### **GOVERNMENT OF NAIROBI CITY COUNTY**



### THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(THIRD SESSION)

NCCA/TJ/PL/2024(10)

12TH MARCH, 2024

1 L MAR 2024

### **PAPER LAID**

SUBJECT: Committee Report

Pursuant to provisions of Standing Order 196, I beg to lay the following Paper on the Table of the Assembly, today <u>Tuesday</u>, 12<sup>th</sup> March, 2024: -

— THE REPORT OF THE SELECT COMMITTEE ON PUBLIC INVESTMENTS ON FACTS FINDING VISITS TO VARIOUS NAIROBI CITY COUNTY WATER OUTPOSTS HELD FROM 15<sup>TH</sup> TO 20<sup>TH</sup> JANUARY, 2024

(The Chairperson, Select Committee on Public Investments)

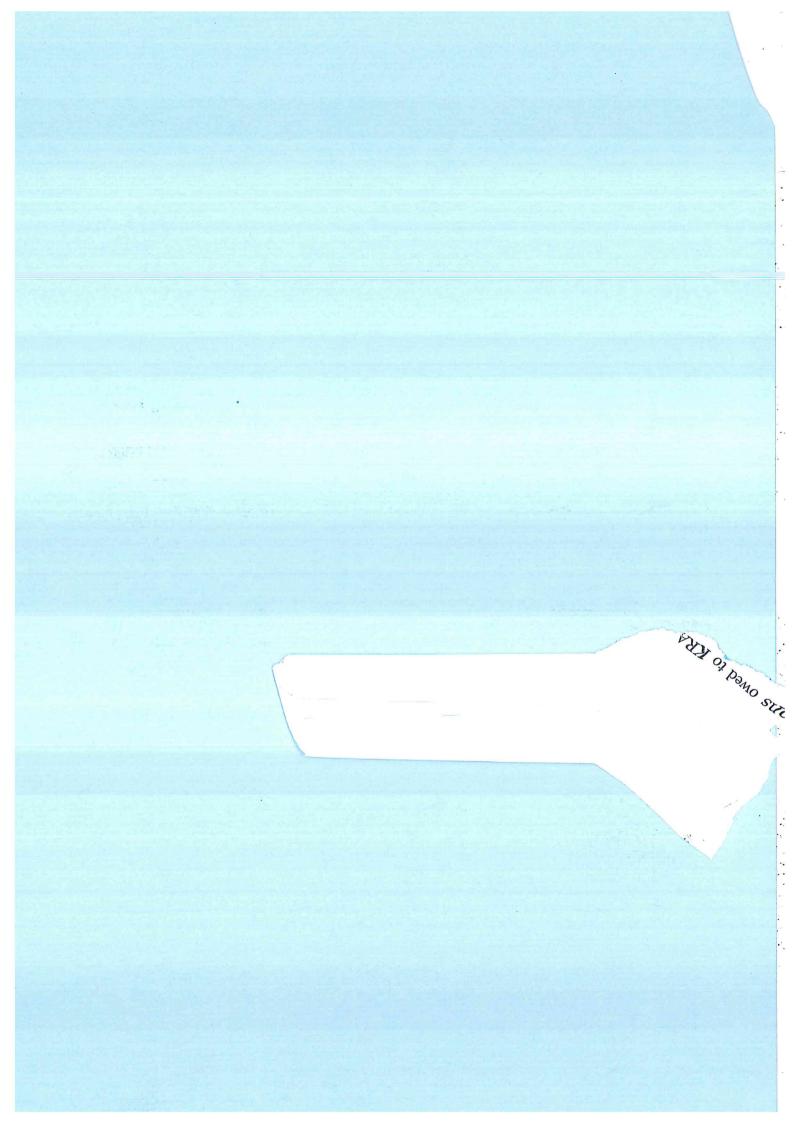
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by the 12/03/2024

or 12/03/2024

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The Speaker
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### GOVERNMENT OF NAIROBI CITY COUNTY



### NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY - THIRD SESSION

THE SELECT COMMITKEE

ON

**PUBLIC INVESTMENTS** 

REPORT ON THE FACT - FINDING VISITS TO VARIOUS NAIROBI CITY COUNTY WATER OUTPOSTS HELD FROM 15<sup>TH</sup> TO 20<sup>TH</sup> JANUARY, 2024.

