

UMGENI WATER: AN ORGANISATION OF STRATEGIC IMPORTANCE



Umgeni Water is a state-owned business enterprise, established in 1974 to supply potable water in bulk to municipalities within its operational area. The primary function of Umgeni Water - to treat raw water and distribute it in a drinkable form through its infrastructure - has been legislated under the Water Services Act of 1956, which was subsequently amended in 1997. Umgeni Water has six municipal customers: eThekweni and Msunduzi Metropolitan Municipalities; and Ugu, Ilembe, Sisonke and uMgungundlovu District Municipalities.

In the Financial Year 2007 - 2008 the municipal customers of Umgeni Water collectively purchased 403 million kilolitres of treated water. The water supplied ultimately reached an estimated 4,8 million consumers.

The infrastructure Umgeni Water owns comprises:

- *About 514 kilometres of pipelines*
- *Three dams*
- *Nine water works*
- *Two wastewater works*
- *Administration buildings: Head Office in Pietermaritzburg and Regional Offices in Mkondeni (Pietermaritzburg); Pineside (Durban) and Umhlali (North Coast)*
- *Water treatment plants: Midmar (Howick); DV Harris (Pietermaritzburg) and Durban (Durban Heights; Wiggins; Amanzimtoti and Hazelmere)*

The total asset value of Umgeni Water has been estimated at R2,237 billion.

The organisation also operates and manages, on a contract basis, the following infrastructure:

- *Seven dams (five on behalf of the Department of Water and Environmental Affairs and two on behalf of Ugu DM)*
- *Two water works (on behalf of Ugu DM)*
- *One wastewater works (on behalf of uMgungundlovu DM)*

The core business of Umgeni Water requires that it has access to well maintained and efficient infrastructure that is able to guarantee security of supply.

The year 2007 ushered in a new era for Umgeni Water under the leadership of Chief Executive Mzimkulu Msiwa. The organisation also began the acceleration of its infrastructure programme. The infrastructure (Capital Expenditure) programme is aimed at enhancing security of potable water supply and assisting municipalities meet the targets for the elimination of water and sanitation backlogs within their areas of jurisdiction. Almost 34% of the estimated 2 433 169 households in KwaZulu-Natal have access to safe drinking water that is below RDP



standards, while 30% of households have inadequate or poor sanitation. Umgeni Water is confident that the infrastructure it plans to provide will enhance water and sanitation services in some backlog areas, thereby improving the quality of life of thousands of people.

Umgeni Water has been acknowledged for its contribution to socio-economic development in KwaZulu-Natal. It has won the Golden Arrow Award in three consecutive years - 2006, 2007 and 2008 - for its contribution to the economy of the Province of KwaZulu-Natal. Under the leadership of the Chief Executive, Umgeni Water has also begun to consolidate its position as a partner of local government.

Present-day Umgeni Water is a far cry from the Umgeni Water of the past. In every sense of the word, its beginnings had been small. Established with a staff of five, Umgeni Water was then one of the smallest water boards in South Africa, serving an operational area of about 2 350 square kilometres. It is currently the largest bulk water supplier in KwaZulu-Natal and the second-largest organisation of its kind in South Africa.

Umgeni Water covers an operational area of 21 555 square kilometres in the Province of KwaZulu-Natal. It has in its employ a total staff complement of 820, including engineers

and scientists. The Chief Executive, as the Accounting Officer, guides the day to day activities of the organisation. It has an Executive Committee comprising the Chief Executive and four General Managers, who head up the Engineering and Scientific Services, Operations, Finance and Corporate Services divisions. There are 37 Senior Managers who also contribute to the day to day management of the organisation. A non-executive Board, whose members are appointed by the Minister of Water and Environmental Affairs, is the Accounting Authority of Umgeni Water.

As a state-owned business enterprise, Umgeni Water reports directly to the Department of Water and Environmental Affairs, through the Chairman of the Board. The Department of Water and Environmental Affairs, as an agency of Government, is the sole shareholder of Umgeni Water. The Department is also the Regulator of the business activities of Umgeni Water.

Umgeni Water conducts its core functions - the abstraction, treatment and supply of potable water in bulk - in terms of a mandate under the Water Services Act. In addition to the Water Services Act, the organisation operates within the framework of the National Water Act 36 of 1998, Public Finance Management Act and Public Audit Act.



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