

Flowmeter

DECEMBER 2016



*Merry Christmas
Joyous Festive Season
Happy New Year!*

Content

Christmas Message From the Chief Executive	3
Engaging Media and Other Stakeholders On Annual Performance - and Drought Levy	4
Message From The Board Of Umgeni Water Presented By Chairperson Andile Mahlalutye	4 - 7
Scooping Top Place - For The Second Time	8
Umgeni Water Bids Farewell to Rosh Maharaj of eThekweni Metro	8
Safety Event Puts Drowning and Snake Species in the Spotlight	9 - 11
Minister Officially Opens Greater Eston Bulk Water Supply Scheme	12 - 13
Hazelmere Waterworks' Capacity Expanded In R125 Million Upgrade	14 - 15
Here's a Toast to New Group as They Embark on 12-Month Journey	16
Garden Show 2016	17
Staff Information Session	18 - 19
Exco Site Visits	20 - 21
Christmas Message From GM: Engineering & Scientific Services	22
Call for Research Proposals	23
Wish You Were There for E&SS Mandela Day	24 - 27
Partnership in Breast Feeding Week	28
Christmas Message From GM: Operations	29
Design of Control System Upgrade For Pinetown Pump Station	30
Epic Mandela Day Initiative 2016 for Operations Coastal Region	31
Operations' Staff Extend a Helping Hand to the Community of Chesterville	32 - 33
Christmas Message From GM: Corporate Services	34
Teamwork Pays Dividends as HR Scoops Awards	35
Going The Extra Mile In The Name Of Madiba	36
Umgeni Water Young Professionals Visit Lesotho Highlands Scheme	37 - 38
Taking Leadership Roles in WISA Structures	38
Corporate Services' Mandela Day Project	39
Christmas Message From Chief Financial Officer	40
Four Crucial Questions Arise In Investor Road Shows	41
We Will Not Compromise On Quality - CFO	42 - 43
Winds of Change Are Blowing Through Umgeni Water	44
Sports: Umgeni Water Ulwandle Cup	45
Classifieds	46 - 47





Christmas Message

from the Chief Executive

Cyril Vuyani Gamede

The festive season is upon us, and I want to convey warm greetings from the Board, Executive Management and Senior Managers of Umgeni Water. Another year has come to a close and it feels as if it wasn't long ago that we gathered for the 2015 staff awards day. It was an awesome event that brought back fond memories.

Now I have just one wish: that all of us enjoy ourselves as we take a break from our daily commitments and relax among friends and family. This season is your chance to break away from the office – savour and enjoy it. So, put the pressures of daily life behind you – at least during this festive season - and indulge in some festive season merriment.

During this festive season many of you are likely to think about past similar holidays and time spent with family and friends. I remember the feeling of peace and camaraderieship that the festive season and Christmas brought. It was then – and still is now – a time of togetherness and rekindling of the spiritual flame that allows us to maintain the correct balance in our lives.

It is also a time to reconnect with the true spirit of Christmas. The universal message of Christmas - caring, sharing, good neighbourliness and tolerance – could not have found more relevancy than the present as the world lurches from one crisis to another.

It is important to pause for a moment and take stock of where we have come from this year. This will help us focus on what has been achieved and what still needs to be done in order to successfully meet our commitments in the year ahead. Financial Year 2015-2016 ended on a strong note for Umgeni Water as the organisation continued to produce positive results amid one of the worst droughts in living memory. While drought-related water shortages impacted on revenue, we were able to weather this and posted a surplus.

We also performed well in Bulk Potable Water Infrastructure Development spend, and in water quality that consistently met South African National Standards' requirements for drinking water quality.

We could not have hoped for a more superb end to the year: on 11th November 2016 Umgeni Water received the Business of the Year Award, sponsored by Nedbank, for the second consecutive year. Umgeni Water was selected winner in the State-Owned Enterprise category at a function that was held at Royal Show Grounds.

The year ahead holds both interesting and exciting challenges for Umgeni Water. As you are aware, the process for the formation of one regional water utility for KwaZulu-Natal has begun through the establishment of a transitional committee. The Chairperson of the Board of Umgeni Water and the Chairperson of the Board of Mhlathuze Water both serve on this committee.

A time table has been created for the dis-establishment of Umgeni Water and Mhlathuze Water. I will provide more information as it becomes available. The Board and Management of Umgeni Water are excited about the formation of one entity as it will result in streamlining of bulk potable water provision, achievement of economies of scale and extension of water services to un-served communities.

In the meantime, as this process unfolds, Umgeni Water will continue its day-to-day functions and the work it has begun in infrastructure provision. Some projects will be accelerated to try to manage or reduce the impact of the drought.

I want to thank you for your contribution and commitment to this organisation and to the successes it has achieved and for guiding it through turbulence that it sometimes had to navigate. Your role has been invaluable to the organisation.

Now all that's left to be said is: if you observe Christmas, have a blessed and joyous Christmas; if you do not, have a peaceful and wonderful Festive Season. I also hope that the holidays and 2017 will bring to you a sense of peace within, as well as a feeling of goodwill towards all. As you get together with family and friends to celebrate the festive season and New Year, I hope that you will find yourself filled with joy and surrounded by all the things that bring festive cheer.

If you will be driving to far-off destinations, please drive carefully and take breaks in between to ensure that you are suitably rested. I know that when you return from your well-earned break, we will collectively put our shoulders to the wheel in order to meet the targets we have set.

May peace and happiness be with you in this Holy Month and beyond.



Engaging Media and Other Stakeholders On Annual Performance - and Drought Levy



The first leg of stakeholder road shows to present Umgeni Water's annual performance for Financial Year 2015/16 began with a robust media engagement that also concentrated heavily on drought bulk potable water levy as an area of public interest. The media, both print and electronic, posed various questions on the levy, current drought and impending dis-establishment of Umgeni Water and Mhlathuze Water as part of sector reform. In response, the Chief Executive, Cyril Vuyani Gamede, put matters relating to the drought levy and proposed establishment of one regional entity in their proper perspective.

The question segment was preceded by a message from the Chairperson of the Board, Andile Mahlalutye, presentations on organisational performance, financial performance and latest on water resource availability in Mgeni system. The media engagement was both constructive and an eye-opener for journalists who left better informed about the business of Umgeni Water and why certain drought management and water curtailment strategies have had to be implemented.

The morning media session was followed by similar presentations for other stakeholders, including Water Services Authorities and financial institutions. The second leg of the road shows involved presentations to investors in Johannesburg and Cape Town over a four-day period. The financial results of Umgeni Water were well received.

Contributed by Shami Harichunder

Message from the Board of Umgeni Water Presented by Chairperson Andile Mahlalutye

2015-2016 Annual Highlights
Hilton Hotel, Durban, 20th October 2016

The Board and Executive Management of Umgeni Water are delighted to share with you a high-level summary of Umgeni Water's performance in the period 1st July 2015 to 30th June 2016. Before we begin with the proceedings of the day, on behalf of the Board, Management and Staff of Umgeni Water I want to congratulate the Mayors, Deputy Mayors and Speakers of eThekweni Metro, Msunduzi Local Municipality, iLembe District Municipality, uMgungundlovu District Municipality, Ugu District Municipality and Harry Gwala District Municipality on their election or re-election to these positions. We are looking forward to working with them to deliver on excellence.



Chairman of the Board of Umgeni Water, Andile Mahlalutye

Now back to the business of the day

The presentations that the Chief Executive and General Manager: Finance will take you through clearly illustrate the characteristics of an organisation hard at work and delivering value to its customers and consumers through the provision of safe and cost-effective drinking water. The results will also illustrate that Umgeni Water remains committed to its mandate, as is evidenced in its contribution to socio-economic development in our Province and to the developmental priorities of our Government. Annual Performance reports that are being presented are in line with deliverables contained in the Shareholder Compact that has been signed with the Minister of Water and Sanitation.

For the purpose of context so that the presentations will be seen against the backdrop of a broader sector picture, Umgeni Water's core functions are determined by legislation, namely the Water Services Act. This legislation allocates the role of bulk potable water treatment and supply to Umgeni Water as a Water Services Provider while municipalities, as Water Services Authorities, have the function of reticulation of water services to consumers.

In order to remain relevant, it is important for Umgeni Water to regularly analyse its performance. The organisation has risen to this by ensuring further alignment of its strategy to the priorities of national, provincial and local tiers of government. The combined effect of deepening of this alignment has contributed to the reduction of triple challenges of unemployment, poverty and inequality.

In this regard, there has been significant change to Umgeni Water's Broad-Based Black Economic Empowerment policy which is now focused on more meaningful participation by Black-owned businesses in major infrastructure development through Contract Participation Goals. The organisation continues to play a crucial role in development and mentoring of small, medium and micro enterprises to make them self-sustaining.

In the past Financial Year it was both a pleasure and rewarding experience to have worked with our stakeholders and customers in jointly resolving challenges. The ultimate winners in this amicable outcome were the people we serve.