Clerk's Chambers,

Paper laid

Paper laid

by chair pic

on 12/3/2024

on 12/3/2024

January

January City Hall Buildings,

NAIROBI.

FEBRUARY, 2024

(- <u>•</u> )

#### Contents 1.0. 1.1. 1.2. Committee Membership......3 1.3. Acknowledgement......4 2.0. EXECUTIVE SUMMARY...... 5 INTRODUCTION. ......6 3.0. COMMITTEE FINDINGS......7 4.0. 4.1. VISIT TO RUIRU DAM - L.R No. 11083 - IN GITHUNGURI, KIAMBU COUNTY....... 7 DANDORA ESTATE SEWERAGE TREATMENT WORKS (DESTW) - L.R No. 12979/1 4.2. - RUAI......8 THIKA DAM (NDAKAINI) - MURANGA COUNTY. .....9 4.3. 4.4. NGE'THU TREATMENT PLANT......9 4.5. SASUMUA DAM & ENVIRONS ......10 4.5.1. KIBURU RIVER WATER DIVERSION SCHEME. ......10 4.5.2 COMMITTEE RECOMMENDATIONS......12 5.0. 6.0. PICTURES......13

# Appendices

Minutes

Report Adoption

### **ABBREVIATIONS**

CECM	County Executive Committee Member
MCA	Member of County Assembly
NCWSC	Nairobi City Water & Sewerage Company

### 1.0. PREFACE

### 1.1. Mandate of the Select Committee on Public Investments

### Hon. Speaker,

The Public Investments Committee derives its mandate from Standing Order 204 (5) of the Nairobi City County Assembly, which provides that: -

"The County Public Investments Committee shall be responsible for the Examination of the working of the County Public Investments".

The Standing Order 204 (5) further mandates the Committee to; Examine the reports and accounts of the County's Public Investments; Examine the reports, if any, of the Auditor General on the County's Public Investments; and examine, in the context of the autonomy and efficiency of the County Public Investments, whether the affairs of the County Public Investments are being managed by sound financial or business principles and prudent commercial practices. The main objective of the Committee is to ensure that Nairobi City Water and Sewerage Company Limited (NCWSC) is run in a fiscally sound manner and that it delivers proper service to the residents of Nairobi City County. The Committee executes its mandate based on annual and audit reports prepared by the Office of the Auditor General (OAG).

### 1.2. Committee Membership

The Committee comprises the following members: -

- 1. Hon. Hashim Kamau, MCA Chairperson
- 2. Hon. Dan Oria, MCA Vice-Chairperson
- 3. Hon. Peter Imwatok, MCA
- 4. Hon. Musango Maithya, MCA
- 5. Hon. Anthony Kimemia, MCA
- 6. Hon. Stephen Ndegwa, MCA
- 7. Hon. Evans Nyangicha, MCA
- 8. Hon. Malyun Abdi, MCA
- 9. Hon. Hellen Awour, MCA
- 10. Hon. Antony Maragu, MCA
- 11. Hon. Jared Akama Ondieki, MCA
- 12. Hon. John Rex Omolleh, MCA
- 13. Hon. Samson Ochieng Jera, MCA
- 14. Hon. Tricer Jeptoo Ayabei, MCA
- 15. Hon. Eric Kiogora, MCA

16. Hon. Peter Maina Mwangi, MCA

17. Hon. Jeremiah Themendu, MCA

18. Hon. Brian Itenya, MCA

19. Hon. Deonysias Mwangi, MCA

20. Hon. Farhiya Daud Aden, MCA

21. Hon. Virginia Waitherero, MCA

22. Hon. Grace Kaheti, MCA

### 1.3. Acknowledgement

The Committee wishes to acknowledge the support it received from the Office of the Speaker and the Clerk of the County Assembly during the consideration of the Auditor – General's Reports. The Committee further appreciates the cooperation it received from the relevant Chief Officer of the County Government, and in particular, the Managing Director Nairobi City Water & Sewerage Company Ltd. for facilitating the Committee to undertake the fact-finding visit in line with its mandate.

Further, the Committee is thankful to the Secretariat for their contributions during and after the visit and compilation of this report.

Finally, I wish to convey my gratitude to the Members of the Committee. Your commitment during the site inspection visit contributed immensely to the compilation of this report.

