



Olifants Management Model (OMM) Programme



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NEWSLETTER

IMPROVING LIVES THROUGH WATER

@ info@lebalelo.co.za

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The Association's transformation steams ahead

Great strides have been made in the last few months in implementing the OMM Programme and transforming the Association

May 2023

- The Intermediate Business Case (IBC) was published in May 2023 to a positive response from Infrastructure South Africa. It included detailed designs and estimates, and shows the OMM Programme is economically viable and expected to yield positive returns.

June 2023

- The Minister of Water and Sanitation (DWS) was hosted on 12 June 2023 for an OMM Programme progress update meeting. Overall study phase progress was confirmed at 18%, still within cost and schedule.

July 2023

- A strategic workshop was held with Members from 5 – 6 July 2023 to discuss the future strategic direction of the Association.
- A strategic alignment session was held on 12 July with the Minister of Water and Sanitation and the municipalities affected by the OMM Programme.
- An invitation to the Presidential Imbizo in Sekhukhune saw the OMM Programme being referred to specifically by President Ramaphosa in his introduction of Minister Mchunu, who went on to confirm Government's funding commitment to the OMM Programme and outlined the benefits to community members.
- A contractor's site visit for Phases 2B and 2B+ was hosted in Mogalakwena from 19 – 20 July 2023.
- The Minister of Water and Sanitation approved and signed the Association's amended Constitution on 25 July 2023, which gives effect to the OMM Programme by allowing the Association to transform and broadening its scope.
- DWS' DDG: Infrastructure visited the Association's head office on 31 July 2023 for a progress update the OMM Programme.

August 2023

- Contractors' bids for the construction of Phases 2B and 2B+ pipelines were opened publicly on 31 August.

September 2023

- A Technical Review Panel meeting was held on 1 September with National Treasury, the Infrastructure Fund and the Development Bank of South Africa to review the preliminary recommendations report for the Budget Facility for Infrastructure (BFI) Application.
- Several commercial banks were hosted for a prospective funders' meeting on 6 September, which led to great interest in the funding of the accelerated scope of the OMM Programme (i.e. Phases 2B and 2B+ and the Northern Limb Water Treatment Works).

October 2023

- Infrastructure South Africa (ISA) conducted a site visit on 11 October to Southern Extension 2 (SE2) in Steelpoort, Limpopo.

November 2023

- The Association's AGM took place on 30 November which saw Members pass a resolution to approve the amended Constitution and change the name of the Association to Badirammogo Water User Association.



What's on the horizon?

- The gazetting of our amended Constitution, post the approval at the Association's Annual General Meeting, is expected in early 2024;
- Approval of the Final Investment Decision (FID) document for the accelerated projects of the OMM Programme;
- Finalisation of the Operations and Maintenance Agreement;
- Finalisation of the ISO/NOSA audits on existing operation facilities, with the aim of rolling out systems and procedures to other facilities;
- Construction of the accelerated scopes, i.e. the Bulk Raw Water Phases 2B & 2B+ and the Northern Limb Water Treatment Works, is expected to commence in Quarter 2 of 2024;
- Approval of BFI funding by National Treasury is expected in early 2024;
- Completion of Phase 1 of Southern Extension 2 is expected in Q1 2024; and
- The Final Business Case (FBC) Report for the Study Phase is set to be released in July 2024.



Minister pleased with study phase progress

On 12 June 2023, Minister of Water and Sanitation Mr. Senzo Mchunu, Deputy Minister Mr. David Mahlobo and Deputy Minister Ms. Judith Tshabalala visited the Lebelelo Water User Association (LWUA), represented by Chairperson of LWUA Mr. Prakashim Moodliar and CEO of LWUA Mr. Bertus Bierman, to discuss progress on the Olifants Management Model (OMM) Programme.

In his opening remarks, Minister Mchunu noted that the OMM Programme represents a landmark agreement in the history of the Department of Water and Sanitation (DWS), and that it is important for DWS to partner with organisations outside of Government on the scale of the OMM Programme.

In his presentation, the LWUA CEO confirmed the overall study phase progress at 18%, within cost and schedule, that construction on Southern Extension 2 (Phase 1) commenced in October 2022 and also that planning and preparation is on track for the construction of Phases 2B and 2B+ (from Flag Boshielo Dam to Sekuruwe) as well as two potable Water Treatment Plants in the Mogalakwena Local Municipality.

In his closing remarks, Minister Mchunu said it was impressive to witness the progress being made on the OMM Programme, saying "We are within cost, we are within schedule and construction has commenced ... very telling statements, and I am happy about that."

