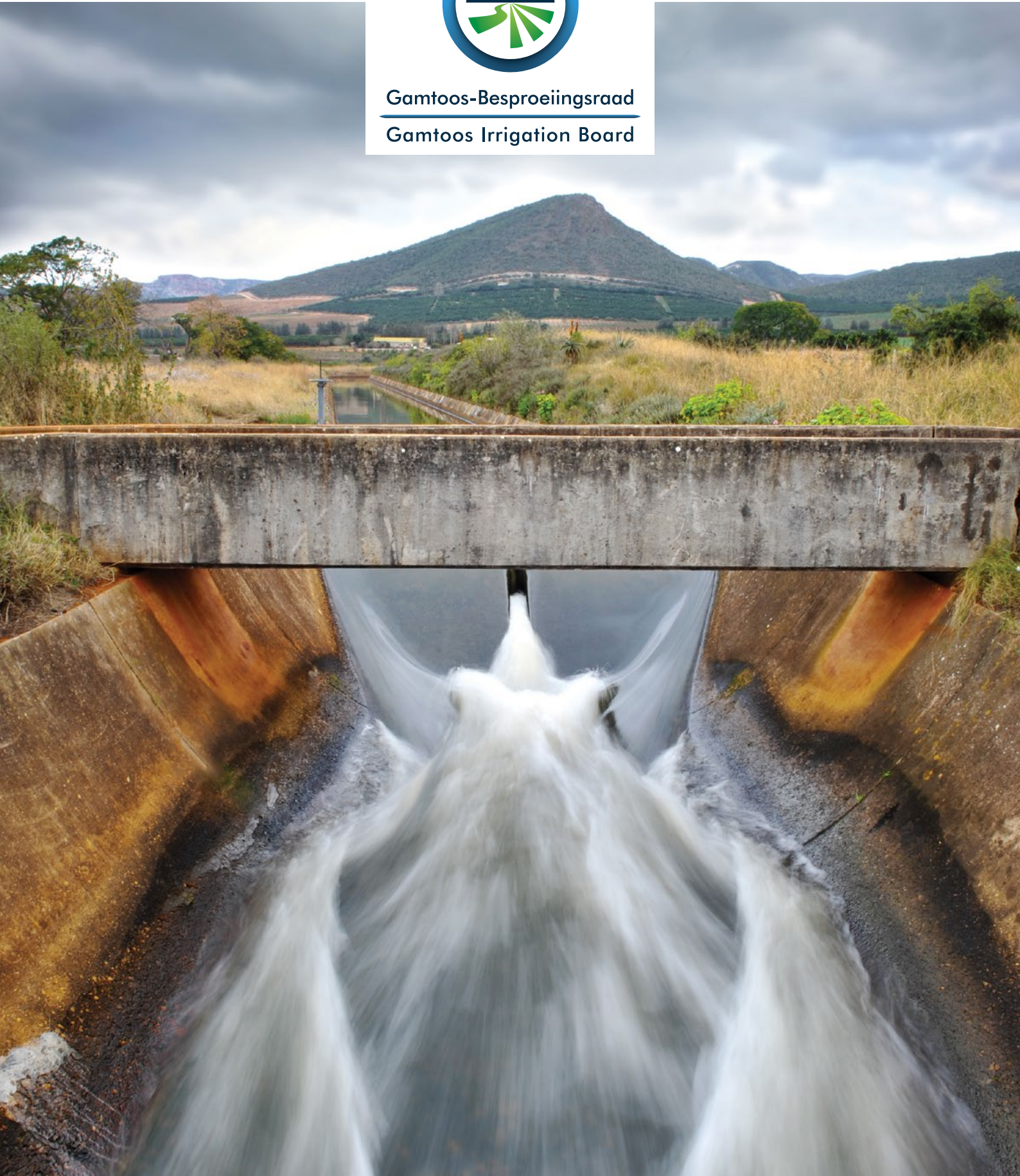




Gamtoos-Besproeiingsraad  
Gamtoos Irrigation Board



ANNUAL REPORT 2019



## CHAIRMAN'S REPORT

Tertius Meyer



For the Gamtoos Irrigation Board (GIB), this past year – as with many previous years – has been hallmarked by significant challenges and successes.

A particularly difficult challenge was our allocated 20% water quota, while the Kouga Dam level was at a critical low of 7% capacity in June 2018.

Good rainfall in the catchment area provided some welcome relief with the dam level climbing to 55%.

The restriction was not adjusted by the Department of Water and Sanitation, which caused further frustration. However, after numerous negotiations just short of threats, the quota was finally adjusted to 40%.

