



BUSINESS PLAN FOR THE YEARS
2025/2026 to 2027/2028



LIST OF ABBREVIATIONS

AWWDA	Athi Water Works Development Agency
BoD	Board of Directors
BoP	Bottom of the pyramid
CIDP	County Integrated Development Plan
CLSG	Conditional Liquidity Support Grant
CMT	Core Management Team
CPA	Certified Public Accountant
CVF	Commercial Viability & Financial Flows
DMA	District Meter Areas
EBK	Engineers Board of Kenya
ESG	Environmental, Social & Governance
GATWASCO	Gatundu Water and Sanitation Company
GIS	Geographical Information System
GoK	Government of Kenya
HND	Higher National Diploma
ICT	Information Communication Technology
IEK	Institution of Engineers of Kenya
MBA	Master of Business Administration
MD	Managing Director
M&E	Monitoring and Evaluation
NRW	Non-Revenue Water
O&M	Operations and Maintenance
UPC	Urban Projects Concept
WASREB	Water Services Regulatory Board
WSP	Water Service Provider
WSTF	Water Sector Trust Fund

1.0 EXECUTIVE SUMMARY

Gatundu Water and Sanitation Company (GATWASCO) is a Kiambu County government-owned utility established in 2006 as the exclusive licensed provider of water and sanitation services for Gatundu North and South Sub-Counties. Serving an area of 376 km² and approximately 350,000 residents, the company plays a vital role in promoting public health and economic development through reliable water and sanitation services. Guided by its vision to be the region's leading provider of safe, affordable water and sanitation solutions, GATWASCO operates with core values of integrity, transparency, and customer focus. As of 2025, the company has achieved 74% water coverage with 47,608 connections and 99% sanitation coverage, though it faces a significant supply-demand gap - producing 20,300 m³/day against a daily demand of 45,540 m³/day from eight surface water sources. Financially, GATWASCO generates an average of KES 20 million monthly in water sales with 95% collection efficiency, but relies heavily on development partners like WSTF for capital investments due to limited internally generated funds.

The company's 2025-2030 Strategic Plan outlines ambitious targets including expanding water coverage to 90%, achieving universal sanitation coverage, reducing non-revenue water from 33% to 28%, and improving financial sustainability with a 150% O&M cost coverage ratio. Key interventions involve constructing cofferdams upstream of intakes, installing 200 km of new pipelines, deploying smart metering technology to curb water losses, and extending sewer lines by 20 km to upcoming estates along Kenyatta Road. GATWASCO will also implement digital transformation by integrating all ERP modules into the company's operations, pursue ISO certification by 2030, and strengthen governance to exceed 80% on WASREB compliance scores. Financial projections anticipate 5-8% annual revenue growth, assuming stable 3-6% inflation and 10% annual connection increases, supported by KES 1.3 billion in planned investments from grants, public-private partnerships and loans. A robust monitoring framework will track performance through monthly management reports and quarterly board reviews, measuring key indicators like water production, billing and collection efficiency, and customer satisfaction targets.

While GATWASCO benefits from competent leadership, strong partnerships and reliable water sources, it faces significant challenges including aging infrastructure, high non-revenue water, and climate vulnerabilities. The company is addressing these through infrastructure rehabilitation, catchment protection measures, and community engagement programs to reduce illegal connections and vandalism. By closing the current 25,240 m³/day water deficit and capitalizing on opportunities like rapid urbanization and technological advancements, GATWASCO is well-positioned to enhance service delivery and achieve financial sustainability. The company's strategic direction aligns with national development goals under Kenya's Vision 2030 and the Kiambu County Integrated Development Plan, ensuring equitable access to water and sanitation for Gatundu's growing population while building long-term climate resilience and operational efficiency across all service areas. Through these strategic initiatives, GATWASCO seeks to evolve into an exemplary water service provider, delivering reliable, high-quality, and sustainable water and sanitation services to its customers.

2.0 COMPANY OVERVIEW

2.1 Company Profile

2.1.1 Vision

To be the best in provision of potable water and sanitation services in the region and beyond.

2.1.2 Mission

To promote good health standards and raise economic level of our community through provision of quality, reliable, adequate and affordable water and sanitation services in an environmentally friendly manner while meeting the expectations of our customers and other stakeholders.

2.1.3 Core values

1. Integrity – The Company has zero tolerance to unethical business practices and thus, conduct sits business honestly and with fairness.
2. Transparency and accountability – The Company is accountable for all actions and decisions, accepting responsibility whilst reporting in a transparent manner to its stakeholders.
3. Teamwork – The Company works within a shared vision and recognizes that teams accomplish more than individuals.
4. Professionalism – The Company exercises professionalism in its interactions with partners and stakeholders.
5. Customer focus – The Company is focused on understanding the customer’s needs and is committed to attaining the highest standards in service delivery to all customers and stakeholders.
6. Creativity and innovation – The Company endeavors to be a learning organization that embraces change and continuously enhances creativity and innovation in its service provision processes.
7. Efficiency – The Company is focused to undertake its activities in a timely manner to meets the customers’ needs
8. Equity – The Company will endeavor to serve all our clients equally at all times.

2.1.4 Business overview

GATWASCO is the only licensed water and sanitation service provider in Gatundu North and South Sub-Counties and is fully owned by the County Government of Kiambu.

The area of service has approximately 350,000 people, out of which 74% have access to water services and 99% have access to sanitation services. The total water demand is approximately 45,540m³/day against a water production of 20,300m³/day. Water is supplied from 8 no. surface water sources namely Gakoe, Kairi and Karure that draw water from Karimenu river, Ndarugu and Nyamang’ara that draw water from Ndarugu river, Kirangi and Gaitete that draw water from Ruabora river, Gacharage that draws water from Thiririka river and Theta that draws water from Theta Dam. Other areas are served through community water projects.

The average billing from water sales is approximately 20 million per month, where the collection efficiency is 95%. From the revenue earned, the company is only able to meet its operational costs, but is not able to finance major capital investments, thus partners with other development players (AWWDA, World Bank, ADB, WSTF, Kenya Pooled Water Fund) for funding.

Core business

2.1.5 Value Proposition

The Company offers water and sewerage services, which are required by all residents and industries in the area. Current estimates place water demand at 45,540m³ per day. In its attempt to meet demand, the Company delivers its services through a piped network which covers 74% of the service area.

To further address the gap faced by residents, GATWASCO is putting in place other actions to improve the water coverage.

2.1.6 Products and Services

The Company serves its customers through individual connections to the existing water pipeline network. To facilitate a connection, potential customers fill in a prescribed application form where they provide background details that enable connection fee evaluation and are connected after the customer consents to the contract terms and payment.

2.1.7 Customer Base

The Company's customer base has increased to 47,608 connections in 2025, with the main driver of this increase in population growth is the urbanization along Kenyatta Road. This trend is expected to continue in the future due to cheap and available land, improved infrastructure and rural to urban migration and the upcoming institutions of a higher learning (Mama Ngina University).

2.2 Legal structure and ownership

GATWASCO was incorporated in 2006 as a limited liability company and is owned by Kiambu County Government in line with Water Act 2016.

2.2.1 Board of Directors

GATWASCO's board of directors is currently comprised of five non-executive directors who serve a 3-year term and meet quarterly. It also includes the MD who represents the Company. The board of directors is composed of individuals with expertise in both the public and private sector, who are recruited through a competitive process by the Kiambu County Government.

They represent a variety of stakeholders and consumer groups domiciled in the county which include learning institutions, Women, Farmers association, consumers and Kiambu County government representatives.

The main functions of the Board are outlined below as follows:

1. Provide strategic direction and approve organization policies.
2. Ensure adequate resources are present to achieve the organization's objectives.
3. Review and approve annual budgets.
4. Set and periodically review key performance indicators and management performance to ensure sustainability.
5. Provide adequate internal control systems and take charge of the firm's audit processes.
6. Provide adequate risk management plans to ensure business continuity.

The board is sub-divided into (3) committees which meet on a quarterly basis to carry out their various functions.

2.2.1.1 Finance and administration Committee

- i. Ensure availability of adequate resources to achieve the organizations objectives.
- ii. Oversee and monitor organization performance and ensure sustainability.
- iii. Plan and review strategic plans and approve policy documents.
- iv. Ensure internal controls are put in place and adhered to in the organization.
- v. Provide guidance on budgets and financial management.