In his conclusion, the Chairperson of LWUA Mr. Moodliar emphasised that the collaborative effort between the public and private sectors must continue to show that it can deliver – on time and to plan.



"One of the key elements of the project has been the identification of quick wins and showing progress in bringing water to industry and the community."

Mr Prakashim Moodliar

"The pictures represent evidence that we are at work, and that our agreement is taking shape ... it is concrete and real. Congratulations to all of you who are hard at work!"

Minister Senzo Mchunu



Alignment with affected municipalities has been key



One of the key action points from the progress meeting with the DWS Minister in June was the need for alignment with the municipalities affected by the OMM Programme.

The alignment session took place at the Park Hotel in Mokopane on the 12th of July 2023, and was attended by the National Department of Water and Sanitation, represented by the Minister of Water and Sanitation Mr. Senzo Mchunu and Deputy Minister Ms. Judith Tshabalala, the Lebelelo Water User Association (LWUA), represented by Chairperson Mr. Prakashim Moodliar and CEO Mr. Bertus Bierman, the Capricorn District Municipality, represented by the Executive Mayor Cllr. M Teffo, the Sekhukhune District Municipality, represented by MMC Deputy: Infrastructure and Water Services Cllr Meriam Malatji, the Polokwane Local Municipality, represented by the Executive Mayor Cllr. J Mpe, and the

Mogalakwena Local Municipality, represented by the Mayor Cllr. N Taueatsoala.

The meeting was also attended by Lepelle Northern Water, represented by Chairperson Dr. Nndweleni Mphephu and CEO Dr. Cornelius Ruiters, the Limpopo Department of Water and Sanitation, represented by Provincial Head Ms. Lucy Kobe, as well as senior officials from the various organisations represented at the meeting.

Following the Chairperson's presentation, which provided an update on progress and highlighted the need for alignment on institutional roles and responsibilities, the municipalities used the opportunity to request further information, raise a wide variety of water-related issues (such as the need for water in the Aganang area and the problems with the Lebowakgomo Wastewater Treatment Plant) and engage on potential solutions.

In his remarks, LWUA Chairperson Mr. Moodliar said, "It's encouraging for me to

see that we are on the road to collaboration, we have alignment and we are on the way to meeting what we talked about: 'Answering the call for infrastructure-led socio-economic recovery through active public-private collaboration'".

He also acknowledged the needs presented by the municipalities and confirmed the willingness of the Association's Project Management Unit (PMU) to engage further to assist and find solutions.

In his closing remarks, Minister Mchunu emphasised the importance of the alignment session, and that it was a very important milestone for the Department of Water and Sanitation.

"What we know is that we are going ahead with this ... the OMM Programme is the biggest partnership we have with the private sector, and therefore it must succeed at all costs –if it fails it will kill all other initiatives. Instead, we must accelerate," said Minister Mchunu.





Mapping the Association's way forward together



"Our aim is to create better opportunities in South Africa."

Mr. Bertus Bierman

The Association held a workshop at Kievits Kroon on 5 – 6 July which included the Association's management team as well as key representatives from existing Members. The workshop laid the groundwork for the Association's strategic direction in relation to the structure of the Association, collaboration with

water-related entities in Limpopo and beyond, the future rollout of socio-economic development initiatives, how to support municipal water and sanitation delivery and how to best utilise the Association's Project Management Unit.



Contractors visit Northern Limb accelerated project sites



In conjunction with our main bulk water consultant, Zutari Ndodana JV, the Association hosted a contractor's site visit from 19 to 20 July for the Phase 2B pipeline, which runs from Flag Boshielo Dam to a terminal reservoir at Pruissen some 70kms later, and Phase 2B+ pipeline, which runs from Pruissen to Mokopane and Sekuruwe and includes three pump stations.

Potential bidders viewed the pump station, controls and tie-in location at the Flag Boshielo Dam as well as the locations of the new pump stations, various river crossing locations and several infrastructure points of interest along the pipeline route.

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Staying aligned with DWS

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On 31 July 2023, the acting Deputy Director General: Infrastructure from the Department of Water and Sanitation, Mr. Leonardo Manus, visited the Association's offices for breakfast and a progress update on the OMM Programme. Key aspects for moving the programme forward, including further potential areas of collaboration with entities in Limpopo, were also discuss. Our world-class project controls system was also presented to the DDG and selected departmental teams.





The journey through SE2, a site visit spectacular

On the 11th of October 2023 the Association hosted representatives of Infrastructure South Africa (ISA) for a progress update presentation at Lapeng Guest Lodge, and a visit to the Southern Extension 2 (SE2) construction sites at the Spitskop Pump Station 2 and pipeline.

