



UGANDA GOVERNMENT

THE NATIONAL WATER AND SEWERAGE CORPORATION
DECREE, 1972.

Decree 34 1972

Published by Authority

Price : Shs. 2/25

PRINTED BY THE GOVERNMENT PRINTER, ENTEBBE, UGANDA

THE NATIONAL WATER AND SEWERAGE CORPORATION
DECREE, 1972.

ARRANGEMENT OF SECTIONS.

Section.

*Establishment, Objects and Functions of
the Corporation.*

1. Establishment of the Corporation.
2. Objects and functions of the Corporation.
3. Membership of the Corporation.
4. Disqualification for membership.
5. Secretary to the Corporation.
6. Meetings of the Corporation.
7. Seal of the Corporation.
8. Custody of the seal.
9. Transfer of water and sewerage services in Kampala, Jinja and Entebbe to the Corporation.
10. Transfer of water and sewerage services in other areas to the Corporation.
11. Vesting of property in the Corporation.
12. No compensation on transfer of service.
13. Minister's directions to the Corporation.
14. Corporation to operate on sound utility management.
15. Imposition of rates, charges and fees.
16. Bye-laws.

Staff.

17. Managing Director.
18. Internal auditor.
19. Appointment of officers and servants of the Corporation.

Financial Provisions.

20. Corporation to deposit its funds in bank.
21. Accounts.

22. Audit of books of accounts.
 23. Annual Report.
 24. Borrowing powers.
- General.*
25. Dealings with the Corporation.
 26. Contracts.
 27. Service documents.
 28. Technical assistance to institutions and ministries.
 29. Regulations.
 30. Corporation to be given water rights preference.
 31. Exemption from income tax.
 32. Interpretation.
 33. Repeal and saving.
 34. Amendment of the Public Lands Act, 1969.
 35. Commencement.

SCHEDULES.

Schedule 1—Modifications of the Waterworks Act.

Schedule 2—Vesting of property in the Corporation.

THE NATIONAL WATER AND SEWERAGE
CORPORATION DECREE, 1972.

A Decree To Establish A National Water And Sewerage Corporation To Develop, Operate And Take Over Water And Sewerage Services In Uganda, To Define Its Constitution And Functions, And For Other Purposes Connected Therewith.

*Establishment, Objects and Functions of
the Corporation.*

1. (1) There is hereby established a corporation to be known as the National Water and Sewerage Corporation which, Establishment of the Corporation.

- (a) shall be a body corporate with perpetual succession and a common seal;
- (b) shall, in its corporate name, be capable of suing and being sued;
- (c) may, for the purposes of discharging its functions under this Decree, acquire, purchase, hold or lease and otherwise dispose of any property, movable or immovable; and
- (d) shall exercise such powers and perform such functions as are conferred on it by this Decree.

(2) The National Water and Sewerage Corporation shall be a Water Authority for the purposes of the Waterworks Act and shall have and exercise all the powers conferred on a Water Authority by that Act, subject to the modifications contained in Schedule 1 to this Decree. Cap. 137.
Schedule 1.

2. (1) The objects of the Corporation shall be to develop and operate in any specified area of Uganda water and sewerage services on a national and self-supporting basis. Objects and functions of the Corporation.

(2) Without prejudice to the generality of subsection (1) of this section, the Corporation may, in connection with any of its objects,

- (a) take over from any person or local authority the development and operation of water and sewerage services;
- (b) provide, transmit, supply and distribute water for public, domestic or industrial purposes;

Cap. 269.

- (c) establish, operate and control sewerage systems;
- (d) design, operate, maintain and manage water and sewerage systems;
- (e) conduct research relating to water, sewerage and other connected subjects;
- (f) make engineering surveys and plans;
- (g) construct, reconstruct, instal, assemble, repair and operate waterworks;
- (h) subject to the provisions of the Public Health Act, determine water and sewerage service rules, plumbing codes and other relative standards;
- (i) supply water or sewage service in bulk or to individual consumers;
- (j) organise and conduct training programmes for building up manpower requirements in connection with water and sewerage services, particularly in the areas of management, economics and utility operations; and
- (k) carry out any other activities connected with, incidental or conducive to the attainment of any of its objects.