### Hon. Speaker,

It is my pleasant duty, under Standing Order 196(1), to present the report of the Select Committee on Public Investments on a fact-finding visit to various Nairobi Water Outpost i.e. Ruiru Dam, Thika Dam (Ndakaini) and Sasumua Dam between **Monday 15**th – **Saturday 20**th **January 2024.** 

Signed..... Date.....

HON. HASHIM KAMAU, MCA

CHAIRPERSON, SELECT COMMITTEE ON PUBLIC INVESTMENTS (PIC)

### 2.0. EXECUTIVE SUMMARY.

The Select Committee on Public Investments, while examining the report of the Auditor-General on the financial statements of Nairobi City Water & Sewerage Company Ltd for the year ended 30th June, 2021, observed recurring audit issues. As such, it resolved to conduct site visits to various Nairobi Water outposts to verify the same. However, during the year under review, the Committee noted that the management of Nairobi City Water & Sewerage Company Ltd., and by extension, the County Government, had not properly updated the asset register despite the Inter-Governmental Technical Relations Committee (IGTRC) having handed over their report, exposing County assets to the risk of loss, waste, and misuse.

Additionally, the Committee noted that sampled verification of the Company's assets in various stations indicated that the assets were not tagged for ease of tracing and safe custody. In the circumstances, internal controls on the management of the Company's fixed assets were inadequate, and safe custody could not be confirmed.

The Committee also noted with concern, which further necessitated the visit, that the company's management hadn't implemented the previous Auditor General's recommendations on the same.

Overall, the Committee observed that most County - Owned land parcels lack legal documents and perimeter walls, including but not limited to four lands: Kariobangi North sewerage and treatment works, Loresho Water Reservoir, Ruiru Dam, and a water booster station off Kabete Road, intended for expansion, storage, water, and sewerage treatment works.

### 3.0. INTRODUCTION.

In pursuit of its mandate, the Select Committee on Public Investments, during its sitting held on Wednesday, 15th November, 2023, while reviewing the Auditor-General's Report on the Nairobi City Water & Sewerage Company Ltd. for the year ended 30th June, 2021, specifically focusing on Overv No. 4.0 regarding Failure to Maintain an Updated Asset Register, resolved to conduct a site visit to various Nairobi Water Outposts. The said site visit was held from Monday, 15th to Saturday, 20th January, 2024.

Section 149(2) of the Public Finance Management Act, 2012, mandates every County Government accounting officer to ensure adequate systems and processes are in place to plan, procure, account for, maintain, store, and dispose of assets, including maintaining a current, accurate asset register available to the relevant County Treasury. Moreover, a functional internal control system necessitates accuracy and clarity in accounting for the entity's assets.

The inspection tour was sponsored by the Management of Nairobi City Water & Sewerage Company Ltd. through the County Executive, and involved visits to various Nairobi Water Outposts. The objectives of the visit included verifying the status of the Company's assets at various stations, confirming if they are tagged for easy tracing and safe custody, and discussing matters related to the title deeds for these assets.

In this regard, the visits were conducted jointly by the Committee and the management of Nairobi City Water & Sewerage Company Ltd. to gather firsthand information about the sites and subsequently present their findings to the House after adopting the report.

### 4.0. COMMITTEE FINDINGS

# 4.1. VISIT TO RUIRU DAM – L.R No. 11083 – IN GITHUNGURI, KIAMBU COUNTY.

On the first day of the visits, **Monday, 15<sup>th</sup> January, 2024**, the Committee visited Ruiru Dam L.R. No. 11083 in Githunguri, Kiambu County. The Committee was received by the Ag. Managing Director and Technical Director, Nairobi City Water and Sewerage Company Ltd., Miss Lucy Njambi. The Members were given a tour around the dam and briefed accordingly.

While at the site, the Committee observed the following:

- Ruiru Dam is located in Githunguri, Kiambu County, on the Ruiru River. It was completed in 1950.
- Its storage capacity is 2.9 million m<sup>3</sup>. It stores raw water with a yield of 21,600 m<sup>3</sup>/day.
- The area hosts Ruiru dam, Ruiru reservoir, offices, and staff houses, with an original and current acreage of approximately 59.535 Ha, respectively.
- The main function of Ruiru Dam is to collect and store raw water in the reservoir, provide a continuous supply of the same to Kabete Treatment Works, and compensate water downstream for the natural Ruiru River course.
- Water from the dam is treated at the Kabete Treatment Plant. The pipeline to Kabete is 25 km.
- The main sources of the Ruiru dam are the Kimaiti, Ngeteti, Kamindeti, Waingele, Kibathithi 1, Kibathithi 2, and Kanyirriri Rivers.