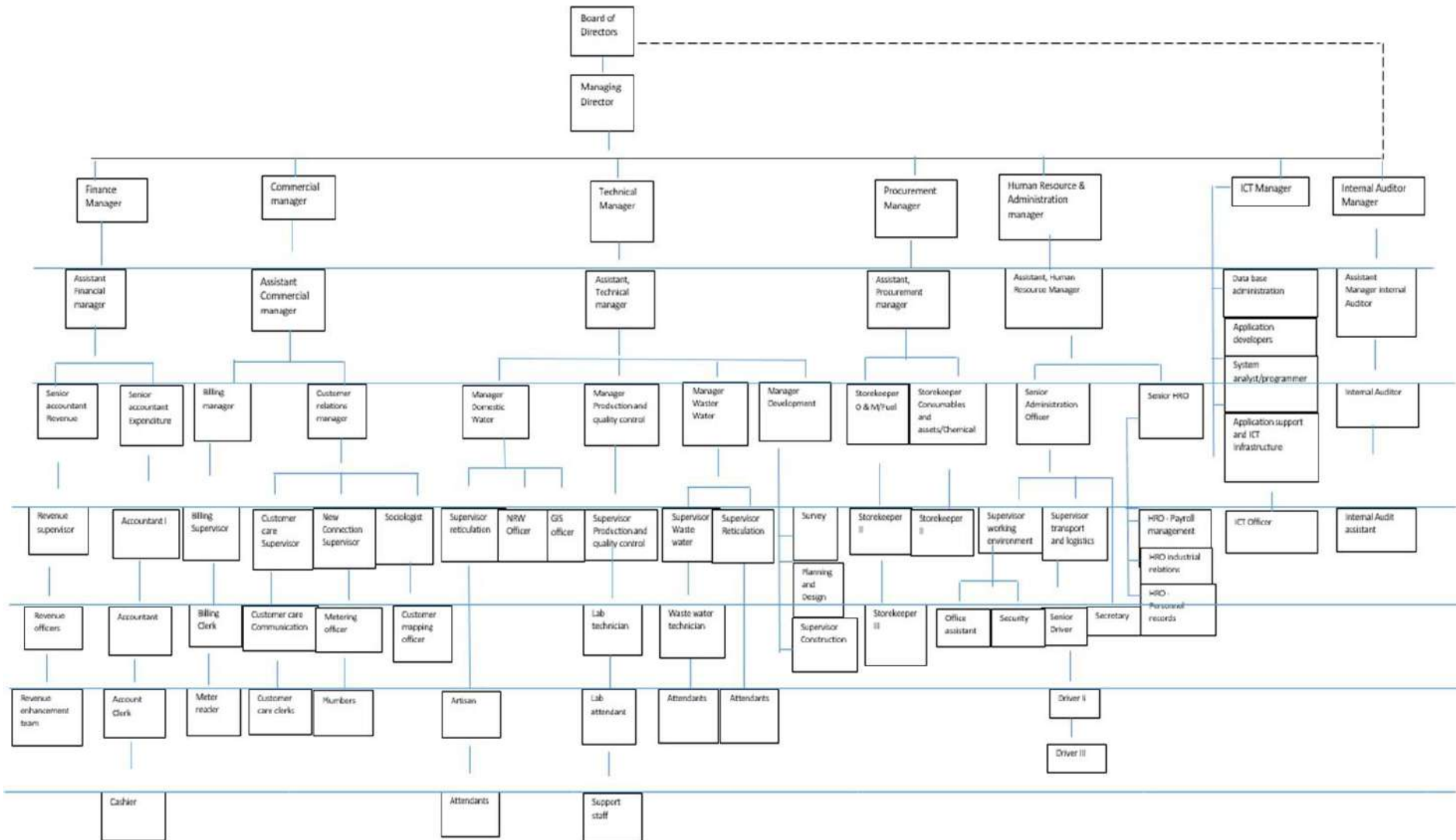
2.2.1.2 Technical Committee

- i. Ensure asset maintenance and asset development plans are reviewed for suitability.
- ii. Oversee the Company's technical performance with respect to operation quality and efficiency.
- iii. Recommend the direction of the organization's technical development policy.
- iv. Strengthen the Company's technical capacity through resource mobilization and lobbying

1.2.1.1 Audit and Risk Committee

- i. Develop, document, implement, test, and maintain a comprehensive internal audit plan and control system.
- ii. Examine transactions for accuracy and compliance with company policies.
- iii. Evaluate financial and operational procedures for adequate internal controls.
- iv. Identify, assess, and evaluate the Company's risk areas.
- v. Recommend improved internal controls and accounting procedures.
- vi. Identify and assess key business risks and establishes risk management procedures.

2.3 Organogram



The following are the core functions of the departments

2.3.1 Technical Department

The Technical department has separate sections for sewerage and water supply. Its functions include:

- i. Production and distribution of portable drinking water.
- ii. Collection, treatment and safe disposal of wastewater.
- iii. Operation and maintenance of infrastructure (treatment plants, water and sewer pipeline network, etc.).
- iv. Optimization of resource utilization.
- v. Rehabilitation of water and sewerage facilities.
- vi. Supervision of construction works.
- vii. Preparation of development plans, action plans and budgets.
- viii. Monitoring and evaluation of company projects.
- ix. NRW management- Addressing of physical losses

2.3.2 Finance Department

The department has the following roles:

- i. Management of revenue and debt collection, expenditure and cash flow.
- ii. Management and preparation of annual financial statements.
- iii. Preparation of annual budgets and financial projections for investments and budget control.
- iv. Coordination of project activities.

2.3.3 Commercial Department

The department has the following roles:

- i. Management of commercial activities including connections applications, meter reading and billing.
- ii. Management of water sales
- iii. Public relation and customer care
- iv. NRW management- Addressing of Commercial losses

2.3.4 Human Resource and Administration Department

This department has the following roles

- i. Human resources planning and deployment.
- ii. Recruiting, training and developing staff.
- iii. Safeguarding employee welfare, compensation and relations.
- iv. Managing Transport, registry and mailing services.

2.3.5 Procurement Department

This department has the following roles

- i. Development, implementation and enforcement of procurement policies and regulations in line with procurement laws and regulations.
- ii. Preparation and implementation of the Company's procurement plan in liaison with respective user departments, in order to realize set objectives.
- iii. Management of asset disposal as and when required.
- iv. Implementation of the procurement and tender committees' decisions.
- v. Management of contracts to ensure timely execution.
- vi. Management of risks and implementation of appropriate risk mitigation strategies.

2.3.6 Internal Audit Department

This department has the following roles

- i. Developing, documenting, implementing, testing, and maintaining a comprehensive internal audit plan and control system.
- ii. Examining financial transactions for accuracy and compliance with company policies.
- iii. Evaluating financial and operational procedures to ascertain internal controls are adequate.
- iv. Identifying, assessing, and evaluating the Company's risk areas and making appropriate recommendations for improved internal controls and accounting procedures.
- v. Identifying and assessing risk management procedures.
- vi. Preparing necessary reports for the Audit Committee

2.4 Management Team

The Company possesses a strong and diverse core management team (CMT) with deep expertise in the water sector and a broad range of professional skills and qualifications, making them well-positioned to grow the Company as illustrated in the table below:

The Managing Director (MD) has over ten years of corporate management experience in the production sector. He has led the Company through various processes (transition from old tariff to new tariff, implementation of CLSG II, CVF, County Government of Kiambu, & National Government programs), infrastructure improvements and built strong corporate relationships.




The Technical Manager (TM) has over fifteen years of experience in overseeing water production improvements, distribution, maintenance, water treatment and effluent management in both rural and urban WSPs.





The Commercial Manager (CM) has over ten years’ experience in revenue collection and financial management, and one year experience in billing and customer care management.



The Finance Manager (FM) has over ten years of experience in the water sector, particularly in revenue collection and financial management.

The Human Resource Manager has over ten years’ experience in the water sector, particularly in staff performance management, recruitment and personnel administration.

The Procurement Manager has over ten years of experience in the water sector, mainly in purchase and supply, inventory management and disposal of assets.

