

Spillway



Amatola
Water · Amanzi

THIRD EDITION • DECEMBER 2011

bringing water to life



***Pillars of
robust expansion***

2010/11: A *bird's* EYE VIEW

Changing the material condition of our people through the provision of quality water services.

The review period has revealed a utility playing an admirable role in the socio-economic development of the Eastern Cape through the provision of universal access to water services. Amatola Water's contribution in this regard, is not a mindless exercise. Ours is a systematic approach aimed at improving the socio-economic status of our people, particularly the poor and marginalised. Interventions adopted in the review period confirm the organisation's view that for a viable socio-economic development to occur, an accelerated focus on providing clean and safe water to communities, skills, infrastructure development as well as operations, maintenance and planning is a top priority. The focus on providing these total solutions to the province's water challenges is therefore by design.

CASH FLOW

- Increased by R9 million in 2010/11
- Largely due to cash generated by operations

WATER QUALITY

99,15%

Compliance – consistently above national standard of 96%

GROWTH OF SECONDARY BUSINESS

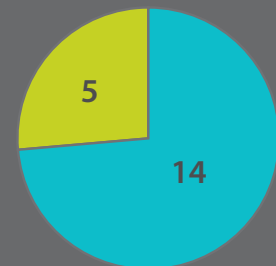
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SIGNIFICANT NEW CONTRACTS SECURED

- through direct negotiation
- Submission of tenders

19 PROJECTS IMPLEMENTED

- 5 internal projects
- 14 external projects



- Internal projects
- External projects

FOUR REGIONAL OFFICES ESTABLISHED

- SOUTHERN
Coastal municipalities including Koukamma Municipality
- NORTHERN
Joe Gqabi and eastern parts of Chris Hani District Municipality
- EASTERN
Eastern part of Amathole, OR Tambo and parts of Alfred Nzo
- WESTERN
Western parts of Amathole, Cacadu and Chris Hani District Municipalities



SKILLS DEVELOPMENT

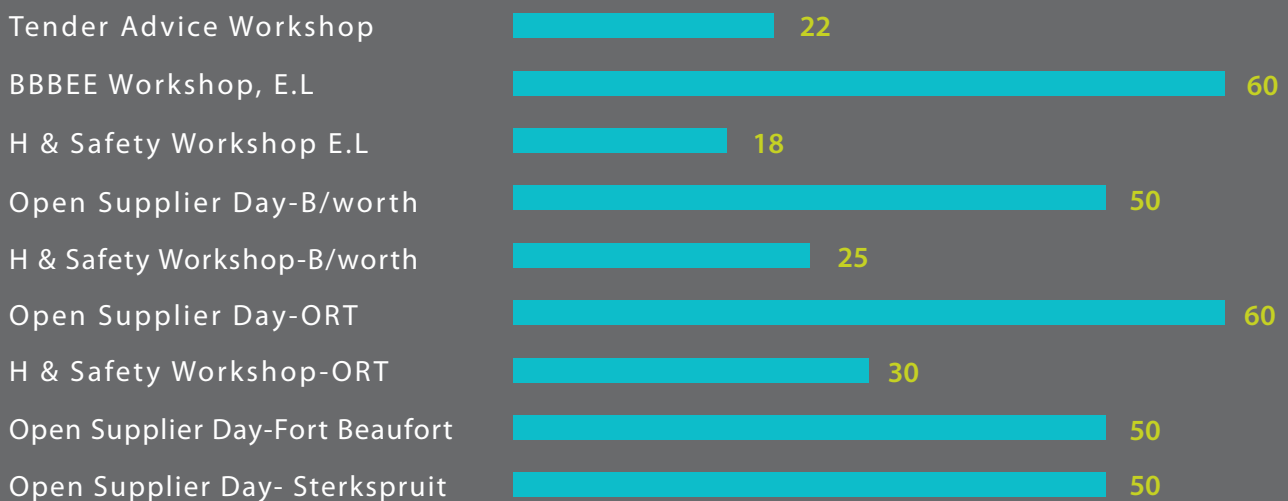
- 40 learners enrolled for water and wastewater treatment
- Includes artisan development programme

ENTERPRISE DEVELOPMENT

R133 000

SPENT ON SMALL BUSINESS SUPPORT THIS YEAR

NUMBER OF SUPPLIERS WHO ATTENDED WORKSHOPS





PILLARS OF ROBUST *expansion*

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Expansion:

A COORDINATED APPROACH TO WATER CHALLENGES

This has allowed Amatola Water to steadily create a provincial-wide footprint which is intended to create a coordinated regional undertaking to overcome bulkwater and sewage services challenges.

The utility has recorded remarkable progress in key areas such as the flagship expansion drive, excellence in water quality, skills, infrastructure, capacity as well as business development in 2010/11.

Key among its priorities, the utility has taken great care in assuring that it meets the expectations of its customers in delivering water services of the highest quality. This commitment to quality, has again resulted in the utility achieving 99,15% water compliance as per the South African National Standards (SANS) 241 standards. Subsequently, the utility has been awarded the prestigious Blue Drop Award for its work on the Sterkspruit water system.

