



**MIDVAAL WATER COMPANY PROPOSED EXPANSION  
PROGRAMMES AND DEBT OWED BY MUNICIPALITIES IN THE  
NORTH WEST PROVINCE**

**NATIONAL COUNCIL OF PROVINCES (NCOP) NORTH WEST  
VISIT – NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY,  
MAHIKENG**

***DATE: 29 MARCH 2022***

***PRESENTED BY: MATSHEDISHO DIKOKO  
DESIGNATION: ACTING CHIEF EXECUTIVE***

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# ITEMS FOR DISCUSSION:

1. INTRODUCTION
2. PURPOSE OF THE PRESENTATION
3. MIDVAAL WATER COMPANY SUPPLY CAPACITY
4. DR KENNETH KAUNDA, NGAKA MODIRI MOLEMA, DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITIES PROPOSED EXPANSION PROGRAMMES
5. ENVISAGED BULK PIPE NETWORK
6. PROPOSED SUPPLIES: HARTEBEEFONTEIN – PUDIMOE, HARTEBEEFONTEIN – SETLAGOLE, HARTEBEEFONTEIN – ZEERUST/VENTERSDORP (INCLUDING POTCHEFSTROOM)
7. TOTAL ESTIMATED PROJECT COSTS
8. FINANCIAL SPLIT BETWEEN DISTRICT MUNICIPALITIES
9. ESTIMATED ENERGY COSTS
10. DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY
11. RECOMMENDATIONS



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## 1. INTRODUCTION

Midvaal Water Company was established in 1954 as a Bulk Water Supplier for the Mines in the Vaal Reefs Area i.e. Stilfontein, Orkney and Klerksdorp. It was previously named Western Transvaal Water Utility. It further expanded with augmentation of Plant Areas and Distribution Zones to include the City of Matlosana Local Municipality in the greater Klerksdorp, Orkney, Stilfontein and Hartebeesfontein Area and later Vierfontein Village in the Moqhaka Local Municipality, Free State. The customer split is 80% for the Municipality and 20% for the Mining Customers. The Mining customers include Harmony, Chemwes, Nicolor and Tau Lekoa.



## 1. INTRODUCTION (cont...)

Midvaal Water Company operates from Farm 443 IP Buffelsfontein in Stilfontein in the Klerksdorp District and has a water treatment plant located along the Vaal River that is rated at 320 MI/day design capacity. The Midvaal Water Treatment Plant is currently operating at 130 MI/day because of less water demand. The reduced water demand has come into effect because of mine closures over the years. The Plant can be ramped up to 250 MI/day in the current configuration and then to the 320 MI/day by upgrading certain plant systems. Other Plant Systems are already at 320 MI/day. The current potable water supply of 130 MI/day is enough to cater for all existing customers i.e. City of Matlosana Local Municipality, Mines, Vierfontein near Viljoenskroon and other smaller customers. There is 120 MI/day spare capacity that is available that can be utilized to supply unserviced areas.



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## 2. PURPOSE OF THE PRESENTATION

The purpose of this presentation is as follows:

- To provide background information on Midvaal Water Company;
- To discuss Midvaal Water Company's operating capacity including surplus water capacity;
- To highlight possible scenarios of expansion programmes including the rationale thereof in the Dr Kenneth Kaunda, Ngaka Modiri Molema and Dr Ruth Segomotsi Mompati District Municipalities;
- To discuss bulk water supply debt owed by the City of Matlosana Local Municipality to Midvaal Water Company



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### 3. MIDVAAL WATER COMPANY SUPPLY CAPACITY

Plant Condition and Treatment Assessment was undertaken in the year 2020. The intention was to ascertain the available capacity to treat raw water and supply potable water to additional customers. The design capacity of the Midvaal Water Treatment Plant is 320 MI/day. The Plant is currently operating at 130 MI/day. The outcome of the assessment has confirmed that the plant can operate at 250 MI/day when required. Number of upgrading projects need to be rolled out to take the total plant capacity to 320 MI/day:

Plant Condition and Treatment Assessment focused on the following systems:

- Raw Water Intake;
- Dissolved Air Flotation;
- Clari-flocculator;
- Filtration;
- Chlorination;
- Clear Water Storage;
- Ozone Generation;
- Chemical Plant;
- Wastewater Recycling



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## 4.1 DR KENNETH KAUNDA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME

The focus areas for Dr Kenneth Kaunda District are:

4.1 Maquassi Hills Local Municipality;

4.2 JB Marks Local Municipality

4.1 Maquassi Hills Local Municipality:

Water Demand based on population projections:

Census 2011: 77,794

Growth Rate: 1.19%

Population Projections: 2021

**87,563**



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## 4.1 DR KENNETH KAUNDA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 4.1 Maquassi Hills Local Municipality:

Current potable water supply is from Sedibeng Water located in Balkfontein, Bothaville in the Free State Province and augmented by clusters of boreholes.

South African Estimated Water Consumption: 250 litres per person per day

Based on population projections: 250 litres/day × 87,563  
= **22 MI/day**



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## 4.1 DR KENNETH KAUNDA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 4.2 JB Marks Local Municipality:

Major Towns in JB Marks Local Municipality are Potchefstroom and Ventersdorp.

