



# ERWAT: Second Quarter Departmental Performance Report

---

## 2024/25 QUARTERLY REPORTING TEMPLATE AGAINST THE APPROVED BUSINESS PLANS

### 1. Executive Summary by the Department

ERWAT's key performance areas are aimed at ensuring sustainable delivery of sanitation services with current resources and seeking to address backlogs in the provision of sanitation to the wider City of Ekurhuleni (CoE) area. A new strategy was adopted by ERWAT in the current financial year 2024/2025, which is anchored in two main objectives, including the focus on operational excellence and enhancement of infrastructure maintenance for the achievement of Green Drop Status at all the water care works over a time period and ensuring financial sustainability through financial alignment and commercialisation. The strategic objectives are driven by the introduction of corporate key performance areas, which aims to strengthen the achievement of Service Delivery Budget Implementation Plan (SDBIP) outcomes and alignment to the Integrated Development Plan (IDP) and the Growth and Development Strategy (GDS) of City of Ekurhuleni. Critical for ERWAT is to ensure that it has sufficient wastewater treatment capacity to meet current and future demands. This is measured in terms of the city-wide indicator for wastewater treatment capacity that is unused. ERWAT has continued to dedicate its capex programme towards the renewal of infrastructure and ensuring continuity in wastewater treatment during loadshedding events, through the installation of generators, where necessary. The departmental SDBIP performance areas of ERWAT are focused on investment into the entity's infrastructure, which is central to CoEs and the country's development goals. The performance areas further focus on the protection of the environment and public health through improved quality of effluent discharges and adherence to Green Drop requirements, clean public administration, sustainable financial management and improving external revenue streams towards becoming self-sustainable.

ERWATs performance in Quarter 2 of 2024/2025 was very good at 89% achievement of reportable targets considered for the performance of the entity. With the increase of reportable targets in Quarter 2 compared to Quarter 1, there was a slight decline in performance from the 100% performance achieved in Quarter 1. However, it is still a significant improvement from the 46% achieved in Quarter 2 of the previous year (2023/2024). The entity achieved eight (8) out of the nine (9) reportable indicators, which is considered for performance in the second quarter of 2024/2025, as shown in Table A, below. There are in total fourteen (14) performance indicators, comprising of one (1) city wide indicator and thirteen (13) departmental indicators. Although all fourteen performance indicators are reported on in 2024/2025, only thirteen (13) are counted when calculating overall performance for periods in this financial year, due to the exemption of the "Total Operating Expenditure as a % of Total

Operating Budget” indicator. As a result, one (1) city-wide indicator and eight (8) departmental indicators are reportable for performance in Quarter 2.

**Table A: Summary of Service Delivery Performance**

| <b>Service Delivery Monitoring</b> |                                |                                      |                                                                               |                 |                     |                 |
|------------------------------------|--------------------------------|--------------------------------------|-------------------------------------------------------------------------------|-----------------|---------------------|-----------------|
|                                    | <b>Total number of targets</b> | <b>Target exempted *in 2024/2025</b> | <b>Total number of targets set for performance measurement in the quarter</b> | <b>Achieved</b> | <b>Not achieved</b> | <b>Variance</b> |
| <b>City Wide SDBIP</b>             | 1                              | 0                                    | 1                                                                             | 1               | 0                   | 0               |
| <b>Department SDBIP</b>            | 13                             | 1                                    | 8                                                                             | 7               | 1                   | 1               |

*\*The target for Total Operating Expenditure as a percentage of Total Operating Budget is exempted in 2024/2025 and is reported on for monitoring purposes only. The outcome of this target is not counted in the performance calculations.*

ERWAT is committed to the strategic direction of CoE and has demonstrated this through the achievement of the city-wide target indicator for wastewater treatment capacity unused. Good progress was made by the entity to improve the effluent quality discharges, which was enabled by prioritising maintenance and renewal of critical infrastructure. The entity assessed its expenditure to ensure that programmes focused on the achievement of the Green Drop objective, also ensuring that receiving environment is not polluted, and public health is not affected by the operations, as per the entity’s key mandate. Furthermore, ERWAT has continued to improve in the procurement of goods and services and maintained good allocations for procurement of SMMEs in the municipal areas. In addition, good margins for external revenue generation were achieved.

ERWAT continued to make significant progress towards closing the gaps in the expenditure of its operating budget, through the acceleration of the recruitment of staff and the joint task team to oversee and expedite project timelines and the maintenance of critical infrastructure. These measures contributed to the improved performance and will continue in the foreseeable future so that the pre-determined targets can be achieved, when this indicator becomes applicable for performance reporting.

ERWAT with the support of City of Ekurhuleni is making good progress towards the feasibility assessment phases of the Mega Catalytic projects, which also forms part of the entity's 50-year master and regionalisation plan to accommodate new developments within the City of Ekurhuleni. Dependent on obtaining the necessary funding, the implementation phases are next to commence. The planned capacity upgrade needs of the Water Care Works are critical for the current backlog in capacity and to make provision for future housing and industrial developments. ERWAT worked hard to close some of the short-term gaps by ensuring the capex budget was spent as planned in the first two (2) quarters. However, there remains a significant shortfall in the in the Capex funding requirements for ERWAT to implement the 5-year capex programme, to upgrade of the Water Care Works.

## 2. Service Delivery Monitoring

### 2.1 CITY-WIDE SDBIP

#### **KPI 1 – City-wide**

#### **Percentage of wastewater treatment capacity unused**

#### **Method of Measure**

((1) Total volume of wastewater treated over the last year / ((2) Daily wastewater treatment plant available design capacity x cumulative number of days))]

#### **Evidence**

Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system (19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the original or re-graded design hydraulic capacity (available capacity) per WCW for the ERWAT system (total of 19 WCW).

#### **Q2 Target**

-50%

#### **Q2 Actual**

-35%

#### **Comment**

Target is achieved due realistic target setting given the prevailing inundation challenges.

#### **Reasons for Variance**

Water Care Works received lesser than amounts of daily inflows.

#### **Remedial action**

Even though the target was achieved the intention is to eliminate completely the negative unused capacity and have at least 20% unused capacity. To this end more financial resources are required to eliminate any negative unused capacity and create some spare capacity. The implementation of the capacity upgrade or extension is subject to the availability of funds. The currently allocated MTREF does not have provision for any Capacity Upgrade or Extension projects, ERWAT require additional funding on the current budget allocation. ERWAT cannot commit to a specific date due to unavailability of budget.

## **2.2 DEPARTMENTAL SDBIP**

### **KPI 2 – Departmental SDBIP**

**Total revenue generated from external business.**

#### **Method of measure**

Increased Commercial Business revenue generated from commercial sources (Absolute Rand Value per quarter). The indicator target is measured across the Quarters Revenue generated from: External Income (none NDA).

#### **Evidence**

Invoices - (The invoices to be coupled with sales report with a balance that agree to the amount reported for SDBIP purposes)

#### **Q2 Target**

R9 900 000

#### **Q2 Actual**

R10 692 677

#### **Comment:**

The target for Q2 was achieved with a positive variance of R 792 677

#### **Reason for variance**

The revenue target was successfully achieved due to the continued execution of current projects, as well as the additional revenue generated from ad-hoc projects.

#### **Remedial action**

Maintain the current client base and prevent attrition.

### **KPI 3 – Departmental SDBIP**

#### **Audit Opinion**

##### **Method of measure**

The Audit Opinion is defined by the Auditor General. It is given across a qualitative, ordinal scale including Unqualified with no findings; Unqualified with findings; Qualified with findings; Adverse with findings; and disclaimed with findings. For those who have not completed the process 'Outstanding audits' are recorded.

##### **Evidence**

Dated and signed Audit report from Auditor General South Africa (AGSA).

##### **Q2 Target**

N/A

##### **Q2 Actual**

N/A

##### **Comment:**

N/A

##### **Reason for variance**

N/A

##### **Remedial action**

N/A

#### **KPI 4 – Departmental SDBIP**

**Percentage compliance with wastewater treatment works license conditions and/or exemptions standards**

#### **Method of measure**

The indicator measures the compliance of wastewater works effluent to the requirements of biological and chemical indicators as per the water use license granted by the Regulator. It is calculated by dividing the number of determinants complying to the Water Use Authorization with the total number of determinants.

#### **Evidence**

Water quality analyses of each Wastewater Treatment Works (from the LIMS) is downloaded. Spreadsheet used to calculate average compliance of each of the 3 compliance categories and then the average of the 3 categories gives the overall compliance per WCW and then ERWAT system (19 WCW). Applicable Water use authorization limits of each Wastewater Treatment Works.

#### **Q2 Target**

75%

#### **Q2 Actual**

86%

#### **Comment**

KPI Achieved

The entity achieved 86% Quarterly target by a positive variance of 11% compared to the 10% positive variance in Q1. The 1% increase was mainly due to the low strength raw inflows received; this normally occurs during wet seasons as the stormwater ingress tends to dilute the raw inflows.

Although the Quarterly target has been met the following ongoing challenges are experienced by the WCW operated by ERWAT. Also see Section 3.3.

Critical equipment failures  
Industrial pollution  
Power outages

#### **Reason for variance**

- Critical equipment failures

The critical equipment failures are expressed as a percentage (%) of the number of critical equipment failures over the reporting period divided by the total number of duty critical equipment that directly impacts final effluent water quality. The following WCWs Benoni, Dekema, Hartebeestfontein, Rondebult, Rynfield and Vlakplaats experienced the most critical equipment failures impacting directly on the effluent compliance, average negative variance of 5 % as compared with the prior quarter. These negative variances occurred within different months in the quarter.

It should be noted that several critical equipment failures were not resolved in previous quarters and the impact on compliance are thereof carried over from quarter to quarter.

| <b>WCW</b>               | <b>% of critical equipment not available Q2 2024/2025</b> | <b>% of critical equipment not available Q1 2024/2025</b> |
|--------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Ancor                    | 0%                                                        | 0%                                                        |
| Benoni                   | 43%                                                       | 10%                                                       |
| Carl Grundlingh          | 0%                                                        | 2%                                                        |
| Daveyton                 | 2%                                                        | 0%                                                        |
| Dekema                   | 45%                                                       | 26%                                                       |
| Esther Park              | 0%                                                        | 6%                                                        |
| Hartebeestfontein        | 29%                                                       | 20%                                                       |
| Heidelberg               | 5%                                                        | 7%                                                        |
| Herbert Bickley          | 5%                                                        | 0%                                                        |
| Jan Smuts                | 0%                                                        | 2%                                                        |
| JP Marais                | 0%                                                        | 0%                                                        |
| Olifantsfontein          | 1%                                                        | 2%                                                        |
| Ratanda                  | 4%                                                        | 0%                                                        |
| Rondebult                | 29%                                                       | 28%                                                       |
| Rynfield                 | 37%                                                       | 33%                                                       |
| Tsakane                  | 9%                                                        | 7%                                                        |
| Vlakplaats               | 21%                                                       | 6%                                                        |
| Waterval                 | 6%                                                        | 4%                                                        |
| Welgedacht               | 18%                                                       | 11%                                                       |
| <b>Average of 19 WCW</b> | <b>13.37%</b>                                             | <b>8.60%</b>                                              |

| WCW | % of critical equipment not available Q2 2024/2025      | % of critical equipment not available Q1 2024/2025 |
|-----|---------------------------------------------------------|----------------------------------------------------|
|     | 2 remain unchanged, 5 improvements and 12 deteriorated. | 6 improvements and 7 deteriorated.                 |

The average critical equipment failures between Q1 2024-2025 and Q2 2024-2025 have increased by about 5 %.

- Power outages

The WCWs tabulated below experienced frequent power failures during Quarter 2 impacting the compliance of the WCWs directly. It must be noted that the impact of power outages, have an increasing detrimental impact on the WCW ability to treat wastewater, despite the availability of standby generators. It can be noted that in total 1421 hours power failures were experienced on the WCW in Q2, compared to 987 hours in Q1- an increase of 434 hours. Some of the WCW do not have installed generators at all critical plant processes whilst others are not operational, awaiting repairs.

| Plant             | Quarter 2 2024/2025 |                          |                            |                |                            | Total hours without power |
|-------------------|---------------------|--------------------------|----------------------------|----------------|----------------------------|---------------------------|
|                   |                     | Scheduled Load Reduction | Total hours Load Reduction | Power failures | Total hours Power Failures |                           |
| Benoni            | DD3                 | 0                        | 0                          | 5              | 29                         | 29                        |
| Esther Park       | DD3                 | 0                        | 0                          | 5              | 32                         | 32                        |
| Hartebeestfontein | DD3                 | 0                        | 0                          | 3              | 20                         | 20                        |
| Olifantsfontein   | DD3                 | 0                        | 0                          | 0              | 0                          | 0                         |
| Rynfield          | DD3                 | 0                        | 0                          | 6              | 66                         | 66                        |
| Ancor             | DD4                 | 0                        | 0                          | 1              | 3                          | 3                         |
| Daveyton          | DD4                 | 0                        | 0                          | 16             | 98                         | 98                        |
| Jan Smuts         | DD4                 | 0                        | 0                          | 1              | 0                          | 0                         |
| JP Marais         | DD4                 | 0                        | 0                          | 5              | 28                         | 28                        |

| Plant                                                                           | Quarter 2 2024/2025 |                          |                            |                |                            | Total hours without power |
|---------------------------------------------------------------------------------|---------------------|--------------------------|----------------------------|----------------|----------------------------|---------------------------|
|                                                                                 |                     | Scheduled Load Reduction | Total hours Load Reduction | Power failures | Total hours Power Failures |                           |
| Welgedacht                                                                      | DD4                 | 0                        | 0                          | 10             | 108                        | 108                       |
| Herbert Bickley                                                                 | DD5                 | 0                        | 0                          | 5              | 21                         | 21                        |
| Heidelberg                                                                      | DD5                 | 0                        | 0                          | 53             | 280                        | 280                       |
| Tsakane                                                                         | DD5                 | 10                       | 50                         | 6              | 73                         | 123                       |
| Ratanda                                                                         | DD5                 | 0                        | 0                          | 19             | 225                        | 225                       |
| Carl Grundlingh                                                                 | DD5                 | 0                        | 0                          | 4              | 85                         | 85                        |
| Dekema                                                                          | DD6                 | 0                        | 0                          | 24             | 95                         | 95                        |
| Rondebult                                                                       | DD6                 | 0                        | 0                          | 11             | 104                        | 104                       |
| Vlakplaats                                                                      | DD6                 | 0                        | 0                          | 12             | 104                        | 104                       |
| Waterval                                                                        | DD6                 | 0                        | 0                          | 0              | 0                          | 0                         |
| <b>Total number of hours without electricity on all Water Care Works for Q2</b> |                     |                          |                            |                |                            | <b>1421</b>               |

It is important to take note that although the water quality compliance target was achieved, serious ongoing challenges remain mainly due to power outages associated with bulk electrical supply failures and load reductions in selected areas. The following WCW experienced the greatest number of power supply interruptions in Q2; Heidelberg (53), Dekema (24), Ratanda (19) Daveyton (16) Vlakplaats (12), Rondebult (11) and Welgedacht (10).

- Industrial pollution incidents:

The industrial pollution is a phenomenon whereby industries (or other users) clean tanks, process units and dump the contents in the sewer lines. Such contents are normally characterised by high concentrated impurities or impurities the WCW would have been designed for, e.g vehicle oils or lubricants. Even though ERWAT monitor, sample analyse and report to CoE the industrial pollution received at the various WCW daily, it is often too late to track the source once the pollution enters the WCW, due to the vast sewer networks it should also be noted that even though some of the WCW listed in the Table met the final effluent compliance target, they are still negatively impacted by industrial pollution on specific days

The WCWs (water care works) listed in the Table below received industrial pollution during Quarter 2. The pollution impacts negatively on the biochemical treatment processes, the operation of the Works and subsequently results in the inability of the Works to meet the final effluent compliance levels. The total number of industrial pollution incidents increased in Q2 as compared to Q1, as detailed in the Table below.

|                   | Number Of Industrial Pollution Incidents during Q2 2024/2025 | Number Of Industrial Pollution Incidents during Q1 2024/2025 |
|-------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| Benoni            | 59                                                           | 0                                                            |
| Esther Park       | 36                                                           | 11                                                           |
| Hartebeestfontein | 18                                                           | 10                                                           |
| Olifantsfontein   | 45                                                           | 29                                                           |
| Rynfield          | 0                                                            | 0                                                            |
| Ancor             | 60                                                           | 19                                                           |
| Daveyton          | 0                                                            | 0                                                            |
| Jan Smuts         | 49                                                           | 9                                                            |
| JP Marais         | 11                                                           | 11                                                           |
| Welgedacht        | 9                                                            | 4                                                            |
| Carl Grundlingh   | 5                                                            | 2                                                            |
| Heidelberg        | 42                                                           | 20                                                           |
| Herbert Bickley   | 62                                                           | 7                                                            |
| Ratanda           | 0                                                            | 0                                                            |
| Tsakane           | 0                                                            | 7                                                            |
| Dekema            | 0                                                            | 1                                                            |
| Rondebult         | 32                                                           | 12                                                           |
| Vlakplaats        | 5                                                            | 0                                                            |
| Waterval          | 0                                                            | 0                                                            |
| <b>Total</b>      | <b>433</b>                                                   | <b>142</b>                                                   |

Herbert Bickley, Ancor, Benoni, Jan Smuts, Olifantsfontein, Heidelberg, Esther Park and Rondebult WCW were heavily impacted by industrial pollution in Q2, the overall pollution incidents has increased by 3 folds in Q2 compared to Q1

### **Remedial action:**

- Critical equipment failures

Asset Care plans for critical equipment were developed but only partially implemented. Breakdowns still occur frequently, and the number of outstanding jobs for critical equipment is significant, impacting the final effluent quality directly. Adequate OPEX funds are urgently required to implement the full asset care plans and reduce the failure rate and improve reliability. A War Room (comprising of Operations, Maintenance, Finance, Strategy, Monitoring & Evaluation, Infrastructure Planning and Projects Departments and Office of the Managing Director) has been established (effective from Q2 previous financial year, 2023/2024) to closely monitor progress implementation of outstanding critical maintenance work and improve the internal business processes.

- Power supply outages

Short to medium term: Standby diesel generators are available at some of the most critical process units of the various WCW. Several new generators have been procured to cover all WCW critical process units.

- Industrial pollution incidents

ERWAT works closely with the CoE and report all incidents as soon as detected to assist in tracing the source of the pollution. However, the pollution source is not often identified as it is difficult to trace in the vast sewer networks. Illegal tanker discharges were however identified to be one of the primary sources of pollution. Subsequently, some of the authorised open manholes used by tanker services were closed by the COE to tighten supervision, but more interventions are required. Fingerprinting of the pollution by the ERWAT Laboratory is a valuable tool to assist CoE in identifying the industrial pollution sources and to apply the By-Laws. ERWAT has also introduced an organic tariff formula, included in the Service Delivery Agreement whereby the City will be invoiced for increased organic content (strength) beyond the capabilities of the relevant WCW

**KPI 5 – Departmental SDBIP****Total Capital Expenditure as a percentage of total capital budget****Method of measure:**

This indicator measures the extent to which budgeted capital expenditure has been spent during the financial year. Capital expenditure is all costs incurred by the municipality to acquire, upgrade, and renew physical assets such as property, plants, buildings, technology, or equipment.

Formula:  $1) \text{ Actual Capital Expenditure} / (2) \text{ Budgeted Capital Expenditure}$

**Evidence**

Dated and signed Finance year to date expenditure report

**Q2 Target**

35%

**Q2 Actual**

45.95%

**Comments**

Quarterly target was achieved with a positive variance of 10.95%.

**Reasons for variance**

Effective Project Management approach and proper project planning in place.

**Remedial action:**

None

## **KPI – 6 Department SDBIP**

### **Percentage of procurement spend allocated to SMME's**

#### **Method of measure**

The indicator measures the percentage of procurement spend allocated to SMME's through ensuring appropriate application of the preferential procurement practices. This support will be calculated as a percentage of the total value paid to Small, Medium and Micro Enterprises either directly or via the principal contractor in terms of a Preferential Procurement Regulation 4 or 9 contractual condition.

Indicator Formula: (1) rand value of procurement spend allocated to SMME's / (2) rand value of total procurement spend \*100.

#### **Evidence**

Award and payment listing (Report) of SMME expenditure amount (including invoices).

#### **Q2 Target**

60%

#### **Q2 Actual**

82%

#### **Comments**

Target achieved

#### **Reason for variance**

A positive variance of 22% achieved, resulting from defined specific goals that are aimed at prioritising SMME's on procurement contracts.

#### **Remedial action**

None

## **KPI 7 – Departmental SDBIP**

### **Number of Repeat Audit Findings**

#### **Method of measure:**

The indicator tracks the number of findings made on the same matter as of the last audit cycle. The “Repeat” findings refer to those findings that have persisted from one year of reporting to the next. These are identified as repeat findings by the Auditor-General on the following administrative areas including but not limited to: i) Annual financial statements and annual report.

The formula for the indicator is the (1) Simple count of the number of "repeat" findings itemized in the Auditor-General's report of each municipality.

#### **Evidence**

Dated and signed Audit report from Auditor General South Africa (AGSA)<sup>1</sup>.

#### **Q2 Target**

0

#### **Q2 Actual**

4

#### **Comment:**

Target not achieved.

#### **Reason for variance**

ERWAT has four repeat audit findings. Two of the findings relates to internal control deficiencies on a number of areas specifically relating to the Wastewater Treatment Works. The remaining two findings relates to the non prevention of fruitless and wasteful expenditure and consequence management on irregular expenditure.

#### **Remedial action**

ERWAT will continue to aim to improve on the internal control deficiencies which might still exist and to prevent fruitless and wasteful expenditure in the future. An external service

---

<sup>1</sup> As at 7 January 2025, ERWAT was still awaiting the signed Audit Report from the AGSA. The draft audit report was submitted as evidence in the interim, as advised by CoE.

provider has been appointed by the CoE to ensure that consequence management is adequately implemented.

**KPI 8 – Departmental SDBIP****Number of Green Drop (90%) wastewater treatment works (Bi-quarterly)****Method of measure:**

The indicator measures the number of wastewater treatment works that achieved the Green Drop standard bi quarterly. (90%) Internal assessment is conducted by ERWAT Compliance Office (internal assessment.)

A further determination will be made on the impact or deviation of the treatment capacity caused by loadshedding incidences in the following manner:

Calculate and totalise the energy consumption and impacted treatment capacity for the process units at each of the water care works under ERWAT. The deviation is determined by expressing the impacted treatment capacity as a percentage of the total capacity.

Extrapolate the deviation (i.e. impacted treatment capacity) to the standard Green Drop Score of 90% by multiplying the deviation with the 90% standard score requirement for Green Drop Status

**Evidence**

The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. Assessment

**Q2 Target**

6(90%)

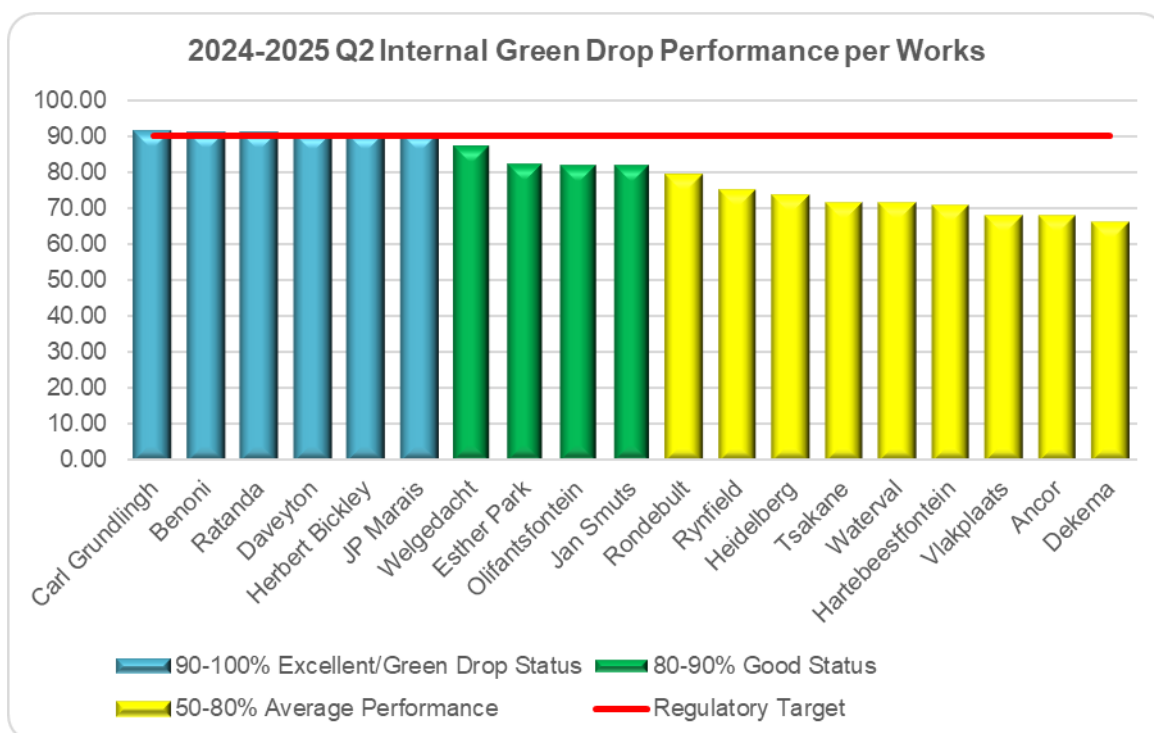
**Q2 Actual**

6(90%)

**Comment**

Target achieved.

