

Annual Report 2025



Gamtoos Water

Passionate about people. Passionate about water.

REPORT FROM THE
Chairman

Time flies when you're having fun! Apparently, this is a true statement because, as I write this letter, it feels like only yesterday that I wrote the previous one.

In this time, I have become much more knowledgeable about the workings of our fantastic water user association, Gamtoos Water. With that said, here is a reflection on the past year.

I am once again honoured to have had the opportunity to serve as your Chairman, and have every confidence that the Management Committee (Manco) and management team will continue to build upon the success of Gamtoos Water.

We were especially pleased to receive news of a 100% agricultural allocation, which alleviated many of the burdens experienced by our farmers. There have been numerous developments in the past year, and 2025 has certainly been a busy one.

We have finally transitioned into the Gamtoos Management Committee and have welcomed the Kabeljous Quaternary Catchment, Baviaanskloof Quaternary Catchment and industry stakeholders. The evolution of our six-man council member board to a 21-member stakeholders' Manco is proof of our ability not only to adapt to different seasons, but to do so responsibly and with an entrepreneurial mindset.

Our drive and determination, grounded in our management team values, continue to enable us to pursue long-term value creation for our

shareholders. While today's challenges may differ from those we have faced in the past, in adapting to the ever-changing world we will continue to strengthen our growth and value creation not only for our shareholders, but also for our communities.

We are committed to offering clear and detailed disclosures in our financial statements. By disclosing more comprehensive information about our operations and performance, we aim to build greater trust and accountability with our stakeholders. Transparent reporting allows the Manco to make informed decisions, and fosters a culture of openness and integrity for all we serve.

We were able to curb a rate increase in line with our budget, which should address most operational matters. This enables us to purchase much-needed pipes to replace and upgrade our water supply lines and improve infrastructure greatly.

I would like to thank all our stakeholders for their continuing support and trust. I would also like to thank the Manco, Rienette and the employees, both at the centre and at all levels, for their hard work and loyalty.

With your effort and dedication, combined with your innovative approach and resilience, I remain confident in our ability to drive sustainable water provision, and to continue to create long-term value for our farmers and the communities we serve.

We truly have reason to look forward to the years to come!



Adelé Bain

REPORT FROM THE
Chief Executive Officer

“Life is a series of natural and spontaneous changes. Don't resist them; that only creates sorrow.”

– Lao Tzu

It is astounding how quickly the world has changed during 2025.

Political developments in the United States are at the epicentre of these changes and have had a ripple effect all over the world. A tsunami would probably be a better description.

The world still has little clarity about where we really stand; the only thing we can know with any certainty is that tomorrow is not certain either.

All these developments certainly have an influence on South Africa, and we know that it is not positive. We must be prepared that everything can be turned upside down and that it can no longer be business as usual.

In the world of water, there has been more stability since 2023. At the heart of this has been the availability of water.

As long as the consumer's tap remains open, the spirits of households and the agricultural industry will remain high.

However, this does not mean that there have been no challenges within the arena of water resource management.

Prominent issues dealt with in broad terms during this year, external to the water user

association, were the determination of water source classes, the reserve from Kouga Dam, and water resource quality objectives.