Census 2011 Population Estimates: 162,762 (Tlokwe) and 56,702 (Ventersdorp)  
Combined: 219,464

Growth Rate % : 2.38 % (Tlokwe, Potchefstroom) and 2.75 % (Ventersdorp)

Average Growth Rate: 2,57%



## 4.1 DR KENNETH KAUNDA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 4.2 JB Marks Local Municipality:

Year	Growth Rate % (2.57%)	Population Estimates
2021	2.57%	282,857



## 4.1 DR KENNETH KAUNDA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 4.2 JB Marks Local Municipality:

South African Estimated Water Consumption: 250 litres per person per day

Based on population projections: 250 litres/day × 282,857  
= **71 MI/day**



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## 4.2 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME

Ngaka Modiri Molema District Municipality is made up of the following Local Municipalities:

### 5.1 Mahikeng Local Municipality;

Census 2011 Population Estimates: 291,527

Growth Rate: 1.16%

### 5.2 Ramotshere Moiloa Local Municipality

Census 2011 Population Estimates: 150,713

Growth Rate: 0.92 %



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## 4.2 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

Ngaka Modiri Molema District Municipality is made up of the following Local Municipalities:

### 5.3 Ditsobotla Local Municipality

Census 2011 Population Estimates: 168,902

Growth Rate: 1.35%

### 5.4 Ratlou Local Municipality;

Census 2011 Population Estimates: 107,339

Growth Rate: 0.11%

### 5.5 Tswaing Local Municipality

Census 2011 Population Estimates: 124,218

Growth Rate: 0.84 %



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## 4.2 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 5.1 Mahikeng Local Municipality:

Year	Growth Rate	Population Estimates
2021	1.16 %	327,165

### 5.2 Ramotshere Moiloa Local Municipality

Year	Growth Rate	Population Estimates
2021	0.92 %	165,167



## 4.2 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 5.3 Ditsobotla Local Municipality: .

Year	Growth Rate	Population Estimates
2021	1.35%	193,139

### 5.4 Ratlou Local Municipality:

Year	Growth Rate	Population Estimates
2021	0.11 %	108,525



## 4.2 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 5.5 Tswaing Local Municipality:

Year	Growth Rate	Population Estimates
2021	0.84 %	135,056





## 4.2 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### Water Demands:

- Mahikeng Local Municipality: 250 litres/day × 327,165 =  
**82 MI/day**
- Ramotshere Moiloa Local Municipality: 250 litres/day × 165,167 =  
**41 MI/day**
- Ditsobotla Local Municipality: 250 litres/day × 193,139 =  
**48 MI/day**
- Ratlou Local Municipality: 250 litres/day × 108,526 =  
**27 MI/day**
- Tswaing Local Municipality: 250 litres/day × 135,056 =  
**34 MI/day**

**Ngaka Modiri Molema DM Total Water Demand: 232 MI/day**



## 4.3 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME

Dr Ruth Segomotsi Mompoti District Municipality is made up of the following Local Municipalities:

### 6.1 Naledi Local Municipality:

Population estimates (Census 2011): 66,781

Growth rate: 1.71%

### 6.2 Greater Taung Local Municipality:

Population estimates (Census 2011): 177,642

Growth rate: -0.25%

### 6.3 Kagisano-Molopo Local Municipality

Population estimates (Census 2011): 105,789

Growth rate: 0.52%



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## 4.3 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

Dr Ruth Segomotsi Mompoti District Municipality is made up of the following Local Municipalities:

### 6.4 Mamusa Local Municipality:

Population estimates (Census 2011): 60,355

Growth rate: 2.21%

### 6.5 Lekwa-Teemane Local Municipality:

Population estimates (Census 2011): 53,248

Growth rate: 2.15%



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## 4.3 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### 6.1 Water Demand: Naledi Local Municipality

Year	Growth Rate	Population Estimates
2021	1.71 %	79,121

### 6.2 Water Demand: Greater Taung Local Municipality

Year	Growth Rate	Population Estimates
2021	-0.25 %	173,251



## 4.3 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT..

### 6.3 Water Demand: Kagisano-Molopo Local Municipality:

Year	Growth Rate	Population Estimates
2021	0.52 %	111,421

### 6.4 Water Demand: Kagisano-Molopo Local Municipality

Year	Growth Rate	Population Estimates
2021	2.15 %	65,869



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# 4.3 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

6.5 Water Demand: Mamusa Local Municipality:

Year	Growth Rate	Population Estimates
2021	2.21 %	75,101



## 4.3 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY PROPOSED EXPANSION PROGRAMME CONT...

### Water Demands:

- Naledi Local Municipality: 250 litres/day  $\times$  79,121 = **20 MI/day**
- Greater Taung Local Municipality: 250 litres/day  $\times$  173,251 = **43 MI/day**
- Kagisano-Molopo Local Municipality: 250 litres/day  $\times$  111,421 = **28 MI/day**
- Lekwa-Teemane Local Municipality: 250 litres/day  $\times$  65,869 = **16.5 MI/day**
- Mamusa Local Municipality: 250 litres/day  $\times$  75,101 = **19 MI/day**

