

REGIONAL WATER COMPANY – J.S.C.



**BUSINESS PLAN
2008-2010**

January 2008

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1.0 DESCRIPTION OF THE COMPANY "Hidrodrini" J.S.C.

1.1 Short History of the Company

Regional Water Company Hidrodrini was established in October 2004 through a joint agreement between the Kosovo Trust Agency (KTA) and five Municipalities (Peja, Deçan, Istog, Klina and Junik).

The Regional Water Company Hidrodrini was transformed into a Joint Stock Company from 1st July 2007 in compliance to the article 35.5 of UNMIK Regulation No. 2001/6 on Business Associations (Regulation) for an indefinite period of time.

The Ministry of Trade and Industry registered the R.W.C. "Hidrodrini" in order to implement its activities with the new business number 70432209.

The Company as a Joint Stock is organized according to the existing regulations and laws of Kosovo.

R.W.C. "Hidrodrini" is a professional public institution licensed by the Water and Waste Regulatory Office for provision of basic services, of water and wastewater.

Number of population that Regional Company "Hidrodrini" provides with water services is considered to be 117,767 inhabitants, whereas with wastewater services 54,950 inhabitants. Actual production capacity is at about 30,000,000.00 m³/year.

R.W.C. "Hidrodrini" J.S.C. is an institution reformed in compliance to the European Union standards, and modern successful practices of regionalization process.

The Company is and will remain a professional provider of services, with qualitative water and wastewater services. Production, water sales, wastewater services and other services are the main duties of the Company.

The centre of the Company is located in Peja, and in its structure has 4 business units in; Peja, Istog, Klina and Junik. The Main Office is composed of four departments and four professional offices.

The Board of Directors chaired by KTA, is an independent body and supervises the business of the Company. The managing board organizes the work, carries out effective leadership of activities and the staff management.

As part of water production and distribution system Hidrodrini possesses the following assets:

Operational Unit, Peja:

(This Operational Unit provides services of drinkable water to the city of Peja and 18 surrounding villages)

- Two main production facilities; Uji i Zi with two pumping systems and one gravity system, and Drini i Bardhë with gravity system.
- Operational Unit of Peja has one main Pumping Station and three other booster stations of a lower capacity that supply neighbourhoods of; Zatra, Asllan Qeshme and Maja e Zezë.
- One storage reservoir with approximate capacity of 1500 m³ of water.
- Around 185 km of water network, with pipes of various profiles and dimensions.
- 68 km of wastewater network.
- 10 km network for surface waters.
- Two chlorination stations.

Operational Unit, Istog:

(In Istog we have five water sources, the water supply system is composed of both gravity and pumping systems).

- Eight storage reservoirs with following capacities: 700m³, 400m³, 400m³, 800m³, 500m³, 200m³, 400m³, 400m³,
- Four pumping stations,
- Five chlorination stations,
- A water pipeline network of 219 km with dimensions between Dn50 and Dn500.
- A wastewater network of 15 km.

Operational Unit, Klina:

In Klina there are two water supply systems, the old system composed of three wells which is not in function and the new system which is in function, based on our data the capacity of the new system is around 300l/s, from which we abstract approximately 30% of its capacity. The distance between the catchment structure (intake) and the pumping station is 930m, and from the pumping station up to the reservoir is 2000m. We have two pumps with the capacity of 45 l/s, and we have installed in addition two new pumps, the water supply pipeline consists of the following materials Pe, AC, Cast Iron and PVC.

Besides the City of Klina in our umbrella are also two villages Kpuz and Qeskova with a separate water supply system, totalling to 107 houses from which 80% are equipped with water meters of 6 l/s. Furthermore, under our umbrella belong 13 villages part of a new system with pumps (two new pumps) installed in the same Pumping Station.

- One chlorination station.
- Four storage reservoirs with capacities 1000m³, 800m³, 400m³, 400m³ and 50m³
- A network of approximately 40km water supply pipeline.
- Two pumping stations.