In addition, the news of chief executive officer Pierre Joubert's early retirement due to health reasons was met with much regret. We consider it a great privilege to have had a man of his calibre

in the service of the GIB and the community for 37 years.

The Board wishes Pierre all the best and good health in his retirement.

Rienette Colesky has been appointed as our new CEO while Jacques van der Merwe has stepped into the role of chief operations manager.

Rienette's strong financial background, as well as her experience in human resource management, makes her perfectly suited to the job while Jacques is a civil engineer and advocate specialising in water rights with many years of service at the Department of Water and Sanitation under his belt.

It goes without saying that a new approach and management style usually accompanies such a change in top structure, but the Board is looking forward to stepping into a new era with this experienced team at the helm.

## CEO'S REPORT

Rienette Colesky



I consider it a great honour and privilege to have been afforded the opportunity to lead such a well-respected water institution as the Gamtoos Irrigation Board. Even more so in that I am taking over the reins from the highly capable Pierre Joubert.

The Board is truly blessed with a top operational team that meets on a daily basis to discuss the state of the scheme and make decisions concerning operational issues.

Leon Grundling runs our water control department. Along with Andrew Murray, he has been involved in this department for many years and the lifetime of knowledge they share ensures that all operations run smoothly.

Derik Thokoane has recently joined our management team as manager of works. Derik has been part of GIB's team since inception. Men like him, with extensive knowledge of the inner workings of the scheme, are truly invaluable.

Jacques van der Merwe joined us in May as chief operations officer. We are confident that his contribution in terms of civil assistance, as well as matters involving water law, will be of great value to us.

## Operational Health

The Board has been subjected to an exceptionally challenging year due to the following two reasons:

Firstly, there were the unforeseen repairs to **D Canal** and, secondly, the under-recovery of income. This unfortunate situation forced the Board to use R7.2 million from its reserves.

The integrity of D Canal came into question when the syphon transporting water through the river burst. The emergency repairs to the syphon amounted to R1.4 million.

The poor condition of another syphon in D Canal's system also came to the attention of the Board in the second half of 2018. D15 displayed several weak areas and the Board realised the urgent need to perform rehabilitation to ensure a continuous water supply to this canal's water users.

This led to the installation of a VPVC pipe inside the existing pipe at the cost of R3 million by contractors WK Construction.

The abovementioned repairs prompted the Board to perform an audit of our system to identify similar areas of risk. MSW (consulting engineers with whom the Board has maintained a good working relationship over the years) carried out the inspections of the system during the dry periods.

*This provided valuable insight into the state of various parts of our canal system and unplanned rehabilitation was performed on three of D Canal's syphons.*

The remaining four syphons will be attended to during 2020. It has been estimated that the necessary rehabilitation will extend the lifespan of D Canal's syphons by 20 to 40 years.

The need for repairs to the **cathodic protection** of steel syphons in the main canal also arose. This protection is necessary to ensure the service life of the syphons.





**Buffelshoek** poses a risk to the water security of our agricultural consumers, as well as the Nelson Mandela Bay Municipality. This syphon, however, is situated on extremely difficult terrain just before Mondplaas.

The poor state and the resulting risk posed by this syphon has been brought to the Department of Water and Sanitation's attention. The department has previously performed repair work on the syphon in an attempt to reduce the risk. Once again, the GIB also performed some work during the dry period to limit the risk as much as possible.