Managers	Details
 <p data-bbox="204 1066 444 1100">Fredrick Mwangi</p>	<p data-bbox="626 785 889 819"><u>Managing Director</u></p> <p data-bbox="626 842 1354 1203">Experience: Over ten years of corporate management experience in the production sector. He has led the Company through various processes (transition from old tariff to new tariff, implementation of CLSG II projects, CVF, County Government of Kiambu, & National Government programs), infrastructure improvements and built strong corporate relationships.</p>
 <p data-bbox="204 1501 409 1535">James Muiruri</p>	<p data-bbox="626 1226 893 1260"><u>Technical Manager</u></p> <p data-bbox="626 1283 1365 1478">Experience: Over fifteen years of experience in overseeing water production improvements, distribution, maintenance, water treatment and effluent management in both rural and urban WSPs.</p>
	<p data-bbox="626 1562 867 1596"><u>Finance Manager</u></p> <p data-bbox="626 1619 1365 1755">Experience: Over fifteen years of experience in the water sector, particularly in revenue collection and financial management.</p>

<p>CPA Emmah W. Chege</p>	
 <p>CPA Eunice Wambui</p>	<p><u>Commercial Manager</u> Experience: Over ten years’ experience in revenue collection and financial management, and one year experience in billing and customer care management.</p>
 <p>David G. Muigai</p>	<p><u>Administration Manager</u> Experience: Over 30 years’ experience in water sector ministry of water & Gatundu South Water company, Gatundu Water</p>
 <p>Nancy N. Waweru</p>	<p><u>Human Resource Officer</u> Experience: Over 10 years’ experience in water sector, particularly in staff performance management, recruitment and personnel administration.</p>
 <p>Jessica N. Peter</p>	<p><u>Procurement Manager</u> Experience: Over ten years of experience in the water sector, mainly in purchase and supply, inventory management and disposal of assets.</p>

	<p><u>ICT Manager</u></p> <p>Over seven years of experience in ICT practices, particularly server and computer systems management, programming, data backup and security, and system administration.</p>
	<p><u>Internal Auditor</u></p> <p>Over ten years of experience in the water sector: seven in accounts and three in audit practices, particularly review of internal control systems, preparing internal audit plans, and presenting audit findings to the management.</p>

2.5 Summary of key achievements

- i. Obtained KES. 59,162,937 in grants from the Water Sector Trust Fund (WSTF) and Kiambu County Government to fund infrastructure projects, including water pipeline extensions and NRW reduction initiatives.
- ii. Grew the customer base from 35,000 to 47,608 connections by 2025, a 36% increase, driven by urbanization along Kenyatta Road and new connections in underserved areas.
- iii. Expanded water coverage from 68% to 74% (a 6% increase) by laying approximately 50 km of new pipelines in wards like Kiganjo, Mang'u, and Gituamba.
- iv. Improved collection efficiency from 85% to 88% by 2025 through customer sensitization clinics and stricter enforcement of disconnections for defaulters.
- v. Lowered NRW from 35% to 33% by 2025 through targeted interventions, including servicing and replacing faulty meters, repairing leaks and disconnection of illegal connections.

3.0 MARKET LANDSCAPE

3.1. Overview

The Gatundu Water and Sanitation Company (GATWASCO), fully owned by the Kiambu County Government, operates across a 376 km² service area encompassing Gatundu North and South Sub-Counties, serving an estimated population of 350,000 as of 2025. GATWASCO's customer base is diverse, comprising commercial entities, domestic households, industrial users (e.g., small-scale manufacturers), institutional clients (e.g., schools and hospitals), and water kiosks catering to low-income communities. As of 2025, the water coverage achieved was 74%, providing piped water to approximately 255,500 residents through 47,608 connections, but faces a significant demand gap with a daily water deficit of 25,240 m³ (demand: 45,540 m³/day; production: 20,300 m³/day). Sanitation coverage stands at 99%, primarily through on-site solutions like pit latrines and septic tanks, as sewerage infrastructure remains limited (0% coverage). This gap in water and sewerage services underscores the urgent need for infrastructure expansion and operational improvements.

By addressing these service gaps, GATWASCO aims to contribute to Sustainable Development Goal 6 (clean water and sanitation for all) and Kenya's Big Four Agenda, specifically the universal healthcare and manufacturing pillars, which rely on reliable water and sanitation for public health and industrial growth. Closing the water supply gap will enhance equitable access, reduce waterborne diseases, and support economic development in Gatundu's urbanizing areas, while expanding sewerage services will improve environmental sustainability and public hygiene. To achieve these outcomes, GATWASCO prioritizes several focus areas to increase year-round water supply volume, improve operational efficiency, expand coverage, and enhance customer service as detailed in Section 3.4.

3.2 PEST Analysis

3.2.1 Political

GATWASCO operates under the regulatory framework of Kenya's water sector, which is influenced by both national and county government policies. The company benefits from partnerships with the County Government of Kiambu and national bodies like the Water Services Regulatory Board (WASREB). However, political interference in water pricing, project approvals, and fund allocation can sometimes delay infrastructure development. Changes in county leadership may also shift priorities, affecting long-term water projects. Additionally, government grants from institutions like the Water Services Trust Fund (WSTF) are crucial for funding expansions, making political goodwill essential for sustainability.

3.2.2 Economic

Economic conditions in Gatundu, including income levels and payment capacity, influence GATWASCO's revenue collection efficiency. Inflation and rising operational costs (e.g., electricity, pipe materials) may strain budgets, necessitating tariff adjustments. The company's ability to secure grants and loans helps mitigate financial constraints, but high non-revenue water (NRW) losses due to leaks and illegal connections reduce profitability. Economic growth in the region could increase demand for water, prompting further infrastructure investments.

3.2.3 Social

Population growth and urbanization in Gatundu increase water demand, requiring GATWASCO to expand coverage. Public awareness of water conservation and willingness to pay for services affect revenue collection. Resistance to tariff hikes or delayed bill payments by customers can strain operations. Additionally, community engagement is vital to reducing illegal connections and vandalism of water infrastructure. The company must also address equity concerns by ensuring underserved areas gain access to clean water.

3.2.4 Technological

Adopting modern technologies such as automated billing systems, smart meters, and GIS mapping can improve efficiency in revenue collection and leak detection. However, limited funding may hinder full digitization. Innovations like solar-powered water pumps could reduce operational costs, while drone-assisted pipeline inspections could enhance maintenance. Cybersecurity risks in digital payment systems also pose a threat that must be managed.

Business Environment

- i. WASREB launched Operation Linda Maji, Lipa Maji in 2024 to curb water theft and improve revenue collection, targeting 95%+ billing efficiency.

- ii. New tariff guidelines and corporate governance tools introduced in 2024/2025 enforce compliance, with penalties (KES 1–5M) for non-compliance.
- iii. WASREB hosted delegations from DRC and Somalia in 2024 to share regulatory best practices, boosting Kenya’s WSP model credibility.
- iv. WSTF’s 2023–2025 supplier registration enhanced grant access (e.g., KES 100M for GATWASCO’s CLSG II projects), supporting infrastructure development.
- v. WASPA’s 2024 NRW roadmap, adopted by WSPs, promotes DMAs and leak detection.
- vi. ERP adoption by WSPs like GATWASCO in 2022 improved staff productivity, decision-making, and operational efficiency.
- vii. WASREB noted a KES 500B shortfall in 2022 to achieve universal access by 2027, pushing WSPs to rely on PPPs and grants.
- viii. Droughts and floods strained WSPs’ supply, prompting climate-resilient infrastructure investments.

3.3 Market Need

At optimal level, GATWASCO’s water supply is as outlined in the table below.

Daily demand	45,540 m ³ /day	
Water source	Design capacity (m³/day)	Actual production (m³/day)
Gakoe Water Supply	6,000	5,000
Kairi Water Supply	2,000	1,500
Karure CFU	600	300
Nyamang’ara CFU	400	100
Kirangi CFU	400	200
Gaitete CFU	400	200
Gacharage Water Supply	6,000	5,000
Theta Water Supply	1,000	900
Ndarugo Water Supply	3,500	2,000
Total water available	20,300	15,200
Water deficit	25,240	

Despite GATWASCO’s efforts to increase water supply to customers by laying additional pipes, an acute shortage of water stills exists, resulting in low system pressure and an increase in the customer complaints. GATWASCO currently has capacity to cover 65% from their network and infrastructure but can only cover 35% due to water scarcity and inefficiencies in its operations. In addition to water coverage being inadequate, it is also unreliable due to prolonged rationing.

3.4 Addressing the market gap

The gap between the water supply and demand is high and should be addressed to maximize the Company's returns. A reduction in the market gap will increase water supply, supply period and turnover as well as decrease customer complaints. The methods outlined below will be undertaken to reduce the market gap.