Membership
of the
Corporation.

3. (1) The Corporation shall consist of the following members, namely,

- (a) the Chairman who shall be appointed by the Minister;
- (b) the Permanent Secretary of the Ministry responsible for mineral and water resources;
- (c) the Secretary to the Treasury;
- (d) the Permanent Secretary of the Ministry responsible for local administrations;
- (e) the Permanent Secretary of the Ministry responsible for health;
- (f) the Managing Director; and
- (g) two other persons appointed by the Minister, one of whom shall represent the interests of industry.

(2) The appointed members of the Corporation, other than the Managing Director, shall hold office for a period of three years; but shall be eligible for reappointment.

(3) The Corporation may pay to its appointed members, other than the Managing Director, such subsistence, travelling and other allowances at such rate as the Minister may approve.

(4) An appointed member may at any time resign his membership by writing under his hand addressed to the Minister.

(5) The appointment of any member of the Corporation may be terminated at any time by the Minister if he is of the opinion that it is in the interests of the Corporation so to do.

4. A person shall not qualify for appointment as a member of the Corporation if he is a member of the National Assembly or a member of a District Council or an Urban Authority Council. Disqualification for membership.

5. The Corporation may appoint any officer of the Corporation to be secretary for the purpose of attending meetings and keeping minutes of the meetings of the Corporation and generally performing such other secretarial duties as may be assigned to him by the Corporation. Secretary to the Corporation.

6. (1) The Corporation shall meet for the despatch of its business at least once every month at such times and places as the Chairman may appoint. Meetings of the Corporation.

(2) The Chairman shall preside at every meeting of the Corporation at which he is present, and, in his absence, a member elected by the members present shall preside.

(3) Questions proposed at a meeting of the Corporation shall be determined by a simple majority of its members present and voting, and in the event of an equality of votes the person presiding shall have a second or casting vote.

(4) The quorum at any meeting of the Corporation shall be four.

(5) Minutes of the proceedings of every meeting of the Corporation shall be regularly entered in a book to be kept for the purpose and such minutes shall be confirmed at the next meeting by the Corporation and when so confirmed they shall be signed by the Chairman in the presence of the members of the Corporation.

(6) The Corporation may at any time co-opt any person to act as adviser at any of its meetings, so however, that no person so co-opted shall be entitled to vote on any matter before the meeting.

(7) Any member of the Corporation who,

(a) has any interest in any company or undertaking with which the Corporation proposes to make a contract; or

(b) has an interest in any contract which the Corporation proposes to make,

and is present at a meeting of the Corporation at which the contract is the subject of consideration shall, at the commencement of the meeting, disclose the nature of his interest to the Corporation and shall not participate in any deliberations of the Corporation on the contract or vote on any question with respect to that contract.

Seal of the
Corporation.

7. (1) The seal of the Corporation shall be authenticated by the signature of the Chairman or any other two members of the Corporation authorised by resolution of the Corporation either generally or specially to act in that behalf.

(2) The signature of the Chairman or other members of the Corporation shall be independent of the signing by any other person as witness.

(3) A certificate signed by the Chairman of the Corporation that any instrument purporting to be made or issued by or on behalf of the Corporation was so made or issued shall be conclusive evidence of that fact.

(4) Every document purporting to be an instrument made or issued by or on behalf of the Corporation and to be sealed with the seal of the Corporation authenticated in the manner provided by subsection (1) of this section or to be signed or executed by the Chairman or any other person authorised by the Corporation to act in that behalf shall be received in evidence and be deemed without further proof to be so made or issued or to be such a certificate, unless the contrary is shown.

Custody of
the seal.

