

# Bugiri Municipal Water & Sewerage Co.



A Proposal  
Presented By



A public benefit corporation recognized under  
U.S. Internal Revenue Service § 501(c)(3)

Ministry of Water & Environment  
July 19, 2012



# New Vision

UGANDA'S LEADING DAILY

Monday, July 30, 2012

Vol.27 No.151 Price: USH 1,500 (KSH 80, TZSH 1,500, RF 700)

**HEALTH:** Taking strides  
in handling epidemics



See free Health & Beauty pullout inside

**JOBS:** Over 10 pages inside

See pages 39-49

Nyombi's wife killed in car crash



**AMERICAN  
TERRORIST  
TARGETS  
UGANDA**

**AFRICA ONE 88-7**  
Sema Yote  
The  
Sundowner  
3:00pm-7:00pm  
Mon-Fri  
Ongo minileteri,  
news sawa'disi ri,  
azini ayiko zuza

GIL GAL GUEST  
HOUSE LTD

★ 30 JUL 2012 ★

P.O. BOX 61, BUGIRI

GIL GAL GUEST  
HOUSE LTD

★ 30 JUL 2012 ★

P.O. BOX 61, BUGIRI







# ECO International Serves Governments

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We provide legal, technical and financial advice to local government officials so that those officials can carry out their public service duties.



# ECO International Works With Public Utilities

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ECO International has extensive experience in the development and improvement of municipal drinking water treatment and transmission, sewage control, and solid waste management systems.



# Integrated Science and Education for African Communities



ECO International will work closely with ISEAC. It's co-founder, Zubair Bakubye, is a native of Bugiri.



