

WATSAN FOCUS

Global Recognition: NYEWASCO Bags the Water Leaders Award

Water leader is a magazine which covers the Water and Sanitation sector in the whole world. In the month of September 2020, the editor of the Water Leader Magazine (Tom Scotney) interviewed the Nyeri Water and Sanitation Company Managing Director Peter Gichaaga to find out how the company managed to bag the prestigious Water Leaders Award.

Source: *WATER LEADER MAGAZINE*



NYEWASCO Managing Director Peter Gichaaga flagged by the member of the County Executive Committee in charge of Water Nyeri County Government Fredrick Kinyua during a Press conference.

Off Kenyatta Road, Behind Nyeri County Fire Offices, P.O. Box 1520-10100 Nyeri Kenya Tel 061-2034548/4623/4622/4617/ 0722-461359/0734-732481: Fax 2032734 - Email info@nyewasco.co.ke - Website www.nyewasco.co.ke

UTILITY PROFILE

Fighting COVID-19 in the developing world

Kenya's Nyewasco was recognized as one of Africa's best-performing water utilities last year, securing it the coveted Water Leaders Award at this year's Global Water Awards. With the pandemic battering utility income across the continent, where will it be going next?

What happens when the pandemic hits the developing world's best-run utility? In February, Kenya's Nyewasco – the water and sanitation utility serving around 800,000 people in the central city of Nyeri was named on the short-list for the 2020 Water Leaders Award in this year's Global Water Awards ceremony. Its entry hinged on a truly impressive set of operational figures, covering service levels, operational performance and financial sustainability, that set it ahead of the pack in Kenya – and the whole of Africa.

By the time Nyewasco was confirmed as winner of the award, originally due in March but delayed to this Summer, the landscape had changed entirely for water utilities as a result of the impact of the COVID-19 pandemic. While industrial shutdowns and economic difficulties reduced income for water providers, laws prevented disconnections and mandated extra supply for housebound populations, meaning extra costs. Meanwhile, lockdowns and enforced staff isolations interfered with infrastructure projects and essential maintenance works.

Peter Gichaaga, managing director of Nyewasco, told GWI that while the pandemic had a savage impact on the utility's financial situation, the stability built up after a decade focusing on good governance and focus on reducing water losses had put it in a position where it could weather the storm. He is now starting to look beyond the impact of COVID-19, and back to the expansion of a franchise that has set the standard for performance in Africa, and beyond.

PARKING THE TANKS ON THE LAWN

Alongside its work connecting new customers, Nyewasco has also invested heavily in improving its water storage network.



Source:

NYEWASCO'S Gatiko Tank in Mathira

Non-Revenue Water

Since the 2004 water reforms in Kenya that saw the creation of independent sector regulator Wasreb, Nyewasco has consistently been named the country's top performer for 12 years in a row in terms of service levels and financial sustainability.

The utility stands out in the region because it is able to cover its own operational costs through self-generated revenue indeed in the most recently audited figures, the utility made a modest operating profit.

Gichaaga said the key to the whole process had been a continual focus on tackling non-revenue water (NRW) in the utility's area. Nationally, the average NRW figure for the country stands at around 41%, costing the water sector around KES7.8 billion (\$72 million) a year in lost revenue, according to Wasreb. However, Nyewasco has brought this figure down to 16%, with plans to reduce the figure further.

"It's helped in terms of our financial performance. We have been performing on a sound financial basis," Gichaaga said. "We do not rely on any external subsidies, especially on the government. We generate a revenue from our business and use the money to service our operations. Having full cost recovery in terms of operations, that's what's been key in maintaining our performance."

Major capital backing from the government and German finance agency KfW in the first decade of this century meant the utility could push through major pipe rehabilitation works at the same time as expanding its service coverage, meaning the income from tariffs allowed the utility to operate on a commercial basis.

"The agenda for non-revenue water is a standing one," Gichaaga said. "Because we have always had it as a priority to continue our survival we have to ensure we continue to focus on this figure. We had a strategic plan so that at the end of this year to reach 16%, but we are currently running at closer to 15%. I am sure that we will be able to meet our next challenge target to see in the next five years that we can go even lower, to 10%."



Elevated Tank at the company's Treatment Plant at Kamakwa

Covid Disruptions

However, the long-term plans were rudely disrupted this year with the arrival of the COVID-19 pandemic.

