A major weakness of the CWA is that at least one third of its pipe distribution network is old and inefficient and this accentuates the water supply problems experienced in certain localities. Many of these pipelines are above 50 years old, whilst others are made of asbestos cement. It is imperative that the CWA engages itself with an aggressive and sustained programme of pipe renewal, as old perforated pipes represent losses in terms of revenue for the Authority and hardship to the consumers. The Reduction of Non-Revenue Water (RNRW) project in the MAV (Upper) zone is a step in the right direction and paves the way for a more extensive reduction of NRW programme across the island. The technical know-how that is being imparted to local staff by the Singaporean Team of Consultants and the state of the art technologies will be constructively redeployed to other strategic areas.

During the World Water Day celebrated across the world on 22 March 2014, due recognition was given to the nexus between water and energy. This platform has enabled professionals in the water sector to launch the debate on how to bring in energy efficient solutions to promote sustainable development. The water sector is considered to be a highly energy intensive sector. Electricity consumption accounts for as much as 15% of operational costs of the CWA. The latter is being called upon to revisit its energy strategy, reduce dependence on conventional sources and move to green energy solutions. CWA has started a few initiatives in this direction, namely, the use of hydro-generators at La Marie Water Treatment Plant and installation of photovoltaic panels on certain sites. The Authority is networking with other institutions to work out a plan for the implementation of a more systematic energy saving programme.

CWA has always encouraged a culture of water saving in our society. ‘Save Water Campaigns’ are ongoing in schools, Women and Youth Centres, in collaboration with NGOs. Water is our Blue Gold and water use efficiency should be increased. Wastage should not be condoned. Necessary incentive schemes should be devised to promote rainwater harvesting, water recycling and reuse even at household level.

On behalf of the Board and Management, I would like to acknowledge the important roles played by our partners, be it of the public or private sector, who have extended assistance to CWA, of whatsoever nature, in coping with the water crisis stretching from October to December 2014. Last but not least, my thanks go to our valued customers who rely on our essential service.

Prem Saddul
Associate Professor
Chairman, CWA
GENERAL MANAGER’S REPORT

Year 2014 was an exceptional one in that the drought conditions saw an unprecedented drop in borehole yields. It was a trying experience for all the institutions engaged in the process of bringing water from source to tap. With a sequence of events and incidents unfolding during and in the aftermath of the dry season, urgent remedial measures had to be taken by all concerned. Water is a basic necessity, essential for life and thus, no effort was spared by MEPU, WRU and CWA to find ways out of the crisis, with a view to bringing relief to the segment of population subjected to water shortages. Especially affected were those from the western and south eastern parts of the island, whose water supply came mostly from underground water reserves.

I have deep appreciation for the relentless effort and dedication put in by CWA staff, day and night to weather the crisis. CWA could not remain inactive in the face of the challenges and deployed staff, and other resources to counter the situation. The Authority already has a mitigation plan in place, to build resilience against droughts, which it is implementing over time, depending on availability of resources. Funding has been a major constraint in the execution of this mitigation plan. Additional measures will be added to the mitigation plan for instance, an increase in the fleet of water tankers, construction of new service reservoirs, to name a few. It is proposed to mobilize additional water resources through projects like the construction of Bagatelle Dam and the Rivière des Anguilles Dam, which aim to capture some of the rainwater that runs off to sea. CWA has the responsibility for the design and construction of the accompanying treatment plants. Along the same vein, Nicolère WTP will be extended. Extension of Piton du Milieu WTP is also being considered. In addition, a small treatment plant of 15,000 cubic metre capacity will be put up at Deep River Beau Champ.

The year 2014 has been a turning point in the fight against non-revenue water. A systematic reduction of NRW project was undertaken in priority areas in the MAV (Upper) Water Supply System. The project was launched in 2013 but the foregoing year saw a stepping up of activities connected with it. Under project management services from the Singaporean Team, the local team (CWA staff) identified leaks and attended to same. Some 8,500 consumers, found mostly in Plaine Wilhems region, had their defective meters changed and Rs 622 M worth of works were contracted out for replacement of some 79 km of inefficient pipelines, responsible for highest levels of unaccounted for water losses in the MAV(U) network. By the end of year, some improvement in the network efficiency, presumably attributed to the meter changes (both production and consumer) could be observed.

The upgrading works at Paillès WTP, designed to modernize the plant with rapid gravity treatment facilities, were in progress whilst the contract for Bagatelle Water Treatment Plant could not be awarded due to some setbacks, notably, challenge filed at the IRP by some unsuccessful bidders. Despite efforts put in by CWA to launch the project, it is feared that the treatment plant may not be ready in time due to the administrative impediments.

