

ARTICLES OF ASSOCIATION

THE MURUGI MUGUMANGO

WATER SERVICE PROVIDER

AMMEDED MARCH 2019

ARTICLES OF ASSOCIATION

FOR

MURUGI MUGUMANGO WATER SERVICE PROVIDER

PART 1 NAME

1. The name of the WSP shall be:
MURUGI MUGUMANGO WATER SERVICE PROVIDER

PART II ADDRESS

2. The address of the WSP shall be:
P.O. Box 385, 60401 CHOGORIA, MAARA SUB-COUNTY
THARAKA/NITHI COUNTY

PART III INTERPRETATION

3. In these articles unless the context otherwise requires:
WSP" shall mean the **MURUGI-MUGUMANGO WATER SERVICE PROVIDER.**

WSP Area" shall mean the area scheduled to receive water supplies through the WSP **as prescribed by the regulator** in accordance with plans approved.

PART IV OBJECTS

The objects for which the WSP is established are to improve the health and living standards of its members in accordance with the regulator's principles through provision of piped water in the WSP area and in particular-

1. Establish intakes, storage tanks, break-pressure tanks, main pipelines, water kiosks and other infrastructure necessary to deliver water to the WSP area in accordance with plans approved by the County Government of Tharaka Nithi.

2. Ensure that water services are made available to all members within the WSP area on an equal basis.
3. Ensure that systems and procedures are established and maintained for on-going operation and maintenance of the WSP for the continued delivery of water to members after the WSP has come into operation.
4. To achieve the objects set out in this article of association the WSP may perform and carry out such functions of a WSP as are permitted under the laws of Kenya and may in particular:
 - i) Raise funds in cash and in kind on a Harambee basis for the establishment and furtherance of WSP objectives.
 - ii) Negotiate and enter into contracts with any person, corporation or institution for the acquisition of land, materials or equipment in pursuance of the objects of the WSP.
 - iii) Employ or engage such technical and administrative staff, labour and services as shall be necessary for establishing and maximizing the efficient maintenance and operation of the WSP provided that any donor providing sums, equipment and services in excess of 25 percent of the total costs of establishing the WSP may make it a condition that the WSP shall employ or engage subject to such conditions as may be agreed such technical and administrative staff or services as the donor may consider necessary to ensure satisfactory establishment, maintenance and operation of the WSP.
 - iv) Secure permits and licences from relevant authorities as necessary for the establishment and operation of the WSP.

PART V MEMBERSHIP

6. There shall be the following three types of membership: -
 - a) Private house hold
 - b) Commercial
 - c) Institutional
7. Eligibility for private household membership shall require the following qualifications: -
 - i) Residence in the WSP area.
 - ii) Head of Household.
 - iii) Having attained 18 years and above.

8. Eligibility for commercial membership shall require the following qualifications:
 - i) Operation of business within the WSP area.
 - ii) Compliance with all rules, regulations and sanitary requirements governing operation of such business.
9. Eligibility for institutional membership shall require the following qualifications: -
 - i) Operation of a community service Institution including hospitals, schools, churches, Police stations etc.
 - ii) Compliance with all rules, regulation and sanitary requirements governing operations of such institutions.
 - iii) Operations of such institutions on a non-profit basis
10. Application for membership shall be made in writing to the secretary of the WSP and shall include;
 - (1) If application is for private household membership;
 - (a) Name, age, sex, postal address and residential address for applicant.
 - (b) Number and ages of dependents for whom water is required.
 - (c) Types and numbers of livestock for which water is required.
 - (2) If application is for commercial membership:
 - a) Name of business
 - b) Types of business
 - c) Postal address, **Telephone no, Email address and mobile no** of business
 - d) Location of business (plot no. L/R no. etc.).
 - e) Proof of appliances with licencing, restoration and sanitary requirements including relevant licence and certificate numbers.
 - f) Purpose for which water is required
 - g) An estimate of daily water requirements.
 - (3) If application is for institutional membership:
 - a) Name of institution
 - b) Type of institution
 - c) Location of institution (plot no. L/R no. etc.)
 - d) Postal address, **Telephone No., Email/address and mobile number** of Institution.

