

Status of the Mooi-Mgeni Transfer Scheme Project – 2 (Spring Grove Dam Project)



Public Newsletter 1: October 2009

Purpose of this newsletter

The implementation of the Mooi-Mgeni Transfer Scheme Phase 2 (MMTS-2) has had a long lead in period. Even now there are still delays affecting the start of construction and it is understandable that people interested and affected by the project are frustrated by the lack of information and communication.

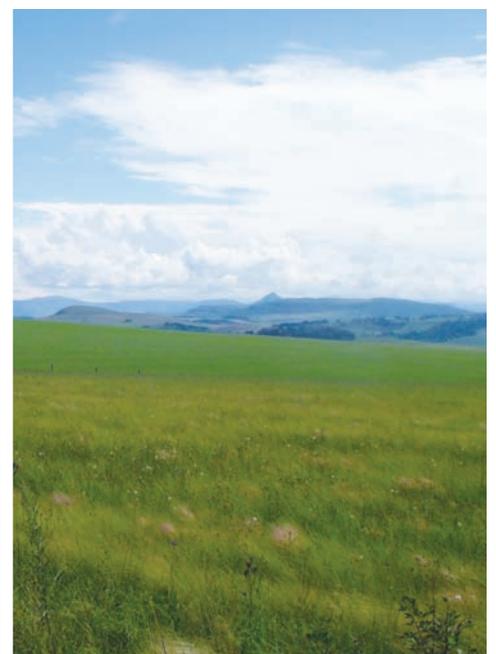
The purpose of this newsletter is to provide background as well as the latest news on progress with the start of construction and land acquisition.

Background to the project

The existing phase 1 of the MMTS (MMTS-1) consists of the Mearns Weir situated at the confluence of the Mooi and Little Mooi Rivers, downstream of the proposed Spring Grove Dam. From there water is pumped through a pipeline to the outfall at the Mpofana River from where the water flows to Midmar Dam on the Mgeni River. This scheme was completed in 2003.

In 2000, the Department of Water Affairs (DWA) together with Umgeni Water commissioned a feasibility study for a phase 2 of the Mooi-Mgeni Scheme. This study recommended the construction of Spring Grove Dam on the Mooi River close to Rosetta with a water transfer scheme (i.e. a pump station and pipeline to the Mpofana River). The environmental, social and economic studies were undertaken and supported by subsequent EIA processes, which went through a number of phases. The EIA started in 1999 and was concluded in January 2009 with the submission of the final environmental impact report (EIR) to the national and provincial environmental authorities.

In November 2007, the Trans-Caledon Tunnel Authority (TCTA) received a directive from the Minister of Water Affairs to fund and implement the MMTS-2 through the private sector. TCTA is a statutory body established under the National Water Act originally; to finance and construct the South African part of the Lesotho Highlands Water Project. Since then, TCTA has funded and implemented the Berg River Dam in Franschhoek, Western Cape and the Vaal River Eastern Subsystem Augmentation Project (VRESAP), a pipeline project in Mpumalanga.



The organisations involved

TCTA is the implementing agent of MMTS-2 on behalf of DWA. From early in 2010 TCTA will have permanent personnel in the project area; represented by the project engineer on technical matters and the environmental manager on environmental and social aspects, including liaison with landowners.

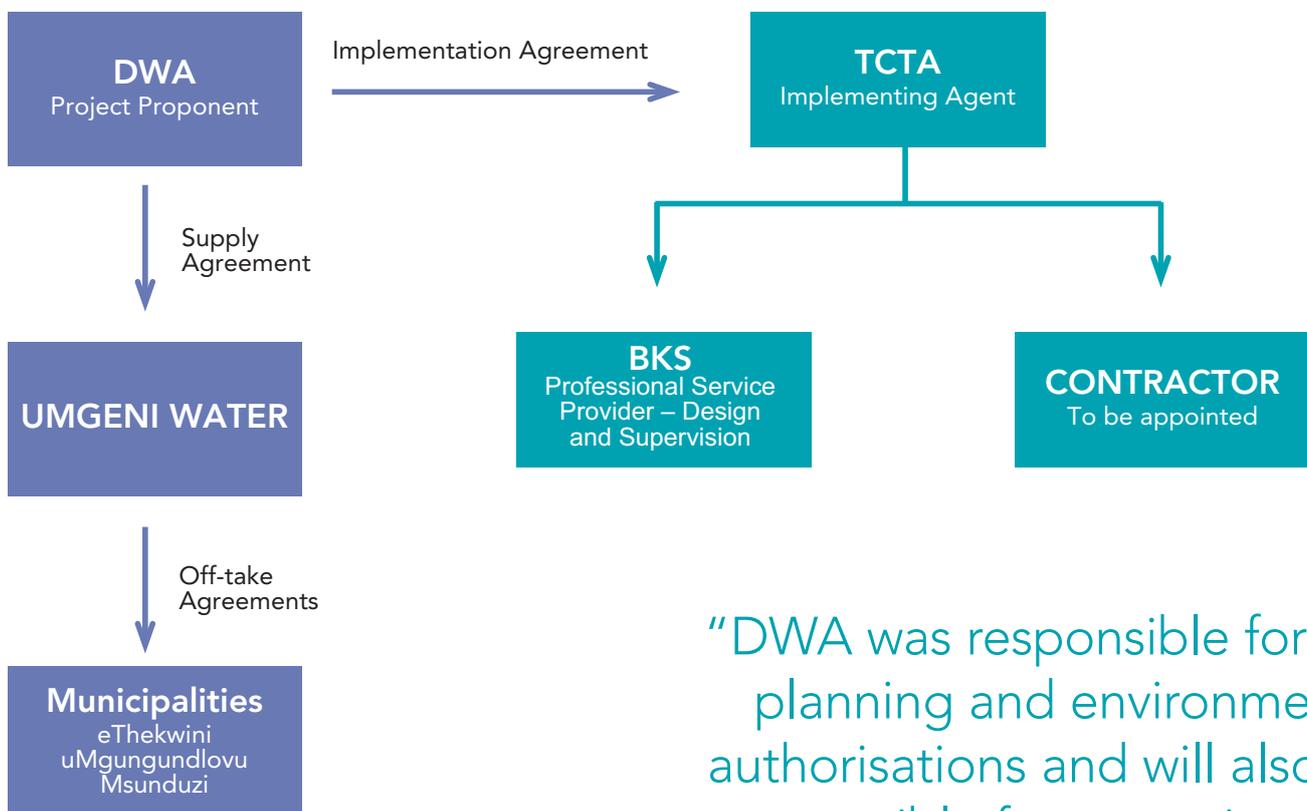
The Department of Water Affairs (DWA) is the MMTS-2 project proponent. DWA was responsible for the planning and environmental authorisations of the project and will also be responsible for operation and maintenance after completion.

