

Tugela dam to supply Maphumulo and rural areas

BY HEIDI GIBSON

In three years time Umgeni Water has promised to provide this natural resource to almost all the households in Maphumulo.

Speaking at the presentation of the company's annual financial report, chief executive Mzimkhulu Msiwa said the state owned entity had signed a 20-year supply agreement with the Ilembe district municipality in July last year.

The rural district of Maphumulo is one of four municipalities that fall under the care of the Ilembe district municipality and about 61% of households in the area still get their water from the rivers.

In order to bring piped water to Maphumulo, the company is planning to build the Imvutshane Dam on the Tugela River in three phases. The project is called the Ngcebo regional bulk water supply scheme.

The agreement means that the company is now responsible for supply to most North Coast households including the running and maintenance of the Mvoti wastewater works that supplies the town of Stanger.

Indications are it is only a matter of time before Umgeni Water also takes over the area of Mandeni especially if multi-billion rand Ruwaad development planned for a rural area close by takes off.

In the not-to-distant future, Msiwa said the company is looking at building a dam on the Mvoti River that will be used to supply the upcoming Blythedale

development.

"We are working closely with the department of water affairs in this regard," he said.

The recent partnership between Umgeni Water and Ilembe translated into a 210% increase in the company's bulk water sales.

Chief financial officer Nica Gevers said there had been a major turnaround in the company's financial position in the last four years.

In 2004 Umgeni Water was operating at a huge loss whereas today the company enjoys a R393 million profit – which the company promises to plough back to the consumers.

Chairman of the board Nhlanhla Gasa said in fact the situation allowed the company – for the first time – to make a real contribution towards providing water to their rural consumers.

Gevers said the company's outlook for next year remained positive despite the difficult national economic climate.

While factors such as electricity price increase and escalating construction costs will add pressure to the organisation's cash flow, Umgeni Water will continue to manage these increases responsibly, she said.