3.4.1 Development of water sources

The expansion of water sources through initiatives such as developing storage dams, increasing water treatment plants, and implementing a reticulation system will help reduce the existing water gap. These measures aim to enhance water availability and distribution efficiency. Key projects currently underway to achieve this goal include the construction of the Handege, Ngenda, and Ruabora water supply schemes, which will contribute significantly to meeting water demand and improving supply reliability.

3.4.2 Management of non-revenue water

The Company has been facing significant Non-Revenue Water (NRW) levels, averaging approximately 33%—well above the industry benchmark of 25%. To address this challenge, the Company is actively implementing targeted measures to reduce both commercial and technical water losses. Key interventions include the replacement and servicing of faulty water meters, swift response to pipe bursts and leaks, and the installation of digital water meters for commercial customers. Additionally, the Company is enhancing meter reading accuracy and establishing District Metered Areas (DMAs) to improve monitoring and control within designated zones. These efforts aim to optimize water distribution, minimize losses, and align NRW levels with acceptable standards.

3.4.3 Expansion of water and sewerage infrastructure coverage

To enhance water and sewerage coverage, the Company plans to both rehabilitate existing infrastructure for improved efficiency and extend services to currently unserved areas. As part of this initiative, water line upgrades and new pipeline installations will be implemented along Kenyatta Road. Additionally, to expand sewerage services, a 200 kilometer network of trunk and lateral sewers will be constructed to serve Gatundu town and its environs, with all wastewater being channeled to the Juja Sewerage Treatment Plant for processing. These infrastructure improvements aim to significantly boost service reliability and accessibility for residents.

3.4.4 Improve revenue collection efficiency

The Company is implementing a comprehensive revenue enhancement strategy to strengthen its financial sustainability and ensure it can reliably meet all operational and developmental obligations. A key focus of this initiative involves improving payment compliance through proactive customer engagement and clear communication regarding billing policies. The Company will launch targeted awareness campaigns to educate customers about the importance of timely bill settlements, emphasizing how prompt payments contribute to maintaining uninterrupted services and avoiding unnecessary collection procedures. As part of this effort, the Company will establish transparent escalation protocols - initially sending payment reminders through SMS and emails, followed by formal notices for overdue accounts, and ultimately implementing service disconnections or engaging debt collection agencies as a last resort for persistently delinquent accounts. These measures aim to foster a culture of payment responsibility while maintaining positive customer relations, ultimately creating a more stable financial foundation for the Company to invest in service improvements and infrastructure development. The approach balances firm fiscal management with customer education to achieve sustainable revenue collection outcomes.

3.4.5 Improved customer service

To consistently meet and exceed customer expectations, the Company is reinforcing its commitment to cultivating a customer-first culture across all operations. This strategic focus prioritizes service excellence, responsiveness, and accountability as fundamental pillars of our engagement with customers.

A key initiative in this transformation involves optimizing response times to customer inquiries and service requests, aligning with the standards outlined in the Company's Customer Service Charter. By streamlining internal workflows, enhancing staff training, and leveraging digital tools for efficient query resolution, we aim to significantly reduce wait times while improving the quality of support provided.

Additionally, the Company will implement continuous feedback mechanisms, such as post-service surveys and real-time complaint tracking, to identify areas for improvement and ensure customer concerns are addressed promptly and effectively. This proactive approach not only strengthens trust and satisfaction but also fosters long-term loyalty by demonstrating our unwavering dedication to putting customers at the heart of everything we do.

3.4.6 Enhancing institutional capacity

The Company acknowledges that its workforce is the cornerstone of organizational success, and as such, is committed to building and retaining a highly skilled, motivated, and productive workforce. To achieve this, we will implement a comprehensive Performance Management System designed to objectively track, evaluate, and enhance employee productivity. This system will incorporate clear KPIs, regular feedback mechanisms, and targeted development programs to ensure continuous professional growth aligned with organizational objectives.

Concurrently, we will optimize operational workflows by investing in modern facilities, cutting-edge tools, and technology-driven solutions. These enhancements will eliminate bottlenecks, reduce redundancies, and create an environment that fosters peak efficiency and effectiveness across all departments.

Furthermore, the Company will uphold the highest standards of corporate governance through transparent decision-making, rigorous accountability frameworks, and ethical business practices. Strong governance will serve as the foundation for sustainable economic performance, driving both operational efficiency and long-term growth. By demonstrating unwavering commitment to governance excellence, we will strengthen stakeholder trust, attract investment opportunities, and solidify our reputation as a reliable and forward-thinking organization.

4.0 STRATEGIC PLAN

GATWASCO has a strategic plan in place covering the years between 2025 and 2030. This section borrows material from the strategic plan and adapts it to reflect both the period of this business plan and the Company's latest strategic thinking.

4.1 Company Objectives

The objectives listed in the table below are GATWASCO's key strategic targets.

Objective	Impact metric	Original level	Target level	Achieve by
Expand Water Access and Coverage	Water coverage	73%	90%	2030
Expand Sanitation Access and Coverage	On-site sanitation	99%	100%	2030
	Sewerage Coverage	0%	5%	2030
Improve Operational Efficiency	Cost reduction per m ³ produced			2030
	Percentage reduction in NRW	39%	28%	2030
	Staff productivity	5 staff/1000 conns	4 staff/1000 conns	2030
Improve Financial Sustainability	OCCR	102%	150%	2030
Ensure Customer Satisfaction	Customer satisfaction scores from surveys issued	55%	80%	2030
Enhance Billing Efficiency	Improve billing efficiency	67%	80%	2030
Intensify Employee Productivity	Staff productivity	5 staff/1000 conns	4 staff/1000 conns	2030
Enhance Effective Corporate Governance	ESG performance score	N/A	100%	2030
Digitally Enhance Departmental Operations	Operational efficiency	70%	123%	2030

Optimize Procurement Processes	Procurement cycle time		45 days	30 days	2030
Ensure Sustainable Environmental Management and Conservation	Percentage use of the watershed conservation budget		0.1%	0.5%	2030
Secure ISO Certification	Achieved ISO certification		None	At least 1	2030

4.2 Action Plans and Indicators

OBJECTIVE	ACTIONS	INDICATORS
<p>Expand water access and coverage</p>	<ul style="list-style-type: none"> - Construction of 3 cofferdams upstream of intakes in Rivers Theta, Karimenu, Thiririka, Ruabora and Ndarugu. - Desilting of 8no. intakes and lagoons at the WTPs. - Development of 2no. Turbine driven Schemes. - Operationalization of Marigi and Kimunyu Boreholes to yield 240m³/day. - Improvement of Mataara weir and construction of 2no. CFUs to treat 800m³/day. - Construction of 2no. CFUs at Nguna to treat 800m³/day. - Improvement of Gakoe weir, construction of 2no. CFUs to treat 800m³/day and installation of reticulation systems. - Undertake pipeline extension/upgrading in Kamwangi, Mang'u, Ndarugu, Ng'enda, Kiganjo, Komothai, Juja, Chania, Kiamwangi and Githobokoni Wards. The total span of the pipeline is 153.3km, ranging from DN25 to DN110. - Construction of 4no. Water storage tanks with a capacity of 1,650m³, at Mutomo, Ituru, Muthunguchi and Buchana. 	<ul style="list-style-type: none"> - Percentage of population with water access (target: 80%). - Kilometers of new water pipelines laid. - Number of new connections. - Number of hours per day of continuous water supply. - Cubic meters per day (m³/day) of increased water production capacity.
<p>Expand sanitation access and coverage</p>	<ul style="list-style-type: none"> - Policy formulation, research, training and certification of staff on wastewater management. - Mapping the existing sewer network under development, to identify areas to be served. 	<ul style="list-style-type: none"> - Kilometers of new sewer lines laid annually. - Number of new household connections to the sewer network. - Percentage of Gatundu's population served by safely