While the risk of infections and staff isolating meant that normal operating services were interrupted, Gichaaga said the main issue for the utility had been the double whammy of dropping revenue and increased costs as a result of government legislation ensuring water supply through the pandemic. As income from shuttered businesses dropped, the government decided that disconnections for non-paying customers could not be carried out; while previously disconnected customers should have their connections turned on again without charge. Meanwhile, the government also handed the burden of rural water supply over to utilities, insisting that water be provided free of charge from central points for vulnerable groups.”

Despite Nyewasco choosing to extend this situation beyond the Summer cutoff point mandated by the government, Gichaaga said it had taken a heavy toll on the body’s finances.

“This greatly impacted on us in terms of revenues,” he said. “A connection or reconnection without any new revenue is a pure loss for the company. We have been directed to provide water for vulnerable groups but the challenge has been that we don’t get any financial support to meet those targets. We have been promised that there will be support coming but we haven’t yet got any.”

At its worst point in August, Gichaaga said the drop in income meant that the utility was operating on around 40% of its normal revenue base, with no supporting finance available. This meant that tough budget decisions had to be made on recruitment, training, procurement and a host of other areas, as well as all non-essential maintenance and construction work.

“It has affected our operations because we have not been able to be aggressive in terms of expansion,” he said. “We have stopped all projects that were earmarked to be done because there was not a sign of support coming from the outside.”

However, he said that the company had managed to avoid operating at a loss, and there were reasons for optimism, with early signs of economic recovery. The company has received the go-ahead to start considering disconnections again, and Gichaaga said: “We have flattened the curve and business operations are resuming. We are expecting an improvement in terms of revenue generation soon.”



Ihwa Intake: The Main Source of Water for NYEWASCO

Over the Horizon

With an easing of the financial impact of the pandemic in sight, thoughts at Nyewasco have started to turn back to capital plans for the future. While the utility's coverage area has secured a 100% piped water collection standard, levels of sewer coverage are significantly lower, with non-sewered sanitation options installed in some areas.

This year saw the completion of the second stage of the utility's government-backed output-based aid (OBA) programme, which extended piped sewerage coverage from 25% to 30%, and Gichaaga said that a further extension would be on the cards when markets opened up again if funding could be secured.

Projects have been backed by the World Bank and KfW in the past, as well as by funding from the central government. However, development funding may be less available than in the past as agencies look to support operating budgets at struggling utilities in lieu of supporting capital projects.

Attempts to tap more commercially-minded sources of capital funds have also struggled to gain traction. Nyewasco was part of plans in late 2018 to launch a KES1 billion (\$9.9 million) pooled bond issuance on the Nairobi Stock Exchange that would cover three Kenyan utilities. However, despite Nyewasco's relatively commercial revenue base (that brought it a shadow credit rating of A from the World Bank and Wasreb) the programme could not secure the required level of regulatory security. "Sources of finance are an ongoing conversation," Gichaaga said. "We have just increased our sewerage base, and we got some commercial finance from the World Bank. For the next stages we will be considering various financial partners. We are approaching development agencies and we have even done proposals for the national government because some of the areas we are looking to provide secure services to may not in the short term be financially viable on their own merits."

Ultimately, however, Gichaaga said that he was confident of a secure future for the utility as long as the management maintained its approach to service levels. "Our experience over the years is that the success of a water utility is not really dependent on the infrastructure or the levels of finance that we've talked about," he said. "The most important issue is the issue of governance. A utility must be run by a competent management team and must have staff that are guided as much by ethics as they are performing their duties. "A utility may get finance or have a state-of-the-art technology but without the right people it's impossible to attain the right level of performance."



Chairman of the Board of Directors Patrick Munuhe flanked by MD Peter Gichaaga during a past meeting

Rehabilitation of the Old Water Treatment Section of the Treatment Plant at Kamakwa



The rehabilitated section of the old treatment works at Kamakwa

NYEWASCO prides herself in provision of quality potable water to customers. The Impact Report 12(A Performance Report of Kenya's Water Services Sector – 2018/2019) the company scored over 90% on drinking water quality Key Performance Indicator. This gives customers the confidence to drink water straight from the tap.

To provide water services, NYEWASCO operates a water treatment plant at Kamakwa which has a design capacity of 27000m³ per day. The treatment plant comprises of two systems. The new system which has a design capacity of 21000 m³ and the old system which has a design capacity of 6000m³ per day respectively. The old system which has not been in use for a few years was successfully revived in the month of August a move that has boosted production tremendously.