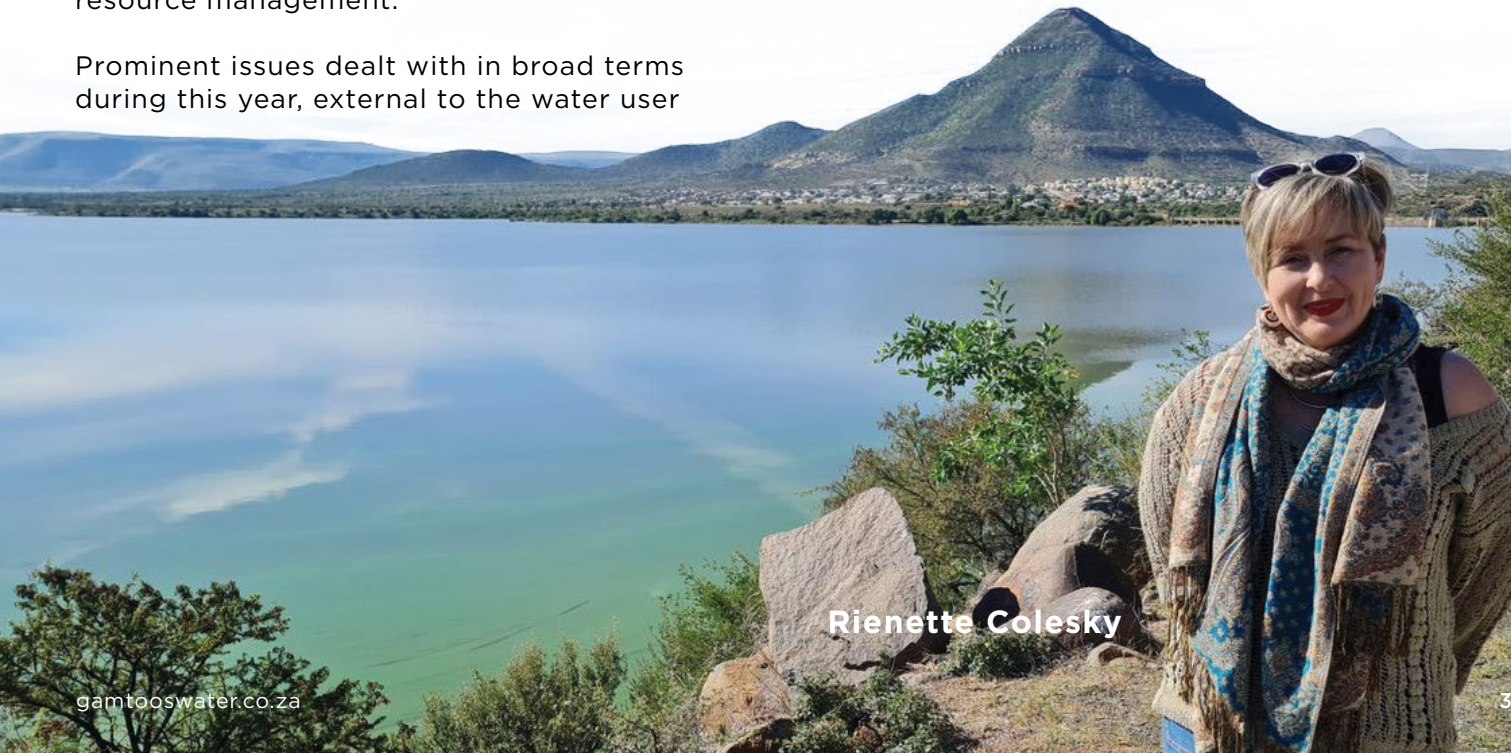
If focusing specifically on Gamtoos Water issues, then water quality (in the Kouga catchment area as well as in the Gamtoos catchment area), along with the search for business, were both firmly on the agenda.

With a water quota of 100% during the 2024/2025 water year, our agricultural consumers used their quotas in a disciplined fashion as always. It is clear that awareness of the debilitating drought was still fresh in the minds of our consumers.

By the end of June, consumers had used 53.45% of the quota. The earmarked consumption for the end of June was 73.7%, which means consumption was 20.25% below what was expected.

The expenses and income during 2024/2025 were within limits. The search for new business bore fruit, and external income was realised through work for the Department of Water and Sanitation (DWS) and the planting of spekboom for a non-profit organisation, NatCarbon.

Successful operation of the Kouga Dam is integral to the economic well-being of the Gamtoos Valley; therefore, it is important to have competent staff to handle the task as effectively as possible.



Rienette Colesky



Transformation to a Water User Association (WUA)

THE THREE SISTERS

A water user association (WUA) is a statutory body established under the National Water Act of 1998. It functions in terms of a co-operative association and strives to manage water, in a specific area, at grassroots level. These entities are mandated

to manage water-related activities for the benefit of all water users.