Management of water resources is not the sole concern of CWA. To be able to achieve a harmonious balance between supply and demand, all stakeholders along the supply chain should work in close collaboration to ensure adequacy of supply and protection of quality of the resource so that at the end of the day, the customer gets satisfaction and there are lesser complaints to deal with. Also, by consolidating this integrated management approach, we have to plan ahead to ensure a water secure future for the generations to come.

As far as water quality is concerned, our quest for higher standards will be sustained. Important manpower and investments have been devoted to sampling and testing of raw water in connection with the Water Quality Surveillance Programme. The Monitoring Programme, which initially focused on Nicolère and Midlands reservoirs, was extended to the remaining reservoirs and some rivers. The tests have proved that currently, the presence of algae does not pose a danger to our drinking water reserves. We have not reached an alarming situation. Nonetheless, measures need to be taken right now
to protect our natural resources. Protection of our watersheds should become a priority. There should be proper co-
ordination among the different sectors involved in managing these resources and inter-sectoral responsibilities should be 
clearly defined. Authorities should refrain from granting development permits (for industry and farming) in the vicinity of 
the impounding reservoirs and rivers meant for tapping of drinking water. Notwithstanding the above, CWA is upgrading 
it treatment plants to take care of the problem of pollution and for better treatment of algae. In the same breath, it is also 
 improving its processes for sludge removal at some of its plants.

However, financial sustainability remains one important preoccupation for the Authority. CWA has the responsibility to 
provide good quality water in sufficient quantities at an affordable price to the population and economic operators. Lack of 
profitability brought about by the absence of a tariff increase has raised uncertainties at all levels in the organization. 
(Uncertainties of not being able to pay contractors for works, to meet debt servicing obligations and not being able to 
meet minimum requirements for cash flow expected by funding agents for release of funds/grant of loan facilities.) The 
organization fails to operate at cost covering levels, due to the heavy subsidisation of water sold to domestic households. 
This lack of profitability will inevitably act as a deterrent in the realization of major projects in the sector.

Notwithstanding the above, the institution believes in upgrading the skills and technical know-how of its personnel. It has 
provided various training facilities to its staff, both in-house and in local training institutions. Staff also benefitted from 
training opportunities abroad, namely training attachments in Japan (under JICA), workshops/seminars in South Africa, 
among others. CWA also enlisted the services of a Japanese Water Treatment Specialist for one year to train laboratory 
and water treatment staff and to provide expertise and guidance in water treatment.

CWA is far from a static organization. It keeps pace with change and constantly innovates to bring new and sophisticated 
solutions to meet the growing needs of its internal and external customers. The traditional method of payment of bills 
via cash counters is no longer the only choice available to our customers today. Besides direct debit facilities at banks, 
possibilities for internet banking are being explored. The SBM BillPay is already operational since 2013, whereby customers 
can settle their bills through SBM ATMs and different Points of Sale. The Orange Money services, viz, settlement of bills 
through mobile phones, launched last year, received much positive response. Negotiations are on for extension of this 
scheme to Emtel services and through partnership with other banks besides SBM.

On the technological front, a series of projects to enhance connectivity and improve performance have been implemented, 
namely, Voice over IP (VOIP) PABX telephony system, Eazzy system for document management, improvements in Complaint 
Monitoring System, among others.

Our country has taken the firm commitment to reduce carbon emissions under the millennium development goal. In support 
of this initiative, CWA is geared towards the adoption of renewable energy sources to reduce the carbon footprint of water.
Towards this end, a number of initiatives have been launched at CWA on a small scale, given resource constraints. It is expected 
that the Consultant, enlisted from UOM to implement energy efficiency and energy saving initiatives at CWA, will submit some 
proposals for energy reductions over the short and medium term, that would be taken on board by the organization.

The Strategic Plan 2015-2017 lays the foundation for a more modern and forward looking CWA, where the customer is the 
focus of all activities. I have confidence that CWA will be able to overcome all future challenges and fulfill all expectations 
because it has a dedicated team of qualified and experienced people at its disposal.

Dev Aukle
Acting General Manager
We, the Board Members of Central Water Authority (CWA), confirm that to the best of our knowledge that CWA has complied with all of its obligations and requirements under the Code of Corporate Governance wherever applicable.

Signature: .................................................

Name: ......................................................
   G. François Desmarais
   Chairperson

Date: 28 April 2015

Signature: .................................................

Name: ......................................................
   Youssouf Ismaël
   Board Member

Date: 28 April 2015
CORPORATE GOVERNANCE

Corporate Governance involves a set of relationships among the board, management and other stakeholders. Effective corporate governance practices are essential to achieving and maintaining high level of public trust, corporate success and sustainable economic growth.

As a guardian of the country’s most precious natural resource, the CWA is duly bound to operate within a strong governance framework that rests on a value system of fairness, transparency, accountability, integrity and trust.

