



**MARSABIT WATER AND SEWARAGE COMPANY LTD**

# **Business Plan**

## **2018- 2022**



**June, 2017**

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## List of Acronyms

<b>NWSS</b>	-	National Water Services Strategy
<b>MARWASCO</b>	-	The Nanyuki Water and Sewerage Company
<b>SPA</b>	-	Service Provision Agreement
<b>NWSB</b>	-	Northern Water Services Board
<b>CEO</b>	-	Chief Executive Officer
<b>TM</b>	-	Technical Manager
<b>CM</b>	-	Commercial Manager
<b>COK</b>	-	Constitution of Kenya
<b>GoK</b>	-	Government of Kenya
<b>WSPs</b>	-	Water Service Providers
<b>PESTEL</b>	-	Political, Economic, Social, Technological, Environmental and Legal
<b>SPA</b>	-	Service Provision Agreement

## Executive Summary

To align the Water Sector with CoK (2010), The Water Act 2002 was repealed and the government and stakeholders have prepared a new law, Water Act 2016 which harmonizes the sector with COK (2010). The commencement date for the new Water Act 2016 was 21st April 2017 as per the Legal Notice no. 59 of 4th April 2017.

As the country moves to the new Constitutional Dispensation, the water sector actors and stakeholders have developed a Water Sector Transition Plan to guide transition into the new dispensation and specifically to maintain momentum of reforms following the repealed Act 2002 without any compromises on quality of services; to create strong institutions including those at the County Level to safeguard and upgrade gains of reforms.

The implication of the proposed set-up is that the Water Services Boards as currently constituted shall have no role in water service provision as their role will be taken over by the county government.

Under the proposed institutional framework, water services shall be provided by or on the basis of an agreement with water services providers (WSPs) established by county governments. However, in the establishment of WSPs, the county government shall comply with standards of commercial viability set by the Regulatory Board for various categories of water service providers. WSPs shall be a body corporate with power in and by its name to sue and be sued and to do all things as may lawfully be done by a body corporate in furtherance of its objects.

Under this proposed institutional arrangement, besides provision of water supply and sanitation services, WSPs will be responsible for developing county assets for water supply and sanitation services; and receive handed over national assets for water supply and sanitation services developed by Water Works Development Boards.

MARWASCO is a water service provider, fully formed and owned by the County Government of Marsabit to undertake water supply and sewerage services in the county. MARWASCO is starting its operations, and taking over O&M and management of water supply facilities from the Sub-County Water Officers.

The MRWASCO's primary water source will mainly be boreholes, water dams and protected springs. The current sources are not capable of supplying 12,420m<sup>3</sup>/day. To close the gap between the projected water demand and available water from available sources, the existing facilities need to be rehabilitated, while new sources need to be developed.

MARWASCO's three strategic objectives as espoused in its 2018-2022 Strategic Plan are: (1) Increased access to safe water supply and safe sanitation (2) Efficient and enhanced water supply and sewerage service delivery (3) Strengthened institution & developed capacity for MARWASCO and partners. Strengthened institution & developed capacity is very important for MARWASCO, for the achievement of its mandate will be dependent upon its human capital, well developed management systems and supportive BOD. Additionally, MARWASCO need to be supported financially at its initial stages. Support, should generally come from the central government, county government and the development partners.

MARWASCO should put in place the following strategies: (a) revenue improvement strategies (b) Pro-poor strategies based on Kenya Pro-poor policies for WSS towards achievement of the MDGs.

Finally, based on the key financial assumptions, MARWASCO is projected to generate surpluses from year one and will have accumulated income of Kshs. 256 million and cash flow of Kshs. 243 million by the end of the financial plan period.

## 1.0 INTRODUCTION

### 1.1 Company Description

MARWASCO is a water service provider, fully formed and owned by the County Government of Marsabit to undertake water supply and sewerage services in the county. MARWASCO is starting its operations, and taking over O&M and management of water supply facilities from the Sub-County Water Officers

### 1.2 Vision, Mission and Core Values

#### *Vision Statement*

The Vision statement for MARWASCO is:

*“A leading provider of water and sewerage services in Northern Kenya”*

#### *Mission Statement*

Mission statement for MARWASCO is:

*“To enhance access to quality, reliable, adequate and affordable water and sewerage services in efficient and sustainable ways in Marsabit County”*

#### *Core Values*

Core values for MARWASCO are based on basic beliefs and practices about water and sanitation services within the scope of human livelihoods. These core values essentially shape the corporate culture for the MARWASCO. The core values are:

- ***Transparency and accountability:*** At all times, MARWASCO will uphold integrity in all its work. It shall demonstrate accountability and engage the consumers, shareholders, stakeholders and development partners.
- ***Customer Focus:*** At all times, we at MARWASCO will offer quality services to all our customers (internal and external) and we will strive to be responsive in dignified ways to the changes and the needs of the consumers, shareholders, stakeholders and development partners.
- ***Respect for diversity:*** We at MARWASCO will be sensitive to diversity and will at all times seek to harness the strength derived from it.
- ***Efficient (effectiveness):*** We at MARWASCO are committed to ensure efficiencies in service deliveries, sustainable utilization of available resources for the benefit of the present and future generations.
- ***Integrity, Professionalism and Innovativeness.*** We at MARWASCO are committed uphold integrity and professionalism in all our activities, and to embrace innovative approaches enhance quality and sustainability of service delivery to our customers and stakeholders.

### 1.3 Core Business

MARWASCOs core business is the provision of water and sewerage services to the residents of urban and rural areas of Marsabit County. The current demand for water in the area stands at approximately 173,272 m<sup>3</sup> per day out of which 166,060m<sup>3</sup>/day is livestock daily water demand.

The company's primary water source will be mainly boreholes, water dams and protected springs. These water facilities will require rehabilitation/upgrading/expanding in order to meet the above water demand. The current production capacity is 1240m<sup>3</sup> per day, which far below the water demand.

### 1.4 Customer Value Proposition

MARWASCO customer values propositions should include:

- Access - Ensuring water and sanitation services are easily accessible through minimal effort by the customers.
- Reliability - MARWASCO will endeavour to provide dependable and Consistent water and sanitation services in line with their commitment to excellence and timely service delivery.
- Affordability - Providing services that are within reasonable reach of consumer incomes. MARWASCO will endeavour to enhance and provide its Clients/Customers value for their money through:
  - Reduced turnaround times in service delivery
  - Effective and efficient service delivery processes
  - Advice and support given to our customers to realize their objectives
  - Excellent customer service that will delight our customers / clients
  - Use of existing well established best practices through adoption of relevant systems and processes.
- Safe Drinking Water – MARWASCO will endeavour to provide water of desirable quality that meets local and international quality standards.
- Customer orientation - MARWASCO will endeavour to listen and respond to Consumer needs appropriately.

### 1.5 Business Environment

Marsabit County is located in the extreme part of northern Kenya and has a total area of 70,961.2 sq. km. It has an international boundary with Ethiopia to the north, borders Lake Turkana to the west, Samburu County to the south and Wajir and Isiolo counties to the east. It lies between latitude 02° 45° North and 04° 27° North and longitude 37° 57° East and 39° 21° East.

