APR

2015-2027

LEARN FROM PAST MISTAKES

LEARN FROM PAST MISTAKES

PRE-FEASIBILITY & FEASIBILITY STUDY

REVERSE PUMP WATER

8000 LITRES PER DAY

PROTECT NORTON EAST

EXTEND LIFE EXPECTANCY OF WATER TREATMENT

DUPTATS RIVER

RISK ALLOCATION FOR CAPTION

FUNDING MODEL

FINANCIAL MODEL

16 BILLION RAND

1 YEAR IS DONATION - TIME CHANGE (COMMUNITY DIPS...)

LESS MICRO PROJECTS

COMMUNITY READINESS

COLLABORATION

WATER LEAKAGE

COLLABORATION RIGHT FROM BEGINNING FROM ALL PARTIES

JOBS! WATER! ENTERPRISE DEVELOPMENT!

25% 25% 50%

WORKED

QUANTIFIED INVOLVED

ISSUES

IM COMING!

WE NEED SUPPORT FROM MUNICIPALITIES & HEALTHCARE!

COLLECTIVE ACCOUNTABILITY

COMMUNITY LABOUR WAGE

COURAGE - CORONA IT WON'T EFFECT US HERE...

BUT DADY! ITS REAL!

TRANSPORT TEST SCREEN

HEALTH PROSECUTOR

NEW NORMAL

FATH IS MY SWORD TRUTH IS MY SHIELD KNOWLEDGE MY ARMOUR

SCOPE OF WORK

COMMITMENT

WHAT WILL YOU BRING? CERTAINTY OF LEADING AT MIN COMMIT TO PRE-FEAS WORK

INCREASE IN SOCIAL USE - END USERS -

LIBERTY ISSUES & IMPACT ON FINANCE

TAX

NOT ME

WHAT IS OUR PURPOSE STATEMENT ACCOUNTABILITY

MANAGEMENT! LACK OF ALIGNMENT

METRIC AMONGST SHAREHOLDERS

EVOLUTIONARY CHANGES THAT WILL NATURALLY OCCUR

DNS HAS A SOCIAL OBLIGATION - NEED A COMPROMISE TO SHOW OFF GOOD DEAL

NOT ALL MINES HAVE A 25 YEAR LIFE

CRITICAL MASS

PRACTICAL FUNDING LACK CLARITY IN MEMBER TREATMENT

WHO CONTROLS THE MONEY? WHY? (THE MOST IMPORTANT QUESTION)

SUPPORT COMMUNITIES

SECONDARY BENEFITS!

DONT ASSUME WHAT I NEED

WHAT! MESS UP THE COMMUNITY VOICE NOW

WHAT ARE THE LINKDOWN FACTORS?

ARE WE MATURE ENOUGH AS MANAGERS TO LEAD INDEPENDENTLY

VALUE & SUPPLY COMM-CONSULTATION OF SHAREHOLDERS (LOCAL AND NATIONAL)

BLUESKY

IT STARTS WITH THE KIDS

HOW DO WE GET MESSAGE HOME

DATA

LEVERAGE DEEP CHARTS

HAVE

PROFIT OUR GRAY HAIRS IN STRINGS IN DOORS!

THINK THE ONLINE

WHAT WILL BE LEFT?

IS THIS THE RIGHT TIME TO SCALE SUCH A BIG PROJECT

TEAM

HAND SELECT SOLID TEAM

REVIEW TEAM OF EXPERTS

PHASING OF PROJECT

STEERING COMMITTEE ASAP

CHIEF BULLET POINT COMMUNICATION

NOW WHEN CAN I GO FISHING AGAIN... :-(

GROUND WATER FIELDS

INCREASE THE POOL & MARGINALLY INCREASE PIPELINE

WATER AFFAIRS PICKUP BIGGER PORTION... PRACTICALLY SPEAKING?

GENERATING + SELLING TURBINE ENERGY

KM OF PIPELINE FIBRE USE AS GANDOLIT (PUMP CONTROL) (PUMP CONTROL)

SLAG DECLARED INHIBIT. USE AS BEDDING FOR PRODUCT IS THE COST (PUMPHOUSE)

COLLABORATION CONSULTATION

REIMAGINE STAKEHOLDER

TELL OUR STORY

GIVE DATA

REVEAL DATA

NO MORE FURY/GOO SHOWERING

ZAMA ZAMA

GET SOME LOW RANKING WINS

WAYS OF WORKING?

FUNCTIONAL LEADERS

DIGITAL TRUST

UPSKILLING

INTERDEPENDANT

FLEXIBLE SOLUTION MINDSET

PROTECT THE VULNERABLE

STRETCH RESOURCES

A HERO IS AN ORDINARY INDIVIDUAL WHO FINDS STRENGTH TO PERSEVERE & ENDURE IN SITE OF OVERWHELMING OBSTACLES!