**Total Water Demand – Dr Ruth Segomotsi Mompoti DM = 126.5 MI/day**



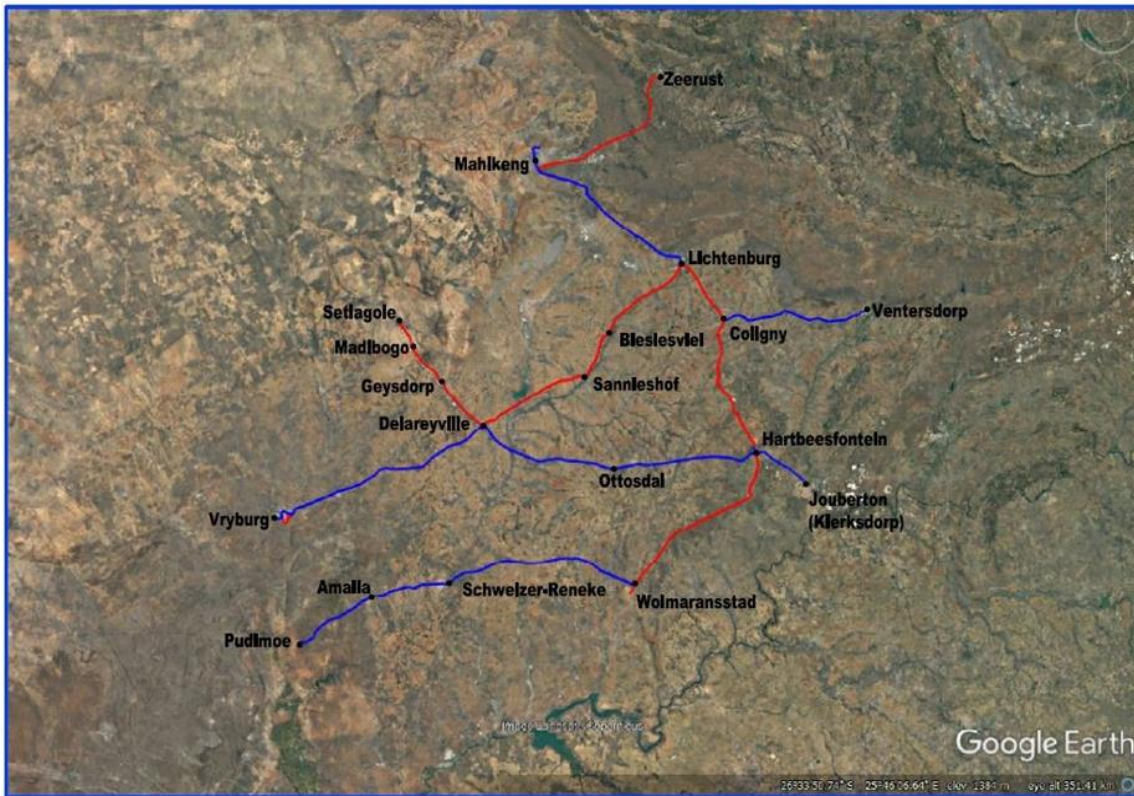
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## 5. ENVISAGED BULK PIPE NETWORK



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## 6.1 PROPOSED SUPPLY: HAR to PUD

DESCRIPTION	SYM.	UNIT	JOU-HAR	HAR-WOL	WOL-SCH	SCH-AMA	AMA-PUD
<b>2021 Demand</b>		<b>MLD</b>	<b>221.8</b>	<b>22.0</b>	<b>19.0</b>	<b>43.0</b>	
<b>Existing WTW Cap.</b>		<b>MLD</b>			<b>4.0</b>	<b>31.0</b>	
<b>Midvaal Supply</b>		<b>MLD</b>	<b>221.8</b>	<b>22.0</b>	<b>15.0</b>	<b>0.6</b>	<b>11.4</b>
Pipe Dia.	OD	mm	1800	900	650	500	450
<b>Pipe length</b>	<b>L</b>	<b>m</b>	<b>26000</b>	<b>77000</b>	<b>71000</b>	<b>32000</b>	<b>41000</b>
Flow velocity	V	m/s	1.043	0.934	1.000	0.768	0.910
Flow in pipe	Q	m <sup>3</sup> /s	2.567	0.568	0.312	0.139	0.132
		MLD	221.8	49.1	26.9	12.0	11.4
Friction Loss	hf	m	10.339	57.000	89.849	33.906	68.695
Minor loss.	hMinL	m	0.560	0.748	0.413	0.168	0.236
Start TWL.	LS	m	1367	1590	1360	1338	1333
End TWL.	LE	m	1590	1377	1338	1333	1212
Static head.	hS	m	223.000	-213.000	-22.000	-5.000	-121.000
Total Head	hTDH	m	233.899	-155.251	-86.989	-57.915	-109.984
<b>Pipe Section Cost</b>		<b>R</b>	<b>546 000 000</b>	<b>808 500 000</b>	<b>538 180 000</b>	<b>186 560 000</b>	<b>215 250 000</b>

### ABBREVIATIONS:

Amalia	AMA
Biesiesvlei	BIE
Coligny	COL
Delareyville	DEL
Geysdorp	GEY
Hartbeesfontein	HAR
Jouberton	JOU
Lichtenburg	LIC
Madibogo	MAD
Mahikeng	MAH
Ottosdal	OTT
Pudimoe	PUD
Sannieshof	SAN
Schweizer-Reneke	SCH
Setlagole	SET
Ventersdorp	VEN
Vryburg	VRY
Wolmaransstad	WOL
Zeerust	ZEE



## 6.2 PROPOSED SUPPLY: HAR to SET

DESCRIPTION	SYM.	UNIT	HAR-OTT	OTT-DEL	DEL-VRY	DEL-GEY	GEY-MAD	MAD-SET	SAN-DEL
<b>2021 Demand</b>		<b>MLD</b>	<b>34.0</b>		<b>48.0</b>	<b>27.0</b>			
<b>Existing WTW Cap.</b>		<b>MLD</b>							
<b>Midvaal Supply</b>		<b>MLD</b>	<b>10.2</b>	<b>10.2</b>	<b>48.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>10.2</b>
Pipe Dia.	OD	mm	1400	1000	800	600	600	350	450
<b>Pipe length</b>	<b>L</b>	<b>m</b>	<b>47000</b>	<b>62000</b>	<b>83000</b>	<b>24000</b>	<b>21000</b>	<b>16000</b>	<b>41000</b>
Flow velocity	V	m/s	0.791	1.412	1.163	1.182	0.789	1.207	0.814
Flow in pipe	Q	m <sup>3</sup> /s	1.183	1.065	0.556	0.312	0.208	0.103	0.118
		MLD	102.2	92.0	48.0	27.0	18.0	8.9	10.2
Friction Loss	hf	m	14.752	89.779	108.589	46.274	18.624	63.796	55.518
Minor loss.	hMinL	m	0.178	0.569	3.205	0.986	0.387	0.700	0.785
Start TWL.	LS	m	1590	1504	1358	1358	1369	1359	1392
End TWL.	LE	m	1504	1358	1231	1369	1359	1288	1359
Static head.	hS	m	-86.000	-146.000	-127.000	11.000	-10.000	-71.000	-33.000
Total Head	hTDH	m	-71.069	-126.721	-141.928	-83.667	-74.656	-81.160	-103.418
<b>Pipe Section Cost</b>		<b>R</b>	<b>767 510 000</b>	<b>722 920 000</b>	<b>774 390 000</b>	<b>168 000 000</b>	<b>147 000 000</b>	<b>65 280 000</b>	<b>215 250 000</b>