### 2024-2025 Q2 Internal Green Drop Performance



The figure above depicts the 2024-2025 (July-December) internal Green Drop performance per WCWs. It is evident from the graph that six (6) WCWs namely: Carl Grundlingh, Benoni, Ratanda, Daveyton, Herbert Bickley and JP Marais achieved the 90% Targeted Green Drop score. Four (4) WCWs are on the Good status (80% - 89%) while nine (9) are on the average Green Drop performance with Dekema being the lowest with 65.8% green drop score.

### **Reasons for variance**

Target was met with no variance. Six plants achieved a Green Drop Score above 90%, measured in terms of the Green Drop criteria, during the internal assessment conducted.

### **Remedial actions:**

Although the target was achieved, continuous improvement to achieve the Green Drop target score of 90% is required but not limited to the following:

1. Prioritise the CAPEX budget to address the required WCW upgrades, replacement of aged equipment and refurbishments in line with the W<sub>2</sub>RAP.

2. Review, update, finalize and approve all the outdated documents namely: Process Audits, Sludge Management Plans, Incident Management Protocol, Wastewater Risk Abatement Plans, Inter-Departmental SLAs, Service Delivery Agreements between Water Services Authorities (CoE and LLM) and Water Services Provider (ERWAT).
3. Improvement in participation by the Water Services Authorities (CoE and LLM) to address Green Drop requirements.
4. Regular inspection/audit on sewer network by the CoE and LLM, and audit of the WCW by ERWAT.

**KPI 9 – Departmental SDBIP**

**Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area**

**Method of measure:**

This indicator measures the value of municipal operating expenditure that has been spent on payments to contracted organisations with a physical address within the municipal area as a percentage of the total operating expenditure on payments to all contracted organisations. Contracted services are inclusive of consultancy services and refer to services rendered by any entity outside of the municipality secured through a public procurement process.

Indicator Formula: (1) R-value of operating expenditure on contracted services within the municipal area / (2) Total municipal operating expenditure on contracted services. The indicator is reported quarterly.

**Evidence**

Signed Expenditure report on municipal operating expenditure spent on contracted services.

**Q2 Target**

4%

**Q2 Actual**

38.80%

**Comment:**

Target achieved.

**Reasons for variance**

A total operating expenditure value of R74 523 442,64 was paid on contracted services (all active contracts that were awarded through the public procurement process) whereof R28 917 472,06 were paid to contracted services within the municipal area (COE).

**Remedial actions**

None

## **KPI 10 – Departmental SDBIP**

### **Total Operating Expenditure as a percentage of Total Operating Expenditure Budget<sup>2</sup>**

#### **Method of measure:**

The indicator measures the extent to which operating expenditure has been spent during the financial year. Operating Expenditure (non-capital spending) is costs which the municipality incurs through its normal operations.

Indicator Formula: (1) Actual Operating Expenditure / (2) Budgeted Operating Expenditure  
This indicator results will be reported quarterly.

#### **Evidence**

Signed Excel spreadsheet as extracted from Budget statements for the period.

#### **Q2 Target**

40%

#### **Q2 Actual**

37,01%

#### **Comment:**

Target not achieved.

#### **Reasons for variance**

Under expenditure is mainly on repairs & maintenance, general expenditure, interest expense and depreciation. The under expenditure is offset by an over expenditure on employee related costs.

##### *Repairs and maintenance:*

Various maintenance contracts were not yet in place which resulted in a delay in the procurement of maintenance services.

##### *General expenditure:*

Delays experienced in the supply chain management processes.

---

<sup>2</sup>This indicator has been identified by National Treasury on 30 May 2024 (Ref No: ECU/2) as having reporting challenges and will be exempted from reporting for the 2023/24 and 2024/25 financial year until the definition of the indicator is revised in the upcoming 2025/26 Addendum 6 of the MFMA C88 to provide clear guidance to municipalities on how to report accurately. It has just been included in this scorecard for monitoring purposes by the City

*Interest expense:*

The actual interest expenditure incurred was slightly lower than expected due to the recent interest rate cuts and the volatility of the interest rate in general.

*Depreciation:*

Due to the review of the useful life of assets an adjustment to the carry value of certain assets were required. This resulted in unplanned adjustment to depreciation which was not budget for.

*Employee related costs:*

Management anticipated a 40 percent spend on employee related cost by the end of Q2 whilst actual employee related costs of 51 percent was achieved.

**Remedial actions:**

*Repairs & maintenance:*

The new maintenance contracts were signed at the end of Q2 and spending is likely to improve in Q3 & Q4.

*General expenses:*

Acceleration of the supply chain management processes to resolve delays experienced in the procurement process. (e.g. Transport & Freight - plant hire).

*Depreciation:*

Ensure that depreciation budget is inline going forward. Excess budget has been adjusted in the mid-year adjustment.

**KPI 11 – Departmental SDBIP****Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure****Method of measure:**

The indicator measures the extent to which the municipality has incurred irregular, fruitless and wasteful and unauthorised expenditure. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure is incurred by the municipality in contravention of a requirement of the law. Unauthorized expenditure includes overspending of the total amount appropriated in the approved budget.

Indicator Formula: ((1) Irregular + (2) Fruitless and Wasteful + (3) Unauthorised Expenditure) / (4) Total Operating Expenditure.

The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end.

**Evidence**

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period.

**Q2 Target**

N/A

**Q2 Actual**

N/A

**Comment:**

N/A

**Reasons for variance**

N/A

**Remedial actions:**

N/A

**KPI 12 – Departmental SDBIP**

**Repairs and Maintenance as a percentage of property, plant, equipment and investment property**

**Method of measure:**

This indicator measures the extent at which the municipality spent on repairs and maintenance of infrastructure assets relative to its asset base. Repairs and maintenance are a group of accounts consisting of labour costs, material costs, secondary costs, etc.

**Evidence**

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period

**Q2 Target**

N/A

**Q2 Actual**

N/A

**Comment:**

N/A

**Reasons for variance**

N/A

**Remedial actions**

N/A

**KPI 13 – Departmental SDBIP****Percentage of tender cancellations****Method of measure:**

This indicator measures the percentage of tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.

Indicator Formula: (1) Number of tenders cancelled / (2) Total number of tenders advertised and closed. The indicator is reported quarterly.

**Evidence**

Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.

**Q2 Target**

10%

**Q2 Actual**

0%

**Comment:**

Target achieved.

**Reasons for variance**

The variance is –10% as no bids were cancelled during Quarter 2 of the financial period under review

**Remedial actions:**

None

## **KPI 14 – Departmental SDBIP**

### **Net Surplus /Deficit Margin for Wastewater**

#### **Method of measure:**

Wastewater is measured separately to track the extent to which the municipality generates surplus or deficit. Total expenditure, in this context, refers to direct costs, overhead costs and capital financing costs incurred in providing wastewater and sanitation services. Direct costs include employee related costs, bulk purchases, repairs and maintenance, contracted services, debt impairment, depreciation and other costs not grouped under the above-mentioned categories. Overheard costs, also referred to as indirect costs, are costs that are not directly attributable to a service but are incurred in running a municipality, for example office space or computer software and all charges or recoveries. Capital financing costs are costs associated with financing infrastructure expansion or rehabilitation of existing assets, for example interest and redemption charges.

The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end.

#### **Evidence**

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period.

#### **Q2 Target**

N/A

#### **Q2 Actual**

N/A

#### **Comment:**

N/A

#### **Reasons for variance**

N/A

#### **Remedial actions:**

N/A

### 3.1 City-Wide/Institutional SDBIP 2024/25

## Refer to the City-wide SDBIP 2024/25

Table1: City-Wide Indicators

**NB: Please note that reasons for variance must be provided for both overachievement and under achievement**

| Entity                                                                                                                                    | Outcome                                          | Performance Indicator (Outcome) | Performance Indicator                                     | Portfolio of Evidence                                                                                                                                                                                                                                                                                      | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating                   | Progress on Targets | Reason(s) for Variation                                         | Remedial Action                                                                                                                                                                                                                                                                                        | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------------------------|---------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
| <b>IDP Strategic Objective 1: To deliver reliable, affordable and sustainable services and ensure improved infrastructure maintenance</b> |                                                  |                                 |                                                           |                                                                                                                                                                                                                                                                                                            |                    |                         |                          |                         |           |                                        |                     |                                                                 |                                                                                                                                                                                                                                                                                                        |                          |                              |
| Ekurhuleni Water Care Company (ERWAT)                                                                                                     | WS4. Improved quality of water (incl.wastewater) |                                 | WS4.31 Percentage of wastewater treatment capacity unused | Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system(19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the original or re-graded design hydraulic capacity (available capacity) per WCW for the ERWAT system ( | -42%               | -50%                    | -50%                     | -35%                    | 15%       | Performance expectations were exceeded | Target achieved     | Water Care Works received lesser than amounts of daily inflows. | Even though the target was achieved the intention is to eliminate completely the negative unused capacity and have at least 20% unused capacity. To this end more financial resources are required to eliminate any negative unused capacity and create some spare capacity. The implementation of the | CAPEX                    |                              |

| Entity | Outcome | Performance Indicator (Outcome) | Performance Indicator | Portfolio of Evidence | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating | Progress on Targets | Reason(s) for Variation | Remedial Action                                                                                                                                                                                                                                                                                                         | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|---------|---------------------------------|-----------------------|-----------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------|---------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
|        |         |                                 |                       | total of 19 WCW).     |                    |                         |                          |                         |           |                      |                     |                         | capacity upgrade or extension is subject to the availability of funds. The currently allocated MTREF does not have provision for any Capacity Upgrade or Extension projects, ERWAT require additional funding on the current budget allocation. ERWAT cannot commit to a specific date due to unavailability of budget. |                          |                              |

### 3.2 Entity's SDBIP Score card with Key Performance Areas and Indicators 2024/25

Table 2: Departmental Entity's SDBIP

| Entity                                                                                 | Outcome                                              | Performance Indicator (Outcome) | Performance Indicator (Output)                           | Portfolio of Evidence                                                                 | Baseline (2023/24)        | Annual Target (2024/25)   | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating                   | Progress on Targets | Reason(s) for Variation                                                                                                                              | Remedial Action                                  | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|----------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------|---------------------------|--------------------------|-------------------------|-----------|----------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------|------------------------------|
| <b>IDP Strategic Objective 2: To build a clean, capable and modernized local state</b> |                                                      |                                 |                                                          |                                                                                       |                           |                           |                          |                         |           |                                        |                     |                                                                                                                                                      |                                                  |                          |                              |
| <b>Ekurhuleni Water Care Company (ERWAT)</b>                                           | Improved Quality of water (including wastewater)     |                                 | ERW1.1<br>Total revenue generated from external business | Invoices coupled with general ledger with a balance that agree to the amount reported | R39 478,83                | R34 320 000.00            | R9.9 million             | R10 692 677             | R 792 677 | Performance expectations were exceeded | Target achieved     | The revenue target was achieved due to the continued execution of current projects as well as the additional revenue generated from ad hoc projects. | Maintain the current base and prevent attrition. | OPEX                     |                              |
|                                                                                        | To build a clean, Capable and Modernized Local State |                                 | ERW1.2<br>Audit Opinion                                  | Dated and signed report from AGSA                                                     | Unqualified Audit Opinion | Unqualified Audit Opinion | N/A                      | N/A                     | N/A       | N/A                                    | N/A                 | N/A                                                                                                                                                  | N/A                                              | OPEX                     | N/A                          |

| Entity | Outcome                                          | Performance Indicator (Outcome) | Performance Indicator (Output)                                                                              | Portfolio of Evidence                                                                                                                                                                                                                                                                                                         | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating                   | Progress on Targets | Reason(s) for Variation                                                                                                  | Remedial Action                                                                             | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|--------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------|------------------------------|
|        | Improved Quality of water (including wastewater) |                                 | ERW1.3 Percentage compliance with wastewater treatment works license conditions and/or exemptions standards | Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system(19 WCW) drawn from LIMS ( Laboratory Information Management System), in conjunction with the original or re - graded design hydraulic capacity (available capacity) per WCW for the ERWAT system ( total of 19 WCW | 81%                | 75%                     | 75%                      | 86%                     | 11%       | Performance expectations were exceeded | Target Achieved     | A positive variance was due to lower raw inflow sewage strength during the wet season, which aided the treatment process | Even though target was met the entity will continue improve critical equipment maintenance. | R189 580 278.75          | R 160 733 926.99             |
|        | Improved Quality of Water including Wastewater   |                                 | FM1.11 Total Capital expenditure as a percentage of total capital budget                                    | Dated and signed Finance year to date expenditure report                                                                                                                                                                                                                                                                      | 99.56%             | 95%                     | 35%                      | 45.95%                  | 10.95%    | Performance expectations were exceeded | Target Achieved     | Effective Project Management and Planning & Monitoring                                                                   | None                                                                                        | R33 250 000.00           | R43 649 017.58               |
|        | Improved Quality of Water including Wastewater   |                                 | 3.M Percentage of procurement spend allocated to SMME's                                                     | Dated and signed Letter of appointment or subcontract with support (contract) amount Award AND Listing                                                                                                                                                                                                                        | 91.4%              | 60%                     | 60%                      | 82%                     | 22%       | Performance expectations were exceeded | Target Achieved     | A positive variance of 22% achieved, as a result of defined specific goals that are aimed at prioritising                | None                                                                                        | OPEX /CAPEX              | R100 484 577.01              |

| Entity | Outcome                                        | Performance Indicator (Outcome) | Performance Indicator (Output)                      | Portfolio of Evidence                                      | Baseline (2023/24)                                                                                    | Annual Target (2024/25)                                                                         | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating               | Progress on Targets | Reason(s) for Variation                                                                                                                                                                                                                                                                                                              | Remedial Action                                                                                                                                                                                                                                                                                 | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|------------------------------------------------|---------------------------------|-----------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------|-------------------------|-----------|------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
|        |                                                |                                 |                                                     | (Register) of SMME supported with support amount           |                                                                                                       |                                                                                                 |                          |                         |           |                                    |                     | SMME's on procurement contracts                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                 |                          |                              |
|        | Improved Quality of Water including Wastewater |                                 | 4.M Number of Repeat Audit Findings                 | AGSA signed management letter <sup>3</sup>                 | 8 repeat audit findings noted in the AGSA signed management letter for the 2021/2022 regularity audit | 0 repeat audit findings noted in the AGSA signed management letter for the 2022/2023 regularity | 0                        | 4                       | 4         | Performance was below expectations | Target not achieved | ERWAT has four repeat audit findings. Two of the findings relates to internal control deficiencies on a number of areas specifically relating to the Wastewater Treatment Works. The remaining two findings relates to the non prevention of fruitless and wasteful expenditure and consequence management on irregular expenditure. | ERWAT will continue to aim to improve on the internal control deficiencies which might still exist and to prevent fruitless and wasteful expenditure in the future. An external service provider has been appointed by the CoE to ensure that consequence management is adequately implemented. | OPEX                     | N/A                          |
|        | Improved quality of water including wastewater |                                 | 6.M Number of Green Drop (90%) wastewater treatment | The Green Drop scorecard as released by the internal ERWAT | 6 (90%)                                                                                               | 6 (90%)                                                                                         | 6 (90%)                  | 6(90%)                  | 0         | Performance expectations were met  | Target Achieved     | Six plants achieved a Green Drop Score above 90%, measured in                                                                                                                                                                                                                                                                        | None                                                                                                                                                                                                                                                                                            | OPEX                     | OPEX                         |

<sup>3</sup> As at 7 January 2025, ERWAT was still awaiting the signed Audit Report from the AGSA. The draft audit report was submitted as evidence in the interim, as advised by CoE.

| Entity | Outcome                                                     | Performance Indicator (Outcome)                      | Performance Indicator (Output)                                                                                                         | Portfolio of Evidence                                                                     | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating                   | Progress on Targets | Reason(s) for Variation                                                                                                                                                                                                                                        | Remedial Action                                                                                             | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|-------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
|        |                                                             |                                                      | works ( Bi-quarterly)                                                                                                                  | Compliance office (in-house. assessment                                                   |                    |                         |                          |                         |           |                                        |                     | terms of the Green Drop criteria, during the internal assessment                                                                                                                                                                                               |                                                                                                             |                          |                              |
|        | LED1. Growing inclusive local economies                     |                                                      | LED1.11 Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area | Signed Expenditure report on municipal operating expenditure spent on contracted services | 8%                 | 8%                      | 4%                       | 38,80%                  | 34,80%    | Performance expectations were exceeded | Target achieved     | A total operating expenditure value of R74 523 442,64 was paid on contracted services (all active contracts that were awarded through the public procurement process) whereof R28 917 472,06 were paid to contracted services within the municipal area (COE). | None                                                                                                        | OPEX                     | R74 523 442,64               |
|        | FM1. Enhanced municipal budgeting and budget implementation | FM1.1 Percentage of expenditure against total budget | <sup>4</sup> FM1.12 Total Operating Expenditure as a percentage of Total Operating Expenditure Budget                                  | Signed Excel spreadsheet as extracted from Budget statements for the period               | New KPI            | 95%                     | 40%                      | 37,01%                  | -2,99%    | Performance was below expectations     | Target not achieved | Under expenditure is mainly on repairs & maintenance, general expenditure, interest expense and depreciation.                                                                                                                                                  | Repairs & maintenance: The new maintenance contracts were signed at the end of Q2 and spending is likely to | OPEX                     | R574 497 414                 |

<sup>4</sup> This indicator has been identified by National Treasury on 30 May 2024 (Ref No: ECU/2) as having reporting challenges and will be exempted from reporting for the 2023/24 and 2024/25 financial year until the definition of the indicator is revised in the upcoming 2025/26 Addendum 6 of the MFMA C88 to provide clear guidance to municipalities on how to report accurately. It has just been included in this scorecard for monitoring purposes by the City

| Entity | Outcome | Performance Indicator (Outcome) | Performance Indicator (Output) | Portfolio of Evidence | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating | Progress on Targets | Reason(s) for Variation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Remedial Action                                                                                                                                                                                                                                                                                                                                                | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|---------|---------------------------------|--------------------------------|-----------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
|        |         |                                 |                                |                       |                    |                         |                          |                         |           |                      |                     | <p>The under expenditure is offset by an over expenditure on employee related costs.</p> <p>Repairs and maintenance: Various maintenance contracts were not yet in place which resulted in a delay in the procurement of maintenance services.</p> <p>General expenditure: Delays experienced in the supply chain management processes.</p> <p>Interest expense: The actual interest expenditure incurred was slightly lower than expected due to the recent interest rate cuts and the volatility of the interest rate in general.</p> | <p>improve in Q3 &amp; Q4.</p> <p>General expenses: Acceleration of the supply chain management processes to resolve delays experienced in the procurement process. (e.g. Transport &amp; Freight - plant hire).</p> <p>Depreciation: Ensure that depreciation budget is inline going forward. Excess budget has been adjusted in the mid-year adjustment.</p> |                          |                              |

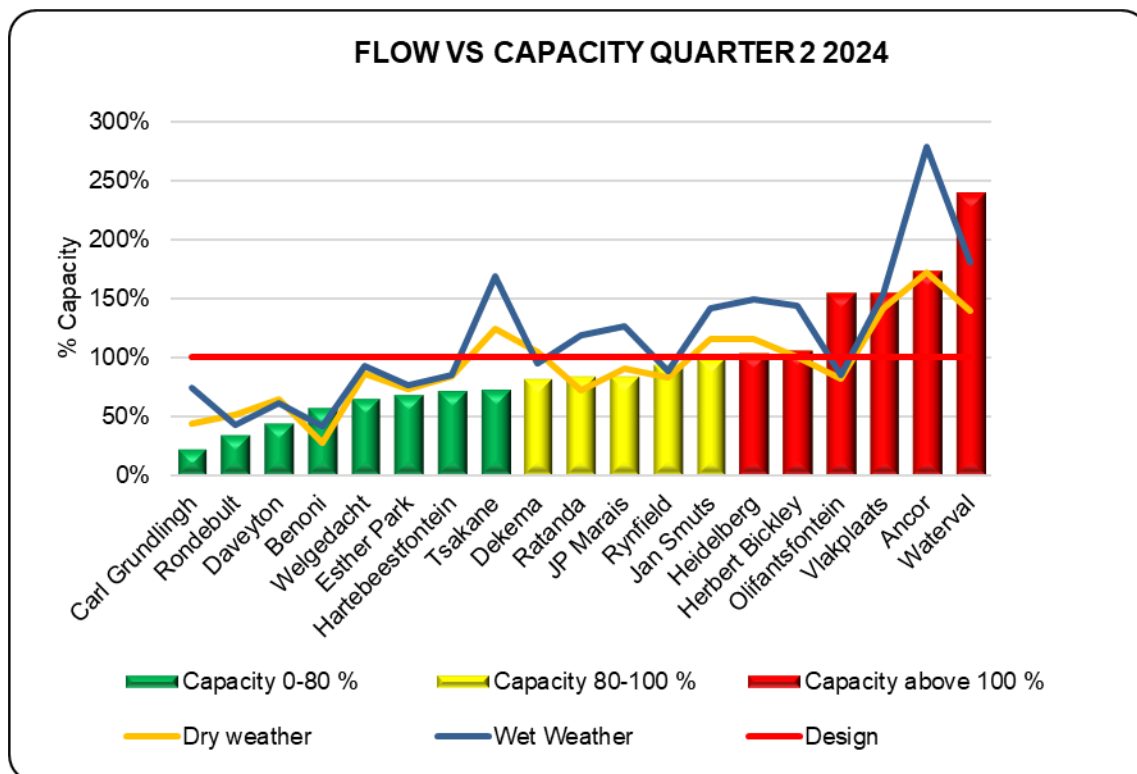
| Entity | Outcome                              | Performance Indicator (Outcome)                                                        | Performance Indicator (Output)                                                                                    | Portfolio of Evidence                                                                                                                     | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating | Progress on Targets | Reason(s) for Variation                                                                                                                                                                                                                                                                                                                                                                                   | Remedial Action | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|--------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------|------------------------------|
|        |                                      |                                                                                        |                                                                                                                   |                                                                                                                                           |                    |                         |                          |                         |           |                      |                     | <p>Depreciation: Due to the review of the useful life of assets an adjustment to the carry value of certain assets were required. This resulted in unplanned adjustment to depreciation which was not budget for.</p> <p>Employee related costs: Management anticipated a 40 percent spend on employee related cost by the end of Q2 whilst actual employee related costs of 51 percent was achieved.</p> |                 |                          |                              |
|        | FM4. Improved expenditure management | FM4.1 Percentage change of unauthorised, irregular, fruitless and wasteful expenditure | FM4.11 Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure | The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the | New KPI            | 0%                      | 0%                       | N/A                     | N/A       | N/A                  | N/A                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                       | N/A             | OPEX                     | N/A                          |

| Entity | Outcome                                      | Performance Indicator (Outcome)                                               | Performance Indicator (Output)                                                                       | Portfolio of Evidence                                                                                                                                               | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating                   | Progress on Targets | Reason(s) for Variation | Remedial Action | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|----------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------------------------|---------------------|-------------------------|-----------------|--------------------------|------------------------------|
|        |                                              |                                                                               |                                                                                                      | previous financial period,                                                                                                                                          |                    |                         |                          |                         |           |                                        |                     |                         |                 |                          |                              |
|        | FM5. Improved asset management F             | FM5.3 Percentage change of repairs and maintenance of existing infrastructure | FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property | The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period | 4%                 | 7%                      | N/A                      | N/A                     | N/A       | N/A                                    | N/A                 | N/A                     | N/A             | OPEX                     | N/A                          |
|        | FM6. Improved supply chain management        |                                                                               | FM6.13 Percentage of tender cancellations                                                            | Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.      | New KPI            | 10%                     | 10%                      | 0%                      | -10%      | Performance expectations were exceeded | Target achieved     | 0%                      | None            | OPEX                     | N/A                          |
|        | FM7. Improved revenue and debtors management | FM7.3 Percentage of net operating surplus margin                              | FM7.33 Net Surplus /Deficit Margin for Wastewater                                                    | The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous                  | New KPI            | 5%                      | N/A                      | N/A                     | N/A       | N/A                                    | N/A                 | N/A                     | N/A             | OPEX                     | N/A                          |

| Entity | Outcome | Performance Indicator (Outcome) | Performance Indicator (Output) | Portfolio of Evidence | Baseline (2023/24) | Annual Target (2024/25) | Planned Target Quarter 2 | Actual Output Quarter 2 | Variation | Actual Output Rating | Progress on Targets | Reason(s) for Variation | Remedial Action | Planned Budget Quarter 2 | Actual Expenditure Quarter 2 |
|--------|---------|---------------------------------|--------------------------------|-----------------------|--------------------|-------------------------|--------------------------|-------------------------|-----------|----------------------|---------------------|-------------------------|-----------------|--------------------------|------------------------------|
|        |         |                                 |                                | financial period,     |                    |                         |                          |                         |           |                      |                     |                         |                 |                          |                              |