Further, the Committee was informed of the challenges facing Ruiru Dam, among others, as follows:

- Encroachment on pipeline way leave and catchment: it was learned that the plant's expansion prospects were impeded by continuous human encroachment.
- Risk due to an unsecured dam.

To this end, the Committee noted that the land had already been surveyed and amalgamated. As such, recommends the management to develop a comprehensive utilization plan for the surveyed and amalgamated land, considering factors such as Environmental sustainability, Community needs, and economic development goals.

# 4.2. DANDORA ESTATE SEWERAGE TREATMENT WORKS (DESTW) – L.R No. 12979/1 - RUAI

The Dandora Estate Sewerage Treatment Works (DSTW) is situated 26 km from Nairobi city along Kangundo Road, east of the city along the Eastern Bypass at Ruai, LR No. 12979/1. The land it occupies spans approximately 4,000 acres. The Committee observed that;

- The plant's primary purpose is to cater for current and future sewage treatment needs for the entire Nairobi County. Originally covering approximately 1716.9 ha, it now occupies around 662.88 ha.
- Construction of DSTW Phase 1 commenced in 1975, and the plant was commissioned in 1978. Phase II construction began in 1985, incorporating a new inlet treatment works and an additional 6 series, which were commissioned in 1990. Anaerobic ponds were constructed and completed between 2005 and 2014.
- The plant processes domestic and industrial wastewater, treating about 120,000 m<sup>3</sup>/day, equivalent to approximately 80% of the wastewater generated in Nairobi city. The designed capacity is 160,000 m<sup>3</sup>.
- The treatment process involves two main stages: Physical Treatment and Biological Treatment.
- Waste water quality is monitored daily for inflow, outflow, upstream, and downstream, with monthly monitoring along the series.
- The Committee observed that the land is subdivided into three portions: LR No. 12979/1/R, covering approximately 662.88 ha where the treatment works are located, LR No. 28706 covering approximately 650.02 ha, and LR No. 28707 covering approximately 404.58 ha.
- It appears that the latter two portions have further been subdivided into smaller parcels and allocated to private individuals.

To this end, the Committee noted that although the land was repossessed in 2021, it remains under threat. As Such, the Committee recommends that management collaborate with relevant Government authorities, such as land management agencies and law enforcement, to coordinate efforts in protecting and securing the land.

### 4.3. THIKA DAM (NDAKAINI) - MURANGA COUNTY.

On the second day, 16th February, 2024 the Committee visited Thika Dam (Ndakaini) in Murang'a County. During the visit, while in the company of the Tecnical Director Ms. Lucy Njambi the Committee met the Operations Manager.

While at the site, the Committee made the following observations:

- The dam is located in Ndakaini, Murang'a County.
- It was completed in 1994 under the Third Nairobi Water Supply Project between 1989 and 1994 and has a storage capacity of 70,000,000 m<sup>3</sup>.
- The catchment area measures 75 km<sup>2</sup>.
- The main rivers that drain into the dam are Thika, Githika, and Kayuyu. Water from the dam is treated at the Ng'ethu Treatment Plant.
- It is linked to the Chania River by a 4 km tunnel that serves Ng'ethu Water Treatment Works. The pipeline is 90 km to Nairobi City.
- It hosts Ndakaini Dam, Ndakaini Reservoir, offices, and staff houses.
- The Committee noted that different parcels were surveyed but not amalgamated.

In this regard, the Committee recommends Management that the surveyed parcels be amalgamated to streamline administrative processes and ensure more efficient management of the area.