Marsabit capital, the seat of the County Government is Marsabit town, situated on the Nairobi-Addis Ababa highway. It borders the Marsabit National Park and is situated 270Kms north of Isiolo town, with most trading and urban centers within the county ranging from 60Kms to over 300Kms from Marsabit town. It sits at an altitude of 1,500m above sea level. According to the 2009 Kenya Population and Housing Census the population was 291,166 with a population density of 4 people per Km<sup>2</sup> and an annual growth rate of 2.8%.



Major economic activities are livestock rearing and cross border trade. Marsabit is a popular trading point between Kenya and Ethiopia facilitating supply and movement of goods and services through Moyale town. Crops cultivated are maize, beans, wheat, pulses, fruits and miraa. Other economic activities are trade in livestock, sand harvesting, mining of stone, salt and gems and precious stones and small scale trading.

## **1.6 Regulatory Environment**

### **1.6.1 National Policy and Constitutional Order**

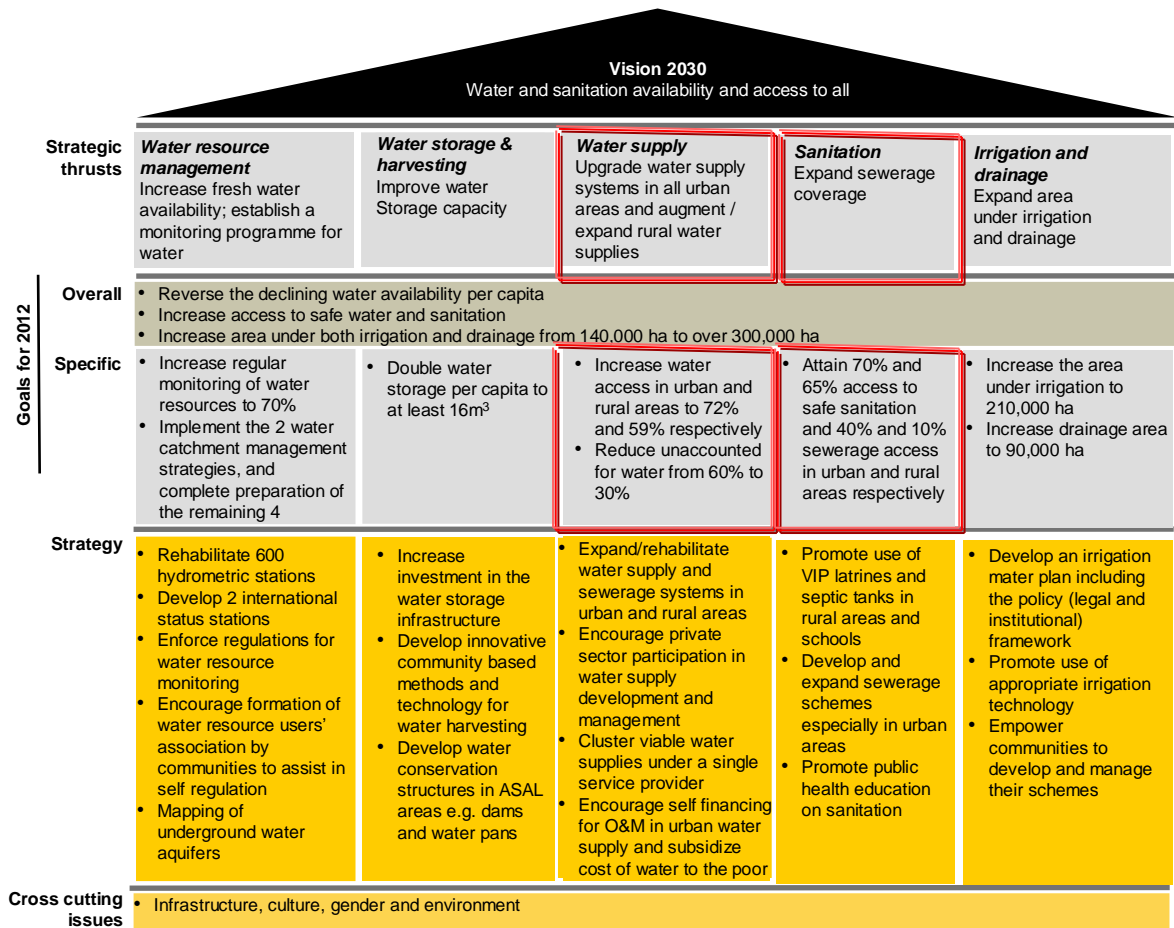
#### ***National Context – Vision 2030***

Kenya’s development process is currently being guided by the “Kenya vision 2030” which is the Country’s new development blueprint covering the period 2008 to 2030. The blueprint aims at transforming the Country into a newly industrializing, “middle-income Country providing high quality life to its entire Citizen’s by 2030.

The vision is based on three “pillars”: the economic, social and political. The economic pillar aims to improve the prosperity of all Kenyans through an economic development program, covering all regions of Kenya, and aiming to achieve an average GDP growth rate of 10% per annum beginning 2012. The social pillar seeks to build a just, cohesive society with social equity in a clean and secure environment. The political pillar aims to realize a democratic political system founded on issue-based politics that respects the rule of law and protects the rights and freedoms of every individual in Kenya.

Vision 2030 presentation for water sector goals, strategies and targets are as shown in figure 1.1 below.

**Figure 1: Vision 2030, Water and Sanitation Goals with Targets**



Vision 2030 initiatives that are more relevant to MARWASCO mandate

**1.6.2 Water Services and Constitution of Kenya (COK) 2010**

The new institutional framework for the sector under the COK 2010 is being guided and informed by the following provisions of the constitution:

- i) Article 62 of the new constitution which provides for the water resource (“water catchment areas”, “all rivers, lakes and other water bodies as defined by an Act of Parliament”) to be vested in and be held by national government in trust for the people of Kenya and be administered on their behalf by the National Land Commission.
- ii) Articles 43 which entrenches water as a constitutional right by establishing a right to “reasonable standards of sanitation” and “clean and safe water in adequate quantities” and Article 21 which places an obligation on the government to take steps to progressively realize this right.
- iii) Articles 6, 174, 175 and 176 which creates a system of devolved government with a two-tier system of government comprising of the national and county government. Pursuant to this, the functions of the sector are allocated between the two tiers of government. The responsibility to manage water resources is retained by national government, but the responsibility to provide water supply and sanitation services is allocated to county government. The function of ‘public

investment' is allocated to national government but, at the same time, county government has the responsibility for 'public works'.

- iv) Articles 202 and 203 which provide for equitable sharing of the National revenue raised from national and county governments, and which requires that not less than 15% of national revenue shall be allocated to county governments. Additional conditional and unconditional allocations may be made.
- v) Article (204) which provides for reduction of inequality in service provision through establishment of an equalization fund into which 0.5% of national revenue shall be paid. The fund shall only be used to provide basic services including water, roads, health facilities and electricity to marginalized areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed in the rest of the nation, so far as possible'.