### 3.3. Reflection on operations/ day-to-day activities (Analytical Narrative Account)

#### Quarterly Flows



**Figure 1 Q2 Flow Records per WCW: Flow vs Design Capacity**

#### Flow and Rainfall

|                   | Design Capacity | Hydraulic (Ml/d) | Average Actual Flow Q2( Ml/d) | Rainfall Q2(mm) |
|-------------------|-----------------|------------------|-------------------------------|-----------------|
| Ancor             | 15.00           |                  | 25.85                         | 235.00          |
| Benoni            | 7.50            |                  | 4.20                          | 271.00          |
| Carl Grundlingh   | 5.20            |                  | 1.11                          | 212.00          |
| Daveyton          | 19.00           |                  | 8.15                          | 240.10          |
| Dekema            | 31.00           |                  | 25.15                         | 135.00          |
| Esther Park       | 1.40            |                  | 0.94                          | 182.00          |
| Hartebeestfontein | 63.00           |                  | 43.90                         | 290.00          |
| Heidelberg        | 5.40            |                  | 5.52                          | 214.60          |
| Herbert Bickley   | 15.10           |                  | 15.78                         | 265.60          |
| Jan Smuts         | 6.00            |                  | 5.88                          | 293.00          |
| JP Marais         | 15.00           |                  | 12.55                         | 203.00          |

|                 | Design Hydraulic Capacity (ML/d) | Average Actual Flow Q2( ML/d) | Rainfall Q2(mm) |
|-----------------|----------------------------------|-------------------------------|-----------------|
| Olifantsfontein | 65.00                            | 100.28                        | 261.00          |
| Ratanda         | 4.70                             | 3.93                          | 141.03          |
| Rondebult       | 20.00                            | 6.72                          | 197.30          |
| Rynfield        | 9.80                             | 9.09                          | 229.00          |
| Tsakane         | 20.00                            | 14.19                         | 281.00          |
| Vlakplaats      | 55.00                            | 84.92                         | 164.70          |
| Waterval        | 170.00                           | 406.64                        | 60.40           |
| Welgedacht      | 95.00                            | 60.97                         | 179.00          |
| Total           | 623.10                           | 835.79                        | 4054.73         |

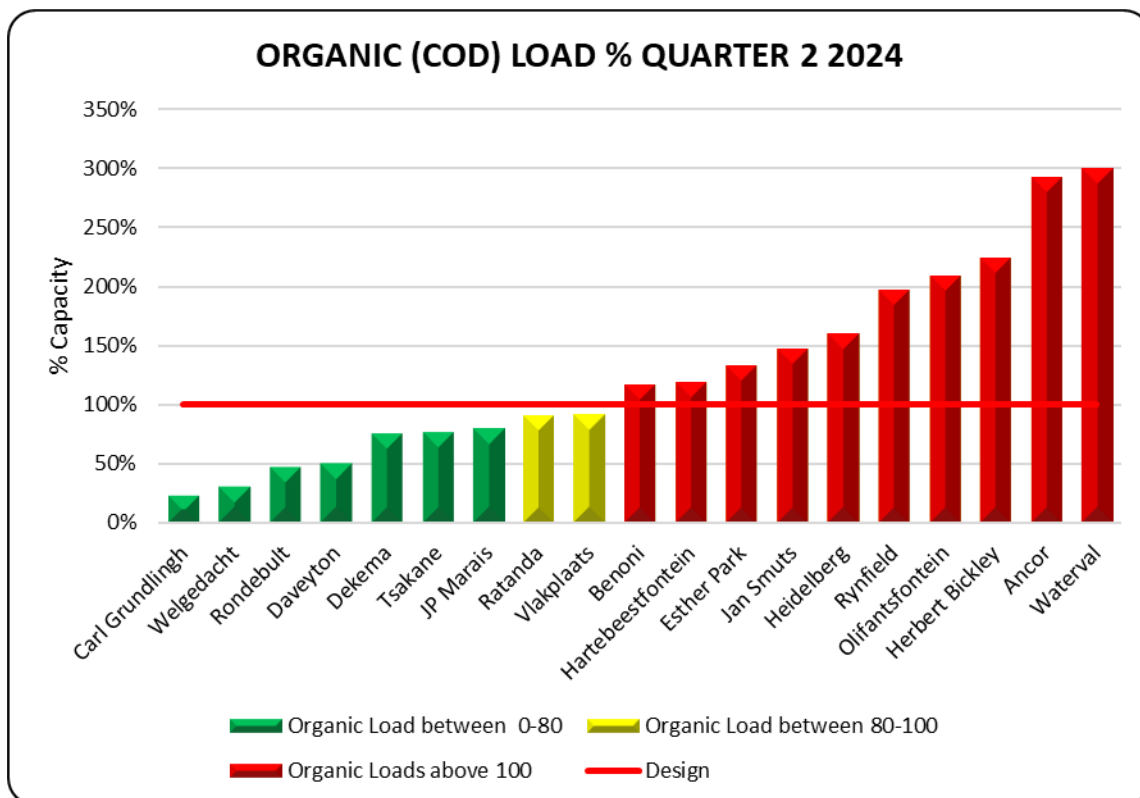
A total of 76988.19 ML was treated in Quarter 2, at an average of 836.83 ML/day, utilising 134% of the available capacity, as compared with Q1 where 66 059.16 ML was treated in Quarter 1, at an average of 718.03 ML/day, utilising 121.86% of the available capacity.

As can be noted in the above graph, during Q2 six (6) out of nineteen (19) WCW were operating above their hydraulic design capacity, five (5) operating between 80% and 100% and eight (8) below their hydraulic design capacity.

In Q2 Waterval operating at 239%, Ancor operated at 172%, Vlakplaats and Olifantsfontein operated at 154%, Herbert Bickley operated at 104% and Heidelberg operated at 102% of their design capacity.

Until the overloaded WCW are upgraded/extended, serious challenges remain to achieve Green Drop for all the 19 plants and to support the CoE in meeting the Growth Development Strategy (GDS 2055) and the development of the Aerotropolis.

## Organic Load



**Figure 2 Q2 Organic Loads per WCW**

As can be noted, 10 (ten) WCW operated above 100% organic load, 2 (two) operated between 80 and 100% of the organic load and 7 (seven) below their design capacity during Q2(wet season), as compared to 5 (Five) WCW operated above 100% organic load, 1 (one) WCW's operated between 80 and 100% of the organic load and 13 (thirteen) below their design capacity during Q2.

### 3.4. Service Delivery Highlights and Challenges

#### 3.4.1 Plant Specific Challenges

| Plant  | Non-compliance of final effluent                                                                                                                                                                                   | Hydraulic Capacity                                          | Organic Capacity                                            | Abnormal fluctuations in inflow                                                    | Industrial effluent                                                | Level 3 Equipment Failure                   | Power outages                                                                    | Ageing infrastructure             | Blocked digesters | Veld fires | Sludge stockpiling                       | Groundwater pollution                                                                         | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                                                                                                                                                                                          | Access Roads       | Potable water               |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------|-------------------|------------|------------------------------------------|-----------------------------------------------------------------------------------------------|----------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------|
| Benoni | Benoni complied with overall WUL effluent standards with compliance of<br><br>Physical = 97%<br>Chemical = 98%<br>Micro = 92%<br><br>The average compliance target of 90% was Achieved with the overall compliance | Plant operated at 56% of re-graded hydraulic capacity in Q2 | Plant operated at 117% of re-graded organic capacity in Q2. | There were no abnormal flow fluctuations in Q2, all 3 pumpstations are operational | There was 59 high strengths of COD from industrial pollution in Q2 | 12 Level 3 Equipment failure occurred in Q2 | There were 5 unplanned power failures which lasted for a duration of 29 hours Q2 | Open digester walls are cracking, | None              | None       | Dried sludge is stockpiled at the plant. | Unlined sludge paddies and maturation ponds could cause possible ground water pollution in Q2 | None           | None                     | Sludge classification B2b. Sludge Samples were taken to the Laboratory on 27/08/2024 for analysis of the new sludge classification. Screenings and grits that are generated at the plant, are collected by CoE. | Road is accessible | Portable water is available |

| Plant       | Non-compliance of final effluent                                                                                                                                                                                                               | Hydraulic Capacity                                | Organic Capacity                                 | Abnormal fluctuations in inflow                                                                                           | Industrial effluent                                                                                | Level 3 Equipment Failure                                                      | Power outages                                                                                                     | Ageing infrastructure      | Blocked digesters | Veld fires | Sludge stockpiling | Groundwater pollution | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                              | Access Roads                                               | Potable water                                                         |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|------------|--------------------|-----------------------|----------------|--------------------------|-----------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------|
|             | ce of 96% for Q2                                                                                                                                                                                                                               |                                                   |                                                  |                                                                                                                           |                                                                                                    |                                                                                |                                                                                                                   |                            |                   |            |                    |                       |                |                          |                                                     |                                                            |                                                                       |
| Esther Park | <p>Esther Park complied with overall WUL effluent standards with compliance of</p> <p>Physical = 91%<br/>Chemical = 93%<br/>Micro = 84%</p> <p>The average compliance target of 84% was Achieved with the overall compliance of 89% in Q2.</p> | Plant operated at 67% of hydraulic capacity in Q2 | Plant operated at 134% of organic capacity in Q2 | The plant experienced no abnormal fluctuations in inflows in Oct-Dec 2024 (Q2) with an average inflow of 0.94 MI/d (67%). | Plant received industrial high strength effluent 36 times out of 92 days during Oct-Dec 2024 (Q2). | One Alert Level 3 Equipment failures occurred in Q2 (Inlet Mechanical Screen). | There were 6 power outages in Oct-Dec 2024 (Q2) for duration of 32 hours. (Power failure due to Maintenance CoE). | Reactor walls are leaking. | Not applicable.   | None       | Not applicable.    | Not applicable        | Not applicable | Not applicable           | Screenings and grits collected by service provider. | Access road repaired. Road inside plant must be compacted. | Drop in water pressure occasionally that affects chlorination dosing. |

| Plant             | Non-compliance of final effluent                                                                                                                                                                                                              | Hydraulic Capacity                                | Organic Capacity                                 | Abnormal fluctuations in inflow                                                                                               | Industrial effluent                                                                                           | Level 3 Equipment Failure                          | Power outages                                             | Ageing infrastructure                                                                       | Blocked digesters                                                                                   | Veld fires                                                        | Sludge stockpiling                                                     | Groundwater pollution                            | Dolomitic soil                                                    | Very Strict WUL standard                                                       | Solid Waste Management                                                                                                 | Access Roads                                       | Potable water                                                                                                                                              |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                                                                                                                                                                                                                               |                                                   |                                                  |                                                                                                                               |                                                                                                               |                                                    |                                                           |                                                                                             |                                                                                                     |                                                                   |                                                                        |                                                  |                                                                   |                                                                                |                                                                                                                        |                                                    |                                                                                                                                                            |
| Hartebeestfontein | <p>Hartebeestfontein complied with overall WUL effluent standards with compliance of</p> <p>Physical = 81%<br/>Chemical = 60%<br/>Micro = 32%</p> <p>The average compliance target of 50% was Achieved with the overall compliance of 57%</p> | Plant operated at 70% of hydraulic capacity in Q2 | Plant operated at 120% of organic capacity in Q2 | The plant experienced fluctuations in inflows in October-December 2024 (Q2) due to rainfalls with an average flow of 44 ML/d. | Plant received industrial high strength effluent 71 times out of 92 days during October - December 2024 (Q2). | 8 Alert Level 3 Equipment failures occurred in Q2. | There were 0 power outages in October-December 2024 (Q2). | Aging infrastructure: Ferric plant, chlorine, thickeners, clarifier 2-4 bridge and siphons. | Digester 1, 4, 6 and 9 sludge recirculation nozzle blocked. Digester 1-9 feeding lined was blocked. | There was no veld fires experienced in October-December 2024 (Q2) | 1058.324 kg of dry sludge was irrigated to the 200 hectares farm in Q2 | Borehole two has high concentration of Nitrates. | Sinkhole next to the fence towards FST 5 & 6 and around the Farm. | License amendment with relaxation on Electrical conductivity, Ammonia, E.coli. | Sludge classification is B2a, not suitable for the intended purpose; this requires further engagement with the farmer. | The grading was done around the fence in May 2024. | Drop in water pressure occasionally that affects chlorine dosing due to Rand water maintenance. There was 4 portable water leak around the plant and farm. |

| Plant           | Non-compliance of final effluent                                                                                                                                                                                                                              | Hydraulic Capacity                                          | Organic Capacity                                        | Abnormal fluctuations in inflow                                                                                                                                                   | Industrial effluent                                                                                                                                                                                                                 | Level 3 Equipment Failure                     | Power outages                    | Ageing infrastructure                                     | Blocked digesters | Veld fires | Sludge stockpiling                                      | Groundwater pollution                                                                        | Dolomitic soil                                                                                                                                                                          | Very Strict WUL standard                                                                                                                                                                                                                                                                                                                                                                                                              | Solid Waste Management                                                                                                | Access Roads                                                               | Potable water |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------|-----------------------------------------------------------|-------------------|------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------|
| Olifantsfontein | <p>Olifantsfontein complied with overall WUL effluent standards with compliance of 154 % in Q2 24-25</p> <p>Physical = 70%<br/>Chemical = 70%<br/>Micro = 88%</p> <p>The average compliance target of 60% was Achieved with the overall compliance of 76%</p> | Plant operated at a hydraulic capacity of 154 % in Q2 24-25 | Plant operated at 210% of organic capacity for Q2 24/25 | <p>There were abnormal fluctuations of inflows in Q2 24-25 With ranges of 81.20 - 126.34 MI/d in Oct 2024, 72.65–96.08 MI/d in Nov 2024, and 73.87 – 148.83 MI/d in Dec 2024.</p> | <p>Plant received industrial high strength effluent (very high Electrical Conductivity above 80 mS/m) with 72 days out of 92 days in Q2.</p> <p>Plant also experiences fine sand ingress, and fats pollution that solidifies in</p> | 31 Level 3 Equipment failures occurred in Q2. | There were 0 power outages in Q2 | Module 3 Anaerobic digesters and module 1 and 2 reactors. | 0 of 6 digesters. |            | Total sludge of 703 486kg of sludge was produced in Q2. | Unlined emergency dams contaminating borehole no.2&3. Borehole 1 runs dry during dry seasons | 2x Sinkholes behind and in front of the old laboratory which occurred in Dec 2019 and 1x behind return pump station which occurred in March 2024. All sinkholes still not rehabilitated | <p>Olifantsfontein WUL is stringent on Ammonia of &lt; 2mg/l, SS of 15 mg/l and EC of &lt; 80 mS/m.</p> <p>Sludge is classified into three streams: (1). Dewatering unit(B3a), the sludge not suitable for cultivating crops such as fruits trees (2). Drying beds (A3a), No restrictions and requirements apply</p> <p>3) Grit and screenings are collected by service provider from the water works to the registered landfill.</p> | Road to upstream sampling point need to be graded and there is high erosion on the banks. To be reported to the CoE.. | YES, there is a water leak that is reoccurring and resulting in water loss |               |

| Plant    | Non-compliance of final effluent                                                                                                                                                                                                     | Hydraulic Capacity                                                                                       | Organic Capacity                                                   | Abnormal fluctuations in inflow                                                         | Industrial effluent          | Level 3 Equipment Failure                          | Power outages                                                     | Ageing infrastructure                                                          | Blocked digesters                                                      | Veld fires                                                 | Sludge stockpiling                             | Groundwater pollution                                                                                        | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                                                                                 | Access Roads | Potable water |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------|--------------------------|--------------------------------------------------------------------------------------------------------|--------------|---------------|
|          |                                                                                                                                                                                                                                      |                                                                                                          |                                                                    |                                                                                         | sedimentation tanks as scum. |                                                    |                                                                   |                                                                                |                                                                        |                                                            |                                                |                                                                                                              |                |                          |                                                                                                        |              |               |
| Rynfield | <p>Rynfield complied with overall WUL effluent standards with compliance of</p> <p>Physical = 98%<br/>Chemical = 87%<br/>Micro = 77%</p> <p>The average compliance target of 65% was Achieved with the overall compliance of 88%</p> | <p>Plant operated at 93% of re-graded hydraulic capacity in Q2, which was below the design capacity.</p> | <p>Plant operated at 198% of re-graded organic capacity for Q2</p> | <p>There were low flows received during the Q2 damaged pipeline at N12 pumpstation.</p> | None                         | <p>0 Level 3 Equipment failures occurred in Q2</p> | <p>There were 0 power outages in Q2 with a duration of 0 hrs.</p> | <p>Pavement, Digesters, Reactor tank and Bio-feeder structures are cracked</p> | <p>3 of 4 digesters are blocked due to defective desludging valves</p> | <p>There was no veld fire incident in the plant in Q2.</p> | <p>Dried sludge is stockpiled at the plant</p> | <p>Unlined sludge paddies, contact tank and maturation ponds could cause possible ground water pollution</p> | None           | None                     | <p>CoE collects screenings and grits from the inlet works. Dried sludge is stockpiled at the plant</p> | None         | None          |

| Plant | Non-compliance of final effluent                                                                                                                                                                                                        | Hydraulic Capacity                                     | Organic Capacity                                  | Abnormal fluctuations in inflow                       | Industrial effluent                                               | Level 3 Equipment Failure     | Power outages                                                              | Ageing infrastructure                                                                                                                                                                 | Blocked digesters                                                                                                                                                                   | Veld fires                                             | Sludge stockpiling                                                                                    | Groundwater pollution                                        | Dolomitic soil                                                                                         | Very Strict WUL standard | Solid Waste Management                                          | Access Roads                                                        | Potable water |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------|---------------|
|       |                                                                                                                                                                                                                                         |                                                        |                                                   |                                                       |                                                                   |                               |                                                                            |                                                                                                                                                                                       |                                                                                                                                                                                     |                                                        |                                                                                                       |                                                              |                                                                                                        |                          |                                                                 |                                                                     |               |
| Ancor | <p>Ancor did not comply with overall WUL effluent standards with compliance of</p> <p>Physical = 76%<br/>Chemical = 57%<br/>Micro = 70%</p> <p>The average compliance target of 50% was achieved with the overall compliance of 67%</p> | Plant operated at 172% of its hydraulic capacity in Q2 | Plant operated at 292% of organic capacity in Q2. | Ancor did receive storm water ingress during week Q2. | Plant received high COD industrial effluent in 60 out of 92 days. | 0 Critical equipment failures | There was no load-shedding incident during Q2. And 1 power outage of 3 hrs | Bio filter flow division boxes partially collapsed, humus tanks/PST's- and digester structures are crumbling/cracked. Ancor also do not have a chlorine contact tank for disinfection | 1 digester blocked with sand and 2 are partially in operation. This causes the plant to run out of sludge handling capacity, which prevents proper desludging and resulting in non- | No Veld fires occurred during the week at sludge lands | Stockpile area not lined. Stockpiles on plant is a risk due to veld fires and environmental pollution | Unlined sludge paddies pollute could cause underground water | Area around humus tanks and final effluent channel are dolomitic according to Geotech study performed. | N/A                      | CoE/service provider removes solid waste (screenings and grit). | Access road to the plant is in bad condition with lots of potholes. | N/A.          |

| Plant    | Non-compliance of final effluent                                                                                                                                                                                                        | Hydraulic Capacity                                     | Organic Capacity                                                           | Abnormal fluctuations in inflow                                                                                                                                                                                            | Industrial effluent | Level 3 Equipment Failure                                                                                          | Power outages                               | Ageing infrastructure                                                                               | Blocked digesters | Veld fires          | Sludge stockpiling                                                   | Groundwater pollution                                             | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                               | Access Roads | Potable water |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------|---------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|----------------|--------------------------|------------------------------------------------------|--------------|---------------|
|          |                                                                                                                                                                                                                                         |                                                        |                                                                            |                                                                                                                                                                                                                            |                     |                                                                                                                    |                                             |                                                                                                     | compliances.      |                     |                                                                      |                                                                   |                |                          |                                                      |              |               |
| Daveyton | <p>Daveyton complied with overall WUL effluent standards with compliance of</p> <p>Physical = 100%<br/>Chemical = 99.%<br/>Micro= 94. %</p> <p>The average compliance target of 90% was Achieved with the overall compliance of 98%</p> | Plant operated at 43% of its hydraulic capacity in Q2. | Sufficient capacity. Plant operated at 50.% of its organic capacity in Q2. | Numerous sewer blockages in the CoE network, pump failures at Etwatwa ext.18 pumpstation and potable water supply interruption to Etwatwa due to sand water shutdown lead to inconsistent and irregular flow to the plant. | N/A. Domestic only. | 9 Level 3 Equipment failures occurred in Q2 which was the Generator for BNR, Aerators and chlorine tablets system. | 16 power failures totalling 98 hours in Q2. | CCT sometimes leaking.<br><br>Do not have direct impact on the operation of the plant at the moment | N/A               | No veld fires in Q2 | Sludge lagoons are unlined<br>Space for solar drying is insufficient | Unlined sludge lagoons has potential to pollute the ground water. | N/A            | N/A                      | Screenings are collected by COE for proper disposal. | N/A          | N/A           |

| Plant      | Non-compliance of final effluent                                                                                                                                                                                       | Hydraulic Capacity                                               | Organic Capacity                                                | Abnormal fluctuations in inflow                                         | Industrial effluent                                                | Level 3 Equipment Failure                                                               | Power outages                                                             | Ageing infrastructure         | Blocked digesters | Veld fires                               | Sludge stockpiling                                | Groundwater pollution                                     | Dolomitic soil    | Very Strict WUL standard | Solid Waste Management                                                                                                                                       | Access Roads               | Potable water           |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------|-------------------|------------------------------------------|---------------------------------------------------|-----------------------------------------------------------|-------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------|
| JP Marais  | JP Marais complied with overall WUL effluent standards with compliance of Physical = 100%<br>Chemical = 98%<br>Micro = 96%<br><br>The average compliance target of 90% was Achieved with the overall compliance of 98% | Sufficient capacity. Plant operated at 84% of hydraulic capacity | Sufficient capacity. Plant operated at 80% of organic capacity. | The Blockage to Benoni outfall sewer line was cleared on the 14/11/2024 | There were 11 incidents in Q2 i.e. 10 x high COD and 1 x high NH3. | 1 Alert Level 3 Equipment failure occurred in Q2, namely: Tripping of the reactor panel | 5 power failure incidents occurred (28 hours) in Q2, with no loadshedding | None                          | N/A               | No veld fire incident experienced in Q2. | Sludge pumped to Welgedacht, where it is treated. | Some boreholes polluted. Ongoing monitoring of boreholes. | No dolomitic soil | N/A                      | CoE removes solid waste (screenings and grit) except for PST screenings, due to no screen compactor. Awaiting the issuance of PO for wet screenings removal. | N/A                        | None                    |
| Welgedacht | Welgedacht complied with overall                                                                                                                                                                                       | Plant operated at                                                | Sufficient capacity<br>Plant operated at 30% organic            | Benoni outfall sewer line was blocked                                   | Welgedacht received high COD on                                    | 7 critical equipment failures occurred                                                  | 6 power outages which lasted for 109                                      | Module 1 electrical panel for | N/A               | No veld fires                            | None                                              | Unlined Dichlorination channels and                       | N/A               | None                     | Screenings are removed by an approved contractor to                                                                                                          | Gravel access roads are in | No potable water supply |

