



Nairobi City Water & Sewerage Company Limited

Milestones and Challenges

Contents

1. History
2. Water Act 2002
3. Company's
Organization
4. Strategic Plan
5. Achievements to
Date
6. Challenges
7. Way Forward
8. Informal
Settlements

Water and Sewerage Department (WSD) of NCC



Prior to the formation of NCWSC, WSD was in charge of providing WSS to Nairobians. However, WSD not effective and efficient due to:

- Weak and unsustainable management systems.
- Political interferences.
- Water revenue was barely ploughed back for the improvement and development of the water and sewerage infrastructure and consequently, the service virtually collapsed.
- Once the revenue entered the City Treasurer's account there were other priorities and water did not appear to be one of them (**Water Revenue not RING FENCED and there was no Autonomy**).

Water and Sewerage Department...

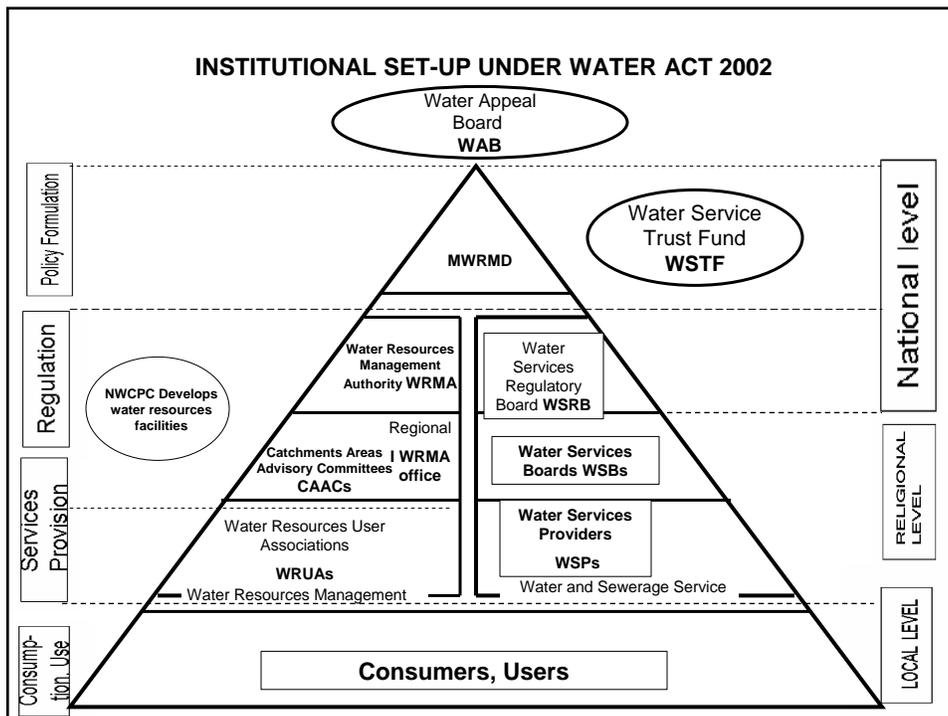
- Obsolete and unreliable billing system resulting into incomplete and unreliable customer databases.
- Lack of adequate qualified personnel.
- Lack of managerial and financial autonomy of Water and Sewerage Department.
- Poor customer confidence resulting to low revenue collection.

NB

This was the situation in all the local authorities all over the Country, not just at NCC.

The Water Act 2002

- The Water Act 2002 was enacted in October 2002 to provide a framework to address the problems associated with the management of water resources and provision of Water and Sewerage services in Kenya.
- In the institutional framework, the Water Act provides for the formation of Water Service Providers (WSP), like NCWSC, with the responsibility of providing water and sewerage services at the local level.



The Nairobi City Water And Sewerage Company Limited (NCWSC)

- Incorporated on 2 December 2003 under the Companies Act, CAP 486 of the laws of Kenya.
- Incorporated as a Private Company limited by shares to give it autonomy and enable it operate commercially.
- Its fully owned by Nairobi City Council (NCC).
- Board of Directors was appointed in March 2004.
- Financial autonomy achieved on 17 May 2004 when the Company opened its own bank accounts - **Independence**.
- New Top Management of 6 reported on 16 August 2004.
- Company was officially launched on 19 August 2004.
- Inherited 2,300 staff from NCC (WSD).
- Recruited 30 other from Market to identified skills gaps.