## **1.7 Water Sector Context**

### **1.7.1 National Water Resources Strategy**

The overall goal of the National Water Resources Management Strategy is the provision of portable water for human consumption and water for productive use. The fundamental objectives for managing Kenya's water resources are to achieve equitable access to water resources and their sustainable and efficient use. Some of the objectives to be achieved include:

- i) Creating mechanisms for catchments conservation and management and enhancing the availability of water resources of suitable quality and quantity where and when needed.
- ii) Improving water resources assessment for accurate figures by providing accurate data on water use and demand for both surface and ground water.
- iii) Private sector financing.
- iv) Provide guidelines and incentives for rainwater harvesting.
- v) Disaster management.
- vi) To promote integration of sector and regional water policies.
- vii) To promote harmonisation and integration of trans-boundary water resource use.

### **1.7.2 National Water Services Strategy**

Section 64 of the Water Act, 2016<sup>1</sup> provides for adoption of National Water Services Strategy (NWSS). The object of the Water Strategy shall be to provide the Government's plans and programs for the progressive realization of the right of every person in Kenya to water. The Cabinet Secretary shall in consultation with county governments, provide a national water sector investment and financing plan aggregated from the county government plans which shall include, among other details, the time frames for the plans and an investment programme based on the investment plans. The progressive goals of the Medium Term Plan II (2013-2017), NWSS (2015.) and Vision 2030 and are as shown in table 1.1 below:

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<sup>1</sup> Commencement date for Water Act 2016 is on 21<sup>st</sup> April 2017 as per Legal Notice no. 59 dated 4<sup>th</sup> April 2017

**Table 1.1: Water Services Targets<sup>2</sup> MTP II, NWSS (2015) and Vision 2030**

Target	MTP 2017	NWSS 2015	Vision 2030
Areas with sustainable access to safe water			
- Urban <sup>3</sup>	72%	80%	100%
- Rural <sup>4</sup>	59%	75%	100%
Average return time to nearest public/ communal outlet - urban	2hrs	30 minutes	Instant access
Distance to the nearest public/communal outlet – rural	3kms	2kms	Instant access
Unaccounted for water (economical and technical losses)	<30%	30%	25%
Access to safe waterborne sewage services <sup>5</sup>			
- Urban	40%	40%	100%
- Rural	10%	10%	100%
Access to basic sanitation <sup>6</sup>			
- Urban	70%	77.5%	100%
- Rural	65%	72.5%	100%

Source: MTP II (2013-2017), NWSS Strategy Report (2015), and Vision 2030

### 1.7.3 Sustainable Development Goals and Pro Poor Implementation Plan

During the 70<sup>th</sup> United Nation General Assembly (UNGA) Summit held in 2015, the United Nations (UN) Member States adopted the 2030 Agenda for Sustainable Development, which includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030. This marked a transition from the Millennium Development Goals (MDGs). The SDGs will guide global socio-economic development for the next 15 years.

Water and sanitation is captured in SDG no. 6 and targets are shown in **the box below**.

<sup>2</sup> **Note:** MTP III (2017-2022) and National Water Services Strategy beyond 2015 are being prepared

<sup>3</sup> Comply with the Kenya standards such as drinking water quality (formal service provision).

<sup>4</sup> Comply with the Kenya standards such as drinking water quality (formal service provision).

<sup>5</sup> Effluent discharge shall meet the relevant Kenyan standards including Environmental Management and Coordination Act.

<sup>6</sup> In collaboration with the other concerned ministries, particularly the MoH (lead for sanitation).

### Targets for SDG no. 6

**Ensure availability & sustainable management of water and sanitation for all** with targets to:

- (i) Achieve universal and equitable access to safe and affordable drinking water for all;
- (ii) Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations;
- (iii) Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally;
- (iv) Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity Implement integrated water resources management at all levels, including through trans-boundary cooperation as appropriate;
- (v) Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes;
- (vi) Expand international cooperation and capacity-building support to developing countries in water- and sanitation related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies; and
- (vii) Support and strengthen the participation of local communities in improving water and sanitation management

*Source: A Performance Review of Kenya's Water Services Sector 2014-15, Impact Report no. 9/2016 (WASREB)*

To ensure sustainable access to safe water and basic sanitation (and meet the Sustainable Development Goal 6 targets (SDG)) based on the human rights criteria, the Pro Poor Implementation Plan for the Water Sector in Kenya targets to reach 1 million people annually in water supply in rural and urban areas, with sanitation reaching 0.8 million people per year in rural areas and 0.9 million people in urban areas.

## 1.8 Aligning Water Sector with COK (2010)

### *Water Sector Policies and Legislation*

To align the Water Sector with CoK (2010), the government in consultation with stakeholders has developed the following Draft<sup>7</sup> Policies: **National Irrigation Policy, National Land Reclamation Policy and National Water Policy.**

The Water Act 2002 was repealed and the government and stakeholders have prepared a new law Water Act 2016 now harmonizes the sector with COK (2010). The commencement date for the new Water Act 2016 is 21<sup>st</sup> April 2017 as per the Legal Notice no. 59 of 4<sup>th</sup> April 2017.

As the country moves to the new Constitutional Dispensation, the water sector actors and stakeholders have developed a **Draft<sup>8</sup> Water Sector Transition Plan** to guide transition into the new dispensation and specifically to maintain momentum of reforms following the repealed Act 2002 without any compromises on quality of services; to create **strong institutions** including those at the County Level to **safeguard and upgrade gains** of reforms.

<sup>7</sup> The Draft Policies are in process of finalization

<sup>8</sup> To be finalized now that commencement date for the Water Act 2016 has been placed on gazette notice to be 21<sup>st</sup> April 2017

### *Changes in Institutional and Legal Framework*

In summary, the legal and policy changes, implication is that the Water Services Boards as currently constituted shall have no role in water service provision as their role will be taken over by the county government. The most likely scenario is that they will be transformed into **Water Works Development Agents**.

Under the proposed institutional framework, water services shall be provided by or on the basis of an agreement with water services providers (WSPs) established by county governments. However, in the establishment of WSPs, the county government shall comply with standards of commercial viability set by the Regulatory Board for various categories of water service providers. WSPs shall be a body corporate with power in and by its name to sue and be sued and to do all things as may lawfully be done by a body corporate in furtherance of its objects.

Under this proposed institutional arrangement, besides provision of water supply and sanitation services, WSPs will be responsible for developing county assets for water supply and sanitation services; and receive handed over national assets for water supply and sanitation services developed by Water Works Development Boards.

## **1.9 Challenges of the Water Sector in Kenya**

Stakeholders in the water sector are gearing to overcome the following challenges:  
*Sector Coordination, Sector Policy, Governance and Finance*

**Sector Coordination:** Inadequate buy-in contributing to low involvement and participation of the key stakeholders; weak coordination and collaboration framework; weak monitoring and reporting framework; credible data and information gaps.

**Sector Reforms:** delays on approval and adoption of sector policies and bills; inadequate levels of sensitization and mobilization of stakeholders which contributes to low involvement and participation on reform agenda.

**Sector Funding:** Inadequate funds and delayed disbursement; sector financial reporting which is unable to capture all investments by various sector institutions; lack of viability and reduced sustainability of water services delivery.