| Plant | Non-compliance of final effluent                                                                                                                                                                      | Hydraulic Capacity                             | Organic Capacity             | Abnormal fluctuations in inflow                                                                                      | Industrial effluent                                                                                                                                                                                            | Level 3 Equipment Failure                                                                    | Power outages                                                 | Ageing infrastructure              | Blocked digesters | Veld fires | Sludge stockpiling | Groundwater pollution | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                                                    | Access Roads                                   | Potable water                                                                                               |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------|-------------------|------------|--------------------|-----------------------|----------------|--------------------------|---------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|       | <p>WUL effluent standards with compliance of</p> <p>Physical = 97%<br/>Chemical = 83%<br/>Micro = 91%</p> <p>The average compliance target of 81% was Achieved with the overall compliance of 90%</p> | 64% hydraulic capacity of the design capacity. | capacity. Under Achievement. | during Q2 and was unblocked on the 14 November 2024 leading to an increase in incoming flow during Q2, at the plant. | <p>the 31/10/2024, 30/11/2024 and on the 03/12/2024 with an inflow COD above 1900mg/l.</p> <p>6 coloured influent was received on the 2,5,7 October 2024, 26,27 November 2024 and On the 01 December 2024.</p> | <p>in Q2 2024, Aerator no 3,7,8,9 and Aerator no. 12, RAS generator and ABS Blower no.2.</p> | hours due to MV cable fault for main power supply substation. | aerators and digesters at module 2 |                   | occurred.  |                    | Emergency dam         |                |                          | an approved landfill site. This practice does comply with WUL conditions. | very bad condition and very slippery when wet. | to the plant. Borehole water is used for hygiene. Drinking water is being transported in from other plants. |

| Plant      | Non-compliance of final effluent                                                                                                                                                    | Hydraulic Capacity                                    | Organic Capacity                                | Abnormal fluctuations in inflow                                                                                                                  | Industrial effluent                                                                                                                                                                      | Level 3 Equipment Failure                                                      | Power outages                                                                                         | Ageing infrastructure                                                                                                    | Blocked digesters | Veld fires                              | Sludge stockpiling                                                                                                | Groundwater pollution                                                       | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                                                                                                        | Access Roads                                                      | Potable water                                              |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|
| Jan Smuts  | <p>Jan Smuts compliance of</p> <p>Physical = 83%<br/>Chemical = 65%<br/>Micro = 93%</p> <p>The average compliance target of 70% was Achieved with the overall compliance of 80%</p> | Plant operated at 98% of its hydraulic capacity in Q2 | Plant operated at 147% of its organic capacity. | <p>Sallies pump station not operational. Incident reported on the 08<sup>th</sup> October 2024.</p> <p>24 days of High incoming flows in Q2.</p> | Plant received industrial high strength effluent on 48 of the 92 days in Q2.                                                                                                             | Q2, no critical equipment failures.                                            | 1 Unplanned power outages (for 20 min total) due to unknown causes. Generator backup was operational. | Humus Tanks scum boards, digester number 2's wall, drying beds' walls and the bio-filters' feed flow division box/tower. | None              | 0 fires occurred at Jan Smuts during Q2 | Dried sludge is stockpiled on site.                                                                               | Unlined sludge stockpile area can cause groundwater pollution.              | No             | No                       | Screenings are removed by an approved contractor to an approved landfill site. This practice does comply with WUL conditions. | Fair                                                              | Rand Water                                                 |
| Heidelberg | Heidelberg complied with overall WUL effluent standards with compliance of                                                                                                          | Plant operated at 102% of its hydraulic capacity      | Plant operated at 161% of organic capacity      | High incoming flows above the design of the 5.4 Ml/d                                                                                             | <p>The plant received 37 high CODs and 17 high NH3s levels that are above</p> <p>Total critical equipment failure in this quarter is 6, which is made up of:</p> <p>Repair the panel</p> | Heidelberg had 53 unplanned power outages with a duration of 280 hours. Diesel | Heidelberg had 53 unplanned power outages with a duration of 280 hours. Diesel                        | The joint sealants of Carousel reactor concrete wall are                                                                 | None              | None                                    | Sludge at the plant stockpiled after dewatering, and is also applied/irrigated to the lands and could potentially | Unlined sludge paddies/lack of groundwater monitoring in the sludge paddies | None           | None                     | Contractor removes solid waste (screenings and grit) and dispose at licensed solid waste site.                                | The access road to Heidelberg works requires a new-tarred road is | Leakage on the pipeline to the inlet works due to a rusted |

| Plant           | Non-compliance of final effluent                                                                                                             | Hydraulic Capacity                       | Organic Capacity                           | Abnormal fluctuations in inflow                                 | Industrial effluent                           | Level 3 Equipment Failure                                                                                                                                                  | Power outages                                                       | Ageing infrastructure      | Blocked digesters | Veld fires         | Sludge stockpiling                                             | Groundwater pollution                                            | Dolomitic soil | Very Strict WUL standard                  | Solid Waste Management                                                       | Access Roads           | Potable water |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------|-------------------|--------------------|----------------------------------------------------------------|------------------------------------------------------------------|----------------|-------------------------------------------|------------------------------------------------------------------------------|------------------------|---------------|
|                 | Physical = 100%<br>Chemical = 86%<br>Micro = 99%<br><br>The average compliance target of 80% was Achieved with the overall compliance of 95% |                                          |                                            |                                                                 | the design in the current quarter.            | at the inlet works.<br><br>To repair the inlet works panel.<br><br>To repair the chlorine leakage.<br><br>To refill oil in the inlet work generator because it is leaking. | used was 7914 L                                                     | damaged                    |                   |                    | contaminate groundwater resources                              |                                                                  |                |                                           |                                                                              | required urgently      | pipeline.     |
| Herbert Bickley | Herbert Bickley complied with overall WUL effluent standards with                                                                            | Plant operated at 104 % of its hydraulic | Plant operated at 224% of organic capacity | The Plant is receiving low inflow than normal since the Jameson | 62 industrial pollution incidents experienced | 8 Alert level 3 incidents reported in Q2<br><br>Surface aerators                                                                                                           | 5 Incidents of power failure reported in Q2 which includes 21 hours | Anaerobic Digester 1,2,3&4 | None              | 0 veld fires in Q2 | Bickley WCW Sludge used for irrigation of Kikuya instant grass | All nine boreholes results fluctuate showing signs of pollution. | None observed  | No. Bickley compliant with all parameters | Contractor removes solid waste (screenings and grit).and dispose at licensed | Access road is Damaged | No Issues     |

| Plant   | Non-compliance of final effluent                                                                                                                                          | Hydraulic Capacity                         | Organic Capacity                                                | Abnormal fluctuations in inflow                                                      | Industrial effluent                              | Level 3 Equipment Failure                                                                                                                                                                      | Power outages                                             | Ageing infrastructure | Blocked digesters | Veld fires                      | Sludge stockpiling                                                          | Groundwater pollution                                   | Dolomitic soil                                    | Very Strict WUL standard | Solid Waste Management                                                       | Access Roads | Potable water                                      |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------|-------------------|---------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------|--------------------------|------------------------------------------------------------------------------|--------------|----------------------------------------------------|
|         | <p>compliance of</p> <p>Physical = 96%<br/>Chemical = 95%<br/>Micro = 90%</p> <p>The average compliance target of 80% was Achieved with the overall compliance of 94%</p> | capacity in Q2                             |                                                                 | Park Pump station is not working and a manhole next to Mackenzieville school blocked | enced in Q2                                      | <p>no: 6 fault</p> <p>Sludge to land pump 1 fault</p> <p>Biofilter stage 2 pump 2 fault.</p> <p>Biofilter stage 1 pump 2&amp;3 fault.</p> <p>Coarse screen fault</p> <p>Leaking Classifier</p> | of unplanned due and planned power failure                |                       |                   |                                 |                                                                             |                                                         |                                                   | ers for Q2.              | solid waste site.                                                            |              |                                                    |
| Tsakane | Tsakane complied with overall WUL effluent standards with                                                                                                                 | Sufficient capacity. Plant operated at 71% | Sufficient capacity. Plant operated at 76% of organic capacity. | Minimal incoming flow was experienced at the plant due to equipment                  | Plant received industrial high strength effluent | 5x Level 2 Equipment failures occurred in                                                                                                                                                      | Tsakane had X6 unplanned power failure events for 73 hrs, | N/A                   | N/A               | No veldfires occurred during Q2 | Sludge pumped to unlined lagoons/paddies for solar drying. Drying beds have | Unlined sludge lagoons and paddies. Lack of groundwater | None (There's a dolomitic report that shows none) | None                     | Contractor removes solid waste (screenings and grit).and dispose at licensed | None         | Potable water leaks next around the plant. It also |

| Plant | Non-compliance of final effluent                                                                                                                                          | Hydraulic Capacity     | Organic Capacity | Abnormal fluctuations in inflow                                                         | Industrial effluent | Level 3 Equipment Failure                                                                                                                                                                      | Power outages                                                                              | Ageing infrastructure | Blocked digesters | Veld fires | Sludge stockpiling  | Groundwater pollution                                                     | Dolomitic soil | Very Strict WUL standard | Solid Waste Management | Access Roads | Potable water                                          |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|-----------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------|-------------------|------------|---------------------|---------------------------------------------------------------------------|----------------|--------------------------|------------------------|--------------|--------------------------------------------------------|
|       | <p>compliance of</p> <p>Physical = 96%<br/>Chemical = 89%<br/>Micro = 83%</p> <p>The average compliance target of 90% was Achieved with the overall compliance of 89%</p> | of hydraulic capacity. |                  | breakdowns and spillages at Reticulation pump stations (Rockville, Extension 11 and 22) | on 0 of 91 days     | <p>Q2. namely</p> <p>Potable MLSS Meter, Online DO Meter, Chlorine Scale, Clarifier hopper plate, PST Pump 1</p> <p>AND 1x LEVEL 3 Equipment Failures namely,</p> <p>Digester gasket valve</p> | <p>X10 Planned load reduction for 50hrs.</p> <p>Total hrs without Electricity = 123hrs</p> |                       |                   |            | been decommissioned | monitoring at the sludge lagoons and paddies due to no boreholes sampled. | at Tsakane)    |                          | solid waste site.      |              | create a wetland next to the fence and at inlet works. |

| Plant           | Non-compliance of final effluent                                                                                                                                                                                                            | Hydraulic Capacity                             | Organic Capacity                             | Abnormal fluctuations in inflow                 | Industrial effluent                                    | Level 3 Equipment Failure | Power outages                                                       | Ageing infrastructure | Blocked digesters | Veld fires                  | Sludge stockpiling                       | Groundwater pollution                                                           | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                                                                         | Access Roads                                                 | Potable water                                         |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------|-------------------------------------------------|--------------------------------------------------------|---------------------------|---------------------------------------------------------------------|-----------------------|-------------------|-----------------------------|------------------------------------------|---------------------------------------------------------------------------------|----------------|--------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------|
| Carl Grundlingh | <p>Carl Grundlingh complied with overall WUL effluent standards with compliance of</p> <p>Physical = 98%<br/>Chemical = 93%<br/>Micro = 98%</p> <p>The average compliance target of 88% was Achieved with the overall compliance of 96%</p> | Plant operated at 21% hydraulic capacity in Q2 | Plant operated at 22% organic capacity in Q2 | Low incoming flows due to a blockage sewer line | The plant experienced 5 industrial pollution incidents | None                      | There were 4 power outage for 85 hours in Q2 due to a damaged cable | BNR structure         | N/A               | No veldfires reported in Q2 | Land application of sludge is being used | Unlined sludge to land posing ground water pollution<br><br>Blocked borehole #3 | None           | None                     | Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site. | Access road to the plant is damaged and requires an upgrade. | There is a water leak that is next to the transformer |

| Plant   | Non-compliance of final effluent                                                                                                                                                                                                     | Hydraulic Capacity                              | Organic Capacity                                                                     | Abnormal fluctuations in inflow                                                                                                                                             | Industrial effluent                | Level 3 Equipment Failure                                                                                               | Power outages                                                                                                                               | Ageing infrastructure                                                               | Blocked digesters               | Veld fires                       | Sludge stockpiling                                                  | Groundwater pollution                                                         | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                                                                         | Access Roads                                                                                    | Potable water                                                                                                                                 |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------|----------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------|--------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Ratanda | <p>Ratanda complied with overall WUL effluent standards with compliance of</p> <p>Physical = 100%<br/>Chemical = 94%<br/>Micro = 96%</p> <p>The average compliance target of 85% was Achieved with the overall compliance of 97%</p> | Plant operated at 84% of its hydraulic capacity | Plant operated at 90% of organic capacity,                                           | Reduced flow due to blocked manhole next to Heidelberg WCW and two manholes next to extension 2, and leaking reticulation pipe next to the WCW, Lesedi LM and DWS informed. | None                               | Generator leaking oil due to Welch plug which damage and the new plug is installed and the generator is now operational | WCW experienced 19 unplanned power outages for the duration of 225 hours, due to cable damaged by contractor, no load shedding experienced. | Drying beds drainage system and chlorine contact tanks are badly leaking structures | N/A                             | No veld fires occurred during Q1 | Dried sludge is stockpiled on-site, potential groundwater pollution | Unlined sludge ponds and leaking drying beds, potential groundwater pollution | None           | None                     | Contractor removes solid waste (screenings and grit) and dispose at licensed solid waste site. | The access road to Ratanda Works is severely damaged and a new-tarred road is required urgently | No link to the Municipal Potable Water Supply, water transported from Heidelberg Works and borehole water is used for other domestic purposes |
| Dekema  | Dekema complied with overall WUL                                                                                                                                                                                                     | Plant operated at 81%                           | Incoming organic concentration was within design organic capacity. Plant operated at | The plant received an average of 25.15                                                                                                                                      | Plant received inflow that contain | 3 x Level 3 Equipment failures                                                                                          | 24 power outages occurred in Q2 for 95 hrs in                                                                                               | Channels feeding sections                                                           | 1 out of 12 Anaerobic digesters | No veld fires occurred           | Sludge pumped to unlined sludge paddies                             | Unlined sludge paddies. Screenings and grit are                               | None           | N/A                      | Screenings and grit generated at the plant are disposed to                                     | The access road to Deke                                                                         | N/A                                                                                                                                           |

| Plant     | Non-compliance of final effluent                                                                                                                                                                      | Hydraulic Capacity                 | Organic Capacity                      | Abnormal fluctuations in inflow                                                 | Industrial effluent                                                                        | Level 3 Equipment Failure                                                                           | Power outages                                                                   | Ageing infrastructure                                           | Blocked digesters           | Veld fires                       | Sludge stockpiling                                                                     | Groundwater pollution                                                                 | Dolomitic soil                             | Very Strict WUL standard | Solid Waste Management                                                                                                                               | Access Roads                                                                 | Potable water                                 |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------|----------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------|
|           | <p>effluent standards with compliance of</p> <p>Physical = 71%<br/>Chemical = 61%<br/>Micro = 77%</p> <p>The average compliance target of 75% was not achieved with the overall compliance of 70%</p> | of hydraulic capacity              | 75% organic capacity                  | ML/d for Q2 and the total rainfall measured for the Q2 at the plant was 135 mm. | ed industrial effluent with high COD 8 out of 92 days and NH <sub>3</sub> 0 out of 92 days | occurred in Q2.<br>1) Section 2 sludge pump.<br>2) Inlet screw conveyor<br>3) Screenings compact or | total.5 X Unplanned power outages for 7 hrs and 19 load reduction for 88 hours. | partially collapsed. Biofilters and digester walls are cracked. | rs is blocked               | during Q2                        | for solar drying and dried sludge spread to land area to be ploughed into land         | disposed to suitable landfill that is lawful according to the NEMA.                   |                                            |                          | suitable landfill that is lawful according to the NEMA. A Service Provider screenings and grit transport to authorised landfill site courtesy of CoE | ma WCW needs to be tarred as it gets muddy and slippery during rainy season. |                                               |
| Rondebult | Rondebult complied with overall WUL effluent standards with                                                                                                                                           | Plant operated at 34% of hydraulic | Plant operated at 47 organic capacity | The plant received an average of 6.72 ML/d for Q2 and highest flow recorded     | Plant received high COD industrial effluent on 31 of 92 days and                           | 7 Level 3 Equipment failures occurred in Q2.                                                        | 11 Outages with the total hours of 104 hours and 37 minutes occurred            | Channels feeding sections partially collapsed. Biofilters and   | 1 of 6 digesters is blocked | No veld fires occurred during Q2 | Sludge pumped to unlined paddies for solar drying and dried sludge spread to land area | Unlined sludge lagoons, Collection and transportation of screenings, grit disposed of | The entire area of the plant are dolomitic | N/A                      | Collection and transportation of waste (screening and grit) to a waste disposal site done by                                                         | The access road in and around the plant are deteriorating                    | Potable water pipeline rusted and needs to be |

| Plant | Non-compliance of final effluent                                                                                                                                          | Hydraulic Capacity | Organic Capacity | Abnormal fluctuations in inflow                                                           | Industrial effluent        | Level 3 Equipment Failure                                                                                                                                                                                                                                      | Power outages                                                                                                              | Ageing infrastructure                                                                                                                                                                                                                                                    | Blocked digesters | Veld fires | Sludge stockpiling                                                           | Groundwater pollution                                 | Dolomitic soil | Very Strict WUL standard | Solid Waste Management    | Access Roads                   | Potable water   |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|-------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------|------------------------------------------------------------------------------|-------------------------------------------------------|----------------|--------------------------|---------------------------|--------------------------------|-----------------|
|       | <p>compliance of</p> <p>Physical = 94%<br/>Chemical = 84%<br/>Micro = 98%</p> <p>The average compliance target of 90% was achieved with the overall compliance of 92%</p> | capacity           |                  | <p>was 16.72 MI/d.</p> <p>Total rainfall measured for the Q2 at the plant was 197 mm.</p> | <p>NH3 on 0 of 92 days</p> | <p>2 critical equipment reported during the month of October 2024. Namely;</p> <p>1x Ferric chloride leaking</p> <p>1x Primary biofilter feed pump #5</p> <p>1 critical equipment reported during the month of November 2024. Namely;</p> <p>1x Electrical</p> | <p>during Q2,</p> <p>Power outages were due to CoE power interruptions (cable faults and faulty electrical substation)</p> | <p>digester's wall are cracked.</p> <p>Biofilter walls cracked.</p> <p>Brick work of open channels are unstable, collapsing and cracked.</p> <p>The feed pipe from the primary biofilter to the secondary biofilter has collapsed. The wall that has a feed pipeline</p> |                   |            | <p>and ploughed into land.</p> <p>WUL noncompliant and an audit finding.</p> | <p>at a registered hazardous waste landfill sites</p> |                |                          | <p>service providers.</p> | <p>and will need attention</p> | <p>replaced</p> |

| Plant | Non-compliance of final effluent | Hydraulic Capacity | Organic Capacity | Abnormal fluctuations in inflow | Industrial effluent | Level 3 Equipment Failure                                                                                                                                                                                                                                      | Power outages | Ageing infrastructure                                                                                                                                                                                                            | Blocked digesters | Veld fires | Sludge stockpiling | Groundwater pollution | Dolomitic soil | Very Strict WUL standard | Solid Waste Management | Access Roads | Potable water |
|-------|----------------------------------|--------------------|------------------|---------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------|--------------------|-----------------------|----------------|--------------------------|------------------------|--------------|---------------|
|       |                                  |                    |                  |                                 |                     | <p>panels not receiving power at the station</p> <p>4 critical equipment reported during the month of December 2024 Namely;</p> <p>1x Newly installed primary biofilter feed pump constantly tripping</p> <p>1x potable water pipeline damaged and leaking</p> |               | <p>to the PSTs has collapsed due to heavy rainfalls</p> <p>Anaerobic digester #4 and #5 walls have cracks.</p> <p>Digester #6 dome has open/visible cracks on the surface.</p> <p>Office building cracked and leaking during</p> |                   |            |                    |                       |                |                          |                        |              |               |

| Plant      | Non-compliance of final effluent                                                                                                                                                   | Hydraulic Capacity                                                  | Organic Capacity                          | Abnormal fluctuations in inflow                                                                                                                                                 | Industrial effluent                                              | Level 3 Equipment Failure                                                                                                                                       | Power outages                                                                              | Ageing infrastructure                                   | Blocked digesters                                                      | Veld fires                        | Sludge stockpiling                                                                             | Groundwater pollution    | Dolomitic soil                                 | Very Strict WUL standard | Solid Waste Management                                                                                                             | Access Roads                                                      | Potable water                                              |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|
|            |                                                                                                                                                                                    |                                                                     |                                           |                                                                                                                                                                                 |                                                                  | 1x new installed humus pumps constantly tripping<br><br>1x Ferric chloride pipeline leaking                                                                     |                                                                                            | heavy rainfalls                                         |                                                                        |                                   |                                                                                                |                          |                                                |                          |                                                                                                                                    |                                                                   |                                                            |
| Vlakplaats | Vlakplaats didn't comply with overall WUL effluent standards with compliance of<br><br>Physical = 86%<br>Chemical = 63%<br>Micro = 67%<br><br>The average compliance target of 47% | Plant operated at 154 % of hydraulic capacity. Needs to be upgraded | Plant operated at 92% of organic capacity | The plant received an average of 88 ML/d for Q2 and highest flow recorded was 121 ML/d. Rainfall measured at the plant was 165 mm. Fluctuation of inflow is due to inconsistent | Plant received industrial high strength effluent on 5 of 92 days | 20 Level 3 Equipment failures occurred in Q2. - Namely: 2 x damaged electrical cable at main supply<br><br>4 x failure of Module 1-4 Level 3 Equipment failures | 16 Outages occur (57 hours in total) due to Load reduction and damaged power supply cable. | Office building, Biofilter, Digesters have some cracks. | Most digesters are full of sand and require to be emptied and cleaned. | No veld fires occurred during Q2. | Dried sludge is stockpiled on the drying beds. Demand for instant lawn application is seasonal | Unlined Maturation Pond. | Area around bio filters at Mod A are dolomitic | N/A                      | Screenings and grit tender is awarded generated solid waste at the plant is disposed to landfill site starting from the 1 Feb 2023 | Access road to DBF dosing station is slippery during rainy season | No water supply cuts incidents were experienced during Q2. |

| Plant    | Non-compliance of final effluent                                                                                                                   | Hydraulic Capacity                                        | Organic Capacity                                                | Abnormal fluctuations in inflow                                                                                                   | Industrial effluent                                             | Level 3 Equipment Failure                                                                                                      | Power outages                 | Ageing infrastructure | Blocked digesters | Veld fires                                     | Sludge stockpiling                                                                                    | Groundwater pollution               | Dolomitic soil | Very Strict WUL standard | Solid Waste Management                                                                                            | Access Roads | Potable water |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------|----------------|--------------------------|-------------------------------------------------------------------------------------------------------------------|--------------|---------------|
|          | was achieved with the overall compliance of 72%                                                                                                    |                                                           |                                                                 | Pump stations.                                                                                                                    |                                                                 | occurred in Q2.<br><br>12 x failure of raw sludge pumps<br><br>2x failure of DBF dosing pumps.                                 |                               |                       |                   |                                                |                                                                                                       |                                     |                |                          |                                                                                                                   |              |               |
| Waterval | Waterval complied with overall WUL effluent standards with compliance of<br><br>Physical = 93%<br>Chemical = 86%<br>Micro = 75%<br><br>The average | Plant operated above capacity (operated at 239% capacity) | Sufficient capacity<br>Plant operated at 300% organic capacity. | Average flow of up to 375.03 Ml/day received due to developments and bypasses from upstream plants. Average rainfall of 86 mm was | Sufficient capacity<br>Plant operated at 224% organic capacity. | 23 alert level 3<br>Critical equipment failures occurred in Q2 2024/2025<br>Mainly from<br>4x Pond 7 short circuiting to final | 0 Hours planned blower outage | None                  | None              | 0 veld fires at sludge land occurred during Q2 | Dried sludge is stockpiled on the plant and paddies. Demand for agricultural application is seasonal. | Unlined Emergency dams and paddies. | None           | N/A                      | Screenings and grit generated at the plant are now disposed at landfill site, this to prevent underground seepage | N/A          |               |

| Plant | Non-compliance of final effluent                                         | Hydraulic Capacity | Organic Capacity | Abnormal fluctuations in inflow | Industrial effluent | Level 3 Equipment Failure                                                                                                                                                                                                                                                                 | Power outages | Ageing infrastructure | Blocked digesters | Veld fires | Sludge stockpiling | Groundwater pollution | Dolomitic soil | Very Strict WUL standard | Solid Waste Management | Access Roads | Potable water |
|-------|--------------------------------------------------------------------------|--------------------|------------------|---------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------|-------------------|------------|--------------------|-----------------------|----------------|--------------------------|------------------------|--------------|---------------|
|       | compliance target of 80% was Achieved with the overall compliance of 85% |                    |                  | received in Q2                  |                     | effluent, 4 x Blowers failing to start, 1 x DAF 4 recirculation pump blocked, 1 x Sludge to land pump not starting, 1 x Module 1-3 screen compact or shaft broke, 2 x Chlorine dosing injector blocked, 2 x Module 1 clarifiers centre columns failure, 1 x DAF 3 bottom desludging valve |               |                       |                   |            |                    |                       |                |                          |                        |              |               |

| Plant | Non-compliance of final effluent | Hydraulic Capacity | Organic Capacity | Abnormal fluctuations in inflow | Industrial effluent | Level 3 Equipment Failure                                               | Power outages | Ageing infrastructure | Blocked digesters | Veld fires | Sludge stockpiling | Groundwater pollution | Dolomitic soil | Very Strict WUL standard | Solid Waste Management | Access Roads | Potable water |
|-------|----------------------------------|--------------------|------------------|---------------------------------|---------------------|-------------------------------------------------------------------------|---------------|-----------------------|-------------------|------------|--------------------|-----------------------|----------------|--------------------------|------------------------|--------------|---------------|
|       |                                  |                    |                  |                                 |                     | failure, 2 x Digested sludge pumps failure, 5 x inlet screens derailed. |               |                       |                   |            |                    |                       |                |                          |                        |              |               |

### **3.5. Project/Infrastructure Report**

This section includes all major projects that will contribute to the Mega Catalytic projects. ERWAT receives new township applications timeously from CoE and provide responses about the capacity availability at various Water Care Works as and when applications are received. COE and ERWAT undertook a comprehensive "Wastewater Conveyance and Treatment Systems Regionalisation and 50-year Master Plan" that will give strategic direction for future wastewater system extensions/consolidation planning, investment and implementation for the next fifty (50) year planning horizon. The plan cover all the Water Care Works operated by ERWAT and conveyance systems within the CoE operational area with the intention to optimize existing WCW systems and wastewater conveyance systems.