### 4.4. NGE'THU TREATMENT PLANT

On Wednesday 17<sup>th</sup> January, 2024, the Committee visited Nge'thu Treatment Plant. The Members made the observations that:

- The plant is located in Gatundu North, Kiambu County.
- Ng'ethu Phase 1 was commissioned in 1974 with a nominal design output of 61,000 m³/day. Ng'ethu Phase II was completed in 1984 with a nominal design output of 157,000 m³/day. Ng'ethu Phase III was commissioned in 1997, with a nominal design output of 222,000 m³/day.
- The Ng'ethu Treatment Plant is designed to produce a rated nominal output of 440,000 m<sup>3</sup>/day of potable water (production).
- Sodium carbonate, aluminum sulfate, and aluminum chloride were used to treat water. However, it was noted that aluminum chloride was comparatively costly and was mainly used during rainy seasons when the water was very dirty and murky.

In this regard, with a design output of 440,000 m<sup>3</sup>/day, the Committee recommends that management consider potential expansions or upgrades to the treatment plant infrastructure to meet future demands and ensure reliable water supply to the growing population in the area.

### v.s. GASUMUA DAM

On the fourth day of the visit, 18th January 2024, at 9:30 a.m., the Committee visited Sasumua Dam in Nyandarua County. It made the following observations, that;

- The dam is located in Njambini Town (South Kinangop), Nyandarua County.
- For ease of reference and description, the areas are divided into Kiburu River Water Diversion Scheme, Chania-Sasumua Rivers Water Diversion Scheme, and Sasumua Dam area.

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- The first phase of construction was completed in 1955, and the second in 1968.
- It sits on the Sasumua River but receives Kiburu and Chania waters.
- Storage capacity is 15.9 million m³. The design yield is 59,000 m³/day.
- Water from the dam is treated at the Sasumua Dam Treatment Plant and transported via the Kabete Treatment Works with a 60-kilometer water pipeline.
- The combined catchment area of the Sasumua, Chania, and Kiburu streams is approximately 12,800 hectares.
- Sasumua Treatment Works is the second-largest water treatment plant in the area.
- Land parcels include L.R. Nos. 7937, 11999, 6981/13, 9763/2, 9763/3.
- The area holds the dam, treatment plant, staff houses, pipeline wayleaves, diversion schemes, and other protected areas.
- The Committee further noted that most of the land is still intact, as it falls within the Aberdare Forest.

In this regard, the Committee recommends the Management to implement measures to protect the catchment area of the Sasumua, Chania, and Kiburu streams to safeguard water quality and quantity.

# 4.5.1. KIBURU RIVER WATER DIVERSION SCHEME.

The Committee learnt that;

- The said diversion scheme is situated to the east of Njabini Town within the Aberdare Forest.

- It includes Kiburu-Wamuhu Intakes, Pipeline Wayleave to Sasumua Dam, and protection areas.
- Part of Aberdare Forest, Part of L.R. No. 6597, Part of L.R. No. 4769/2, L.R. Nos. 10789/1, 8631/1, 10223/1, 10223/2, 10790/1, 5287/2/1, 7936/4/4.
- Its purpose is for the intake and transmission of raw water to the dam.

The original and current land is approximately 140.15 acres which is not amalgamated.

### 4.5.2. CHANIA SASUMUA RIVERS DIVERSION SCHEME

Regarding Chania Sasumua Rivers Diversion Scheme, the Committee noted that;

- It is situated to the north of Njabini town, where the water from the Chania River is diverted through a weir to Sasumua River.
- L.R. No. 6981/13, 9763/2, and 9763/3 protection areas include parts of L.R. Nos. 6597, 4769/1, 6981/S/R, 9763/R, and 9763/1.
- There is a diversion of the water through a weir from the Chania River to the Sasumua River.
- The original and current acreage are 173.29 acres, respectively, and not amalgamated.

### 5.0. COMMITTEE RECOMMENDATIONS.

Hon. Speaker, following the visit the Committee urges this Assembly to resolve as follows; -