- e) Proof of compliance with licencing, restoration and sanitary requirements including relevant licence and certificate numbers.
- f) Proof of non-profit status.
- g) Purpose for which water is required.
- h) An estimate of daily water requirements.

11. All application shall be put before the management Board which may admit the applicant or reject any application without assigning any reason therefore, provided that their decision shall be certified by a General meeting and provided that no applicant shall be admitted unless or until payment has been made of such entrance fee and such membership fee as shall be prescribed in these articles of association.

12. On admission to membership of the WSP the secretary of the WSP shall cause each member to sign the register of members/membership agreement which shall constitute an acceptance by the member to the binding nature of the articles of association of the WSP.

13. Membership of the WSP shall cease with effect from date of a member:

- i) Articles of association Ceasing to hold qualifications for membership in clauses 7,8 or 9 whichever is applicable;
- ii) Being expelled from the WSP.
- iii) Voluntarily withdrawing from the WSP.

14. A member may be suspended from membership by the board of management pending a final decision on expulsion by the general meeting for one or more of the following reasons:

- i) Any action adjudged to be prejudicial to the WSP and the spirit of self-help including malicious ill-natured or slanderous remarks about any member of the board or an employee of the WSP.
- ii) Repeated failure to comply with the regulations of the WSP made under these articles of association.
- iii) Any debt liability by the member to the WSP outstanding for over ninety days.

15. Any member ceasing to be a member for reasons other than expulsion may be repaid, after deduction of any debts owed by the member to the WSP as per the following: -

- i) Membership fee.
- ii) Any water deposit or sum held by the WSP on the members behalf.

16. Any member expelled from the WSP shall forfeit membership fee and any deposit to the WSP.

PART VI FUNDS

17. The funds of the WSP shall consist of:-

- i) Entrance fee of 500/= each
- ii) Membership fees as follows :-
 - a) Private household membership **Khs. 8,000=** Each
 - b) Commercial membership
 - Small scale/informal sector **Khs.8,000=**/ Each
 - Large scale/formal sector **Khs. 10,000/=** Each
 - c) Institutional membership **Khs.10,000/=** Each
- iii) Membership deposits
- iv) Funds received from donors or raised on self-help basis.
- v) Funds generated by the operation of the WSP.

18. The funds of the WSP may be applied to the promotion of the objects of the WSP set out in AOA 4. Funds may not be distributed among members.

PART VII- BOARD OF MANAGEMENT

19. The affairs of the WSP shall be managed by Board of management which shall consists of 9 members, 4 residents in Murugi unit, 4 in Mugumango unit and the 9th member will be a woman elected on rotational basis. That is one year the 9th member is elected from Murugi and the next year from Mugumango. The members of board of management shall be over the age of 21 years elected at the (Annual) general meeting and shall include the Chairman, vice chairman, secretary (General Manager) provided that the board of management may appoint an Executive BOM which should be responsible to the Board of management.

The board is headed by a Chairman who is elected by other directors. The board operates through 3 sub committees namely technical and strategic Committee, Finance and administration Committee and Audit Committee. The chairman of the BOM shall be the chairman of the board of management.

20. The board of management may co-opt members as required.

21. The board of management shall permit access to its sessions by the representatives of any donor of capital funds to the WSP, for the purpose of listing to and advising with respect to any aspect of the business of the WSP.

23. Members of the Board of management shall be elected for three (3) years and shall be eligible for re-election.
24. The office bearers of the Board of management shall be the chairman, vice chairman, secretary (General Manager). The office bearers shall be chosen by the members of the board of management at its first meeting next following the election of new members. The General Manager and the commercial manager shall attend the executive committee meetings as ex-officials.
25. The office bearers shall be eligible for election provided that they shall be:-
- i) Higher national diploma
 - ii) Without criminal conviction involving dishonesty.
26. The duties of the Secretary shall be to:-
- i) Ensure that the WSP's correspondence is correctly attended to:
 - ii) Ensure the recording of minutes of board committee and general meetings:
 - iii) Keep the WSP seal securely under lock and key. The seal shall be used only by and in the presence of all the officers authorized to sign on behalf of the WSP under articles 28.
27. The duties of Honorary Treasurer shall be to:-
- 1) Check all payments and to countersign all vouchers
 - 2) Keep a general surveillance of the money management of the WSP.
28. Unless decided otherwise by a general meeting, all documents, contracts and cheques shall be signed on behalf of the WSP by the chairman and two of the holders of the following offices:-
The vice-chairman
The Honorary secretary
The General Manager
The honorary treasurer and no contract shall be binding on the WSP unless so signed.
29. A member of the board of management shall cease to hold office if he:-
- 1) Cease to be a member of the WSP.
 - 2) Applies for insolvency or is declared insolvent.
 - 3) Becomes certified of unsound mind.

