

9. WATER SERVICES INSTITUTIONAL ARRANGEMENTS PROFILE

9.1 WSA functions and outputs

The WSA has a number of functions and outputs that are mainly associated with governance and regulation. The situation within the ZDM is given in Table 9.1.

Table 9.1: WSA functions and outputs within the ZDM.

WSA functions / outputs	In place? (yes/ no)	N/A	If no, when will it be in place?	Support required (yes/no)
Policy development				
Indigent policy	Yes		N/A	No
Free basic water policy (including equitable share)	Yes		N/A	No
Free basic sanitation policy (including equitable share)	No		July 2006	Yes
Procurement policy	Yes		N/A	No
Regulation and tariffs				
Water services bylaws with conditions as required by the Water Services Act	Yes		Alignment required	Yes
Mechanisms to ensure compliance with bylaws	No		Uncertain	Yes
Tariff structure	Yes		Alignment required	Yes
Tariffs promulgated	Yes		N/A	No
Infrastructure development (projects)				
Mechanisms to undertake project feasibility studies	Yes		N/A	No
Criteria for prioritising projects	Yes		N/A	No
Mechanisms to assess and approve project business plans	Yes		N/A	No
Mechanisms for selecting, contracting, managing and monitoring implementing agents	Yes		N/A	No
Mechanisms to monitor project implementation	Yes		N/A	No
Water conservation and demand management				
Water conservation and demand management strategy	No		Late 2005	Yes
Performance management and monitoring				
Performance management system	No		2004-2005	Yes
Water service monitoring and evaluation (M&E) system	No		2004-2005	Yes
WSDP				
WSDP information system	No		Dec 2004	Yes
Mechanisms for stakeholder participation	Yes		N/A	No
Mechanisms to monitor and report on WSDP implementation	Yes		N/A	No
WSP institutional arrangements				
Criteria to select appropriate WSPs	Yes		N/A	No
Mechanisms to contract, manage and monitor WSPs	No		July 2006	Yes
Mechanisms to approve WSP business plans	Yes		N/A	No
WSA overall capacity				
Sufficient staff and systems to fulfil all WSA functions	No		Uncertain	Yes
Other (state)				

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9.2 WSA capacity development

The WSA requires sufficient capacity to conduct the functions listed in Table 9.1. Currently, the ZDM has a WSA office within the Technical Department. Although the WSA has many of the required policies and frameworks in place, it is uncertain whether they have the capacity to implement and regulate these policies. In addition, depending on the long-term WSP arrangements, the WSA office may require further capacity to regulate and monitor the WSP/s. The potential capacity development needs are listed in Table 9.2.

Table 9.2: Potential needs for WSA capacity development.

WSA priorities for capacity development	Capacity needs assessment conducted (yes/no)	Formal skills training required (yes/no)	Proposed timeframe for capacity development	Estimated cost
Implementation of legislated WSA functions: <ul style="list-style-type: none"> • Regulation; • Tariff setting; • Customer care; • Monitoring & evaluation; • Contracts management; 	No	Potentially	2005-2006	Uncertain
Implementation of systems & procedures in the municipality associated with the above functions e.g. reporting structure	No	Potentially	2005-2006	Uncertain

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9.3 Bylaws affecting water services

The ZDM currently has draft bylaws for water services (Appendix 3), however the bylaws for the old TLC areas are still valid for their respective areas (Table 9.3). The ZDM is in the process of trying to align the different sets of bylaws. It is hoped that this process will be complete with a single set of bylaws coming into effect from 1 July 2005.

Table 9.3: Water services bylaws.

ID	Bylaw name	Short description	Criteria	Effect on water services
	Zululand District Municipality	Comprehensive bylaws based on DWAF guidelines		Requires alignment with LM bylaws for urban areas.
	Local Municipal water & sanitation bylaws for ex-TLCs: Paulpietersberg Pongola Vryheid Nongoma Ulundi	Bylaws from past provincial ordinance		Alignment with new ZDM bylaws required.