Umgeni Water will be the bulk water supplier for treatment and distribution to its customers, the municipalities, who will be paying for the project through the water tariff.

Municipalities are paying for the project as they will buy treated water from Umgeni Water and sell it to their consumers.

BKS (Pty) Limited was appointed as TCTA's professional service provider to design the works and supervise construction. BKS will be based on site for the duration of construction.

MMTS-2 Proposed Institutional Arrangement



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Status of EIA process

The Record of Decision (RoD) was issued by the Department of Environmental Affairs on 15 June 2009. This authorised construction of project activities, subject to specific conditions.

Subsequently, two appeals against the RoD were lodged, one by the Mooi River Farmers Association (in respect of Spring Grove Dam) and another by the Mziki Homeowners Association (in respect of the pipeline route between Spring Grove Dam and existing Mearns pipeline).

The DWA as the project proponent will be responding to appeals, which will be distributed to the appellants.

An appeals review and adjudication process will be undertaken at the national ministerial level.

It is uncertain at this stage what the duration of the appeals response and adjudication process will be.

Land acquisition

TCTA has initiated preparatory work with regard to geotechnical investigations, a social baseline survey (for the Relocation Action Plan (RAP)) and aerial photography. Geotechnical and geophysical investigations in the Spring Grove Dam basin area are complete. The purchase line of the dam has been established and will be marked out by a surveyor to show landowners the minimum extent of land to be acquired. The pegging is scheduled to start in October 2009 and landowners will be contacted to arrange access to their properties.

Soon after the purchase line has been pegged, the valuers appointed by TCTA will visit impacted properties affected by the construction of the Spring Grove Dam only. It is foreseen that this process will take place during November 2009.

Further, TCTA will prepare notices under the Promotion of Administrative Justice Act (PAJA) which will be sent to affected landowners. The notice will contain a map which will indicate the minimum extent

of the area to be acquired. Landowners will be able to comment and make representations on the proposed land acquisition.

Once the PAJA notices have been distributed and replies considered, the land valuation and acquisition process will proceed.

Once ownership of the required land vest in TCTA, construction can start (obviously depending on the outcome of the appeals process). This process will be phased. Properties close to the dam wall and borrow areas will be acquired and compensated first. Owners of properties in the backwaters of the inundated dam area may be acquired later or the owner may be allowed to keep possession until the land is inundated. TCTA is prepared to be flexible in this regard to suit landowner needs.

TCTA is formulating a RAP that will define relocation principles for those people who have to relocate as a result of the dam.



Communication

TCTA has appointed an environmental manager: Ms Kogi Govender who is presently based at TCTA's offices in Centurion but will relocate to site in 2010. She is responsible for liaison with local residents and other interested parties and her contact details are: 012 683 1328 and kgovender@tcta.co.za.

TCTA will keep you informed of developments by further newsletters from time to time. These will be distributed by various means, mainly by email and, placing copies at central points and or delivery by hand.

Indicative project programme – subject to successful resolution of appeals

Sequence of actions

Timeline

Pegging/marking out of purchase line (Spring Grove Dam)	October 2009
Individual property site inspections by valuers	November 2009 – February 2010
Appeals response and adjudication	Uncertain
Issuing of expropriation notices (depending on successful resolution of appeals)	Uncertain
Start of construction of Spring Grove Dam (depending on the successful resolution of appeals)	Mid-2010