These efforts have enabled the utility to further build confidence around its product and service offering. As a result, these efforts created fertile ground for the utility to pursue its robust expansion drive with renewed vigour and to widen its customer base. This has allowed Amatola Water to steadily create a provincial-wide footprint which is intended to create a coordinated regional undertaking to overcome bulkwater and sewage services challenges.

ALIGNED WATER AUTHORITIES

This should result in SANS Class 1 bulk potable water being provided to aligned water services authorities. Bulk sewage effluent is collected from the water services authorities, treated to meet discharge licence standards and released back into the environment. The aligned water authorities should focus on reticulation, customer relationship management and cost recovery from consumers.

Equally, the utility has ensured that small businesses benefit from the expansion through Amatola Water's procurement policies that seek to engage small local businesses as far as practically possible in regions where we undertake work. The utility's enterprise development programme will also support the development of targeted business enterprises for this purpose.

A PROMISE FULFILLED

The utility has fulfilled its promise to establish the Amatola Water Learning Academy, the first skills hub of its kind in the Eastern Cape's water sector. The utility presented the academy as its contribution to the minister's performance agreement with President Jacob Zuma. The contribution is in skills development as per the Industrial Policy Action Plan (IPAP) 2 on women and youth empowerment and job creation.

The utility is mindful of the challenges it will encounter in its endeavour to provide universal water coverage. There are significant infrastructure as well as financial considerations and risks associated with expansion. The Board is aware that this undertaking, by and large, requires a strong oversight role on its part and prudent leadership to steer the utility through what could potentially be tumultuous waters.

However, the Board is confident that it has an incisive crew, to navigate the utility to safe waters. Amatola Water's competitive advantage is safety in numbers and the quality of its crew. The team has extensive experience and a solid understating of the regional challenges allowing it to create unique solutions to meet these challenges in an effective manner.

A UTILITY AT *work*

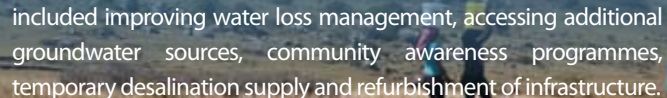


THOUSANDS OF PUPILS NOW
HAVE ACCESS TO CLEAN SAFE

WATER IN CHRIS HANI DISTRICT MUNICIPALITY

Amatola Water was appointed as an Implementing Agent by the Department of Water Affairs for the construction of water and sanitation facilities at 80 schools in the Chris Hani District Municipality to the value of R25 million. This project was successfully completed and handed over in August 2010.

R31 MILLION WATER INJECTION FOR NDLAMBE COMMUNITY




The Ndlambe Drought Intervention Project has been allocated R31 million by the Department of Water Affairs. This was in response to the severe drought experienced in the region over the past three financial years. Amatola Water was appointed as the Project Implementing Agent. The project commenced in September 2010 and it will be complete in September 2011. Interventions included improving water loss management, accessing additional groundwater sources, community awareness programmes, temporary desalination supply and refurbishment of infrastructure.



NEW LOOK FOR STERKSPRUIT WATER TREATMENT WORKS

Amatola Water has been appointed by Joe Gqabi District Municipality (JGDM) to refurbish and upgrade the Sterkspruit Water Treatment Works. An amount of R48.2 million has been approved under the MIG programme for the project. Refurbishment work to the amount of R5.52million has been completed. For the upgrade Amatola Water has appointed a service provider to do the design and construction supervision. The first phase of the project is well underway. This involves a regional reservoir and a section of pipeline.

CLEAN SAFE WATER FOR 34 COFFEE BAY VILLAGES



Amatola Water was appointed by the Department of Water Affairs to ensure the provision of bulk water for the Coffee Bay Regional Water Supply scheme in the OR Tambo District Municipality (ORTDM). During the year, ORTDM also secured Municipal Infrastructure Grant (MIG) funding to do reticulation in the villages and increase the capacity of the water treatment works. The scope of the contract has been extended to cover bulk mains to 34 villages. The contract with the extended scope will be completed in November 2011.

R43 MILLION BOOST FOR LAING WATER SUPPLY SCHEME IN BUFFALO CITY METRO

Amatola Water is the bulk potable water provider for the Laing Dam water supply scheme. The scheme supplies potable water to the Zwelitsha, King William's Town, Bhisho and Berlin areas located within the Buffalo City Municipality. Recent developments in the area have resulted in a R43 million upgrade of the Qongqotha and the Berlin reservoirs of the Laing Scheme to ensure the reliability and sustainability of water supply. This improvement also provides for a 24 hour storage capacity.



ADOPT-A-RIVER PROJECT (PHASE 2)

The appointment of Amatola Water by the Department of Water Affairs to implement the Adopt-a-River Project has been extended with a further R2 million allocated for Phase 2 of the project. Phase 1 was completed in June 2011. The project will entail training locally based women to care for the Buffalo River system by cleaning solid waste and clearing of alien vegetation along the river course.

