



Media Statement

Friday, 10th September 2021

To: All Media

Magalies Water Meets Newly Appointed Minister Over Governance, Financial Issues and Technical Capabilities to Address Water Supply Challenges of Waterberg District in Limpopo

The leadership collective of Magalies Water led by the Interim Board Chairperson Ms. Pinky Motoko and Chief Executive Mr. Sandile Psychology Mkhize, met the newly appointed Minister of Water and Sanitation, Honourable Senzo Mchunu and his Deputies Mr. David Mahlobo and Ms. Dikeledi Magadzi, during an on-going national fact-finding mission by the ministry to assess the state of water services institutions as well as service delivery effectiveness and challenges in their respective areas of operation.

Magalies Water supplies parts of North West, Gauteng and Limpopo's Waterberg District, which comprises of Bela-Bela, Thabazimbi and Modimolle-Mookgophong local municipalities. This meeting which was held in Limpopo's provincial capital – Polokwane was attended by also the interim board deputy Chairperson Dr. Thembinkosi Twalo, Deputy Chairperson of the Capital Investment & Stakeholder Committee Ms. Tebogo Malaka, Deputy Chairperson of the Finance Committee Mr. Itumeleng Mosala and other members of the executive including the entity's Chief Financial Officer, acting Chief Operations Officer and General Manager responsible for Stakeholder and Customer Services.

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In his opening remarks Minister Mchunu said, it was first important to understand the status of the institution as it is being governed by an interim board, which poses serious challenges to the effective management and operation of the water utility. Interim Board Chairperson said while their role was to stabilize Magalies Water, it would suit the organization for a permanent board to be appointed “while Minister Mchunu one appreciates our appointment as a temporary measure to ensure that the institution meets the dictates of good governance, many of the critical things which will ensure that Magalies Water grows are not possible as we are an interim body ceased with the responsibility of ensuring sound governance” Ms. Mokoto reiterated.

While the water utility has an established footprint in the most southern region of the Limpopo Province, Chief Executive Mr. Sandile Psychology Mkhize said it is concerning that 53 percent of total debt owed to Magalies Water by municipalities is from the municipalities in the Waterberg District “Minister, we need to bring it to your attention that we have on continuous basis been engaging municipalities to develop mechanisms which will assist them to service their debt. It is rather regrettable that even after the commitments we had received from them, we continue to see a trend of default payments. As such we are unable to mobilize additional resources and funding to address the serious water challenges in the district” Mkhize emphasized.

While Magalies Water has an understanding of the district, the Chief Executive reported that a lot of technical assessments had been concluded which would assist the water scarce district to receive water from the North West to Limpopo. This would address the current water demand the district is experiencing with infrastructure investment through funding allocations made to the Rustenburg head quartered water board. Mkhize said, while they have an existing bulk customer base in Limpopo, the water utility would want to expand its footprint to Lephalale, to ensure that communities have access to a reliable supply of water, which can only happen once the Minister makes a promulgation of the expanded area of service. This move will see Magalies Water being permitted to extend its supply network to the Lephalale municipality, with the envisaged future acquisition project estimated to the tune of R 152 million rand.

Mkhize also highlighted the challenge of rising operational costs including the negative implications



on the profitability and sustainability of the bulk water tariff increases proposal that was not approved by the previous Minister of Human Settlements, Water and Sanitation. He said like other water boards, Magalies Water sustainability rests on a healthy balance sheet, a regular paying bulk water customer base as well as the numerous interventions which can only be unlocked by the Minister to ensure optimal operation and efficient service delivery. He highlighted currently that the Vaalkop Dam, adjacent to which Magalies Water's biggest water treatment plant is located, requires an additional canal which will ensure that the Vaalkop dam is maintained at optimal level consistently as currently, the infrastructure on site is unable to deal with the pressure of existing water demand.

Minister Mchunu said, it was critical for him to have an open-ended engagement with the water utility to have a thorough understanding of the issues, faced by the board and executives. He said he envisages that in two months, some of the priority issues, would have been adequately addressed and responded to. This will ensure that, Magalies Water does not fail in its mandate of supporting the government outcomes as it relates to fulfilling the basic human right, which is access to clean water and dignified sanitation.

End.

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