**Good Governance:** Lack of equity, cases of lack of transparency and accountability; low concern and neglect over public assets; low integrity issues; undue external influence and vested interests against public good.

**Gender Mainstreaming:** Negative attitudes and perceptions, lack of commitments and support for gender mainstreaming; inadequate budgets and efforts to support gender mainstreaming activities in programmes/projects.

**Emergency and Disaster Preparedness:** Weak coordination and accountability by member agencies; insufficient funding; delays in response time.

### ***Integrated Water Resource Management for Sustainable Development***

Key challenges include lack of sufficiently skilled and committed staff to support IWRM strategies and activities; low of enforcements of regulations; water resource use conflicts; overlapping

mandates and disharmonies for governance institutions involved in water resource use and management.

### ***Water and Sanitation for Social Development***

Some of the challenges include coping with increasing water stress both in terms of quality and quantity; high unaccounted for water, which is on average stands at 45%; data and information gaps; gaps in integration and updating sector information system; credibility issues for available data and information; enormous efforts and resources required to bring all water services providers under regulatory framework; low investment in sewerage facilities and services; generally low private sector involvement and participation in infrastructure development and delivery of water services.

### ***Capacity Building and Communication***

Challenges include weak water services organizations; lack of adequate skills and capacity; fragmented data and information on existing capacity and skills in water services; insufficient funding for and budget cuts on capacity building activities; lack of coherent sector communication strategies and activities.

## **2.0 CURRENT STATUS**

### **2.1 Current Status of Water Services Provider Capacity**

#### ***Financial Performance***

MARWASCO is a newly formed WSP. MARWASCO should set goals and strategies that will help the WSP to attain financial and creditworthy which is the capacity of an organization to meet its operation and maintenance expenses and ability to service any debt obligations. Financial and creditworthy is a reflection of efficiencies of revenue collections, ability to meet O&M costs and future expansion plans that are within the mandate of MARWASCO. In addition it gives indicative measures of management quality and capacity as well as maintenance quality and efficiency.

#### ***Water Supply Facilities***

As mentioned above, MARWASCO is a newly formed WSP and is expected take over operation of viable water facilities in the entire Marsabit County.

Table 2.1 below shows the inventory of water facilities by type of technology in Marsabit County, some of which will be taken over by MARWASCO.

**Table 2.1: Number<sup>9</sup> of Developed Water Points by Technology**

Sub County	Type of Technology					
	Shallow Wells	Boreholes	Pans	Rock-catchments	Buried Tanks	Springs
Laisamis & Loiyangalani	320	27	36	7	8	3
North Horr/Chalbi	50	15	9	3	33	3
Sololo/Moyale	250	26	48	3	35	0
Saku	30	5	20	1	60	1

### ***Sanitation Facilities***

There are presently no sewerage facilities in towns or urban centers in Marsabit County. There are no immediate plans to put sewerage facilities in any of the towns or urban centers in the Marsabit County.

### ***Operations & Maintenance***

As a minimum, MARWASCO should ensure O&M equipments are as per the requirement of the SPA. In addition MARWASCO has to ensure effectiveness in the O&M in order to maintain low NRW, efficiency in service delivery and ultimately satisfied customers.

### ***Human Resources***

MARWASCO has to acknowledge the importance role human capital plays in ensuring achievements of its stated objectives and in turn attainment of its goals and mission. To ensure its workforce remains motivated and focused and to attain high level of staff retention, the management should do the following during the plan period:

- Undertake training needs assessment of its staff
- Carry out employee sati
- Develop and implement HRM policies
- Implement a training program targeting:
  - Meter readers
  - Accountants
  - Sewerage technicians
  - Water operators
  - Record clerks
  - Quality controllers
  - Billing clerks
  - Customer care staff

Senior management should also undergo management courses covering various disciplines.

<sup>9</sup> Source Baseline Report (JICA 2012)



### ***Customer Care***

Customer satisfaction is key to achievement of strategic goals of any business organization. MARWASCO should not be any exceptional and therefore in order to address its customer needs, MARWASCO should put the following in place:

- Customer care desk
- Suggestions and complaints box
- Customer care officer
- Customer complaint register
- Dedicated telephone etc
- Adopt technology to improve on the process and procedures of handling customer complaints
- Introduce customers open day
- Carryout customer awareness creation
- Develop customer communication plan/strategy

### ***Legal***

On legal and other related issues, MARWASCO should strive to be compliant in respect of the following:

- Companies Cap 486-Annual audit
- Income Tax Act Cap 470-Tax Returns
- Labour Laws
- PAYE,NHIF,NSSF
- The Environmental Management and Coordination Act(1999)(EMCA)

The company is also required to meet its obligation in respect to the following:

- WASREB levy
- WRMA levy
- WSB/CG levy
- A valid SPA license

Generally, MARWASCO should strengthen its organization capacity in order to meet its mandate which is provided for by the County Government of Marsabit is a Water Services Provider (WSP) for the whole of Marsabit County and which is:

- To provide water supply (& sewerage services) in urban and market growth areas;
- To enhance good governance and performance of rural water supply facilities;
- To increase access to good quality water and sewerage/safe sanitation
- To promote hygiene and safe sanitation (in partnership with other actors and players)

## **2.2 Current Status of Water Services Area**

*Number of Connections (Metered & Unmetered; Households, Commercial & Industrial)*

The current connections are xxxx which are all metered. The connections per consumer segment are shown in the table below.

**Table 2.2: Current Connections**

Total Connections		
Metered	Household	
	Commercial	
	Industrial	
Unmetered	Household	
	Commercial	
	Industrial	

**Levels of Service**

The current service levels are as shown in the table below.

**Table 2.3: Current Service Levels**

Collection efficiency		
Non Revenue Water (NRW)		60%
Water quality	Drinking water quality	
	Compliance with residual chlorine test	
Hours of supply		
Cost Recovery (O & M)		
<i>Metering ratio</i>		
<i>Staffing (No. of staff</i>	Medium & Small companies (with less than 3 towns )	
<i>Water coverage</i>		50 % in rural areas 40% in urban areas
<i>Sanitation coverage</i>		0%

**Access to Water Supply and Sanitation**

On average, access to safe water within MARWASCO area of jurisdiction is estimated at 50 % in rural areas and 40% in urban compared with a NWSS (2015) target of 80% (Urban). However the target for Vision 2030 is 100% coverage.

There are presently no sewerage facilities in towns or urban centers in Marsabit County. However the Urban target is as follows: NWSS (2015)77.5%, MTP (2017), 70% and vision 2030 100%. The target for rural areas are: NWSS (2015) 65%, MTP (2017) 72.5% and Vision 2030 100%.

**Water Resources (Abstraction and Discharges)**

The main sources of water for Marsabit County are boreholes, shallow wells and pans.

Largely, the county is arid, with the exception of high potential areas around Mt. Marsabit, such as Kulal, Hurri Hills and the Moyale-Sololo escarpment. The county experiences extreme temperatures ranging from a minimum of 10.1 °C to a maximum of 30.2 °C, with an annual average of 20.1 °C. Rainfall ranges between 200mm and 1,000mm per annum and its duration, amount and reliability increases with increase in altitude towards Mt Marsabit

From the findings of a study<sup>10</sup> carried out in Feb 2013, 70% of the facilities are functional and in use, while 63% of point sources (excluding piped systems) were found improved. However, 66% of sources have contaminated water that is recommended for treatment before use for drinking purposes.

