



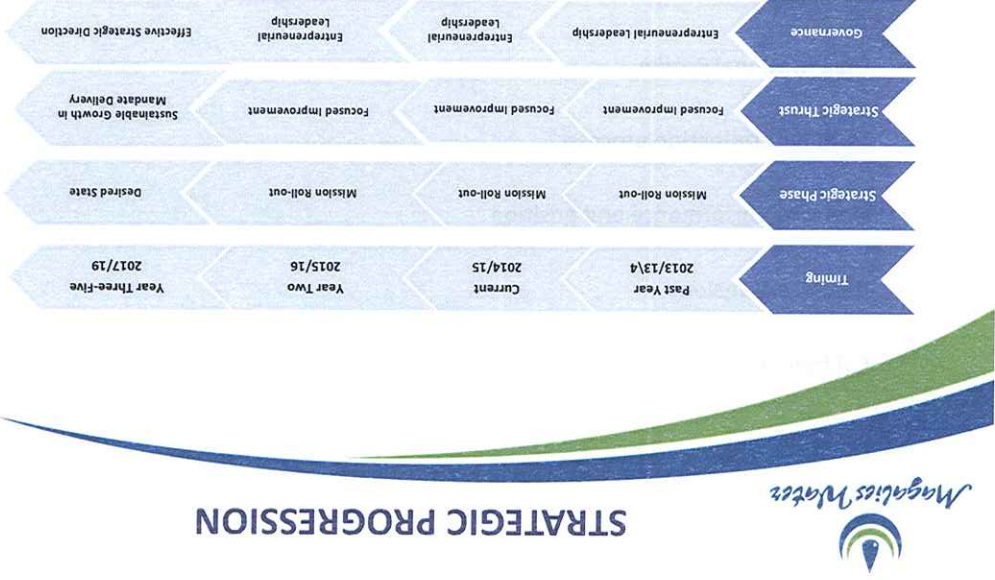
Presentation to Water and Sanitation Portfolio
Committee

04 March 2015



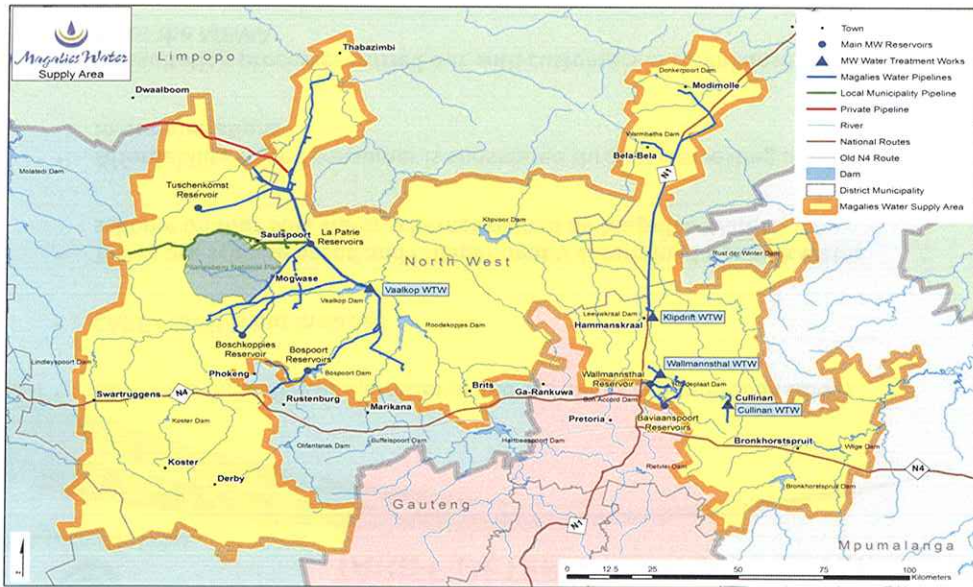
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MAP OF SERVICE AREA