THE CENTRAL WATER BOARD (The Board)

The Central Water Authority Act 20/1971, declared by proclamation with effect from July 1971, established the Central Water Authority (CWA) and provides for the latter to be administered and controlled by a Central Water Board (CWB).

The CWB is fully committed to attaining and sustaining the highest standards of corporate governance with the aim of maximizing long-term value creation for the stakeholders.

Recognising the need for observing highest standards of transparency, accountability and integrity, the Board is dedicated to continuously foster a corporate culture that emphasises good corporate governance.

Being responsible in promoting the long-term success of the Authority, the Board endeavours, inter-alia, to:

- exercise leadership, intellectual honesty, integrity and judgment in directing the Authority with a view to achieving sustainable prosperity whilst ensuring both performance and integrity,
- continuously review the processes and procedures in place to ensure the effectiveness of the Authority’s internal systems of control to safeguard the Authority’s assets and reputation,
- set the strategic direction and long-term goals and ensuring that adequate resources are available for the Authority to implement the strategic plan,
- ensure that the Authority complies with all relevant laws, regulations and codes of best business practice.

Through its vision, core values and formal policies, which set out what the CWA expects from employees in the running of its businesses, the Board seeks to engender a culture where business ethics, integrity and fairness are values that all employees endorse and apply in their everyday conduct.

In accordance with Section 7 (2) of the Central Water Authority Act 1971, the Board is constituted as follows:

- a chairperson – appointed by the Minister;
- a representative of the Ministry responsible for the subject of finance;
- a representative of the Ministry responsible for the subject of energy;
- a representative of the Ministry responsible for the subject of labour and industrial relations;
- 2 members with experience in agricultural, industrial, commercial, financial, scientific or administrative matters, appointed by the Minister.

The Chairperson is appointed by the Minister on such terms and conditions as he thinks fit. Every ex-officio member remains a member for as long as he holds the office by virtue of which he became a member and every appointed member holds office for not more than 2 years but is eligible for re-appointment.
For the year under review, the CWB was constituted as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Mr. Premchand Saddul</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Mr. Somduth Nemchand (Alternate: Mrs. Devika Moosoothur)</td>
<td>Representative of the Ministry of Energy and Public Utilities (Ministry responsible for the subject of Energy)</td>
</tr>
<tr>
<td>Mr. Visvanaden Soondram (Alternate: Mr. Riad Fuzurally)</td>
<td>Representative of the Ministry of Finance &amp; Economic Development (Ministry responsible for the subject of Finance)</td>
</tr>
<tr>
<td>Mr. Manodaren Naidoo Soobrayen (Alternate: Mr. B. Raghoonauth)</td>
<td>Representative of the Ministry of Labour &amp; Industrial Relations (Ministry responsible for the subject of labour and industrial relations)</td>
</tr>
<tr>
<td>Dr. Yousouf Ismael</td>
<td>Member appointed by the Minister</td>
</tr>
<tr>
<td>Mr. Daniel Marion</td>
<td>Member appointed by the Minister</td>
</tr>
</tbody>
</table>

**The Chairperson**

The Chairperson plays a vital role in ensuring the smooth functioning of the board in the interests of good governance by providing overall leadership without limiting the principle of individual responsibility for board decisions. Among others, the core functions of the Chairperson include the following:

- Encouraging and ensuring the active participation of each board member in discussions and deliberations of the board.
- Ensuring effective communication with stakeholders.
- Acting as the main link between the board and management and particularly between the board and the general manager.
- Overseeing the Board agenda and ensuring that the relevant information and facts are placed before the board to enable the board members to reach informed decisions.
1. Premchand Saddul  
Associate Professor - Chairperson  
Holder of a BA (Hons), PGCE, M Ed, F.R.G.S. Mr. Premchand Saddul has a wide experience in the field of academia. He was the former Director of the Mauritius Institute of Education and former Officer in Charge of the P.S.S.A. From June 2000 to April 2002, he was holder of UNESCO Chair in Higher Education for Mauritius. He had been a Visiting Professor at the Jeju National University, S. Korea and the University of Virginia, U.S.A. Mr. P. Saddul is also a Fellow of the Royal Geographical Society of Great Britain (F.R.G.S).

2. Somduth Nemchand  
Ex-Officio Member  
Mr. Somduth Nemchand holds a Brevet International d’Administration Publique de l’Ecole Nationale d’Administration, ENA, France. He has extensive experience in the public sector and is presently the Acting Permanent Secretary in the Ministry of Energy & Public Utilities.

3. Visvanaden Soondram  
Ex-Officio Member  
Fellow of the Association of Chartered Certified Accountants (UK) and holder of a MSc in Finance. Mr. V. Soondram is presently Lead Analyst at the Ministry of Finance & Economic Development and has a vast experience in the Public Sector (including Financial Management Audit).

