In an address at a Strategic Planning Workshop of the Department of Water Affairs and Forestry on 29th January 2007, the Executive Authority, represented by the Minister of DWAF, Mrs Lindiwe Hendricks, effectively set the agenda for shareholder and water institutions to transact on. This agenda contains two critical challenges for water boards:

- The alignment of their core function of bulk water and bulk sanitation provision and other strategic activities to the programmes of DWAF
- The provision of capacity and infrastructure to enable municipalities to meet the targets set for the elimination of water and sanitation backlogs.

In the period under review, numerous workshops were held for the Board, Executive Management and Senior Managers to review organisational strategies developed to provide solutions to inadequate access to potable water, and the absence of proper sanitation in many communities within the Umgeni Water operational area. In undertaking this exercise, we had to also ensure that Umgeni Water continued to add value and remained relevant to the mandate of its regulator, the Department of Water Affairs and Forestry, and to the Accelerated Shared Growth Initiative for South Africa (AsgiSA) and the Extended Public Works Programme (EPWP), both of which are strategic initiatives aimed at promoting economic growth and alleviating poverty through job creation.

As part of our endeavours to empower communities economically, an amount of R16.8 million was spent on local labour in three initiatives – household sanitation, school water and sanitation and the South Coast Pipeline Project.

This Annual Sustainability Report, for the Financial Year July 2006 – June 2007 and aptly titled Growth, Development & Sustainability, provides a comprehensive account of the activities of Umgeni Water, from strategic and operational perspectives. These activities, encompassing the provision of bulk potable water and bulk sanitation, have had the effect of supporting municipal service delivery and also contributing to the upliftment of the quality of life of many communities.
This translates into the creation of about 1,840 direct and indirect employment opportunities. The South Coast Pipeline is just one example of strategic infrastructure investment made by Umgeni Water to enhance assurance of supply and provide infrastructure that will allow new connections to be made in backlog areas. In the next 12 months six major pipeline projects will be implemented. The projects are aimed at enhancing sustainability of supply, raising the level of access to treated water and supporting some of the identified economic growth nodes in KwaZulu-Natal.

That water is an intrinsic part of development is unmistakable; but it is also a quintessential public service, entrenched in our country as a constitutional right. In this context, Umgeni Water has also been an enabler of this fundamental human right, and will continue to play a pivotal role in ensuring that its customers have a reliable and sustainable supply of potable water so that end users are able to receive treated drinking water, now and well into the future.

Here are some key areas that have been of strategic importance to the Board in the year under review.

The Operating Environment

The tempo for delivery was set by our President, Mr Thabo Mbeki, in his State of the Nation Address, and emphasised again by the Minister of Water Affairs and Forestry, Mrs Lindiwe Hendricks, and later by the Premier of our province, Mr S’bu Ndebele. The underlying message that emerged was the urgency for delivery of water and sanitation services to meet the targets of the United Nations (Millennium Development Goals) and those of the national government of South Africa.

Clearly, the pressure is on for a speedy delivery of basic services. Water institutions and water boards have a crucial role to play by providing capacity and infrastructure for municipalities to accelerate the roll-out of services.

In the same vein, our government has also prioritised the need to eradicate the bucket system in formal housing settlements, and water and sanitation backlogs at clinics and schools. Umgeni Water has been placed in a state of readiness to tackle this task, and has already achieved good results with some programmes conducted in conjunction with the iLembe and uMgungundlovu District Municipalities, and the provincial Department of Education. School and household projects implemented by Umgeni Water have had a strong gender mainstreaming strategy, in alignment with the Minister’s external flagship goals of women empowerment, creation of opportunities for small and medium businesses and skills transfer.

The Board of Umgeni Water welcomes the opportunities provided to comment on proposed changes in legislation, and values this as an important part of our cordial relationship with the Department of Water Affairs and Forestry.
Stakeholder Interaction

In the year under review, members of the Board attended and participated in at least four high-level engagements with external stakeholders, in addition to interaction with leaders at national, provincial and municipal government levels.

Some of the stakeholder engagements that were attended by the Board were:
- A Strategic Planning Workshop convened by the Minister of DWAF
- Presentation of Umgeni Water’s Annual Sustainability Report and Financial Statements to the Water Affairs and Forestry Portfolio Committee
- The Budget Vote presentation of the Minister of DWAF
- The World Economic Forum summit in Cape Town.

The stakeholder engagements were extremely useful to the Board, in that they crystallised government thinking on service delivery challenges and the need for state-owned enterprises to closer align their policies and planned activities to national and provincial development strategies.

How we have performed as the Board

Five general Board meetings and 15 meetings of the three committees – the Audit and Risk Committee, the Remuneration Committee, and Procurement, Fixed Assets & Capital Projects Committee – were held. The meetings were well attended and dealt with numerous policy-related and strategic issues.

There was a high level of participation by all Board members and their input reinforced the strategic nature of the Board’s deliberations and decisions.