8. The seal of the Corporation shall be kept in custody of a person appointed by the Corporation, and shall not be used or affixed to any instrument except in pursuance of a resolution duly adopted by the Corporation and in the

presence of at least two members of the Corporation who shall sign the instrument to which the seal of the Corporation is affixed in their presence.

9. On the coming into force of this Decree, the Kampala and District Water Board shall be dissolved; accordingly, but subject to the provisions of section 12 of this Decree, there shall be transferred to the Corporation,

Transfer of water and sewerage services in Kampala, Jinja and Entebbe to the Corporation.

- (a) the responsibility for water supply and sewerage services in the City of Kampala; Municipality of Jinja and in the Town of Entebbe;
- (b) the waterworks of the Kampala and District Water Board, Jinja and Entebbe Water Authorities; and
- (c) the sewerage systems of the Kampala Municipal Council, Jinja Municipal Council and Entebbe Town Council.

10. The Minister may, after consultation with the Corporation, by statutory order, transfer to the Corporation the responsibility for other water supply and sewerage services from a local authority in any specified area of Uganda with effect from the date specified in the order on such terms and conditions (including subsidies where applicable) as the Minister may determine.

Transfer of water and sewerage services in other areas to the Corporation.

11. The provisions contained in Schedule 2 to this Decree shall have effect,

Vesting of property in the Corporation. Schedule 2.

- (a) on the dissolution of Kampala and District Water Board; and
- (b) on the effective date specified in an order made under section 10 of this Decree for the transfer to the Corporation the responsibility for water supply and sewerage services from a local authority.

12. Where the responsibility for water and sewerage services is transferred from a local authority to the Corporation pursuant to the provisions of sections 9 and 10 of this Decree, no compensation shall be payable for the transfer of any property or rights in property used or enjoyed by that local authority relating to the services transferred to the Corporation.

No compensation on transfer of service.

Minister's directions to the Corporation.

13. The Corporation shall execute its functions in accordance with the provisions of this Decree, but, in so doing, shall be responsible to the Minister who may give directions to the Corporation on matters of general policy as appear to him to be requisite in the public interest and the Corporation shall give effect to these directions.

Corporation to operate on sound utility management.

14. (1) The Corporation shall cause its affairs to be conducted in accordance with sound utility management, and, in particular, shall cause its functions under this Decree to be carried out so as to ensure that its revenues provide adequately for the overall cost of operation and maintenance of its services and for depreciation, amortisation, interest and a reasonable return on investment.

(2) Any surpluses accruing after all expenditures and indebtedness or improvements are financed in respect of any particular service shall be used to foster the objects of the Corporation in accordance with the provisions of the bye-laws made in that behalf.

Imposition of rates, charges and fees.

15. Notwithstanding any provision of the Water Works Act to the contrary, the Corporation may, with the prior approval of the Minister by regulations, fix, impose and collect rates, charges and fees for water and sewerage services rendered to any consumer or classes of consumers and may direct that the rates, charges and fees payable under this section shall become due and payable on such date as the Corporation may declare.

Bye-laws.

16. (1) The Corporation may, subject to the provisions of this Decree and with the approval of the Minister, make bye-laws for regulating,

- (a) subject to the provisions of section 6 of this Decree the procedure to be followed at the meetings of the Corporation;
- (b) the activities of the Corporation;
- (c) the procedure to be followed in the matter of the making of contracts, and limitation of the power of the Corporation's officials to make local or other purchases of stores;
- (d) the duties, remuneration and conditions of service of officers and employees of the Corporation including the delegation of powers of appointment and dismissal to any particular officer;
- (e) the establishment and control of a pension or provident fund scheme, the contributions to be

paid by itself and persons in its employ, respectively, into any such fund or under an insurance scheme undertaken by the Corporation and the pecuniary benefits which are upon sickness, injury, death, retirement or termination of service to accrue to such persons or their dependants;

(f) the utilisation of the finances of one system for another system.