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9.4 Water services providers (retail water) – current year

A water services provider (WSP) for water delivery is required to fulfil the functions as per the WSA/WSP agreement. In general these functions include:

- Daily operations of WTW (bulk) and the reticulation system (retail).
- Routine maintenance that can be escalated to replacement in the case of a concession contract.
- Consumer relations and communication.
- Revenue collection (retail) and related financial management.
- Health and hygiene awareness (retail).
- Reporting on the status and management of water services against set KPIs to the WSA.

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000¹. Currently, formal agreements exist between the LMs and the ZDM to provide water services within the old TLC boundaries (essentially the urban areas) until the end of June 2006 (Table 9.4). These services for the most part include both bulk and reticulation; therefore the LMs are acting as retail WSPs. However, Ulundi and Nongoma LMs are responsible for reticulation only in their respective areas. The bylaws of these areas will continue to govern water services until the ZDM has an integrated set of bylaws in place. The rural areas are mainly being serviced by the ZDM with DM staff operating and maintaining the WTW (Table 9.4).

Table 9.4: Water services provider agreements for water delivery.

Contract Area	Settlement type	Name of WSP	Type of WSP	Signed contract	Contract type	% Consumers served by WSP
Paulpietersberg	Urban	eDumbe LM	Admin Unit	Yes	Management	100
Edumbe						
Bilanyoni	Rural					
Pongola	Urban	uPhongolo LM	Admin Unit	Yes	Management	100
Belgrade						
Vryheid	Urban	Abaqulusi LM	Admin Unit	Yes	Management	100
Emondlo	Urban					
Coronation						
Hlobane						
Nkongolwane						
Cliffdale						
Louwsburg						
Nongoma	Urban	Nongoma LM	Admin Unit	Yes	Management	100
Ulundi	Urban	Ulundi LM	Admin Unit	Yes	Management	100
Mpungamhlope						
Mahlabatini						
Babanango						
Remaining areas	Rural	ZDM	Internal WSP	No	Not applicable	100
Area with no WSP	Settlement type					% consumers with no WSP

¹ Act 32 of 2000 as amended.

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9.5 Water services providers (retail water) – year 5

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. It is envisaged that the long-term WSP/s will be appointed to provide services as from 1 July 2006. Currently, short-term formal agreements exist between the LMs and the ZDM to provide water services within the old TLC boundaries (essentially the urban areas) until the end of June 2006 (Table 9.5). The rural areas are being serviced by the ZDM with DM staff operating and maintaining the WTW.

The options being considered in terms of a long-term provider are along similar lines to the current situation. The ZDM is investigating a division of services through a number of aspects namely: regional schemes, LMs and service component (bulk: reticulation). The aim is to simplify the existing arrangements as given in Table 9.4.

Table 9.5: Water services provider agreements for long-term water delivery.

Contract Area	Settlement type	Name of WSP	Type of WSP	Contract type	% consumers served by WSP
Paulpietersberg	Urban	eDumbe LM	Admin Unit	Management	100
Pongola	Urban	uPhongolo LM	Admin Unit	Management	100
Vryheid	Urban	Abaqulusi LM	Admin Unit	Management	100
Nongoma	Urban	Nongoma LM	Admin Unit	Management	100
Ulundi	Urban	Ulundi LM	Admin Unit	Management	100
Rural Areas	Rural	ZDM	Internal WSP	Not applicable	100
Total % consumers with WSPs with signed contracts					13
Total % consumers with WSPs with no contracts					87
Area with no WSP	Settlement type	Reason why no WSP			% consumers with no WSP
Total % consumers with no WSPs					

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9.6 Water services providers (sanitation) – current year

The sanitation WSP is required to fulfil the functions as per the WSA/WSP agreement. In general these functions include:

- Daily operations of the WWTW and the network.
- Routine maintenance that can be escalated to replacement in the case of a concession contract.
- Consumer relations and communication.
- Revenue collection and related financial management.
- Health and hygiene awareness.
- Reporting on the status and management of water services against set KPIs to the WSA.