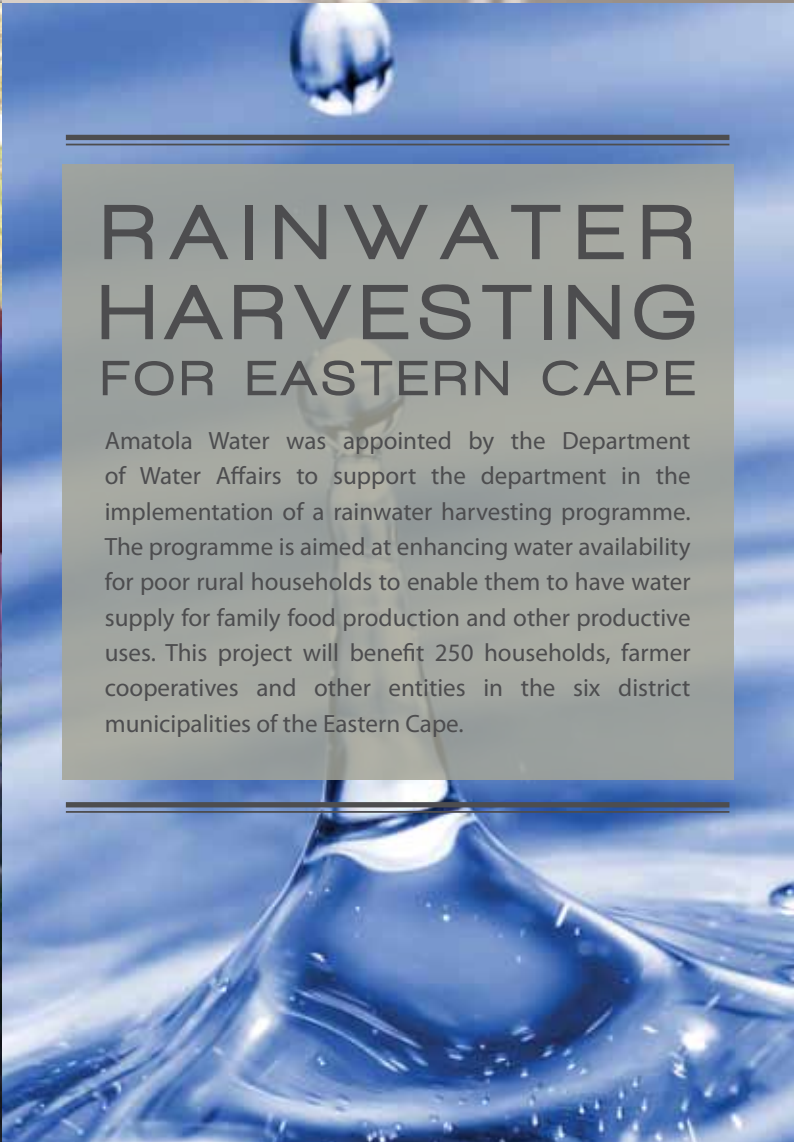


R7 MILLION TO INCREASE CAPACITY OF MASINCEDANE WATER TREATMENT WORKS

The R7 million upgrade of this water treatment works was necessary to improve the reliability of the treatment processes and to increase the capacity of the works. This water treatment works is supplied with raw water from the Mnyameni Dam in Keiskammahok. This work, including construction was completed in March 2011. There has been a request by the Department of Local Housing and Development to provide potable water to some 1 255 housing units within the scheme.

RAINWATER HARVESTING FOR EASTERN CAPE

Amatola Water was appointed by the Department of Water Affairs to support the department in the implementation of a rainwater harvesting programme. The programme is aimed at enhancing water availability for poor rural households to enable them to have water supply for family food production and other productive uses. This project will benefit 250 households, farmer cooperatives and other entities in the six district municipalities of the Eastern Cape.



POISED FOR *long-term* GROWTH

Moving forward, the utility will focus on the efficiency of operations to realise the financial benefits of the expansion. This is to make sure services are provided with no wastage.

The key objective in the review period was to expand Amatola Water operations in the province. I am excited to report that the utility has made energetic strides in this regard. Already, four regional offices have been set-up and they are equipped with experienced staff to cater for current and medium-term contracts.

However, the utility is conscious that an energised and robust expansion drive requires significant financial injections. Expansion comes with additional investments in people, infrastructure and the need to secure contracts which are the lifeline of the utility. This has resulted in the growth of the workforce which comes with increased expenditure on labour related costs. The utility is confident that these costs and its investments will be off-set by contracts.

Progress has also been made towards the establishment of the Amatola Water Learning Academy. **Forty learners** are to be enrolled in the academy in the next financial year with our long-term goal being to establish a fully-fledged academy to build water as a business. The utility has partnered with the Development Bank of Southern Africa (DBSA) to set this process in motion. The academy has been introduced to various municipalities including the Amathole District Municipality (ADM) which has committed to actively participate in the academy.