	<ul style="list-style-type: none"> - Undertake mapping of the entire area of jurisdiction to determine the sanitation coverage and also to identify sanitation gaps. - Construction of 9no. DTFs at Kiganjo, Mundoro, Wamwangi, Kigumo, Kibichoi, Kamwangi, Gatukuyu, Kanyoni and Gituamba. - Develop and implement a maintenance schedule for sewerage infrastructure. 	<ul style="list-style-type: none"> managed sanitation services (both sewerage and on-site). - Reduction in waterborne disease outbreaks in the service area.
Improve Operational Efficiency	<ul style="list-style-type: none"> - Installation of AMR technologies in urban and commercial areas. - Installation of IoT sensors on critical infrastructure to monitor water quality parameters, water flow, pressure, and leaks in real time. - Configuration of ERP modules for Pastel Accounting, HR Management, and e-Procurement. - Upgrading treatment equipment to energy-efficient models to lower operational costs. - Use Enterprise Asset Management (EAM) or Computerized Maintenance Management Systems (CMMS) to schedule predictive maintenance based on asset condition data. 	<ul style="list-style-type: none"> - Percentage reduction in NRW. - Number of leaks detected and repaired monthly/quarterly. - Kilometers of old/leaky pipes rehabilitated or replaced. - Percentage of departmental processes automated. - Reduction in overall operational electricity costs. - Reduction in unplanned equipment downtime.
Improve Financial Sustainability	<ul style="list-style-type: none"> - Development of a call center and enhance supervision of revenue collectors. - Reactivation of inactive accounts. 	<ul style="list-style-type: none"> - Collection efficiency. - Reduction in accumulated debtors/arrears. - Growth in active customer connections generating revenue.

	<ul style="list-style-type: none"> - Registration of new connections. - Diversify alternative revenue streams (exhauster services, test bench calibration services). - Enforcement of credit measures such as payment plans for our financially challenged customers. - Timely disconnections of defaulting customers. - Conduct regular cost analysis set clear cost cutting goals. 	<ul style="list-style-type: none"> - Reduction in operational expenditure. - Ratio of personnel costs to total operational costs. - Timeliness and accuracy of financial reports.
Ensure Customer Satisfaction	<ul style="list-style-type: none"> i. Foster transparent communication through; SMS platform, introduce a toll-free number, USSD Code, hold customer care workshops and clinics, set up a call centre, and carry out customer satisfaction surveys regularly. ii. Educate customers about water conservation and responsible usage. 	<ul style="list-style-type: none"> - Average response time for digital inquiries. - Average complaint resolution time. - Number of active users on digital self-service platforms. - Customer satisfaction with complaint handling. - Attendance rates at public participation forums. - Media mentions and sentiment analysis regarding GATWASCO's public image. - Overall Customer Satisfaction (CSAT) score.
Enhance Billing Efficiency	<ul style="list-style-type: none"> - Procure and install smart meters/AMR in high consumption areas. - Conduct quarterly meter inspections and replacements. - Procurement and installation of Volumetric flow meters (Sub zonal meters) ranging from DN160- DN63. - Procurement of 4no. Correlators for leak detection. - Procurement of 4no. ultrasonic flow meters for water flow monitoring. 	<ul style="list-style-type: none"> - Percentage of customer meters converted to AMR/Smart Meters. - Reduction in average meter reading cycle time. - Decrease in estimated bills issued. - Reduction in meter reading errors reported by customers or detected internally. - Reduction in the number of billing-related customer complaints.

	<ul style="list-style-type: none"> - Procurement of 4no. pipe locators. - Operationalization of a meter testing laboratory. - Replacement of dilapidated pipeline networks of assorted sizes ranging from DN50 to DN160. 	<ul style="list-style-type: none"> - Reduction in the average time to resolve billing disputes. - Number of billing discrepancies detected and corrected proactively.
Intensify Employee Productivity	<ul style="list-style-type: none"> - Hire a consultant to align workforce size, structure, and skills with the strategic needs of the organization. - Developing a learning and development strategy, promote on the job learning and foster a learning culture. - Offer competitive compensation and benefits, recognize performance and offer rewards. - Improve employee motivation. - Strengthen brand identity. 	<ul style="list-style-type: none"> - Percentage of employees completing annual professional development hours/courses. - Improvement in employee competency assessment scores. - Timeliness and completion rate of performance appraisals. - Increase in employee-submitted suggestions for process improvements. - Reduction in workplace incidents or grievances.
Enhance Effective Corporate Governance	<ul style="list-style-type: none"> - Develop and implement MoUs in line with target institutions. - Hold consultation workshops with our stakeholders. - Review and update policies to align with best practices and regulatory requirements. - Hold AGMs with key stakeholders. - Train the board, management, and other staff members. - Develop, implement, and maintain institutional branding in all company assets. - Provide staff with branded uniforms and materials. - Identify and package bankable PPP projects and 	<ul style="list-style-type: none"> - Average hours of corporate governance and sector-specific training undertaken by directors annually. - Reduction in significant audit findings (internal and external) related to internal control weaknesses. - Number of reported non-compliance incidents with internal policies or external regulations. - Timeliness and completeness of public disclosures (annual reports, WASREB performance reports). - Number of reported ethical violations and their resolution status. - Percentage compliance with WASREB licensing

	negotiate MoUs with private partners.	conditions and performance targets. - Frequency and effectiveness of stakeholder engagement forums. - Stakeholder feedback on GATWASCO's responsiveness to their concerns.
Digitally Enhance Departmental Operations	<ul style="list-style-type: none"> - Ensure a reliable, secure internal email system to support institutional communication and reduce dependency on third-party services. - Assess data backup requirements and procure and install the backup infrastructure. - Deploy cybersecurity tools, conduct security audits, and lead ISO/IEC 27001 compliance efforts. - Fully secure all organizational systems and operations. 	<ul style="list-style-type: none"> - Percentage of core departmental processes integrated into the ERP system. - Increase in overall data accuracy within integrated modules (e.g., procurement records, HR data). - Percentage of customer interactions logged and managed through the CRM system. - Number of departmental workflows successfully automated. - Percentage reduction in paper consumption within departments.
Optimize Procurement Processes	<ul style="list-style-type: none"> - Develop and enforce a streamlined procurement manual aligned with PPADA 2015 and PPADR 2020. - Use e-Procurement tools to automate tender evaluations and contract monitoring. 	<ul style="list-style-type: none"> - Reduction in the average procure-to-pay (P2P) cycle time (e.g., from requisition to supplier payment). - Reduction in administrative costs per purchase order (PO). - Supplier On-Time Delivery (OTD) rate and Quality Defect Rate. - Average supplier performance scores (from evaluations). - Reduction in disputes or non-conformance issues with key suppliers. - Timeliness of supplier payments.

		- Reduction in procurement audit findings or queries.
Ensure Sustainable Environmental Management and Conservation	<ul style="list-style-type: none"> - Launch reforestation and soil conservation projects around Gatundu’s water sources to prevent siltation and pollution. - Conduct CSR-driven Water, Sanitation, and Hygiene (WASH) campaigns to educate communities on water-saving practices. - Partner with county governments, WSTF, and NGOs to fund and implement conservation initiatives. 	<ul style="list-style-type: none"> - Percentage increase in tree cover in key catchment areas. - Number of community engagement initiatives on catchment protection. - Reduction in sedimentation levels in raw water sources.
Secure ISO Certification	<ul style="list-style-type: none"> - Form a certification task force to oversee the process. - Identify gaps and areas requiring improvement to meet certification requirements. - Create a timeline and assign responsibilities for achieving certification. - Hold management reviews to evaluate system effectiveness and drive corrective actions. 	<ul style="list-style-type: none"> - Completion rate of required management system documentation. - Percentage of identified processes with documented procedures. - Percentage of employees completing mandatory ISO awareness training. - Reduction in the number and severity of non-conformities identified during internal and external surveillance audits. - Closure rate of corrective actions identified during internal audits. - Successful achievement of ISO certification within the planned timeframe. - Maintenance of ISO certification status.

5.0 PROJECTS FOR INVESTMENT

The Company has prioritized various projects for investment. The projects are aimed at increasing water supply and expanding/rehabilitating the water and sewer pipeline network. In addition, the projects also aim to reduce non-revenue water to increase revenue.