## 6.3 PROPOSED SUPPLY: HART to ZEE/VEN (Incl. POTCH)

DESCRIPTION	SYM.	UNIT	HAR-COL	COL-LIC	LIC-MAH	MAH-ZEE	LIC-BIE	BIE-SAN	COL-VEN	MV-POC
<b>2021 Demand</b>		<b>MLD</b>	<b>6.0</b>	<b>48.0</b>	<b>82.0</b>	<b>41.0</b>			<b>18.3</b>	<b>52.7</b>
<b>Existing WTW Cap.</b>		<b>MLD</b>	<b>3.5</b>	<b>7.0</b>	<b>75.0</b>				<b>8.5</b>	<b>94.0</b>
<b>Midvaal Supply</b>		<b>MLD</b>	<b>2.5</b>	<b>41.0</b>	<b>7.0</b>	<b>13.7</b>	<b>3.4</b>	<b>10.2</b>	<b>9.8</b>	<b>17.6</b>
Pipe Dia.	OD	mm	1300	1200	550	500	400	350	550	650
<b>Pipe length</b>	<b>L</b>	<b>m</b>	<b>56000</b>	<b>34000</b>	<b>69000</b>	<b>68000</b>	<b>45000</b>	<b>21000</b>	<b>65000</b>	<b>48000</b>
Flow velocity	V	m/s	0.726	0.725	1.084	0.874	0.692	0.638	0.511	0.653
Flow in pipe	Q	m <sup>3</sup> /s	0.935	0.792	0.239	0.158	0.079	0.055	0.113	0.203
		MLD	80.8	68.5	20.7	13.7	6.8	4.7	9.7	17.6
Friction Loss	hf	m	16.351	10.893	125.739	92.221	52.015	24.697	28.093	26.803
Minor loss.	hMinL	m	0.848	0.519	2.321	1.485	0.622	0.253	0.485	0.589
Start TWL.	LS	m	1590	1506	1475	1284	1475	1404	1506	1309
End TWL.	LE	m	1506	1475	1284	1249	1404	1392	1507	1355
Static head.	hS	m	-84.000	-31.000	-191.000	-35.000	-71.000	-12.000	1.000	46.000
Total Head	hTDH	m	-66.801	-86.390	-149.329	-90.623	-104.753	-91.803	-37.223	73.391
<b>Pipe Section Cost</b>		<b>R</b>	<b>848 960 000</b>	<b>476 000 000</b>	<b>442 290 000</b>	<b>396 440 000</b>	<b>209 700 000</b>	<b>85 680 000</b>	<b>416 650 000</b>	<b>363 840 000</b>



## 7. TOTAL ESTIMATED PROJECT COST

DESCRIPTION	AMOUNT	COMMENTS
Total Pipe Line Cost	8 394 400 000	
Reservoir Cost	1 236 000 000	(6x 40ML)
Provisional Sum (5%)	419 720 000	(Servitudes, wayleaves, etc.)
Booster Pump Station	120 000 000	(6 Phases of 40MLD)
MWC WTW Upgrades	755 000 000	(Phase 1 = 250 MLD, Phase 2 = 320 MLD)
<b>Sub-Total</b>	<b>10 925 120 000</b>	
10% Contingencies	1 092 512 000	
6% Professional Fees	721 057 920	(Incl. Design & Disbursements)
<b>Sub-Total</b>	<b>12 738 689 920</b>	
15% VAT	1 910 803 488	
<b>TOTAL</b>	<b>14 649 493 408</b>	



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## 8. FINANCIAL SPLIT BETWEEN DISTRICT MUNICIPALITIES

District Municipality	Cost Estimates	Percentage
Dr Kenneth Kaunda DM	R 2 965 941 915.60	20.25 %
Dr Ruth Segomotsi Mompati DM	R 3 199 989 616.84	21.84 %
Ngaka Modiri Molema DM	R 8 483 561 875.56	57.91 %
<b>TOTAL</b>	<b>R 14 649 493 408</b>	



## 9. ESTIMATED ENERGY COSTS

<b>JOUBERTON – HARTEBEEFONTEIN PUMPING (kW)</b>	<b>5889.48</b>	
	113,078.07	kWh/day
	41,273,494.48	kWh/annum
	R 2.31	/kWh
Equivalent Energy Cost	R 95 468 100.75	/annum
Gravitational Energy (kW)	-6685.89	
	-128 369.10	kWh/day
	-46854721.33	kWh/annum
	R 2.31	/kWh
Equivalent Energy Cost	-R 108 377 817.60	/annum
<b>Savings</b>	<b>-R 12,909,716.85</b>	<b>/annum</b>



## 10. DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY

### 1) Balance growth

A summary is provided of the debt history regarding the growth of the municipalities account owed to Midvaal Water Company, year on year, with regards to Invoices issued and payments received in that month.

### 2) Recovery efforts

A summary is provided with regards to recovery efforts undertaken on the outstanding debt owed by the City of Matlosana Local Municipality.

### 3) Current outstanding account

A summary is provided of the total outstanding invoices as at 31 December 2021.

The year end of Midvaal Water Company is December, therefore reports will be presented from January – December for each year.



# 10.1 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – BALANCE GROWTH 2015

## 31 December 2015:

- The outstanding balance at this date, was R 55 705 503,95 which constitutes roughly 2 months of invoicing towards the Bulk Water Supply account of the City of Matlosana Local Municipality, therefore the municipality was not in arrears at this stage.