It is due largely to Umgeni Water's commitment to development that it has been

able to capacitate municipalities to extend water services to un-served communities. It must be recognised, though, that as our country makes good progress in attaining equity in basic services, more needs to be done before every household has access to safe drinking water.

Before I begin dealing with some of the key highlights of the year under review I want to refer to two developments that have had, and will have, a profound effect on Umgeni Water and the KwaZulu-Natal water sector as we know it.

Last year in my message to you I dealt with two major developments of great relevance to Umgeni Water. They were the drought and re-organisation of the KwaZulu-Natal water sector by the Ministry of Water and Sanitation. I want to bring you up to speed in these areas as there has been some change.

El Nino phenomenon

The drought has begun easing in some parts of Umgeni Water's operational area, while it shows no immediate signs of abating in others. Water restrictions have been removed in Hazelmere and Mzinto systems as a result of a significant amount of rainfall in July, August and early September 2016. Production of potable has returned to pre-drought state in both systems. Mgeni system, however, still remains under stress and, according to the experts in weather forecasting, this is unlikely to change before end 2016 or early 2017. Mgeni is the largest of Umgeni Water's systems, and the impact of inadequate water resources is being felt at Umgeni Water and across Durban and Pietermaritzburg. Exacerbating the financial impact is the implementation of four emergency transfer schemes at considerable cost. These schemes were constructed to augment water resources. The Board, supported by the Executive, have approved implementation of measures to cushion the effects of below-budget revenue.

As an additional measure to manage the effects of the drought, promote water conservation and enforce efficient use of water, a drought bulk potable water levy was introduced on 1st September 2016. Implementation took effect after approval was received from the Minister of Water and Sanitation. A surcharge of this nature is generally implemented during times of emergencies, such as severe water shortages, as an ad-hoc response to prevailing conditions.

Re-organisation of the KwaZulu-Natal water sector

Some movement has been seen in the



Water makes its way into Hazelmere Dam through a transfer scheme

re-alignment initiative of the Ministry of Water and Sanitation. This involves dis-establishment of Umgeni Water and Mhlathuze Water and formation of one regional entity for the entire Province of KwaZulu-Natal. A transitional committee has been formed to oversee dis-establishment of the two entities and formation of the regional utility. The Chairpersons of the boards of Umgeni Water and Mhlathuze Water serve on this committee. A road map towards achieving the stated objectives has been developed and milestones still have to be achieved prior to finalising decision making process.

Some performance highlights

In FY 2015/16, Umgeni Water again attained full compliance to all corporate governance requirements. These included the Water Services Act, Public Finance Management Act, internal policies and King III Code of Governance Principles. The outcome of compliance was a clean audit from the Office of the Auditor-General.

It must be reiterated that Umgeni Water remains in a strong financial position, reflected in its surplus of R781million. This positive financial position will bring wider benefits to our customers and consumers. These include:

- The surplus made will be used to sustain the R3, 6 billion 5-Year Infrastructure Development Programme. Projects in this programme are aimed at assisting municipalities meet future demand and eliminate backlogs;
- The surplus will also be used to ensure that bulk water tariffs are maintained at an affordable level

The Board of Umgeni Water is proud of some of the other organisational achievements which I want to mention briefly:

- The quality of potable water produced continued to be classified as excellent against all risk categories specified in SANS 24: 2015.
- In order to increase assurance of supply and capacitate municipalities to reduce backlogs, beginning July 2016 approximately R1, 3 billion has been committed for 2016 – 2017. Of this amount approximately R522 million will be spent on rural development projects; R352 million on current and future expansion and R391 million on upgrades and rehabilitation.

Conclusion

The year ahead holds both interesting and challenging prospects for the organisation. In this period Umgeni Water will:

- In the interim as preparations continue for the establishment of one water utility, Umgeni Water will work on its existing activities aimed at attracting additional revenue through making its expertise available to organisations that are lacking in capacity and skill and require assistance. This will be done as non-core business under Section 30 of the Water Services Act
- The organisation will continue with efforts at securing grant funding for infrastructure projects, especially those of a developmental nature. In this regard, the Board will lobby the Ministry of Water and Sanitation, and it wishes to express its profound thanks to the Department of Water and Sanitation for allocations already received in the year under review.
- The organisation will continue to implement effective and affordable measures to mitigate impacts of the drought. It will simultaneously ensure there is strict adherence to cost cutting initiatives that have been introduced as part of an overall response plan to the drought

Finally, Umgeni Water has been placed in a state of readiness to embrace the changes that will be made to the KwaZulu-Natal water sector landscape through rationalisation of the present institutional arrangement. The Board and Management of Umgeni Water assure the Minister of their unqualified support as her administration implements sector re-alignment and reform initiatives.





SCOOPING TOP PLACE - FOR THE SECOND TIME



Top: Chief Executive Cyril Vuyani Gamede receiving the award

Right: Sunil Maharaj, Nirasha Sampson, Bradley Sampson, Cyril Gamede, Njabulo Ngema and Msizi Cele



Contributed by Shami Harichunder

For the second consecutive year, Umgeni Water was judged in the following areas:

selected winner in the State-Owned Enterprise category of the Nedbank - Pietermaritzburg Chamber of Business annual Business of the Year awards, held on 11th November 2016 at Royal Show Grounds. The prestigious award was received by Chief Executive Cyril Vuyani Gamede at a glittering banquet arranged by the Pietermaritzburg Chamber of Business. Leaders of businesses in Pietermaritzburg and other parts of KwaZulu-Natal were present and applauded as the award was given to Umgeni Water.

Umgeni Water competed against entities of State and was unanimously selected, following a rigorous and in-depth interview that was conducted weeks earlier with Corporate Stakeholder Manager Shami Harichunder.

- Budgetary performance over the past 3 years (financial statements and budget/expenditure reports and audit reports);
- Provision of future plans (two to three-year plans);
- Human Resource Development practices and policies, including retention of staff or employment and skills development (prioritisation of BBBEE and Balanced Score Card)
- Environmental and occupational health and safety practices;
- Receptiveness of management to innovation and best practice, and
- Corporate social investment, corporate governance practices and risk management.

Umgeni Water emerged with top marks in the above disciplines and business imperatives which were independently verified through available documentation and procedures.

Umgeni Water bids farewell to Rosh Maharaj of eThekweni Metro



Dan Naidoo (left) handing over a certificate of recognition to Rosh Maharaj

SAFETY EVENT PUTS DROWNING AND SNAKE SPECIES IN THE SPOTLIGHT

Three hundred school children and members of the local community attended a safety promotion event at Nagle Dam. The event, organised by a multi-divisional Umgeni Water team, was held in conjunction with Msinsi Resorts and Reserves, KwaZulu-Natal Aquatics, Aqua Amazing, Enforce Security and Faletu Security.

Seventeen local primary and secondary schools attended educational classes and live demonstrations of a shark dissection and identification of snakes. There were also demonstrations by 10 local canoeists which captured children's attention.

Schools were given an opportunity to compete in poem and poster competitions that were judged by GM: Corporate Services Moketenyane Moleko, GM: Operations Msizi Cele and Area Manager Pravesh Boodhoo. Prizes varied between R1000 and R3000.

Information and education provided at the session will assist in preventing injuries and deaths. But the safest rule to apply if you do not know how to swim but are in a river or dam: do not enter an area that is deep or where water is flowing fast enough to wash you away.

The sad reality is that when people who do not know how to swim get into difficulty, they panic, often resulting in tragic loss of life. It has been estimated by the World Health Organisation that 372 000 drowning occur annually throughout the world.





MINISTER OFFICIALLY OPENS GREATER ESTON BULK WATER SUPPLY SCHEME

Contributed by Shami Harichunder

The Minister of Water and Sanitation, Nomvula Mokonyane, officially commissioned Greater Eston Bulk Water Supply Scheme, the second Umgeni Water scheme to be commissioned by her in five months. Greater Eston BWSS will provide a reliable supply of safe drinking water to approximately 41 000 people in Mkhambathini and Richmond. This project, one of the largest in Mkhambathini from a spend perspective, illustrates the seriousness with which Umgeni Water regards the provision of water to rural communities and the simultaneous reduction of backlogs.

The project was financed at a cost of R220 million by the Department of Water and Sanitation and implemented by Umgeni Water. During her speech, the Minister acknowledged Umgeni Water for the key role it is playing in socio-economic development of rural communities. She also referred to the effects of the drought and how Greater Eston BWSS will absorb the impact in Mkhambathini and parts of Richmond through provision of a sustainable supply of water. The commissioning function was attended by an estimated 5 000 beneficiaries of this scheme, making it one of most successful public events to be hosted by Umgeni Water. The thinking behind hosting an event of this nature was to give maximum exposure to Greater Eston BWSS because of the significant contribution it will make in alleviating poverty and hardship caused by difficult or no access to safe drinking water.

Television and radio coverage received on SABC portrayed both the project and Umgeni Water as key proponents of change that is intended to make universal access to water a reality. It was precisely the issue of easy access to water as a basic human right that hugely influenced the decision to construct this scheme.