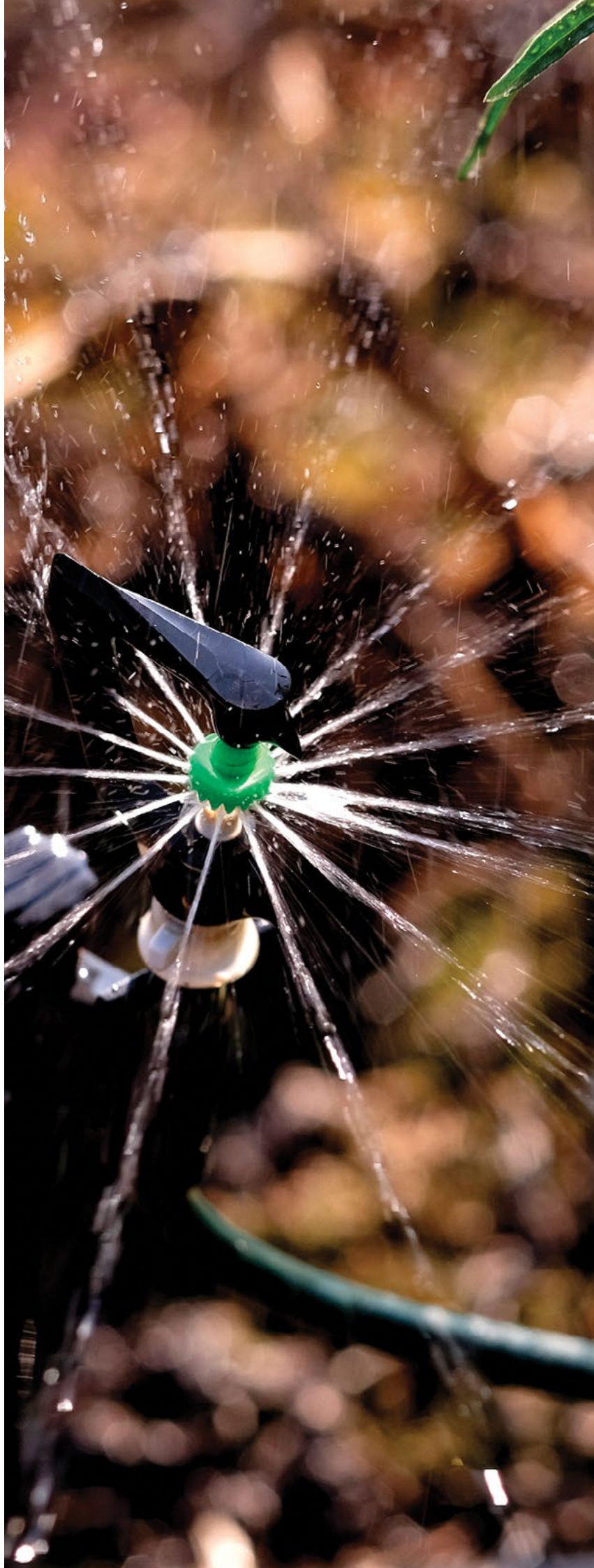
The reality, however, is that the syphon needs to be replaced. The cost is indicated on the department's capital expenditure budget. The GIB, as well as the Nelson Mandela Bay Municipality, will continue to apply pressure on the department for the replacement of the syphon.

**Old air valves, or the lack of these,** pose an immense challenge to the scheme. The Board purchased a considerable number of air valves to replace the old ones, and install additional ones where needed, in September 2018.

This necessary upkeep will reduce the frequency of breakages on specific lines and therefore reduce the operational costs.

There are 38 syphons and 12 covered canals in our scheme. Since 2015, we have been cleaning these structures during the dry periods. The necessary repairs have also been carried out during the cleaning operations. If everything goes according to plan, all the syphons and covered canals will be cleaned by 2024.

All the open canals in our scheme are inspected and repaired during the dry periods. This prolongs the lifespan of the system for as long as possible.



# Financial Health

## Financial Statements 2018/2019

Our financial statements reflect the challenges we faced over the period under review. The Board has recorded a loss of R7.2 million in the 2018/2019 financial year.

The reasons for the financial losses are as follows:

- Water tariffs only saw a 6% increase during 2017/2018. The budget would have balanced with a 13% increase.
- During the 2018/2019 water year, tariffs were only increased by 13%. The balanced budget target would have been achieved through a 23% increase.
- The Board decided to keep the tariff increases low for both years due to the fact that the department allowed water users only 40% of their allocated water quota.
- The increase of 13% led to a shortfall of R1.8 million in water tax.
- Working for Water received a budget cut due to the state of the economy, as well as a lack of funds. This resulted in a R1.3 million shortfall.
- The two breakages on D Canal cost the Board R4.2 million. As this was not budgeted for, it therefore had to be taken out of the reserve fund.
- The actual expenses were within budget. The total reserves of the Board amount to R25.8 million (June 2019).
- Water tax income amounts to 62% of the income;
- Income from Working for Water subsidises 16% of the budget.

## Budget 2019/2020

- Despite the 16.15% increase in water tax, the planned expense was only adjusted by 7%.
- Water taxes once again amount to 60% of income and Working for Water income subsidises the budget by 16.3%.



# Water Tariffs for 2019/2020

Description	Previous Tariff	New Tariff	% Increase
Water resource management charge (DWS)	R180.80	R188.80	4.42%
Consumptive charge (DWS)	R304.80	R304.80	0.0%
Water taxes	R2269.34	R2706.40	19.26%
Total (Basic charge for 80% or less of full quota)	R2754.94	R3200.00	16.15%
Total (Full quota)	R3079.57	R3576.92	16.15%

Amounts are not inclusive of VAT.