**TABLE: 2015 BALANCE**

DATE	INVOICES	PAYMENT	MONTH DIFFERENCE	TOTAL BALANCE
Dec 2015				R 55 705 503.95





## 10.2 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – BALANCE GROWTH 2016

### 31 December 2016:

- The outstanding balance at this date, was R 100 975 819.01;
- Invoices generated to the amount of R 277 574 585;
- Receipts from the municipality amounted to R 232 304 270;
- The debt grew with R 45 270 315 from 31 December 2015

<u>DATE</u>	<u>INVOICES</u>	<u>PAYMENT</u>	<u>MONTH</u>	<u>TOTAL</u>
			<u>DIFFERENCE</u>	<u>BALANCE</u>
<b>Dec-15</b>				<b>55 705 503.95</b>
Jan 2016	22 955 171.18	16 000 000.00	6 955 171.18	62 660 675.13
Feb 2016	22 286 539.53	12 130 710.12	10 155 829.41	72 816 504.54
Mar 2016	24 151 596.82	25 964 190.98	- 1 812 594.16	71 003 910.38
Apr 2016	22 041 950.06	16 630 809.12	5 411 140.94	76 415 051.32
May 2016	22 507 037.54	26 954 523.89	- 4 447 486.35	71 967 564.97
Jun 2016	21 647 187.17	15 993 389.85	5 653 797.32	77 621 362.29
Jul 2016	22 089 509.73	17 512 610.21	4 576 899.52	82 198 261.81
Aug 2016	22 884 762.82	26 543 585.52	- 3 658 822.70	78 539 439.11
Sep 2016	23 458 220.82	16 582 420.91	6 875 799.91	85 415 239.02
Oct 2016	24 400 353.74	24 543 585.52	- 143 231.78	85 272 007.24
Nov 2016	24 601 368.64	11 584 411.22	13 016 957.42	98 288 964.66
<b>Dec 2016</b>	24 550 887.33	21 864 032.98	2 686 854.35	<b>100 975 819.01</b>
	<b>277 574 585.38</b>	<b>232 304 270.32</b>	<b>45 270 315.06</b>	

## 10.3 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – BALANCE GROWTH 2017

### 31 December 2017:

- The outstanding balance at this date, was R 248 322 147;
- Invoices generated to the amount of R 351 841 021;
- Receipts from the municipality amounted to R 172 555 661;
- The debt grew with R 147 346 328 from the previous year 31 December 2016;
- The debt grew in total of R 192 616 643 from December 2015.



# 10.3 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – BALANCE GROWTH 2017

<u>DATE</u>	<u>INVOICES</u>	<u>PAYMENT</u>	<u>MONTH</u>	<u>TOTAL</u>
-	-	-	<u>DIFFERENCE</u>	<u>BALANCE</u>
<b>Balance b/f from 2016</b>				<b>100 975 819.01</b>
Jan 2017	24 599 908.08	25 505 817.99	- 905 909.91	100 069 909.10
Feb 2017	25 792 033.14	19 553 392.10	6 238 641.04	106 308 550.14
Mar 2017	26 554 621.28	26 978 318.64	- 423 697.36	105 884 852.78
Apr 2017	24 153 115.98	7 000 000.00	17 153 115.98	123 037 968.76
May 2017	26 850 546.27	14 534 310.47	12 316 235.80	135 354 204.56
Jun 2017	27 092 775.85	-	27 092 775.85	162 446 980.41
Jul 2017	28 582 425.82	39 853 464.94	- 11 271 039.12	151 175 941.29
Aug 2017	29 204 346.61	-	29 204 346.61	180 380 287.90
Sep 2017	31 378 535.36	10 000 000.00	21 378 535.36	201 758 823.26
Oct 2017	32 375 220.05	-	32 375 220.05	234 134 043.31
Nov 2017	37 241 993.07	-	37 241 993.07	271 376 036.38
Dec 2017	38 015 500.32	29 130 357.46	8 885 142.86	280 261 179.24
Audit journal on interest :			- 31 939 031.90	<b>248 322 147.34</b>
	<b>351 841 021.83</b>	<b>172 555 661.60</b>	<b>147 346 328.33</b>	



## 10.4 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – BALANCE GROWTH 2018

### 31 December 2018:

- The outstanding balance at this date, was R 332 718 558;
- Invoices generated to the amount of R 396 526 605;
- Receipts from the municipality amounted to R 308 277 405;
- The debt grew with R 84 396 411 from the previous year 31 December 2017;
- The debt grew in total of R 277 013 054 from December 2015.

-



## 10.4 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPAL

<u>DATE</u>	<u>INVOICES</u>	<u>PAYMENT</u>	<u>MONTH</u>	<u>TOTAL</u>
			<u>DIFFERENCE</u>	<u>BALANCE</u>
<b>Balance b/f from 2017</b>				<b>248 322 147.34</b>
Jan 2018	30 269 595.59	-	30 269 595.59	278 591 742.93
Feb 2018	33 370 660.07	28 305 163.12	5 065 496.95	283 657 239.88
Mar 2018	30 031 355.98	21 228 872.34	8 802 483.64	292 459 723.52
Apr 2018	30 985 052.96	35 228 872.34	- 4 243 819.38	288 215 904.14
May 2018	32 355 710.57	30 228 872.34	2 126 838.23	290 342 742.37
Jun 2018	32 448 108.91	22 000 000.00	10 448 108.91	300 790 851.28
Jul 2018	31 057 385.50	44 217 555.56	- 13 160 170.06	287 630 681.22
Aug 2018	33 445 384.49	22 076 290.78	11 369 093.71	298 999 774.93
Sep 2018	38 610 610.55	16 152 581.56	22 458 028.99	321 457 803.92
C/N		29 325 439.66	- 29 325 439.66	292 132 364.26
Audit reversal of credit note :		- 29 325 439.66	29 325 439.66	321 457 803.92
Oct 2018	32 611 756.11	32 305 163.12	306 592.99	321 764 396.91
Nov 2018	35 666 788.11	32 305 162.34	3 361 625.77	325 126 022.68
Dec 2018	35 674 196.22	24 228 872.34	11 445 323.88	336 571 346.56
Correction of 2018 interest raised to calc amount			- 3 852 788.00	<b>332 718 558.56</b>
	<b>396 526 605.06</b>	<b>308 277 405.84</b>	<b>84 396 411.22</b>	