Besides quality issues, many of the facilities do not have sufficient water to satisfy demands and sources are seasonal – being adversely affected by drought. As part of coping mechanisms, water is ferried to affected communities using motorized trucks, usually supported by the government. More often and in the worst case scenarios affected communities migrate to areas closer to productive sources of water.

**2.3 Current Status of Water Services Infrastructure**

***Existing Capacity versus Water Demand***

The current sources of water are capable of supplying 12,420m<sup>3</sup>/day. However, due to drought in some months of the year, average production is declines below this amount. To close the gap between the projected water demand and available water supply from available sources, it is anticipated that xxxxxxxxxxxxxxxxxxxxxxxxxx. The Water demand for the supply area to meet Vision 2030 development objectives is presented in table 2.4 below.

**Table 2.4: Projected Water Demand**

Year		2018	2019	2020	2021	2022
Projected Population		287,345	288,494	289,648	290,807	291,970
Total Demand m <sup>3</sup> /day	Human	7,242	7,270	7,299	7,328	7,358
	Livestock	166,060	166,060	166,060	166,060	166,060
<b>Total</b>		<b>173,302</b>	<b>173,330</b>	<b>173,359</b>	<b>173,388</b>	<b>173,418</b>

**Water Facilities to taken over my MARWASCO**

MAWSCO will take over water facilities in both the urban and rural areas. Many of the facilities are not sustainable and this is attributed to among other issues expensive and inefficient technologies, lack of technical skills and inadequate operational efficiencies, poor governance and management practices, lack of accountabilities etc.

The facilities will require to be rehabilitated/upgraded and there will be need to expand the facilities to meet future water demand in the Marsabit County. Table 2.5 and 2.6 presents the

<sup>10</sup> Concern Worldwide (2013)

urban WSPs and rural water facilities respectively to be taken over by MARWASCO and the cost of rehabilitation/upgrade and expansion of the water facilities.

**Table 2.5: Urban WSP**

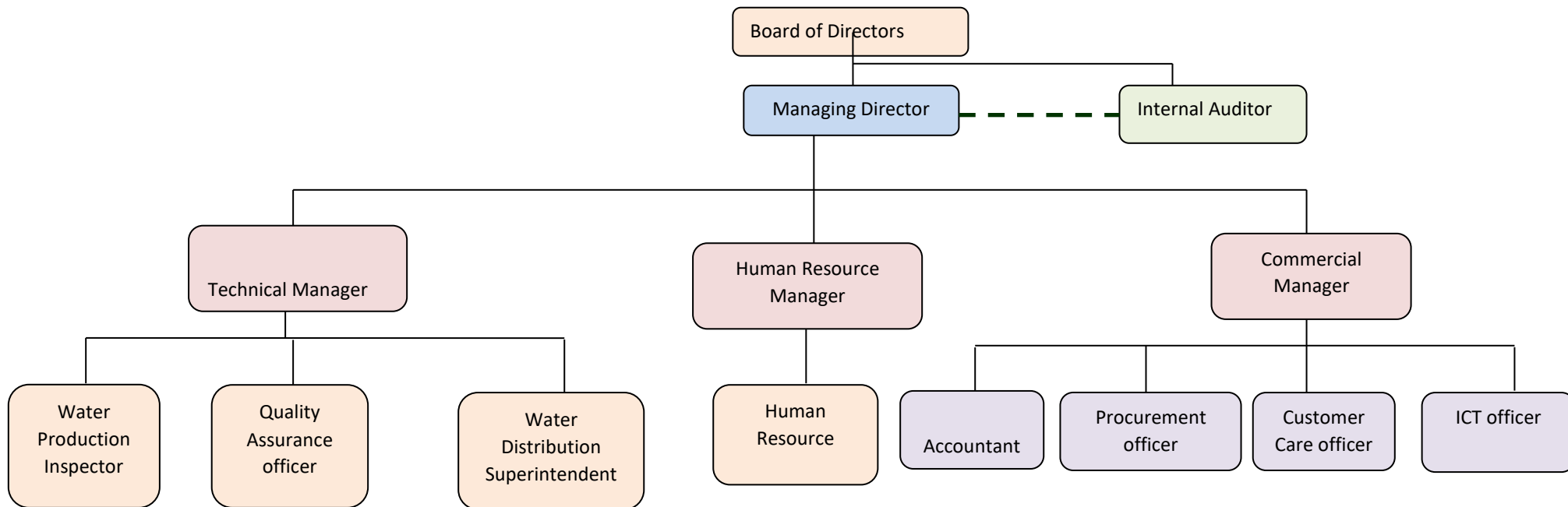
Name of Urban Water Facility	Proposed Investments	Cost Estimates (Kshs.)	Proposed Donor
Marsabit Town (water supply & sewerage)	<ul style="list-style-type: none"> <li>i) Completion of “Bakuli IV” springs and storage reservoir(s);</li> <li>ii) Renewable energy tech. booster/pump station;</li> <li>iii) New/upgrading transmission and distribution network;</li> <li>iv) Household connections &amp; installation of meters;</li> <li>v) 4 no. water kiosks;</li> <li>vi) Smart meters for communal water points/kiosks;</li> <li>vii) Increase property connections;</li> <li>viii) Water testing laboratory and facilities;</li> <li>ix) O&amp;M equipment, tools, etc</li> <li>x) Other related developments.</li> </ul>	2.0 Billion	GoK/AfDB
Moyale Town	<ul style="list-style-type: none"> <li>i) Rehabilitation of Heilu and Holale Dams/reservoirs;</li> <li>ii) Water treatment facilities,</li> <li>iii) Renewable energy tech. booster/pump station;</li> <li>iv) New/upgrading transmission and distribution network;</li> <li>v) Household connections &amp; installation of meters;</li> <li>vi) 4 no. water kiosks;</li> <li>vii) Smart meters for communal water points/kiosks;</li> <li>viii) Increase property connections;</li> <li>ix) Water testing laboratory and facilities;</li> <li>x) O&amp;M equipment, tools, etc</li> <li>xi) Other related developments.</li> </ul>	1.2 Billion	
Laisamis, Loiyangalani & Loglogo Cluster	<ul style="list-style-type: none"> <li>i) Survey and drilling of 4 boreholes;</li> <li>ii) 4 Pumping equipment (and renewable energy technology);</li> <li>iii) Transmission and distribution networks;</li> <li>iv) Elevated storage reservoirs 4x50m<sup>3</sup></li> <li>v) Ground reservoir 200 m<sup>3</sup></li> <li>vi) Increase water connections;</li> <li>vii) 4 water kiosks;</li> <li>viii) Smart water meters for water kiosks.</li> </ul>	60 million	
<b>Total Cost</b>		<b>Kshs. 3.206 Billions</b>	

