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MERAFONG CITY

LOCAL MUNICIPALITY

SPOKESPERSON OFFICE

**MEDIA STATEMENT
IMMEDIATE RELEASE
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RAND WATER AND MERAFONG CITY REACH AGREEMENT AS RAND WATER ACCEPTS THE MUNICIPALITY'S DEBT SETTLEMENT PROPOSAL.

Merafong City Local Municipality is pleased to announce the successful acceptance of a Debt Settlement Agreement (DSA) and Addendum with Rand Water, a milestone that solidifies the Municipality's turnaround efforts and restores confidence in Merafong's long-term water security and financial recovery.

The Agreement follows extensive engagements between Merafong City, Rand Water, the Gauteng Provincial Treasury, Gauteng SALGA and the Department of Cooperative Governance and Traditional Affairs (COGTA). Rand Water has formally accepted the Municipality's revised repayment proposal in its entirety, covering both the current account and historic debt.

As part of the agreement, Merafong commits to the following payments:

- R20 million towards the November 2025 invoice already paid
- R20 million towards the December 2025 invoice (to be paid in January 2026).
- All shortfalls on these invoices will be settled by 31 March 2026.
- From February 2026 onwards, the Municipality will pay all monthly invoices in full, restoring Rand Water's confidence in Merafong's payment performance.

In line with the Addendum, Merafong will implement a structured five-year repayment plan to settle its historic debt of R1.527 billion as of December 2025.

Key commitments include:

- Commencing repayment of capital and interest on 1 July 2026.
- Paying a minimum of R25 million to Rand Water upon each equitable share allocation (March, July, December).
- Annual reviews and potential increases in repayment amounts should the Municipality's financial position improve.

Rand Water is designing further debt-relief mechanisms, including the proposed Special Purpose Vehicle (SPV) model, to be presented in early 2026. These are dependent on full implementation of the DSA.

While the current 40% water restrictions remain in place, Rand Water has committed to deploying its technical teams to assist Merafong with high-lying areas where water is not reaching households adequately. This includes collaborative engineering interventions to stabilise pressure, improve reservoir recovery, and enhance the reliability of supply to vulnerable communities.

The Municipality will, in the coming days, provide a detailed public briefing explaining:

- How the new Debt Settlement Agreement will function operationally,
- What it means for water supply patterns,
- The expected stabilisation measures for different areas, and
- How the agreement protects essential services for residents.

This communication will ensure transparency and enable communities to understand both the benefits and the continued responsibilities tied to the DSA.

Merafong City views this agreement as a turning point in restoring uninterrupted bulk water service, rebuilding trust with stakeholders, and creating a financially sustainable municipality.

For Media Enquiries:

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