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MEDIA STATEMENT

RAND WATER RE-AFFIRMS COMMITMENT TO BE PART OF THE GAUTENG WATER PROVISION SOLUTION

Rand Water reiterates commitment to its municipal customers that we will continue to be part of the Gauteng Water provision solution. To this effect, we collaborate with Gauteng Metros to ensure integrated water demand and conservation management. This is achieved through multifaceted approach which includes regular meetings with Mayors from Gauteng Metros and daily technical team meetings. The aim of these interventions is to find solutions to reduce high-water consumption and put measures in place to ensure uninterrupted water supply.

Gauteng Metros consume **more than 75%** of water that is produced by Rand Water. As a bulk water supplier to the Gauteng Metros, we publish Metros' weekly consumption graphs on our website: <https://www.randwater.co.za>, and social media platforms. These graphs reveal that Gauteng Metros exceed their water consumption allocations. Although consumer behaviour is still the leading cause of high-water consumption in Gauteng, there are additional unstructured factors which add to high water consumption. These include, **illegal connections, vandalism** of the water infrastructure and **water that is lost through leaks** at municipal levels. The high consumption by Gauteng Metros prompted us to proactively request the Department of Water and Sanitation (DWS) to grant exemption to exceed the quota stipulated in our abstraction licence.

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The abstraction license allows Rand Water to abstract raw water, at a cost, from the Vaal Dam and purifies it in line with **SANS 241** standards for potable (clean drinkable) water before pumping it to our state-of-the-art booster stations, which are, **Zwartkopjes, Palmiet, Eikenhof** and **Mapleton**. From the booster stations, water is then pumped to our **60 strategically located reservoirs**; including the recently launched high-tech **210-million-liter** capacity **Vlakfontein Reservoir**, clean water is then pumped from our reservoirs to municipal and industries' reservoirs, who then reticulate (provide) it to individual households and their other customers.

High consumption by Municipal end users depletes municipal reservoirs' storage quickly due to demand exceeding supply. We provide more than enough water to Gauteng Metros, as the largest potable bulk water supplier in the African continent, we distribute an average of **4 642-million litres** of water per day and our maximum capacity can reach about **5 036-million litres** per day.

As an organisation, we have a solid **Asset Management Strategy** which provides a focused approach to managing technical maintenance, asset lifecycle and maximise the value and advantage of our assets. We conduct **two types** of infrastructure and asset maintenance, **proactive** and **unplanned**. Our proactive maintenance ensures that we preserve the quality and increase the life span of our infrastructure and assets while minimising maintenance costs in the long term.

Unplanned maintenance occurs when there is a break-down. The water system is engineered designed; thus, breakdowns are inevitable. Our objective when conducting unplanned maintenance is to stop re-occurrence (repeats). This requires us to first perform **Root Cause Failure Analysis** to understand the cause (s) of the system's failure. Part of our Asset Management Strategy is to continuously review, update and cost our **Infrastructure Development Plan (IDP)**. The current plan is costed at **R28 billion**.

Rand Water is part of national and international organisations that provide research and oversight on water related matters. This collaboration is important as it ensures that our standards are reviewed by independent bodies in the sector. Most of these organisations

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have affirmed and recognised our standards as exceptional and adhering to South African and international standards. The recent recognition came from the **Global Water Intelligence Organization (GWIO)** which nominated Rand Water as one of the top **four (4) water utilities** in the world to receive the **2024 Public Agency of the Year Award**. GWIO oversees global research on water utilities' performance in terms of **water quality, financial and infrastructure** resilience.

In terms of water quality, GWIO recognizes entities that achieve at least **95% and above** on water quality and are complying to strictly defined chemical and microbiological standards. The GWIO award nomination confirms the result of the **2023 South African Blue Drop** report which bestowed Rand Water with the coveted **Blue Drop certification**, validating that our water meets South Africa's and international drinking water quality standards.

Furthermore, GWIO recognised Rand Water's maintenance of its current infrastructure and its investment in new capital projects which include two **(2) major infrastructure projects** that were launched in 2023. The projects are, phase 1 of the **Station 5A** water treatment plant, which delivers **150,000m³/d** and will be extended to provide **600,000m³/d** capacity by the end of 2024. The second project is the **Vlakfontein Reservoir 210-million-liter** capacity which is the largest cylindrical post-tensioned reservoir in the world. The completion of these projects affirms Rand Water's status as the supplier of the largest volume of bulk potable water per day to its customers. Rand Water GWIO's nomination is accessible at: <https://globalwaterawards.com/2024-public-water-agency-of-the-year/>

Rand Water's excellent financial performance in the past financial year was also considered as a contributory factor towards the nomination. The recognition by GWIO came few months after another reputable international organisation, **Fitch Rating Agency**, affirmed us with its National Long-Term Rating of **AA+** which signifies Rand Water's stable outlook.

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To substantiate our resilient liquidity and solvency status, we released our **Consolidated Interim Results** for the **1st six months of the financial year 2023/2024** (starting 1 July 2023 to 31 December 2023) on 28 March 2024. **The Consolidated Interim Results** maintains our strong financial performance, profitability and healthy balance sheet that we have consistently displayed over the past **five (5) years**. Our prudent financial management, strict adherence to **Public Finance Management Act (PFMA)** and financial discipline are achieved through our board-approved **Corporate Treasury Policy (RWTP)** which also assist in mitigating possible risks. The consolidated interim financial results have been shared with Investors, Bankers, Customers, and all other stakeholders and are available on our website at: <https://www.randwater.co.za>.

Our financial strength was cemented again in December 2023, when we redeemed **RW23**. RW23 was listed under the **ZAR10 billion Domestic Medium Term Note program (DMTN)** and was listed with the **Johannesburg Stock Exchange**. This was not the first and last bond that we settled. In 2021, we successfully redeemed the **RW21** and anticipate redeeming **RW28 in 2028**.

Rand Water and its leadership re-assure Gauteng Metros, all municipalities in our areas of operation and industry customers of our competence in managing our assets, including maintenance and upgrading of our assets and infrastructure to ensure that we meet current and future water needs of our customers.

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