#### **3.5.1. Running Projects**

##### **3.5.1.1. The appointment of service provider/s for the supply, delivery and installation of Pumps at ERWAT wastewater care works on 'as and when required' basis for a period of THIRTY-SIX (36 NO.) MONTHS**

The project involves the procurement, supply, and delivery of Pumps for the efficient and effective operation of ERWAT Water Care Works, maintaining flow rates, pressures and mixing for effective treatment and disposal of sludge.

Replacing pumps that are inefficient or pumps that are operating outside the expected service life. The objective of the project is to enhance plant performance, efficiency and reliability to ensure compliance of wastewater works effluent to the requirements as per the water use license granted by the Regulator.

The project is on implementation phase.

##### **3.5.1.2. The appointment of service provider/s for the supply, delivery and installation of Generators at ERWAT wastewater care works on 'as and when required' basis for a period of THIRTY-SIX (36 NO.) MONTHS**

The project involves the procurement, supply, and delivery of diesel generators to meet the power requirements during load shedding at ERWAT Water Care Works. The purpose of the project is to ensure a reliable and uninterrupted power supply, particularly in areas where grid electricity is unreliable or unavailable. The diesel generators serve as backup power sources during power outages or as primary power supply in off-grid locations.

The project is on implementation phase.

#### **3.5.2. Planned Projects**

The urgent required WCW capacity upgrades to accommodate the short to medium term capacity requirements in line with the Regionalization and 50-year Master Plan is summarized in table below. To alleviate the immediate pressures faced by the institution, the City of Ekurhuleni, through their Human settlement department and EPMO have made funding

available to kick start the process of appointing Professional Service Providers to undertake the designs of the identified WCW.

ERWAT has prioritized four large construction projects that will increase the capacity of the Water Care Works, discussed in section below.

The appointments follow the ECSA guidelines that are detailed below.

- STAGE 1 – Inception
- STAGE 2 – Concept & Viability (Preliminary Design)
- STAGE 3 – Design Development (Detail Design)
- STAGE 4 – Documentation & Procurement (Including Tender Doc)
- STAGE 5 – Contract Administration and Inspection
- STAGE 6 – Close Out

The table below outlines the key milestones progress to date.

**Table 3.5.2.1 Key Milestone Progress to Date**

| PROJECT NAME                | PROJECT STAGES     | IMPLEMENTATION STATUS |
|-----------------------------|--------------------|-----------------------|
| Ancor WCW Upgrade           | Inception          | Completed             |
|                             | Preliminary Desing | Ongoing               |
|                             | Detail Design      | Not started           |
| Vlakplaats WCW Upgrade      | Inception          | Ongoing               |
|                             | Preliminary Desing | Not started           |
|                             | Detail Design      | Not started           |
| Welgedacht WCW Upgrade      | Inception          | Completed             |
|                             | Preliminary Desing | Completed             |
|                             | Detail Design      | Ongoing               |
| Ratanda WCW Upgrade         | Inception          | Completed             |
|                             | Preliminary Desing | Completed             |
|                             | Detail Design      | Ongoing               |
| Waternal WCW Upgrade        | Inception          | Completed             |
|                             | Preliminary Desing | Ongoing               |
|                             | Detail Design      | Completed             |
| Olifantsfontein WCW Upgrade | Preliminary Desing | Completed             |
|                             | Detail Design      | Ongoing               |
|                             | Detail Design      | Not started           |

### **3.5.2.1. Ancor Water Care Works**

The Ancor WCW is situated in Springs and falls within the DD4 drainage district. Built in 1936 and upgraded on several occasions over a period of time, the works is designed to treat 15 megalitres of wastewater per day from the Springs and Kwa Thema areas. The plant is currently operating above its design capacity, which leads to poor quality of the final effluent. The new Daggafontein Megacity that is currently under construction will require a connection to the Ancor outfall.

The scope of work entails the additional 15ML/d treatment Module and restoration of the current regraded 15 ML/d back to 35ML/d design capacity

|   | PLANNED PROJECTS                        | STATUS /COMMENTS                                                                        | COMMISSIONING DATE                                       |
|---|-----------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1 | Upgrade to 35 Ml/d. Additional 15 Ml/d. | The capacity treatment plant upgrade is planned in relation to the 50-year master plan. | The project is currently on Stage 2 (Preliminary Design) |

### 3.5.2.2. Vlakplaats Water Care Works

Vlakplaats water care works is situated in Vosloorus and falls within the DD6 drainage district. The original design capacity of the plant was 83 Ml/d. The plant capacity has been downgraded to 55 Ml/d. The plant is currently operating above its design capacity, which leads to poor quality of the final effluent. Vlakplaats flow distribution project is currently under construction phase to augment and add a peak flow balancing capacity into the plant by converting the old existing ponds into a balancing tank.

Plans are currently underway to upgrade and restore its original capacity of 83 Ml/d in order to enhance the treatment capacity. These upgrades will ensure that the plant meet the required standards as stipulated by the department of water and sanitation (DWS).

|   | PLANNED PROJECTS                 | STATUS /COMMENTS                                                                        | COMMISSIONING DATE         |
|---|----------------------------------|-----------------------------------------------------------------------------------------|----------------------------|
| 1 | Additional 28 Ml/d Plant Upgrade | The capacity treatment plant upgrade is planned in relation to the 50-year master plan. | Inception stage- Completed |

### 3.5.2.3. Welgedacht WCW

The Welgedacht water care works is situated in Springs and falls within the DD5 drainage district. The original design capacity of the plant was 85 Ml/d. Module 2 have been commissioned and is currently undergoing defects liability period. The plant capacity has been upgraded to 95 Ml/d.

Plans are currently underway to upgrade the plant to 155 Ml/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

|   | PLANNED PROJECTS                 | STATUS /COMMENTS                                                                        | COMMISSIONING DATE                                  |
|---|----------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1 | Additional 60 Ml/d Plant Upgrade | The capacity treatment plant upgrade is planned in relation to the 50-year master plan. | The project is currently on Stage 3 (Detail Design) |

#### 3.5.2.4. Ratanda Water Care Works

The Ratanda WCW is situated south-west of Ratanda town and falls within the DD5 district. Built in 1998, it is designed to treat 4.7 Ml/d of raw sewage from Ratanda. Conventional activated sludge is employed as the main treatment process.

The scope of work entails the refurbishment of the existing works and upgrade by extension of the works with an additional capacity of 5 ML/d, by provision of a new module.

|   | PLANNED PROJECTS                | STATUS /COMMENTS                                                                        | COMMISSIONING DATE                                         |
|---|---------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------|
| 1 | Additional 5 Ml/d Plant Upgrade | The capacity treatment plant upgrade is planned in relation to the 50-year master plan. | The designs are currently being developed to be finalised. |

#### 3.5.2.5. Waterval Water Care Works

The Waterval water care works is the largest works operated by ERWAT and is situated in the DD6 area at the Kliprivier. The original design capacity of the Waterval wastewater care works was 155 Ml/d. The plant capacity has been upgraded to 170 Ml/d.

Plans are currently underway to upgrade the plant to 420 Ml/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

|   | PLANNED PROJECTS                  | STATUS /COMMENTS                                                                       | COMMISSIONING DATE                                       |
|---|-----------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1 | Additional 250 Ml/d Plant Upgrade | The capacity treatment plant upgrade is planned in relation to the 50-year master plan | The project is currently on Stage 2 (Preliminary Design) |

#### 3.5.2.6. Olifantsfontein Water Care Works

The Olifantsfontein works, situated in the northern Drainage District (DD3), serves the majority of the communities and industries in Tembisa, Olifantsfontein and Ivory Park, as well as sections of Kempton Park and Midrand. The works is designed to treat 15 105 Ml/d.

Plans are currently underway to upgrade the plant with an additional 50 Ml/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

|  | PLANNED PROJECTS | STATUS /COMMENTS | COMMISSIONING DATE |
|--|------------------|------------------|--------------------|
|--|------------------|------------------|--------------------|

|   |                                  |                                                                                        |                                                          |
|---|----------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1 | Additional 50 Ml/d Plant Upgrade | The capacity treatment plant upgrade is planned in relation to the 50-year master plan | The project is currently on Stage 2 (Preliminary Design) |
|---|----------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------|

### 3.5.3. Conclusion

ERWAT is striving and working hard towards addressing all Mega Catalytic projects to accommodate all new developments within the City of Ekurhuleni. As discussed above, the mentioned Water Care Works need to be upgraded urgently to cater for the current backlog in capacity and to make provision for future housing and industrial developments

### 3. Financial Report

**Table 5 Operational expenditure**

| Line item                          | Total Original Budget  | Total Revised Budget (Applicable only after Adjustment) | Budget for Quarter   | Actual for Quarter   | Variance            | Actual for FY (Yr. to date) | Variance for year (Yr. to date) |
|------------------------------------|------------------------|---------------------------------------------------------|----------------------|----------------------|---------------------|-----------------------------|---------------------------------|
| Employee related costs             | R 517 996 192          | N/A                                                     | R 103 599 238        | R 124 653 215        | R 21 053 997        | R 229 143 204               | R 21 944 727                    |
| Bad debts provision                | R 1 742 850            | N/A                                                     | R 348 570            | R 8 518 083          | R 8 169 513         | R 7 797 638                 | R 7 100 498                     |
| Impairment loss                    | R 6 122 649            | N/A                                                     | R 1 224 530          | (R 1 954 555)        | (R 3 179 085)       | (R 1 954 555)               | (R 4 403 615)                   |
| Depreciation                       | R 141 920 210          | N/A                                                     | R 28 384 042         | R 17 939 570         | (R 10 444 472)      | R 52 982 427                | (R 3 785 657)                   |
| Repairs and maintenance            | R 178 663 660          | N/A                                                     | R 35 732 732         | R 32 245 580         | (R 3 487 152)       | R 48 265 196                | (R 23 200 268)                  |
| Interest expense                   | R 39 087 769           | N/A                                                     | R 7 817 554          | R 6 224 394          | (R 1 593 160)       | R 12 803 263                | (R 2 831 845)                   |
| Bulk purchases                     | R 440 187 091          | N/A                                                     | R 88 037 418         | R 107 992 915        | R 19 955 497        | R 179 006 992               | R 2 932 156                     |
| General expenditure                | R 226 589 414          | N/A                                                     | R 45 317 883         | R 25 160 290         | (R 20 157 593)      | R 46 453 249                | (R 44 182 517)                  |
| <b>TOTAL OPERATING EXPENDITURE</b> | <b>R 1 552 309 836</b> | <b>N/A</b>                                              | <b>R 310 461 967</b> | <b>R 320 779 492</b> | <b>R 10 317 525</b> | <b>R 574 497 414</b>        | <b>(R 46 426 520)</b>           |

Under expenditure is mainly on repairs & maintenance, general expenditure, interest expense and depreciation. The under expenditure is offset by an over expenditure on employee related costs.

*Repairs and maintenance:*

Various maintenance contracts were not yet in place which resulted in a delay in the procurement of maintenance services.

*General expenditure:*

Delays experienced in the supply chain management processes.

*Interest expense:*

The actual interest expenditure incurred was slightly lower than expected due to the recent interest rate cuts and the volatility of the interest rate in general.

*Depreciation:*

Due to the review of the useful life of assets an adjustment to the carry value of certain assets were required. This resulted in unplanned adjustment to depreciation which was not budget for.

*Employee related costs:*

Management anticipated a 40 percent spend on employee related cost by the end of Q2 whilst actual employee related costs of 51 percent was achieved.

**Table 6 Capital expenditure**

| Project Detail   | Total Original Budget | Total Revised Budget (applicable only after Adjustment) | Budget for Quarter | Actual for Quarter | Variance        | Total Budget for the year | Actual for FY (Yr. to date) | Variance for year (Yr. to date) | % Completion |
|------------------|-----------------------|---------------------------------------------------------|--------------------|--------------------|-----------------|---------------------------|-----------------------------|---------------------------------|--------------|
| Capital Projects | R95 000 000           | N/A                                                     | R33 250 000,00     | R 43 649 017.58    | R 10 399 017.58 | R95 000 000               | R 43 649 017.58             | R 10 399 017.58                 | 45,95%       |

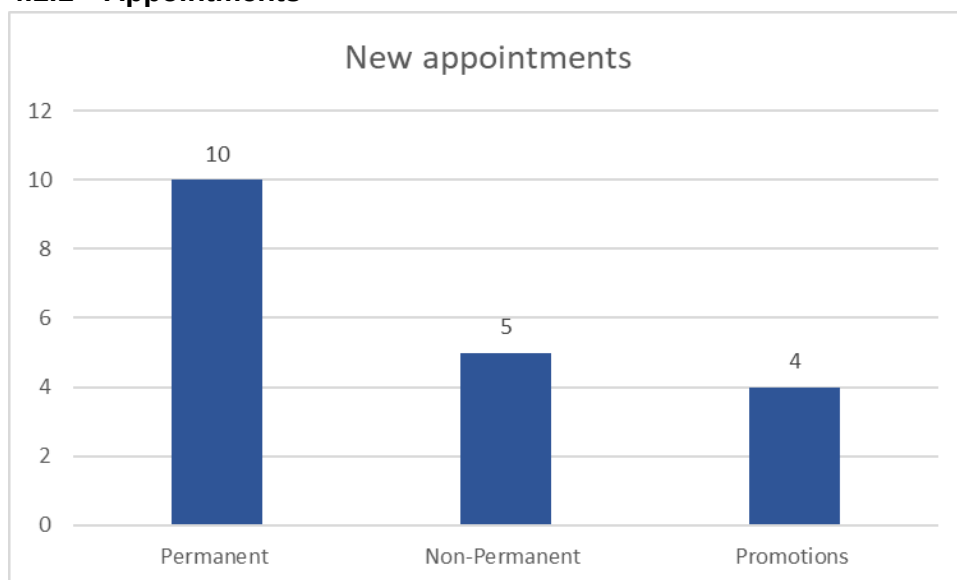
ERWAT has spent R43 649 017.58 (45.95%) of its capital budget at the end of the 2<sup>nd</sup> quarter. The planned SDBIP target of 35% for the quarter has been achieved with a 10.95% positive variance. This can be contributed to an effective project management approach and proper project planning that is in place.

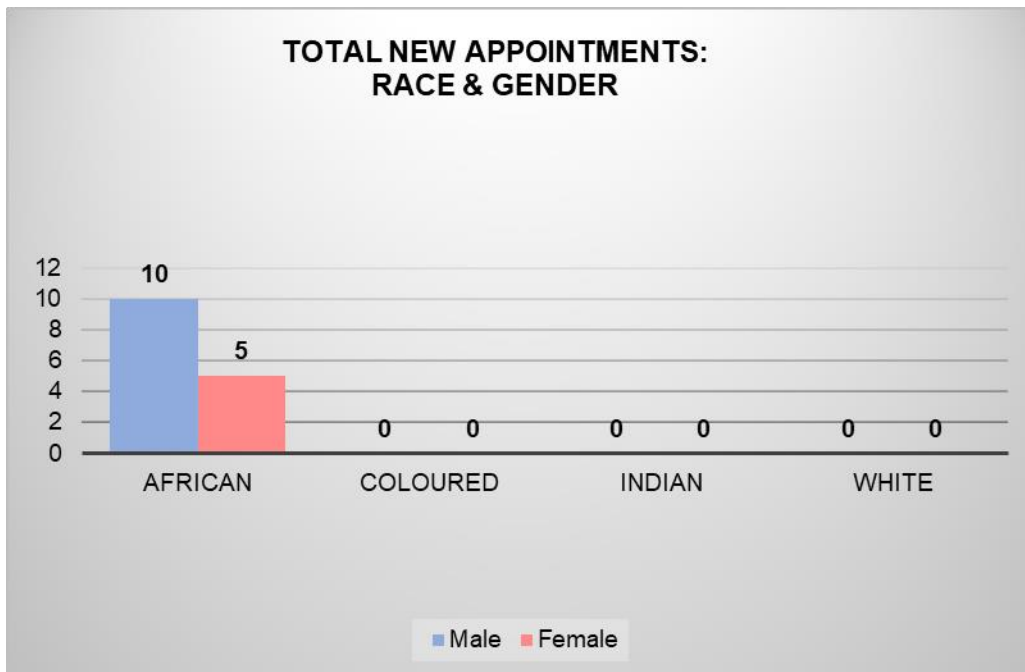
## 4. Human Resources

### 4.1 Staff Movements

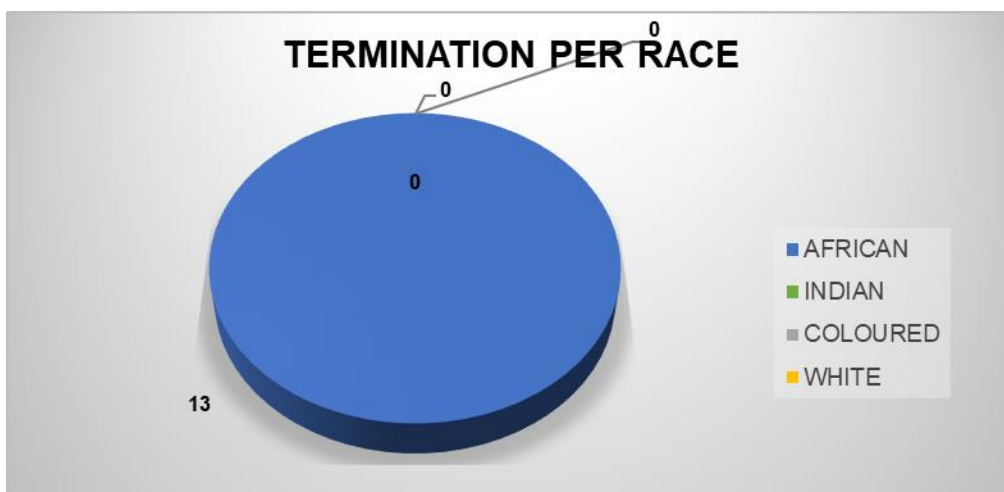
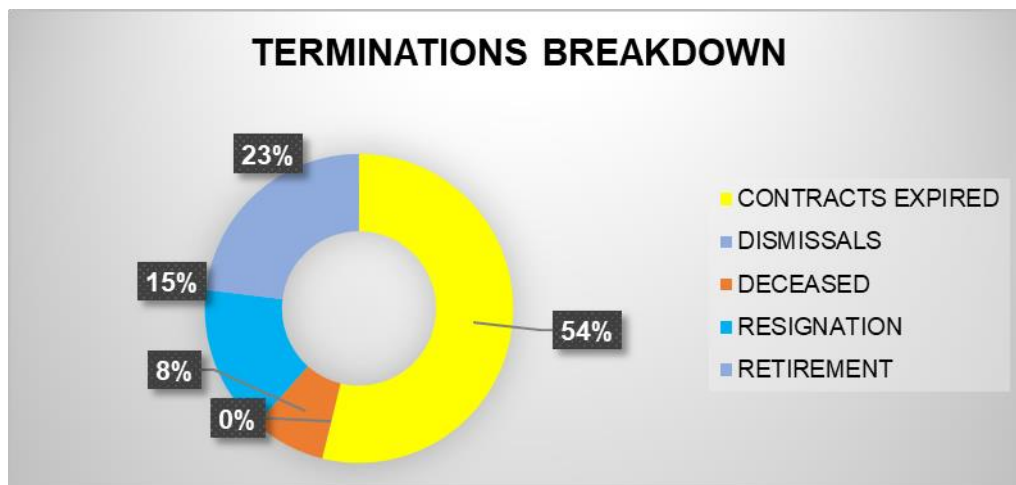
| Staff Movements  | African |        | Coloured |        | Indian |        | Whites |        | Total |
|------------------|---------|--------|----------|--------|--------|--------|--------|--------|-------|
|                  | Male    | Female | Male     | Female | Male   | Female | Male   | Female |       |
| Recruitments     | 10      | 5      | 0        | 0      | 0      | 0      | 0      | 0      | 13    |
| Resignations     | 2       | 0      | 0        | 0      | 0      | 0      | 0      | 0      | 2     |
| Retirements      | 3       | 0      | 0        | 0      | 0      | 0      | 0      | 0      | 3     |
| Contract Expired | 5       | 2      | 0        | 0      | 0      | 0      | 0      | 0      | 7     |
| Dismissals       | 0       | 0      | 0        | 0      | 0      | 0      | 0      | 0      | 0     |
| Deceased         | 1       | 0      | 0        | 0      | 0      | 0      | 0      | 0      | 1     |
| Promotions       | 2       | 2      | 0        | 0      | 0      | 0      | 0      | 0      | 4     |

#### 4.1.1 Appointments





#### 4.1.2 Terminations



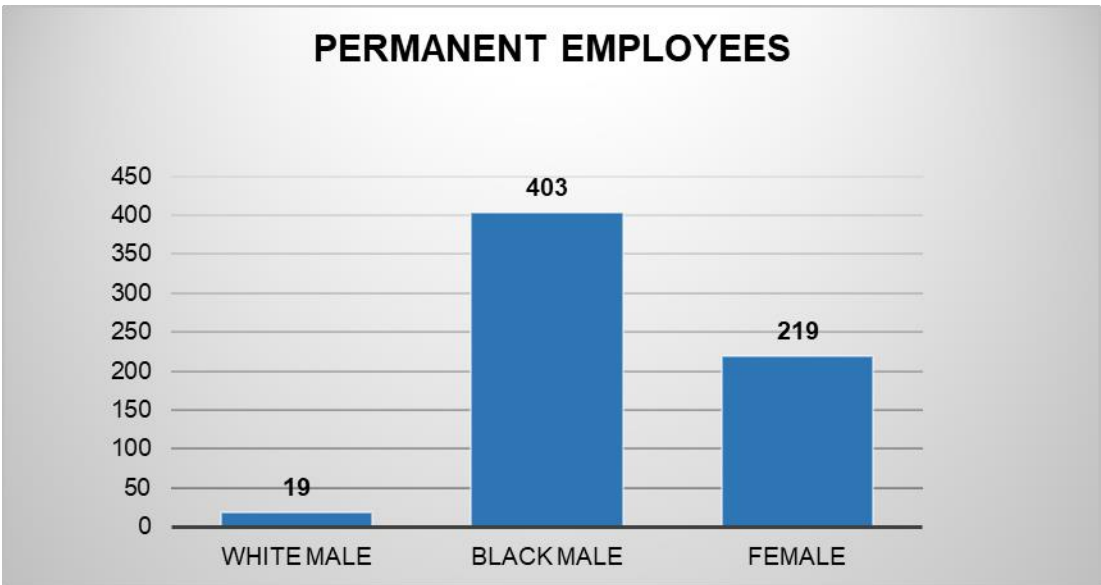
#### Status Analysis

During the period under review, 15 employees were appointed.

