



## **BUSHMAN'S RIVER MOUTH / BOESMANSRIVERMOND**

Ratepayers' Association / Belastingbetalersvereniging Ward 3 / Wyk 3  
P.O.Box 50, Boesmansrivermond, 6190

8<sup>th</sup> February, 2008

The Municipal Manager  
Ndlambe Municipality  
P.O.Box 13,  
Port Alfred

### **Albany Coast Regional Water Scheme**

Dear Mr. Ngesi,

We agree that there is a dire need for a sustainable water supply to the community of Ndlambe but there are alternatives to the Bigen Africa Proposal. If we look at the fundamental parameters of cost and supply quantities in isolation and compare these objectively it becomes questionable as to the economic viability of the Bigen Africa proposal.

Basically we would be looking at a capital expenditure of R889m (at last count) up front to finance approximately 30 megalitres of water per day to urban nodes within Ndlambe. Most of that expenditure is spent on pipelines, pump stations and treatment works plus expropriation/registration of servitudes etc. The country as a whole has a water deficit as does Ndlambe. All water resources need to be conserved and correctly managed and allocated. This brings us to the alternative.

Bigen Africa in their presentation discounted reverse osmosis as too expensive. This is not necessarily the case because of certain factors and advantages that are unique to Ndlambe.

- 1) We have an infinite water supply in the sea
- 2) We have an open ended wind supply which is well above the norm in the country.
- 3) The sea acts as our pipeline and there is no need for construction.
- 4) No treatment works is needed as it is integral in the RO process.

If these parameters are taken and combined we have the following estimated costs.

- 1) 3 megalitre of RO plant capacity costs approximately R10m
- 2) Wind power generation costs approximately R10m per Megawatt.
- 3) Infrastructural and engineering costs would be approximately R10m.

This calculates to approximately R10m per megalitre. If we look at the Bigen Africa proposal it amounts to almost R30m per megalitre. In other words we could have the same supply for 1/3<sup>rd</sup> of the cost. This is independent of the financial costs. The Bigen Africa proposal requires almost all the money to be spent up front whereas the alternative could be phased. The money would not be going into pipelines etc but into water production at the places where it is needed. The lead time is only 18 months from time of inception and is therefore not a delay. Financial costs of R880m (Bigen Proposal) are approximately R 5.8m per month over 20 years at 10%. The alternative is phased and there is no up front expenditure in excess of R 60m. In addition to the interest saving the cost saving in capital alone would be R600m. If excess power was generated it could be sold back to ESCOM or retailed which would be more saving.

The saving would mean that Ndlambe could start with the next phases of infrastructure requirements which is sewerage reticulation. It would also allow for repair and maintenance of water reticulation infrastructure which is ageing and leads to 30 to 40% water loss in the system.

We believe that all of these matters should be taken into consideration by Ndlambe prior to a single monumental water scheme. We hope that our comments have been constructive and will have some merit for discussion with your technical staff.

Yours faithfully,

Johann Smuts

Chairman Bushman's River Ratepayers Association

Committee: Johann Smuts (Chairman), Charles Sprong (Vice Chairman), Wendy Grove (Secretary), Charles Sprong (Treasurer), Schalk Kotze, R Phol., W Northrop, A.Vosloo, M.Mullins, Trevor Franklin, Ian Smith