The Board strives to maintain the scheme to the highest possible standards and we are proud to say that our efforts have resulted in a scheme that is assuredly a cut above the rest.

## Water Allocation

The Gamtoos Valley remains in the grip of a severe and prolonged drought. Agricultural water users receive 60.188 million cubic metres of water from the Kouga Dam during a normal 100% allocation year.

Hankey and Patensie, which fall under the Kouga Municipality, also receive allocations, as does the Nelson Mandela Bay Municipality. This amounts to 23 million cubic metres of water during a full-quota year.

The provision of water has been placed under immense pressure over the last three years due to the drought. During 2017/2018 and 2018/2019, agricultural users received only 40% of their quota.

*This has placed unprecedented restrictions on economic agricultural activities, which has had an inevitable knock-on effect on the broader community.*

Even the Nelson Mandela Bay Municipality only received 57% of its quota from Loerie Dam during 2018/2019. The allocation of 85% during June 2019 provided welcome relief to all parties involved, while boosting economic growth.



## Working for Water Programme: Department of Environmental Affairs

One of the Department of Environmental Affairs’ Natural Resource Management (NRM) projects, the Working for Water programme, comprises a significant part of the Board’s operations.

Although only a limited number of the GIB’s full-time staff are dedicated to driving these projects, the scope of their work should not be underestimated.

Within GIB, Working for Water boasts 30 highly skilled full-time staff members who see to the effective implementation of these projects.

There are 34 projects with a total budget of R132 million for 2019/2020. It is important to note that drought relief – with a budget of R32 million – is a once-off project for the period of one year. This money will be set aside for

cleaning up as much of the Diep River catchment area as possible.

It is important to note that Working for Water’s budget has been decreased over the last few years due to pressure on the state’s coffers. During the 2017/2018 financial year, an amount of R107 million was implemented. During 2018/2019, R83 million was allocated to the programme, with only R75 million for the current financial year.

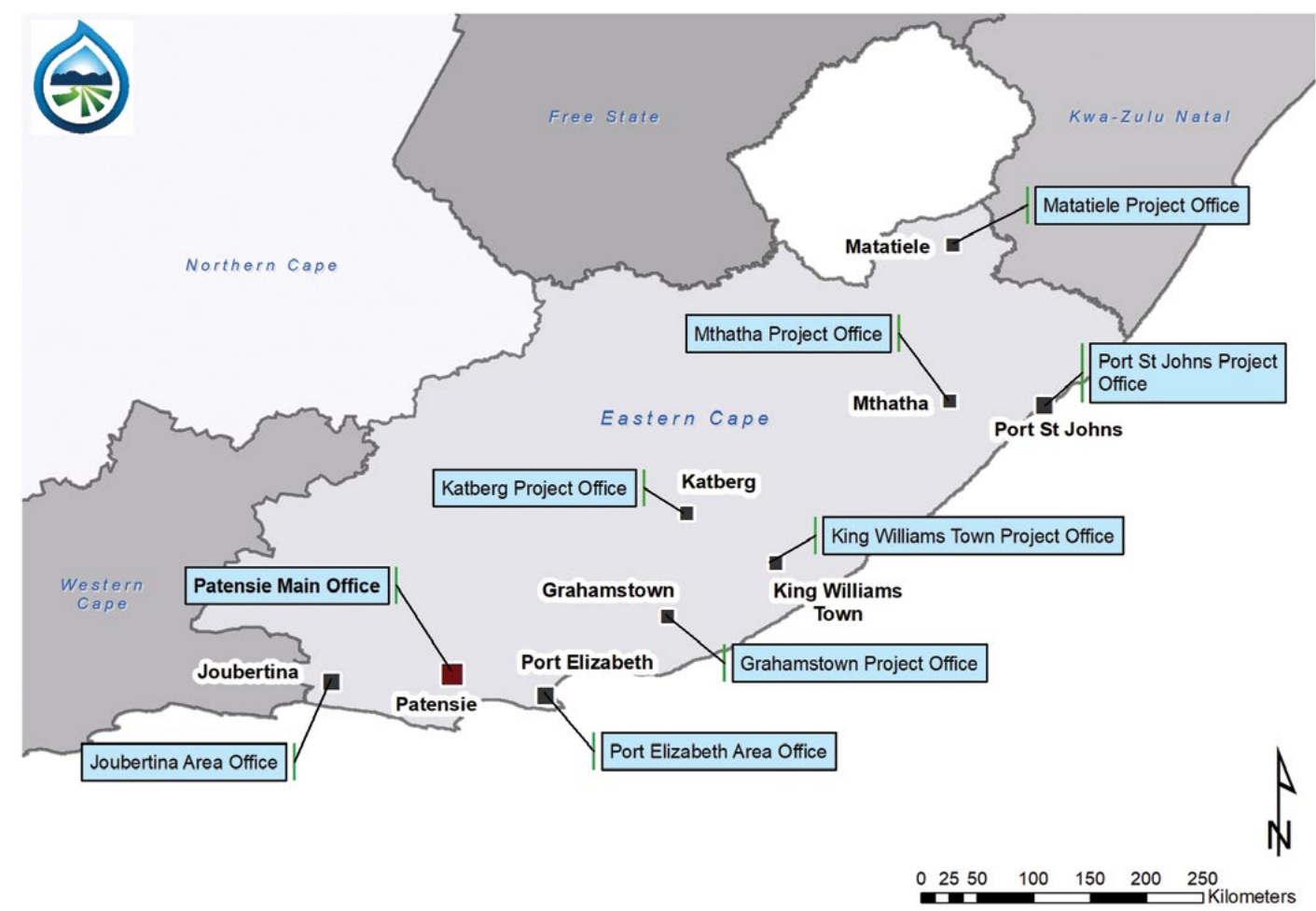
This current trend has impacted directly on employment opportunities (both permanent and contract basis). It also influences commission which, at this stage, amounts to 16% of the GIB budget.