Nj. O. Junik:

The water supply system is a gravity system, from a source with capacity of 20-25 l/s.

- A water storage reservoir, capacity of which is 600m³
- A pipe water network totalling to 23.225m.

1.2 Company's Policy Statement

The universal Mission of R.W.C. "Hidrodrini" J.S.C. is to ensure drinkable water, at sufficient quantity and without interruptions to all its customers without any difference in race or religion. Water resources are to be used rationally, to ensure unlimited supply and in compliance to required standards. Above all, Hidrodrini shall be capable to supply the whole population within the boundaries of its geographical area.

Main activity of Hidrodrini is to distribute water to its last (farest) customer on the network, at sufficient quantities, at a reasonable price and with adequate water pressure.

Hidrodrini supplies with water all customers connected to the water supply system, in all five Municipalities. Through this, Hidrodrini takes over the responsibility to assure water quality, quantity and maintenance of the system's network, and if financial means allow, identification and development of new sustainable water sources and with that increase in standards of its service.

Hidrodrini provides to its customers services of wastewater disposal within areas of municipalities of Peja, Istog and Klina. Hidrodrini takes over the responsibility to extend the wastewater network and eventually to construct wastewater treatment plants.

Price for water and wastewater services is determined by WWRO and is same for all Operational Units.

Along with the activities mentioned above "Hidrodrini" Company, includes services for surface waters.

Company's Mission Statement

- To ensure qualitative drinkable water for its customers (in compliance to **WHO** standards for drinkable water), at sufficient quantity, with sufficient water pressure, without interruptions in supply and at lowest prices possible.
- To ensure qualitative services of collection, disposal and treatment of wastewaters, in compliance to the environmental standards for protection of public health.
- To invest in capacity building of its employees and to ensure suitable compensation to them in order to motivate their consideration towards providing qualitative services in the environment they work.

1.2 Strategic Aim and Objectives of R.W.C. "Hidrodrini" J.S.C.

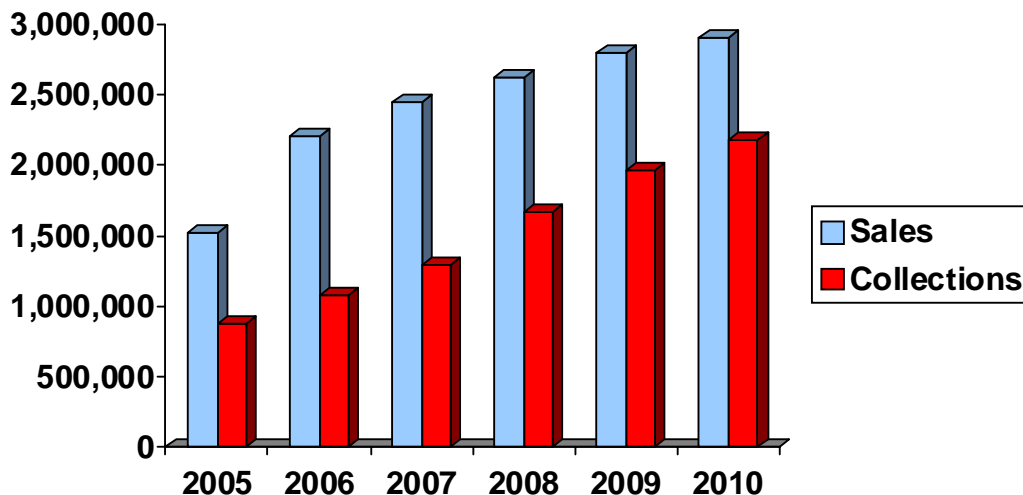
- Decrease in non-revenue water, which shall be achieved through the following objectives:
 - Higher commitment and engagement of employees in the field.
 - Accurate consumption measurements.
 - Installation of water meters on the zones where higher water expenditure exists.
 - Repairing of surface leaks.
 - Identification of underground leakages as part of the loss management component.
 - Reduction of water pressure in certain zones.
 - Identification of unauthorised users (illegal connections).
 - Increase in the number of customers.
 - Increase in the billing rate.
 - Increase of investments in reparation as well as in replacement of pipes.
- Increase in collection rate.
- Implementation of 28 Projects in four Operational Units, which are donation of the German Bank (KfW) with the value of 2.3 Million Euro, (Kosovo V – Phase 2).
- Compilation of the Pirority Investments List (for Kosovo VI – Phase 2) up to the value of 3 Million Euro, for which phase two companies have been qualified: R.W.C. "Hidrodrini" – Peja, and R.W.C. "Hidrodregjioni Jugor" – Prizren. The most convincing and reasonable projects will be approved (and funded).
- Increase in the staff efficiency.
- Strengthening of the Rule of Law.
- A special commitment for the forthcoming periods will be given to coverage of service areas with water meters especially in the zones with higher water expenditure and those zones where misuses are thought to be.