MUNICIPALITIES SERVED

LOCAL MUNICIPALITY	DISTRICT MUNICIPALITY	PROVINCE	SUPPLY SYSTEM			
			Vaalkop	Klipdrift	Wallmannsthal	Cullinan
Rustenburg Local Municipality	Bojanala Platinum District Municipality	North West Province	X			
Moses Kotane Local Municipality			X			
Moretele Local Municipality				X		
Thabazimbi Local Municipality	Waterberg District Municipality	Limpopo Province	X			
Modimolle Local Municipality				X		
Bela Bela Local Municipality				X		
City of Tshwane Metro Municipality					X	X

TARIFF DETERMINATION PRINCIPLES



- Wallmannsthal tariff is high due to augmentation of water into the City of Tshwane
- There are infrastructure capacity constraints at Klipdrift and Wallmannsthal s

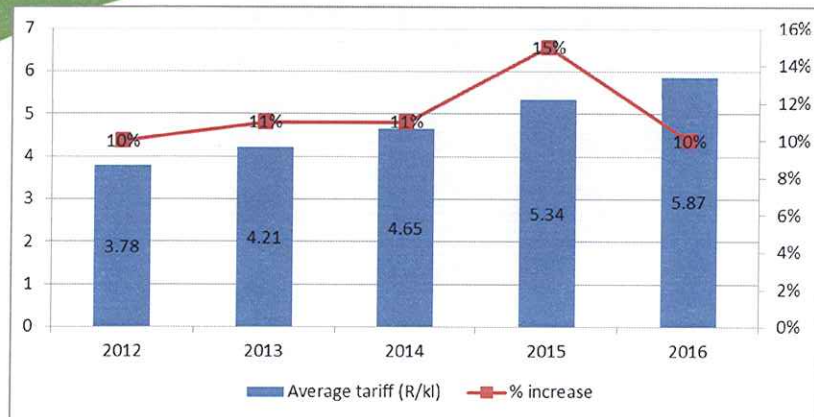
TARIFF DETERMINATION PRINCIPLES



- Tariffs are indicative of operational and prevailing economic conditions
- CAPEX tariff is not included
- Tariffs are scheme based and independently determined per bulk water scheme on four bulk water schemes owned by Magalies Water
- Affordability to end consumer is considered through harvesting of efficiencies in our operations
- Consultation processes carried out with customers in compliance with Section 42 of the MFMA
- Written comments received from the WSA's and other stakeholders are taken into account



AVERAGE TARIFFS AND PERCENT INCREASE



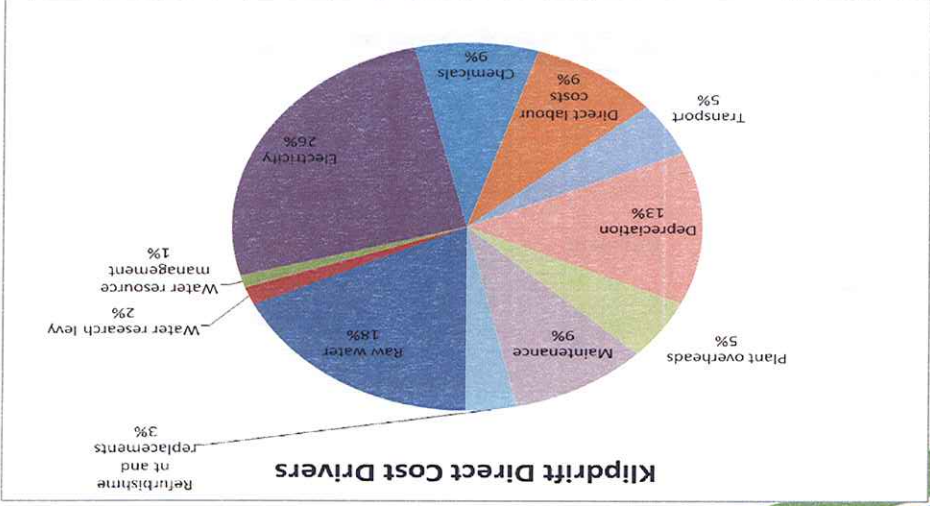
SCHEME CUSTOMER PROFILE

Scheme	Domestic	Government	Mining	Industrial
Walmannsthal	✓ affluent	✓	x	x
Klipdrift	✓	x	x	✓
Vaalkop	✓	✓	✓	✓
Cullinan	✓	✓	✓	x