**Table 2.6: Rural Water Facilities**

Name of rural Water Facility	Proposed Investments	Proposed Donor
<b>Bubisa</b> (North Horr S/C and Turbi Ward)	Drill new borehole	GoK/CGM/DPs
<b>Turbi</b> (North Horr S/C and North Horr Ward)	Replace pump sets with renewable energy tech (wind)	
<b>Dukana</b> (North Horr S/C and Dukana Ward)	New/upgrading transmission and distribution networks;	
<b>Bulesa.</b> (North Horr S/C and Dukana Ward)	Increase connections & installation of meters;	
<b>El Hadi</b> (North Horr S/C and Dukana Ward)	Water kiosks;	
<b>Marime</b> (North Horr S/C and Dukana Ward)	Smart meters for communal water points/kiosks;	
<b>Maikona</b> (North Horr S/C and Maikona Ward)	O&M equipment, tools, etc	
<b>Kalasha</b> (North Horr S/C and Maikona Ward)	Office/store facility;	
<b>Forole</b> (North Horr S/C and Maikona Ward)	GIS mapping of infrastructure and connections	
<b>North Horr</b> (North Horr S/C and North Horr Ward)	Installation of solar pumping systems;	
<b>Malabot</b> (North Horr S/C and North Horr Ward)	Elevated water tanks;	
<b>Sololo</b> (Moyale S/C, Ramata Ward)	Transmission and distribution network	
<b>Kubiqallo</b> (Saku S/C)	livestock troughs and ground storage tanks (50m <sup>3</sup> )	
	Upgrade/extend transmission and distribution network	
	Ground level storage tanks(100m <sup>3</sup> )	
	Rehab/Extension of transmission & distribution networks	
	Replace pump sets with renewable energy technology	
<b>Total Cost</b>	<b>Kshs 205 million</b>	

### 3.0 ORGANIZATION AND MANAGEMENT

#### 3.1 Proposed Organizational Structure for MARWASCO



### 3.2 Legal Status and Ownership

The company is registered under the companies Act chapter 486 of the laws of Kenya as limited liability company. The Marsabit County Government is the **major shareholder**. The Company require to obtain a Service Provision Agreement (SPA) signed with Marsabit County Government.

### 3.3 Proposed Management

MARWASCO's top management should be headed by the Managing Director who is the Chief Executive Officer (CEO). In order to perform its core business and achieve set objectives, the Company should established two key departments which are Technical Services Department and Commercial and Financial Services Department which should be headed by the Technical Manager (TM) and the Commercial Manager (CM) respectively. Detailed functions of each office/department are given below.

#### *The Office of the Managing Director*

The Managing Director who is the **Chief Executive Officer (CEO)** is the highest-ranking corporate officer who is in charge of total management of the Company. The CEO reports to the Board of Directors. The role of the CEO includes but not limited to:

- Timely implementation of corporate strategies and plans
- Effective mobilization and utilization of resources
- Achievement of set performance targets
- Promotion of Positive corporate image
- Effective cost control and Leadership

#### *The Technical Department*

The role of the TM is directing, coordinating, controlling and managing the company's technical operations and maintenance of infrastructures, ensuring water and sanitation services are provided to the required standards. The department's mandate is to ensure:

- Water treatment and distribution
- Maintenance and treatment of sewerage works
- Installation and maintenance of distribution network
- Optimize productivity, quality and safety of the product
- Achievement of the set targets
- Effective costs control
- Quality service to customers
- Preparation of monthly, quarterly and annual reports
- Contribute to annual budget preparation

#### *The Commercial Department*

The CM role is managing and supervising all the financial and commercial functions of the company's operations in relation to revenues, cash flows and expenditures. The department oversees:

- Provision of timely, reliable and quality financial information
- Effective utilization of resources

- Effective cost control
- Quality services to customer
- Timely and accurate billing of services
- Improved cash flow position through improved debt collection.
- Effective Management of Procurement
- Effective control of stocks/stores
- Preparation of annual financial report
- Coordination of annual audit
- Preparation of annual budgets

### ***Board of Directors***

The Board of Directors of MARWASCO is yet to be appointed. It is prudent to appoint the directors as they have a major role to play in the management of MARWASCO and achievement of the WSPs set objectives. The BOD should consist of members Chairman and Vice Chairman. The Board is responsible for:

- Governing the Company by establishing broad policies and objectives;
- Selecting, appointing, supporting and reviewing the performance of the Managing Director
- Ensuring the availability of adequate financial resources;
- Approving annual budgets;
- Accounting to the stakeholders for the Company's performance;
- Setting the salaries and compensation of company management.
- Setting the strategic direction of the organization

## **4.0 THE STRATEGIC PLAN**

The strategic objectives for MARWASCO for the period 2018-2022 are as shown in table 4.1.

**Table 4.1: Strategic Objectives for MARWASCO for the Period 2018-2022**

<b><i>Strategic Objective 1</i></b>	Increased access to safe water supply and safe sanitation
<b><i>Strategic Objective 2</i></b>	Efficient and enhanced water supply and sewerage service delivery
<b><i>Strategic Objective 3</i></b>	Strengthened institutions & developed capacity for MARWASCO and partners

### ***Strategic Objectives and Strategies***

Strategic objectives and respective strategies are as shown in table 4.2.



**Table 4.2: Strategic Objectives and Strategies**

<b>Strategies for Objective 1: Increased access to safe water supply and access to safe sanitation</b>	
1.1	Investments on new infrastructure and rehabilitation/augmentations to increase amount of water available and to extend services closer to customers
1.2	Investments on infrastructure towards sewerage services and to increase public sanitation and hygiene
1.3	Investments to enhance innovations, to reduce unit cost of service and to enhance efficiencies
<b>Strategies for objective 2: Efficient and enhanced water supply (sewerage) service delivery</b>	
2.1	Water supply service delivery and contracting/SPAs for Service Delivery Models; performance management and improvements
2.2	Enhancing viability and support (direct & indirect) to service delivery;
2.3	M&E and reporting; compliance with regulations, stakeholders communication
<b>Strategies for Objective 3: Strengthened institutions &amp; developed capacity (MARWASCO &amp; partners)</b>	
3.1	Baselines; other relevant studies (findings and recommendations)
3.2	Institutional strengthening, capacity building and relationship building (partners and beneficiaries)
3.3	Resource mobilization, donor coordination and corporate affairs

The overview of the Strategic Plan and estimated costs over the planning period is as shown in table 4.3 below.

**Table 4.3: Annual and Overall Cost Estimates to Implement the MARWASCO Strategic Plan Activities (Kshs million)**

No.	Strategic Objective	2017/18	2018/19	2019/20	2020/21	2021/22	Total
1	Increased access to safe water supply and access to safe sanitation	379.80	782.10	1066.00	965.00	320.00	3,512.90
2	Efficient and enhanced water supply (sewerage) service delivery	5.86	11.11	5.31	2.06	2.06	26.40
3	Institutional strengthening and capacity building of MARWASCO and Partners	16.21	20.91	15.86	5.96	4.66	63.60
<b>Grand Total (Kshs. Million)</b>		<b>401.87</b>	<b>814.12</b>	<b>1,087.17</b>	<b>973.02</b>	<b>326.72</b>	<b>3,602.90</b>

#### 4.1 Sources of Funds

The implementation of the strategic plan and the achievement of the desired results will depend upon availability of funds. It is expected that MARWASCO will continue to get support from the central government, county government and the development partners to achieve its stated objectives and goals.