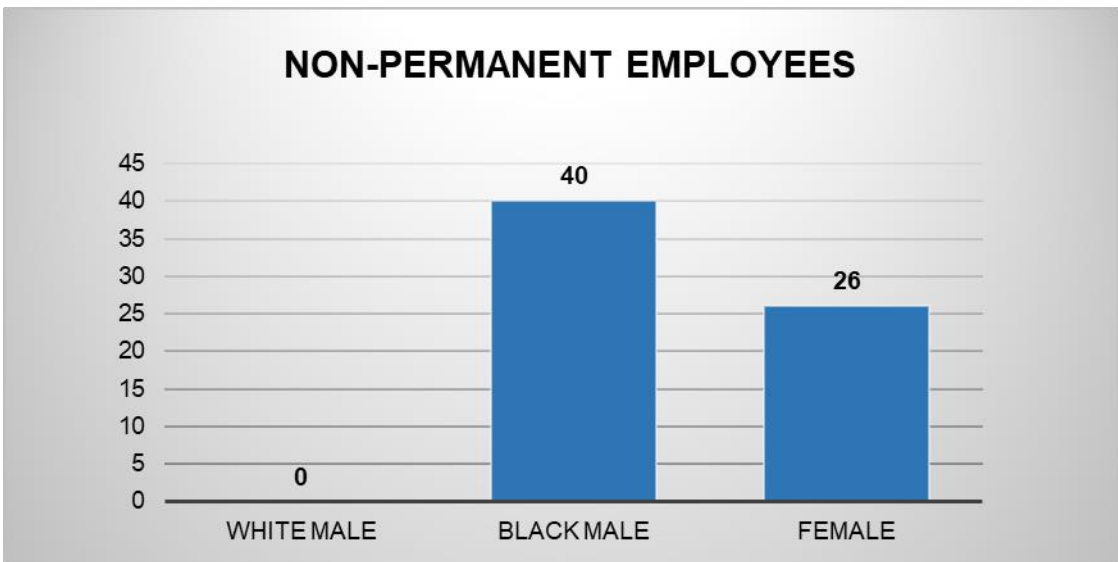
During the period under review, 13 employees exited the organisation for the following reasons:

- 7 contracts expired.
- 2 employees resigned.
- 1 employee passed away and
- 3 employees went on retirement during the period under review

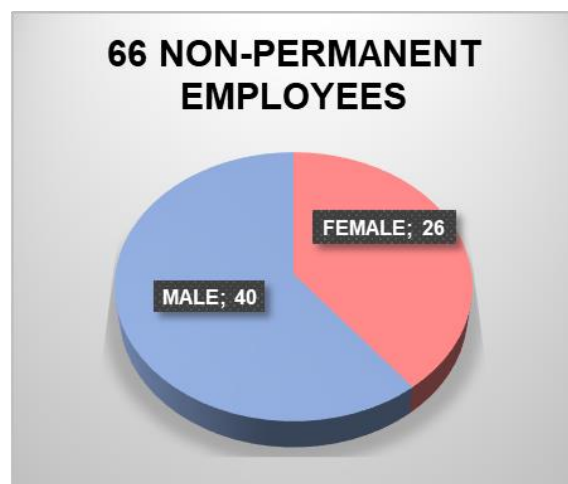
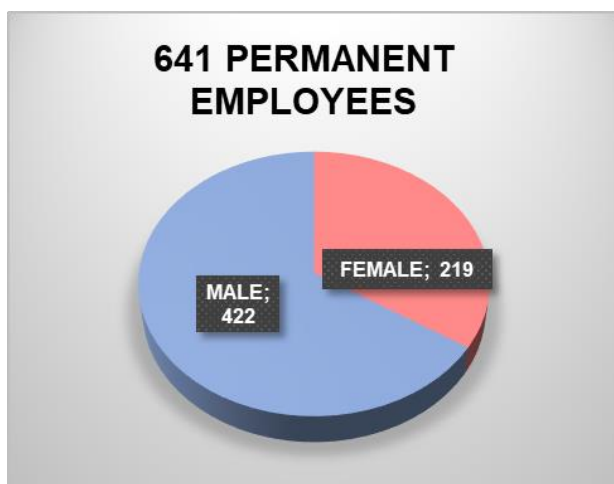
4.2 Employment Equity Demographics



ERWAT has **641** permanent employees.



ERWAT has **66** non-permanent employees.



### Status Analysis

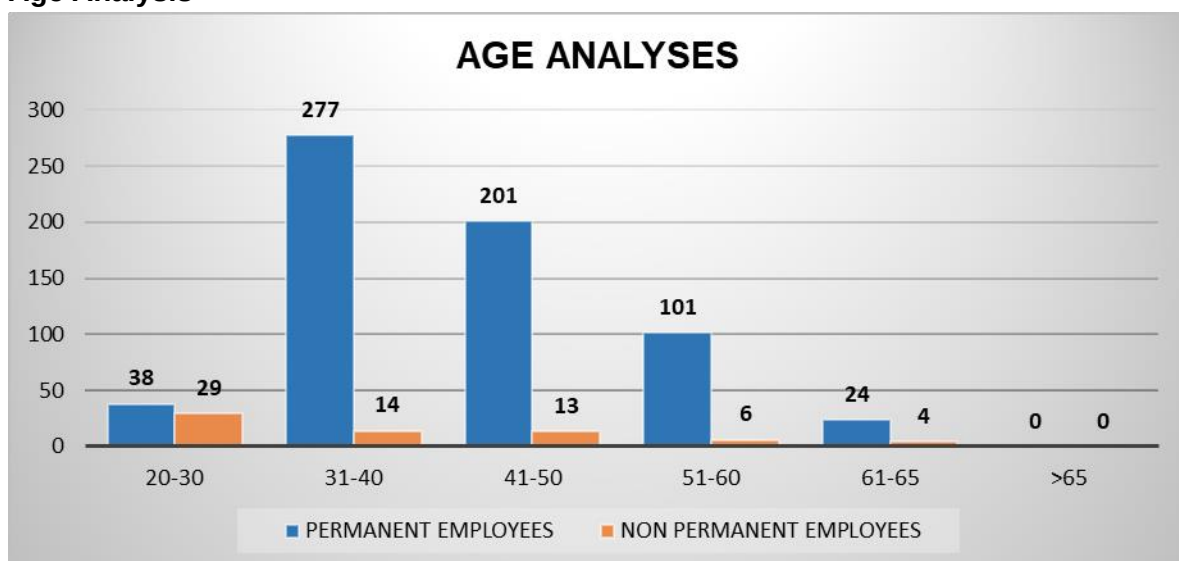
The employment demographics of ERWAT as at 31<sup>st</sup> December 2024 reflects:

- Females in both permanent and non-permanent positions within ERWAT account for 245 or 34% of total positions filled.
- Males in both permanent and non-permanent positions within ERWAT account for 462 or 66% of total positions filled.

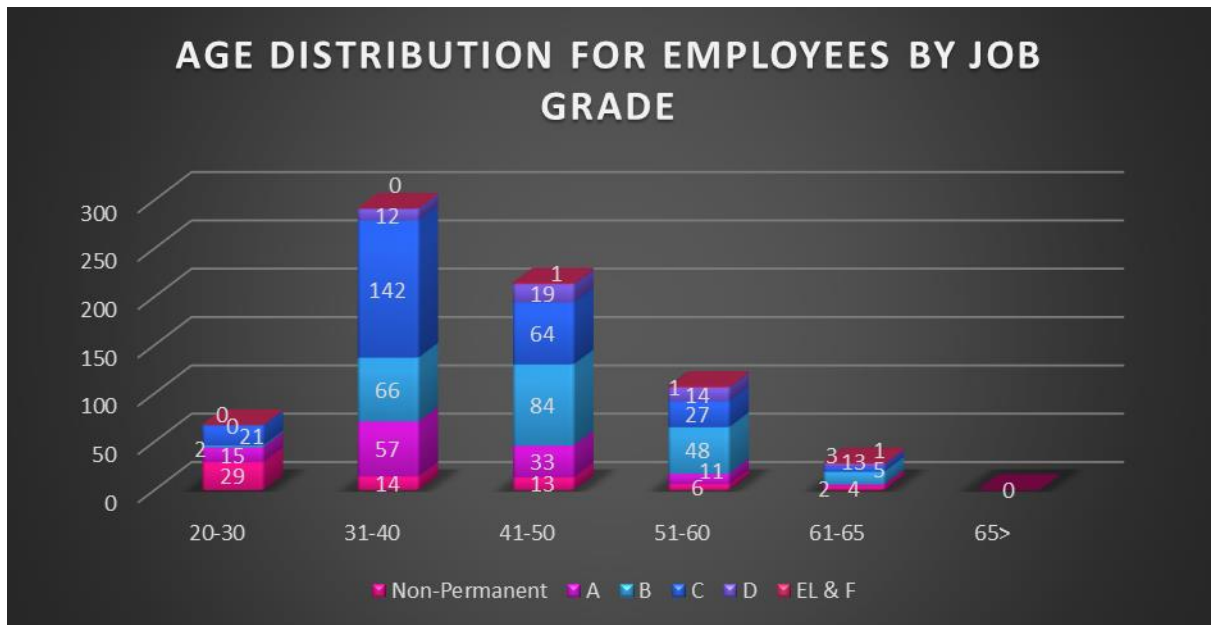
### 4.3 Employment Equity Update

The Employment Equity Committee met on 11 August 2024 to align the Employment Equity recommendations with positions advertised at the beginning of quarter 1.

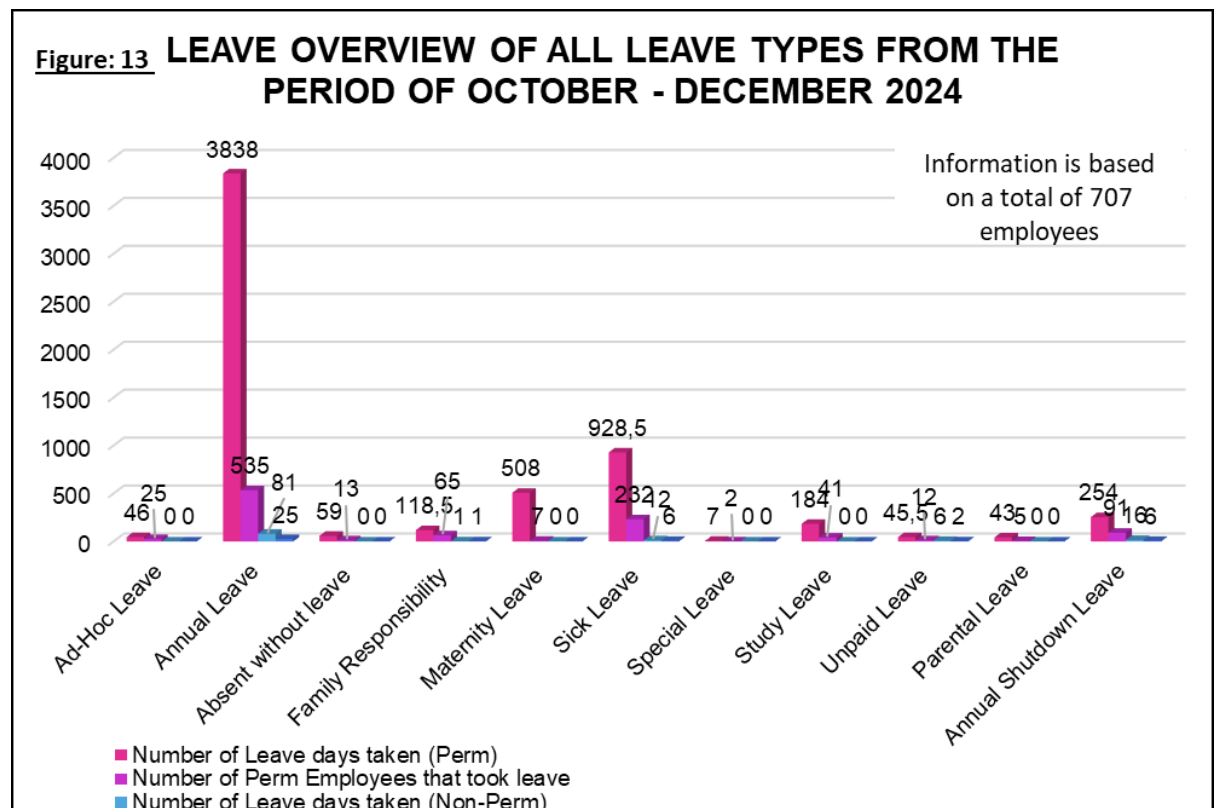
### Age Analysis



Average age as at 12/2024 = 36



#### 4.4 Leave Management



#### Status Analysis

Total number of employees who took sick leave during the period under review are 232. The total sick leave taken equates to an approximate minimum of 4 days per employees.

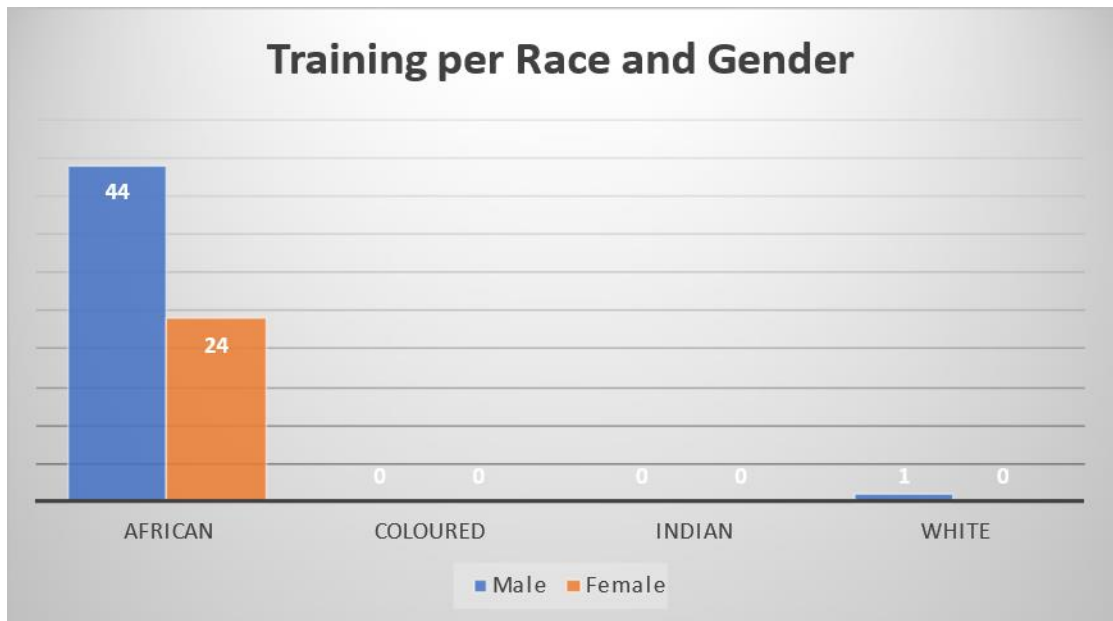
#### 4.5 Overtime Trends

| Department                          | Annual Budget        | Quarter 1        |                     | Quarter 2        |                      | YTD                    |
|-------------------------------------|----------------------|------------------|---------------------|------------------|----------------------|------------------------|
|                                     |                      | Hours            | Cost                | Hours            | Cost (incl. backpay) | Percentage Expenditure |
| Office of the MD (incl. Security)   | 402 348,00           | 188,50           | 74 179,62           | 180,90           | 76 554,57            | 37%                    |
| Company Secretariat                 | 70 839,00            | 0                | 0                   | 0                | 0                    | -                      |
| Financial Services                  | 250 576,00           | 188,50           | 65 300,55           | 100,00           | 35 701,63            | 40%                    |
| Human Resources                     | 29 072,00            | 0                | 0                   | 0                | 0                    | -                      |
| Strategy, Monitoring and Evaluation | 36 458,00            | 0                | 0                   | 0                | 0                    | -                      |
| Maintenance                         | 5 115 015,00         | 4 509,50         | 1 236 464,84        | 3 639,00         | 1 109 318,83         | 46%                    |
| IPAP                                | 0                    | 39,00            | 14 519,93           | 0                | 653,40               |                        |
| Scientific Services (incl. R&D)     | 2 119 246,00         | 1 780,50         | 553 298,08          | 1 853,50         | 630 459,31           | 56%                    |
| Commercial Business                 | 664 278,00           | 3 038,50         | 537 499,20          | 2 702,50         | 479 571,92           | 153%                   |
| Operations                          | 12 289 372,00        | 14 082,50        | 2 706 718,41        | 9 771,00         | 2 219 260,89         | 40%                    |
| <b>Total</b>                        | <b>20 977 204,00</b> | <b>23 827,00</b> | <b>5 187 980,63</b> | <b>18 246,90</b> | <b>4 551 520,55</b>  | <b>46%</b>             |

*Overtime is monitored and approved by management, as per the needs of the various business units.*

#### 4.6 Training and Development

The reporting period saw **69 employees** attending various training interventions.



1.

Report on performance in respect of the Skills development plans (narrative).

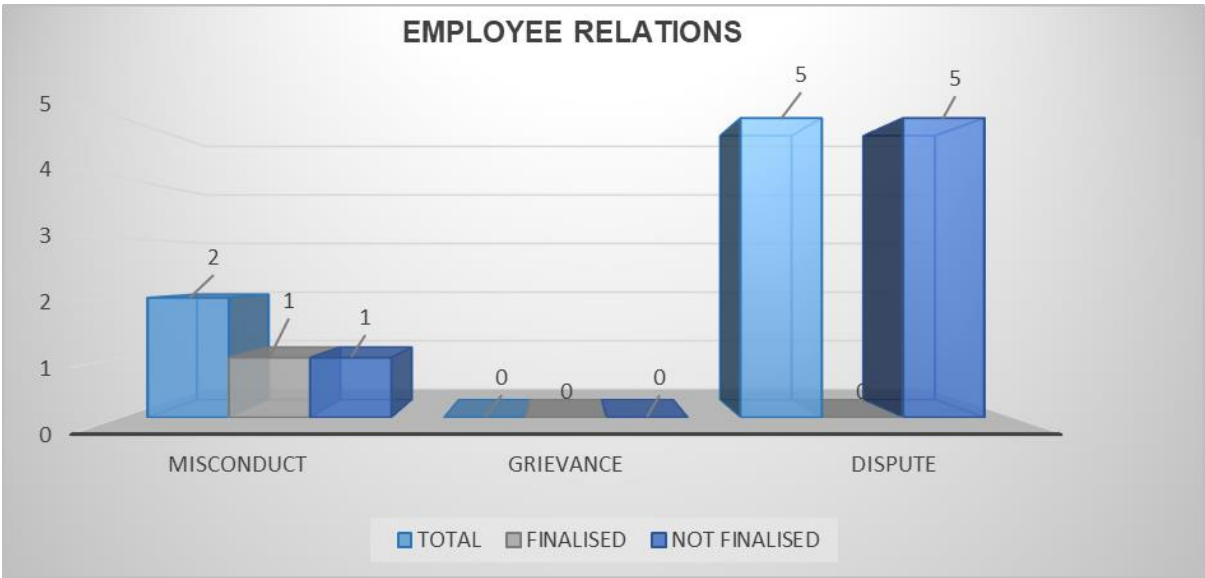
- 17 Employees attended the She Rep training on 22 November 2024
- 20 Employees attended the Basic Fire Fighting training on 26 November 2024
- 15 Employees attended First Aid training on 27-28 November 2024
- 17 Employees attended the Incident Investigation training on 09-11 December 2024

#### 4.7 Performance Management

##### Status Analysis

Year End 2023/2024 and Mid-Year 2024/2025 evaluations will be completed in Quarter 3 of the 2024/2025 Financial Year.

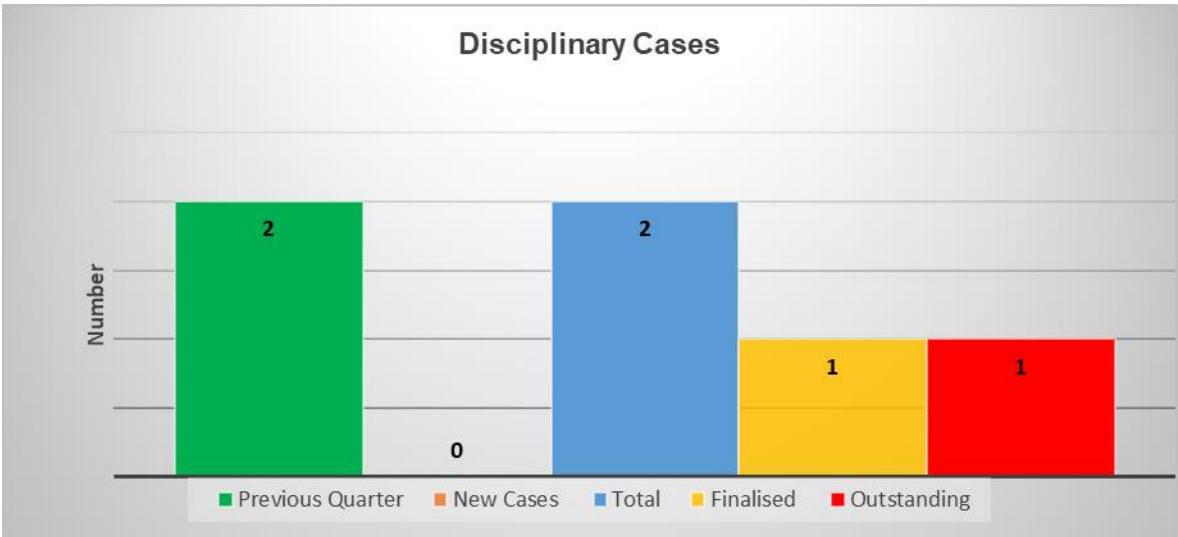
4.8 Employee Relations



The HR department, has received, recorded and administered the following processes for the reporting quarter, below is the statistical data of all cases and the analysis thereof.

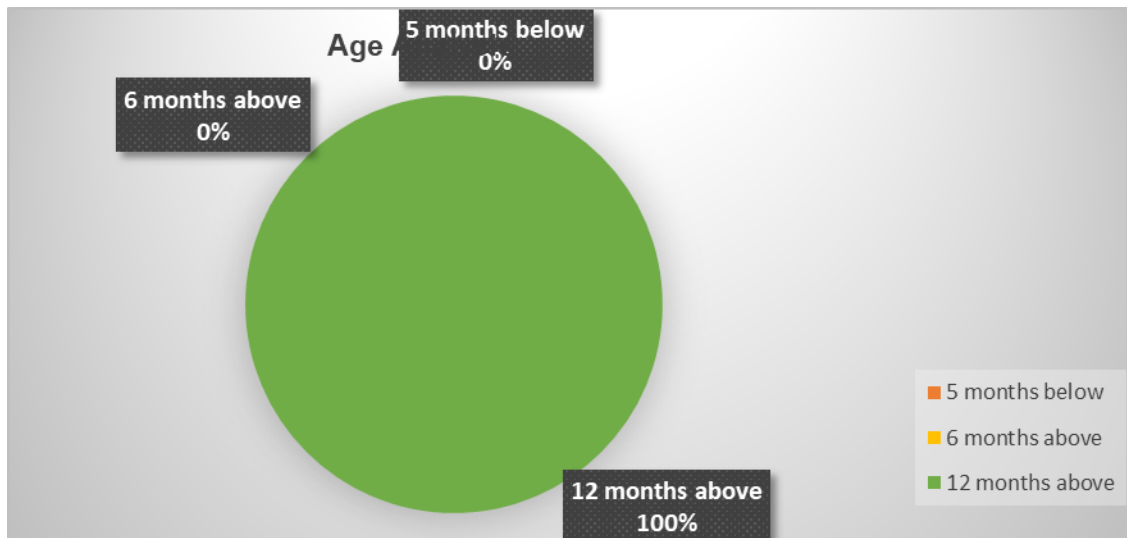
4.8.1 Disciplinary Cases

- Two (2) cases were not concluded in the previous quarter hence brought forward.
- No new cases were received; the total for all disciplinary cases is two (2). The total number of cases finalized is one (1) with a remaining balance of one (1) case outstanding.