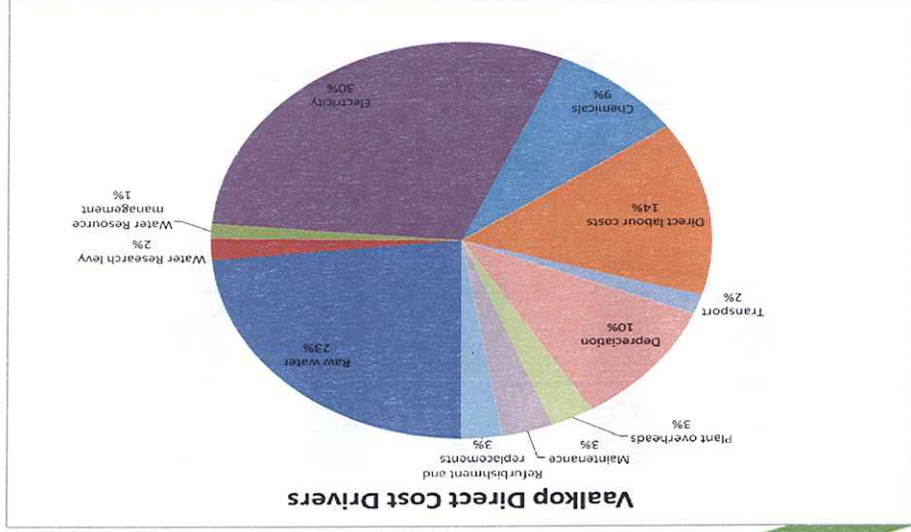
Magalies Water

COST DRIVERS - KLIPDRIFT



Magalies Water

COST DRIVERS - VAALKOP

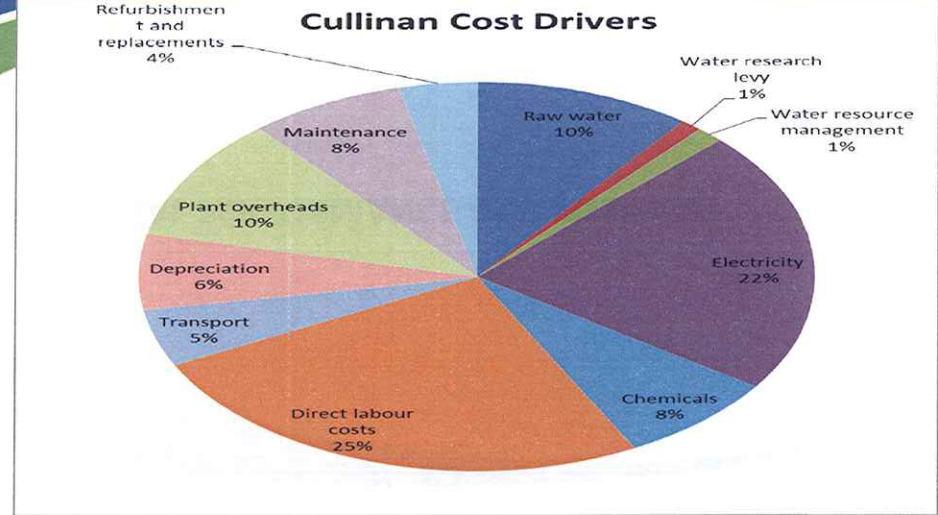
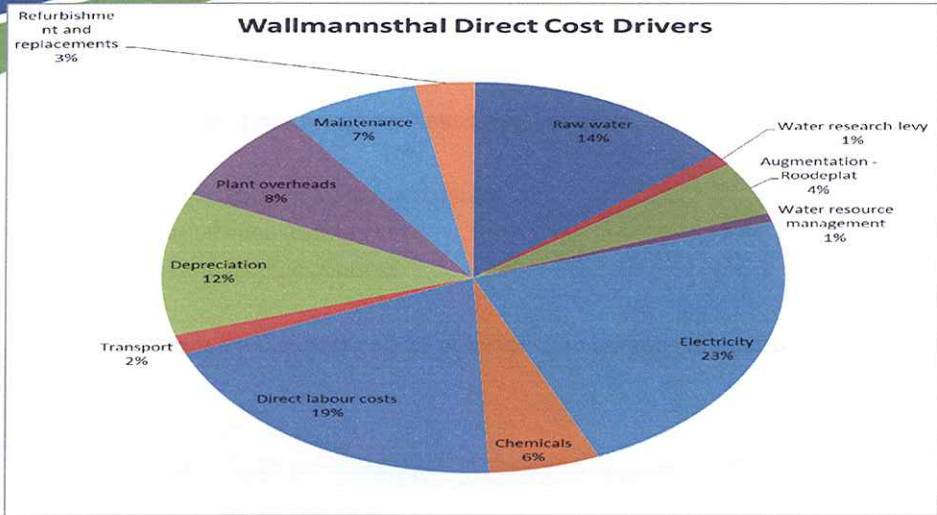