The Gamtoos Water User Association was proclaimed as a legal entity on 6 October 2023.

The water user association consists of three sub-catchment areas, namely:

Gamtoos	(L90A-C and L82J)	Sub-Area 1
Baviaanskloof	(L81A-D and L82H)	Sub-Area 2
Kabeljous	(L90G)	Sub-Area 3

Gamtoos Water User Association Boundaries



The three sub-catchment areas have diverse compositions and, consequently, each has its own dynamics.

The offices of the Gamtoos Water User Association are located just outside Patensie. The Kouga-Loerie sub-system, which was

previously a government water scheme, has always been managed from these offices. This involves full-time staff who mainly focus on measuring the use of water, managing that use, and understanding the right to use water. It also includes an effective administration system that is accountable to water users.

During 2024/2025, the following assistance was given to the Baviaanskloof catchment area:

- Attending to Section 35(4) letters;
- Assisting with understanding of the Existing Lawful Use (ELU) concept;
- Assisting with advice on accounts;
- Assisting with the payment of accounts; and
- Assisting with the amendment of information at DWS.

During 2024/2025, the following assistance was given to the Kabeljous catchment area:

- Attending to Section 35(4) letters;
- Assisting with advice on accounts;
- Assisting with the payment of accounts; and
- Assisting with the amendment of information at DWS.

No budget has yet been finalised for either of these sub-catchment areas.

The management committee is made up as follows:

Sub-Area 1 Gamtoos	Patensie	SG Ferreira and Christof Opperman
	Hankey	Noel le Roux and Khaya Katoo
	Loerie	Manus Meyer and Adelé Bain
Sub-Area 2	Baviaanskloof	Rune Janse van Rensburg, Barend Lamprecht and Quentis Bezuidenhout
Sub-Area 3	Kabeljous	Mauritz Rautenbach, Billy Hatting and Willem van Vuuren

The following three emerging farmers have been elected to the committee:

- Gamtoos Catchment: Nomakhaya Ngcina
- Gamtoos Catchment: Mzwayi Grootboom
- Baviaanskloof Catchment: Henry Blaauw (Sewefontein)

Industry is represented by Charmain Kritzinger of the Gamtoos sub-committee. She represents the packhouses in the valley.

The organisations representing the environment are the Eastern Cape Parks and Tourism Agency (ECPTA), the Baviaanskloof

Nature Reserve as well as the Kabeljous Reserve Action Group (KRAG).

Other representatives include the Kouga Municipality, the Nelson Mandela Bay Municipality, the Department of Correctional Services, the Catchment Management Agency, and the Department of Agriculture.



The Kouga Dam level was last at 100% full on 9 December 2024. Over the past year, the dam level has brought reassurance to water users who are reliant on scheme water.

A quota of 100% has been allocated to our agricultural users by the Department of Water and Sanitation for the current water year of 2024/2025 (November to October). However, regardless of this full allocation, water is still treated with care by the users.

Agricultural users receive 60.188-million cubic metres of water from Kouga Dam during a normal 100% allocation year. The Hankey and Patensie municipalities also receive an allocation, as does the Nelson Mandela Bay Municipality. During a full-quota year, this amounts to 23-million cubic metres of water.

The water that is released from Kouga Dam, and for which the end point is Loerie Dam, is balanced every day by the water control department.

The objective is to provide all consumers who depend on supply from Kouga Dam with enough water to meet their daily needs, with the outcome of only releasing enough water

into Loerie Dam to supply the Metro’s needs, while also managing Loerie Dam at a maximum level of 85%.

This in itself takes careful planning and a sound knowledge of water supply. The water control department possesses this institutional knowledge, and the reality is that this skill needs to live on in systems after these individuals retire.

