

Interim board named at Umgeni Water Board

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Cabinet has endorsed the appointment of an interim board at the Umgeni Water Board in order "to stabilise the governance issues" at SA's second largest water utility.



Image source: [Facebook](#)

The interim board will assume control "while the minister is expediting the process to appoint the fully fledged Umgeni Water Board," the Cabinet said in a statement on Friday, 29 September, on the decisions taken at its meeting on Wednesday.

The Umgeni Water Board has an annual turnover of more than R2.4bn and a capital expenditure budget for the next five years of more than R7bn. It has R1.5bn in listed bonds in issue.

Instability at the board has been of concern to investors, particularly asset manager Futuregrowth. Cabinet was briefed on the discussions the Department of Water and Sanitation was having with its investors.

The following individuals have been appointed to the interim board: Ziphozethu Mathenjwa (chairperson); Nompumelelo Chamane; Visvin Reddy; David Dikoko; Zodwa Manase; Tshidi Hatashe and Midiavhathu Tshivhase.

Futuregrowth recently raised the alarm over governance at the Umgeni Water Board, which was left without a permanent CEO or a board after Water and Sanitation Minister Nomvula Mokonyane dissolved it at the end of June. All major

decisions including procurement were left in the hands of acting CEO Thami Hlongwa, and had to be taken "in conjunction" with Mokonyane.

Futuregrowth chief investment officer Andrew Canter previously said the asset manager had been engaging with the management for the past 10 months on governance matters. He said governance lapses and the decision to fire the board could jeopardise the state-owned utility's ability to raise financing.

Canter said the Umgeni Water Board required a fully functioning board, and that Futuregrowth and the market would be keeping close watch "to confirm that the selection process is transparent and that the new board is appropriately skilled and qualified".

Source: BDpro

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