Table of projected investments

Strategic Initiatives	Activities	Timelines	Budget (KES)	Person Responsible
Increase water production capacity	Construction of cofferdams upstream of intakes in Rivers Theta, Karimenu, Thiririka, Ruabora and Ndarugu.	Y1	10,000,000	TM
		Y2	10,000,000	
		Y3	10,000,000	
	Desilting of 8no. intakes and lagoons at the WTPs	Y1	4,000,000	
		Y2	4,000,000	
		Y3	4,000,000	
	Installation of Lamella plates at Theta, Thiririka, Ndarugu, Kairi and Gakoe WTPs	Y1	5,000,000	
		Y2	5,000,000	
		Y3	5,000,000	
	Replacement of filter media in 9 No. WTPS	Y1	5,000,000	
		Y2	5,000,000	
	Development of 2no. Turbine driven Schemes to yield 4,000m ³ /day	Y1	25,000,000	
		Y2	25,000,000	
Operationalization of Marigi and Kimunyu Boreholes to yield 240m ³ /day	Y1	8,000,000		
	Y2	2,000,000		
Improvement of Mataara weir and construction of 2no. CFUs to treat 1,000m ³ /day	Y2	60,000,000		
Construction of 2no. CFUs at Nguna to treat 1,000m ³ /day.	Y2	20,000,000		
Improvement of Gakoe weir, construction of 2no. CFUs to treat 1,000m ³ /day and installation of reticulation systems	Y3	30,000,000		
	Construction of 2no. CFUs at Githobokoni to treat 1,000m ³ /day.	Y2	20,000,000	
Extend the distribution network	Undertake pipeline extension/upgrading in Kamwangi, Mang'u, Ndarugu, Ng'enda, Kiganjo, Komothai, Juja, Chania, Kiamwangi and Githobokoni Wards. The total span of the pipeline is 153.3km, ranging from DN25 to DN110	Y1	30,000,000	
		Y2	30,000,000	
		Y3	30,000,000	
Increase water storage capacity in the distribution system	Construction of 4no. Water storage tanks with a capacity of 3,000m ³ , at Mutomo, Ituuru, Muthunguchi and Buchana	Y1	50,000,000	
		Y2	16,000,000	
Adopt on-site waste management technologies	Policy formulation, Research, Training and certification of staff	Y1	300,000	
		Y2	300,000	
		Y3	500,000	
Undertake master plan study for	Mapping the existing sewer network under development, to identify areas to be served	Y1	200,000	

sewerage development	Undertake mapping of the entire area of jurisdiction to determine the sanitation coverage and also to identify sanitation gaps	Y2	20,000,000	TM
Develop decentralized wastewater treatment facilities	Construction of 9no. DTFs at Kiganjo, Mundoro, Wamwangi, Kigumo, Kibichoi, Kamwangi, Gatukuyu, Kanyoni and Gituamba	Y1	10,000,000	TM
		Y2	20,000,000	
		Y3	20,000,000	
	Develop and implement a maintenance schedule for sewerage infrastructure.	Y1	200,000	
		Y2	300,000	
Y3	500,000			
Construct ablution blocks	Construction of 3no. DTFs at Gatundu, Ituuru, Kamwangi, Gatukuyu and Kigumo	Y1	20,000,000	TM
		Y2	10,000,000	
		Y3	10,000,000	
Adoption of technologies in the company's operations	Install IoT sensors on critical infrastructure to monitor water flow, pressure, and leaks in real time	Y1	500,000	TM
		Y2	1,000,000	
		Y3	1,500,000	
	Configure ERP modules for Pastel Accounting, HR Management, and e-Procurement	Y2	4,000,000	ICT
Ensure efficient treatment processes, network management, and customer engagement	Upgrade treatment equipment to energy-efficient models to lower operational costs	Y1	1,000,000	TM
		Y2	2,000,000	
		Y3	5,000,000	
	Use IoT-enabled sensors to continuously monitor water quality parameters	Y1	1,000,000	TM
		Y2	1,500,000	
		Y3	2,000,000	
Enhance the digital portal for customers to submit feedback, report issues, or track complaints	Y1	-	ICT	
Reduce costs and improve the efficiency of infrastructure assets	Use Enterprise Asset Management (EAM) or Computerized Maintenance Management Systems (CMMS) to schedule predictive maintenance based on asset condition data	Y1	5,000,000	TM
Improve monthly revenue from 20M to 60M	Enhance supervision Develop a call centre	Y1	4,000,000	FM
		Y2	4,000,000	
		Y3	4,000,000	
	Diversify alternative revenue streams (exhauster services, test bench calibration services)	Y1	20,000,000	
		Y2	20,000,000	
		Y3	20,000,000	
Improve collection efficiency from 87% to 105%	Timely delivery of bills by 1st of every month	Y1	2,000,000	FM
	Educate and engage customers	Y2	2,000,000	
	Enforce credit measures such as payment plans for struggling customers	Y3	2,000,000	
	Send regular payment reminders.	Y1	1,100,000	
		Y2	1,500,000	
Y3	1,500,000			
Adopt technologies in financial management processes	Adopt an ERP-based Finance management system	Y2	5,000,000	FM
Enhance consumer engagement	Educate customers about water conservation and responsible usage.	Y1	940,000	CM
		Y2	940,000	
		Y3	940,000	

	Foster transparent communication through; <ul style="list-style-type: none"> SMS Platform Introduce a toll-free number USSD Code Holding customer care workshops and clinics Set up a call centre Carry out customer satisfaction survey regularly Maintaining an active social media platform Use of e-mail as a medium of communication 	Y1-3	5,400,000		
Enhance meter reading efficiency	Procure and install smart meters/AMR in high consumption areas.	Y1	8,916,600	CM	
		Y2	8,916,600		
		Y3	8,916,600		
	Conduct quarterly meter inspections and replacements		Y1		14,875,000
		Y2	14,875,000		
Reduce NRW from 39% to 25%	Procurement and installation of Volumetric flow meters (Sub zonal meters) ranging from DN160- DN63.	Y1	3,000,000	TM	
		Y2	3,000,000		
		Y3	3,500,000		
	Procurement of 4no. Correlators for leak detection.		Y1		2,000,000
		Y2	2,000,000		
	Procurement of 4no. ultrasonic flow meters for water flow monitoring		Y1		3,000,000
		Y2	3,000,000		
	Procurement of 4no. pipe locators		Y1		1,000,000
		Y2	1,000,000		
	Operationalization of a meter testing laboratory.		Y1		2,000,000
Replacement of dilapidated pipeline networks of assorted sizes ranging from DN50 to DN160.		Y1	43,500,000		
		Y2	30,456,000		
		Y3	36,000,000		
Implement a responsive organization structure and undertake a staff rationalization exercise	Hire a consultant to align workforce size, structure, and skills with the strategic needs of the organization.	Y1	2,000,000	HR	
Attract and retain competent staff	Creating attractive job offers, streamlining recruitment processes and promoting diversity, inclusion and equity. Offer competitive compensation and benefits, career development and training and performance recognition and rewards.	Y1	2,000,000	HR	
		Y2	2,000,000		
		Y3	1,000,000		
Promote talent development & learning	Developing a learning and development strategy, promote on the job learning and fostering a learning culture	Y1	3,000,000	HR	
		Y2	3,300,000		
		Y3	3,600,000		
	Improve employee motivation		Y1		2,500,000
			Y2		2,750,000
			Y3		3,000,000
Enhance company image	Improve customer experience & service visibility Intensify community engagement & CSR Enhance corporate identity & communication Enhancing Partnerships & institutional image	Y1	1,000,000	ADMIN	
		Y2	1,000,000		
		Y3	1,000,000		

