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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF WATER AND SANITATION

NO. 2673

3 November 2022

INTENTION TO EXTEND THE BOUNDARY OF UMGENI WATER TO INCLUDE MHLATHUZE WATER TO FORM A SINGLE WATER BOARD IN KWAZULU-NATAL AND TRANSFERRING OF STAFF, ASSETS AND LIABILITIES TO UMGENI WATER

I, Mr Senzo Mchunu, in my capacity as Minister of Water and Sanitation, hereby, in terms of Section 28 of the Water Services Act, 1997 (Act No. 108 of 1997), propose the following:

- a) The extension of boundary of Umgeni Water to include Mhlathuze Water to form a single Water Board in KwaZulu-Natal in terms of Section 28 of the Water Services Act, 1997 (Act No. 108 of 1997).
- b) That the staff, assets and liabilities including operations of Mhlathuze Water be transferred to Umgeni Water.
- c) Gazette the extension of the geographic area of Umgeni Water so that the former Mhlathuze Water's area of operations are reallocated to Umgeni Water.
- d) That the extension of boundary of Umgeni Water to include Mhlathuze Water to form a single Water Board in KwaZulu-Natal will be done in terms of Section 28 (1) (a) (b) (c) and (d) of the Water Services Act, 1997 which states that: ***"The Minister may, by notice in the Gazette, establish a water board; give it a name or approve a change of its name; determine or change its service area or disestablish it"***.

I give the reasons for the disestablishment as follows:

- The single Water Board for Kwazulu-Natal will enable the Water Boards to consolidate their assets and skills for key infrastructure development and access to water for the entire province.
- The main objective of the reconfiguration is to consolidate two (2) Water Boards and **transform Umgeni Water into a new entity servicing the entire KwaZulu-Natal Province**. I will consider changing the name of the new entity to reflect Provincial dynamics after consultation as required by Section 28 of the Water Services Act, 1997 (Act No.108 of 1997).
- A single Water Board is intended to achieve the following:
 - *Rationalisation of systems to enable better economies of scale.*
 - *Enhance market capitalisation for infrastructure projects.*
 - *Increase water access to un-serviced rural areas.*
 - *Enable more leveraged cross-subsidisation.*
 - *Facilitate differential service delivery levels and tariff modelling across the province.*
 - *Reduce skewed supply of water services in the Province.*

Following the working sessions with the Provincial Governments, various Water Services Authorities and Water Boards regarding issues of governance, financial viability, accountability, and broader service delivery issues, a decision was taken to review Water Boards. The review is based on

considerations of financial sustainability, servicing areas that are not currently being serviced and is also intended to address institutional confusion caused by having multiple Water Boards servicing the same area. I approved the proposal to extend the boundary of Umgeni Water to include Mhlathuze Water in terms of Section 28 of Water Services Act and transfer the staff, assets and liabilities to Umgeni Water and gazette the extension of the geographic area of Umgeni Water so that the former Mhlathuze Water area of operation are reallocated to Umgeni Water.

The due diligence report will be conducted and shared with stakeholders on completion. All interested persons and affected parties are invited to comment in writing on the extension of boundary of Umgeni Water to include Mhlathuze Water to form a single Water Board in KwaZulu-Natal for a period of sixty (60) days from the date of publication of this notice. All such comments must be addressed to:

Director-General

Department of Water and Sanitation

Attention: Mr S Letsholo

Waterbron Building

178 Francis Baard Street, Pretoria, 0001

or

Private Bag X313, Pretoria, 0001.

For attention: Mr S Letsholo

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MR S MCHUNU, MP

MINISTER OF WATER AND SANITATION

DATE: 21/10/22

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