



RAND WATER

522 Impala Road Glenvista 2058

PO Box 1127 Johannesburg 2000 South Africa

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MEDIA STATEMENT

REDUCTION OF BULK WATER SUPPLY TO EMFULENI LOCAL MUNICIPALITY

In January 2018, Rand Water suspended its credit control action with the Emfuleni Local Municipality after reaching another agreement with the Municipality for the settlement of its arrear debt. However, the matter has again deteriorated, and the Municipality has failed to honour that most recent agreement for the settlement of the arrears due for the provision of bulk water services.

The current arrear amount due by the Municipality to Rand Water is **R 419 856 521. 22**. Rand Water has now formally notified the Emfuleni Local Municipality of its intention to commence with **the process of reducing its bulk water flow supply by 20-percent to the Municipality.**

The reduction of bulk water supply to the Municipality is an action of last resort and is implemented after all other mechanisms have been exhausted and have failed to deliver the required outcomes. **Rand Water is sensitive to the impact that this will have on consumers, the local economy, and other affected parties.**

Written correspondences of the current situation and Rand Water's intention to reduce its bulk water supply to the Municipality have been forwarded to the Minister of Water and Sanitation, the Premier of Gauteng and the Gauteng MEC of Co-Operative Governance. The Department of the National Treasury has also been apprised of same.

The implementation of this credit control action against the Municipality will reduce monthly consumption subsequently minimise further escalation of the debt due by the Municipality. Notably, it will lessen the threat of Rand Water being downgraded and compromising its future credit rating.

The impact of the latter will impact on Rand Water's ability to acquire funding for capital projects and may result in water tariff increases.

Justice Mohale

Media Relations Manager

Tel: 011-682-0035

Cell: 083-417-6999

Email: jmohale@randwater.co.za