## 10.5 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – BALANCE GROWTH 2019

### 31 December 2019:

- The outstanding balance at this date, was R 437 135 310;
- Invoices generated to the amount of R 424 657 404;
- Receipts from the municipality amounted to R 320 240 652;
- The debt grew with R 104 416 751 from the previous year 31 December 2018
- The debt grew in total of R 381 429 806 from December 2015.



# 10.5 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – BALANCE GROWTH 2019

<u>DATE</u>	<u>INVOICES</u>	<u>PAYMENT</u>	<u>MONTH</u>	<u>TOTAL</u>
			<u>DIFFERENCE</u>	<u>BALANCE</u>
<b>Balance b/f from 2018</b>				<b>332 718 558.56</b>
19-Jan	33 622 677.25	18 076 290.78	15 546 386.47	348 264 945.03
19-Feb	35 439 494.57	24 228 872.34	11 210 622.23	359 475 567.26
19-Mar	32 892 347.34	24 248 872.34	8 643 475.00	368 119 042.26
19-Apr	32 316 144.07	32 305 163.12	10 980.95	368 130 023.21
19-May	35 167 840.61	8 076 290.78	27 091 549.83	395 221 573.04
19-Jun	36 913 610.21	24 228 872.34	12 684 737.87	407 906 310.91
19-Jul	34 538 062.45	67 076 290.78	- 32 538 228.33	375 368 082.58
19-Aug	37 409 488.75	38 000 000.00	- 590 511.25	374 777 571.33
19-Sep	35 246 249.20	25 000 000.00	10 246 249.20	385 023 820.53
19-Oct	35 362 003.92	29 000 000.00	6 362 003.92	391 385 824.45
19-Nov	39 848 888.75	20 000 000.00	19 848 888.75	411 234 713.20
19-Dec	35 900 596.97	10 000 000.00	25 900 596.97	<b>437 135 310.17</b>
	<b>424 657 404.09</b>	<b>320 240 652.48</b>	<b>104 416 751.61</b>	



## 10.6 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY –BALANCE GROWTH 2020

### 30 November 2020:

- The outstanding balance at this date, was R 671 839 041
- Invoices generated to the amount of R 400 703 705
- Receipts from the municipality amounted to R 166 000 000
- The debt grew with R 234 703 705 from the previous year 31 December 2019
- The debt grew in total of R 616 133 511 from December 2015.





# 10.6 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY –BALANCE GROWTH 2020

<u>DATE</u>	<u>INVOICES</u>	<u>PAYMENT</u>	<u>MONTH</u>	<u>TOTAL</u>
-	-	-	<u>DIFFERENCE</u>	<u>BALANCE</u>
<b>Balance b/f from 2019</b>				<b>437 135 310.17</b>
20-Jan	34 674 224.27	10 000 000.00	24 674 224.27	461 809 534.44
20-Feb	38 150 948.81	-	38 150 948.81	499 960 483.25
20-Mar	35 759 602.49	40 000 000.00	- 4 240 397.51	495 720 085.74
20-Apr	35 960 404.59	5 000 000.00	30 960 404.59	526 680 490.33
20-May	35 728 547.35	10 000 000.00	25 728 547.35	552 409 037.68
20-Jun	34 561 123.51	13 000 000.00	21 561 123.51	573 970 161.19
20-Jul	35 777 544.78	55 000 000.00	- 19 222 455.22	554 747 705.97
20-Aug	36 324 626.59	8 000 000.00	28 324 626.59	583 072 332.56
20-Sep	38 772 706.47	10 000 000.00	28 772 706.47	611 845 039.03
20-Oct	37 104 902.69	5 000 000.00	32 104 902.69	643 949 941.72
20-Nov	37 889 073.22	10 000 000.00	27 889 073.22	<b>671 839 014.94</b>
	<b>400 703 704.77</b>	<b>166 000 000.00</b>	<b>234 703 704.77</b>	



## 10.7 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY –BALANCE GROWTH 2021

### 31 December 2021

- The outstanding balance at this date, was R 890 598 404;
- Invoices generated to the amount of R 485 138 707;
- Receipts from the municipality amounted to R 257 000 000;
- The debt grew with R 228 138 707 from the previous year 31 December 2020;
- The debt grew in total of R 834 892 900 from December 2015.