The dissolving of the legal and chairs committee and the incorporation of their functions into three key committees has worked well and is producing the desired results. However, we cannot be complacent; therefore, ongoing evaluation of the structures of the Board is conducted to ensure that the Board and its committees continue to operate at optimum and as a streamlined unit.

There have been no compromises on the Board’s adherence to corporate governance in relation to internal policies and external imperatives, including the Public Finance Management Act and King II. Similarly, the Board has ensured strict compliance with stipulations of the Water Services Act and National Water Act that relate to Umgeni Water.

I extend my deep appreciation to members of the Board and Secretariat for their valuable input and encourage them to continue to be active partners in the future of Umgeni Water.

Outlook into the year ahead

As the target dates approach for the elimination of backlogs in water (2008) and sanitation (2010), Umgeni Water has positioned itself for partnerships with Local Government and Water Service Authorities to accelerate the provision of water and sanitation services. The strategy to drive Umgeni Water’s implementation programme is resident in the Umgeni Water Regional Bulk Water Supply Plan, devised to respond to the government’s and municipalities’ need to eliminate the backlogs and support local economic development. With good strides having been made at schools, Umgeni Water has also accepted that it has a role in assisting to eliminate water and sanitation backlogs at provincial government clinics. To this end, the organisation is to open discussions with the Department of Health on the provision of these services. While the future looks bright, it is also likely to hold some challenges. As the Board, we will engage key stakeholders in successfully dealing with these challenges.

N. Gasa
Chairman
Board of Umgeni Water
BOARDS MEMBERS

Nhlaphi Gasa is Chairperson of the Board and was appointed to the Umgeni Water Board in July 2005 for a second term of office. Mr. Gasa holds a Master of Commerce, Bachelor of Administration (Honours) degree and a National Diploma in Physiotherapy. Mr. Gasa is the founder and Managing Member of Gasa & Associates CC, a Human Resources and Management Consultancy, and is the Chairman of both Digicore Holdings Board and of the Provincial Advisory Board of Absa; he also serves on the National Small Business Advisory Council (NSBAC).

Humphrey Buthelezi was appointed to the Umgeni Water Board for a first term of office in July 2005 and is a member of the Procurement, Fixed Assets and Capital Projects Committee. Mr. Buthelezi is a Chartered Accountant. Mr. Buthelezi is an Executive Chairman of Wozani Berg Gasoline (Pty) Ltd., and an independent non-executive director of AVI Limited, where he chairs its Audit Committee. Mr. Buthelezi serves as a Trustee of the AVI BEE Staff Scheme and served as an independent member of the audit committees of the Competition Commission and the Tribunal until 8 June 2007. Mr. Buthelezi currently serves as an independent audit committee member of the Safety and Security SETA (“SASSETA”).

Vasu Gounden is the Deputy Chairperson of the Board and was re-appointed to the Umgeni Water Board in July 2005 for a second term of office. Mr. Gounden is a member of the Audit and Risk Committee. Mr. Gounden holds a Master of Law degree (LLM) from Georgetown University and is a graduate of the Harvard/Wits Business School Senior Executive Programme. Mr. Gounden is the Founder and Executive Director of the African Centre for Constructive Resolution of Disputes (ACCORD). In September 2003 Mr. Gounden was the first member of an African NGO in the history of the United Nations Security Council to address the Council. Mr. Gounden serves on the Boards of the International Centre for Eyecare Education; the Gandhi Development Trust and the Finnish-based Crisis Management Initiative. He is also a member of the International Advisory Board of the International Negotiation Journal, and of the editorial board of the Peace and Conflict Studies Journal. Mr. Gounden has been elected by the World Economic Forum as one of their Global Leaders for Tomorrow (GLT).

Nhlanhla Gasa is Chairperson of the Board and was appointed to the Umgeni Water Board in July 2005 for a second term of office. Mr. Gasa holds a Master of Commerce, Bachelor of Administration (Honours) degree and a National Diploma in Physiotherapy. Mr. Gasa is the founder and Managing Member of Gasa & Associates CC, a Human Resources and Management Consultancy, and is the Chairman of both Digicore Holdings Board and of the Provincial Advisory Board of Absa; he also serves on the National Small Business Advisory Council (NSBAC).

Nombuso Afolayan was appointed to the Umgeni Water Board for a first term of office in July 2005 and is the Chairperson of the Audit and Risk Committee. Ms. Afolayan has a Masters degree in Business Administration, Executive Leadership, Cost & Management Accounting, a Bachelor of Technology degree in Management and is an Organizational Development Practitioner. Ms. Afolayan is the Business Development Executive at Petroleum Products Vopak Terminal Durban (Pty) Ltd. She also serves on the Natal Sharks Board as Deputy Chairperson and on the Board of the Durban Chamber of Commerce.

Jocelyn Armstrong was appointed to the Umgeni Water Board for a first term of office in July 2005 and is a member of the Audit and Risk Committee. Ms. Armstrong is a Chartered Accountant with a Masters degree in Business Administration. Ms. Armstrong is an Executive Director of Daylite Capital and acting Chairperson for Johannesburg Water. She is also an independent member of the Audit Committee for both the Competition Commission and the Competition Tribunal.