**GREATER ESTON
WATER SUPPLY SCHEME**
WAS OFFICIALLY COMMISSIONED BY
**MINISTER OF WATER AND SANITATION
MS NOMVULA MOKONYANE**
ON
14 JULY 2016

water & sanitation
Department
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



HAZELMERE WATERWORKS' CAPACITY EXPANDED IN R125 MILLION UPGRADE



Representatives of civil society, construction companies, iLembe District Municipality, eThekweni Metro and Umgeni Water gathered to celebrate the commissioning of an upgraded Hazelmere Water Treatment Plant. The proceedings began first with ribbon cutting that marked the completion of refurbishment of Umgeni Water's Umhlali offices. Attendees then moved to Hazelmere WTP for an inspection and its official opening. This was followed by a function at Hazelmere Dam, where a presentation was done on the upgraded project.

Addressing the crowd, the Deputy Mayor of iLembe, Councillor Shandu, was complimentary of the cordial and burgeoning relations that exists between Umgeni Water and iLembe DM and said she is looking forward to stronger co-operation in future.

Speaking at the function, the Chief Executive of Umgeni Water, Cyril Vuyani Gamede, said the upgrade, constructed at a cost of approximately R125 million, is one of the largest bulk potable water infrastructure projects to be implemented by Umgeni Water in the north of eThekweni Metro. The WTP's capacity has increased from 45ML/d to 75ML/d, which has enhanced assurance of future water supply. The increased capacity will also make it possible to meet peak

demands of the Hazelmere system.

It was forecast that by 2013 demand would exceed supply. As a consequence, Hazelmere WTP was operating above its design capacity, leaving very little room for downtime due to planned or emergency maintenance requirements. Upgrade of this plant then became essential and the completion of work has removed many challenges.

The upgrade was not undertaken in isolation: a group of related or interlinked projects to eliminate bottlenecks in the supply system was implemented, some simultaneously. These projects included:

- Raising of Hazelmere Dam wall by the Department of Water and Sanitation to increase the 95% assured yield from 55 ML/d to 90 ML/d. This project is currently in construction
- Construction of a new raw water pipeline between Hazelmere Dam and Hazelmere WTP
- Construction of Avondale pump station
- Construction of Hazelmere Waterworks to Ballito pipeline

During construction local labour was used in various segments and small, medium and emerging enterprises engaged as sub-contractors. Sub-contracting work included provision of equipment, road works and paving; bricklaying and painting; roofing; security services; health and safety

monitoring and earthworks. During the pump station upgrade, Umgeni Water's Contract Participation Goals target was exceeded.

Commissioning of this upgraded plant is a further example of close collaboration that exists between Umgeni Water and its customers and of Umgeni Water's ability to respond meaningfully to the needs of consumers. It can be safely assumed that if this work was not undertaken, water shortages and supply interruptions would have continued to occur, to great irritation of consumers.

With water adequacy in Hazelmere Dam significantly improved and production capacity expanded, it is hoped Water Services Authorities will utilise to the fullest these benefits. The upside of resumption of pre-drought period demand will spur development and job creation.

The legacy Umgeni Water leaves will be a lasting one that will be enjoyed by the present and future generations. This project has come to fruition: it is what communities needed to lift them from the hardship they endured, and it is what customers wanted to promote and entrench socio-economic development. The community was urged to look after this scheme by reporting incidences of servitude encroachment, vandalism or theft. The upgrade is an investment in future sustainability of water resources and water adequacy.



HERE'S A TOAST TO NEW GROUP AS THEY EMBARK ON 12-MONTH JOURNEY

Contributed by Nirasha Sampson (Founder Member of Umgeni Water Toastmasters Club)

Applause, flashing lights and hand shaking: to observers on the outside of the canteen on 9th November 2016 it may have looked like there was a whole lot of socialising and partying going on inside. If they were mistaken, it was the inaugural meeting and welcome of the second group to join the Toastmasters Club.

The Founder and Charter member of Umgeni Water Toastmasters Club, Nirasha Sampson, chaired the session and encouraged the new group to be passionate about and committed to the process, as a means to achieve success in the programme. Nirasha recently completed her CC and CL programme with Toastmasters International. She provided background and motivation on how and why the club was launched at Umgeni Water.

The Chief Executive, Cyril Vuyani Gamede, who is passionate about development of young professionals, highlighted the importance of public speaking and quoted a few lines from Shakespeare's 'Julius Caesar'. He used these lines to demonstrate the oratory process of performing a speech to a live audience in a structured manner in order to inform, influence or entertain them.

The GM: Corporate Services, Mokete Moleko, presented the keynote address in which she stated the benefits of Toastmasters, both to Umgeni Water and participants. These included:

- Becoming more active in roles of responsibility within organisations, both professional and personal;
- Being able to organise activities;
- Being able to conduct meetings and speak in public forums as a representative of Umgeni Water, and
- Flying the flag high by making more informed and researched presentations and speeches.

For new Toastmasters who were anxious about how the speech craft sessions would unfold, Charter members demonstrated 'Learning by Doing' on how a club session works and what to expect in their 12-month journey in speech craft.

On behalf of the Chief Executive, we wish you a wonderful journey and a great learning experience as you savour what Toastmasters has to offer.



GARDEN SHOW 2016

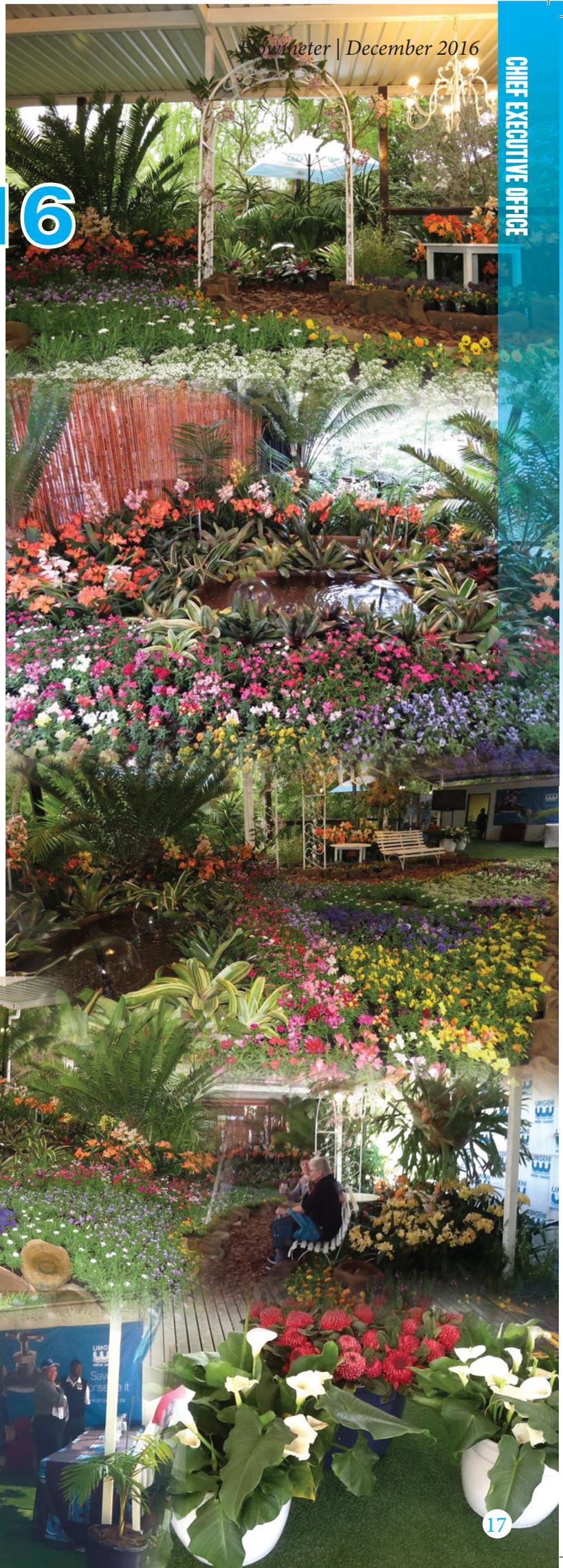
A multitude of colours exuded at the Garden Show, Royal Show Grounds, as the Umgeni Water stand attracted a great deal of interest. Umgeni Water has a long association with the Garden Show and has consistently participated in it, spreading the message of water conservation. Visitors have also been able to obtain insight into water treatment, from source to the tap.

Umgeni Water's presence at Garden Show 2016 was characterised by beautifully landscaped garden displays, thanks to the creative efforts of Rob Burgess who worked tirelessly to ensure that the stand was ready for opening day. Loyal support was also received from Chief Executive Cyril Vuyani Gamede who was complimentary during a visit.

Plants that added richness and colour to the Umgeni Water stand will now be on display at Head Office.