(2) Notwithstanding the provisions of the Interpretation Act, it shall not be necessary to publish in the Gazette the bye-laws made under this section, but such bye-laws may be published in such manner as the Corporation, with the approval of the Minister, sees fit. Cap. 16.

Staff.

17. (1) Subject to the provisions of subsection (2) of this section, there shall be a Managing Director who shall be appointed by the Minister for such period not exceeding five years and on such terms and conditions as the Minister may determine. Managing
Director.

(2) The Managing Director shall be a person of proven experience and competence in the management and operation of public utility undertaking.

(3) The Managing Director shall be the Chief Executive Officer of the Corporation and shall, subject to the provisions of this Decree and to such directions as may be given by the Corporation on matters of general policy, be charged with the planning, organising, directing and controlling the activities of the Corporation.

18. The Corporation shall employ a qualified accountant as its internal auditor who shall be responsible to the Managing Director. Internal
auditor.

Appoint-
ment of
officers and
servants of
the Corpora-
tion.

19. The Corporation may,

- (a) for the efficient discharge of its functions under this Decree,
 - (i) appoint such officers and servants as it deems fit;
 - (ii) employ any professional person, on such terms and conditions as may be approved by the Minister, to advise the Corporation on any matter arising out of or in connection with any of its functions;
- (b) pay to the Managing Director and to its officers and servants such remuneration and allowances as the Corporation may, after consultation with the Minister, determine;
- (c) grant pension or retiring allowances or gratuity to the Managing Director and officers and servants of the Corporation; and
- (d) require the Managing Director, its officers and servants to contribute to any pension or superannuation fund scheme approved by the Minister.

Financial Provisions.

Corporation
to deposit
its funds
in bank.

20. All income and other moneys of the Corporation shall be lodged in a bank account in the name of the Corporation and shall not be withdrawn save in accordance with the Corporation's annual or supplementary budget.

Accounts.

21. (1) The Corporation shall establish a utility accounting system and shall cause to be maintained separate proper accounts and proper records in relation to water and sewerage services.

(2) The Corporation shall prepare an annual financial statement which shall include balance-sheets, income and expenditure account, source and application of funds as well as financial projections and any other information required to establish the financial position of the Corporation, particularly the status of the rate policy.

22. (1) The accounts of the Corporation and the financial statement made under section 21 of this Decree shall be audited annually within a period of four months after the end of each financial year by an external auditor, appointed by the Corporation with the prior approval of the Auditor-General, who shall, in the performance of his duties, be entitled to have access to all books of account, vouchers and other financial records of the Corporation and to require such information and explanation thereon as he thinks fit.

Audit of
books of
accounts.

(2) As soon as the accounts of the Corporation have been audited, the external auditor shall submit to the Corporation his report on the audited accounts and the financial statement of the Corporation.

(3) The auditor's report shall state whether in his opinion,

(a) proper books of account have been kept by the Corporation;

(b) the financial statement of the Corporation,

(i) was prepared on a basis consistent with that of the preceding year and is in agreement with the books of account;

(ii) in the case of a balance-sheet, gives a true and fair view of the state of the Corporation's affairs as at the end of the financial year;

(iii) in the case of the revenue or income and expenditure, gives a true and fair view of the income and expenditure account of the Corporation for the financial year,

and the external auditor shall call the attention of the Corporation to any other matter falling within the scope of his examination which in his opinion should be brought to the attention of the Corporation.

(4) The remuneration and other terms of employment of an external auditor shall be determined by the Corporation in consultation with the Auditor-General and shall be paid out of the funds of the Corporation.

Annual
report.

23. (1) The Corporation shall, within six months after the end of the financial year, submit to the Minister an Annual Performance Report dealing generally with activities and operations of the Corporation.

(2) The Annual Performance Report shall include the annual financial statement prepared under section 21 of this Decree and the external auditor's report thereon.

(3) The Minister shall lay the Annual Performance Report before the National Assembly as soon as possible.

Borrowing
powers.