COST DRIVERS - WALMANNSTHAL



COST DRIVERS - CULLINAN



FINANCIAL PERFORMANCE AND POSITION



- Above inflation increases in prices of production related input costs
 - Increasing electricity prices
 - Increasing chemicals prices
 - Increasing costs of water use charges
- Low cost absorption rate due to capacity constraints

MOTIVATION FOR TARIFF INCREASES

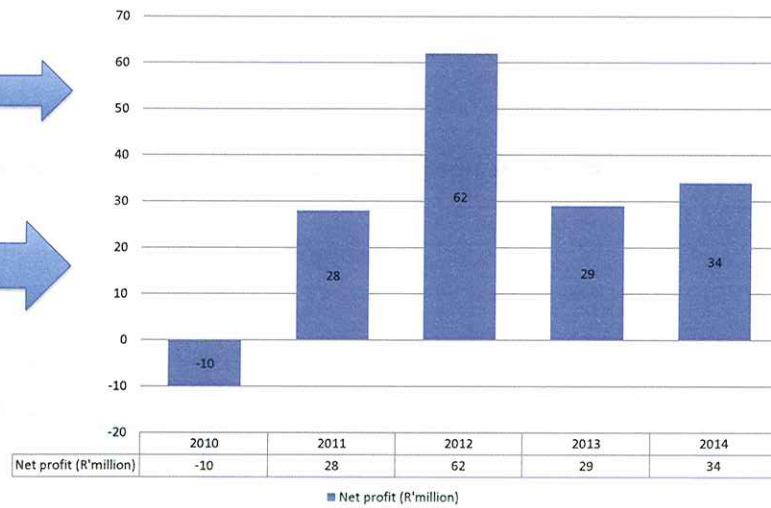




FIVE YEAR FINANCIAL PERFORMANCE

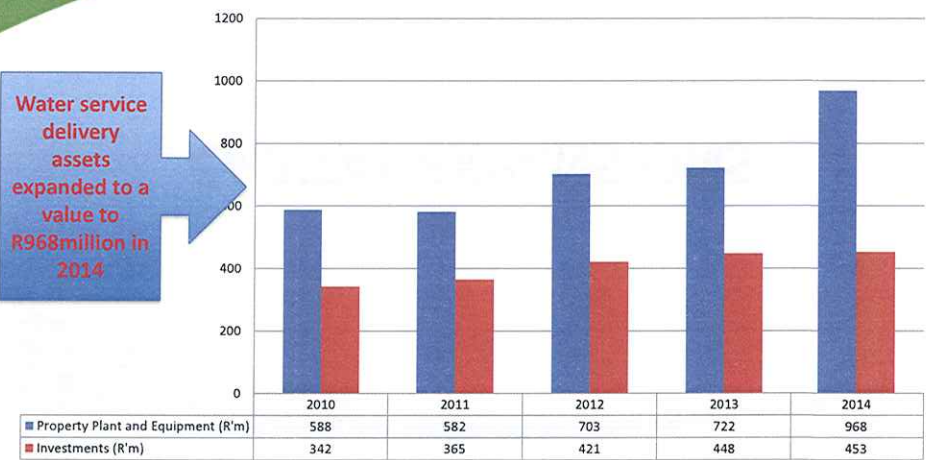
R34million surplus reported in 2014

R62million surplus reported in 2012 due to high sales volumes



FIVE YEAR FINANCIAL POSITION

Water service delivery assets expanded to a value to R968million in 2014



CAPITAL EXPANSIONS



Magalies Water

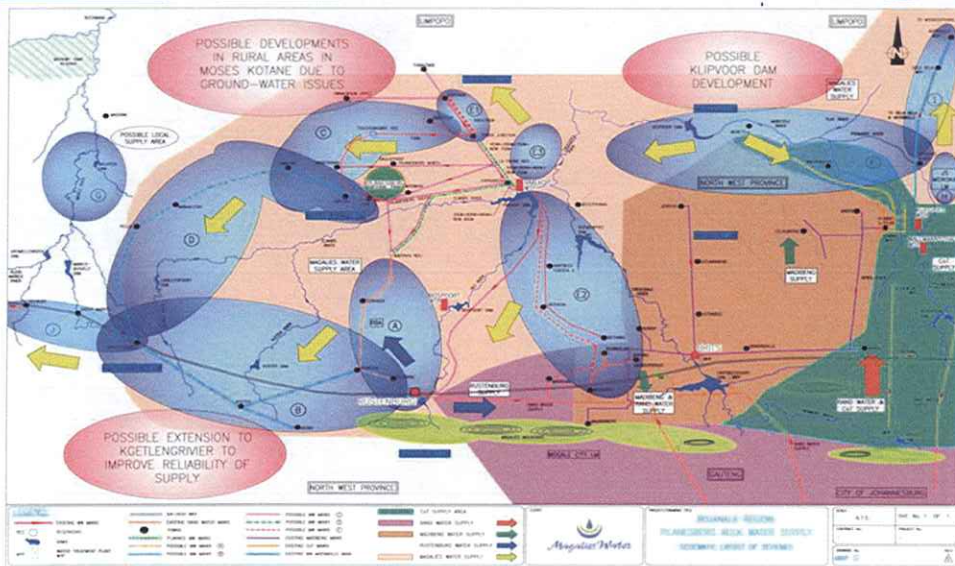
2013/14 AUDIT OUTCOME



Magalies Water

- Unqualified audit opinion achieved
- Action plan in place to address the audit findings

CAPITAL EXPANSIONS MASTER PLANNING CONCEPT



SCHEMATIC LAYOUT OF THE PILANESBERG BULK WATER SUPPLY SCHEME