Winter | December 2016

CHIEF EXECUTIVE OFFICE



STAFF INFORMATION SESSION

29 & 30 SEPTEMBER 2016

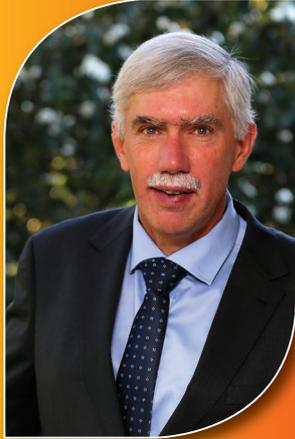




EXCO SITE VISITS







Christmas Message

from GM: Engineering & Scientific Services

Steve Gillham

Water is life!

Those people that have always enjoyed the luxury of water flowing from their taps every time they open them are starting to appreciate the value of water as they face daily water shortages as a result of restrictions imposed to mitigate the impact of the current drought. They have discovered that they can live without electricity in the home for a period of time, but having no water for even a short period of time becomes a real hardship.

Those people who currently do not have taps in their homes and have to go and fetch drinking water from afar have always valued water.

Umgeni Water plays a key role in ensuring that a sustainable bulk supply of excellent quality drinking water is made available for those with taps in their homes, and increasingly for those who still have to be provided with taps in their homes by their Municipality. Since Umgeni Water is the product of all its

employees, it is clear that every one of you is adding value to people's lives through your contribution. We should all be proud of this and continually strive to add more value.

I would like to take this opportunity to thank each of you for your valued contribution. The year 2016 has been particularly challenging in fulfilling our mission in the face of one of the most severe droughts experienced for many decades. We have coped admirably, and even excelled at times, as is evident in Umgeni Water's results for the year.

At this Festive Season, may you find time to enjoy life's simple blessings and the beauty of the quiet moments. Between the quiet moments, celebrate wildly with family and friends - in a responsible manner of course! I hope your holidays will be filled with joy and laughter. At the end of it all, ensure that you start the New Year refreshed and revitalised!



CALL FOR RESEARCH PROPOSALS

Contributed By Dr Wilson John

The World Economic Forum 2016 Global Risk Report ranks the world water crisis as one of the greatest modern-day challenges, and is said to present the highest risk spanning the next ten years.

In South Africa, the water sector acknowledges the urgent need to optimise management of this resource, and to find holistic solutions for protecting and securing water supplies, including from non-traditional sources, for the survival of current and future generations. The key to finding sustainable solutions to our water problems lies within Research and Development (R&D).

Umgeni Water through its R&D Policy has embraced the concept, and recognises the critical importance of R&D for business survival and future growth. The policy promotes a proactive approach, for the organisation to be seen as a sector leader by developing and implementing research programmes; the main objectives being to:

- Address the challenges of the water sector
- Optimise processes and reduce costs
- Provide innovative and sustainable solutions using new technology
- Increase competitiveness
- Provide research training and capacity building

Current Situation

As part of its investment in developing R&D capabilities, Umgeni Water has established the Chair for Water Resources Management at the University of KwaZulu-Natal whose main responsibility is to prioritise water research and develop skills that are needed in the sector. Additionally, Umgeni Water has established links with other academic institutions, both nationally and internationally, and continues to collaborate with other water boards, the Water Research Commission, the Department of Water and Sanitation, Non-Government Organisations, and the Private Sector. Equally, internal research programmes are undertaken in various departments within the organisation.

Future Plan

In response to sector challenges, Umgeni Water embarked on an ambitious five-year research plan that focuses

STRATEGIC THEMES FOR R&D			
1.	Water and wastewater residue management	2.	Alternate sources of supply
3.	Social Challenges	4.	Project Implementation Models
5.	Environmental	6.	Procurement and SCM
7.	Financial	8.	Climate Change
9.	New Technology	10.	Water Quality
11.	Sanitation	12.	Research training and capacity building
13.	Water Losses/Consumption	14.	Energy

primarily on critical issues of common concern within the water industry. The plan is being formulated by consolidating water and related issues into strategic themes cross-cutting into multidisciplinary fields as shown in random order in the table.

Emerging from these themes would be the typical research question/problem statement/sector challenge that would, in turn, translate into the research programmes with assigned priority levels over a five-year timeframe. Successful implementation of the programme would, therefore, be a key enabler in achieving our corporate strategic objectives, and also place Umgeni Water as a meaningful contributor in resolving water sector challenges of South Africa.

Call for Research Proposals

Although our research themes were derived from an extensive process of stakeholder consultations, and reviews of similar initiatives elsewhere in the sector, it may not necessarily be exhaustive. We, therefore, invite further proposals aligned to the 14 strategic themes, for innovative, interdisciplinary research projects that will improve our business processes, enhance the value add of our products and services to customers and place Umgeni Water in the forefront of water research.

WISH YOU WERE THERE FOR E&SS MANDELA DAY

On 23rd September 2016, Engineering & Scientific Services teams dared the cold and rainy weather and set out for Mpophomeni to spend 67 minutes as their contribution to Mandela Day. The community work was conducted at Zamuthule Primary School and Ethembeni Place of Hope. The division's GM, Steve Gillham, was backed by a team of 94 volunteers from various E&SS departments. The day's activities comprised painting of the school's surrounding walls and a classroom, gardening and preparation of lunch for 70 children at Ethembeni Place of Hope.

The day began when all teams assembled at Zamuthule Primary School. After a short briefing session, the teams were split according to their activity of choice which varied among painting, gardening and cooking. At the school everyone was hard at work. It was an awesome sight from a distance to see staff working in their overalls and some at the top of ladders.

In the garden, team cleared the area of weeds and prepared the soil for planting. The work distribution and flow of garden activities made the team appear as professional gardeners... # green fingers! Vegetable seedlings which included spring onions, carrots, spinach and cabbage were planted within a short space of time. Steve Gillham's presence was also noticed in the garden as he put his garden skills into practice ... talk about Jack of all trades.

In the kitchen, the master chef of the day, Xolani Chamane, was hands-on. He led the catering team and also got his hands burnt a little as he ensured that the chicken curry was cooked perfectly. His team were hard at work as they prepared a meal for the children that go to the centre daily after

school. It was heart-warming to see the children's smiley faces, as they returned home to the smell of a wholesome meal on a cold day.

The day was rounded off by formal presentations at both institutions. Having articulated the purpose of the day as that of giving back to the community, Steve Gillham expressed appreciation to his team and also emphasised that everyone who took part on that day did so on a voluntary basis. The organising committee was also acknowledged for having performed a sterling job (Rachi Rajagopaul, Ntombifuthi Vilakazi, Mary Bezuidenhout, Rekha Singh and Xolani Chamane).

The selflessness of the volunteers displayed a true team-spirit as they led by good example and walked in the footsteps of the late Dr Nelson Rholihlahla Mandela who had a big heart for children. The school principal, Mr Ngema, was short of words when he expressed how grateful they are for everything that was done for his school. At Ethembeni, Ms Slanagan, who is part of the Home, said they were truly humbled by the gesture shown by Umgeni Water. E&SS made a difference at Mpophomeni. What was originally planned to be 67 minutes of community work ended up being three hours of time well spent for a good course.







PARTNERSHIP IN BREAST FEEDING WEEK



BREASTFEEDING *For A Sustainable Future* WATER PRESERVATION

Breastfeeding utilizes NO excess water in preparation or production.

More than 4000 Litres of water are used to produce a single kilogram of artificial infant milk, not including the water needed to prepare artificial infant milk.

BREASTFEEDING DIRECTLY IMPACTS WATER PRESERVATION FOR A MORE SUSTAINABLE FUTURE.

Umgeni Water responded positively to a request by the provincial Health Department for a partnership in Breast Feeding Week observed during August. The theme was "BREAST FEEDING: A KEY TO SUSTAINABLE DEVELOPMENT".

World Breastfeeding Week 2016 theme was focused on creating awareness of the links between breastfeeding and Sustainable Development Goals. By recognising that breastfeeding is a key to sustainable development, we will value our wellbeing from the start of life, respect each other and care for the world we share.

In light of the above, and especially because South Africa is in the midst of a drought, Umgeni Water was invited to be part of World Breastfeeding Week Commemorations at the KwaMashu Community Health Centre. Approximately 200 community members, mainly new mothers, participated in the awareness campaign. Durban Solid Waste focused on the negative impacts of improper waste management with special reference to disposal diapers and milk powder cans, which are currently a cause for concern in many areas.

A speech by an Umgeni Water representative focused on the current water situation in South Africa, water conservation as well as health and hygiene with special reference to proper hand washing. Water conservation pamphlets, along with water bottles and bottled water, were distributed by Umgeni Water.

Sources:

<http://worldbreastfeedingweek.org/>

<https://parentingthefuture.wordpress.com/2016/08/01/world-breastfeeding-week-day-1>





Christmas Message

from GM: Operations

Msizi Cele

We are reaching the end of one of the toughest years in the history of Umgeni Water. The year during which nature has tested the resilience of our main water system, the Mgeni System, from which most of the water we supply is sourced. Having implemented the available commercially viable infrastructural options and operating rules to mitigate the impacts of the drought, we had no option but to curtail production to avoid dams running empty. This resulted in reduced revenue, impacting negatively on, amongst others, our much needed capital infrastructure programme. For an organisation that is proud of meeting the water demand and delivering a sustainable and professional service, this year's experience has further strengthened our resolve to work even harder to ensure that future extreme weather events, which are predicted to increase in intensity and severity, find us well prepared and ready for battle.