Enhance collaboration networks	Identify, develop, and implement Memoranda of Understanding (MoUs) with targeted institutions to support strategic objectives.	Y1-3	1,200,000	ADMIN
Undertake stakeholder engagements	Hold consultation workshops with our stakeholders	Y1	1,000,000	ADMIN
		Y2	1,000,000	
		Y3	1,000,000	
Facilitate inter-departmental and inter-agency communication	Enhance clear communication channels Implement regular coordination mechanisms	Y1	500,000	ADMIN/ICT
		Y2	500,000	
		Y3	500,000	
Ensure annual reporting to stakeholders	Hold AGMs with key stakeholders	Y1	1,000,000	ADMIN
		Y2	1,000,000	
		Y3	1,000,000	
Ensure fulfilment of external/statutory requirements	Review and update policies to align with best practices and regulatory requirements	Y1	500,000	ADMIN
		Y2	500,000	
		Y3	500,000	
Intensify company & employee branding	Develop, implement, and maintain institutional branding in all company assets	Y1	5,000,000	ADMIN
		Y1	2,000,000	
	Provide staff with branded uniforms and materials	Y2	2,000,000	
		Y3	2,000,000	
Intensify CSR initiatives	Align CSR with core business values	Y1	2,000,000	ADMIN
		Y2	2,000,000	
		Y3	2,000,000	
Develop bankable project proposals	Training, research and benchmarking facilitations	Y1	2,000,000	TM
		Y2	2,000,000	
		Y3	2,000,000	
Engage in PPPs for resource mobilization	Identify and package bankable PPP projects and negotiate MoUs with private partners	Y1	600,000	ADMIN
		Y2	600,000	
		Y3	600,000	
Lobby for supportive legislation and regulations	Collaborate with WASREB for policy advocacy	Y1-3	6,000,000	ADMIN
	Partner with sector associations for collective lobbying	Y1-3	6,000,000	
Deploy a secure local mail server	Ensure a reliable, secure internal email system to support institutional communication and reduce dependency on third-party services.	Y2	700,000	ICT
Deploy a data backup system	Assess data backup requirements and procure and install the backup infrastructure	Y1	100,000	ICT
		Y2	100,000	
		Y3	100,000	
Enhance cybersecurity measures	Deploy cybersecurity tools, conduct security audits, and lead ISO/IEC 27001 compliance efforts	Y1	400,000	ICT
	Fully secure all organizational systems and operations	Y2	1,500,000	
Standardize procurement procedures	Develop and enforce a streamlined procurement manual aligned with PPADA 2015 and PPADR 2020	Y2	2,000,000	PM
Automate tender evaluation and	Use e-Procurement tools to automate tender evaluations and contract monitoring	Y1	1,000,000	PM
		Y2	1,000,000	

contract management		Y3	1,000,000	
Implement watershed protection programs	Launch reforestation and soil conservation projects around Gatundu’s water sources to prevent siltation and pollution	Y1	1,000,000	TM
		Y2	1,000,000	
		Y3	1,000,000	
Promote water conservation through community engagement	Conduct CSR-driven Water, Sanitation, and Hygiene (WASH) campaigns to educate communities on water-saving practices	Y1	200,000	TM
		Y2	300,000	
		Y3	400,000	
Collaborate with stakeholders for conservation projects	Partner with county governments, WSTF, and NGOs to fund and implement conservation initiatives	Y1	500,000	TM
		Y2	500,000	
		Y3	500,000	

5.1 Sources and uses of funding

The Company plans to undertake several investments in infrastructure (both new assets and restoring existing assets) using internally generated funds, grants from the national and county governments, WSTF and loans from the commercial banks, in line with the County Integrated Development Plan (CIDP) which outlines the need for infrastructure development. Several assumptions have been made which include that every action identified in the CIDP shall fall within the life of this business plan. Additionally, the Company shall continue to seek alternative funding through public and private sources.

5.2 Sustainability of investments

All the proposed projects are forecast to be financially sustainable, in that the expected revenue will exceed expected operations and maintenance costs (including staff, energy, and administration, repairs for pipes and fittings and minor upgrades). It is important to note that the period in which each project will offset its initial capital cost varies greatly. Management will consider this, along with financing options available, when prioritizing projects. The main mode of cost recovery for these projects is the regular tariff administered through user bills.

6.0 ORGANIZATION ASSESSMENT

6.1 SWOT Analysis

A SWOT analysis is a strategic planning tool used to evaluate the Strengths, Weaknesses, Opportunities, and Threats related to a person, project, or organization. It helps identify what you do well (strengths), what needs improvement (weaknesses), external chances for growth (opportunities), and potential challenges or risks (threats). By organizing these factors, SWOT analysis helps GATWASCO in making informed decisions, setting goals, and improving overall performance. The table below outlines the results of the analysis:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Competent staff running key operations • Strong and able leadership starting from the BOD and effective and professional senior management team with long experience • Adequate plant capacity to supply water to the target population • Strong partnership with development partners 	<ul style="list-style-type: none"> • Dilapidated infrastructure which leads to water losses through frequent bursts and leaks • High water loss leading to high NRW • Limited resources leading to slow pace of extension of water and sewerage network not currently served • Limited capacity of our reticulation network • Pipes passing through private property
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Reliable water sources • Growing population • Availability of modern technology • Ready market for our services in the area of operation • Increasing urbanization • Stakeholders willing to fund improvement of water access 	<ul style="list-style-type: none"> • Inability to pay leading to high defaults and disconnections • Vandalism, sabotage and water theft • Political interference • Environmental pollution • Climate change • Emergence of third-party water providers

6.2 Risks and Mitigations

Type of Risk	Risk description	Risk likelihood	Impact of Risk	Mitigation measures
Strategic Risk	Inability to adhere to the service license standards	Low	High	Execute the SP as planned, with quarterly performance reviews.
	High Non-Revenue Water	Medium	High	- Deploy targeted NRW mitigation measures. - Maintain & replace aging Water Infrastructure.
Financial Risk	Delayed/Unsettled Invoices	Low	High	- Implement structured payment plans for outstanding balances. - Timely payment of suppliers.

	Cost overruns	Low	High	<ul style="list-style-type: none"> - Compliance with established financial governance protocols. - Strict observance of Board-approved budgetary allocations.
	Inadequate Funding	Medium	Medium	<ul style="list-style-type: none"> - Develop diversified funding strategies - Strengthen government partnerships for co-investment - Build alliances with private and development sectors
Operational Risk	Destruction / vandalism of water and sewer systems	High	High	<ul style="list-style-type: none"> - Maintain strict asset security protocols. - Utilize approved channels for ethical violations reporting. - Participate in community trust-building initiatives. - Utilize the water police unit.
	Systemic breakdown of water/sewer infrastructure	High	High	<ul style="list-style-type: none"> - Adopt Total Preventive Maintenance (TPM) methodologies to maximize equipment reliability. - Maintain current business continuity plans with annual updates.
Technological Risks	IT system disruptions, cybersecurity incidents and data security	Medium	High	<ul style="list-style-type: none"> - Implement redundant hardware configurations to prevent single points of failure. - Deploy multi-layered defense systems. - Maintain geographically dispersed backup systems. - Implement a cloud-based backup system. - Installation of anti-virus software into our systems.
Reputational Risk	Stakeholder alienation, negative media narratives and declining public confidence	Low	High	<ul style="list-style-type: none"> - Maintain transparent stakeholder engagement channels. - Guarantee 100% compliance with regulatory water standards. - Institutionalize pro-poor service policies. - Follow our service charter.
Compliance Risk	Non-compliance with legal and regulatory requirements	Medium	High	<ul style="list-style-type: none"> - Implement automated compliance calendars with deadline alerts.

				<ul style="list-style-type: none"> - Guarantee timely remittance of statutory deductions and submission of financial reports. - Training for sensitization to know the various compliance standards.
Political Risk	Changes in government policies, regulations, taxation, trade regimes, or geopolitical conditions	Medium	High	<ul style="list-style-type: none"> - Continuous monitoring of political and regulatory developments. - Supplier diversification, proactive engagement with relevant stakeholders and authorities. - Scenario planning, compliance programs, and maintaining operational flexibility.

7.0 FINANCIAL SUMMARY

7.1 Assumptions to Financial Statements

- There will be no major drought during the period of this business plan and as a result, the Company will treat and supply water through the years without major interruptions.
- There will be no major increase in the key items affecting the Company's operational cost (staff salaries, O&M costs, water treatment chemicals, bulk water purchase price and electricity cost).
- The annual inflation will remain between 3–6%, and the KES/USD exchange rate fluctuates between 120–140, impacting imported tech (e.g., leak detection monitors) and loan repayments.
- New water and sewer connections will increase by 10% during the 3-year period due to population growth, urbanization, and new service area expansion.
- The Company's NRW will decrease gradually from 33% to 30% during the 3-year period.
- GATWASCO's revenue collection efficiency will be above 95% on average during the 3-year period.
- Annual revenue will increase by 5–8%, driven by increased water and sewerage connections and improved billing efficiency.
- By July 2025, Handege, Ngenda and Ruabora projects will be complete and thus, total production will increase to 40,000 m³ per day.
- During the year 2025/2026, GATWASCO will add an additional 6,000 connections as a result of an increase in water availability.
- There will be a continued stable regulatory environment, without unexpected punitive penalties or changes in operational requirements.