# DEVELOPMENT ISSUES





# Healthcare







Child Labor





Deforestation



# Education





# Solid Waste







Sanitation



# Food Security







Workplace  
Safety



# Access to Water























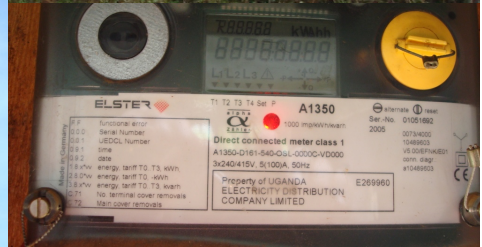














# Bugiri-Naluwerere Town Council Population app. 30,000

A 109

Bugiri • Bugiri

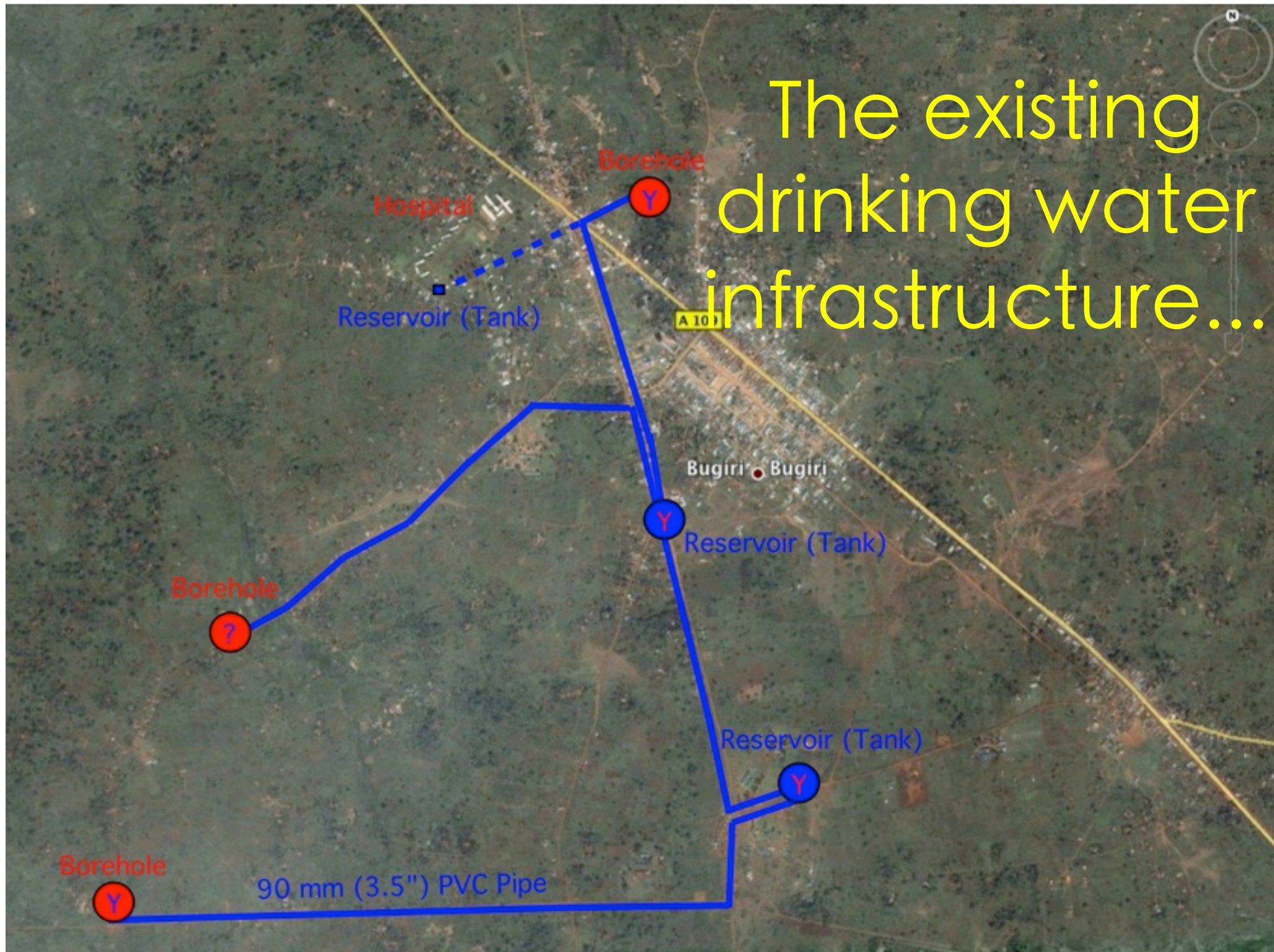
Image © 2012 GeoEye

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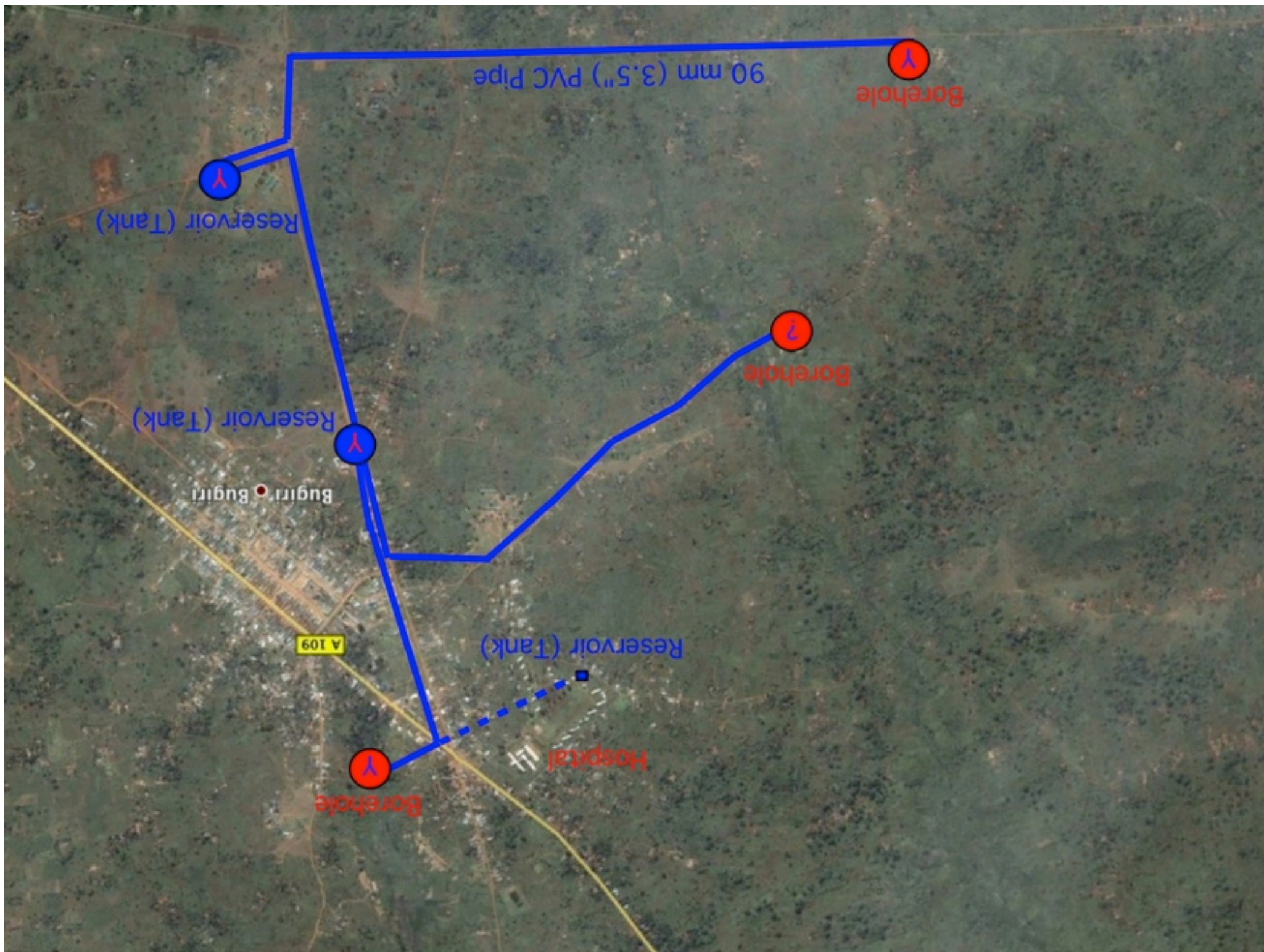
Google ea



# The existing drinking water infrastructure...









# The existing drinking water infrastructure...





# Several factors contribute to poor performance of the existing system.

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- ❖ Low voltage power supply inhibits motors from pumping at capacity;
- ❖ Limited capacity of the aquifer (producing zone) and /or well-bore;
- ❖ Air locks in the system hinder flow;
- ❖ Small pipes (0.5” to 0.75”) as “mains” for long distances inhibit flow;
- ❖ Small, leaky reservoirs (tanks) limit daily storage capacity;
- ❖ Location of reservoirs at lower elevations causes failure of system integrity (low pressure events) resulting in service disruption and system contamination.







































































# *Bugiri Hospital*

## *Water Supply Rehabilitation*

ecoco

International

ISEAC

Integrated Science and Education  
for African Communities



Uganda Ministry of Water,  
Lands and Environment  
Bugiri Urban Water  
and Sewerage Authority

Bugiri-Naluwerere Town Council





















G-303

## Hospital Potable Water

Administration



Description

Financing

Documents

Photos

History Logs

## Project Description

Region: Africa

Country: Uganda

Location: Bugiri District

Total Budget: \$38,000

**Areas of Focus:** Disease prevention and treatment, Water and sanitation, Maternal and child health, Economic and community development

The primary goal is to provide clean and continuous potable water to the hospital where the occupancy averages 150 patients per day. The current water system is under-designed and severely deteriorated causing serious sanitation problems, lack of potable water and spread of infectious diseases. The project funds will provide the needed refurbishment and replacement of the infrastructure so that clean, potable water can be supplied. The refurbishment will include fabrication and painting of the existing overhead tank, providing a new bore well associated with pump and replacing the existing PVC piping to the hospital. The timeline for the completion of this project is estimated to be one year from the date all funds are received by the host Rotary.