Having performed so well under these trying conditions, it is again that time of the year when most of us have to take a break, relax and have fun with

our families and friends. For us, this break is well deserved. Despite the challenges experienced due to the impact of the drought, we have maintained our good reputation. Our competent, experienced and professional teams have responded well to the challenges and have made us proud.

The New Year will be even more exciting and challenging as we continue to strive to maintain an affordable service despite the rising costs of developing new water sources and the increasing cost of implementing and operating new rural schemes as we march towards ensuring universal access to quality bulk water services within the province of KwaZulu-Natal.

We wish that the festive season is fun-filled and ends on a joyful note for you and your families, leaving you refreshed and ready to respond to new challenges.



DESIGN OF CONTROL SYSTEM UPGRADE FOR PINETOWN PUMP STATION

Contributed by Adesh Maharaj

The Pinetown pump station was identified by Asset management – Ulwandle as being in need of control system upgrade. The existing control system has been in operation for more than 20 years and the technology used is now outdated. Furthermore, the equipment in use was consistently failing, leading to unnecessary down times. The following items were classified as being the project deliverables.

- The update of the control philosophy.
- The update of current control and operating requirements and procedures.
- The PLC and SCADA development criteria and standards.
- Information required for development of the control systems.
- Basic control sequences
- Design Criteria

The project was successfully installed and commissioned in late 2015 and is in full operation to date. Ulwandle Asset management department would like to thank all project stakeholders, operations team and maintenance departments that were involved in the successful implementation of this project.

Site Description

The Pinetown pump station is situated on the Durban Height Waterworks site and comprises:

Pinetown pumps 8 – 9 pump station
This pump station houses 2 No. 225 kW 380V Motor Pump sets.

Pinetown Pumps 10 – 13 Pump station
This pump station houses 4 No. 620 kW 3300V motor pump sets,

CONTROL AND OPERATING PHILOSOPHY

Process Overview

The plant area covered in this document is that of the Pinetown pumps, including the suction from Reservoir 1, six motor pump sets and delivery into the Mount Moriah Reservoir 2. The six pumps are housed in two separate buildings described below:

Pinetown pumps 8 – 9

The pump station consists of two pumps, which supply Pinetown with treated water. The suction of these pumps is in Reservoir 1 but can also be fed from Reservoir 2 under emergency situations. Only one pump can be run at any time.

The pump station houses the following

- Two 225kW 400V motor pump sets.
- Motor control centre with the following control systems.
- Main power isolator
- Selector switch for remote, local and maintenance operational modes.
- Process instrumentation
- Operator control panel (CP-MP8/9)

Pinetown pumps 10 – 13

The pump station consists of four pumps, which supply Pinetown with treated water. The suction of these pumps is in Reservoir 1, but can also be fed from Reservoir 2 under emergency situations. A maximum of three pumps can be run at any time.

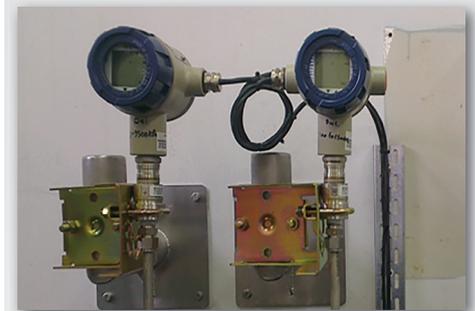
The pump station houses the following

- Four 620kW 3.3kV motor pump sets.
- PLC for the local and remote control, monitoring of the pumps and motors.
- UPS
- Process Instrumentation.

NEW PLC PANEL WITH 1500 HUMAN MACHINE INTERFACE



NEW PRESSURE TRANSMITTERS



OLD CONTROL PANEL



NEW PUMP CONTROL PANEL



EPIC MANDELA DAY INITIATIVE 2016 FOR OPERATIONS COASTAL REGION

Contributed by Kamish Nursingh

Tucked away amongst the rolling hills of Dlangezwa lies Ekhanyeni Primary School with 18 learners all thirsty for knowledge and water!

The staff at Pineside initiated a collection of bottled water and cash for Mandela Day 2016 to assist the school and community of Dlangezwa. It was overwhelming to see such generous contributions of cash and bottled water from coastal staff, their family and friends.

In July, a group of amazing staff worked tirelessly over a few days to paint the school, repair and replace doors, flooring, install a jungle gym, a netball post and a general clean-up of the school. On 5th August 2016, about 100 staff from the coastal region made their way to the school in commemoration of our global icon Mr Nelson Mandela.

A bright, beautiful morning was spent listening to leaders of the area, the School Principal and Umgeni Water Management. They extended their appreciation and gratitude for assisting the school and more importantly for making a difference in the community and the lives of the children. Thereafter the children of the school did an outstanding performance of a cultural dance.

Gifts were handed out by Monica Malunga to each child, grocery hampers and bottled water were distributed to a few families in the area and a sumptuous lunch was enjoyed by all.

Well done and thanks to those that assisted and contributed so generously.

May we all continue to follow the giant humanitarian footsteps left by the Father of our Nation, Mr Nelson Rolihlahla Mandela!

We can change the world and make it a better place. It is in your hands to make a difference ~ Nelson Mandela



OPERATIONS' STAFF EXTEND A HELPING HAND TO THE COMMUNITY OF CHESTERVILLE

Contributed by Sunitha Doodnath

Umgeni Water collaborated with various departments within eThekweni Metro to commemorate Mandela Day. Muthande Society for the Aged and the Association for Persons with Physical Disabilities share premises in Chesterville. Unfortunately, due to a lack of resources, the premises (both the infrastructure and the property) were in a poor condition. This provided an ideal opportunity for Umgeni Water and its partners to give back to the community.

Umgeni Water staff, as well as the parks department, worked tirelessly during the week and even over the weekend prior to the event to clear the property and verge of over grown grass and invasive alien plants, and refurbish the boundary wall (interior and exterior), as well as the access ramp and walkway.

The garden was then landscaped with used tyres and drums set up as container gardens. On the day almost 50 Umgeni Water and eThekweni Metro staff joined forces to beautify the centre. Tyres were painted with paint that was sponsored by Pavilion Shopping Centre. Various indigenous plants were planted on the verge, as well as in the tyres. Vegetable seedlings were planted in the newly tilled veggie patches, as well as in the container gardens. The “gogos” and “mkhulus” at Muthande were ecstatic that they now have a safer and improved centre with a garden to care for, as this was one of their dreams that has been realised.



The interior before



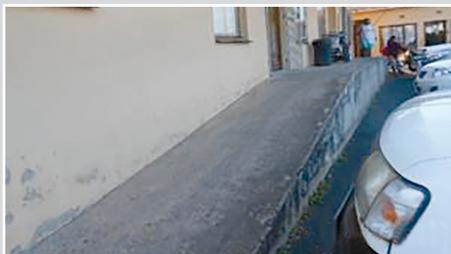
The interior after



The verge before and wall before



The verge and wall after



The ramp before



The ramp after



The stairway after







Christmas Message from GM: Corporate Services

Moketenyane Moleko

The Season of Giving is upon us and all of us are looking forward to spending time with our loved ones.

Please allow me to express my sincere gratitude to all Umgeni Water employees for the dedication that you have shown throughout the year.

I'm immensely proud and humbled by your commitment to Umgeni Water regardless of challenges that we have faced.

Together we have successfully managed to fulfill our mission statement by providing innovative, sustainable, effective and affordable bulk water and sanitation services to the communities that we serve.

These achievements would not have been possible without your professional conduct and dedication to the company. Through various projects we have managed to help improve quality of life in our communities by supporting schools, Techno Girls Project and donating sanitary pads to young school girls, just to mention a few.

Our stakeholder relations have been strengthened through robust engagements while technology infrastructure has been improved and implementation of SAP ERP system is on track.

Thank you for your unparalleled devotion to the company and I am proud that you are part of our organisation.

I am looking forward to us working together and achieving even greater success in 2017. As we go our individual ways, I would like to wish you and your families a Merry Christmas and safe Festive Season.

Yours in Corporate Services



Teamwork pays dividends as HR scoops awards

Contributed by Malenhle Reuben Dlamini



Umgeni Water received six awards for Best Achiever in Strategic HRM Standard. Award received by GM: Corporate Services, Moketenyane Moleko, Thulasizwe Shangase and Reuben Dlamini

South African Board of People Practice (SABPP) is the human resources professional body and statutory quality and standards body for the people profession. SABPP has developed 13 Human Resources National Standards that provide guidance on the implementation of Human Resources Management functions, as well as competence of Human Resources professionals. The standards provide a framework for Human Resources service providers, operating consultants and learning providers.

The standards are intended to apply to a broad range of potential users, including organisations implementing HRM systems for the first time and organisations needing to include HR into internal audit and risk assessment processes.

The HR department at Umgeni Water developed a strategy and business plan aligned to the 13 standards.

