

Performance Scorecards for 2009/2010

Creating Value for Customers

Strategic Objective	Outcome	Performance Indicator	2009/2010 Target	2009/2010 Performance/Output
<i>Exceed Customer Expectations</i>	Product Quality	The extent to which there is compliance with water quantity, water quality and pressure requirements as per customer agreements.	Maintained compliance as per agreements.	<p>Complied with physical, chemical and microbiological requirements of SANS 241 standard. Achieved 99.93% compliance. This is rated as Excellent with respect to national classification (page 34).</p> <p>Achieved blue drop certification. (page 35)</p> <p>Achieved 80.6% compliance with wastewater quality (page 36).</p> <p>Green drop status was assessed and intervention plan developed. (page 36)</p>
	Operational Resiliency	The percentage customers with signed agreements.	Signed agreements with all customers.	Five out of six customer bulk water supply agreements are in place. Met customer water demands and provided a total of 426 million cubic metres of potable water for the year.
	Operational Optimisation			Complied with requirements of customer bulk supply agreements, with no major supply concerns. (page 37)
	Customer Satisfaction			<p>Achieved and met host city (eThekweni Metro) 2010 water services requirements, whilst resilient planning and management of major shutdown strengthened customer relations. (page 38)</p> <p>Supported customers with water quality, monitoring, laboratory testing and training, operator training. (page 83-84)</p>
<i>Growth / Increase Customer Base</i>	Infrastructure Stability	The extent of spend of projected CAPEX.	Projected CAPEX Expenditure on infrastructure: R 655.2 mil.	<p>Actual: R334 million (pages 39-43; 48-51)</p> <p>Progress with rural infrastructure development:</p> <ul style="list-style-type: none"> ■ The Ngcebo BWS project was completed. ■ The Maphumulo BWS detailed design was completed and construction is starting. ■ The Mhlabatshane BWS detailed design was completed and project is in tender. ■ The Maphethwa Water Treatment Works upgrade design was complete and construction is starting. ■ The Richmond Pipeline detailed design is 95% complete. ■ The Ozwathini – Sikoto dam water supply has progressed from feasibility to design. ■ The Ndwedwe reservoirs 1&2 tendering is complete and construction is starting. <p>Progress with growth and expansion projects:</p> <ul style="list-style-type: none"> ■ The Avondale to Honolulu pipeline was constructed. ■ The DV Harris to World's View Pipeline ('61) was constructed. ■ The Pipeline ('57) to supply Thekwini MM Western Aqueduct (Umlaas Rd to Cato Ridge) is 75% complete.

Creating Value for Customers continued

Strategic Objective	Outcome	Performance Indicator	2009/2010 Target	2009/2010 Performance/Output
				<p>Asset upgrade and refurbishment: Progress included:</p> <ul style="list-style-type: none"> ■ The Durban Heights Booster pump station was constructed, ■ The planning and design of the Midmar Water Treatment Works and Hazelmere Water Treatment Works is in progress to coincide with the respective dam developments. ■ Existing water supply infrastructure assets were maintained as per annual plan, with R113m spent.
<i>Manage Stakeholder Relations</i>	Stakeholder Understanding and Support	The extent to which positive feedback on performance has been received from stakeholders	Maintained Positive feedback from stakeholders	<p>Timely completion of statutory deliverables as per Water Services Act and PFMA: (pages 6, 10-17 & 44-45)</p> <ul style="list-style-type: none"> ■ Strategy and Business Plan, ■ Quarterly Reports, ■ Treasury submissions, and ■ Annual Reports <p>Alignment of these deliverables to the strategic priorities of government, resulted in receipt of positive feedback during formal appraisal sessions, stakeholder road shows, and other pertinent ministerial briefings.</p> <p>Investor confidence in Umgeni Water is high, as evidenced by a 2.6 times oversubscription to Umgeni Water UG21 Bond, positive feedback on results presented during investor road shows, and international investor interests in Umgeni Water.</p> <p>Sound relations with employees and organised labour, evidenced by communication and feedback on performance, staff engagement, no labour unrest or disruptions despite country wide strikes. (pages 44-45 & 78-80)</p> <p>Confidence boosted with community and civil society in general, through collaboration, notably during construction which were undertaken in an environmental and socially responsible manner, through job creation and contractor development opportunities and through progress made with rural development programme, and through research collaboration, amongst others. (pages 44-45, 48-51, 67, 74-75)</p>

