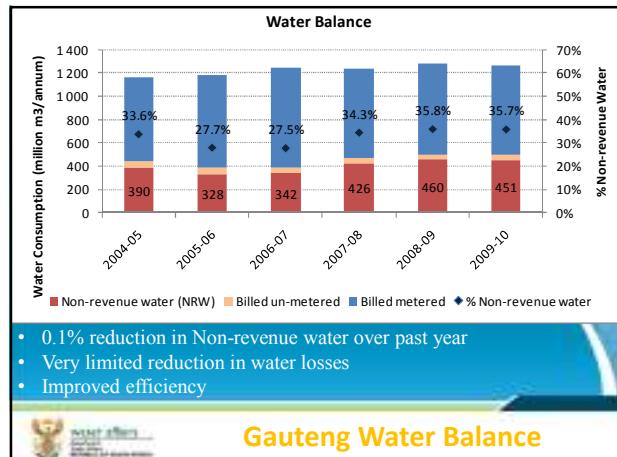


VAAL RIVER SYSTEM RECONCILIATION STRATEGY STRATEGY STEERING COMMITTEE

Water Conservation & Water Demand
Management Progress Report

13 April 2011



Outcomes from previous meeting

- SSC reports to Minister and must monitor implementation of WCWDM (Project 15%)
- SSC will have to report if unsuccessful
- Municipalities should report in uniform format
- Municipalities need to substantiate savings and/or efficient use
- Municipalities must address budget constraints



Outcomes from previous meeting...

- SALGA offered assistance to address Project 15% at political level
- Overall results indicate a reduction in total consumption but NRW is increasing. Not achieving our objective
- Progress with WCWDM is insufficient



Meetings

- Technical Task Team Meeting (2/12/2011)
- Assessment of funding options (4/2/2011)
- Meetings with National Treasury (25/3/2011)
- Presentation to MEC DLGH on "Water Security (WCWDM) and AMD" (23/3/2011)
- Presentation to Extended Gauteng Municipal Chief Financial Officers Forum (7/4/2011)
- Presentation to Extended Municipal Finance Indaba (12/4/2011)



Technical TT Meeting (2/12/2010)

- Task Teams established to:
 - Develop standardized presentation format for reporting
 - Sub Task Team established to determine funding options
- Reporting Template:
 - Water Balance target for 2014
 - Business Plan/Action Plan to achieve the target
 - Water Balance for the past 5 years
 - Trends, projections, etc
 - Progress made on the action plan
 - Successful projects implemented (highlights)



Sub TT Meeting (4/12/2010)

- Sub Task Team identified potential sources of funding which were to be discussed with the respective municipal CFO's

Meeting with National Treasury

- Meetings with Messrs J Hattingh* and P Matji**
 - *Chief Dir: Local Government Budget Analysts
 - **Dir: Water Affairs (DWA), CoGTA & DoC
- Ring fencing – not supported
- Support National NRW baseline assessment
- NT deal directly with Municipal Managers and CFOs and will pressurise to report on Water Balances
- Synergy between departments :
 - DWA interested in volume water provided and sold
 - National Treasury interested in monetary value of water provided and sold

Meeting with National Treasury ...

- DWA not likely to obtain “bulk” funding from Nat Treasury – municipal mandate
- Municipalities must budget for WDM and submit to treasury for funding
- DWA to be involved in budgeting process
- Metros and large municipalities must generate funding from sale of water

Way Forward: MEC DLGH (23/3/2011)

- Commitment already obtained – municipalities must prioritize WC/WDM - including funding – MEC is requested to convene a session with MMC's for Finance and for Water and Energy as well as the CFO's
- Provincial capacity is required to support Municipalities to achieve reduction of Non-Revenue-Water / losses and how it impacts on total demand – Report monthly and Update monitoring and performance data
- Convene regular meetings with MEC and municipalities to expedite implementation and monitoring – all municipalities
- Report to Exco/Premiers' Coordinating Forum on progress

Key Recommendations from Extended Gauteng CFO Forum (7/4/2011)

- Municipalities must prioritize funding for the implementation of WCWDM to achieve the required savings by 2013 and ensure quarterly reporting to GDLGH, DWA and Presidency
- Municipal Financial Indaba (MFI) should elevate and advocate close co-operation between technical and financial departments within municipalities to ensure the achievement of financial savings, water savings and also prevent a water crisis and associated economic crisis in Gauteng
- GDLGH has pledged to provide technical and strategic support to municipalities to achieve a reduction in NRW / Water losses

Extended Municipal Finance Indaba

- Key Recommendations from Extended Gauteng CFO Forum (7/4/2011) presented
- Welcome address by MEC DLGH: Mr Humphrey Mmemezi:
 - Sound financial management must happen in municipalities to achieve sustainability
 - Revenue enhancement and debt collection in particular must happen
 - Water, electricity and demand management must be prioritized
 - New Municipal Budget Regulations, Service Delivery Budget Plans (SDB), IDP's and budgeting process must be aligned
 - Actual Revenue Collection: Municipalities must collect all moneys owed to it
 - Auditor General commented on high NRW and Electricity losses
 - Reprioritize budget for operation, maintenance and repairs required
 - Municipalities to explore WCWDM measures and to prioritize repair, conduct maintenance of water infrastructure, revenue losses - which lead to failure in service delivery

Extended Municipal Finance Indaba (12/4/2011)

- Revenue Management and Impact on Financial Viability of Gauteng Munics: Sedibeng Context: Debt Collection
 - A lot of money is available within Gov Structures but no-one is applying for the money
 - etc



Conclusion

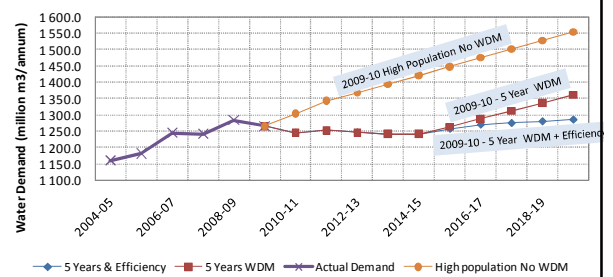
- WCWDM / NRW reduction is recognized as key priority in Gauteng Province (DLGH and Finance) and Municipal CFO's requested to prioritize budgets for WCWDM / NRW reduction
- Meeting with MEC and new Councillors to be held early June 2011



Thank You



Water Demand Projections



Revised Projection