The demand for water per day currently is between 18000 m³ and 20000 m³. The revival of the old system is in anticipation of a projected increase in demand when the effects of the Corona Virus eases up. The company is well prepared to ensure that no supply interruptions occurs as a result of a spike in demand thus ensuring adequate water supply to customers and reliability.



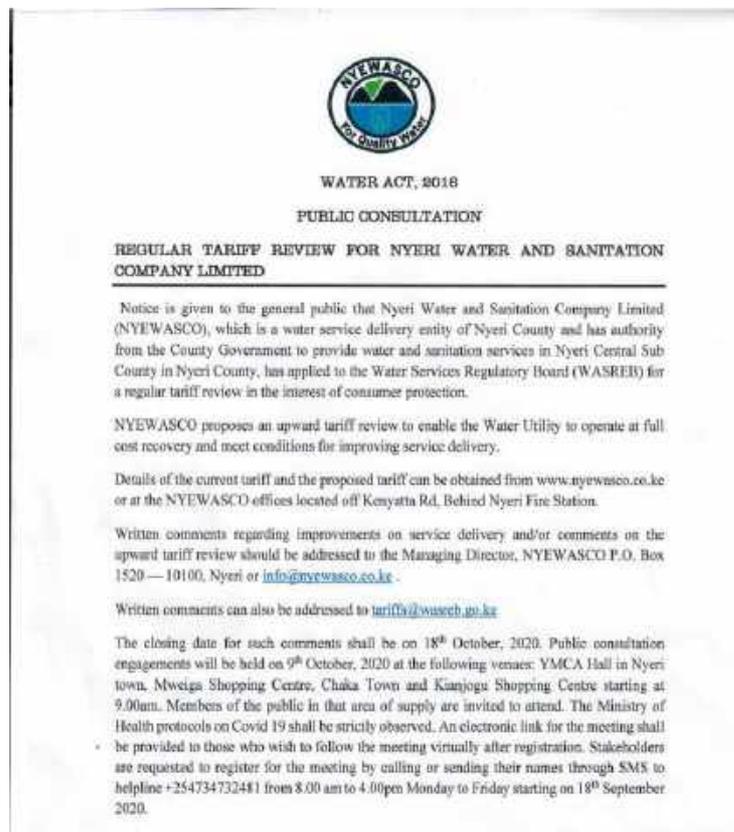
NYEWASCO Kick Starts the Tariff Review Process

Nyeri Water and Sanitation Company (Nyewasco) has embarked on a new water tariff review process for the proposed changes in water tariff structure for 2020/21 to 2024/25 period. This is after the expiry of the tariff in 2013. The company has been operating on a non-cost recovery tariff for seven years. The tariff review process is regulated by the Water Services Regulatory body and it requires all water services providers to review their tariff after every five years under their guidance. Nyeri Water and Sanitation Company Limited has proposed a tariff that is friendly to low consumers. The proposed tariff has the following benefits to customers:

Benefits of the proposed Tariff to the Customers

The tariff is pro-poor i.e. It takes care of the people living in Low Income Areas based on the following.

- ✓ In case of no consumption, one will pay a small standing fees of **Ksh. 50 only** and not the current Ksh. 368.40 or Ksh. 686.80 equivalent of 10 units.
- ✓ The water tariff for water kiosks will remain the same i.e. Ksh. 1 for 10 litres.
- ✓ Sewer charges will be reduced for domestic users by charging 75% of the quantity of water consumed. This has been reduced from 100%.
- ✓ The current tariff charges the same price for sewer and water. The proposed tariff will charge a separate rate for sewer which is lower than that of water for all the categories. It is 20% lower on average for the domestic customers.
- ✓ Therefore, Sewer Charges for domestic customers will be reduced to an average 60% of water charges. (ie. 75% of 80%)
- ✓ Minimum charges for low consumption of up to 6 units is Ksh. **332** for unsewered connections and **Sh.534.50** for sewer connections down from the current **Sh.368.40** and **Sh.686.80** respectively.
- ✓ The proposed tariff will make it possible for the company to upgrade the pipeline to improve water supply to the residents of Kihuyo, Mweiga, Ikumari and Ngangarithi among others.
- ✓ It will assist the company in putting in place measures to maintain 100% drinking water quality that Nyewasco is known for.
- ✓ This will also enable the company to implement automation of its systems to assure its customers of accurate, timely and consistent billings.