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. Currently, formal agreements exist between the LMs and the ZDM to provide water services within the old TLC boundaries (essentially the urban areas) until the end of June 2006 (Table 9.6). These services for the most part include both bulk (WWTW) and the network; therefore the LMs are acting as retail WSPs. However, Ulundi LM is responsible for the network only in their respective area. The bylaws of these areas will continue to govern water services until the ZDM has an integrated set of bylaws in place. The rural areas are being serviced by the ZDM with DM staff operating and maintaining the WWTW, however pit latrines or septic tank sanitation systems predominantly serve these areas therefore the ZDM is responsible for pumping the pits on request.

Table 9.6: Water services provider agreements for sanitation delivery.

Contract Area	Settlement type	Name of WSP	Type of WSP	Signed contract	Contract type	% consumers served by WSP
Paulpietersberg	Urban	eDumbe LM	Admin Unit	Yes	Management	100
Edumbe						
Bilanyoni	Rural					
Pongola	Urban	uPhongolo LM	Admin Unit	Yes	Management	100
Vryheid	Urban	Abaqulusi LM	Admin Unit	Yes	Management	100
Emondlo	Urban					
Coronation						
Hlobane						
Cliffdale						
Nkongolwane						
Nongoma	Urban	Nongoma LM	Admin Unit	Yes	Management	100
Ulundi	Urban	Ulundi LM	Admin Unit	Yes	Management	100
Remaining areas	Rural	ZDM	Internal WSP	No	Not applicable	100
Area with no WSP	Settlement type					% consumers with no WSP

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9.7 Water services providers (sanitation) – year 5

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. It is envisaged that the long-term WSP/s will be appointed to provide services as from 1 July 2006. Currently, short-term formal agreements exist between the LMs and the ZDM to provide water services within the old TLC boundaries (essentially the urban areas) until the end of June 2006 (Table 9.7). The rural areas are being serviced by the ZDM with DM staff operating and maintaining the WWTW.

The options being considered in terms of a long-term provider are along similar lines to the current situation. The ZDM is investigating a division of services through a number of aspects namely: regional schemes, LMs and service component (bulk: reticulation). The aim is to simplify the existing arrangements as given in Table 9.6.

Table 9.7: Water services provider agreements for long-term sanitation delivery.

Contract Area	Settlement type	Name of WSP	Type of WSP	Contract type	% consumers served by WSP
Paulpietersberg	Urban	eDumbe LM	Admin Unit	Management	100
Pongola	Urban	uPhongolo LM	Admin Unit	Management	100
Vryheid	Urban	Abaqulusi LM	Admin Unit	Management	100
Nongoma	Urban	Nongoma LM	Admin Unit	Management	100
Ulundi	Urban	Ulundi LM	Admin Unit	Management	100
Rural Areas	Rural	ZDM	Internal WSP	Not applicable	100
Total % consumers with WSPs with signed contracts					13
Total % consumers with WSPs with no contracts					87
Area with no WSP	Settlement type	Reason why no WSP			% consumers with no WSP
Total % consumers with no WSPs					

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9.8 Water services providers (bulk water) – current

A bulk WSP is responsible for the operations and maintenance of the treatment works only and does not have any direct contact with the individual consumers supplied. Currently, the ZDM operates a number of WTWs for which the LMs act as retail WSP (Table 9.8).

Table 9.8: Water services provider agreements for bulk water supply.

Contract Area	Settlement type	Name of WSP	Type of WSP	Signed contract	Contract type	% consumers served by WSP
Bilanyoni	Rural	ZDM	Internal WSP	No	Not applicable	100
Belgrade						
Nongoma	Urban					
Ulundi	Urban					
Mpungamhlope						
Babanango						
Area with no WSP	Settlement type					% consumers with no WSP

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9.9 Water services provider (bulk water) – year 5

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. One of the options being considered in terms of a long-term provider is a division of services through service component (bulk: reticulation). However, at this stage the exact nature of the long-term WSP/s is uncertain although it is envisaged that the appointment will commence as from 1 July 2006. Currently, the ZDM operates as bulk WSP for a number of WTWs (Table 9.9), however the aim is to simplify the existing arrangements.