2.0 ASSESSMENT OF THE PERFORMANCE AND ACTIVITIES PLANNED TO BE CARRIED OUT

2.1 Assessment in operational and financial aspects (realistic and planned 2008-2010)

Elements	Years					
	2005	2006	2007	2008	2009	2010
Total sales	1.523.465	2.212.339	2.440.778	2.626.500	2.800.000	2.900.000
Collections	883.674	1.073.181	1.292.288	1.670.262	1.960.000	2.175.000
Collection rate	58%	49%	53%	64%	70%	75%

Indicators presented in a graphical form



Regardless of challenges it is of a great importance that the consolidated management as a managing body of the Company, is engaged in a constant manner at its full potential for results at work. The management is engaged within a frame of a corporate agenda with clear and qualitative aims and objectives and without any difference in actions.

Three-year performance is an indicator of general financial and operational developments of the company.

Also during 2007, R.W.C. "Hidrodrini" continued the work normally according to its work programme, implementing projects started during previous years and in compliance to the operational programme of 2007 by undertaking concrete steps in improvement of provided services which is a permanent aim of ours, and other's in charge of wellbeing and supervision of the business of our company in general.

Application of the OFMP project has ensured assessment of performance in a quantitative and measurable way on monthly and yearly basis. Measurement of the performance of R.W.C. "Hidrodrini" is done through application of performance standards and indicators. The project, broken down in simpler terms has enabled the management to engage for a more effective performance including the improvements in process, development of activities based on results achieved and results that are to be achieved.

Below are presented a part of indicators as main targets of R.W.C. "Hidrodrini" which are ranked in a responsible manner by the management of Hidrodrini as the ones with high priority.

2.2 Non-revenue water % (NRW)

Real average of water losses ratio from 2004 until 2007 is 79% (non-revenue water in 2004 was 83%, while in 2007 was 77%, so there is a drop of 6% in water). Activities that are going to be undertaken during the following years are:

- A. Reduction in administrative and technical water losses (Main priority).
- B. Identification and registration of all customers illegally connected to the water network.
- C. Implementation of the water loss detection project.
- D. Implementation of Projects that are donation of German Bank KfW.

Actions:

- A. Reduction of administrative and technical water losses:

Based on verifiable data R.W.C. "Hidrodrini" J.S.C. is faced with big administrative and technical water losses. Based on these data, around 50% of water meters are not read regularly. During 2008 there will be a split of cash-collectors into meter readers and invoice distributors which will at the same time collect money, the inspection team will be refreshed in order to have more control over this sector of the Company.

- B. Identification and registration of all customers illegally connected to the water network:

Since a GIS system is being implemented, identification of illegal connections and customers without water meters will be facilitated. Cash collectors (meter readers) will be equipped with maps (information) for the zones in which they operate.

- C. Implementation of water loss detection project.

Water Loss Detection Team has been established, this team is equipped with detection equipment that was a donation from German Bank. This team will be trained by German experts on how to use best detection equipment into metered areas initially. Loss detection team will mainly carry out its activities in Peja.