There are several Working for Water offices across the Eastern Cape province operating under the banner of the GIB. These are crucial to the 34 projects that are implemented by the Board.

Throughout the years, the Working for Water projects have provided the Board and its staff with many opportunities, while also serving as an inexhaustible source of information and knowledge.



BOARD MEMBERS: Front, from left - Khaya Katoo and Tertius Meyer (chairman). Back, from left - Jacques du Preez, SG Ferreira and Marthinus Colesky.

## Staff Matters

Pierre Joubert announced his early retirement as CEO after 37 years of service to the GIB. He is truly a legend and proved to be a pioneer in various areas of the Board's operations.

It was through his vision that the Board initiated the Working for Water programme for the then Department of Water Affairs. When it was initially launched it only consisted of projects in the Board's catchment area, but over the years it has spread its wings across the whole Eastern Cape.

Under his leadership, the Gamtoos Irrigation Board has established itself as a pioneer in the competent management of the demand for water with its motto that "all water should be measured". It is unheard of that every drop of water in a scheme should be measured. The GIB, however, has put more than 800 meters in place to achieve this aim.

Jacques van der Merwe has joined the Board as chief operations officer responsible for the scheme's technical operations. This native of Cradock boasts many years of dedicated service at the Department of Water and Sanitation.

Derik Thokoane has taken over the position of manager of works from Abey Maluleka who has left the GIB. Derik has truly come through the ranks, having been with the Board since its inception in 1992. He has extensive knowledge of the scheme and his management style has been characterised by self-confidence and discipline.

Water control's grade 1 supervisor Faans Maarman passed away from cancer on 25 August. His position has been filled by Christo Jantjies, a dynamic young man with great enthusiasm for the scheme.



Pierre Joubert



Derik Thokoane



Christo Jantjies



Jacques van der Merwe

## Paying it Forward

The Board has made meaningful involvement in the communities of the Gamtoos Valley a top priority. It is impossible to turn a blind eye to the pressing need, and we recognise the value in supporting the deserving people and events in our beautiful valley.

expo is to involve all the local primary schools to create awareness of the vital importance of science and maths for future success in the job market. There is a great need to nurture a love for these subjects in our schools, as well as for support and empowerment.

The Board has recently established a partnership with Gamtoos Valley Primary in which we pledged our support to an annual Science Expo. The aim of the





# The Road Ahead

The Board is passionate about the efficient delivery of water at an affordable price to all its users.

The above seemingly straightforward sentence, however, speaks of a vision which encompasses many complex facets. In the coming year, several pipelines and air valves need to be replaced to reduce breakages on existing lines.

As always, the Board will strive to keep costs as low as possible. There has always existed a frugal and

responsible culture regarding expenditures. However, due to the change in our political and economic climate, the past few years have posed a great challenge in realising our income goals.

The Gamtoos Irrigation Board does not take a reactive approach in any of the environmental spheres in which it operates. Going forward, the Board will continue to make proactive decisions underpinned by its ethos of being part of the solution rather than the problem.

“Asimi, siyaqhuba” – Xhosa

“We do not stand still, we move ahead.”



Selected Images: Martesia Photography