Creating Value for Communities

Strategic Objective	Outcome	Performance Indicator	2009/2010 Target	2009/2010 Performance/Output
<i>Contribute to National Development Agenda & Reduction of Backlogs</i>	Community and Environmental Sustainability	The extent of contribution to sustainable water and sanitation, educational facilities, skills development and job creation and BBBEE.	Rural development	<p>Significant performance with rural infrastructure development programme. All infrastructure designed to provide 60 litres of water per person per day, to both enable water backlogs reduction and sustainable livelihoods: (pages 48-51)</p> <ul style="list-style-type: none"> ▪ The Ngcebo Bulk Water Supply, comprising Ngcebo Water Treatment Works, reservoir and pipeline were constructed to serve 16,656 people in rural areas of Maphumulo, in iLembe DM, at a cost of R35 million. ▪ The Maphumulo Bulk Water Scheme 1st phase of Water Treatment Works and pipelines construction is starting. Will serve 149,756 people in rural areas in iLembe DM, at a projected cost of R255 million. Together with Ngcebo will significantly reduce the 61% water backlog in Maphumulo LM. ▪ The Mhlabatshane Bulk Water Scheme construction is starting. Will serve 100,962 people in ten formally tribal areas in Ugu DM and Mzumbe LM, at a projected cost of R155 million. ▪ The Ozwathini Bulk Water Supply Scheme design is starting. Has capacity to serve 80,000 rural people in the uMgungundlovu DM and iLembe DM, at a projected cost of R148 million. ▪ Richmond Bulk Water Supply Pipeline design is almost complete. Will serve 98,000 people at a projected cost of R121 million, and reduce water backlogs in Richmond LM. ▪ Maphephethwa Water treatment works Upgrade, construction is starting. Will serve 35,000 people in the rural Inanda area in eThekweni MM, at a projected cost of R36 million. ▪ Upgrades of Ndwedwe Reservoirs 1 & 2 in construction at a projected cost of R16 million and will ensure sufficiency in storage capacity to serve the growing demands in rural areas of Ndwedwe, in iLembe DM & eThekweni MM,
		The extent of support provided to provincial Department of Education and municipalities for school and household sanitation projects.	Support to municipalities	

Creating Value for Communities continued

Strategic Objective	Outcome	Performance Indicator	2009/2010 Target	2009/2010 Performance/Output
<i>Contribute to National Development Agenda & Reduction of Backlogs</i>	Community and Environmental Sustainability	The extent of contribution to increased access to sustainable water and sanitation, educational facilities, skills development and job creation and BBBEE.	100% of 150 schools provided with water infrastructure.	All client schools assessed and 91 provided with boreholes. (page 53)
			100% of 32 schools provided with VIPs.	Successful completion of phase 7. All 19 schools allocated by client were provided with VIPs (11 for DWA, 8 for DoE). (page 51)
			100% of 4,500 households provided with VIPs.	3,375 household units provided with VIPs (page 52)
			The extent of support provided to provincial Department of Education and municipalities for school and household sanitation projects.	100% of 4 boarding schools renovated. 3 schools 100% completed. 1 school 80% completed. (page 52)
			100% of 25 rural schools curriculum upgraded.	12 schools allocated budget. 9 are 100% complete. 3 are 80% complete. (page 52)
			20% of 10 mud schools rebuilt.	All 4 schools at 100% completion. (page 52)
			32 schools, 4,500 households provided with end user education.	14 of 19 schools provided with end user education. 284 of 337 households (target is 10% households) provided with end user education (page 59)
			2,000 jobs created (5% budget spend) through water and sanitation programme.	2,348 people employed across all water and sanitation programmes. (page 56)
			5% of CAPEX spend on job creation.	R10 million spent on job creation (378 jobs). (page 56)
			Maintained 2009 job creation targets with working for water programme.	Created 24,964 work days (23,176 in 2009) or 5,427 work days per R1 million spent. (page 55)
60% Preferential Procurement Spend.	68% (R462 million) spent on BEE service providers. (page 57)			