CAPEX PROGRAMME



YEAR	BUDGET (R'000)
2012/13	120
2013/14	435
2014/15	1 089
%SPEND	
2012/13	35
2013/14	78



CONNECTION TO VILLAGES



The bulk connection to the village of
Ngweding Ntswana le Metsing,
Magong



SUMMARY OF PROJECTS IMPLEMENTATION

#	PROJECT DESCRIPTION	Population Data - (2011 census)	Does the project have an impact on any of the 27 Hot Spot priority areas?	PROJECT IMPLEMENTATION STATUS			COMPLETION	Total Project Budget in R'mil
				PLANNING	DESIGN	CONSTRUCTION		
1	Upgrading of the Klipdrift Water Treatment Works	441 286	YES				Mar-16	R 168.0
2	Upgrading and Extension of the Wallmannsthal Bulk Water Supply System	Approx. 300 000	NO				Jun-15	R 86.3
3	Augmentation of the Wallmannsthal Bulk Water Supply Schemes New Reservoir and Zeekoegat Pipeline	Approx. 300 000	NO				Jun-16	R 50.0
4	Pilanesberg North Water Supply Scheme	197 089	YES				Nov-15	R 195.5
5	Pilanesberg South Water Supply Scheme	330 294	YES				Sep-15	R 273.0