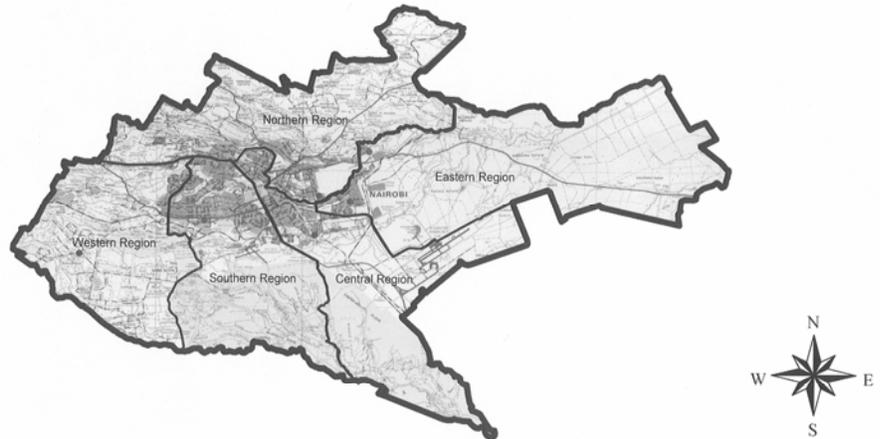
The Board of Directors



The Board (12) is made up of key Stakeholders:

- A. The Shareholders – 5 Positions**
- B. The Civil Society – 3 Positions**
- C. The Private Sector -3 Positions**
- D. Executives – 1 Position (MD)**

NAIROBI WATER COMPANY - REGIONAL CENTERS BOUNDARIES



Graphics By P.I. Kariuki (IT)

Strategic Plan

- 3 years Transition Business Plan (2004-07) in place.
- **Company Vision:** To be the leading provider of reliable quality water and sewerage services in the region.
- **Company Mission:** The Nairobi City Water and Sewerage Company has the primary responsibility to provide **affordable** water and sewerage services through **efficient, effective, and sustainable** utilization of the available resources in an **environmentally friendly manner**, and **meet and exceed the expectations** of its consumers and other stakeholders.

Shared values

- Integrity,
- Customer service/focus,
- Creativity and innovation,
- Teamwork,
- Communication,
- Diversity,
- Work life balance, and
- Recognition and empowerment.

The Key Priority Areas

- Enhanced customer satisfaction,
- Efficient management of resources,
- Improve access of water to informal settlements,
- Technical efficiency,
- Organization structure and culture, and
- Enabling institutional and legal framework.

Achievements

To

Date

Technical Area



- Through rehabilitation works at the treatment works and the transmissions mains water supply to the City has increased by 60,000m³/day.
- Reduction of Unaccounted for Water (UFW=NRW) from an estimate of 55% to an estimate of 40%
- Response time in attending to water leaks and sewer overflows reduced to an average of 48 hours on normal leaks and blockages.

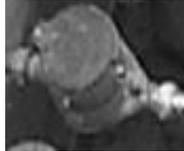
Technical ...

- The company has taken the following measures to ensure quality water:
 - Sustained consistent supply of water treatment chemicals to ensure continuous treatment of water.
 - Daily monitoring of water in the distribution network.
 - Continued research and development on water treatment technologies and materials.
- In line with environmental management upkeep, a number of sewer rehabilitation extension and works have been undertaken

Technical ..

- Installation of bulk meters in various production stations is complete and has enabled determination of the water volumes being released into City.
- Projects that had stalled in the past have been revived.
- In compliance to services to the poor, the Company has embarked in water supply to Mukuru Kwa Njenga and Maili Saba informal settlements; Kibera in the pipeline.
- Acquired heavy operational equipment and vehicles for field operations – WB Support.

Commercial Area



- Successful migration of Customer Data/Billing from NCC to the Company H/Q.
- Cleared billing backlog of over six months.
- Carried out billing queries awareness campaign-"Bill Bila Balaa" for 5 weeks; over 90,000 queries resolved – **Global Award Winner.**
- Procured and installed over 35,000 meters
- Modern billing and customer management software under implementation – World Bank support.

Commercial...

- Introduced agency collection with 3 banks to increase pay points for customers.
- Opened 4 modern Business Centers with customer care desks within the Regions to take services nearer the customer.
- Acquired vehicles & motor cycles to facilitate meter reading and other field activities - World Bank support.
- Development of draft customer charter that is currently under review.
- Sustainable revenue collection growth from below Kshs. 100m to an average of Kshs. 200m/m.

Finance Area

- Inherited debts (Kshs. 3b) paid up to Kshs. 800m.
- Paid inherited salary arrears and ensured prompt payment of monthly remuneration to staff & statutory payroll recoveries are remitted promptly and in full.
- Restoration of telecommunication services and regularization of electricity and postal services.