**Pledge  
Support for  
this Project!**



[View Online  
Proposal Form](#)

## Primary Host Partner

District: 9200

Primary Contact: William Okello

Rotary Club of: Jinja

Email: [logistics.picfare@gmail.com](mailto:logistics.picfare@gmail.com)

## Primary International Partner

District: 5340

Primary Contact: Radia Bencheikh

Rotary Club of: Del Mar-Solana Beach Sunrise

Email: [radia.ff@gmail.com](mailto:radia.ff@gmail.com)

## Project Status

**Need \$4,667**

This project needs to receive some pledges to go to the next level. Please check the "Financing" tab to see the list of current pledges. Once the amount pledged is equal to the project budget, the status of the project will be automatically changed to "Fully Pledged".

[Click here](#) to pledge support for this project.

Project listed for the 2012-13 Rotary Year.



**Pledge  
Support for  
this Project!**



# Project Summary

## Budget: \$38,000 / UGX 95M

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ECO International will implement the following improvements of the Hospital water system:

1. Replace the underperforming **pump**;
2. Refurbish the abandoned **borehole** and install a **pump**;
3. Purchase and install a new **generator**, secure **shed**, and **power lines**;
4. Refurbish the 80,000 gallon **tank**; and
5. Repair **pipes** between the two boreholes and tank.

Executive Director Thomas Benke will provide training and project oversight and will approve all major expenditures. Country Director Zubair Bakabye and Intern Edwin Osibo will supervise all work and will be responsible for coordination with the Authority and its Operations and Maintenance Contractor.



# Additional Proposed Actions

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- ❖ Assess existing infrastructure, from deep well to reservoir, from reservoir to hospital, and inside hospital;
- ❖ Take immediate action to modify distribution system to facilitate priority uses and install equipment as necessary to conserve water;
- ❖ Plan for interim action to supplement existing resources and improve power supply;
- ❖ Document need for permanent system improvements







# Bugiri Urban Water & Sewerage Company

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- ❖ Corporate Entity **Separate** from Ministry and Municipality;
- ❖ Wholly owned and controlled (appointment of Board of Directors) by the Bugiri-Naluwere T/C and other Stakeholders;
- ❖ Authority vested in the Company by the Ministry of Water and Environment;
- ❖ A **Not-For-Profit** Public Utility;
- ❖ Natural Monopoly Powers;



# Bugiri Urban Water & Sewerage Company (continued)

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- ❖ All “plant” (equipment) and “business opportunity” owned by the Company;
- ❖ Capital for **construction** of the drinking water system raised by **Assessments** (taxes) on Real Property;
- ❖ **Operation & Maintenance** expenses for delivery of water covered by **Rates** on water usage;
- ❖ Sewerage Control (Sanitation) Function Protects Water Resources;
- ❖ Independently credit-worthy, eventually, but until then backed by the full faith and credit of Bugiri / Naluwerere T/C (and Ugandan National Government).



# Immediate Goal

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- ❖ To establish a politically independent entity
- ❖ with the capacity to incur debt (loans, bonds, etc.)
- ❖ for the purpose of building a modern water delivery system,
- ❖ sustained by Rates and Assessments
- ❖ to ensure that the system can operate in perpetuity and expand as the population of the city increases.



# Current Organization of Water Supply District in Bugiri T/C (the Performance Contract)

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- ❖ The Minister of Water and Environment has appointed the Town Council to be a Water Supply and Sewerage Authority pursuant to Chapter 152 §§ 45-52 of the Water Act of 1997.
- ❖ The “Authority” is called the Bugiri Urban Water Supply and Sewerage Authority.
- ❖ The Authority operates pursuant to a Performance Contract that is renewable at the discretion of the Minister.
- ❖ The Authority (the T/C) must appoint a Water Supply and Sewerage Services Board (WSSB) to discharge its responsibilities.



# Current Organization of Water Supply District in Bugiri T/C (the Performance Contract)

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- ❖ Ministry owns the system assets and the T/C holds them in trust, even new equipment.
- ❖ The “Area of Operation” is limited to the bounds of the T/C.
- ❖ The Authority must prepare a three-year Business Plan, updated at the end of each financial year, for review by the Ministry, and may not deviate from the approved Business Plan.