Human Resources then embarked on an audit to assess how well the standards are being implemented and identify areas for improvement. The audit was conducted by an audit team from SABPP in September 2015.

In August 2016, SABPP honoured companies audited against the 13 National HR Standards, as well as individuals and organisations who supported the HR Standards since 2013.

Best achiever in Talent Management Standard, Best achiever in Workforce Planning Standard, Best achiever in Learning & Development Standard, Best achiever in Performance Management Standard and Best overall score in HR Audit. Umgeni Water was also the overall National Winner for 2016. Well done to the HR team for the excellent performance and for putting Umgeni Water on the map.

GOING THE EXTRA MILE IN THE NAME OF MADIBA



The organising committee from L-R Thembi Radebe, Rekha Singh, Rijata Sing, Makhosi Balatseng, GM: CS Mocketenyane Moleko and Fiona Ellis

General Manager: Corporate Services would like to thank all Umgenezi Water and Msinsi Resource and Reserves staff who responded positively to the request for sanitary towels donation. These sanitary towels were collected and distributed in August 2016 as part of a project to commemorate Mandela Month. The event was organised by a committee that included representatives of Umgenezi Water divisions and Msinsi Resource and Reserves.

The committee identified needy schools, both in inland and coastal regions, before commencing with the project. Although 17 schools were initially identified, only 6 of them, described as most needy, were chosen to benefit. The schools are:

- 1) Nophethu Primary School, based in the area of Nagle Dam;
- 2) Soviyo Primary School, based in Harry Gwala District;
- 3) Gomani Primary School, based in Mpendle;
- 4) Bangubukhosi Primary School, based in

Mbumbulu;

5) Marianthan High School, based in Ixopo

6) Tholimfundo Primary School, based in Mzinto

Umgenezi Water and Msinsi Resource and Reserves ladies jointly collected 2 908 packs of sanitary towels at the Women's Workshop that was held on 19th August 2016 at the De Boirs. Divisions also organised their own projects and collected as follows:

- Operations 6 489;
- Corporate Services 4 758;
- E&SS 1 229;
- Finance 515, and
- Msinsi Resource and Reserves 150

Total number of packs collected: **16 049**.

Thank you Umgenezi Water and Msinsi Resource and Reserves staff for always going the extra mile in ensuring that we are able to extend a helping hand to communities in need. Your contribution will make a difference. To the organising committee: thank you for the hard work in making this initiative a great success.

UMGENI WATER YOUNG PROFESSIONALS VISIT LESOTHO HIGHLANDS SCHEME

Umgeni Water Young Professionals participated in the first Young Professionals Lesotho Highlands Scheme Joint Tour from 24th – 26th June 2016. The event was organised by Young Professionals from Umgeni Water, Rand Water and Bloem Water. The aim of this event was to get an insight into the processes within the Lesotho Highlands Water Scheme, from bi-national water transfer between Lesotho and South Africa to hydroelectricity generation.

The Lesotho Highlands Water Scheme is one of the largest bi-national infrastructure water transfer projects between Lesotho and South Africa. It involved the construction of an intricate network of tunnels and dams to divert water from the mountains of Lesotho to South Africa. It provides water to South Africa and, at the same time, money and hydroelectricity to Lesotho.

Background

The military government in Lesotho signed the Lesotho Highlands Water Treaty of 1986 with the then - apartheid ruled Republic of South Africa. Central to this treaty was an agreement that Lesotho would sell water from its mountain areas to South Africa in return for financial gain which they prefer to call royalties. It was agreed that the dams would be built in phases.

Phase I

Phase IA: Katse Dam



This project was completed in 1998. It consists mainly of the construction of Katse Dam on the Malibamatso River in Lesotho. A 45km transfer tunnel was built from Katse Dam to Muela reservoir. Muela reservoir is considered to be a tailpond which supplies hydroelectric power to Lesotho. From Muela reservoir is a 37km transfer tunnel to the Vaal Dam via the Ash River Outfall in the Free State province.

Phase IB: Mohale Dam



This phase of the project was completed in 2002 and it consisted mainly of the construction of Mohale Dam, a very large rockfill dam located on Senqunyane River, a 32km transfer tunnel between Mohale Dam and Katse Dam. Construction of Matsoku Diversion Weir and a 5.7km tunnel from Matsoku Diversion Weir to Katse Dam.

The system is interconnected in such a way that water may be transferred in either direction for storage in Mohale for ultimate transfer to South Africa through Katse Dam.

Three further dams were proposed downstream after the Malibamatso joins the Senqu River at Mashai, Tsoelike and Ntoahae.

The expectations of YP from the scheme

The YPs went to Lesotho with their own acquired knowledge of the scheme. The knowledge that they gained was very humbling in a sense that who would have thought that a small country like Lesotho could be so much involved in the sustainability of livelihood for so many South Africans, as well as the role this country plays in the growth of the economy of South Africa. Some even thought this is a dry country with little or no water resources to sustain the land. This country is very rich in water resources, both underground and surface.

Lessons learnt from the LHWS way of collecting and conserving water

It was refreshing to learn that since Lesotho does not have a lot of industrial and mining activities, the water was really not that contaminated, something a plant superintendent would have appreciated since it meant not much costs would

be required to run the treatment plant which in return would make the finance guys dance for joy. Of course, the microbiologists would be skeptical about this because bacteria would be found in water if it is not treated with chlorine for human consumption but that can be proven, but a chemist would beg to differ; no industrial activities-no metals and chemicals in the water. On the other hand, the engineers and the hydrologists were intrigued by the designs of the dam and catchment systems.

Apart from the beautiful scenery and landscape, valleys and mountains, it is easy for Lesotho to collect water from the bottom because it is a very elevated country, water just simply gravitates to the bottom for collection and moves in the tunnels with such ease. There are many springs which flow down the hills and mountains that are then joined together to form dams. There is only one operational plant to treat the water. Interestingly it is said that when this water finally joins the Vaal Dam, it dilutes the Vaal Dam due to low sediment content and good chemical quality.

KZN water boards can benefit from the scheme

Although South Africa is way more developed than Lesotho, it is important that we protect our water resources and not let industrial activities taint the environment. This can be done by working with municipalities and emphasise the importance of enforcing bylaws on waste discharged into our rivers and dams. As the biggest water board in the province, we can improve where we already excel. With all the skills that Umgeni Water alone has at its disposal, they can be put to good use in water resource management as an on-going process. The YPs are a platform the organisation can use to get a message across that we are in a crisis of water shortage and people need to conserve water.

Transferring water from Lesotho to KZN might be costly; Umgeni Water has its own transfer schemes such as Mooi Mgeni, Mphambanyoni, Tongaat and Ixopo. Most of these schemes were constructed during emergency periods. The LHWS has demonstrated that transfer schemes can be planned and used to supply during periods of high demand.

Taking leadership roles in WISA structures

Young Professionals from Umgeni Water have taken leadership roles in some of the WISA structures. During WISA 2016 conference held in Durban ICC, Mluleki Mnguni was elected as the chairperson of the Anaerobic Digestion division of WISA. In May 2016, Lindelani Sibiya was also elected as the provincial chairperson of WISA Young Water Professionals (YWP-ZA) in KZN. These young professionals are responsible for leading and providing direction in their respective divisions. Thus far, the KZN YWP-ZA have successfully organised and hosted among other events the Publications Workshop held at the University of KwaZulu Natal (UKZN), Howard College campus. The purpose of this workshop was to help young professionals to better understand the “art” of publishing in peer reviewed journals and to prepare manuscripts for submission to these journals. The workshop followed a diverse programme covering technical writing skills, practical activities, review systems and extensive interrogation of participants' draft papers.

It is very encouraging to note that a total of seven UWYPs participated in this 4-day “publish or perish” workshop and received certificates. This will improve the number of journal publications from the organisation. The workshop was facilitated by Professor Gustaf Olsson from Lund University in Sweden. Professor Gustaf is a former Editor-in-Chief of Water Science and Technology Journal. He has also served as a member of the International Water Association (IWA) Board of Directors and IWA Strategic Council. At the end of the workshop, Professor Gustaf Olsson presented a lecture on Smart Water Utilities which attracted local university professors and Umgeni Water's Process Engineering team.



YWP Publications Workshop Group



Public lecture on Smart Water Utilities attracted local university professors and Process Engineering team of Umgeni Water

CORPORATE SERVICES' MANDELA DAY PROJECT

Contributed By Thambi Radebe

CS Division embarked on a journey to assist underprivileged communities on Mandela Day. However, this did not happen during the month of July as anticipated.

This was due to the amount of work that had to be done in ensuring that well deserving communities benefit.

CS staff came up with ideas as to how the division can spend the money allocated by CSI to each division. It was then suggested that we help an old home, orphanage and a school. The task team was then requested to visit the institutions to ascertain needs.

The team identified (1) Emuseni Old Age Home which is based in Edendale, (2) Slangspruit Primary School based in Slangspruit near Imbali township and (3) Izamimpilo Drop Off Centre which looks after approximately 60 children and also feeds old people who do not have anyone to take care of them. Izamimpilo is based in France near Imbali Township.

