

# Organisational Profile

## Overview

Umgeni Water was established in June 1974 to supply bulk treated water to municipalities in its designated operational area. Over the years the organisation has grown into the largest bulk water supplier in KwaZulu-Natal and has a supply area, shown in **Figure 1**, of 21,155 square kilometres. The gazetted area is bounded by the uThukela River in the North, the Mtamvuna River in the South, the Indian Ocean in the East and the Drakensberg Mountains in the West.

The organisation derives its revenue from the sale of bulk potable water to its customers, comprising six (6) municipalities in KwaZulu-Natal, namely:

- eThekweni Metropolitan Municipality,
- iLembe District Municipality,
- Sisonke District Municipality,
- uMgungundlovu District Municipality,
- Ugu District Municipality, and
- Msunduzi Local Municipality.

A total of 426 million cubic metres of potable water per annum is currently supplied to customers.

Umgeni Water is dependent on reliable infrastructure to provide assurance of supply to its customers and the infrastructure assets that it owns, or manages comprise:

- Approximately 632 km of pipelines and 118 km of tunnels,
- Twelve (12) dams,
- Twelve (12) water treatment works, and
- Five (5) wastewater treatment works.

These assets include:

- Five (5) dams managed on behalf of the Department of Water Affairs,
- Two (2) dams managed on behalf of Ugu District Municipality,
- Two (2) water treatment works managed on behalf of Ugu District Municipality, and
- One (1) wastewater treatment works managed on behalf of Umgungundlovu District Municipality.

A further eighteen (18) water treatment works, seven (7) off-site reservoirs, nineteen (19) boreholes and one (1) water supply scheme, are managed on behalf of the iLembe District Municipality.

Umgeni Water works in accordance with the Water Services Act (Act 108 of 1997) and the Public Finance Management Act (Act 1 of 1999), amongst others, and its Executive Authority is the Minister of Water and Environmental Affairs.

## Organisational Structure

The organisational structure with subsidiaries is shown in **Figure 2**.

The business structure comprises five (5) core divisions. The organisation also has two (2) subsidiaries in which it has 100% shareholding, Umgeni Water Services (Pty) Ltd and Msinsi Holdings (Pty) Ltd.

The total number of employees, as at 30 June 2010, was 963 for the Umgeni Water Group.

## Stakeholder Management

Umgeni Water is a key strategic entity of government and its primary activities and services underpin social and economic development within its supply area. Due to the nature of its business, the organisation has significant and diverse stakeholders with whom it engages on a scheduled and voluntary basis.

Stakeholder interactions are undertaken in the main by the Board (Accounting Authority), by the Chief Executive (Accounting Officer), and by the organisation's executive and senior management. In the period under review, key stakeholder interaction included engagement with the following:

- The Minister of Water and Environmental Affairs (Executive Authority),
- The Department of Water Affairs,
- The Parliamentary Portfolio Committee on Water and Environmental Affairs,
- Municipal customers and their political principals, and
- The National Treasury.

The nature and frequency of discussions with these statutory stakeholders are determined by performance agreements signed between the Board of Umgeni Water and the Executive Authority (Shareholder's Compact), and the Chief Executive of Umgeni Water and municipal customers (Bulk Supply Agreements), as well as by the legislation that governs Umgeni Water.

## Organisational Profile continued

The agreements pertain to Umgeni Water's delivery, in the areas of its business plan performance, and the stakeholder meetings serve the purpose of monitoring such performance.

Strategic organisational documents include the Five Year Business Plan, the Annual Report and Quarterly Reports, which were all timeously submitted to the Department of Water Affairs and other key stakeholders in the year.

Umgeni Water also interacted, on separate occasions, with:

- **The KwaZulu-Natal Provincial Government,**
- **Water utilities in KwaZulu-Natal (uThukela Water and Mhlathuze Water), and in South Africa,**
- **Organised labour and employees,**
- **Investors and organised business and**
- **Civil society, including community-based and non-governmental organisations and the media, amongst others.**

These engagements were indispensable to Umgeni Water for engaging and receiving feedback from key sectors as well as grassroots constituencies within its area of operation.

Examples of performance with stakeholder engagement plans may be found throughout this annual report.

Figure 2: Organisational Structure