SUMMARY OF PROJECTS IMPLEMENTATION

#	PROJECT DESCRIPTION	Population Data - (2011 census)	Does the project have an impact on any of the 27 Hot Spot priority areas?	PLANNING	DESIGN	CONSTRUCTION	START	END	Total Project Budget in R'mil
6	Vaalkop WSS - Part C	205 277	YES				Feb-14		R 368.5
7	Vaalkop WSS - Part D	56 093	YES				Feb-14		R 189.1
8	Vaalkop WSS - Part E	54 681	YES				Feb-14		R 258.3
9	Klipdrift/ Klipvoor BWSS - Part F	441 286	YES				Feb-14		R 2 210.5
10	Vaalkop WSS - Part G	337 145	YES				Feb-14		R 3 500.0
11	Tshwane - Part H	292 149	NO				Feb-14		R 1 090.7
12	Groundwater optimisation of the Thlathlaganyane cluster of villages	7820	YES				Nov-13	Jun-15	R 68.0

SUMMARY OF PROJECTS IMPLEMENTATION



#	PROJECT DESCRIPTION	Population Data - (2011 census)	Does the project have an impact on any of the 27 Hot Spot priority areas?	PROJECT IMPLEMENTATION STATUS			Dec-16	R 300,0
				PLANNING DESIGN	CONSTRUCTION	COMPLETION		
19	Brits Water Treatment Plant	297 299	YES				Dec-16	R 300,0
20	Brits - Raw water abstraction and Bulk Potable Distribution		YES				Dec-16	R 80,0
21	Koster Waste Water Treatment Works		YES				Aug-17	R 110,0
Total Project Budget in R'mil								

SUMMARY OF PROJECTS IMPLEMENTATION



#	PROJECT DESCRIPTION	Population Data - (2011 census)	Does the project have an impact on any of the 27 Hot Spot priority areas?	PROJECT IMPLEMENTATION STATUS			Jun-15 <th rowspan="2">R 68,0 </th>	R 68,0
				PLANNING DESIGN	CONSTRUCTION	COMPLETION		
12	Groundwater optimisation of the Thathaganyane cluster of villages	7820	YES				Jun-15	R 68,0
13	Tuschenkomst-Ruighoek bulk water supply pipeline	50191	YES				Apr-16	R 117,0
14	Groundwater optimisation of the Lerome cluster of villages	44510	YES				Jun-17	R 102,0
15	Pilanesberg Platinum Mines (PPM) borehole development and community water supply	9322	YES				Jun-17	R 52,0
16	Madikwe Waste Water Treatment Plant	22381	YES				Nov-14	R 3,0
17	Rietfontein Waste Water Treatment works	16446	YES				Apr-16	R 38,0
18	Bucket Eradication Project	2388	YES				Dec-14	R 14,4
Total Project Budget in R'mil								



IMPLEMENTATION OF WATER PROJECTS IN THE NORTH WEST PROVINCE

PROJECT NAME	BENEFICIARIES	SCOPE of WORK	STATUS OF PROJECT IMPLEMENTED
1 Groundwater optimisation of the Thlathlaganyane cluster of villages	MKLM - Northern Villages <ul style="list-style-type: none"> ▪ Ngweding ▪ Tswana-le-Metsing ▪ Magalane ▪ Magong ▪ Welgeval 	Groundwater optimisation	Borehole Field Work = 100% Design = 100% Construction = 55% Estimated completion by end June 2015
	MKLM - Southern Villages <ul style="list-style-type: none"> ▪ Tlhatlaganyane ▪ Ruighoek ▪ Maologane ▪ Modimong ▪ Mabeleleng 		Borehole Field Work = 100% Design = 75% Construction = 0% Estimated completion by end June 2016
2 Tuschenkomst-Ruighoek bulk water supply pipeline	MKLM - To supply various villages between Moruleng, Bohule, Thlathlaganyane & Mabeskraal	Bulk water supply pipeline	Design = 100%; Tenders Closing is due 20 February 2015 Construction = 0%, due to start early April 2015 Estimated completion by end April 2016.



