



MEDIA STATEMENT

Minister Mokonyane moves swiftly to allay investor fears on Umgeni Water

27 September 2017

Minister of Water and Sanitation, Ms. Nomvula Mokonyane, today announced that she would be appointing an Interim Board at Umgeni Water pending the finalization of a process for the appointment of a permanent Board.

Umgeni Water is the second largest water board in the country with an annual turnover of more than R2.4 billion and the 5 year Capital Expenditure budget of more than R7 billion.

Over the past 5 years, Umgeni Water has consistently been achieving excellent financial and non-financial performance, to an extent that it has successfully been achieving "Clean Audit Reports" annually, from the Office of the Auditor-General for the past 5 years. The Acting Chief Executive has also maintained good governance and ensured that no service interruptions occur.

Following concerns raised by investors acting on behalf of bond holders in Umgeni Water, Minister Mokonyane directed that the department engage with representatives of the concerned parties including the Johannesburg Stock Exchange and as a result, an interim board will be announced shortly to oversee Umgeni Water in the interests of sound corporate governance and stability at the utility.

"I have presented a proposed Interim Board to Cabinet today. It is composed of persons with vast experience in the water sector and consisting of credible persons with the requisite financial, legal and management experience required at Umgeni Water" said Minister Mokonyane.

"The Interim Board will be expected to meet as a matter of urgency to immediately attend to the corporate governance and financial management matters at the utility, including the composition of an independent audit committee to oversee the finances at Umgeni Water."

Minister Mokonyane has further committed to expedite the appointment process of a fully-fledged Board at Umgeni Water and will engage all relevant stakeholders to the process to ensure transparency and cooperation in the interests of Umgeni and the people of South Africa.



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"Allegations made by the City Press of a possible R3bn bail-out for Umgeni Water are completely infactual and void of any truth. The financial position of Umgeni Water remains positive and sustainable", concluded Minister Mokonyane.

Issued by the Department of Water & Sanitation

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