Finance...

- Installed a Wide Area Network for Headquarters and Regional Business Centers.
- Enabled a stable and steady flow of materials for operations as a result of improved Procurement and Stores practices.
- A modern financial management system is being implemented through the support of the World Bank.

Human Resources & Administration

- Offices renovation and rehabilitation.
- Trained different levels of staff on various topics of change management, operations, financial management, internal audit, health, customer service, management skills, IT skills and peak performance.



Human Resource & Admin...

- Restructuring process is complete. Responsive organizational, grading and salary structures which are in line with the private sector setting have been implemented. Placements complete.
- A modern HR management and payroll Software is being implemented with the support of the World Bank.

Legal



- All staff have signed the Code of Conduct whose aim is to enhance integrity and improved service delivery.
- All Management staff have signed performance contracts with specific targets.
- Code of Ethics for the Board of Directors has been signed by all the twelve Directors.
- Six Board Committees chaired by Non-Executive Directors are in place and working including Audit & Governance Committee.
- All Board Members and Functional Directors have undergone a one week course on the Principles of Good Corporate Governance.

Challenges

- Control of Unaccounted For Water (UFW=NRW).
- Inefficiencies in old and dilapidated distribution network.
- Water & Sewer rehabilitation and expansion demands.
- Frequent breakdowns of operating old equipment and machinery. Most of them if not all require replacement.
- Collection of long outstanding Government debt - Old billing and customer care management systems have inherent functional problems that hamper efficiency in operations. Now being replaced.
- Manual operational processes.
- Settling of huge inherited liabilities - Kshs 3 billion.

Challenges...

- Way leaves (water and sewer) obstructions & encroachments - structures built on top of water & sewer lines.
- Illegal water and sewerage connections.
- Abuse of sewerage - farming, construction, cleaning with waste water, etc.
- New financial demands from the riparian communities.
- Extra water demand from the surrounding environs e.g. EPZ, Kiambu, Ruiru, communities along mains, etc.

Spaghetti Water Pipes – Mukuru Kayaba



Abuse of Sewerage



Challenges...

- Revival of old civil litigations against NCC's Water and Sewerage Department since the formation of the Company
- Staff over-establishment of over 500 employees.
- Political interferences.
- Massive Rural - Urban migration.
- Massive unplanned developments.

Way Forward



- Intensified leak repairs.
- Update of base maps and distribution network modeling.
- Adoption of the newly developed Customer Service Charter.
- Interlinking billing process in the regions to enhance service delivery.
- Complete implementation of a state of the art billing and customer management, financial management and HR and Admin payroll Systems.

Forward...

- Replacement of old meters –over 10 years - > 100,000.
- Aggressive metering of all un-metered customers.
- Continued implementation of change management programmes.
- Reduction of staff to acceptable levels.
- Work with the Provincial Administration and NCC to minimize illegal connections.
- Build more partnerships with donor and the civil society in providing water to the informal settlements.

Forward...

- Design of the World Follow-on Project.
- Implementation of the proposed AFD Projects.
- Preparation of the 2nd Business Plan
- ISO 9000 Certification by 2008
- ISO 14000 Certification by 2010

Informal Settlements

Past and ongoing interventions

- 3 informal settlements have been identified where water supply improvement is being carried out.
- Mukuru - Kshs. 35m has been used in extension of water network and construction of 69 meter chambers in 15 villages.
- Over 1,000 paying water kiosks/accounts opened.
- Serving over 100,000 people.
- Weekly joint meter reading and billing.

Water Meters Chamber – Mukuru Kayaba



Informal Settlements...

Completion of the project has led to:

- Supply of sustainable and affordable quality water.
- Reduction in leakages and wastage.
- Reduction of access distance of each household within the settlement.
- Reduction of unit price of water for the residents through fair competition.
- Enhanced revenue for the Company.

Informal Settlements...

Other ongoing activities include:

- Maili Saba, where 7km of pipes have been laid. Residents connecting from this pipeline.
- Kibera, where works are underway for distribution system improvement at Laini Saba, Siranga and Lindi villages.
- Kiambiu where works are expected to commence soon.
- Other stakeholders have also joined hands with the company to provide services to low income areas.
- Rotary Club of Langata has donated \$300,000 to construct 10 number ablution blocks and a community kitchen in Siranga, Kibera.
- Maji na Ufanisi on toilet blocks and water kiosks in Kibera and Kiambiu.

Thank You!

Asante Sana!

F. K. Mugo 06.12.2006