24. (1) The Corporation may, with the prior approval of the Minister responsible for finance, borrow such sums of money required by it for the purposes of meeting any expenditure of a capital nature or for the discharge of its functions under this Decree from domestic and foreign sources and on such terms as may be agreed between the Corporation and the lender.

(2) The Corporation may charge its assets, undertakings and revenues with the repayment of any money borrowed together with interest thereon and may issue debentures, bonds or other securities in order to secure repayment of any money so borrowed.

(3) The Government shall guarantee the performance of any obligation undertaken by the Corporation under this section.

General.

Dealings
with
the Corporation.

25. The person dealing with the Corporation or with a person claiming under the Corporation shall not be concerned to inquire,

(a) whether any directions have been given to the Corporation under this Decree or whether any directions so given have been complied with; or

(b) whether the consent or approval of the Minister required for any of the purposes of this Decree has been given or whether any condition or

limitation, subject to any such consent or approval has been complied with, and, in favour of any such person, the validity of anything done by the Corporation shall not be affected by anything contained in any such direction, consent or approval or by reason that any such direction, consent or approval has not been given.

26. (1) Contracts on behalf of the Corporation may be made as follows, Contracts.

- (a) a contract which, if made between private persons, would be by law required to be in writing, and if made according to any law for the time being in force in Uganda is required to be under seal, may be made on behalf of the Corporation under the seal of the Corporation;
- (b) a contract which, if made between private persons, would be by law required to be made in writing and signed by the parties to be charged therewith, may be made on behalf of the Corporation in writing, signed by any person acting under its authority, express or implied;
- (c) a contract which, if made between private persons, would be by law valid although made by parol only and not reduced into writing, may be made by parol on behalf of the Corporation by any person acting under its authority, express or implied.

(2) A contract made according to and under the provisions of this section shall be effectual in law and shall bind the Corporation and all other parties thereto.

(3) A contract made according to and under the provisions of this section may be varied or discharged in the same manner in which it is authorised in this section to be made.

27. Any document may be served on the Corporation by leaving it at, or by sending it by registered post to, the office of the Managing Director. Service documents.

28. The Corporation may provide specialist assistance relating to water and sewerage services to any institution or Ministry of the Government on such terms and conditions as may be agreed between the Minister and the Corporation. Technical assistance to institutions and ministries.

Regulations.

29. The Corporation may, with the prior approval of the Minister, make regulations,

- (a) fixing water rates, sewerage rates, and other fees for any service rendered by the Corporation;
- (b) providing for conditions for the take over of water and sewerage services;
- (c) for the prevention of the waste of water;
- (d) for the suspension of water or sewerage services;
- (e) prescribing water and sewerage service rules and plumbing codes;
- (f) for compulsory use of water and sewerage services;
- (g) for the inspection of premises and appliances whereby or in connection with which water is supplied or sewerage systems are established; and
- (h) prescribing any matter required under this Decree to be prescribed.

Corporation to be given water rights preference.

30. In its assignment to secure the formulation and implementation of plans for the beneficial use of the water resources in Uganda, the Ministry responsible for mineral and water resources shall afford the Corporation preference over other authorities in the use of water resources for public, domestic or industrial purposes and disposal of resulting waste.

Exemption from income tax.

31. (1) The Corporation shall be exempt from the payment of income tax.

E.A.C. Cap. 24.

(2) The provisions of subsection (1) of this section shall have effect notwithstanding any provision of the Income Tax Management Act to the contrary.

Interpretation.

32. In this Decree, unless the context otherwise requires,

“Corporation” means the National Water and Sewerage Corporation established under section 1 of this Decree;

“financial year” means the period of twelve months ending on 30th June in each year, so however, that the first financial year of the Corporation shall be the period commencing on the date of the coming into force of this Decree and ending on 30th June, 1973;

“functions” includes powers and duties;

“local authority” means an administration of a district, the Kampala City Council, a municipal council, a town council, or a town board;

“Minister” means, except where it is otherwise expressly provided, the Minister responsible for mineral and water resources;

“specified area” means an area of land declared under an order made by the Minister under section 10 of this Decree;

“water authority” has the same meaning as in the Waterworks Act;

“waterworks” has the same meaning as in the Waterworks Act.