BUILDING PUBLIC CONFIDENCE

The utility has consistently achieved **99,6% water quality compliance** as per the national SANS 241 standards. This is above the national benchmark of 96% set for water quality. It also maintained **assurance of water supply at 100%**. Consequently, the utility achieved the prestigious Blue Drop certification which is meant to build public confidence in the quality of drinking water for the Sterkspruit water treatment works.

Furthermore, ADM renewed its contract with Amatola Water for another three years. The utility views this as a vote of confidence in the quality of the work it continues to deliver. These developments indicate that the utility is on a sustainable growth trajectory.



OPPORTUNITIES FOR GROWTH

The review period also revealed the opportunity to grow bulkwater infrastructure. Growth in this area will assist Amatola Water to increase volumes, sales and revenue as well as its asset base. This will also assist municipalities in providing water services of the highest quality. There are also opportunities for the utility to grow bulkwater services, its primary business.

Moving forward, the utility will focus on the **efficiency of operations** to realise the financial benefits of the expansion.

This is to make sure services are provided with no wastage. This also means value for money for clients. This will also result in reduced operational expenditure in order to raise revenues which can be ploughed back into infrastructure.

Secondly, there will be a significant focus on **infrastructure development**. Lastly, the utility is paying particular attention to **customer attraction and retention**. The focus continues to be on providing value for money, quality services and on-time solutions to customers.



WITH ABIGAIL NYEZWA

THOUGHT *stream*



"We are aware that relationships are a two-way process and the utility cannot make a solid impact without the input of its clients."



In the last year, Amatola Water accelerated its focus on the attraction and retention of business to offset the costs associated with its substantial expansion drive. The provincial utility has recorded solid growth in its secondary business as it continues to secure contracts from its valued customers.

This came with the sober realisation that its sustainability and financial posture largely depends on the utility sustaining its impeccable product and service offering. It is intended that the offshoots of this process are a satisfied customer base which leads to new customers and the retention of existing clients.

However, the utility is cognisant that a vigorous expansion drive requires substantial financial injections which may not necessarily yield returns in the short-term. Expansion invariably leads to increased staff costs, additional investments in infrastructure to support existing and new contracts.

CUSTOMER-CENTRED APPROACH

Subsequently, the utility has put a prime on Customer Relationship Management (CRM). This is because the utility understands that happy and satisfied customers are central to the success of the utility. At the core of this CRM process is the customer. As such, the utility has begun a process of engaging its customers to gather their inputs, understand their needs and challenges, and gather their insights which will inform the utility's strategic nouse in the future.

The success of this process depends on customers taking ownership of the CRM process and securing their maximum participation. At Amatola Water we are aware that relationships are a two-way process and the utility cannot make a solid impact without the input of its clients. Amatola Water's efforts in this regard are a genuine effort to understand:

- Business problems that need to be addressed and resolved.

- How management can be empowered with a real-time pipeline and forecasting so that they can build and focus on high-profit and sustainable relationships .
- How staff can be empowered with customer intelligence and best practices to increase their likelihood of successful transactions .
- The CRM system will integrate useful customer information across the organisation.
- It will enable executives and management to gain customer insight and a 360-degree view of the customer.

Through this process, Amatola Water intends to establish a solid understanding of who our customers are. This process is not about data capturing, it is about collaborating to obtain customer satisfaction and gain customer loyalty.


CUSTOMERS OWN THE PROCESS

Furthermore, this process will assist the utility to effectively respond to customer complaints and update customer and project information. It will also allow the provincial utility to assume diverse insights of customer information. It is envisaged that this approach should result in satisfied customers and stable relationships.

While the key accounts manager is key to championing the process, the chief executive officer of Amatola Water has undertook the role of custodian-in-chief in giving direction to the organisation in this regard. The chief executive recognises customer relationship management as a major organisational change initiative.

This is because this process needs more than support, there must be commitment and leadership. The initiative must be firmly rooted within organisational goals and have specific success metrics and criteria. Without this foundation, the initiative will be like a sailboat without a rudder. Executive management and business executives have an equally important role to play in this regard.

As such, because customer relationship management is an enterprise-wide customer- focused effort that must be built around the customer, clients should look forward to an energised utility ready to discharge its role with renewed vigour. It is a continuous effort that requires redesigning core business processes starting from the customer perspective and involving customer feedback.



AMATOLA WATER
KEY ACCOUNTS MANAGER

CRM AN EFFORT TO UNDERSTAND:

- Business problems that need to be addressed and resolved.
- How management can be empowered with a real-time pipeline and forecasting so that they can build and focus on high-profit and sustainable relationships.
- How staff can be empowered with customer intelligence and best practices to increase their likelihood of successful transactions.
- The CRM system will integrate useful customer information across the organisation.
- It will enable executives and management to gain customer insight and a 360-degree view of the customer.