IMPLEMENTATION OF WATER PROJECTS IN THE NORTH WEST PROVINCE

PROJECT NAME	BENEFICIARIES	SCOPE of WORK	STATUS OF PROJECT IMPLEMENTED
3 Groundwater optimisation of the Lerome cluster of villages	MKLM - Includes 7 Villages: <ul style="list-style-type: none"> ▪ Legogalwe ▪ Manamakgoteng ▪ Modderkuil ▪ Segakwaneng ▪ Dikweipi ▪ Sandfontein ▪ Lerome 	Groundwater optimisation	Borehole Field Work = 100% Design = 50% Construction = 0% Estimated completion by end June 2017
	MKLM- Includes 8 Villages in two areas <ul style="list-style-type: none"> ▪ Mothlabe ▪ Molorwe ▪ Makgope ▪ Mogoditsane Eastern Villages: <ul style="list-style-type: none"> ▪ Bohule ▪ Ga-Mosilela ▪ Lekutung ▪ Tswaneng 		Borehole Field Work = 100% Design = 30% Construction = 0% Estimated completion by end June 2017
4. Pilanesberg Platinum Mines (PPM) borehole development and community water supply		Borehole development and community water supply	

IMPLEMENTATION OF WATER PROJECTS IN THE NORTH WEST PROVINCE



PROJECT NAME	BENEFICIARIES	SCOPE OF WORK	STATUS OF PROJECT IMPLEMENTED
5. Madikwe Waste Water Treatment Plant	MKLM	Refurbishment & repair of Waste Water Treatment Plant	Audit and assessment =100%
6. Rietfontein Waste Water Treatment works	Madibeng LM ▪ Xanadu ▪ Ifafi ▪ Schoemansville ▪ Meerhof, etc.	Refurbishment & repair of Waste Water Treatment Plant	Audit and assessment =100%
7. Bucket Eradication Project	NW - Province	Sanitation	Completion = December 2014 Construction = 100% Design = 100% Confirmation & Verification =100%



To date the progress is 100% complete



BUCKET SANITATION ERADICATION PROGRAMME: OUTCOME

Magalies Water has also implemented the bucket eradication programme in the North West Province. The programme prioritised eradication of bucket sanitation in the formal areas. Two local municipalities were affected in this regard viz. City of Mafosana and Lekwa Teemane.



EMPOWERMENT THROUGH CAPEX PROGRAMME

Project/Scheme	Number of sub-contractors	Value of sub-contracted work
Upgrade of Klipdrift Water Treatment Works	5	R672 128
	8	R8 231 492
	3	R11 157 050
Pilanesberg South: Mafenya to Evergreen pipeline	4	R3 600 009
Total value of sub-contracted work		R23 660 679
SUBCONTRACTING AT THE PSP LEVEL IS ALSO BEING UNDERTAKEN FOR THE MAJOR 2014/15 INFRASTRUCTURE PROJECTS		

JOBS CREATED (CAPEX PROGRAMME)

375



CORPORATE SOCIAL INVESTMENT

PROJECT NAME	NUMBER OF BENEFICIARIES	Male	Female
Internship Programme	4	3	1
Learnership Programme: Water Treatment and Water Reticulation	50	15	35
Capacity Building Programme	7	4	3
External Bursaries	5	1	4
Extension of wellness programme to a neighbouring primary school	132 learners at De-hy Primary school		

CORPORATE SOCIAL INVESTMENT

CONT...



Bela Bela Local Municipality

- Refurbished the entire dysfunctional primary school toilets (42 in number)

Modimolle Local Municipality

- Rehabilitation of boreholes and provision and installation of 4 X 10 000-litre water storage tanks in Mabaleng village

Moretele Local Municipality

- 40 X 5 000-litre water storage tanks installed in Makapanstaad to increase water storage capacity for the community.

Moses Kotane Local Municipality

- Boreholes were equipped and restored in Zandfontein area to enhance water increase the supply of water to communities.



THE SEVEN ENGINEERING GRADUATES IN OUR CAPACITY BUILDING PROGRAMME



CORPORATE SOCIAL INVESTMENT CONT...

Rustenburg

- Through the refurbishment of school sanitation, 29 toilets were refurbished in the Rampa and Lekwakwa Primary Schools.

Thabazimbi Local Municipality

- Boreholes in the Thabazimbi town system were rehabilitated, equipped and reconnected to the municipal reticulation system

Madibeng Local Municipality

- Refurbishment of 9 dysfunctional primary school toilets; installation of 8 000 L septic tank and 10 000 L water storage tank.



THANK YOU