33. (1) The Water Board Act is hereby repealed.

Repeal and saving.
Cap. 138.
Schedule 2.

(2) Notwithstanding the provisions of subsection (1) of this section, the Kampala and District Water Board, (Payment of Rates and Charges) Order, shall continue in force until it is revoked.

34. Schedule 4 to the Public Lands Act, 1969, is hereby amended by substituting for paragraph 4 thereof, the following,

Amendment of the Public Lands Act, 1969.

“4. The National Water and Sewerage Corporation.”

35. This Decree shall come into force on such date as the Minister may, by statutory order, appoint.

Commencement.

MADÉ under my hand and the Public Seal, this 16th day of December, 1972.

GENERAL IDI AMIN DADA,
President.

SCHEDULES.

SCHEDULE 1.

s. 1.

MODIFICATIONS OF THE WATERWORKS ACT.

1. Sections 13, 14, 15A, 16A and 17 of the Act shall be construed as if for the reference therein to the "Minister" there were substituted the reference "the Corporation with the prior approval of the Minister".

2. Sections 44 and 45 shall not apply.

3. Until regulations are made under section 28 of this Decree, all orders made under sections 3, 4, 13 and 17 of the Act relating to the supply of water in any area the responsibility of which is transferred to the Corporation by or under this Decree shall continue in force and may be enforced by the Corporation as if for the name of the Water Authority specified therein there were substituted the name "Corporation" but shall cease to have effect when regulations made under section 28 of this Decree come into force.

SCHEDULE 2.

s. 11.

VESTING OF PROPERTY IN THE CORPORATION.

1. In this Schedule,

"former authority" means a Ministry of the Government, the Kampala and District Water Board, or a local authority the responsibility for water and sewerage services of which is transferred to the National Water and Sewerage Corporation in accordance with the provisions of this Decree;

"effective date" means the date of the coming into force of this Decree or the date of the coming into force of an order made under section 10 of this Decree.

2. Any land held in freehold or in statutory lease by the former authority and used exclusively for water and sewerage purposes shall, without further assurance, be transferred to and vest in the Corporation in freehold.

3. All assets, rights and liabilities which immediately before the effective date were vested in, imposed on or incurred by the former authority shall, without further assurance, vest in the Corporation.

SCHEDULE 2—*continued.*

4. On the effective date, the former authority shall deliver to the Corporation all movable property including books, papers, documents, minutes, receipts and ledgers appertaining to its operations.

5. Every agreement, whether in writing or not, to which the former authority was a party immediately before the effective date and whether or not the agreement is of such a nature that the rights and liabilities thereunder could be assigned, shall have effect as from the effective date as if,

- (a) the Corporation had been a party to such agreement; and
- (b) for any reference (however worded and whether express or implied) to the former authority there were substituted in respect of anything to be done on or after the effective date a reference to the Corporation.

6. Any appointment of any officer or servant of the former authority relating to any service transferred to the Corporation which is subsisting immediately before the effective date shall be deemed to be made by the Corporation under this Decree, and for the purposes of determining the rights of pension or gratuity on retirement, the service of such officer or servant shall be regarded as continuous service from the date on which he was appointed by the former authority.

7. Any pending proceedings or any cause of action relating to any service transferred to the Corporation on the effective date to which the former authority was a party or liable may be continued or enforced against, by or on behalf of the Corporation as if the Corporation was a party thereto.

8. Where anything has been commenced by or under the authority of the former authority before the effective date and such thing is within the objects and functions of the Corporation or was done in relation to any of the service transferred to the Corporation, such thing may be carried on and completed by, or on behalf of, the Corporation.

Date of publication : 18th December, 1972.