INGREDIENTS FOR ROBUST CRM:

- Executive management buy-in and leadership
- Key Accounts Manager is the CRM champion, to oversee the development.
- Identification of CRM users (representatives from Operations, Planning & Development, Corporate services including Human Resources and Finance).
- Customers taking ownership of the process.
- Formulation of CRM project team (SBD, OPS, P&D, HRD & IT).

NURTURING *a wealth of talent*



My name is Vuyolwethu Booi and I am 24 years old. I grew up in Mgomanzi Village in Butterworth. I am the second last born of four sisters and a brother. I completed my high school education at Msobomvu Senior Secondary School.

Before joining the Amatola Water learnership programme I had been studying human resources and I knew nothing about water. I took a gamble and dropped out of the human resources course I was doing and applied for the learnership in 2008. This is a gamble that has paid off handsomely for me and it has allowed me to carve a niche for myself in the water sector.

In March 2009 I was inducted into the programme and began the practical part of the learnership until September 2009. During this time we were inducted into the operation of water treatment works under the mentorship of experienced staff. We were taught about water purification and how to overcome water quality challenges.

Thereafter, we did the theory part of the learnership at Buffalo City College until November 2009. We did N3 Mathematics, Engineering Science, water and waste purification as well as sewerage works. After the theory we went back to the water treatment works to apply the theory we learnt at the college.

I did not immediately get a job after completing the learnership. However, Amatola Water was kind enough to extend our learnership term until posts started coming up. In November 2010 I got a job at ADM as a plant operator. I am responsible for ensuring that water is clean and safe for consumption. In December 2011 I was promoted to senior plant operator at the Mkhothane Water Treatment Works in Ngqamakhwe in Mnquma Local Municipality.

The learnership programme has helped me gain a solid understanding of the water sector in the Eastern Cape particularly the challenges faced in water quality as well as skills shortages and infrastructure development. I am grateful to Amatola Water for the opportunity it afforded me to develop a career in water when I knew nothing about the sector.

My plans are now to work hard and become a supervisor in future and steadily rise up the ranks. I also plan to continue my studies in water care. I would encourage all prospective learners to enthusiastically apply their minds in the learnership and this will surely open up opportunities for growth and employment.

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Vuyolwethu Booi was admitted into the Amatola Water learnership programme in March 2009. Just over only two years since being admitted into the learnership, Vuyolwethu has been promoted to senior plant operator at the Mkhothane Water Treatment Works in Ngqamakhwe in the Mnquma Local Municipality. He is employed by the Amathole District Municipality.

Vuyolwethu shares his story with Spillway...

learnership 2009/10

140 GRADUATES IN
WASTE WATER
TREATMENT

120 UNEMPLOYED
YOUTH

20 EXISTING
AMATOLA
WATER
EMPLOYEES

R7,5 MILLION
INVESTED SKILLS
DEVELOPMENT
INITIATIVES

learnership 2011/12

40 LEARNERS ADMITTED TO
WATER AND WASTE WATER
LEARNERSHIP

ACCREDITED BY
ENERGY SETA

1800 LEARNERSHIP APPLICATIONS
RECEIVED

UTILITY CLAIMS TOP PRIZE IN *quality stakes*

Amatola Water has embraced the Blue Drop programme and it has steadily progressed in achieving the best performance as possible. This is despite the Blue Drop requirements becoming more stringent with every assessment cycle.

Amatola Water's water services provision prowess was once again recognised by the Department of Water Affairs (DWA) for its outstanding work in Buffalo City Metropolitan Municipality (BCMM) during the year.

The utility received a Certificate of Excellence in water services provision to BCMM as well as the prestigious Blue Drop award for the Sterkspruit water supply system.

SUBSTANTIAL IMPROVEMENT FOR ADM

"The most significant achievement has been the improvement of the Amathole District Municipality's (ADM) Blue Drop performance of which Amatola Water is a water services provider.

"Given the substantial number of ADM works assessed and its improved Blue Drop score of 65.21%, this has no doubt improved the provincial score to an impressive 77.33%. This has placed the province in fourth position on the National Performance Log after Gauteng, Western Cape and KwaZulu-Natal," says Amatola Water operations director Xola Bomela.

The Blue Drop status is meant to build public confidence in the quality of drinking water and to ensure that proper monitoring measures are taken to ensure safe drinking water.

For a water supply system to qualify for the Blue Drop award it must receive a total average weighting of 95% to 99% across five criterion in the scorecard.

These include proper process controlling, an efficient water quality monitoring programme, credibility of water sample analysis, the regular submission of water quality data to the Department of Water Affairs, drinking water quality compliance and response to failures.

UTILITY EMBRACES BLUE DROP

Bomela says Amatola Water has embraced the Blue Drop programme and it has steadily progressed in achieving the best performance possible. This is despite the Blue Drop requirements becoming more stringent with every assessment cycle.

Out of the 66 water supply systems that were awarded the prestigious Blue Drop for the 2010/11 assessment period, four were from the Eastern Cape. Amatola Water was a water services provider to one of them.