Currently, three systems are used to manage water consumption in the scheme:

- **Water Management System (WMS):** This system was developed for Gamtoos Water’s unique needs. It covers water consumption rights, water usage and water metering.
- **Zednet platform:** This internet-based platform sees levels measured at various locations in real time in order to determine the water level at a single glance across the entire scheme.
- **Gamtoos application:** This app for reporting water use by consumers has been developed to manage water usage at the lower end of the scheme.

Efforts are being made to integrate these systems into one platform and to develop a model to predict water releases.

These are valuable investments into the future operation of the scheme.

Water rights in the Kabeljous and the Baviaanskloof are mainly based on rivers and borehole abstraction. These rights are in various stages of the verification and validation process driven by DWS. Assisting water users to complete this process is one of Gamtoos Water’s main objectives in the short term.

The greater proportion of the Baviaanskloof catchment’s water rights has already been

verified via Section 35(4) letters.

The following crops and produce are most prevalent in the Gamtoos, Baviaanskloof and Kabeljous catchment areas:

- **Gamtoos:** Citrus, blueberries, strawberries, prepackaged vegetables, cash crops and dairy cattle.
- **Baviaanskloof:** Fodder for small livestock; vegetable seeds and grain.
- **Kabeljous:** Pasture (rye grass, alfalfa, kikuyu etc.), dairy cattle, beef cattle, sheep, game, citrus, avocados and vegetables.

Tourism is also an important revenue stream in all three of these sub-catchment areas.

Year	Kouga Dam level on 30 June	Allocation for the water year
2025	79.15%	100%
2024	100.31%	85%
2023	23.01%	35%
2022	15.37%	20%
2021	4.19%	15%
2020	7.11%	20%
2019	44.98%	85%
2018	7.89%	40%
2017	18.65%	40%
2016	68.03%	100%



Water Quality

AN UNPOLLUTED RESOURCE IS PRICELESS

The quality of our water resources is of extreme importance. Over the past two years, Gamtoos Water has purposely become involved in the Langkloof catchment area as part of a strategy to ensure that Kouga Dam remains unpolluted.

An informal partnership has been established with the Koukamma Municipality, and four of the wastewater treatment works which directly affect the quality of runoff to Kouga Dam have been brought to a working standard.

Water quality is crucial in terms of compliance audits for the export industries of the Gamtoos and the Langkloof. It is also important for the fresh produce packers that have contracts with

various retailers which require their suppliers to comply with certain standards.

The following water samples are taken every three months:

- 1 Groot River
- 3 Kouga Dam
- 14 Canal system
- 1 Klein River
- 1 Braksloot
- 3 Kabeljous catchment
- 1 Diep River catchment
- 7 Langkloof catchment

Municipalities, water users and residents are kept accountable should there be non-compliance.



Operational Health

MAINTAINING THE SCHEME

The dry periods of each year are the most important events for our scheme.

During 2024/2025, there were five dry periods. These five involved the branch canals, while the main dry period took place over two weeks on the Main Canal.

Work is planned by taking into consideration events that occurred on the scheme during the year, as well as drawing on information contained in the risk report for the scheme.

In broader terms, the following was undertaken:

- The necessary cleaning and repair work was done on the Main Canal, with specific focus on upgrading the lower part of the scheme in Loerie. Upgrade of the Loerie area was completed this year.
- D Canal was cleaned and repaired, and particular emphasis was placed on areas where the canal wall was porous. A scour valve was also built just before the open canal runs into a pipe to facilitate dewatering of the lower section.
- Repair work was done on the Seunie sluice on D Canal.
- A cut-off valve was installed where the water splits between the C and D Canals. This improvement allows the Main Canal to be sealed off from the branch canals.
- Upgrade work was completed on the B Canal. The canal has been cleaned, repaired and painted.
- The K Canal was cleaned and repaired.
- The G Canal was painted and upgraded. It was also cleaned as usual, and the necessary repairs were made.