The advertisement features the NYEWASCO logo and the text 'What Do You Do When You Spot a Water or Sewer Leak?'. It includes two photographs: one showing a person inspecting a water tap and another showing a large pipe leak. Below the images, it says 'CALL us on 0800721095 for FREE'. At the bottom, there are social media icons for Facebook (@nyewasco) and Twitter (@Nyeri_water), along with the slogan 'Help us conserve water so that we have more for you'.

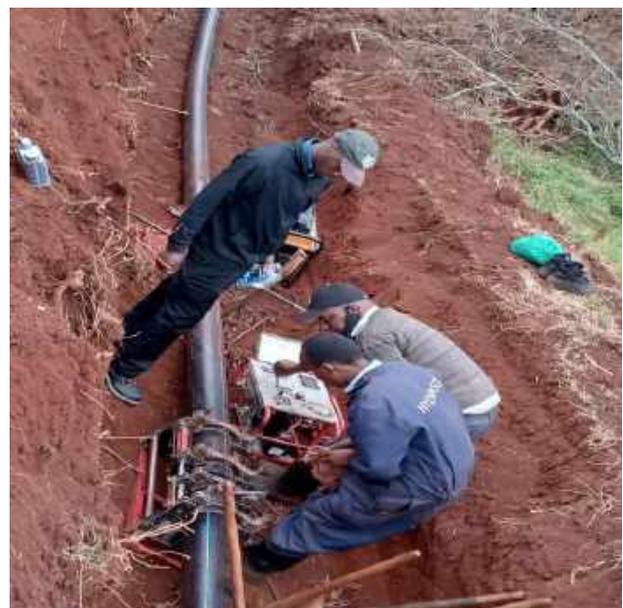
Kihuyo- Mweiga Supply Pipeline Gets an Upgrade

Frequent water interruptions were experienced in Kihuyo, Mweiga, Kamatongu, Njengu, Kihuyo, Kabendera, Ihururu and surrounding areas as a result of constant damage of our pipeline by the contractor undertaking road construction works on Mau Mau Road, Lot 3, Nyeri Section.

The company management team and other stakeholders engaged the road contractor and reached an agreement where the pipeline is being realigned to a location where it will not be interfered with by human activity

The works are at an advanced stage and supply will be reinstated immediately thereafter.

Re-aligning Mweiga Kihuyo supply pipeline using HDPE pipes.



Staff Welfare: Pre- Retirement Training

Employees are the most critical assets of an organization. A pre-retirement training was held from 24/09/2020 to 18/09/2020 at Dedan Kimathi University of Technology which targeted members of staff who are due to retire in the next two years. The training aimed at giving the employees confidence to make sound decisions around their needs and hence the quality of life at and during retirement. It covered critical areas of interest to the trainees which included but not limited to the following topics;

- The nature and scope of retirement.
- Existence, relatedness and growth adjustments at retirement.
- The potential odd-to retirement affecting quality of life.
- Retirement planning, considerations and possible options.
- Financial security.
- Health of senior citizens.
- The senescence and gerontology on retirees.
- Formal and informal engagements.
- Random walk to investments (do's and don'ts).
- Entrepreneurship options for retirees and actualization tenets.

The training also included counselling sessions where the participants were prepared for a seamless transition to retirement.



YOU CAN NOW PAY YOUR WATER BILLS VIA M-PESA PAYBILL

PAYBILL NO. 968800

YOU CAN ALSO PAY YOUR BILL VIA

EQUITY
A/C NO 0110261003593

Ecobank
The Pan African Bank
A/C NO 6652000567

FamilyBank
A/C 055000043395

REQUIREMENTS FOR A NEW WATER CONNECTION

1. Copy of your KRA pin certificate.
2. Copy of your National ID
3. Copy of the land's Title deed or chief's/subchief's letter indicating applicant's land ownership.
4. Deposit of Ksh.2000 (refundable)
5. Application fee of Ksh.100 (non-refundable)
6. Turn on fee of Ksh.200 (non-refundable)
7. Labour cost of Ksh.800
8. Additional cost of materials facilitating the connection