The team bought 58 blankets and cutlery for Emuseni Old Age Home, 40 sets of school uniforms for Slangspruit Primary School and 10 mattresses, carpets, 20 blankets and food parcels for Izamimpilo Drop Off Centre/Orphanage.





Christmas Message from Chief Financial Officer

Thami Hlongwa

The year 2016 has been a difficult one for the water sector as a whole. Despite the challenges that the year threw at the sector, we are proud of the input from all of us as Umgeni Water family to keep the institution afloat. Yet again we celebrated excellent financial and non-financial performance achieved by the entity. It is always joyful for the Executive to work with highly skilled, motivated and driven individuals within this Umgeni Water family. Your dedication throughout 2016 is worthy of the deserved break. This Festive Season let us all reflect on the journey we have travelled with a realisation that it is within our abilities to make a difference and create a brighter future for us and our loved ones. May we all have a blessed Festive Season, and return in 2017 in good spirit to continue building a legacy for the next generation by excelling in all our contributions to the success of Umgeni Water.



FOUR CRUCIAL QUESTIONS ARISE IN INVESTOR ROAD SHOWS

The Chief Executive, Cyril Gamede, led a team comprising Board member Thabani Zulu, General Manager Thami Hlongwa, Company Secretary Sibusiso Madonsela and Communications Specialist Thokozani Hammond on road shows to present Umgeni Water's Annual Financial Results to seven banks and Asset Managers in Johannesburg and Cape Town from 24 October – 26 October 2016.

Umgeni Water's annual financial statements showed strong/positive results despite the drought challenges that the country is facing.

The purpose of the road shows was to meet the new bond holders of UG26, coupled with a few long-standing bond holders, and to assure them of Umgeni Water's sustainability through its healthy balance sheet. The road shows were also intended to open up a platform to engage with them on a number of crucial issues that required clarity. There were four major questions that arose repeatedly:

- (1) The proposed dis-establishment of Umgeni Water and Mhlathuze Water, which the Board clearly articulated to the investors.
- (2) What drives the decision for this rationalisation
- (3) What impact would this development have on Umgeni Water's debt, as investors seemed to be concerned about losses they might incur should the amalgamation go ahead.
- (4) Does Umgeni Water receive funding from Government when providing infrastructure for rural communities.

Annual Report results presentations were done for the stakeholders listed below.

PRESENTED TO	LOCATION	DATE
Media	Hilton Hotel - Durban	20 Oct. 2016 @ 09h00
Stakeholders (included Banks and Municipalities, Local Government & Private sector)	Hilton Hotel - Durban	20 Oct. 2016 @ 15h30

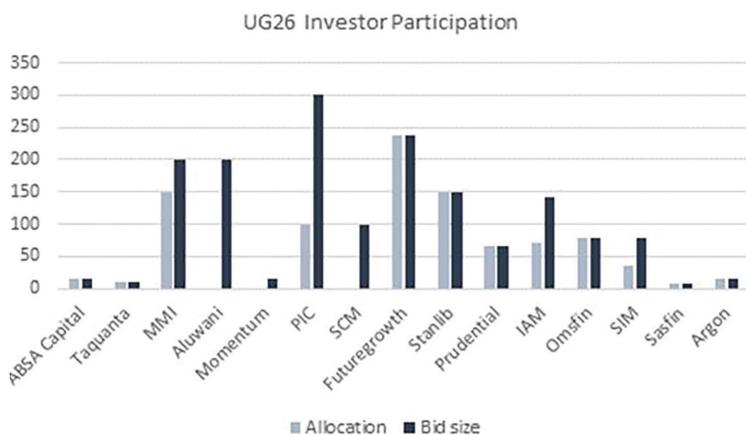
Individual Investors visited in Johannesburg & Cape Town

PRESENTED TO	LOCATION	DATE
Momentum	Sandton	24 Oct. 2016
Aluwani	Sandton	24 Oct. 2016
Stanlib	Sandton	24 Oct. 2016
Investec	Sandton	24 Oct. 2016
Sanlam	Sandton	24 Oct. 2016
Tarquanta	Cape Town	25 Oct. 2016
Future Growth	Cape Town	25 Oct. 2016

PRESENTED TO	LOCATION	DATE
Prudential	Cape Town	25 Oct. 2016
Prescient Asset Management	Cape Town	25 Oct. 2016
Group Presentation	Cape Town	25 Oct. 2016
Sanlam	Cape Town	25 Oct. 2016
Omsfin	Cape Town	26 Oct. 2016
AIM	Cape Town	26 Oct. 2016

The graph below illustrates all Asset Managers that participated in the UG26 bond of R935m that was issued in March 2016 and who were part of our road shows

Conclusion



Umgeni Water's strategy is to remain financially sustainable within the difficult environmental drought conditions.

- Continue to deliver on our capital expenditure programme to complete crucial bulk water infrastructure in line with the Shareholder Compact and service delivery mandate.
- Prioritisation of Capex projects in this difficult time and increased efforts to secure grant funding.
- Managing controllable costs.
- We will continue to closely partner with our customers and shareholder to manage the risks and impact of the drought.
- Umgeni Water upholds strong financial controls and full compliance with laws and regulations in order to maintain our Clean Audit Report thereby maintaining Investor and stakeholder confidence.

We will not compromise on quality - CFO

Contributed by Mpume Nzimande

Chief Financial Officer of Umgeni Water and Sponsor of SAP ON TAP project, Thami Hlongwa, sent a remarkable message about the implementation of SAP ERP at Umgeni Water. He stated that management will not compromise on quality. Mr Hlongwa had an interview with Mpume Nzimande, SAP Communication Specialist, where he gave insights into the progress of SAP ERP.

Sponsor of SAP ON TAP, Hlongwa answered a few questions below:

Q: How has SAP ON TAP journey been for you as the Sponsor of the project?

A: Wow! For me, the journey has been adventurous. Let me just say that it has been a journey of adventure, whereby not everything goes according to what you had planned. Mainly because the magnitude of the project dictates [ukuthi] that there is bound to be disagreements and hiccups.

I think we are one of very few enterprises or entities that have gone full-blown implementation...where we are implementing all 11 modules at once.

Most entities.... do piecemeal approach and the reason we decided [to go full-blown approach] was that we were having five or six legacy systems mainly because of that piecemeal approach..... It then warranted us to go full-blown implementation. As a result there are bound to be challenges in that regard.

It has been a challenging experience but humbling one as well. When you look at the level of dedication from the Umgeni Water staff [saseMgeni]whereby everyone who was given a task or role to play in the process of implementation gave 120%.

So, from that degree... angle it really, really it did augur



Chief Financial Officer of Umgeni Water,
Thami Hlongwa

well for us... that the staff is really, really dedicated. The excitement from the staff to work... is really, really very humbling. But it also shows that Umgeni Water has progressive staff that want to see things being achieved.

Q: Umgeni Water wants a unique, innovative and highly sophisticated system. Please give insight as to how hard is Umgeni Water working to achieve that?

A: One thing that we will never compromise on is the issue of us getting what we want. Umgeni [Water] is a very unique enterprise. Very unique in the way we operate. Yes, one could argue that all water boards are the same. But, we are the only water board that has gone full blown SAP implementation. The likes of Rand Water have a combination of SAP and Maximo and other products, I think that they use for HR. So, we will be the only water board that will have full-blown SAP implementation. One of the few entities in the public sector to have full-blown SAP and we want to become a success. And, we do not want to compromise on quality. As a result, the challenges of innovations become inherent.

They are inherent because of the system that says we are unique. We do not want something that is off the shelves. It won't work for us. Naturally there will be conflicts. Conflicts come from a level of complexities. Which basically demands a system that is in order and that can give us the complete solution.

Q: What are the fundamental challenges that still need to be addressed before Go Live?

A: The fundamental challenges that need to be

addressed... basically there are two stages in fact, it is three stages that are critical. We call them streams.

Data stream where we have loaded data. It works. We did Mock 1 and Mock 2. Mock 2 we eventually finished it, but we were not happy at the amount of time that it took to load. We felt that may be we were forcing the data. We noted some errors and we had to redo as Mock 2.1 and started all over again. That is how serious we take this project... Right now, we are looking at Mock 3 and 4. We are sitting at pre-Go live data loading stage.

As far as Configuration Stream is concerned, we are looking at finalising configuration. We are basically at a stage where we are finalising configuration. We have done integration testing. This is where, for example, we are testing that the engine and gearbox are working together. They are in sync.... We are testing that all modules are working together. That they are in sync with each other. Because when I pay your salary ... I will be using a module called Human Capital Management, it is an HR module....But as your salary gets out it needs to update the bank on our side and that is FI, Finance, and it also needs to update management, that is Cost Management. If you are working directly at a Plant, it means that you are basically adding cost into a kilo litre... and all that needs to work and talk to each other.

What we want with Integration Testing is to make sure that all is in sync. So, when I press the button this side, it automatically updates all that is supposed to update, like your Vat, Bonitas, your PAYE..... It needs to update all of that.