Conserving Our Natural Resources

Strategic Objective	Outcome	Performance Indicator	2009/2010 Target	2009/2010 Performance/Output
<i>Conserve Limited Natural Resources</i>	Water Resources Adequacy Community and Environmental Sustainability.	The extent to which environmental stresses and human vulnerability thereto has been reduced; institutional capacity to respond to environmental challenges has been built and environmental stewardship is practiced.	Monitored and reviewed progress with implementation of planned environmental sustainability projects.	Water resources developments: Spring Grove Dam, Hazelmere Dam and Mkomazi Dam are planned, as well as critical small dams: Mhlabatshane Dam Sikoto Dam and Mvutshane Dam (page 62) Progress made with alternate resource investigations, desalination of seawater and wastewater reclamation. (page 63) Modelled climate change impacts on raw water resources for short, medium and long-term scenarios with improved findings. (pages 64-65)
			Maintained plant water loss level to below 5%.	Water loss level was maintained below 5%. (page 37)
			Achieved 2% reduction in electricity consumption at operational sites.	Monitored and assessed raw water quality, which remains satisfactory. Successfully managed land use and biodiversity around raw water supply dams, and controlled aquatic alien weed infestation. (page 65-68) Implemented planned energy saving projects. Have not as yet impacted on organisation's overall energy usage or efficiency. (page 69)
			Commenced investigation of use of methane gas as an alternative energy source.	Monitoring of energy, chemicals and waste trends undertaken. Electricity usage has increased and efficiency has decreased. Chemicals usage has decreased and efficiency has improved, Significant improvement in wastewater treatment works sludge management; Greenhouse gas emissions increased and efficiency has decreased. (page 70-71) Darvill Water Treatment Works methane investigation has shown the methane quantity to be sufficient to provide 30% of the site energy requirement. (page 69) Monitored and managed all environmental impacts and enhanced biodiversity during major bulk infrastructure project implementation, notably Kettlefontein Grassland during DV Harris to Worlds View Pipeline construction. (page 72-75)

Enabling Our People

Strategic Objective	Outcome	Performance Indicator	2009/2010 Target	2009/2010 Performance/Output
<i>Maintain Strategic Effectiveness</i>	Leadership and Employee Development	<p>The frequency at which the macro and micro environment is scanned.</p> <p>The extent of alignment of the strategy to mandate.</p> <p>The extent of alignment between the business plans and strategy.</p> <p>The extent to which corporate performance is aligned to strategy and plans.</p>	<p>Annual macro and micro environmental scan.</p> <p>Annual Board strategy formulation session.</p> <p>Annual Business plan prepared.</p> <p>Annual Shareholder Compact concluded.</p> <p>Annual Roadshows on Annual Report.</p> <p>Quarterly engagement between Chairperson and CE with the Executive Authority.</p> <p>Annual strategy map and scorecard cascaded to divisions and alignment assessed. Quarterly EXCO reviews.</p> <p>Bi-annual Board strategy reviews.</p>	<p>Analysis of changes in the operating environment and shareholder expectations implicitly and explicitly informed organisation's strategy review.</p> <p>Developed statutory business plan.</p> <p>Signed Shareholder's Compact received from Executive Authority.</p> <p>Annual Report Roadshows to present performance.</p> <p>Statutory appraisal of Organisational performance (business plan and annual report).</p> <p>Division's plans aligned to corporate strategy with quarterly management review.</p> <p>Board discussed key strategic and sector issues and undertook formal annual strategy review. (page 8, 10-17, 27-29, 44-45)</p>
<i>Ensure Functional Excellence</i>	Leadership and Employee Development	The extent to which the organisation's structure is continuously reviewed and aligned to strategy.	Continuous review of structure and roles of divisions and business units	Organisation's structure continues to support core business and functions were soundly executed. (page 5-6, 10-17)
<i>Ensure Operational Competence</i>	Leadership and Employee Development Operational Optimisation Operational Resiliency	The extent to which the systems, skills and competencies enable implementation of strategy.	Organisational systems in place.	Organisational systems in place and reviewed and improved. Monitoring and evaluation undertaken in accordance with systems and plans. Alignment to ISO 9001 and other standards in progress. (page 18, 27-31, 82-87)

Maintaining Financial Sustainability

Strategic Objective	Outcome	Performance Indicator	2009/2010 Target	2009/2010 Performance/Output*
<i>Contribute to an Affordable Tariff</i>	Financial Viability	The extent to which a constant tariff in real terms has been maintained.	eThekwini: R3.215.	R3.215 (6.5%)
			Other WSAs: R3.279.	R3.279 (6.5%)
			Total Cost/kl (Bulk): R2.235.	R2.034
			Op Cashflow: R638.3m.	R846.6m
<i>Maintain an Optimal Debt Level</i>	Financial Viability	The percentage approved deviation from optimal debt level.	Net Debt:Equity: 0.554.	0.15
			Debt:Equity: 0.619	0.73
			Debt Service: 3.920.	7.74
			Debt:Assets: 0.343.	0.35
			WACC: 10.72%.	9.5%
<i>Improve Return on Assets</i>	Financial Viability	The percentage improvement on Return on Asset.	ROA: 18.58%.	20.00%
			Asset turnover: 0.476.	0.52
<i>Enhance Shareholder Value</i>	Financial Viability	The extent to which the credit rating has been maintained.	AA+ Long term.	AA+ Long term.
			F1+ short term.	F1+ short term.
		The percentage improvement on surplus (profit) and accumulated reserves.	Surplus: R470.2m.	R540.0m
			Net Surplus % of revenue: 29.1%	33.3%

pages 90-150

* Parent Only