4.8.2 Age Analysis of Disciplinary Cases

- The age analysis of the one (1) case outstanding, 0% are below five (5) months, and 100% are above twelve (12) months old.



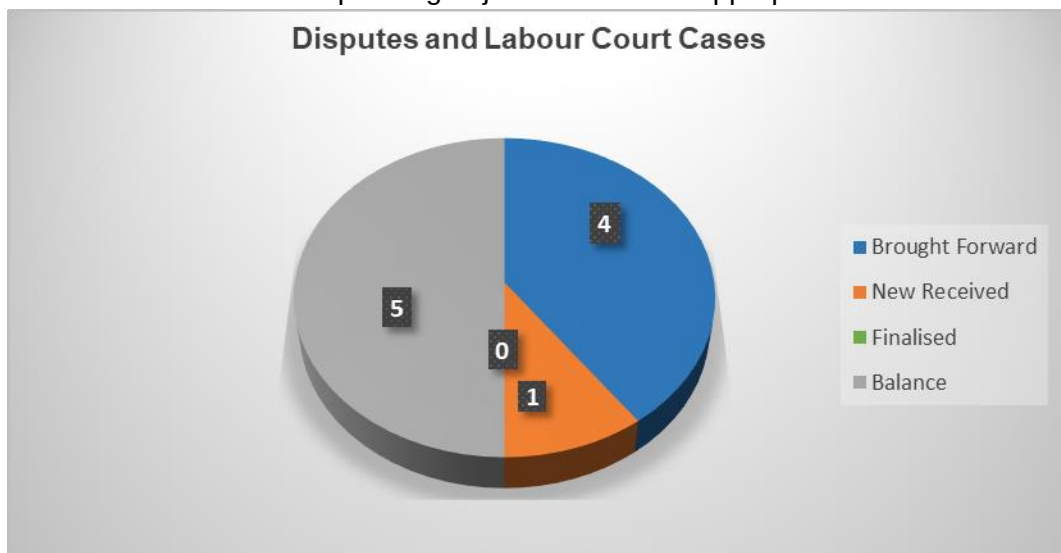
The age analysis of the one (1) outstanding case is as follows:

Cases that are one (1) month old =0

Cases that are more than twelve (12) months old=1

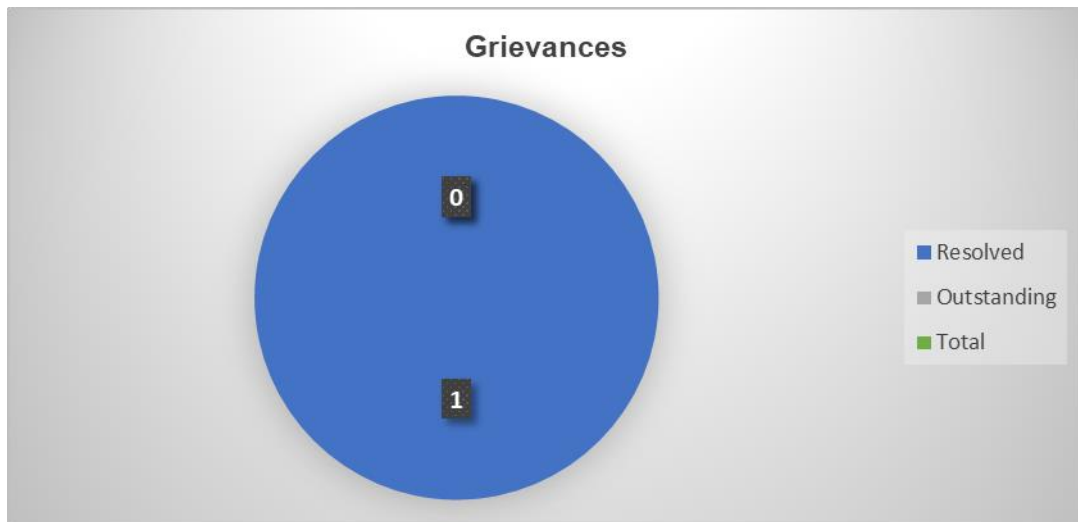
#### 4.8.3 Disputes, Arbitrations & Labour Court Cases

- Total cases brought forward five (5) as at the end of the previous quarter.
- No new case was received
- No case has been finalised
- In respect of disputes at the bargaining Council and Labour Court cases, ERWAT is sitting at five (5) cases
- The above cases are pending adjudication at the appropriate forums.



*The graph illustrates the statistical data of disputes at the Bargaining Council and Labour Court, as at the end of Q2, with five (5) cases still pending*

#### 4.8.4 Grievances



The total grievances outstanding is zero (0).

#### 4.8.5 Suspensions

There are no suspensions for the period under review.

#### 4.9 Percentage of Salary to OPEX

|                                      | Quarter 1      | Quarter 2      | YTD - Actual   |
|--------------------------------------|----------------|----------------|----------------|
| <b>Total Manpower Cost</b>           | 104 489 989,00 | 124 653 215,00 | 229 143 204,00 |
| <b>Total Operational Expenditure</b> | 253 717 922,00 | 320 779 492,00 | 574 497 414,00 |
| <b>% of Salary to OPEX</b>           | 41%            | 39%            | 40%            |

**Note:** The ratio between the % of Salary to the Operational Expenditure are influenced by the total expenditure for the Quarter, 41% seems high, but it is reflective of the under expenditure of the OPEX budget for Q1.

#### 4.10. Employee Occupational Health and Wellness

##### Employee Wellness Programme & Occupational Health and Safety

ERWAT Occupational Health Services offers Employee Wellness Programme as follows:

- a. ERWAT has 46 Wellness Champions (WC) that are placed on all 19 Plants including the Laboratory and Head Office.
- b. The core function of the WC is to assist the Occupational Health Nurse, in identifying any health and wellness concerns amongst employees, monitor absenteeism; they also provide health education in a form of frequently scheduled meetings with employees on site.

c. During the period under review:

- 9 routine medical examinations and 5 exit medical examinations (exiting due to 1 – resigned and 4 - retired) were conducted for employees.
- 12 Health and Safety monthly meetings were attended
- 5 employees received Psychotherapy counselling sessions offered by ERWAT Occupational Health Services
- Vaccinations to prevent Hepatitis A & B and tetanus (also known as lockjaw) were administered on 172 employees, mostly from Operations and Maintenance Departments.
- 3 Wellness Days and 1 Wellness Champions Workshop were held during Q2.

#### **Issues related to the management of HIV/AIDS in the workplace**

ERWAT Occupational Health Services, in conjunction with Employee Wellness service providers, encourage employees to test for HIV/AIDS and TB, where appropriate according to the results, employees are managed further either by receiving the appropriate treatment and follow-ups are done.

## 5. Procurement Practices, Job Creation and Mainstreaming

1. BEE spend in respect of supplier and contractor (PDIs).
  - 1.1 Five bids were awarded during Quarter 2, with a minimum of 51% HDI ownership level
  - 1.2 Ownership levels of less than 51% consolidated ownership by black women. Two company(s) are 100% owned by people
  - 1.3 Of the bids awarded two are based in the City of Ekurhuleni area and the rest within Gauteng but outside Ekurhuleni.
  - 1.4 51% is owned by companies with a QSE BEE scorecard.
2. Job creation is encouraged by including a provision for locally situated bidders within the set criteria in the functionality section where it could be broken down further where bidders could be scored for indicating in the supporting documents and tables their intention to employ new staff from the areas, they will be operating from in the event that they are awarded a tender. This is, however, included on a case-by-case basis where it is practically implementable.
3. ERWAT is not able to utilise the EPWP program due to being an Entity and cannot apply directly to National Treasury for this grant through the Division of Revenue Act. Going forward, ERWAT will during its budget cycle identify potential projects where the EPWP can be included and utilised. ERWAT will require access and training on the respective EPWP portal for registration of projects and reporting.

## 6. Risk Management

Risk assessment provides an assessment of the relevant and critical risks through a classification and rating system, and mitigating actions and KPIs and targets that can be incorporated in the Balanced Scorecard. The reporting on the risk management into the quarterly reporting process is to ensure that the key risks that may prevent the achievement of the department's strategy are systematically identified and mitigating strategies and actions developed.

#: This report is against the risks identified in the Business Plans

**Table 11: Risk Assessment**

| REF   | Risk Title                                    | Contributing Factors |                                                                                                                                                                                                                                  | Current Mitigating Controls |                                                    | R R  | Risk Action Plans |                                                                                                                                                                                                                                   | Detailed Progress Quarter 1                                                                                                                                                                                             | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                                                    |
|-------|-----------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------|------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ER W1 | Inadequate infrastructure to treat wastewater | CF1.3                | 'a) Outdated, aging and inadequate infrastructure to treat high strength industrial effluent due to lack of budget related projects. Current Capacity (14 WCWs operating above 100% capacity, 3WCWs operating at 80+ to 100% and | CC1.3.1                     | Grant Funding (Urban settlement development grant) | High | RAP1.3.1          | Investigate other potential sources of funding for the upgrading of infrastructure to increase capacity- Go out into the market to source/borrow additional funding for expansion- Research and Initiate new processes in this FY | The entity is still pursuing alternative funding. The response from Development Finance Institutions did not yield positive. USDG grant is 95 million limiting the entity to undertake Wastewater Care Works expansion. | The two applications submitted by the entity to DBSA and IDC in the last financial year were unsuccessful. The entity is now considering appointing a Technical Advisor to assist with the entity with the new applications to various financial institutions. The process to appoint a technical advisor has not yet started. |

| REF | Risk Title | Contributing Factors             | Current Mitigating Controls                                                                    | R<br>R | Risk Action Plans                                                                                     | Detailed Progress Quarter 1                                                                                                                  | Detailed Progress Quarter 2                                                                                                                                                                      |
|-----|------------|----------------------------------|------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            | only 2 WCWs operating below 80%) | CC1.3.2<br>ERWAT implemented the 2023/2024 Capex Plan- target of +/- 98,10% was achieved.      |        | RAP1.3.2.1<br>Implement the 2024/2025 Capex plan                                                      | -/+ 19,87% (R 18 880 226,71) of R95,000,000.00 budget the 2024/2025 budget.                                                                  | -/+45,88% (R43 616 673,32) of R95,000,000.00 budget the 2024/2025 budget                                                                                                                         |
|     |            |                                  |                                                                                                |        | RAP1.3.2.2<br>Plant Optimisation Modelling                                                            | There was no movement in quarter 1. Olifantsfontein WCW, Hartebeestfontein WCW and Waterval WCW FDPs are in the process of being signed-off. | In progress – Waterval WCW FDP (Facility Development Program) is signed-off. Olifantsfontein WCW and Hartebeestfontein WCW FDPs are in the process of being signed-off.                          |
|     |            |                                  | CC1.3.4<br>Wastewater conveyance and treatment systems regionalisation and 50-year master plan |        | RAP1.3.4<br>Five (5) Turnkey Capital Project – 50 Year Master Plan through the City (progress report) | In progress – 1. Waterval - Refurbishment and Expansion for an additional 250 MLD: Stage 1 Completed & Stage 2 in progress.                  | In progress – 1. Waterval - Refurbishment and Expansion for an additional 250 MLD: Stage 1 Completed & Stage 2 in progress. 2. Olifantsfontein - Refurbish and upgrade from the current regraded |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |  | R<br>R | Risk Action Plans |                                                                                    | Detailed Progress Quarter 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----|------------|----------------------|--|-----------------------------|--|--------|-------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |  |                             |  |        |                   | 1. Watervaal<br>2. Olifantsfontein<br>3. Vlaakplaats<br>4. Anchor<br>5. Welgedacht | 2. Olifantsfontein - Refurbish and upgrade from the current regraded capacity of 65 MLD to 105 MLD and expansion for an additional 50 MLD: Stage 1 Completed & Stage 2 in progress.<br>3. Vlakplaats - Refurbish and upgrade from the current regraded capacity of 55 MLD to 183 MLD: Stage 1 Completed & Stage 2 in progress.<br>4. Ancor - Refurbish and upgrade from the current regraded capacity of 15 MLD to 35 MLD and expansion for an additional 15 MLD: Stage 1 Completed & Stage 2 in progress.<br>5. Welgedacht - Refurbishment and Expansion for an additional 60 MLD: Stage 1 Completed & Stage 2 Completed, Stage 3 in progress. | capacity of 65 MLD to 105 MLD and expansion for an additional 50 MLD: Stage 1 Completed & Stage 2 in progress.<br>3. Vlakplaats - Refurbish and upgrade from the current regraded capacity of 55 MLD to 183 MLD: Stage 1 Completed & Stage 2 in progress.<br>4. Ancor - Refurbish and upgrade from the current regraded capacity of 15 MLD to 35 MLD and expansion for an additional 15 MLD: Stage 1 Completed & Stage 2 in progress.<br>5. Welgedacht - Refurbishment and Expansion for an additional 60 MLD: Stage 1 Completed & Stage 2 Completed, Stage 3 in progress. |

| REF | Risk Title | Contributing Factors |                                                                                 | Current Mitigating Controls |                                 | R<br>R | Risk Action Plans |                                                                  | Detailed Progress Quarter 1                                                                                                                                                                                                                                             | Detailed Progress Quarter 2                                                                                                                       |
|-----|------------|----------------------|---------------------------------------------------------------------------------|-----------------------------|---------------------------------|--------|-------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |                                                                                 |                             |                                 |        |                   |                                                                  | the current regraded capacity of 15 MLD to 35 MLD and expansion for an additional 15 MLD: Stage 1 Completed & Stage 2 in progress.<br>5. Welgedacht - Refurbishment and Expansion for an additional 60 MLD: Stage 1 Completed & Stage 2 Completed, Stage 3 in progress. |                                                                                                                                                   |
|     |            |                      | 'b) Outdated, aging and inadequate technology to treat high strength industrial | CC1.3.5                     | Wastewater Risk Abatement Plans |        | RAP1.3.5          | Review the Wastewater Risk Abatement Plans every 3rd year (2023) | The 2023/2024 – 2025/2026 is currently circulating for signatures by EMs. The EMs Ops, Maintenance,                                                                                                                                                                     | The Wastewater Risk Abatement Plans were table and approved by EXCO at a meeting held 23 Oct 2024, the item will serve at the next Board meeting. |

| REF | Risk Title | Contributing Factors |                                                                       | Current Mitigating Controls |                                                       | R<br>R | Risk Action Plans |          | Detailed Progress Quarter 1                                                                                        | Detailed Progress Quarter 2                                                                                                                                                                                  |                                                                                                                                                                                                              |
|-----|------------|----------------------|-----------------------------------------------------------------------|-----------------------------|-------------------------------------------------------|--------|-------------------|----------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      | effluent due to lack of budget to implement newer technologies (OPS). |                             |                                                       |        |                   |          | IPAP, SME have already signed-off as of 28 <sup>th</sup> Sept, the document is enroute to other EMs for signature. |                                                                                                                                                                                                              |                                                                                                                                                                                                              |
|     |            |                      |                                                                       | CC1.3.6                     | Organic testing of industrial effluent.               |        |                   | RAP1.3.6 | Monthly Screening for Industries exceeding law limits                                                              | In progress - Organic profiling has been completed on 675 industrial source scans (363 for North East Region and 312 for South West Region). Industries exceeding by laws limits are being screened monthly. | In progress - Organic profiling has been completed on 705 industrial source scans (380 for North East Region and 325 for South West Region). Industries exceeding by laws limits are being screened monthly. |
|     |            |                      |                                                                       | CC1.3.8                     | Tracking of incidents and on a quarterly to assist in |        |                   | RAP1.3.8 | Quarterly tracking of incidents                                                                                    | Action plan completed- 2621 Job Cards were loaded on the                                                                                                                                                     | Action plan completed- 1764 Job Cards were loaded on the CMMS and a Total of 921 were                                                                                                                        |

| REF | Risk Title | Contributing Factors |                                                                                                                                        | Current Mitigating Controls |                                                                   | R<br>R | Risk Action Plans |                                                                               | Detailed Progress Quarter 1                                                                                                                                                                                                                                                                    | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----|------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------|--------|-------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |                                                                                                                                        |                             | planning to build operational resilience and improving compliance |        |                   |                                                                               | CMMS and a Total of 1727 were Closed. Translated to 66%                                                                                                                                                                                                                                        | Closed. Translated to 52%                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|     |            | CF1.5                | Delays in bringing back equipment to services due to long lead time of spares sourced overseas and inadequate service master contracts | CC1.5.1                     | ERWAT Operational Procurement Plan                                |        | RAP1.5.1          | Create a Centralised Spares Store to reduce down-time and increase efficiency | In progress. 1. Additional contracts have been added to facilitate the efficiency and effectiveness of the maintenance service delivery, detailed contract progress monitoring is carried out 2.The process has started, analysis of stakeholder needs has been completed for satellite stores | In progress. 2.The process has started, analysis of stakeholder needs has been completed for satellite stores needs and workshops.<br><u>I. Phase 1 &amp; 2</u><br>A submission to initiate the feasibility study was presented to EXCO on .... and approval has been granted to proceed. In this submission a generic concept was presented, establishment of new infrastructure, re-purposing of old buildings and any other material needs that will be required |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |  | R<br>R | Risk Action Plans |  | Detailed Progress Quarter 1                                                                                                                                                                                                                                                                                                                                                                                                                          | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----|------------|----------------------|--|-----------------------------|--|--------|-------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |  |                             |  |        |                   |  | <p>needs and workshops.</p> <p><u>I. Phase 1 &amp; 2</u><br/>A submission to initiate the feasibility study was presented to EXCO on .... and approval has been granted to proceed. In this submission a generic concept was presented, establishment of new infrastructure, re-purposing of old buildings and any other material needs that will be required for a successful management of this facilities.</p> <p><u>iii. Phase 3 &amp; 4</u></p> | <p>for a successful management of this facilities.</p> <p><u>iii. Phase 3 &amp; 4</u><br/>Finer details of this stage will be part of the feasibility study outcome, The Maintenance team will adjust the procurement plans to accommodate the resources required implement this study in this financial year.</p> <p><u>v. Phase 5</u><br/>This project will be budgeted for under Capex upon completion of the study mentioned above, we anticipate phased implementation in between 2025-27 Financial Years</p> |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |  | R<br>R | Risk Action Plans |  | Detailed Progress Quarter 1                                                                                                                                                                                                                                                                                                                                                                         | Detailed Progress Quarter 2 |
|-----|------------|----------------------|--|-----------------------------|--|--------|-------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|     |            |                      |  |                             |  |        |                   |  | <p>Finer details of this stage will be part of the feasibility study outcome, The Maintenance team will adjust the procurement plans to accommodate the resources required implement this study in this financial year.</p> <p>v. <u>Phase 5</u><br/>This project will be budgeted for under Capex upon completion of the study mentioned above, we anticipate phased implementation in between</p> |                             |

| REF   | Risk Title                                                             | Contributing Factors |                                                                                                         | Current Mitigating Controls |                                                                       | R<br>R | Risk Action Plans |                                                                                                                                  | Detailed Progress Quarter 1                                                                                                      | Detailed Progress Quarter 2                                                                                                                                                                                                     |
|-------|------------------------------------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------|--------|-------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                        |                      |                                                                                                         |                             |                                                                       |        |                   |                                                                                                                                  | 2025-27 Financial Years                                                                                                          |                                                                                                                                                                                                                                 |
| ER W2 | Inadequate preparedness in the event of an emergency/natural disaster. | CF2.1                | Some plants of the 19 Wastewater Care Works do not have wastewater bypassing systems and emergency dams | CC2.1                       | Water Bypass System for some Wastewater Care Works and emergency dams | High   | RAP2.1            | There is no further risk action planned to be implemented due to budget constraints. ERWAT Capex budget is limited to 95 million | There will be no reporting for the period under review.                                                                          | There will be no reporting for the period under review.                                                                                                                                                                         |
|       |                                                                        | CF2.3                | Inadequate Business Continuity Management Program                                                       | CC2.3.1                     | Business Continuity Management Policy                                 |        | RAP2.3.1          | Develop an ERWAT Disaster Management Framework                                                                                   | In Progress- ERWAT Disaster Management Framework is still under development. The BCM Policy was reviewed to guide the Framework. | In Progress- ERWAT Disaster Management Framework is still under development. The BCM Policy was reviewed to guide the Framework. The Incident Management Protocols for the Wastewater Care Works reviewed and awaiting approval |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |                                                                                           | R<br>R | Risk Action Plans |                                                         | Detailed Progress Quarter 1                                                                                                                                               | Detailed Progress Quarter 2                                                                                                                                                                                                                                                               |
|-----|------------|----------------------|--|-----------------------------|-------------------------------------------------------------------------------------------|--------|-------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |  | CC2.3.2(a)                  | Business Continuity Management Risk Assessments for Water Care Works and Support Services |        | RAP2.3.2          | Review of Business Recovery Plans for the Core Business | The Business Recovery Plans were tabled at the Risk and Compliance Committee in July; however these were not accepted/approved. The BCP is being reviewed per department. | The entity is reviewing BIAs (Business Impact Analysis and BCM Risk Assessments for the Core departments. The above will inform the review of the Business Recovery Plans. The BIAs were conducted for ten (10) wastewater care works and the BIA reports still to be drafted for the 10. |
|     |            |                      |  | CC2.3.2(b)                  | BCM Business Impact Analysis                                                              |        |                   |                                                         |                                                                                                                                                                           |                                                                                                                                                                                                                                                                                           |
|     |            |                      |  | CC2.3.2(c)                  | Business Recovery Plans                                                                   |        |                   |                                                         |                                                                                                                                                                           |                                                                                                                                                                                                                                                                                           |
|     |            |                      |  |                             |                                                                                           |        | RAP2.3.3 (b)      | Training of BCM Co-ordinators                           | In progress- BCM departmental training has commenced as of September 2024                                                                                                 | In progress- The Human Resources department has concluded the BCM Training needs requirements for the BCM Team. It is anticipated that training will commence in quarter 3. The Risk Department raises BCM Awareness also during the BIA review workshops.                                |

| REF   | Risk Title                                    | Contributing Factors |                                                                              | Current Mitigating Controls |                                            | R<br>R   | Risk Action Plans |                                                                                                 | Detailed Progress Quarter 1                                                                                                                                                                                                                                                                     | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                                             |
|-------|-----------------------------------------------|----------------------|------------------------------------------------------------------------------|-----------------------------|--------------------------------------------|----------|-------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                               |                      |                                                                              | CC2.3.5                     | ICT Disaster Recovery Plan                 |          | RAP2.3.5          | Move ERWAT Disaster Recovery Site to a location far from Head Office in line with best practice | In progress- CoE has indicated that ERWAT halt the data center hosting project as the municipality is assessing whether they are able to provide the same service to ERWAT. ERWAT has in the interim given the C.o.E the scope of work which it requires for it's data center hosting services. | In progress – In the last financial year CoE indicated that ERWAT halt the data center hosting project as the municipality is assessing whether they are able to provide the same service to ERWAT. ERWAT has in the interim given the C.o.E the scope of work which it requires for it's data center hosting services. |
| ER W3 | Potential loss of the ISO 17025 accreditation | CF3.1                | Aging instrumentation, scarcity of spares and discontinuation of instruments | CC3.1 (a)                   | Scheduled Instrumentation Maintenance Plan | H<br>igh | RAP3.1(a)         | Implement Capex 2 items: 2 x Flow injection analysers GC-MS equipment                           | ERWAT has active instruments maintenance contracts in place to address any instrumentation                                                                                                                                                                                                      | The tender resulted into a number of non-awards due to bidders not submitting correct paperwork and bidders not bidding at all have resulted in delay's in                                                                                                                                                              |