4. Manodaren Naidoo  
Ex-Officio Member  
Mr. Manodaren Naidoo Soobrayan is currently the Assistant Director at the Ministry of Labour & Industrial Relations.
Yousouf Ismaïl  
Appointed Member
Dr Ismaïl holds a BSc. (Hons) in Agriculture, MSc. Development Economics & Planning, PhD Economics and a Post-Doctoral from the University of Reading, UK. He is presently the Head of Business Development & Marketing at St Aubin Group. He has over 14 years' experience in Project Management in Asia, Africa and UK.

Daniel Marion  
Appointed Member
Mr Marion has a vast experience in the academic field. He is holder of a 'Licence en Lettres Modernes', a 'Maîtrise en Lettres' and a PGCE. He was the former Rector of John Kennedy College and has sat on several Boards.

In attendance:
Dev Anand Aukle  
Acting General Manager
Ramakrishna Neelayya  
Administrative Secretary
BOARD COMMITTEES

The Board has set up a structure of Board Committees to efficiently advance the business of the board and to better carry out its stewardship and fiduciary responsibilities. Each Board Committee operates under defined Terms of Reference whereby detailed attention is given to specific issues pertaining to finance and procurement, human resources, projects, audit and risk management and corporate governance. The Board Committees are advisory in nature and all deliberations are submitted to the Board for approval.

During the year under review, the following Board Committees have been established by the CWB to examine in-depth specific matters:

- Finance Committee
- Staff Committee and Staff Selection Committee
- Audit & Risk Committee
- Project Monitoring Committee
- Corporate Governance Committee

FINANCE COMMITTEE

<table>
<thead>
<tr>
<th>Terms of Reference</th>
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<tbody>
<tr>
<td>To review the Authority’s financial policies, strategies and take such actions and make such reports and recommendations to the Board as it deems advisable;</td>
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<tr>
<td>To examine Bid Evaluation Reports prepared by Management in respects of bids whose value exceeds Rs 5 million and make recommendations to the Board for award;</td>
</tr>
<tr>
<td>To recommend for approval to the Board expenditures exceeding the financial authority of the General Manager;</td>
</tr>
<tr>
<td>To examine the Authority’s Budgets, Cash Flow Statements, Management Accounts and Financial Statements and to make recommendations to the Board;</td>
</tr>
<tr>
<td>To execute such other functions as may be referred to it from time to time by the Board.</td>
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During the year 2014, the Finance Committee met on 17 occasions and was constituted as hereunder:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Mr. S. Nemchand</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Mr. V. Soondram</td>
<td>Member</td>
</tr>
<tr>
<td>Dr. Y. Ismaël</td>
<td>Member</td>
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The General Manager, the Chairperson of the Procurement Committee and the Deputy General Manager (Technical) were in attendance in the Finance Committee.
STAFF COMMITTEE & STAFF SELECTION COMMITTEE

The Staff Committee considers and makes recommendations to the Board on matters relating to, inter-alia:
- Human Resource Strategies;
- Selection and Appointment;
- Remuneration and Performance Management;
- Training and Development;
- Industrial Relations.

During the period under review, the Staff Committee met on 13 occasions. Composition of the Staff Committee was as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Mr. S. Nemchand</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Mr. M. Soobrayen</td>
<td>Member</td>
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<tr>
<td>Mr. D. Marion</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. D. Aukle</td>
<td>Member</td>
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<tr>
<td>Mr. H. Joseph</td>
<td>Member</td>
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The Staff Selection Committee (a sub-committee of the Staff Committee) conducts interviews and makes recommendations for recruitment to the Staff Committee. During the period under review, the Staff Selection Committee met on 30 occasions.

<table>
<thead>
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<th>Name</th>
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<tbody>
<tr>
<td>Mr. D. Marion</td>
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<td>Mr. S. Nemchand</td>
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<td>Mr. H. Joseph</td>
<td>Member</td>
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AUDIT & RISK COMMITTEE

The Audit & Risk Committee gives the Board a means to monitor an effective internal control system. In addition it reinforces both the internal control system and the internal audit function.

The Audit & Risk Committee's main responsibilities include:

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<th>Terms of Reference</th>
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<tr>
<td>Reviewing the financial reporting process to ensure the balance, transparency and</td>
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<td>integrity of published financial information;</td>
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<tr>
<td>Monitoring the effectiveness of the system of internal financial control, accounting</td>
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<tr>
<td>practices and internal audit;</td>
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<tr>
<td>Examination and review of the annual financial statements;</td>
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<tr>
<td>Examination of accounting and auditing concerns identified by internal and external</td>
</tr>
<tr>
<td>audit.</td>
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