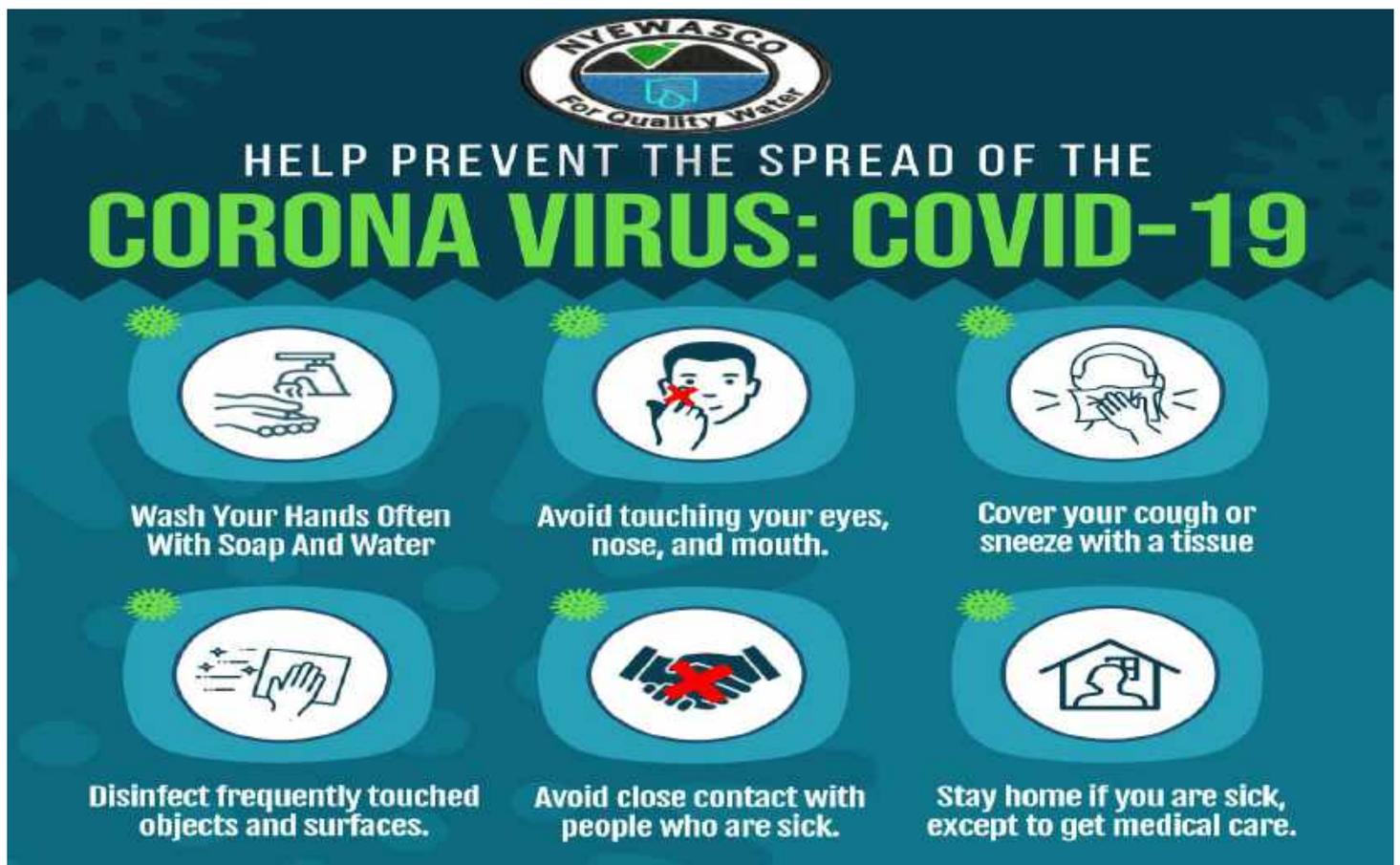
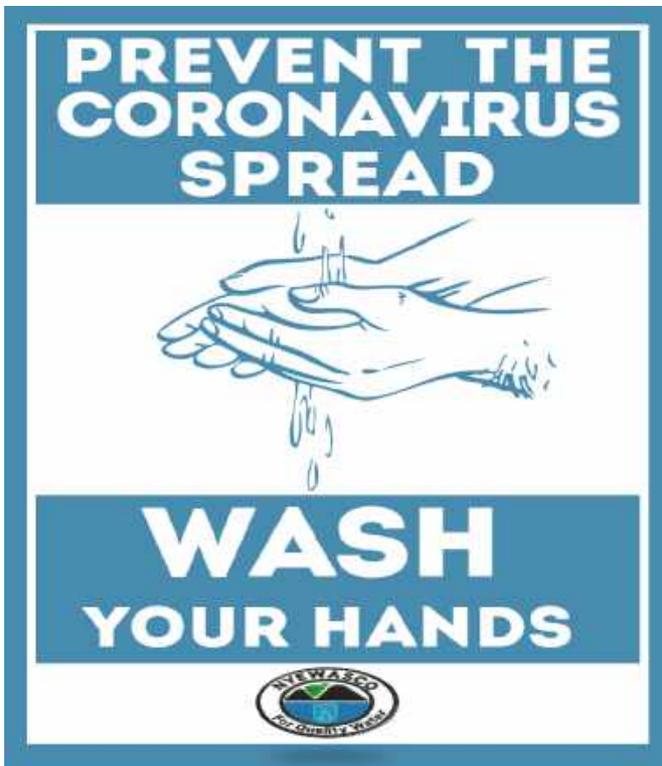
Kindly submit the above documents at the New Connection desk at our customer service center.