Neil Macleod was appointed for a first term to the Umgeni Water Board in July 2005 and is a member of the Procurement, Fixed Assets and Capital Projects Committee, and Remuneration Committee. Mr. Macleod holds a Bachelor of Science degree in Engineering, with a Masters degree in Business Administration. Mr. Macleod is the Head of Water and Sanitation at eThekwini Municipality.

Nhlanhla Dlamini was appointed to the Umgeni Water Board for a first term of office in July 2005 and is a member of the Remuneration Committee and Audit and Risk Committee. He holds a National Diploma in Public Health and a Diploma in Advanced Management. Mr. Dlamini is an entrepreneur with business interests in Port Shepstone, Durban and Pietermaritzburg.

Sidumo Dlamini was appointed for a third term of office in July 2005 and is a member of the Remuneration Committee. He holds a Diploma in General Nursing, Arts and Science and a Diploma in Midwifery. Mr. Dlamini is a Chief Professional Nurse at Prince Mshiyeni Hospital and has vast experience in labour matters, which he acquired as an official of COSATU. He is Vice-chairperson of Labour at the Public Health and Social Development Sectoral Bargaining Council and COSATU 1st Deputy President.

Nhlanhla Dlamini was appointed to the Umgeni Water Board for a first term of office in July 2005 and is a member of the Remuneration Committee and Audit and Risk Committee. He holds a National Diploma in Public Health and a Diploma in Advanced Management. Mr. Dlamini is an entrepreneur with business interests in Port Shepstone, Durban and Pietermaritzburg.
Zakes John Dube was appointed for a first term of office in July 2005 and is a member of the Audit and Risk Committee and Procurement, Fixed Assets and Capital Projects Committee. He holds a Bachelor of Commerce degree and a Master of Business Administration degree, and is a graduate of the Harvard/Wits Business School Senior Executive Programme. He is the Regional General Manager of the South African Broadcasting Corporation in KwaZulu-Natal.

Mina Lesoma was appointed for a second term of office in July 2005 and is the Chairperson of the Remuneration Committee. Ms Lesoma holds Diplomas in Public Relations, Local Government Management and Business Management. Ms Lesoma is the Deputy Head of Customer Services at the eThekwini Municipality. She is the Chairperson of the KZN Playhouse Company, serves as an executive member of Durban Metro and is also a member of KZN Provincial Housing Advisory Committee (HAC).

Rosalie Manning was appointed for a first term to the Umgeni Water Board in July 2005. Ms Manning is a member of the Remuneration Committee. Ms Manning has a Bachelor degree in Law. Ms Manning is the owner of WORK AT IT and is an independent consultant on matters relating to law, labour, marketing and strategy. Ms Manning serves as a Director on various Boards, including Africa Heritage Investments, Trust Corporate Council, Sallister Diesal, Africa Heritage Corporate Solutions, CADE, Sizani Engineering, AL Motori and Fervid Services Africa.

Busisani Mathebula was appointed for a first term to the Umgeni Water Board in July 2005 and is a member of the Procurement, Fixed Assets and Capital Projects Committee and Chairs Committee. Mr Mathebula holds a Bachelor of Administration degree, a Diploma in Project Management, and a Certificate in Local Government Administration and Management. Mr. Mathebula is the Chief Community Facilitation Officer for the City of Umhlathuze Local Municipality.

Ndumi Medupe was appointed for a first term to the Umgeni Water Board in July 2005 and is a member of the Audit and Risk Committee. Ms Medupe is a Chartered Accountant. Ms Medupe is a founder and partner of Xabiso Chartered Accountants and also serves as a Remuneration Committee member of City Lodge.

Thokozile Shezi was appointed for a first term to the Umgeni Water Board in July 2005 and is a member of the Procurement, Fixed Assets and Capital Projects Committee and Remuneration Committee. Ms Shezi holds a Bachelor of Science in Social Psychology and Education, together with a Masters degree in Measurement and Evaluation. Ms Shezi is a Senior Manager in the KwaZulu-Natal Department of Agriculture and Environmental Affairs.

Josias de Kock was re-appointed for a second term to the Umgeni Water Board in July 2005 as an independent treasury specialist who may be called upon as and when needed. Mr De Kock is a Chartered Accountant.

Mzimkulu Msiwa was acting Chief Executive for the first three months of the financial year and has since been appointed as Chief Executive of Umgeni Water in September 2006. Mr Msiwa is a civil engineer who holds a Bachelor of Science (Civil Engineering) degree, and a Masters degree in Business Leadership. Mr Msiwa’s experience spans more than 30 years, most of which have been in managerial positions. Mr Msiwa has developed and instituted dynamic working strategies throughout his professional life.

Marlene Hilton was appointed as Company Secretary on 1st July 2007. Ms Hilton has a Baccalareus Procurationsis, a post-graduate qualification in taxation, and is currently studying towards a Masters degree in Maritime Law.