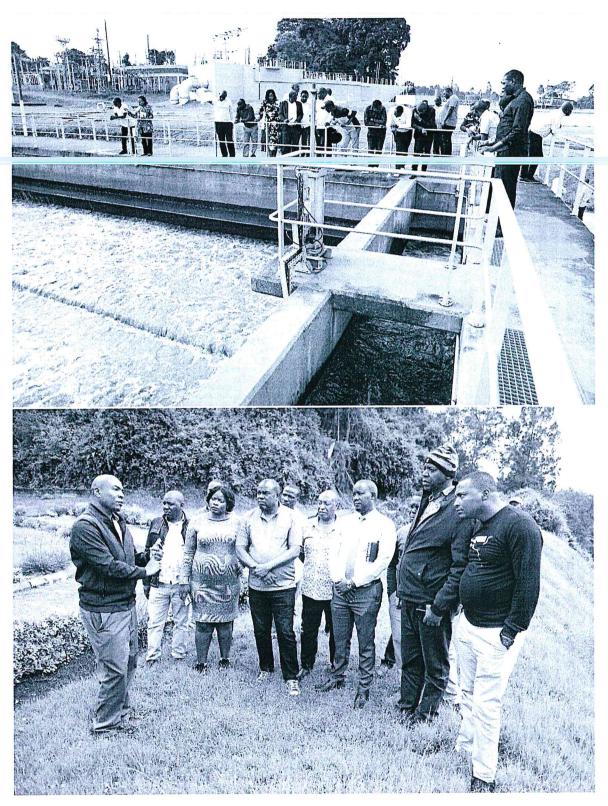
- 1. That the Managing Director and the relevant Chief Officer should liaise with relevant Government agencies such as the Ministry of Lands and the National Land Commission, among others, to ensure that they secure ownership documents for all Nairobi City Water & Sewerage Company Ltd. land.
- 2. That the National Government, in conjunction with the County Government, prioritize the development of new water sources—Northern Collector Phase 2 and Maragwa Dam.
- 3. That the Managing Director and relevant Chief Officer of the County Government should have updated fixed asset registers in the format prescribed by the National Treasury and submit the same to the Auditor General for audit within sixty (60) days from the adoption of this report. A copy of the same should also be submitted to the County Assembly for follow-up purposes.
- 4. That the Management in collaboration with the relevant County Government to engage with local Communities and stakeholders to raise awareness about the importance of preserving the land for its intended purpose and seek their support in safeguarding it from threats.
- 5. The Management to advocate for targeted infrastructure investments in the surveyed and amalgamated land to support planned development activities.
- 6. That the Management to initiate a thorough review and resolution process to address the lack of legal documentation and perimeter walls for County owned land parcels, prioritizing the acquisition of necessary documentation and the construction of perimeter walls where applicable to enhance asset security.
- 7. That the Riparian Land Conservation and Water Catchment Area be protected for prosperity as envisaged in the National Water Act, 2016;

### 6.0. PICTURES

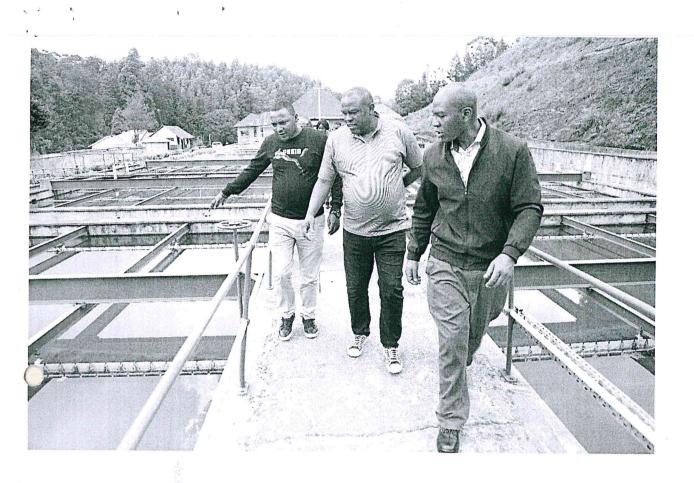




Ms. Lucy Njambi, Technical Director, briefing Members at Ndakaini Dam



Mr. Peter Mironga, Operations Manager, briefing Members at Sasumua Dam



# MINUTES OF THE 45<sup>TH</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY SELECT COMMITTEE ON PUBLIC INVESTMENTS HELD ON TUESDAY 27<sup>TH</sup> FEBRUARY, 2024 AT 11:30AM, IN COMMITTEE ROOM 8, COUNTY ASSEMBLY WINGS, CITY HALL BUILDINGS.