# Current Organization of Water Supply District in Bugiri T/C (the Management Contract)

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- ❖ The Water Supply and Sewerage Services Board (WSSB) must sub-contract the day-to-day operations to an independent professional operator approved by the Ministry.
- ❖ The water supply system is operated and maintained by a private operator, “**Kagulu Multiple Services Limited**” under terms of a Management Contract:
  - ❖ 3 year term, expiring February 1, 2015;
  - ❖ Responsibility “to manage, administer, conduct, maintain and develop the water supply system and sanitation services” in the best interests of the local water Authority.



# Current Organization of Water Supply District in Bugiri T/C (the Management Contract)

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- ❖ The Operator's Management Fee is equal to 85% of "net revenue" (revenue minus expenses) in year one, reduced to 84% and 83% in years two and three respectively.
- ❖ The remaining percentage is paid to the T/C.
- ❖ The Operator is also responsible for undertaking all minor repairs, major repairs and "extensions".



# Functions of Water and Sewerage Authorities

## Ch. 157 § 47 (Water Act 1997)

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- ❖ To provide water supply services for domestic, stock, horticultural, industrial, commercial, recreational, environmental and other beneficial uses;
- ❖ To manage the water resources entrusted to it;
- ❖ To provide and manage sewerage services as may be required by the declaration or performance contract; and
- ❖ To give effect to any direction by the Ugandan Minister of Water and Environment relating to water or sewerage.



# Service Discretionary with the Authority

## Ch. 157 § 49 (Water Act 1997)

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The supply of any services by an authority to any person shall be a discretion of the authority; but where the authority chooses to supply services, the water or other service quality shall be that required by regulations or by a performance contract with the authority.



# Recovery of Capital Costs

## Ch. 157 § 54 (Water Act 1997)

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An authority may recover the costs or any part of the costs of acquiring or constructing any works after considering the benefits from the works and any contribution that the authority may assess to be contribution from the owner of the land.

Any amount to be recovered shall be paid by either: (a) the owner of the land; or (b) a fund established by the Minister to defray amounts payable but excused on account of poverty or undue hardship to the owner.



# Rates, Charges and Fees

## Ch. 157 § 94 (Water Act 1997)

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An authority may, by regulations and with the approval of the Minister -

- ✧ fix rates with respect to land
- ✧ fix charges, fees or deposits for commodities, services or facilities provided by the authority
- ✧ fix penalties for failure to pay any amount due to the authority



# Authority has a Monopoly on Water Supply Ch. 157 § 97 (Water Act 1997)

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No person within a water supply area and no person supplied with water under the Act may supply water to any other person or cause or permit any other person to take water except for personal use or with the permission of the authority for that water supply area.





# Authority May Undertake Commercial Ventures Ch. 157 § 89 (Water Act 1997)

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An Authority may, subject to section 87...

**participate in the formation of a corporation**, trust, partnership or other body; subscribe for, or otherwise acquire, hold and dispose of, shares in debentures or other securities of a corporation; become a member of a company limited by guarantee; subscribe for, or otherwise acquire, hold and dispose of, units in a trust; acquire, hold and dispose of an interest in a partnership or other body; and enter into a partnership or arrangement for sharing of profits, union of interest, cooperation, joint venture, reciprocal concession or other arrangement;

with any person or body carrying on or engaged in any business or transaction (whether within or outside Uganda) to the benefit of the authority.



# Role of Local Government Ch. 243 § 30 (Local Government Act 1997)

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Functions and services for which district councils are responsible include the provision and maintenance of water supplies in liason with the Ministry responsible for natural resources. (Schedule 2, Part 2, subparagraph 3)



# Role of Directorate of Water Development Urban Water Supply Department

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The functions of the DWD Urban Water Supply Department include:

Supervision of Urban Water Authorities and provision of technical support to utility management through drafting of private operators' performance contracts and performance assessment of the contract holders;

Planning, design, and development of urban water and sewerage systems country wide; and

Regulation of urban water supply and sanitation services development.



# Key Issues Affecting Sector Performance

(World Water Assessment Program 2006)

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- ❖ **Inadequate financial resources:** The investment requirement for rural water supply and sanitation, to meet the 2015 target, is about US\$ 951 million. The corresponding investment for the urban water supply and sanitation is estimated to be US\$ 481 million. The Government cannot finance this level of investment from local limited resources. The issue here, therefore, is **how to raise the required financial resources** to meet the 2015 targets for the water sector.
- ❖ **Inadequate capacity at district and lower levels** to plan and implement sector activities. This has consequently resulted in low absorption of funds by the local governments.