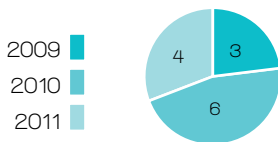
Bomela says in the Green Drop results, the Amathole District Municipality improved its compliance and performance score on all waste water treatment works.

"This improvement places the municipality in third position on the Green Drop Performance Log of the Eastern Cape amongst 17 Water Services Authorities in the province with an average score of 56% compliance," says Bomela.

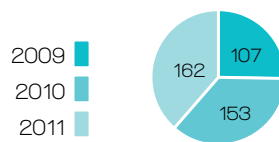
HOW THE PROVINCE FARED... BLUE DROP AWARDS 2011

INCENTIVE - BASED INDICATORS

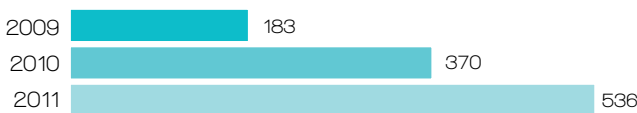
NUMBER OF BLUE DROP AWARDS



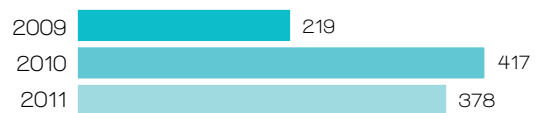
NUMBER OF MUNICIPALITIES ASSESSED



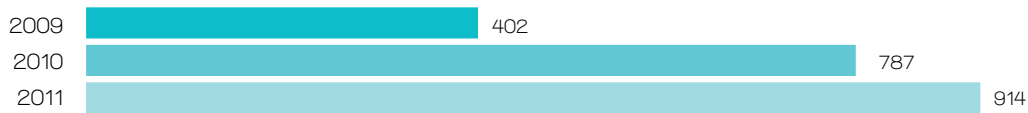
NUMBER OF BLUE DROP SCORES > 50%



NUMBER OF BLUE DROP SCORES < 50%



NUMBER OF WATER SYSTEMS ASSESSED



WATER SERVICE AUTHORITIES / WATER SERVICE PROVIDERS

AMATOLA WATER BOARD



BUFFALO CITY MUNICIPALITY



NELSON MANDELA BAY MUNICIPALITY



JOE GQABI DISTRICT MUNICIPALITY



A JOURNEY WELL *travelled...*



It is sad that Amatola Water has bid farewell to its long-standing Finance Director Craig Step, who has left after a 13 year stint, having been with the utility since its inception in 1998. Craig knows Amatola Water more than anyone having served under four different CEOs and Boards. Craig shares his journey with the utility...



My journey with Amatola Water began in November 1998 with Victor Ntanta whom I started the first day. At that point our offices were a double story house at no. 10 Stewart Drive. I am proud to reveal that my office was the lounge!

In January of the following year we moved to no. 6 Stewart Drive where I brought on board Debbie Venter and Ndumie Madyibi. I also had the late Cynthia Durrheim (Nahoon Dam senior plant superintendent Maurice Durrheim's wife) and Gladys Dyer (Amatola Water's Andre Dyer's wife) transferred from the Department of Water Affairs during that year.

I have had the pleasure of serving under four chief executives during my 13 year stay at Amatola Water. My first boss was Phillip Fourie followed by

current East London Industrial Development Zone (IDZ) head Simphiwe Kondlo, Maxwell Sirenya and until recently under current Amatola Water CEO Nomonde Gwabeni. I have also worked with four different boards.

In July 2003 I was promoted to Director of Finance by Simphiwe Kondlo and I have had the honour of working with many directors – Johan Killian, Tubby Frauenstein, Hemi Govan, Hangwani Makwarela, Patrick Gombert, Ms Fani, Ms Govender, Gogs, Craig Thompson, Paul Rumema Chimhosva as well as Xola Bomela. In total I served as CFO for nine years.

During this period I made some very good friends, the most unusual being an old man at Nahoon dam office. Whitey and I became good friends early in my career, right up to when he retired. We would send each other cake on our birthdays. I would have to say I am very fond of my finance staff, they are definitely the best staff one could wish for.

I did a lot of crazy things at Amatola Water. I used to change people's PowerPoint presentations while they were not looking. I caught Craig Thompson (Planning and Development Director) many times during staff information sessions. I liked to dress up differently when it came to the September casual day, once I went to work as a nun, Xhosa woman, powerpuff girl, Naas Botha, a clown and as a penguin.

I enjoyed working with the Department of Water Affairs personnel, both in the region and at head office. I was fortunate to sit on many committees, representing the interests of the water boards as a collective.

I also had the privilege to serve as CEO for a period of 6 months, which really helped with my own personal development. I studied and received my 2nd post graduate degree while at AW.

Lastly to Joan my assistant for nine years, she was supposed to work for me, but I think it was the other way round.

AMATOLA WATER

also bids farewell to...