- 4) Is convicted of any criminal offence involving dishonesty or is imprisoned for three months or more.
- 5) Is removed from office at a General meeting.
- 6) Absents himself from three consecutive meetings without reasonable excuse, or the prior permission of the board of management.

30. Meetings of the board of management shall be held **quarterly** and at any other time when necessary. Five members shall form a quorum provided that at least two office -bearers shall be included in the quorum.

31. The board of management shall exercise all the powers of the WSP except those reserved for the General meeting subject to any regulations duly laid down by the WSP in its General meeting or in these articles, and in particular shall have the following powers and duties:

- 1) To regulate, control, plan and administer the Management of the WSP.
- 2) To consider and approve or reject applications for membership.
- 3) To prepare for the Annual General Meeting, a programme of establishment and/or operation of the WSP.
- 4) To prepare for the Annual General Meeting an estimate of expenditure for the financial year next following the Annual General Meeting.
- 5) To determine the labour value of work done by members at rates approved by the Community Development Department and to cause an account to be kept of the Same.
- 6) To access and authorize employment of the employees as shall be requisite for the achievement of the WSP.
- 7) To recommend for adoption by the annual general meeting the rates to be charged against the services provided to members of the WSP sufficient to cover all liabilities and obligations both outstanding and anticipated for the financial year next following the annual general meeting.
- 6) To submit to the general meeting proposals for the disposal of any surplus over normal reserve funds at the end of the financial year and in particular such proposal may include provision for:
 - a. Expansion of or improvements to the WSP.
 - b. Extension of services or reduction of charges to institutional members, and
 - c. Any other purpose (other than the distributions of funds to members) determined by resolution.

- 9) To maintain or cause to be maintained a true and accurate account of all monies received and expended and a record wherein members labour contributions are clearly recorded.
- 10) To keep or cause to be kept a true account of the assets and liabilities of the WSP.
- 11) To prepare and lay before the Annual general meeting accounts and balance sheets duly audited, provided that these shall be prepared within a period of not more than six months after the close of the financial year.
- 12) To examine or cause to be examined the accounts, to sanction contingent expenditure and to supervise or cause to be supervised the maintenance of all books of account.
- 13) To prepare or cause to be prepared monthly balance sheets, trial balance, income and expenditure accounts, and debtors and creditors accounts for the guidance of the committee.
- 14) To review monthly all accounts as specified under AOA 31(12).
- 15) To take such action as necessary to meet all obligations to creditors within a period not exceeding three months of the incurring of a debt.
- 16) To proceed against any debtors whose obligation shall be in existence for a period in excess of two months.
- 17) To supervise the maintenance of a Register of Members.
- 18) To consider and adopt the inspection reports of the County Government, and water service regulatory board report.
- 19) To enter into contracts and to execute documents in furtherance of the objects of the WSP.
- 20) To co-opt members to fill vacancies on the board.
- 21) To sermon meetings.
- 22) To appoint, suspend or dismiss any paid servant of the WSP and to regulate and supervise their work.
- 23) To impose fines or penalties in accordance with any rules made under AOA 40 (2) (c)

32. All business discussed or decided at a General meeting shall be recorded without **alteration** in a minute book which within one week of the meeting shall be signed by the chairman of the meeting and at least one other board member who was present at the meeting to indicate that in their opinion the record is a true and complete record of all important matters which were discussed or decided at the meeting. At the next meeting after approving any alteration or variations which shall be immediately written below the above signatures and not as alterations to the originals record, the meeting shall by resolution authorize its chairman to sign and date the final record.