After the presentation, ISA SIP Lead (SIP 19 Water and Sanitation Infrastructure), Ms Miriam Chikwanda, confirmed the excitement with which the OMM Programme is spoken about at ISA and thanked the Association for the opportunity to showcase a successful strategic infrastructure project.



The OMM Programme: Watering economic growth in Limpopo

The Olifants Management Model Programme (or 'OMM Programme') aims to harness the power of water to fuel economic growth and unlock Limpopo's true potential.



The OMM Programme is a 50:50 collaboration between Government (represented by the Department of Water and Sanitation) and commercial water users that aims to fast-track the construction of bulk raw and potable water infrastructure to supply mining companies, industrial users and targeted communities in Sekhukhune District and Mogalakwena Local Municipalities.

It will also enhance water supply to the Polokwane Local Municipality.

Established in 2002, the Association has built, operated and successfully maintained bulk raw water infrastructure for over 20 years. The OMM Programme is the Lebalale Water User Association's flagship CAPEX programme. **Find out more at <https://lebalale.co.za/omp>**

Renaming and rebranding the Association

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The signing of the Association's amended Constitution by the Minister of Water and Sanitation, and approval of the Constitution by way of resolution at the Association's AGM, confirms that the Lebalelo Water User Association will become known as the Badirammogo Water User Association once the amended Constitution has been gazetted.

Badirammogo is a Sepedi word that means working together or collaboration. The new brand represents both the collaboration between the public and private sectors and the Association's expanding role.

Elephants show great care towards their herd, offspring and elders; the elephant in the Association's new logo not only symbolises strength and power, but also wisdom, stability, loyalty and determination. The elephant is also an acknowledgement to the the origin of Lebalelo, with reference to the Olifants catchment area.

The water drop is a combination of a 'point-up' triangle on top of a circle, which represents a balance in power, a strong foundation, unity and longevity. The five drops also represents the Association's 5 values: Safety, Collaboration, Integrity, Empowerment and Sustainability.



Funding processes well advanced for accelerated projects

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Current funding application processes are for the OMM Programme's accelerated projects, which included Phases 2B and 2B+ and two Northern Limb Water Treatment Works (WTW).

As per the Heads of Terms for an OMM Framework Agreement and the Funding Agreement signed by the Association and the Department of Water and Sanitation (DWS), capital expenditure on the OMM Programme is being split 50:50 between Institutional and Commercial Members.

Institutional funding is being obtained through a combination of different grants and concessional loans raised by DWS through the Infrastructure Fund, with the Association responsible for the Commercial Member funding component, which will be based on loan agreements from commercial banks. PwC has been

appointed as specialist consultants to support the Association in fulfilling its funding requirements.

Government funding

DWS has made R461m available for next 3 years via Water Trading Entity (WTE) grants, and Infrastructure Fund (on behalf of DWS) submitted a Budget Facility for Infrastructure (BFI) application to National Treasury for Phases 2B and 2B+ in July 2023 requesting R4bn (with R1,3bn as a grant for indigent users, and R2,7bn for the commercial component of institutional users). In terms of the BFI application, two rounds of clarifications have been completed and a decision is expected from National Treasury in January 2024. The OMM Programme is in the process of applying for Regional Bulk Infrastructure Grant (RBIG) funding on behalf of DWS

for the Northern Limb Water Treatment Works; an allocation of R340m is expected to be made available to fund construction.

Commercial funding

26 prospective funders were engaged to fund the capital contributions for the Commercial Members' contributions to the OMM Programme's accelerated projects in the Northern Limb. From the initial group of prospective funders initially engaged, several submitted indicative term sheets. 3 of the offers received were not only for the full R5,6bn loan amount but all were at rates within the Association's financial modelling assumptions. Shortlisted funders will complete a detailed due diligence phase, with negotiations, credit approvals and financing documents being concluded in Quarter 1 of 2024.



Celebrating strength and resilience

Lebalelo Water User Association celebrated National Women's Day with a fabulous floral-themed event at the Park Inn Hotel in Polokwane on the 8th of August.

In his address, LWUA CEO Bertus Bierman thanked the women in attendance for their hard work and partnership in the success of the Association. He urged women to take the lead in the community and beyond as the Association seeks to positively influence the course that the country is on.



INVESTING IN OUR PEOPLE

Keynote speaker, Professor Angie Maphula, touched on a range of topics in her motivational talk, from the importance of mental health to how to deal with stress, and appealed to participants to own their space, to use challenges as an opportunity to improve and not succumb to fear.

"Handle your today with confidence, face your future without fear...be a woman who dares to be different," said Prof Maphula.

