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4 April 2018

PRESS RELEASE

CITY OF MBOMBELA TERMINATES RAND WATER CONTRACT

Rand Water had received with concern a letter terminating its maintenance and operations contract from the City of Mbombela (CoM), in Mpumalanga Province.

The termination would have come into effect at the end of December 2017. The City then requested an extension by three months to end of March 2018 to allow for a smooth transition.

The latest developments have prompted Rand Water to proactively inform the public that from 1 May 2018, the organisation will not take any responsibility for ensuring that adequate quality water is supplied.

The City of Mbombela owes Rand Water an amount of R68 588 000-00 and its current account is in arrears to the tune of R2 463 000-00. The outstanding debt and the escalating costs of maintenance and operations service provided to the City of Mbombela undermine Rand Water's ability to provide a sustainable service.

Although the two parties have expressed concern regarding the negative implications that may emanate from the termination of the contract, both have agreed to negotiate a new contract with clear Terms and Conditions.

The City's delegation has in due course agreed to write a letter to Rand Water detailing the rescission of the decision to terminate Rand Water's services and provide a plan outlining how the outstanding debt would be settled.

Since the City of Mbombela's intention to terminate the contract was received, Rand Water has embarked on a consultation process with employees who will be affected.

Furthermore, a Task Team consisting of representatives from Rand Water and the City of Mbombela will continue to engage on technical and human resource matters to ensure a smooth transition.

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ISSUED BY RAND WATER

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