33. No payment in any form shall be made by the Treasurer unless it has been authorized, admitted and confirmed by the board.

34. No expenditure shall be authorized by the board unless and until formally approved in the Annual general meeting provided that a special general meeting may be convened to make a supplementary estimate.

35. Standing committees.

36. The board of management shall appoint the following committees.

(1) Technical and strategy committee

(2) Finance and administration

(3) Audit committee

Duties and responsibility:

a) Review/monitors

PART VIII GENERAL MANAGER

35. The board of management shall appoint a **General Manager on permanent/contract** term on such conditions as in their discretion they may wish subject to AOA 5 (3).

The duties of the WSP's General manager shall include:-

i) To plan, organize and supervise the day-to-day operations of WSP in accordance with the guidelines and policies set out by the B.O.M., the general meeting and the A.O.A. of the WSP.

- ii) To keep the B.O.M. informed of the WSP progress and of problems, circumstances and conditions affecting the long-term and day-to-day operations of the WSP.
- iii) To ensure the collect maintenance of all books of account, correspondence and records of the WSP.
- iv) To provide the B.O.M. with any information necessary to formulate policy in furtherance of the objects of the WSP.
- v) To assist the B.O.M. to analyse and interpret accounts, documents and records of the WSP.
- vi) To ensure that all funds are properly accounted for, that all receipts are paid into the WSP's bank Account and that at no time a sum exceeding the authorized imprest as prescribed under this A.O.A. is in his possession.
- vii) Carry out such other duties as may be required by the board of management.

COMMERCIAL MANAGER

The board of management shall appoint a Commercial manager as per article No. 5(3) and 35.

The commercial manager will be responsible to the General manager and his duties will include the following:

- i. Deputising the General Manager in his absence.
- ii. Responsible to all accounting functions of the WSP.
- iii. Supervise the duties of all WSP's staff under his responsibility.
- iv. Carry any other duty that may be assigned to him/her by the General Manager from time to time.

PART IX GENERAL MEETING

36. The supreme authority of the WSP shall rest in the general meeting of members which shall be held once annually, or on such other occasions as may be deemed necessary in accordance with this A.O.A.

37. The annual general meeting shall be held every year within one calendar month of the receipt of the final accounts by the secretary. A special general meeting shall be held when convened by the board or within fourteen days of receipts by the secretary of a written demand from 100 members or one half the total membership whichever is the less.

38. Notice of Annual or special general meeting shall be given not less than twenty-one days prior to the day on which the meeting is proposed and such notice to be

transacted, and the time and the place of the meeting. No business shall be transacted unless included in the notice calling the meeting.

39. The presence of a **quarter** ($\frac{1}{4}$) the members shall constitute a quorum. In absence of a quorum the chairman shall adjourn the meeting and shall fix a date within one month to reconvene the meeting and notice shall be given as required in A.O.A. 38. If at such a reconvened meeting a quorum is again not present the chairman shall declare the meeting open and proceed with the business with those present.

40. The following business may only be transacted in a general meeting:

i) Amendment of the name, the A.O.A. or enactment of new A.O.A. in accordance with the WSP's Act.

ii) Making or amending rules in furtherance of the objects of the WSP for:

- a) Regulating authorized use of water.
- b) Restricting the unauthorized use of water.
- c) The levy of fines and penalties.

iii) Election, suspension and removal of members of the BOM.

iv) Confirmation or otherwise of the action of the BOM in accepting, refusing or suspending or expelling members.

v) Consideration of the report of the BOM.

vi) Consideration of the annual statement of accounts and balance sheet and the Auditor's report.

vii) Appointment of auditors.

viii) Such other business as may be relevant or necessary which is included in the notice of the meeting.

PART XI OPERATIONAL RULES

54. Upon payment of entry fee, appropriate membership fee, acceptance of application for membership by BOM and signing of membership agreement, the applicant is entitled to all rights and privileges of membership and likewise the responsibility of membership as laid down in this AOA.