| REF | Risk Title | Contributing Factors |                                                                                                                   | Current Mitigating Controls |                                           | R<br>R | Risk Action Plans |  | Detailed Progress Quarter 1                                                                                                                                                                                                                                        | Detailed Progress Quarter 2                                                                                                                                                                                                                                        |
|-----|------------|----------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------|--------|-------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      | could result in loss of the approved testing methods impacting on service delivery both internally and externally |                             |                                           |        |                   |  | failures, three service providers have been appointed for this                                                                                                                                                                                                     | scheduled instrument maintenance and a non-conformance No. 2024/05 was issued. Sole Supplier procurement for certain suppliers is underway.                                                                                                                        |
|     |            |                      |                                                                                                                   | CC3.1 (b)                   | Use of obsolete scrapped equipment spares |        |                   |  | There is no budget allocation for CAPEX funding for Scientific Services until budget adjustment is done. The advertising of CAPEX instruments is thus on hold. The GC/MS Purge and Trap was a non-award and will be re-advertised when CAPEX funding is available. | There is no budget allocation for CAPEX funding for Scientific Services until budget adjustment is done. The advertising of CAPEX instruments is thus on hold. The GC/MS Purge and Trap was a non-award and will be re-advertised when CAPEX funding is available. |

| REF   | Risk Title                                                                                  | Contributing Factors |                                                                   | Current Mitigating Controls |                                                                                              | R<br>R | Risk Action Plans |                                                                                                       | Detailed Progress Quarter 1                                                                                                                                                                          | Detailed Progress Quarter 2                                                                                                          |
|-------|---------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------|--------|-------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                             | CF3.2                | Lack of budget for planned maintenance of the laboratory building | CC3.2                       | Ad-hoc minor maintenance by the Maintenance Department on a daily, weekly and monthly basis. |        | RAP3.2            | Implementation of building maintenance plans including power supply loads, building/ roof leaks, etc. | In progress- ERWAT is currently in the process of putting a buildings maintenance contract in place. The bidding process has started and building maintenance issues will be addressed through this. | In progress- ERWAT is going on tender to have a Buildings Maintenance contract in place. The bid closed on 4 <sup>th</sup> Dec 2024. |
| ER W4 | Inadequate preparedness in the event of total grid collapse resulting in extended blackouts | CF4.1                | Load shedding challenges facing the South African government      | CC4.1                       | No current control                                                                           | High   | RAP4.1            | No further action plan to be implemented due to the network configuration                             | There is no reporting for the period under review.                                                                                                                                                   | There is no reporting for the period under review. Network configured by Eskom                                                       |
|       |                                                                                             | CF4.2                | Thirty-Six (36) Gensets to power critical processes               | CC4.2                       | Conduct a feasibility study on alternative energy such as                                    |        | RAP4.2            | Do a feasibility study on alternative energy such as                                                  | The entity is still pursuing alternative funding. The response from                                                                                                                                  | The two applications submitted by the entity to DBSA and IDC in the last financial year were unsuccessful. The                       |

| REF   | Risk Title                                                 | Contributing Factors |                                                                        | Current Mitigating Controls |                                                | R<br>R | Risk Action Plans |                                            | Detailed Progress Quarter 1                                                                                                                         | Detailed Progress Quarter 2                                                                                                                                                                                                  |
|-------|------------------------------------------------------------|----------------------|------------------------------------------------------------------------|-----------------------------|------------------------------------------------|--------|-------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                            |                      | and UPS for the Laboratory                                             |                             | Hydropower , Solar etc                         |        |                   | Hydropower, Solar etc                      | Development Finance Institutions did not yield positive. USDG grant is 95 million limiting the entity to undertake Wastewater Care Works expansion. | entity is now considering appointing a Technical Advisor to assist with the entity with the new applications to various financial institutions. The process to appoint a technical advisor has not yet started.              |
|       |                                                            | CF4.3                | Repair non-operational Gensets- Procure and Install additional Gensets |                             |                                                |        | RAP4.3(a)         | Repair all non-operational Gensets         | <b>Action Plan Completed-</b> Generators repairs contracts are now active, Two service providers were awarded the tender.                           | <b>In progress -</b> Generators repairs contracts are now active, Two service providers were awarded the tender. The Olifantsfontein Generator is not operational, an insurance claim was lodged, it still need to be fixed. |
| ER W5 | Inability to spend in accordance with the allocated budget | CF5.1                | High vacancy rate due to the backlog caused by the previous monotorium | CC5.1                       | Implementation of the 2023/24 Recruitment Plan | Med    | RAP5.1            | Implemented the 2024/205 Recruitment Plan. | In progress - Position Filled in Q1: District Manager DD4 X2 Plant Manager                                                                          | <b>The following Positions are at offer stage:</b> <ul style="list-style-type: none"> <li>Manager Legal</li> </ul>                                                                                                           |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |  | R<br>R | Risk Action Plans |  | Detailed Progress Quarter 1                                                                                                                                                                                                                                                                                                                                                   | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----|------------|----------------------|--|-----------------------------|--|--------|-------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |  |                             |  |        |                   |  | Lab Scientist Grade 1 & 2<br>Specialist Training & Development<br>Manager ER and Human Resource<br>X2 Instrumentation Mechanics<br>X5 Electricians<br>X8 Fitters<br>Positions at Offer:<br>SCM Administrator<br>Bid Administrator<br>Procurement Officer<br>Executive Secretary<br>Maintenance Executive Secretary<br>IPAP Position In Progress:<br>Senior Process Controller | <ul style="list-style-type: none"> <li>▪ Board and Committee Secretariat</li> <li>▪ Occupational Health Nurse</li> <li>▪ Maintenance Manager</li> <li>▪ Specialist Risk and Compliance</li> </ul> Nine positions as per below still in Progress, (Interviews/Shortlisting Stage): <ul style="list-style-type: none"> <li>▪ Sales Engineer</li> <li>▪ System Analyst</li> <li>▪ Administration Officer: Creditors</li> <li>▪ Fitter</li> <li>▪ Process Operators</li> <li>▪ Plant Administrator</li> <li>▪ Senior Process Controller x2</li> </ul> |

| REF   | Risk Title                                  | Contributing Factors |                                                                   | Current Mitigating Controls |                                     | R<br>R      | Risk Action Plans |                                                                   | Detailed Progress Quarter 1                                                                                                                               | Detailed Progress Quarter 2                                                                                                                                                                                                                       |
|-------|---------------------------------------------|----------------------|-------------------------------------------------------------------|-----------------------------|-------------------------------------|-------------|-------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                             |                      |                                                                   |                             |                                     |             |                   |                                                                   | (Tsakane Plant)<br>X2 Plant Administrators (Harties and Heidelberg Plants)<br>Specialist: Communications<br>Positions re-advertised – awaiting interviews | <ul style="list-style-type: none"> <li>Maintenance Planner</li> </ul>                                                                                                                                                                             |
|       |                                             | CF5.2                | Decline in bulk purchases; Electricity costs due to load shedding | CC5.2                       | ERWAT Procurement Plan              |             | RAP5.2            | Enhance the process by having additional chemical suppliers (Ops) | Tender closed 28 June 2024 and at BEC stage.                                                                                                              | Tender closed 28 June 2024 and at final stages of procurement process. The tender for the supply, delivery, and offloading of various chemicals for wastewater treatment served at BAC (price negotiations) on the 9 <sup>th</sup> December 2024. |
| ER W6 | Inadequate revenue generation to supplement | CF6.1                | Inability to secure new business due to                           | CC6.1.1                     | Pricing Model. (Scientific Services | M<br>e<br>d | RAP6.1.1          | Review of the Pricing Model.                                      | The review of the Pricing Model is depended on                                                                                                            | The review of the Pricing Model is depended on the finalisation of the                                                                                                                                                                            |

| REF | Risk Title          | Contributing Factors |                                                                                               | Current Mitigating Controls |                              | R<br>R | Risk Action Plans |                                                                                                         | Detailed Progress Quarter 1                                                                              | Detailed Progress Quarter 2                                                                            |
|-----|---------------------|----------------------|-----------------------------------------------------------------------------------------------|-----------------------------|------------------------------|--------|-------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|     | the approved budget |                      | overhead costs that are higher than that of competitors. (Such as Manpower, laboratory, etc.) |                             | Price Schedule)              |        |                   |                                                                                                         | the finalisation of the Financial Model by Finance                                                       | Financial Model by Finance                                                                             |
|     |                     | CF6.2                | Loss of existing business through insourcing and companies closing down or reducing costs     | CC6.2                       | Customer Satisfaction Survey |        | RAP6.2            | Appointment of an independent service provider to conduct annual customer survey                        | Tender at award stage. Evaluation report on the appointment of the preferred bidder is at probity stage. | The Evaluation Report on the appointment of the preferred bidder is at Probity stage for verification. |
|     |                     | CF6.4                | Business requirements limiting of entry to new market (Level of BBB-EE Compliance)            | CC6.4                       | BBB-EE Task team in place    |        | RAP6.4            | Planning of all activities related to the requirements of the BBB-EE score card Annual review of BBB EE | Verification is in progress. Awaiting final report from the service provider.                            | Verification is in progress. Awaiting final report from the service provider.                          |

| REF   | Risk Title                                     | Contributing Factors |                                                                                 | Current Mitigating Controls |                                            | R R | Risk Action Plans |                                                                       | Detailed Progress Quarter 1                                                                                                                                              | Detailed Progress Quarter 2                                                                              |
|-------|------------------------------------------------|----------------------|---------------------------------------------------------------------------------|-----------------------------|--------------------------------------------|-----|-------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
|       |                                                |                      |                                                                                 |                             |                                            |     |                   | Compliance.                                                           |                                                                                                                                                                          |                                                                                                          |
| ER W7 | Failure to meet capital expenditure set target | CF7.1                | Delays in Supply Chain processes. (Including the effect of the Pandemic)- IPAP  | CC7.1.1                     | Implementation of the 2023-2024 CAPEX Plan | Med | RAP7.1.1          | Implementation of the 2024-2025 CAPEX Plan                            | -/+ 19,87% (R 18 880 226,71) of R95,000,000.00 budget                                                                                                                    | -/+ 45,88% (R43 616 673,32) of R95,000,000.00 budget the 2024/2025 budget                                |
| ER W8 | Potential loss of key skills                   | CF8.1                | Unexpected loss of key employees due to the resignation, retirement, death etc. | CC8.1.1                     | Review HR Policies after every 3 years     | Med | RAP8.1.1          | Review the HR Policies on an as and when the need arises              | Action Plan Completed                                                                                                                                                    | Action Plan Completed                                                                                    |
|       |                                                |                      |                                                                                 | CC8.1.3                     | ERWAT Progression Framework                |     | RAP8.1.3          | Review of existing Progression Framework to include other departments | Some Departmental structures are under review due to Departmental needs. Once those structures have been finalised, the process on progression frameworks will continue. | Maintenance Department Progression Framework was under review, the process to be finalized in quarter 3. |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |                                                                | R<br>R | Risk Action Plans |                                                   | Detailed Progress Quarter 1                                                                                                                                                                                                                                                                                     | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                                                                   |
|-----|------------|----------------------|--|-----------------------------|----------------------------------------------------------------|--------|-------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |  | CC8.1.7                     | Implementa<br>tion of<br>2023/24<br>Annual<br>Training<br>Plan |        | RAP8.1.7          | Implement<br>the<br>2024/2025<br>Training<br>Plan | 11 Employees<br>attended the<br>Training<br>Committee<br>Training on 15-<br>16 July 2024<br>95 Employees<br>attended the<br>Confined<br>Space Training<br>from 01-17 July<br>2024<br>NQF Level 3<br>and 4 in Water<br>and<br>Wastewater<br>Treatment<br>Process<br>Operations is<br>ongoing for 72<br>employees | 17 Employees<br>attended the She Rep<br>training on 22<br>November 2024<br>20 Employees<br>attended the Basic<br>Fire Fighting training<br>on 26 November<br>2024<br>15 Employees<br>attended First Aid<br>training on 27-28<br>November 2024<br>17 Employees<br>attended the Incident<br>Investigation training<br>on 09-11 December<br>2024 |
|     |            |                      |  | CC8.2.2                     | Employee<br>climate<br>survey                                  |        | RAP8.2.2          | Conduct an<br>Employee<br>Climate<br>Survey       | Tender was<br>noted as a non-<br>award in<br>September and<br>an FPQ will be<br>completed in<br>Q2.                                                                                                                                                                                                             | The tender was a<br>non-award. A Firm<br>Price Quotation to be<br>advertised in January<br>2025                                                                                                                                                                                                                                               |
|     |            |                      |  | CC8.2.3                     | Psychosoci<br>al support                                       |        | RAP8.2.3          | Implement<br>ation of the<br>2023/24              | Tender has<br>been awarded<br>and SLA                                                                                                                                                                                                                                                                           | Service Level<br>Agreement still under                                                                                                                                                                                                                                                                                                        |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |                               | R<br>R | Risk Action Plans |                                                | Detailed Progress Quarter 1                                                                                                                                         | Detailed Progress Quarter 2                                                                                                                                                                                                                                                                  |
|-----|------------|----------------------|--|-----------------------------|-------------------------------|--------|-------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |  |                             |                               |        |                   | Employee Wellness Support Programmes           | drafted and discussions taking place with the winning bidder. Presently counselling done in-house by the Occupational Health Nurse Practitioner (OHNP)              | discussion with the winning bidder. Presently counselling done in-house by the Occupational Health Nurse Practitioner (OHNP)                                                                                                                                                                 |
|     |            |                      |  | CC8.2.4                     | Wellness workplace programmes |        | RAP8.2.4          | Implementation of the 2024/25 Wellness Program | Tender has sat at BAC, awaiting final outcome. Will report feedback in Q2. Presently counselling done in-house by the Occupational Health Nurse Practitioner (OHNP) | Three (3) Employee Wellness Days were conducted on the 04 October, 01 November and 08 November 2024. Discovery Health and other companies provided many services such as Podiatry, Physiotherapy, Eye Testing etc. Counselling for mental health is done in-house by the Occupational Health |

| REF   | Risk Title                                                                                                       | Contributing Factors |                                                                                               | Current Mitigating Controls |                                     | R<br>R | Risk Action Plans |                                                                                   | Detailed Progress Quarter 1                                                                                                                                                                 | Detailed Progress Quarter 2                                                                                                                                                                                                                     |
|-------|------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------|--------|-------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                                                                                                  |                      |                                                                                               |                             |                                     |        |                   |                                                                                   |                                                                                                                                                                                             | Nurse Practitioner (OHNP)                                                                                                                                                                                                                       |
|       |                                                                                                                  |                      |                                                                                               | CC8.2.5                     | Human Resource Management Roadshows |        | RAP8.2.5          | Go on a Human Resources Road Show to raise awareness on Human Resource activities | The remaining plants will be done in Q3.                                                                                                                                                    | The remaining Wastewater Care Works (WCW) are scheduled for Quarter 3.                                                                                                                                                                          |
| ER W9 | Potential delays in the supply and delivery of critical goods and services as a result of procurement challenges | CF9.1                | Late commencement of bid processes by user department and discrepancies around specifications | CC9.1.1                     | Supply Chain Management Policy      | High   | RAP9.1.1          | Review the SCM Policy as and when legislation changes                             | There were no changes warranting policy review for the period under review. The Public Procurement Act was promulgated on 23 July 2024. No changes are effective and the SCM policy will be | There were no changes warranting policy review for the period under review. The Public Procurement Act was promulgated on 23 July 2024. No changes are effective and the SCM policy will be amended once the regulations have been promulgated. |

| REF | Risk Title | Contributing Factors |                                                                                                                                                               | Current Mitigating Controls |                                          | R<br>R | Risk Action Plans |                                                                               | Detailed Progress Quarter 1                                                                                                                           | Detailed Progress Quarter 2                                                                                                                                                                                                                                                          |
|-----|------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------|--------|-------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |            |                      |                                                                                                                                                               |                             |                                          |        |                   |                                                                               | amended once the regulations have been promulgated.                                                                                                   |                                                                                                                                                                                                                                                                                      |
|     |            |                      |                                                                                                                                                               | CC9.1.3                     | ERWAT Procurement Plan                   |        | RAP9.1.3          | Review the 2024//25 Procurement Plan and track the implementation thereof     | The 2024/2025 CAPEX procurement plan has been approved and being monitored.                                                                           | The procurement plan will be revised as per 2024/2025 budget adjustment that was finalised in December 2024.                                                                                                                                                                         |
|     |            | CF9.3                | Long lead time to deliver goods/ services due to external factors such as Pandemics, Rise in Logistics Cyber Attacks, Shortage of supplies & Consumables etc. | CC9.3                       | Service Master Contracts for Maintenance |        | RAP9.3            | Appoint a panel for professional services for IPAP and Maintenance Department | PSP panel tender closed 19/04/2024 and currently at BEC stage (IPAP).<br><br>Plant rental services tender at Award stage (Operations and Maintenance) | Professional Service Providers panel tender closed 19/04/2024 and is currently at BEC stage (IPAP). The PSP is anticipated to be awarded in April 2025.<br><br>Civil Maintenance and Plant rental bid awarded. SLA to be finalized by 19 December 2024. (Operations and Maintenance) |

| REF    | Risk Title                                                      | Contributing Factors |                                                                                                                                                                                                        | Current Mitigating Controls |                                                                                 | R R  | Risk Action Plans |                                                                                        | Detailed Progress Quarter 1                                                                                             | Detailed Progress Quarter 2                                                                                                                                     |
|--------|-----------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------|------|-------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ER W10 | Potential Loss of, and Unauthorised Access Critical Information | CF1 0.1              | Aging ICT infrastructure leading to higher hardware failure (80%-85%) of the Server Hardware has reached end of life support, leading to difficulties in procuring replacement spare, warranties, etc) | CC10.1                      | Asset Management Policy, Strategy and Disaster Recovery Plan (Cloud back-up)    | High | RAP10.1(a)        | Replacement of server infrastructure                                                   | Data Centre Preparations 70% complete.                                                                                  | Data Centre Preparations is at 100% complete and new hardware is being deployed.                                                                                |
|        |                                                                 |                      |                                                                                                                                                                                                        |                             |                                                                                 |      | RAP10.1(b)        | Upgrade unsupported operating systems                                                  | Action plan not yet started the upgrading of the operating system is dependent on the server infrastructure replacement | In progress - Data Centre Preparations is at 100% complete and new hardware is being deployed. The upgrading of the operating system will commence in quarter 3 |
|        |                                                                 |                      |                                                                                                                                                                                                        | CC10.3.3                    | Logical access policy                                                           |      | RAP10.3.3         | Develop a Cyber-Security policy                                                        | In Progress-Draft Policy Completed                                                                                      | The Cyber-Security Policy tabled and approved by the Board on the 24 <sup>th</sup> of November 2024. Completed                                                  |
|        |                                                                 | CF1 1.1              | Non-Compliance / disregarding (Knowingly or unknowingly)                                                                                                                                               | CC11.1.2                    | Occupational Health & Safety Procedures (SOPs) -MS- SOP-SA002 Health and Safety |      | RAP11.1.2(a)      | Development of Occupational Health Standard Operating Procedures : Employee Assistance | In progress-Reviewed and will be presented at the next Central Safety Committee meeting scheduled for                   | Standard Operating Procedures were presented at the Central Safety Committee meeting held on 01 November 2024. Final inputs from the committee are being        |

| REF | Risk Title                                                                                | Contributing Factors |                                                                                                           | Current Mitigating Controls |                                                                                                                                                                                                                                                                                                           | R<br>R | Risk Action Plans |                                                                                                                                                                                                         | Detailed Progress Quarter 1                                                                                                                                                                                                                                                   | Detailed Progress Quarter 2                                                                                                                                                                                                                                     |
|-----|-------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                                                           |                      | Occupational Health & Safety policies and Standard operating procedures. (e.g. Inappropriate use of PPE;) |                             | Representative Procedure<br>-MS- SOP-SA003<br>Accident Reporting and Investigation Procedure<br>-MS- SOP-SA004<br>Permit to Work Procedures<br>-MS- SOP-SA005<br>Confined Space Procedure<br>-MS- SOP-SA006<br>Excavation Procedure<br>-MS- SOP-SA007<br>Wearing of Safety Harness<br>-MS- SOP-SA008 Fall |        |                   | Programme                                                                                                                                                                                               | 11 October 2024                                                                                                                                                                                                                                                               | incorporated and the final document will be submitted to the Managing Director signed-off in Quarter3.                                                                                                                                                          |
|     | Potential injuries to people (personnel, visitors and contractors) and damage to property |                      |                                                                                                           |                             |                                                                                                                                                                                                                                                                                                           |        | RAP11.1.2(b)      | Review of Safety Standard Operating Procedures<br>1. Occupational Health & Safety Procedures (SOPs)<br>2. MS-SOP-SA002 Health and Safety Representative Procedure<br>3. MS-SOP-SA003 Accident Reporting | In progress- The following procedures reviews will be presented at the next Central Safety Committee meeting scheduled for 11 October 2024:<br>1. MS-SOP-SA-005 Confined Space<br>2. MS-SOP-SA-009 Control of contractors working at ERWAT<br>3. MS-SOP-SA-007 Safety Harness | Standard Operating Procedures were presented at the Central Safety Committee meeting held on 01 November 2024. Final inputs from the committee are being incorporated and the final document will be submitted to the Managing Director signed-off in Quarter3. |

| REF | Risk Title | Contributing Factors |  | Current Mitigating Controls |                                                                                                               | R<br>R | Risk Action Plans |                                                                                                                                                                                                                                                        | Detailed Progress Quarter 1                                                                                                                                                                                                                             | Detailed Progress Quarter 2 |
|-----|------------|----------------------|--|-----------------------------|---------------------------------------------------------------------------------------------------------------|--------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|     |            |                      |  |                             | Protection Plan<br>-MS- SOP- SA009<br>Control of contractors working at ERWAT<br>-MS- SOP- SA0010<br>HSE Plan |        |                   | and Investigation Procedure<br>4. MS- SOP- SA004 Permit to Work Procedures<br>5. MS- SOP- SA005 Confined Space Procedure<br>6. MS- SOP- SA006 Excavation Procedure<br>7. MS- SOP- SA007 Wearing of Safety Harness<br>8. MS- SOP- SA008 Fall Protection | 4. MS-SOP-SA-010 OHSE Plan<br>5. PPE procedure (New procedure)<br>6. H&S Risk Assessment procedure (New procedure)<br>7. Emergency Procedure<br>8. Auding and inspection procedure (New procedure)<br>9. Hazardous Substances procedure (New procedure) |                             |

| REF | Risk Title | Contributing Factors |                                                                 | Current Mitigating Controls |                            | R<br>R | Risk Action Plans |                                                                                               | Detailed Progress Quarter 1                                                                                                                                                                          | Detailed Progress Quarter 2                                                                               |
|-----|------------|----------------------|-----------------------------------------------------------------|-----------------------------|----------------------------|--------|-------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|     |            |                      |                                                                 |                             |                            |        |                   | Plan<br>9. MS-SOP-SA009 Control of contractors working at ERWAT<br>10. MS-SOP-SA0010 HSE Plan |                                                                                                                                                                                                      |                                                                                                           |
|     |            | CF1<br>1.2           | Deteriorating workplace condition due to inadequate maintenance | CC11.2<br>.1                | 2024/2025 Maintenance Plan |        | RAP11.2.<br>1     | Maintenance of Buildings by Operations Department                                             | In Progress- ERWAT is currently in the process of putting a buildings maintenance contract in place. The bidding process has started and building maintenance issues will be addressed through this. | In progress- ERWAT went out on a Building Maintenance Tender, the bid closed on 4 <sup>th</sup> Dec 2024. |

### **Emerging Risks (Narrative)**

The current risk profile is targeted to be reviewed with the assistance of a service provider. The budget allocation for this activity was finalised during the budget adjustment cycle in Q2. The procurement of the service provider is planned to commence in Q3.

## 7. Legislative (only if applicable to your department)

Compliance with legislation that applies to the entity is critical to the existence and operations of ERWAT. Management and the board have identified and prioritised seven (7) key legislation for monitoring. Compliance risk management plans are developed to ensure that all the risks are mitigated. Any changes to legislation is aligned with internal policies and processes The Regulatory Landscape consist of the following

1. Companies Act 71 of 2008
2. Municipal Systems Act 32 of 2000
3. National Water Act 36 of 1998
4. National Environmental Management Act
5. Municipal Finance Management 56 of 2003
6. Labour Relations Act 66 of 1995
7. Occupational Health and Safety Act 85 of 1993
8. Disaster Management Act 57 of 2005
9. Personal Protection of Information Act 4 of 2

## 8. Key Audit Matters and Progress

ERWAT obtained a clean audit opinion from the AGSA for the 2023/2024 financial year.

Approved By:



---

Mr. Kennedy Chihota

Managing Director – ERWAT

7 January 2025

---

Date