# 10.7 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY –BALANCE GROWTH 2021

<u>DATE</u>	<u>INVOICES</u>	<u>PAYMENT</u>	<u>MONTH</u>	<u>TOTAL</u>
			<u>DIFFERENCE</u>	<u>BALANCE</u>
<u>Balance b/f from 2020</u>				<b>662 459 697.13</b>
21-Jan	38 454 308.48	-	38 454 308.48	700 914 005.61
21-Feb	38 073 158.12	5 000 000.00	33 073 158.12	733 987 163.73
21-Mar	37 830 387.93	55 000 000.00	- 17 169 612.07	716 817 551.66
21-Apr	43 230 414.17	6 000 000.00	37 230 414.17	754 047 965.83
21-May	39 652 378.02	17 000 000.00	22 652 378.02	776 700 343.85
21-Jun	37 897 335.09	14 000 000.00	23 897 335.09	800 597 678.94
21-Jul	40 802 719.91	50 000 000.00	- 9 197 280.09	791 400 398.85
21-Aug	41 551 825.16	20 000 000.00	21 551 825.16	812 952 224.01
21-Sep	41 656 428.84	-	41 656 428.84	854 608 652.85
21-Oct	43 170 766.59	20 000 000.00	23 170 766.59	877 779 419.44
21-Nov	44 607 470.92	20 000 000.00	24 607 470.92	902 386 890.36
21-Dec	38 211 513.90	50 000 000.00	- 11 788 486.10	<b>890 598 404.26</b>
	<b>485 138 707.13</b>	<b>257 000 000.00</b>	<b>228 138 707.13</b>	



# 10.8 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY –BALANCE GROWTH

Balance Growth summarized per year as follows:

DATE	BALANCE OUTSTANDING	BALANCE GROWTH FROM PRIOR YEAR
31 Dec 2015	55 705 503.95	
31 Dec 2016	100 975 819.01	45 270 315.06
31 Dec 2017	248 322 147.34	147 346 328.33
31 Dec 2018	332 718 558.56	84 396 411.22
31 Dec 2019	437 135 310.17	104 416 751.61
31 Dec 2020	662 459 697.13	225 324 386.96
31 Dec 2021	<b>890 598 404.26</b>	228 138 707.13
<b>TOTAL GROWTH FROM 2015</b>		<b>834 892 900.31</b>

## 10.9 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – RECOVERY EFFORTS (2018 – 2021)

-Multiple payment arrangements were entered into with the municipality regarding the payment of the outstanding account from 2018.

-These payment arrangements are not upheld by the City of Matlosana Local Municipality.

-The following is a summary per year regarding the payment arrangements versus the actual payments received from the municipality per month.



# 10.10 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – PAYMENT ARRANGEMENTS

## PAYMENT ARRANGEMENT 2018:

2018 PAYMENT ARRANGEMENT VS ACTUAL PAYMENTS RECEIVED						
	Payment arrangement				Actual payments received	Difference
	Current acc	Extra per week	Equitable share	Total		
Feb-18	28 305 163.12			28 305 163.12	28 305 163.12	-
Mar-18	28 305 163.12			28 305 163.12	21 228 872.34	- 7 076 290.78
Apr-18	30 031 355.98	4 000 000.00	20 000 000.00	54 031 355.98	35 228 872.34	- 18 802 483.64
May-18	30 985 052.96	4 000 000.00		34 985 052.96	30 228 872.34	- 4 756 180.62
Jun-18	32 355 710.57	4 000 000.00		36 355 710.57	22 000 000.00	- 14 355 710.57
Jul-18	32 448 108.91	4 000 000.00		36 448 108.91	44 217 555.56	7 769 446.65
Aug-18	31 057 385.50	4 000 000.00	20 000 000.00	55 057 385.50	22 076 290.78	- 32 981 094.72
Sep-18	33 445 384.49	4 000 000.00		37 445 384.49	16 152 581.56	- 21 292 802.93
Oct-18	38 610 610.55	4 000 000.00		42 610 610.55	32 305 163.12	- 10 305 447.43
Nov-18	32 611 756.11	4 000 000.00		36 611 756.11	32 305 162.34	- 4 306 593.77
Dec-18	35 666 788.11	4 000 000.00	20 000 000.00	59 666 788.11	24 228 872.34	- 35 437 915.77
				<b>449 822 479.42</b>	<b>308 277 405.84</b>	<b>- 141 545 073.58</b>
<b>- Received R 141 545 073.58 less than arrangement</b>						



# 10.11 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – PAYMENT ARRANGEMENT 2019

2019 PAYMENT ARRANGEMENT VS ACTUAL PAYMENTS RECEIVED						
	Payment arrangement				Actual payments received	Difference
	Current acc	Extra per week	Equitable share	Total		
Jan-19	31 821 408.22	4 000 000.00		35 821 408.22	18 076 290.78	- 17 745 117.44
Feb-19	33 622 677.25	4 000 000.00		37 622 677.25	24 228 872.34	- 13 393 804.91
Mar-19	35 439 494.57	4 000 000.00	20 000 000.00	59 439 494.57	24 248 872.34	- 35 190 622.23
Apr-19	32 892 347.34	4 000 000.00		36 892 347.34	32 305 163.12	- 4 587 184.22
May-19	32 316 144.07	4 000 000.00		36 316 144.07	8 076 290.78	- 28 239 853.29
	<b>PMT total</b>		<b>Equitable share</b>	<b>Total</b>		
Jun-19	32 305 163.12		20 000 000.00	52 305 163.12	24 228 872.34	- 28 076 290.78
Jul-19	47 500 000.00			47 500 000.00	67 076 290.78	19 576 290.78
Aug-19	38 000 000.00			38 000 000.00	38 000 000.00	-
Sep-19	50 000 000.00		20 000 000.00	70 000 000.00	25 000 000.00	- 45 000 000.00
Oct-19	40 000 000.00			40 000 000.00	29 000 000.00	- 11 000 000.00
Nov-19	40 000 000.00			40 000 000.00	20 000 000.00	- 20 000 000.00
Dec-19	40 000 000.00		20 000 000.00	60 000 000.00	10 000 000.00	- 50 000 000.00
				<b>553 897 234.57</b>	<b>320 240 652.48</b>	<b>- 183 656 582.09</b>