Charlene Pillay
Financial Accountant



Victor Hlope
Area Operations Manager:
Western Region

OR TAMBO GETS A MAJOR *facelift*

A budget of R11 million has also been approved for the refurbishment of water treatment works in Tsolo, Mvumelwano, Upper Chulunca, Sidwadweni, Port St Johns, Mzimvubu, Mdlankala, Lusikisiki and Flagstaff Water Treatment Works. The refurbishment has been a resounding success in all the treatment plants.



Amatola Water has been appointed by the OR Tambo District Municipality to put in place a turnaround strategy to ensure smooth water services provision to four of its local municipalities. The initial water services contract included the Port St Johns, Ingquza Hill, Mhlontlo and Ntabankulu Local Municipalities. However, after the local government elections, the Ntabankulu Local Municipality was transferred to the Alfred Nzo District Municipality. The water services support arrangement with OR Tambo will run until 2013.

“As part of the support contract, Amatola Water has been involved in a number of projects in the 2010/11 financial year which include the refurbishment of water treatment plants, operations and maintenance support and the provision of protective clothing.

“It also included the development of the operations and maintenance business plan, performing a skills audit for the water service units and facilitating three chemical tenders for the district,” says Amatola Water operations director Xola Bomela.

R11 MILLION FOR REFURBISHMENT

Bomela says a budget of R11 million has also been approved for the refurbishment of 10 water treatment works in Tsolo,

Mvumelwano, Upper Chulunca, Sidwadweni, Port St Johns, Mzimvubu, Mdlankala, Lusikisiki and Flagstaff Water Treatment Works. The refurbishment has been a resounding success in all the treatment plants.

These treatment plants are Port St Johns where only half of the plant was operational with poor water quality, Mdlankala where the plant was not operational, Mzimvubu where the plant was operating at half of its capacity and Flagstaff where the community was consuming water that was unfit for consumption. Other refurbishment programmes included construction of ablution facilities, interventions to ensure health, safety and environmental compliance, purchasing of water quality instruments as per Blue Drop requirements, and the replacement of equipment that is non-compliant to acceptable operational standards.

Bomela adds that the utility is also implementing an operational support programme at all the treatment plants, aimed at ensuring an uninterrupted water supply to the area and that the quality of the final water meets the required South African National Standards (SANS) 241:2006 quality standards.

"The utility is also implementing an operational support programme at all the treatment plants, aimed at ensuring an uninterrupted water supply to the area and that the quality of the final water meets the required South African National Standards (SANS) 241:2006 quality standards," says Bomela.



IN CONVERSATION

WITH BUSINESS DEVELOPMENT MANAGER

Siyanda Siko



Provincial water utility, Amatola Water, recently established a business development team to drive the generation of new business. Spillway editor Connie Buso speaks to business development manager Siya Siko about his plans for the unit...



What made the establishment of a business development unit necessary?

Siya: The establishment of the unit was driven by the overwhelming water and sanitation challenges that characterise the Eastern Cape water sector. The utility could not turn a blind eye to the substantial backlogs in water and sanitation confronting the province. Amatola Water intends to partner with municipalities across the province to overcome these challenges. This goal should be realised through partnerships and skills transfer in infrastructure development, planning and maintenance, skills development, operations as well as water demand management and quality control.

The establishment of the unit is also a result of the utility's robust plans to extend its operations throughout the province. The expansion has been given a further boost by the Minister of Water and Environmental Affairs' directive that Amatola Water should extend its operational reach in the Eastern Cape.

However, the utility is aware that a successful expansion to meet government goals must be linked to the securing of new contracts to fund the costs associated with expansion.

And the business imperative behind this unit?

Siya: The utility intends to grow its business in terms of volumes of water sold and also through its geographic spread and improve its visibility in the province. Currently, this is being driven by the utility's secondary business which includes operations and maintenance of water infrastructure outside of the Amathole District Municipality (ADM) and the Buffalo City Metropolitan Municipality (BCMM).

However, the utility intends to grow bulkwater provision, its primary business, outside ADM and BCMM. This will help address the socio-economic challenges in water and sanitation in other districts of the province. The unit has a task to ensure new business generation in areas such as the Cacadu, Alfred Nzo, Joe Gqabi and OR Tambo district municipalities as well as the Nelson Mandela Metro.

How does the utility plan to grow its primary business?

Siya: We have taken a new business approach. The utility plans to do its secondary business well which should open up opportunities for the primary business as it gains the confidence of its customers. We also have plans to robustly engage in a business development drive to attract new clients throughout the province and beyond.

How is Amatola Water resourcing this expansion phase?

Siya: The approach of the unit is that of a partner rather than a client and that is addressed through our resource mobilisation plan. Resources are being mobilised for other projects to address challenges around skills and infrastructure development. The underlying message is that Amatola Water is entrenching its position as a partner and it complements the programmes of municipalities rather than being merely an implementing agent.

Are there other initiatives the unit is involved in?

Siya: There are many, but to mention a few, the unit is participating in the Drought Funding Coordination Forum in Nelson Mandela Bay Municipality. The utility was requested by the Department of Water Affairs to participate in this structure. The forum was necessitated by the prolonged drought in the Nelson Mandela Bay and surrounding coastal towns. The forum is drafting various drought relief programmes for the Nelson Mandela Bay Municipality.