7.2 Historical and Forecasted Financial Data

7.2.1 Statement of Comprehensive Income

	Jun-23	Jun-24	Jun-25
Description	Kshs.	Kshs.	Kshs.
Revenue			
Operating Revenue	135,590,518	117,827,251	195,864,397
Grants Income	5,918,850	7,693,429	1,225,790
Other Income	3,774,411	2,954,844	5,895,699
Finance Income	2,353,918	3,750,827	4,800,029
Total Revenue	147,637,697	132,226,351	207,785,915
Expenses			
Staff Costs	93,105,537	95,761,670	96,175,344
General and Operations expenses	44,186,341	71,843,271	121,807,089
Board Expenses	4,059,361	2,631,530	4,904,167
Maintenance Expenses	12,556,615	8,859,046	10,322,066
Depreciation and Amortization Expenses	6,600,399	5,213,773	5,304,391
Total Expenses	160,508,253	184,309,290	238,513,056
Total Comprehensive Income (Loss) for the year	(12,870,556)	(52,082,940)	(30,727,141)

7.2.2 Statement of Financial Position

	Jun-23	Jun-24	Jun-25
Description	Kshs.	Kshs.	Kshs.
ASSETS			
Non-current assets			
Fixed Assets	29,746,421	27,664,192	31,875,392
Intangible Assets	7,701,649	5,391,154	3,773,808
Total Non-Current Asset	37,448,070	33,055,347	35,649,200
Current assets			
Inventories	1,717,402	1,885,177	2,564,665
Trade and receivable	154,855,257	156,807,156	170,814,439
Bank and cash balances	50,776,293	84,653,862	118,841,391
Total Current Assets	207,348,952	243,346,195	292,220,495
TOTAL ASSETS	244,797,022	276,401,542	327,869,695
EQUITY AND LIABILITIES			
Capital & Reserves			
Ordinary share capital and capital reserve	19,542,952	19,542,952	19,542,952
Retained earnings	101,341,674	49,258,734	18,531,594
Capital and Reserves	120,884,626	68,801,686	38,074,546
Current Liabilities			
Trade & Other payables	80,096,937	126,007,826	199,387,410
Customer Deposits	40,734,308	41,804,308	44,345,808
Deferred Income	3,081,150	39,787,721	46,061,931
Total Current Liabilities	123,912,395	207,599,855	289,795,149
TOTAL EQUITY AND LIABILITIES	244,797,022	276,401,541	327,869,695

7.2.3 Statement of Cash Flow

	Jun-23	Jun-24	Jun-25
Description	Kshs.	Kshs.	Kshs.
Cash Flows from Operating Activities			
Receipts			
Operating Revenue	126,092,203	117,827,251	184,057,796
Other Income	987,628	2,954,844	2,080,643
Finance Income	2,353,918	3,750,827	4,800,029
Grants	9,000,000	44,400,000	7,500,000
Customer Deposits	1,365,000	1,070,000	2,541,500
Total Receipts	139,798,748	167,805,400	200,979,968
Expenses			
Staff Costs	(93,794,771)	(87,457,866)	(97,229,758))
Board Expenses	(3,904,415)	(2,555,658)	(5,545,634)
General And Operation Expenses	(4,749,608)	(35,376,377)	(9,008,955)
Maintenance	(35,681,106)	(7,716,880)	(7,495,128)
Total Payments	(138,129,899)	(133,106,781)	(158,894,196)
Net Cash From/ (Used In) Operating Activities	1,668,849	34,698,619	42,085,773
Cash Flows from Investing Activities			
Purchase Of Property, Plant and Equipment (PPE)	(3,884,071.60)	(821,050)	(7,898,244)
Net Cash From/ (Used In) Investing Activities	(3,884,072)	(821,050)	(7,898,244)

(Increase/(Decrease) In Cash and Cash Equivalents	(2,215,223)	33,877,569	34,187,529
Cash And Cash Equivalents at Beginning of Year	52,991,516	50,776,293	84,653,862
Cash And Cash Equivalents at End of The Year	50,776,293	84,653,862	118,841,391

7.3 Financial Ratios

Ratios	July 2023	July 2024	July 2025
Salaries/Turnover Ratio	63.06%	72.42%	47.66%
BoD/Turnover Ratio	2.75%	1.99%	2.4%
O&M cost coverage (turnover/O&M)	0.92	0.72	0.65
Personnel cost/O&M	60.54%	53.38%	53.7%
Current ratio	1.67	1.17	1.01
Net profit/net sales	(12,870,556)	(52,082,940)	(30,727,141)
Return on assets	(0.05)	(0.19)	(0.09)

8.0 MONITORING AND EVALUATION

To ensure effective tracking of business plan execution, the Company will implement a structured Monitoring and Evaluation (M&E) system with the following components:

I. Reporting Frequency & Accountability

- **Monthly Management Reports:** The management team will prepare detailed M&E reports on a monthly basis, capturing key performance indicators (KPIs), financial metrics, and operational progress.
- **Quarterly Board Presentations:** A summarized and analytical version of the M&E findings will be presented to the Board of Directors every quarter, ensuring high-level oversight and strategic decision-making.

II. Data Collection & Compilation

- **Routine Data Gathering:** Performance data will be collected monthly as part of normal business operations, ensuring consistency and reliability.
- **Automated & Manual Systems:** Where applicable, digital tools (e.g., ERP systems and field sensors) will be used to streamline data collection, supplemented by manual verification where necessary.

III. Performance Comparison & Variance Analysis

- **Benchmarking Against Targets:** Actual performance will be systematically compared against projected milestones, budgets, and operational targets outlined in the business plan.
- **Deviation Tracking:** Any discrepancies (e.g., revenue shortfalls, cost overruns, or delays in project timelines) will be identified, recorded, and analysed to determine root causes.

IV. Corrective Action & Continuous Improvement

- **Timely Interventions:** Where deviations are detected, management will recommend and implement corrective measures to realign operations with the business plan.
- **Feedback Loop:** Lessons learned from M&E findings will be integrated into future planning cycles, fostering a culture of continuous improvement.

V. Compliance & Strategic Alignment

- **Regulatory & Stakeholder Reporting:** The M&E reports will also support compliance with regulatory requirements (e.g., WASREB, government agencies) and donor reporting where applicable.
- **Business Plan Revisions (if needed):** If persistent variances indicate unrealistic assumptions, the business plan may be adjusted with Board approval to reflect changing realities.

This M&E process will ensure that the Company remains agile, accountable, and results-driven, maximizing the likelihood of successful business plan implementation.

8.1 Performance indicators/metrics

Key performance indicators for monitoring and evaluation are outlined in the table below.

	Unit	June 2026	June 2027	June 2028	Responsibility
New water connections	No.	858	1703	7327	CMT
New sewer connections	No.	-	-	-	CMT
Water production (m³ for reporting period)					
Total water produced	m ³	5,052,516	5,052,516	6,512,516	CMT
Water sales	m ³	3,284,739	3,533,827	4,623,886	CMT
Unaccounted for water	m ³	1,767,777	1,518,689	1,888,630	BOD, CMT
Unaccounted for water	%	35%	30%	29%	BOD, CMT
Billing					
Water billing	Kshs.	391,730,915	421,595,440	541,949,634	CMT
Sewer billing	Kshs.	0	0	0	CMT
Meter rent	Kshs.	0	0	0	CMT
Total billing	Kshs.	391,730,915	421,595,440	549,978,489	
Total Operating Expenses	Kshs.	291,261,657	306,842,582	332,262,213	
Length of water pipeline extension	Km	16.5	16.5	16.5	WSTF
Length of sewer pipeline extension	Km	0	0	17	WSTF
Total investments	Kshs.	56,921,603	65,060,777	205,083,075	WSTF
Collection					
Receipt collection	Kshs.	372,144,370	400,515,668	522,479,564	CMT
Collection efficiency	%	95	95	95	CMT
Customer Satisfaction level	%	70	80	90	CMT

APPROVAL AND ADOPTION

This Business Plan for the period **2026–2028** was reviewed and approved by the Board of Directors of Gatundu Water and Sanitation Company Ltd.

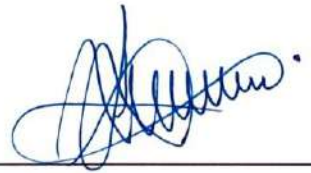
SIGNED

For and on behalf of the Board
GEOFFREY MUITA NJOMO
CHAIRPERSON



This¹² day of February 2026

For and on behalf of the Company
FREDRICK K. MWANGI
MANAGING DIRECTOR



This^{12th} day of FEBRUARY 2026