During Integration Testing, we found 14 defects and the implementing partner is fixing this....Now we are moving to User Acceptance testing.....

When it comes to Change Management stream, Change is basically helping people adapt. We have done the first training. During that we picked up some errors ... because that is how thorough we are with the system. Now there is going to be a second phase of training. We will then move to Cutover where after checking Integration and User Acceptance testing, we will check how training is going and whether users are happy with training.

Q: Change is hard because people overestimate the value of what they have and underestimate the value of what they may gain by giving that up," James Belasco and Ralph Stayer.

How relevant is this quote to the current state of the SAP ON TAP project?

A: I think that quote is contrary.... People might have underestimated what we going to get and overestimated what they had. I still believe that once we Go Live everyone will really be taken aback by the ease that the system makes our business processes. Fortunately at Umgeni [Water], there is so much excitement. I was even telling EOH that for us, Change Management, we

are so excited that it is not us changing the mind-set. We want this car. It's a question of you teaching us how to operate it. People want SAP system to take them to the future. But they want to make sure that they understand how the system works and how they can work with the system. I'm comfortable from the position I'm sitting-in ... that we as Umgeni [Water] are really excited about this.

Q: With every challenge there is always a lesson to be learned. What would you like Umgeni Water employees to learn from this process?

A: What I can say is ... whatever you do, don't compromise on quality. Yes, they say time is of the essence but I always say quality is timeless. And, that is where we are sitting at. We are saying quality is timeless... quality is priceless. So let's make sure that we get quality of what we want. That is key message that I would like Umgeni [Water] staff to understand. Us rushing things will not help us at all. Even during informal interactions with some of our colleagues even at plant level, like artisans, our maintenance colleagues and foremen, they were saying, 'Push them to the corner. Make sure we get what we want. Don't rush. Don't be like so and so'.... Colleagues, quality is timeless!

The second one that I think is critical is that, if you want to achieve complexity without any compromise be prepared to make sacrifices.

Q: What are you looking forward to after SAP ERP system has been implemented?

A: I think eventually when we Go Live, people will understand the value of the system. It will make decision making very easy. We will all be reporting on the same basis, with same understanding using the same database. The nice thing about it as well is information will not be subjected to manipulation as it were.

It makes basic planning of resources, allocation of resources both human and financial, as well as planning performances, in terms of financial and non-financial, much more accurate. It makes those plans much more accurate and much more reliable. Thereby making decision making easy which should enhance the value in all our employees.

We don't want to end up in a situation where we become victims of the decision that we made based on the wrong information.

Our customers are the ones who are going to benefit the most because they will be. They will know when we do maintenance, how we are going to do maintenance. We will have very limited unplanned shut downs.

Winds of change are blowing through Umgeni Water

SAP ON TAP road shows are being conducted at different sites of Umgeni Water. The purpose of the road shows is to inform employees about SAP-related changes within their working environment.



SPORTS: UMGENI WATER ULWANDLE CUP

Umgeni Water held its Ulwandle Cup games at Reservoir Hills sports grounds. Six teams participated in these games.

The finals featured Pineside teams vs Wiggins/Maphephethwa WW, which resulted in Wiggins/Maphephethwa taking the trophy home after a score of 0 – 1.

Teams were as follows:

GROUP A:

Pineside, South Coast and Legend (*Players over 40 years old*)

GROUP B:

North Coast, Wiggins/Maphephethwa WW and Durban Heights/Nagle Dam

GROUP A

South (6) vs Legend (0)

Pineside (3) vs South (3)

Legend (0) vs Pineside (10)

GROUP B

North (2) vs Durban Heights/Nagle (0)

Wiggins/Maphephethwa WW (2) Vs North (1)

Durban Heights/Nagle (0) vs Wiggins /Maphephethwa WW (2)



CLASSIFIEDS

RESIGNATIONS, RETIREMENTS & END OF CONTRACTS

To all staff that left Umgeni Water, the Board, Executive, Management and Staff wish you well.

NAME	SURNAME	STATION	DATE	REASON
Hlengiwe	Gumede	Amanzimtoti WW	21 July 2016	End of Contract
Wiseman	Jwara	Mkondeni	10 September 2016	End of Contract
Sibusiso	Khuboni	Lab Services	30 September 2016	End of Contract
Nomthandazo	Khusi	Darvill WWW	30 September 2016	End of Contract
Thobile	Makhathini	Human Resources	30 September 2016	End of Contract
Bheka	Makhoba	Pineside	30 September 2016	End of Contract
Bongekile	Mbatha	Human Resources	30 September 2016	End of Contract
Simon	Mokonyama	Wiggins PEF	30 September 2016	End of Contract
Kajal	Naidoo	Finance & Admin	31 August 2016	End of Contract
Halalisani	Ndlovu	Amanzimtoti WW	30 September 2016	End of Contract
Zuko	Ngceni	Pineside	30 September 2016	End of Contract
Mhlonipheni	Ngwabe	Durban Heights	21 July 2016	End of Contract
Bongani	Dladla	Engineering Services	24 September 2016	Resignation
Msizi	Gumede	Wiggins PEF	31 August 2016	Resignation
Chantel	Keivit	Finance & Admin	21 August 2016	Resignation
Nkululeko	Mtungwa	Finance & Admin	10 August 2016	Resignation
Mduduzi	Msweli	Pineside	31 August 2016	Resignation
Nomusa	Mzilikazi	Ixopo WW	04 July 2016	Resignation
Velaphi	Chonco	RosettaWW	31 August 2016	Retired
Vusumuzi	Khoza	Mkondeni - Civil	31 August 2016	Retired

DEATHS

May the souls of our colleagues who passed away rest in peace.

NAME	SURNAME	PAYPOINT	DATE
Elliot	Mbambo	Mkondeni/Civil/Mech	15 August 2016
Dumsani	Phungula	Mkondeni	27 July 2016

NEW ENGAGEMENTS

NAME	SURNAME	PAYPOINT	DATE	POSITION
Ntuthuko	Ngcamu	Planning Services	01 July 2016	Head:Water Demand Management
Musawenkosi	Ngubane	Scientific Services	01 September 2016	Environmental Officer
Ntokozo	Sosibo	Head Office	01 September 2016	Environmental Officer
Njabulo	Hlabisa	Engineering Services	01 September 2016	Technical – Civil/Mech
Nomfundo	Mhlambi	Water Quality	01 September 2016	Water Quality Management Officer
Mogoma	Malatji	Wiggins PEF	01 September 2016	Technician – Civil/Mech
Malusi	Xolo	Umhlali Office	05 September 2016	Process Technician
Mthokozisi	Dwayisa	Water Quality	01 September 2016	Graduate Trainee

NAME	SURNAME	PAYPOINT	DATE	POSITION
Phumelele	Sokhulu	Water Quality	01 September 2016	Graduate Trainee
Nathaniel	Chinsamy	Engineering Services	01 September 2016	In-service Trainee-DWS
Siphesihle	Ngcobo	Engineering Services	01 September 2016	In-Service Trainee- DWS
Lindokuhle	Ntenga	Engineering Services	01 September 2016	In-Service Trainee - DWS
Neethan	Singh	Engineering Services	01 September 2016	In-Service Trainee - DWS
Jacobus	Van Der Wal	Engineering Services	01 September 2016	In-Service Trainee - DWS
Hlengiwe	Ngcobo	Finance & Admin	01 August 2016	Senior Creditors Administrator
Goodness	Dube	Finance & Admin	08 July 2016	Contracts Assistant Management Accountant
Scott	Nicholls	Finance & Admin	01 August 2016	Contract Treasury Administrator
Nelisiwe	Zikhali	Creditors	01 August 2016	Creditors Administrator
Nonkululeko	Chiliza	Mkondeni	01 July 2016	Secretary Area Manager Sisonke
Trevor	Gabela	Albert Falls	01 July 2016	Driver - Tractor
Msawenkosi	Nzimande	Albert falls	01 July 2016	General Worker
Sakhile	Zuma	DV Harris	01 July 2016	General Worker
Bongiwe	Ngobese	Amanzimtoti WW	01 July 2016	Intern - MUT
Eric	Ngcobo	Pineside	01 August 2016	Operations Support Offer
Tumi	Nhlonzi	Pineside	01 August 2016	Engineer Maintenance
Mduduzi	Khumalo	Howick	01 July 2016	General Worker
Mncedisi	Mbanjwa	Howick	01 July 2016	General Worker
Thobelani	Ngubane	Howick	01 July 2016	General Worker
Emmanuel	Ngubo	Howick	01 July 2016	General Worker
Tholani	Shandu	Mpofana WW	01 September 2016	Operator
Seniorita	Siwela	Mpofana WW	01 September 2016	Operator
Mthokozisi	Manyoni	Mpofana WW	01 September 2016	Shift Attendant
Musawenkosi	Ntaka	Coola Air Waste Water	01 September 2016	Shift Attendant



Compiled and designed by the Corporate Stakeholder Management Unit

IMPROVING QUALITY OF LIFE AND ENHANCING SUSTAINABLE ECONOMIC DEVELOPMENT