Lastly, are there any other areas where Amatola Water sees an opportunity for growth?

Siya: We intend to expand into other terrain particularly in industrial and retail water services provision. This decision is being informed by economic viability and financial sustainability. Currently we only have a few major industrial clients and we intend to grow this base.

"The underlying message is that Amatola Water is entrenching its position as a partner and complements the programmes of municipalities rather than being merely an implementing agent," says Siko

Securing

THE FUTURE TODAY

SOUTHERN

CONTRACTS

Kouga Local Municipality

Kouga Municipality residents can look forward to clean, safe and regular water supply as a result of a Department of Water Affairs (DWA) R5 million injection to improve water and sanitation services in the area.

Amatola Water has been tasked by the department to assist the municipality to ensure the sustainability of Kouga's water resources. This is after the municipality approached the department to help in the implementation of its projects. Affected areas include Humansdorp, Jeffrey's Bay, Hankey and Patensie.

Amathole District Municipality

ADM has extended the AW's Operation and Maintenance contract for a further three years, with the rest of its water and waste water treatment works, excluding the Stutterheim water and waste water works.

A refurbishment and maintenance programme was undertaken at both water and waste water works. Major work which includes upgrades, installation of standby pump set and repairs had been carried out. Extensive improvements to all plants as a result of AW and ADM paid back a 65 percent Blue Drop Certificate.

NORTHERN

CONTRACTS

Nkwanca Local Municipality

Amatola Water has also been requested by the MEC'S Office of the DEDEA to intervene in the persistent water supply challenges of the Ouma Rusk's production plant in Molteno. The assessment was performed by an Amatola Water Operations team and a proposal was submitted to the MEC's Office. The factory is managed by Molteno Food Corporation and is situated 1km on the Western side of the town, Molteno. Amatola Water is sought to be appointed as an implementing agent to the project and also operations and maintenance contractor for the system when it commissioned.

Joe Gqabi District Municipality

The Joe Gqabi District Municipality has renewed the Amatola Water contract for a further 3 years. This includes the extension of the current Joe Gqabi contract and the addition of Mount Fletcher and Steynsburg.

Furthermore, a joint venture agreement between Sintec and Amatola Water was signed to allow the utility to operate within the Elundini and Rural schemes.

Mount Fletcher

The region began supplying water to the town in Dec 2011. This has reduced the dependence on water carts, unreliable borehole water supply and other unsafe water supply sources. The next phase of the project is to extend the Mount Fletcher water supply system to supply the rural areas as well.

Steynsburg WTW

Water supply to communities has been improved in December 2011. At some stages this has to be augmented with borehole water due to the normal peak season demands.

Sterkspruit water supply

The upgrade of the plant from 6.4ML to 12ML per day supply is underway, and the completion of the current phase is due for the end of 2012. The Blue Drop assessment was done during the December 2011 month and Amatola Water is positive that we will retain its Blue Drop status. The final assessment is due for February 2012

WESTERN

CONTRACTS

In August 2011 the Blue Crane Route Local Municipality appointed Amatola Water to identify shortcomings in their Water Supply and Sanitation infrastructure. This analysis is to ensure that the municipality is ready for Blue and Green Drop compliance by 2014. The project kicked-off in September 2011 and will be completed in March 2012.

The utility is expected to generate a full report that will include the Operation and Maintenance budget for each treatment works, Water Safety Plan for water treatment works and Wastewater Risk Abatement Plans for the wastewater treatment works.

Amatola Water was also appointed to carry out emergency refurbishment work on filters in the Orange Fish WTW, Besterhoek WTW and Cookhouse WTW. The refurbishment is about 90% complete.

EASTERN

CONTRACTS

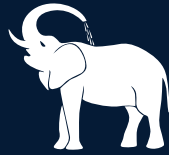
The region did not experience major changes on the existing contracts. The region is waiting for the finalisation of an amended contract in OR Tambo DM, which has an expanded scope of work. The eastern region Operations team was requested to operate and maintain the newly upgraded Coffee Bay WTW, of which Amatola Water was an implementing agent of the project, for a period of 4 months, until the plant is handed over to OR Tambo DM at the end of March 2012. This plant falls under King Sabatha Dalindyebo Local Municipality, where Amatola Water does not operate under the current contract. However, the utility is in negotiations with the municipality to operate the plant for a prolonged period.

The current refurbishment contract with the Department of Public Works (DPW) is at a completion stage. In the last quarter of 2011, the utility submitted a proposal to the DPW for a long-term Operations and Maintenance contract.

December 2011 Holidays

The region is proud to announce that it did not experience major incidents of water shortages in the eastern part of Amathole District Municipality and at OR Tambo District Municipality during the December holidays. There were minor isolated incidents that were resolved in acceptable timeframes.





Amatola
Water • Amanzi

bringing water to life

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