55. Membership fees include connection fee and provision of a water meter.
56. Supply and installation of lateral piping from main pipeline to members plot are the responsibility of **WSP**.
57. All connections must be made by WSP technical staff after approval by BOM.
58. Each member will make **a required payments** before connection is made. **Payments** required for each type of membership shall be provisionally set by the BOM and confirmed by the General meeting.
59. Standing charges will be paid monthly by each member. Standing charges for each type of member shall be provisionally set by the BOM and confirmed by a general meeting.
60. Monthly standing charge will include supply of water in accordance with an established off-take schedule. Quantities included in the off-take schedule for each type of member shall be provisionally set by the BOM and confirmed by a general meeting.
61. Water consumed in excess of the amounts provided for in the established off-take schedule will be surcharged at rates which shall be provisionally set by the BOM and confirmed by a general meeting.
62. The established off-take schedule shall define maximum quantities of water which may be consumed monthly. No member will be permitted to consume more than the established maximum quantities without the express written authorization from the management committee.
63. Water consumption will be restricted to domestic (human consumption, cleaning and hygiene) and livestock purposes. Water will not be available for irrigation.
64. Water supplied by the WSP may only be resold with written authorization of and at rates and quantities set by the BOM subject to approval by the general meeting.
65. Any violation of the provisions of these articles, whether by members or non-members, will be dealt with in accordance with any fines and penalties laid down under these articles, the WSP Act, and where applicable, the criminal code.

PART XI1 TRUSTEES

66. The WSP in general meeting shall appoint three Trustees, who shall be independent persons of standing. The trustees shall continue to serve as such until replaced at a general meeting. But any casual vacancy occurring by death or resignation may be filled by a person appointed by the BOM until the next general meeting. All

investments, securities and immovable property acquired by the WSP shall be vested in the trustees.

67. Any violation of the provisions of these articles, whether by members or non-members, will be dealt with in accordance with any fines and penalties laid down under these articles, the WSP's act, and where applicable, the criminal code.

PART XIII GENERAL

68. The financial year of the WSP will be from 1st July to 30th June.

69. Auditors shall be appointed by a general meeting and their duties shall be as follows:-

- 1) Ensure that all income and expenditure is properly accounted for and documented.
- 2) Ensure that all payments, made are properly documented authorized and for genuine expenses of the WSP.
- 3) Ensure that all allowances, salaries and benefits are paid in accordance with A.O.A., rules and regulations of the WSP.
- 4) Ensure that all water consumptions is properly accounted for.
- 5) Ensure that proper books of accounts are maintained in accordance with A.O.A. and Government Regulations.
- 6) Check and verify stocks of materials and balances of all bank and savings account and cash.
- 7) Ensure that all debtors and creditors pay or are paid within a reasonable period of time and that no one is given unreasonable credit.
- 8) Ensure that all imprests are properly authorized and accounted for.
- 9) Ensure that all contracts are given in accordance with A.O.A. and Government regulations.

70. The seal of the WSP bearing the words ("Seal of the Murugi Mugumango Water Service Provider) and shall be different from the name stamp of WSP. The seal shall be kept securely under lock and key by the General Manager and shall be used only by and in the presence of all the officers authorized to sign on behalf of the WSP under articles 28.

71. Any dispute arising out of these AOA or concerning the business of the WSP which cannot be settled by the Board or general meeting shall be referred to the relevant governmental authorities.

72. Annual returns shall be submitted to the WASREB and all financial statements shall be submitted to the WSP appointed auditors for inspection and sub mission of reports.

73. The WSP may be dissolved by resolutions passed at the general meeting by a two-thirds majority or by cancellation of its registration by the WASREB.

74. If the WSP is dissolved by members' resolution, the WSP's assets will be valued by a reputable valuer and disposed to off-set any outstanding liabilities. If a surplus remains after the discharge of all liabilities, the surplus will, subject to the approval of the regulator, be made over to any utility having similar objects, or failing that, be applied to some charitable purpose approved by a simple majority of members at a general meeting.

No part of the funds or property of the WSP shall be distributed among the members.

75. If the WSP is dissolved by cancellation of its registration by the registrar of societies, the disposal of its assets will be carried out in accordance with the provisions of the societies Act.

76. These A.O.A. or the name of the WSP may be amended by a two-thirds majority at a general meeting at which such amendments is properly on the agenda.

CHAIRMAN.....

SECRETARY

TREASURER

GENERAL MANAGER.....

DATE.....