NEWASCO
For Quality Water

Facebook: @newasco
Twitter: @Nyeri_Water

Materials from COVID-19 online sensitization campaign

Nyeri Water and Sanitation Company Ltd has engaged in an online sensitization exercise which involves dissemination of information on precautionary measures residents and our customers need to take in this period of COVID-19 pandemic. The campaign involves creation of visual aids consisting of simple messages on different topics related to the pandemic. These visual aids are then shared on different platforms which include the official company Facebook page, Website and Twitter handle. The campaign is aimed at reaching a large number of viewers and the e-cards are sharable.





The freedom to manage your water account from anywhere is finally here!

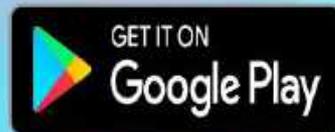
DOWNLOAD OUR
**NYEWASCO
APP**

TODAY!!!!

Pay water bill

Get a mini-statement

View your meter readings



CONNECT WITH US



www.nyewasco.co.ke



[@nyewasco](https://www.facebook.com/nyewasco)



[@Nyeri_water](https://twitter.com/Nyeri_water)

NYEWASCO NEW PRICE LIST FOR PRODUCTS & SERVICES WITH EFFECT FROM 01/07/ 2020.

SN	ITEM	UNIT	NEW CHARGES(Ksh.)
1	Educational visits (Colleges and Universities)	Per Visit	10,000.00
2	Educational visits (Primary Schools)	Per Visit	6,000.00
3	Photo Session	Per Visit	3,000.00
4	Music Video Shooting	Per Visit	3,000.00
5	Labour Charges for Plumbers	Per Plumber/ per day	1,000.00
6	Hire of NRW Management Equipment	Per Machine/ per Day	5,000.00
7	Leak Detection	Per Day	5,000.00
8	Bust Fusing of Pipes (Per Joint)	200mm	4,500.00
		110mm	4,000.00
		90mm	3,500.00
		75mm	3,000.00
		63mm	1,000.00
9	Fish	Kg	100.00
10	Eco-Friendly Manure	Tonne	500
11	Empty 45 kg Containers (Kamakwa Treatment Plant)	1	500

The Board of Directors, the Management team and all staff would like to appreciate our esteemed customers for their continued support in helping us achieve the lowest NRW ratio among all Water Services Providers in Kenya. (Non-Revenue Water Management Annual Report 2017/2018). You are an amazing part of the NRW management Champions. We would like to urge all of you to continue reporting any water leakages promptly so as to enable us maintain constant supply of potable water to your households. This will also help in ensuring that you only pay for water that you have used.

REACH US ON OUR HOTLINE : 0734732481
TOLL FREE NUMBER : 0800721095



VISION

A World class Water and Sanitation
Services Provider



MISSION

To provide quality water, sanitation and allied services at commercially and economically sustainable levels through application of outstanding processes and technology to the delight of our customers and other stakeholders

NYERI WATER AND SANITATION COMPANY

WATSAN FOCUS

A Publication by Nyeri Water and Sanitation Company

SEPTEMBER 2020 Issue No.12

Off Kenyatta Road, Behind Nyeri County Fire Offices, P.O. Box 1520-10100 Nyeri Kenya Tel 061-2034548/4623/4622/4617/ 0722-461359/0734-732481: Fax 2032734 - Email info@nyewasco.co.ke - Website www.nyewasco.co.ke



ISO 9001:2015 Certified



ISO/IEC 17025:2005 Accredited



@nyewasco



@Nyeri_water



www.nyewasco.co.ke