More specifically, the following was undertaken:

- Scheepers Dam Syphon dewatered, cleaned and inspected.
- Wolwekloof Syphon (A1) dewatered, cleaned and inspected.
- Main Canal special maintenance on A86-93 in Loerie (1,800m).

- General maintenance on the entire Main Canal:

- Emptied and cleaned.
- Repaired with bitu-putty and Multi-Seal.
- Concrete repairs on selected areas.
- Modification of humps 57, 58, 93 and 94: The structure was saw-cut in the centre and fitted with a hump sluice gate.
- Concrete repairs to the Scheepers Dam inlet (26).
- Concrete repairs to the Buffelshoek Syphon inlet.
- Concrete repairs to 103 Canal.

Note: 'Special maintenance' entails the following:

- High pressure wash of the entire canal; all cracks and joints.
- Cleaning out of all cracks and joints with a compressor.
- Repairing of cracks and joints with bitu-putty and bitu-plastic.
- Concrete repairs where necessary (large holes or holes that press through the concrete slab).
- Sealing of hairline cracks with Flintkote, a bituminous sealant.
- Painting of the entire canal section with Flintkote (first layer diluted 50/50 with water, second and third layers are full coats).

The following is noteworthy from the 2025 dry period:

- Work was done in conjunction with 13 contractors, each with 10 employees.
- Training in first aid, health and safety, and confined spaces was given to these workers. Training is an important mechanism to plough knowledge back into our communities.

The following takes place daily on the scheme:

- The control of vegetation and weeds along the canal system. This makes a significant difference during the intensive dry periods. During 2025, it was noted that the canals are much cleaner. It is suspected that the control of vegetation may be the reason for this.
- Dry land rehabilitation in various places on the scheme.
- Maintaining the system and fixing daily leaks and breaks.
- Management of our water supply. Provision at the lower end of our scheme remains a challenge. There are significantly more pivot irrigation systems than before, which means large volumes of water are required during shorter periods of the year. Various depth gauges are used to manage the situation. The Loerie area has turned into a water demand system. An application has been developed to optimise the management of it.
- Water quality in the catchment area, the Gamtoos plain and Kabeljous is measured every three months, and reported to various platforms.

The scheme is getting older and has already passed its lifespan. It is a reality that it will not be replaced through rebuilding, as the costs involved would be enormous. For this reason, it is crucial to continue carrying out thorough daily maintenance on the scheme.

It has been found that the branch canals are in a particularly poor condition. In terms of planning, special maintenance must be done on all branch canals within the next few years.

The aim is to paint the branch canals with a rubber layer once cracks have been repaired with cement or a flexible sealant. This procedure extends the life of the canal and makes it easier to clean. Maintenance in this case is minimal compared to traditional cement canals.

The products used for this process are expensive. Work is done methodically and every year a specific amount is budgeted for the purchase of these products.

To protect the continued existence of the scheme, it needs to show that it is resilient. The only way to achieve this is to continue maintaining and upgrading it.



Financial Health

GAMTOOS SUB-CATCHMENT AREA

Financial statements 2024/2025

(The mentioned financial statements do not include the Baviaanskloof and Kabeljous sub-catchment areas.)

During our 2024/2025 spending, the focus was on achieving the goals of Gamtoos Water as detailed in the operational commentary.

An amount of R2 599 172 was received from external projects. Only R1-million was budgeted for it. Most of this income was from work done by Gamtoos Water for the Keiskamma project under the Department of Water and Sanitation. This income was once off; however, Gamtoos Water is actively looking for new business to increase revenue.

The following is noteworthy in respect of the financial statements:

- Total reserves:
 - R39.1 million (June 2025)
 - R38.4 million (June 2024)
- Water tax collected:
 - R36.9 million (June 2025)
 - R34.9 million (June 2024)

- Employee cost:
 - R18.6 million (June 2025)
 - R17.5 million (June 2024)
- Consumable goods:
 - R9.2 million (June 2025)
 - R7 million (June 2024)
- Gamtoos Water has no long-term debt.

Budget 2024/2025

An increase of 7% is recommended.