- Received R 183 656 582.09 less than arrangement



# 10.12 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – PAYMENT ARRANGEMENT 2020

2020 PAYMENT ARRANGEMENT VS ACTUAL PAYMENTS RECEIVED						
	Payment arrangement				Actual payments received	Difference
	PMT total		Equitable share	Total		
Jan-20	50 000 000.00			50 000 000.00	10 000 000.00	- 40 000 000.00
Feb-20	40 000 000.00			40 000 000.00	-	- 40 000 000.00
Mar-20	40 000 000.00			40 000 000.00	40 000 000.00	-
Apr-20	40 000 000.00		30 000 000.00	70 000 000.00	5 000 000.00	- 65 000 000.00
May-20	50 000 000.00			50 000 000.00	10 000 000.00	- 40 000 000.00
Jun-20	40 000 000.00			40 000 000.00	13 000 000.00	- 27 000 000.00
Jul-20	50 000 000.00		30 000 000.00	80 000 000.00	55 000 000.00	- 25 000 000.00
Aug-20	40 000 000.00			40 000 000.00	8 000 000.00	- 32 000 000.00
	<b>PMT total</b>		<b>Equitable share</b>	<b>Total</b>		
Sep-20	20 000 000.00			20 000 000.00	10 000 000.00	- 10 000 000.00
Oct-20	25 000 000.00			25 000 000.00	5 000 000.00	- 20 000 000.00
Nov-20	20 000 000.00			20 000 000.00	10 000 000.00	- 10 000 000.00
Dec-20			50 000 000.00	50 000 000.00	50 000 000.00	-
				<b>525 000 000.00</b>	<b>216 000 000.00</b>	<b>- 309 000 000.00</b>

- Received R 309 000 000 less than arrangement





# 10.13 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – PAYMENT ARRANGEMENT 2021

## 2021 PAYMENT ARRANGEMENT VS ACTUAL PAYMENTS RECEIVED

	Payment arrangement			Actual payments received	Difference
	PMT total		Equitable share		
			Total		
Jan-21	25 000 000.00		25 000 000.00	-	- 25 000 000.00
Feb-21	32 000 000.00		32 000 000.00	5 000 000.00	- 27 000 000.00
Mar-21	32 000 000.00		50 000 000.00	55 000 000.00	- 27 000 000.00
Apr-21	32 000 000.00		32 000 000.00	6 000 000.00	- 26 000 000.00
May-21	40 000 000.00		40 000 000.00	17 000 000.00	- 23 000 000.00
Jun-21	32 000 000.00		32 000 000.00	14 000 000.00	- 18 000 000.00
Jul-21	40 000 000.00		50 000 000.00	50 000 000.00	- 40 000 000.00
Aug-21	32 000 000.00		32 000 000.00	20 000 000.00	- 12 000 000.00
Sep-21	32 000 000.00		32 000 000.00	-	- 32 000 000.00
Oct-21	40 000 000.00		40 000 000.00	20 000 000.00	- 20 000 000.00
Nov-21	32 000 000.00		32 000 000.00	20 000 000.00	- 12 000 000.00
Dec-21	40 000 000.00		40 000 000.00	50 000 000.00	10 000 000.00
			<b>509 000 000.00</b>	<b>257 000 000.00</b>	<b>- 252 000 000.00</b>

**- Received R 252 000 000 less than arrangement**



## 10.14 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – RECOVERY EFFORTS

### Recovery efforts - Payment Arrangement Overview:

- Essentially only 40% to 50% of payment arrangements are upheld by the City of Matlosana Local Municipality.
- The payment arrangements therefore do not yield any results on reducing the outstanding account as the arrangements should cover the current account as well as a contribution towards old debt, but this is not the case as the balance grows each month, the payments are not even covering current debts.
- The bulk of the monies received during a financial period is the equitable shares received, therefore the municipality is not paying the monies owed to Midvaal Water Company for water purchases that the municipality is recovering from its onsumers.



## 10.15 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY –BALANCE GROWTH

### □ Recovery efforts – Legal letters

-During these financial periods multiple meetings were held with the Municipal Manager and Chief Financial Officer of the City of Matlosana.

-Subsequently a letter of demand from the legal advisors of Midvaal Water Company was sent to the City of Matlosana on 11 November 2020.

-A separate letter was also sent to the following :

- Minister Human Settlement, Water and Sanitation
- Premier North West Province
- MEC Finance North West Province
- MEC Corporate Governance, Human Settlement and Traditional affairs.

-No feedback was received from the above parties regarding the matter.



## 10.15 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY –BALANCE GROWTH

### Recovery Efforts – Debt Collection

- Following the unsuccessful nature of the payment arrangements, Midvaal Water Company appointed external debt collectors in July 2021.
- Multiple meetings are held between the municipality and the debt collectors to determine a way forward and to agree on a new arrangement which should service the old as well as current debts owed.
- This process has yet to be finalized or yield any significant results as the outstanding balance still increased in the second half of 2021.



## 10.16 DEBT OWED BY THE CITY OF MATLOSANA LOCAL MUNICIPALITY – CURRENT OUTSTANDING ACCOUNT AS AT 31 DECEMBER 2021

- The current outstanding balance for the City of Matlosana Local Municipality as at 31 December 2021 is **R 890 598 403**
- This includes interest on the outstanding balance to the amount of R 171 008 667

See below for summary for balance breakdown :

**TABLE : BALANCE BREAKDOWN**

Bulk Water	Laboratory Services	SLA Capital	Interest	Total
708 379 389	717 931	10 492 416	171 008 667	<b>890 598 403</b>
79.5%	0.08%	1.2%	19.2%	



## 11. RECOMMENDATIONS

It is recommended that:

- surplus water capacity from Midvaal Water Company (120 MI/d) be utilized to supplement unserved and under-served areas in identified municipalities in the North West Province;
- assistance with funding be made available to undertake expansion projects;
- expansion programmes for Maquassi Hills and JB Marks Local Municipalities be considered in line with District Development Model;
- address water shortages in the Dr Kenneth Kaunda, Ngaka Modiri Molema, Dr Ruth Segomotsi Mompati District Municipalities
- assistance with settling outstanding debt owed by the City of Matlosana Local Municipality