## 4.2 Performance Improvement

The improvement standards have are normally set out in the service provision agreement. MARWASCO will endeavor to continuously improve its performance. To be in line with sector requirement, MARWASCO will use the sector benchmark indicators used for performance assessment. A table like the one below is used to presents performance indicators and benchmark that that are supposed use to assess MARWASCO's performance.

Indicators		Maximum Performance	Baseline Year 2017	2018	2019	2020	2021	2022
<i>Collection efficiency</i>		>90%						
<i>Unaccounted For Water (UFW)</i>		<20%						
<i>Water quality</i>	Drinking water quality							
	Compliance with residual chlorine test	>95%						
<i>Hours of supply</i>	Population >100,000	20-24hrs						
	Population <100,000	>16hrs						
<i>Cost recovery (O &amp; M)</i>		>130%						
<i>Metering ratio</i>		100%						
<i>Staffing (No. of staff per 1000 connections)</i>	Large and very large companies	<5						
	Medium & Small companies (with less than 3 towns)	<7						
	Medium & Small companies (with more than 3 towns)	<9						
<i>Water coverage</i>		>90%						
<i>Sanitation coverage</i>		>90%						
<b>Total Maximum Score</b>								

## 4.3 Revenue Improvement Strategy

Financial sustainability for any business is dependent upon among other measures the business ability to generate sufficient revenues to meet its financial obligations. MARWASCO is no exceptional and therefore for the company to realize its goal of attaining financial sustainability the company will employ the strategies outlined below.

### ***Public Education Programme***

Public education and awareness programmes will be put in place to sanitize the public on the following:

- Obligation to pay bills
- Need to report or legalize Illegal connections

- Need to avoid water wastage- repair leaking taps, using right taps etc
- Need to report burst pipes

### ***Improvement in Customer Service***

Customer service means providing a quality product or service that satisfies the needs/wants of a customer and keeps them coming back. Good customer service means much more – it means continued success, increased profits, higher job satisfaction, improved company or organization morale, better teamwork, and market expansion of services/products.

In order for MARWASCO to improve its customer service delivery, it should take care of customer needs by:

- Providing quality service
- Providing adequate service
- Providing timely relevant information e.g. increased tariffs
- Timely disconnections and reconnections
- Introduce newsletters

### ***Customer Service Training Programme***

MARWASCO customer service goal should be to exceed clients' expectations and provide value-added service. This can only be achieved through focused training of staff who directly relate with customers on a day to day basis. The customer service training should focus on the following areas:

- Customer complaint handling mechanisms
- Communication techniques
- Customer feedback mechanism
- customer complaints solving

### ***Revenue Management***

Revenue management will be one of the strategies that MARWASCO will employ in order to attain financial sustainability. The revenue management strategies that will be employed by the Company are outlined here below.

#### *Technical*

These will include:

- Quick response to bursts and leaks
- Servicing and replacing faulty meters
- Increase line patrols
- GIS mapping of infrastructure and connections
- Smart meters for communal water points/kiosks;

#### *Commercial*

These will include:

- Introduce and publicize M Psea and SMS services for bill enquiry
- Ensure accuracy in meter reading and billing
- Efficiency in revenue collection

- Constantly monitoring meters of large consumers

### ***Meter Reading***

MARWASCO will take measure to put in place proper procedures necessary for the improvement of meter reading. These procedures will ensure among other measures timely and accurate meter reading exercise. Other measures MARWASCO will take include:

- Piloting of outsourcing meter reading services
- Acquisition of data logging equipment
- Introduce prepaid meters
- 100% working meters
- Proper supervision of meter reading
- Rotation of meter readers

## **4.4 Pro Poor Strategies**

The Kenya Pro Poor Water Policy for WSS is oriented towards the achievement of the MDG and the fulfillment of the criteria outlined by the human rights to water approach. It focuses not only on the establishment of infrastructure (e.g. networks, onsite sanitation etc.) but also on the concepts of managing such infrastructure (e.g. networks, onsite sanitation facilities) and on its anchorage into the sector institution framework (e.g. formal service providers, WSBs) in order to ensure that all Kenyans have access to services fulfilling minimum standards and in a suitable way.

Each statutory body has a role to play towards achievement of this agenda. In particular the Water Service Providers are mandated to take the following actions:

- Establishment list of underserved areas within the services areas and its surroundings.
- Nominate a focal person or establish a structure to be responsible for enlarging and maintaining service provision to the poor in underserved areas.
- Establish proposal projects to be financed by the WSTF in the urban areas.
- Collect complains from the underserved areas (integration in the compliant system)
- Identify public areas for sanitation installation such as market places, bus terminals, etc. and prepare project proposals for the WSTF.
- Carry out water testing according to water testing guidelines and make result public.
- Implement a pro proof tariff system which also ensures that water sales (subsidized tariffs for the poor) at the kiosks are not used by informal providers to make profit (limit subsidized water sales to one client to 200lt/day for instance).
- Ensure gender balance by management of water kiosks and other slow of technologies where operation is carried out.
- Use water points (kiosks) for sensitization and information including HIV/AIDS.
- Ensure rationing of water supply does not discriminate the poor
- Implement a metering program in order to move to 100% metering.

## **4.5 Revenue Collection and Sustainability**

### ***Constraints and Challenges***

Various challenges face the company in its provision of services which include but not limited to:

- Inadequate water source,

- Old dilapidated distribution reticulation,
- Expensive and inefficient technologies,
- Lack of technical skills and inadequate operational efficiencies,
- Poor governance and management practices,
- Lack of accountabilities,

There are opportunities to enhance on operational efficiencies, reduce cost of service delivery and to enhance sustainability through private sector participation and partnerships in areas of renewable energy technologies, innovations, better management and commercial practices as well as investing in infrastructure. The County Government is open to public private partnerships to increase access to water coverage and enhance service delivery but there is need for more education and dissemination of knowledge in PPP areas to all stakeholders.

#### 4.6 Risks and Mitigating Measures

MARWASCO faces risks which are both internal and external. While there is nothing the Company can do to prevent the external risks, it can avoid or reduce internal risks. However, in both cases, the MARWASCO should identify both risks and developed mitigating measures to minimize the impact of these risks. The table below provides details of risks that might MARWASCO and the mitigating measures that may be put in place to reduce the impact of these risks.