# Key Issues Affecting Sector Performance

(continued)

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- ❖ **Limited private sector capacity** to cope with the increased water and sanitation activities.
- ❖ Weak coordination and management at both national and local governments level.
- ❖ **Inadequate involvement of local communities** in the planning, financing, implementation, monitoring and management of community based water and sanitation developments.



# A Utility “Parastatal”

The screenshot shows the official website of the National Water and Sewerage Corporation (NWSC). At the top is the NWSC logo, which features a shield with a water drop and a sun, flanked by two figures. Below the logo is the text "NATIONAL WATER AND SEWERAGE CORPORATION". A navigation bar contains links: Home, Corporate Affairs, External Services, Publications, Water Conference, Tenders, About Us, Jobs, and Contact Us. Below this is a secondary navigation bar with links: Latest News, Water Quality, In The Press, FAQ's, and Customer Voice. The main content area is divided into several sections. On the left, there is a sidebar with links: New Connection?, Ways to pay your bill, Water Quality, Customer Charter, Areas of Operation, Customer Voice, and E.A Young Water Professionals. The main content area features a large banner image of water treatment equipment with the text "Quality Control". Below the banner, there is a "Latest News" section with three articles: "APPLICABLE TARIFF STRUCTURE EFFECTIVE FROM 1st FEBRUARY 2012", "3rd Water Safety Conference, Kampala 13 – 15th November 2012", and "National Water promotes financial accountability - FiRe Awards Supplement". To the right of the "Latest News" section is a section titled "The Managing Director" with a link to "Read more". Below the "Latest News" section, there are four smaller sections: "Pay your Bill" with a link to "Ways to Pay", "Water Tips" with a link to "Save Water", "The Sky is the Limit" with a link to "Read More", and "Corporate Responsibility" with a link to "Read More".

**NATIONAL WATER AND SEWERAGE CORPORATION**

Home | Corporate Affairs | External Services | Publications | Water Conference | Tenders | About Us | Jobs | Contact Us

Latest News | Water Quality | In The Press | FAQ's | Customer Voice

**New Connection?**

**Ways to pay your bill**

**Water Quality**

**Customer Charter**

**Areas of Operation**

**Customer Voice**

**E.A Young Water Professionals**

**Quality Control**

**Latest News**

APPLICABLE TARIFF STRUCTURE EFFECTIVE FROM 1st FEBRUARY 2012, Posted on 2012-03-12

3rd Water Safety Conference, Kampala 13 – 15th November 2012, Posted on 2012-03-06

National Water promotes financial accountability - FiRe Awards Supplement, Posted on 2011-12-20

[Read more](#)

**The Managing Director**

The Managing Director explains our tariff structure

[Read more](#)

**Pay your Bill**

Choose the most convenient bill payment method

[Ways to Pay](#)

**Water Tips**

Find out ways in which you can save water

[Save Water](#)

**The Sky is the Limit**

Our Performance Improvement Programs

[Read More](#)

**Corporate Responsibility**

NWSC is reaching out to communities

[Read More](#)

A “parastatal” is a legal entity created by a government to undertake commercial activities on behalf of an owner government.

National Water and Sewerage Corporation is a parastatal wholly owned by the Ugandan National Government



# Initial Planning Functions (Grant Funded)

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- ❖ Coordinate with established NGO's and CBO's already active in water and sanitation services issues (Uganda Water and Sanitation NGO Network UWASNET)
- ❖ Organize Stakeholder Group
- ❖ Draft Management (Business) Plan
- ❖ Sponsor Municipal Referendum on Creation of Bugiri Urban Water & Sewerage Co.
- ❖ Create Corporate Entity



# Initial Planning Functions (continued)

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- ❖ Initiate Land Registration and Assessments;
- ❖ Undertake Feasibility Study to Assess the Existing Situation and Available Options;
- ❖ Resources Assessment (including Water Quality Testing)\*
- ❖ Develop Conceptual Plan for Infrastructure (Well-Field, Storage and Transmission)\*
- ❖ Conduct Stakeholder Meetings to Establish Service Priorities