Table 9.9: Water services provider agreements for long-term bulk water supply.

Contract Area	Settlement type	Name of bulk WSP	Type of bulk WSP	Contract type	% consumers served by WSP
Bilanyoni	Rural	ZDM	Internal WSP	Not applicable	100
Belgrade					
Nongoma	Urban				
Ulundi	Urban				
Mpungamhlope					
Babanango					
Total % consumers with WSPs with signed contracts					0
Total % consumers with WSPs with no contracts					100
Area with no WSP	Settlement type	Reason why no WSP			% consumers with no WSP
Total % consumers with no WSPs					

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9.10 Water services providers (bulk sanitation) – current

A bulk WSP is responsible for the operations and maintenance of the treatment works only and does not have any direct contact with the individual consumers supplied. Currently, the ZDM operates a number of WWTWs for which the LMs act as retail WSP (Table 9.10).

Table 9.10: Water services provider agreements for bulk sanitation services.

Contract Area	Settlement type	Name of bulk sanitation WSP	Type of bulk sanitation WSP	Signed contract	Contract type	% consumers served by WSP
Bilanyoni	Rural	ZDM	Internal WSP	No	Not applicable	100
Ulundi	Urban					
Percentage consumers who require bulk sanitation services but with no bulk sanitation WSP						0
Percentage consumers who do not require a bulk sanitation WSP						

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9.11 Water services provider (bulk sanitation) – year 5

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. One of the options being considered in terms of a long-term provider is a division of services through service component (bulk: reticulation). However, at this stage the exact nature of the long-term WSP/s is uncertain although it is envisaged that the appointment will commence as from 1 July 2006. Currently, the ZDM operates as bulk WSP for a number of WWTWs (Table 9.11), however the aim is to simplify the existing arrangements.

Table 9.11: Water services provider agreements for long-term bulk sanitation services.

Contract Area	Settlement type	Name of bulk sanitation WSP	Type of bulk sanitation WSP	Contract type	% consumers served by bulk sanitation WSP
Bilanyoni	Rural	ZDM	Internal WSP	None	100
Ulundi	Urban				
Percentage consumers who require bulk sanitation services but with no bulk sanitation WSP					0
Percentage consumers who do not require a bulk sanitation WSP					

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9.12 Support services agents (water) – current

Although the ZDM is WSP for most of the rural water schemes, they have a support services contract with Alliance Water to assist in the maintenance and bulk services (Table 9.12). This support services agent (SSA) contract is for a fixed term and expires on the 30 June 2006. In addition, the ZDM has a list of approved contractors that may assist the Alliance Water maintenance teams when necessary. These contractors work at standard rates that have been set until 30 June 2006.

Table 9.12: Support services agents for water supply.

Contract Area	Settlement type	Name of SSA	Type of SSA	Type of support service	Signed contract	% consumers served by WSP with SSA
Areas under ZDM as WSP	Rural	Alliance Water	External – private company	Maintenance	Yes	100
Total percentage consumers with SSA						87
Area which require a SSA but with no SSA	Settlement type					% consumers with no SSA
Total percentage consumers where a SSA is required but with no SSA						

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9.13 Support services agent (water) – year 5

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. Although the aim is to simplify the existing arrangements, at this stage the exact nature of the long-term WSP/s is uncertain although it is envisaged that the appointment will commence as from 1 July 2006. Depending on the capacity of the chosen long-term WSP/s, a SSA may or may not be required. Currently, the ZDM has a support services contract with Alliance Water to assist in the maintenance and bulk services until 30 June 2006 (Table 9.13).

Table 9.13: Support services agents for long-term water supply.