- Total budget: R47 639 600
- Income from water tax: R34 720 200
- DWS consumptive charge: R3 147 800
- DWS WRM charge: R2 109 600
- Nelson Mandela Bay Municipality: R3 061 999

During the last four years, there was less reliance on external funding. The reality is that there will come a time when the total budget will be funded by the water users.

Water tariffs 2025/2026

An increase of 7% is recommended for water tariffs for the 2025/2026 water year.

Description	Previous Tariff	New Tariff
Water Resource Management charge (DWS)	R266.40	R280.00
Consumptive charge on Main Canal and Kouga Dam (DWS)	R395.20	R418.40
Gamtoos Water taxes	R4 278.72	R4 587.74
Total (Basic of 80% or less of full allocation)	R4 940.32	R5 286.14
Grand Total (Full allocation)	R5 228.32	R5 590.14

Amounts do not include VAT.





Personnel

"The most valuable person is the one who cherishes the value of others."

– Ron Kaufman

Gamtoos Water strives to create a very specific organisational culture. Employees should be proud of what Gamtoos Water does and stands for. They must know that we all work together to achieve a greater goal, and this is to manage water effectively for the benefit of all our consumers. It has taken time to entrench the understanding that we are an important service provider.

Gamtoos Water hires staff locally and promotes staff internally. It is duly noted that young people in the valley want to work at the organisation. It is also worth mentioning that, over time, the minimum education level for employment has risen to Grade 12. Gamtoos Water has already employed young

people from technical schools, which is ideal for activities on the scheme.

This year, we are also deeply saddened to report that a large tree has fallen in the Gamtoos forest. Derick Thokoane, who managed our works department for the past five years, passed away unexpectedly. He had been a part of the organisation since 1992. His father, Jan Obet, had also worked for what was then the Gamtoos Irrigation Board.

Derick was a man of integrity, well organised, and someone who got the job done no matter what. He could make plans, had a great sense for a practical solution, and his advice will be missed. Derick also empowered his staff to work independently, and in this way the works department will prove its resilience.





The Road Ahead

“The people who are crazy enough to think they can change the world are the ones who do.”

– Rob Siltanen

Gamtoos Water understands that economic existence and growth in the Gamtoos, Baviaanskloof and Kabeljous catchment areas revolve around the availability of water. Agriculture is the biggest source of income for all communities in these catchment areas. In many cases it is the only source of income for communities.

We have an obligation as a water user association to, effectively and on a regulated basis, manage water resources in all three sub-catchment areas entrusted to Gamtoos Water. We do this in collaboration with our agricultural users, as well as any other entity or group with an interest in water management.

There are many challenges in the water industry. These range from water availability to regulatory matters. The need for the next year is simply that Gamtoos Water will be resilient enough to understand the challenges, respond to them and thus be able to ride the wave.

The rapid development of technology and the costs associated with this are among the challenges we face. New technology is constantly being considered to identify faster and more efficient methods of work.

The current economic realities and terms of US policy will likely affect many variables, from the

price of electronics to labour. Gamtoos Water chooses to consciously identify threats and respond to them.

The ever-widening gap around the maintenance of infrastructure through the non-involvement of government entities creates a situation where institutions will have to actively decide whether they want to take responsibility for the maintenance of infrastructure, or live with a world that is collapsing locally. The water user association facilitates access to the valley by maintaining the local tar roads. Gamtoos Water also focuses on systematically upgrading the water infrastructure under our control.

The local communities are always in need. Gamtoos Water is actively involved in schools, sport, the support of our staff's learners in high school, as well as the empowerment of local SMMEs, and the development of skills among the community and the staff.

It is a privilege to be a functional water user association. This is made possible through funding from our water users. It is only through an entity such as Gamtoos Water that new water-related challenges can be effectively handled, and Gamtoos Water can be an example of effective water management at grassroots level.

**Asimi, siyaqhuba.
We do not stand still; we move forward.**

www.gamtooswater.co.za