# Initial Planning Functions (continued)

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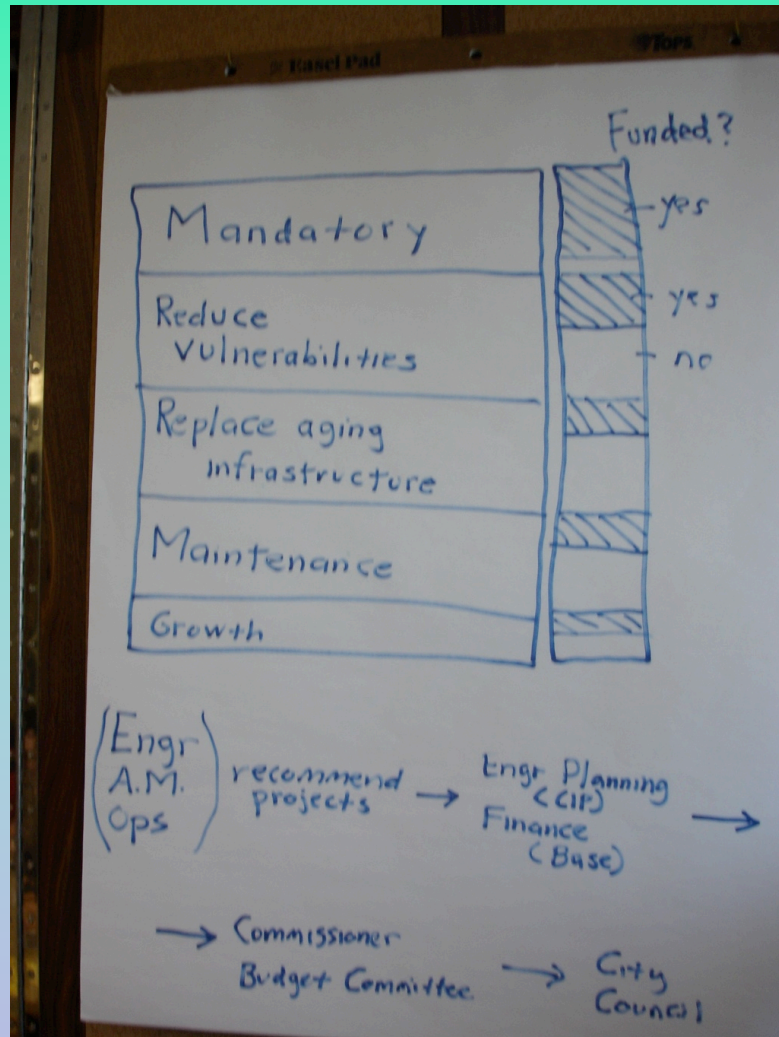
- ❖ Prepare Engineering Design Report (including Engineer's estimate of initial capital cost and ongoing Operations & Maintenance costs.)\*
- ❖ Draft Financing Proposal
- ❖ Functions marked with an asterisk (\*) will be completed by third-party firms with oversight by ECO International. All other Functions will be completed jointly by ECO International and local government officials.







# A Management Plan Has Two Important Purposes



First, it provides a “Game Plan” for achieving the desired results.

Second, it gives private sector actors notification and assurance that related commercial opportunities are on the horizon. This facilitates a “public/private” partnership that sustains development.



# Initial Funding Needs

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- ❖ Facilitation (Consulting) Fees paid to ECO International sufficient to compensate staff and to cover overhead;
- ❖ Telephone and Internet;
- ❖ Travel, Meals & Incidental Expenses for Project Managers, Staff, Participating Local Officials, and Volunteer Experts



# Initial Funding Needs (continued)

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- ❖ Fees of Third-Party Firms to:
  - ❖ Conduct Water Resources Assessment
  - ❖ Draft Conceptual Plan for Infrastructure
  - ❖ Prepare Engineering Design Report























# Thank You!

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For more information go to our website:  
[www.eco-international.org](http://www.eco-international.org)

Or contact us directly:

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