**Table 4.4: Risks and Mitigating Measures**

Risk	Mitigating Measures
Theft and vandalism	<ul style="list-style-type: none"> <li>• Public education and sensitization</li> <li>• Corporate SR strategies</li> </ul>
Equipment damage	<ul style="list-style-type: none"> <li>• Insure against damages</li> <li>• Protection and maintenance measures</li> </ul>
Prolonged drought & effects of climate change.	<ul style="list-style-type: none"> <li>• Increase water storage capacity/enhance water conservation measures at user point</li> <li>• Water harvesting measures</li> </ul>
Operational capacity	<ul style="list-style-type: none"> <li>• Acquire necessary tools and equipment, train staff on O&amp;M</li> </ul>
Litigation (Water as a human right issue)	<ul style="list-style-type: none"> <li>• Spell out terms and conditions for service delivery</li> </ul>
Political interference	<ul style="list-style-type: none"> <li>• Corporate governance and sensitization programmes</li> </ul>
Economic downturn	<ul style="list-style-type: none"> <li>• Build revenue reserves</li> <li>• Diversify sources of income</li> </ul>
Political instability	<ul style="list-style-type: none"> <li>• Insurance</li> <li>• Enhance security of the company facilities</li> <li>• Maintaining good relations with stakeholders</li> </ul>
Donor relations	<ul style="list-style-type: none"> <li>• PPPs</li> <li>• Proper use of donor funds</li> <li>• Diversify sources of funds</li> </ul>

## 5.0 FINANCIAL PLAN

### 5.1 Principal Financial Assumptions

The financial projections have been prepared covering the years 2018-2022. The principal financial assumptions on which the financial projections have been made are set out in the table below:

#### Marsabit Water and Sewerage Company Limited Principal Financial Assumptions

	Notes	2018	2019	2020	2021	2022
Production Capacity (m <sup>3</sup> /d)	1	12544	12,732	12,987	13,312	13,711
Water Production (m <sup>3</sup> /d)	2	12544	12732	12987	13312	13711
Water Demand (m <sup>3</sup> /d)	3	7242	7270	7299	7328	7335
NRW (%)	4	55	45	35	30	25
Available water for sale (m <sup>3</sup> /d)	5	5,645	7,003	8,442	9,318	10,283
Average Tariff (Kshs/ m <sup>3</sup> )	6					
House Hold (Flat Rate)		85	85	85	85	85
Institutions		90	90	90	90	90
Commercial		95	95	95	95	95
Collection Efficiency (%)	7	75	85	95	95	95
Operating Ratio (%)	8	81	73	73	75	70

#### Notes:

1. Based on the current production capacity
2. Based on average water available
3. Based on present and future population
4. Based on the current UFW and target Levels set.
5. Based on production and after factoring UFW
6. Approximated average tariff and not expected increase over the plan period
7. Approximated average collection efficiency
8. Computed as Total Operating Revenues/ Total Operating Costs to indicate operating efficiency in generating revenues

The animal water demand which currently stands at 166,060m<sup>3</sup>/day is not factored in the plan as there is no sufficient water to meet the demand

## 5.2 Income Statement

The projected income statement based on the principal assumptions indicates that MARWASCO will have surpluses throughout the plan period. The cumulative surplus will be Kshs 256 million by the end of 2022, the end of current plan period.

### Marsabit Water and Sewerage Company Limited Projected Income and Expenditure Statement

	2018 Kshs	2019 Kshs	2020 Kshs	2021 Kshs	2022 Kshs
<b>Revenue</b>	175,129,920	201,746,450	204,296,175	205,115,500	205,221,250
<b>Expenditure:</b>					
Personnel Cost	52,500,000	53,812,500	55,157,813	56,536,758	57,950,177
Administrative expenses	13,575,000	13,914,375	14,262,234	15,027,273	15,402,955
Operations and Maintenance	51,000,000	52,275,000	53,581,875	54,921,422	56,294,457
Licences and Other Fees	12,448,619	12,521,974	12,609,788	12,710,530	12,824,897
Directors expenses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Provision for bad debts	10,945,620	14,132,864	13,113,088	13,018,530	-
	141,469,239	147,656,713	149,724,798	153,214,513	143,472,486
Surplus(Deficit)	33,660,681	54,089,737	54,571,377	51,900,987	61,748,764
<b>Balance b/f</b>	-	<b>33,660,681</b>	<b>87,750,418</b>	<b>142,321,795</b>	<b>194,222,782</b>
<b>Balance c/f</b>	<b>33,660,681</b>	<b>87,750,418</b>	<b>142,321,795</b>	<b>194,222,782</b>	<b>255,971,545</b>

### 5.3 Cash Flow Statement

#### Nanyuki Water and Sewerage Company Limited Cash Flow Projection

YEAR	2018	2019	2020	2021	2022
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Cashflows from Operations</b>					
Net Income/(Loss)	33,660,681	54,089,737	54,571,377	51,900,987	61,748,764
Adjust for:					
Bad debt provision	10,945,620	14,132,864	13,113,088	13,018,530	-
<b>Change in Working Capital</b>					
(Increase)/Decrease in debtors	(43,782,480)	(23,694,596)	891,858	1,398,008	1,265,086
(Decrease)/Increase in creditors	-	-	-	-	-
Total Cash from operations	823,821	44,528,006	68,576,323	66,317,525	63,013,850
<b>Investing Activities</b>					
Purchase of assets	-	-	-	-	-
	-	-	-	-	-
<b>Financing Activities</b>					
Grant Aid	-	-	-	-	-
	-	-	-	-	-
<b>Net Cash flow</b>	823,821	44,528,006	68,576,323	66,317,525	63,013,850
<b>Balance b/f</b>	-	823,821	45,351,826	113,928,150	180,245,675
<b>Balance c/f</b>	823,821	45,351,826	113,928,150	180,245,675	243,259,525



## 5.4 Balance Sheet

### Marsabit Water and Sewerage Company Limited Projected Balance Sheet

	2018	2019	2020	2021	2022
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Non Current Assets</b>					
Property Plant & Equipments	-	-	-	-	-
Net Book Value	-	-	-	-	-
<b>Current Assets</b>					
Debtors	32,836,860	42,398,592	28,393,645	13,977,107	12,712,021
Cash & Bank Balance	823,821	45,351,826	113,928,150	180,245,675	243,259,525
	33,660,681	87,750,418	142,321,795	194,222,782	255,971,545
<b>Current Liabilities</b>					
Payables and Accruals	-	-	-	-	-
	-	-	-	-	-
Net Current assets	33,660,681	87,750,418	142,321,795	194,222,782	255,971,545
<b>Total Assets</b>	<b>33,660,681</b>	<b>87,750,418</b>	<b>142,321,795</b>	<b>194,222,782</b>	<b>255,971,545</b>
Finance By:					
Share Capital	-	-	-	-	-
Capital Reserves	-	-	-	-	-
Revenue Reserves	33,660,681	87,750,418	142,321,795	194,222,782	255,971,545
Grants	-	-	-	-	-
<b>Total Capital</b>	<b>33,660,681</b>	<b>87,750,418</b>	<b>142,321,795</b>	<b>194,222,782</b>	<b>255,971,545</b>

## 6.0 PLAN RISKS

The achievement of this plan may be affected by internal and external factors which include but not limited to the following:

- Deterioration of national economic conditions
- Completion of the planned expansion of water supply and sewerage facilities
- Relationship and support from the county government
- Capacity of MARWASCO in technical, human capacity and operational functions to implement the corporate plan

The plan is also based on the principal financial assumptions discussed in 4.1 above and the achievement is therefore dependent upon the assumption holding true. In the event that there are major or significant variations in the assumptions, these may create bottlenecks to the successful implementation of the plan and revision to the plan would be necessary.