Contract Area	Settlement type	Name of SSA	Type of SSA	Type of support service	% consumers served by WSP with SSA
Areas under ZDM as WSP	Rural	Alliance Water	External – private company	Maintenance	100
Total percentage consumers with SSA					87
Area which require a SSA but with no SSA	Settlement type	Reason why no SSA			% consumers with no SSA
Total percentage consumers where a SSA is required but with no SSA					

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9.14 Sanitation promotion agent – current

Sanitation promotion and health and hygiene awareness is an important issue to the ZDM. Currently, however there is no appointed sanitation promotion agent (SPA; Table 9.14). It is envisaged that this aspect will form part of the ZDM Communications Strategy as an education programme that targets schools.

Table 9.14: Sanitation promotion agents for health and hygiene awareness.

Contract Area	Settlement type	Name of SPA	Type of SPA	Type of sanitation promotion service	Signed contract	% consumers served by SPA
Total percentage consumers with SPA						
Area which require a SPA but with no SPA	Settlement type					% consumers with no SPA
Total percentage consumers where a SPA is required but with no SPA						

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9.15 Sanitation promotion agent – year 5

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. Although the aim is to simplify the existing arrangements, at this stage the exact nature of the long-term WSP/s is uncertain although it is envisaged that the appointment will commence as from 1 July 2006. Depending on the capacity of the chosen long-term WSP/s and the content of the WSA/WSP contract, sanitation promotion may form part of the WSP responsibilities. Until the WSP assessment is complete, and the Communications Strategy has been finalised, no long-term SPA is envisaged (Table 9.15).

Table 9.15: Sanitation promotion agents for long-term health and hygiene awareness.

Contract Area	Settlement type	Name of SPA	Type of SPA	Type of support service	% consumers served by SPA
Total percentage consumers with SPA					
Areas which require a SPA but with no SPA	Settlement type	Reason why no SPA			% consumers with no SPA
Total percentage consumers where a SPA is required but with no SPA					

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9.16 Support service contracts - current

Although the ZDM is WSP for most of the rural water schemes, they have a support services contract with Alliance Water to assist in the maintenance and bulk services (Table 9.16). This support services agent (SSA) contract is for a fixed term and expires on the 30 June 2006. In addition, the ZDM has a list of approved contractors that may assist the Alliance Water maintenance teams when necessary. These contractors work at standard rates that have been set until 30 June 2006.

Table 9.16: Support service contracts.

WSP functions for which the municipality has service contracts:	Duration of contract
Maintenance of reticulation networks and bulks	3 years

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9.17 WSP staffing levels: water

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. Included in this assessment is the determination of staffing levels and capacity. It is envisaged that the assessment will be completed by the early part of 2005. Once completed and the long-term WSP/s have been finalised, the staffing levels for water services can be determined (Table 9.17).

Table 9.17: WSP staffing levels for water supply.

	Number of employees					
	Executive and senior management	Middle management	Clerical	Supervisory or artisan	General worker	Total
Finance and administration						
Projects and planning						
Operations						
Bulk service						
Distribution services						
Customer services						
Total						
Projection of total in five years time						

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9.18 WSP staffing levels: sanitation

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. Included in this assessment is the determination of staffing levels and capacity. It is envisaged that the assessment will be completed by the early part of 2005. Once completed and the long-term WSP/s have been finalised, the staffing levels for water services can be determined (Table 9.18).

Table 9.18: WSP staffing levels for sanitation services.

	Number of employees					
	Executive and senior management	Middle management	Clerical	Supervisory or artisan	General worker	Total
Finance and administration						
Projects and planning						
Operations						
Bulk service						
Distribution services						
Customer services						
Total						
Projection of total in five years time						

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9.19 WSP training programmes

The ZDM is currently undertaking an assessment of the potential mechanisms for long-term water services delivery in terms of Section 78 of the Local Government: Municipal Systems Act, 2000. Included in this assessment is the determination of staffing levels and capacity. It is envisaged that the assessment will be completed by the early part of 2005. Once completed and the long-term WSP/s have been finalised, the training programmes required to capacitate the WSP staff can be determined (Table 9.19).

Table 9.19: WSP training programmes.

Training programmes	Person days						
	Prior 1	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Accredited training							
Total person days							
Non-accredited training	Prior 1	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Total person days							

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