LWUA recognises the strength and resilience of women and their contribution to society and the country.



Pink drive fundraising success

A big thank you to everyone involved in the Breast Cancer awareness fundraising initiative, which saw R13'000 raised in support of two charities: **The Pink Drive**, which will help mobilise nurses and mobile clinic for serving rural communities, and **Pienk Graaf Projek** (Pink Shovel Project), which was initiated in honour of a team member's close friend. A special thanks goes to Anisje van Kaam-Oberholster, our Project Procurement Manager, for making the event such a success.



INVESTING IN OUR PEOPLE



Building the dream team, one bear at a time

The OMM Programme team attended a team building exercise at the Team Building Institute in Lynnwood, Pretoria from 3 – 4 August. Phase 1 of the Team Growth Strategy programme saw team members start their transformative journey of self-awareness, discovering their unique strengths and talents (each person received either a yellow, red, blue or green teddy bear), which has led to a more united team ready to take on the next challenge.



The Association continues to grow

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Please join us in welcoming our newest employees who are based in Pretoria and Havercroft:

- Siyasanga Booi (IT/IM Manager)
- Benedict Tshipepele (ICT Specialist)
- Maite Kgatle (Communication Assistant)
- Sylvester Ngele (Stores Clerk)
- Sepadi Mampuru (Plumber)
- Brighten Chauke (Assistant Plumber)
- Makhe Kekana (Bricklayer)
- Tiishetjo Malepe (Assistant Bricklayer)



School Upgrade Programme to expand into Mogalakwena

The roll-out of the School Upgrade Programme (SUP), an SED initiative of the OMM Programme which saw the unveiling of the pilot project at Kwata Primary School in March, is all set to expand with a further six upgrade projects to take place at schools across the SE2 project area and the Flag Boshielo and Mogalakwena areas.

The Association is further engaging with various stakeholders including the Tribal Councils, Ward Councillors and the South African Police Service to ensure the SUP and OMM Programme is implemented without disruptions.

The Association will continue to explore collaboration opportunities to align stakeholders around common goals and aid the self-funding of future initiatives.



67 minutes of selfless service

The Association in collaboration with Nal'ibali conducted 67 minutes of community service, as part of Mandela Day celebrations, at the Mecklenburg Hospital on 18 July 2023. Loads of items were donated including books, bags, t-shirts and newspaper supplements. More than 30 children patients participated and were motivated to read for enjoyment.





Launching the Ke Leeto Children's Festival

Inspired by similar festivals in Polokwane, the Ke Leeto Children's Festival took place on 30 September 2023 at Kwata Primary School, Ga-Phala village, which lies in the Association's area of operation.

Attended by over 200 people, the primary purpose of the free outdoor festival was to launch the book entitled "Ke Leeto (it's a journey) story collection" which was written by learners and parents from 12 participating schools in the area, with training and mentoring from Nal'ibali-published author, Realance Mashigo.

The festival also provided opportunities to increase social engagement in a safe environment and stimulate local and regional enterprises. In attendance were representatives from the Association, Traditional Authorities, Drop-In Centres, the Limpopo Department of Education and Tubatse-Fetakgomo Municipality Libraries.



CoP puts best practice into action

The **Lekgotla Community of Practice (CoP)**, launched in March 2023, had its first quarterly sitting on 18 August 2023 at Pelo le Diatla Drop-in Centre. The event was attended by officials from the Association and Nal'ibali's special programme manager as well as local school principals, educators, nurses, traditional leaders, pastors, home based care workers, education assistants, drop-in centre care workers and ECD practitioners.

Among topics discussed at the CoP were the positive impact of the Nal'ibali reading campaign, an understanding the extent of the potable water projects that form part of the OMM Programme as well as the continued implementation of the Association's SED initiatives, which includes an extension of the Nal'ibali's contract and the installation of interactive learning whiteboards at local primary schools.

We strive to build close relationships with local authorities

The Association collaborated with the **Magadimane Ntweng Traditional Authority** for a three-day outreach programme hosted by the National House of Traditional Leaders from 29-30 August 2023, which saw the launch of the Magakala 'A Ntwampe Resource Centre.

The event provided a platform for positive future engagements with the Traditional Authority as an OMM Programme-affected stakeholder. Further to this, the Association donated a laptop and printer, as well as a range of office necessities, to Kgoshi Phala from the **Babina Noko Ba Phala Traditional Authority** on 18 October 2023.



We support interactive learning

To date, the Association has installed interactive learning whiteboards at 8 local primary schools with 4 more schools to be equipped by the end of the year.

All educators have gone through a year-long training programme to ensure effective use of the cutting-edge learning technology.