### MEMBERS PRESENT

- 1. Hon. Hashim Kamau, MCA Chairperson
- 2. Hon. Dan Oria, MCA Vice Chairperson
- 3. Hon. Peter Imwatok, MCA
- 4. Hon. Evans Nyangicha, MCA
- 5. Hon. Malyun Abdi, MCA
- 6. Hon. Antony Maragu, MCA
- 7. Hon. Jared Akama, MCA
- 8. Hon. John Rex Omolleh, MCA
- 9. Hon. Samson Ochieng Jera, MCA
- 10. Hon Peter Maina Mwangi, MCA
- 11. Hon. Jeremiah Themendu, MCA
- 12. Hon. Brian Itenya, MCA
- 13. Hon. Farhia Daud, MCA
- 14. Hon. Virginia Waitherero, MCA
- 15. Hon. Grace Kaheti, MCA
- 16. Hon. Thuo Fiunifiu, MCA

### **MEMBERS ABSENT**

- 1. Hon. Musango Maithya, MCA
- 2. Hon. Anthony Kimemia, MCA
- 3. Hon. Stephen Ndegwa, MCA
- 4. Hon. Tricer Jeptoo, MCA
- 5. Hon. Eric Kiogora, MCA
- 6. Hon. Hellen Awour, MCA
- 7. Hon. Deonysias Mwangi, MCA

### SECRETARIATE

- 1. Mr. Abdi Mohamed Clerk Assistant
- 2. Mr. Asman John Clerk Assistant

### MIN.046/SC-PIC/FEB/2024: PRELIMINARIES

the opening prayers.

The agenda for the day was as follows;

- 1. Preliminaries (prayers & adoption of the agenda).
- Adoption of the Committee Site visits report to various Nairobi Water Outpost held on from 15th
   20th January, 2024.
- 3. Any other business.
- 4. Adjournment.

The agenda of the day was adopted as proposed by Hon. Jeremiah Themendu, MCA, and seconded by Hon. Grace Kaheti, MCA.

# MIN.047/SC - PIC/FEB/2024: ADOPTION OF THE COMMITTEE SITE - VISIT REPORT TO VARIOUS NAIROBI WATER OUTPOSTS.

The secretariat presented a Committee report on fact - finding site visits to various Nairobi City Water & Sewerage Company Ltd. Outposts from 15<sup>th</sup> to 20<sup>th</sup> January, 2024, with the following recommendations.

- That the Managing Director and the relevant Chief Officer should liaise with relevant Government agencies such as the Ministry of Lands and the National Land Commission, among others, to ensure that they secure ownership documents for all Nairobi City Water & Sewerage Company Ltd. Land;
- 2. That the National Government, in conjunction with the County Government, prioritize the development of new water sources Northern Collector Phase 2 and Maragwa Dam;
- 3. That the Managing Director and relevant Chief Officer of the County Government should have updated fixed asset registers in the format prescribed by the National Treasury and submit the same to the Auditor General for audit within sixty (60) days

from the adoption of this report. A copy of the same should also be submitted to the County Assembly for follow-up purposes;

- 4. That the Management in collaboration with the relevant County Government to engage with local Communities and stakeholders to raise awareness about the importance of preserving the land for its intended purpose and seek their support in safeguarding it from threats;
- 5. The Management to advocate for targeted infrastructure investments in the surveyed and amalgamated land to support planned development activities;
- 6. That the Management to initiate a thorough review and resolution process to address the lack of legal documentation and perimeter walls for County owned land parcels, prioritizing the acquisition of necessary documentation and the construction of perimeter walls where applicable to enhance asset security; and
- 7. That the Riparian Land Conservation and Water Catchment Area be protected for prosperity as envisaged in the National Water Act, 2016.

However, the Committee adopted the aforementioned report as proposed by Hon. Thuo Fiunifiu, MCA, and seconded by Hon. Brian Itenya, MCA.

# MIN.047/SC - PIC/FEB/2024: ANY OTHER BUSINESS.

It was brought to the attention of the members that there were changes in the Committee secretariat and that the outgoing Committee clerk would be moving to another Committee in due course. The Committee gave huge applause for the great work done by the outgoing Committee clerk and further warmly welcomed the two new clerks, promising them that they would be given the utmost cooperation.

# MIN.048/SC - PIC/FEB/2024: ADJOURNMENT

There being no other business, and the time being 12: 02p.m, the Chairperson adjourned the meeting to Thursday 29th February, 2024 at 11:30 a.m. in Committee Rooms, County Assembly

Wings, City Hall Buildings.

Clerk Assistant

Chairperson

Date

Date