- D. Implementation of Projects that are donation of German Bank KfW.

During 2008, implementation of 28 projects with the value of 2.214.597 € will start, from this in the field of rehabilitation of the primary and secondary network will be invested 330.000€ which will have a noticeable impact on reduction of water losses in the system.

2.3 Registered customers

Total number of clients during years:

In 2005, the total number of registered customers was 22.631,

In 2006, the total number of registered customers was 30.013,

In 2007 the total number of registered customers was 27.799 (Since June 2007 Deçan is not included, with 3.870 customers).

Increase of the customer number presented in percentage:

From 2005 to 2006 is increased by **13%**,

From 2006 to 2007 is increased by **19%**,

With German Bank investments our planning is to cover new villages with water supply services in 2008 and through these projects we aim to increase the number of customers to approximately 28.710. Our planning is to reach until the end of 2010 an increase of **9%** in the number of our customers.

2.4 Water quality

Water quality - R.W.C "Hidrodrini"	2006	2007	(p) 2008	(p) 2009	(p) 2010
Total no. of tests	1877	2122	2000	2100	2150
- non-compliant to standards	269	167	40	20	10
% (bad)	14%	8%	2%	1%	0%

The Water Quality Sector will be established at latest until the beginning of 2009 with a staff of two specialized individuals.

2.5 Collection ratio

Receivable ratio or collection ratio planned for 2007 was 63% whilst the achieved ratio in 2007 was 53%, in this indicator we had a drop of 10%, one of the main reasons is staff inefficiency as well as external factors such as: Brewery and illegal split of Deçan from Hidrodrini. As far as it concerns staff efficiency, until August 2007 Hidrodrini has operated without Customer Services Department. During 2008 this department will function and perform all foreseen activities. The planned collection ratio for 2008 is 64% which is a big challenge for the Company; this can be achieved through a good planning and coordination of Customer Service Department which will mainly monitor customers not paying regularly for water services (disconnection from the water supply network). The issue of the Brewery now is a resolved matter, because together with the monthly invoice they will pay also for the past/old debt in instalments of 18.000€ a month until June 2008. Our planning forecast for the future concerning the collection ratio is to reach 70% by end of 2009, and 75% by the end 2010.

2.6 Operating ratio (OR)

Operating ratio for 2007 was 0.98 while planned 1.00 meaning that this indicator was not fulfilled only for 0.02. Planning for 2008 is 1.04 in table in Annex 1, is an indicator that will be fulfilled through a control and planning of expenses and also through compilation of internal regulations (regulations on; project drafting, budget, design, approval of expenses and also on procedures explaining the whole process from the drafting up to procurement office). Planned operating ratio for years 2009 – 2010 is 1.11 and 1.16.

3 OPERATIONAL PLAN

Technical Operational Plan for water supply network, wastewater network and other water facilities in 2008 will concentrate on the following requirements:

- *Organizing of the organizational structure and systematisation of employees for a higher efficiency at work.*
- *Reduction of non-revenue water from 77% to 73%, and also an increase in the collection ratio from 53% to 64%.*
- *Implementation of projects from Kosovo V- Phase 2 that are donation of G. Bank KfW.*
- *Compilation of a new Investments List, Kosovo VI – Phase 2 with the value of 3.0 milion € from the German Bank (the possibility of extension of the water network, wastewater network including surface waters).*

Improving the Organisational Structure:

Organizing systematisation of departments and also preparation of job descriptions for all employees, employment contracts and division of responsibilities.

Reduction of water losses and increase in collection will be achieved through:

a) Implementation of Loss Detection activities with equipment for technical losses in the field.

b) With activities of Customers Service department:

- Changes in cash collection,
- Systematic monitoring of debtors in all sectors and their disconnection,
- Signing of Contracts with Customers,
- Suing of illegally connected customers, after disconnection,
- Coordination between departments,
- Compilation of internal regulations on reviewing Requests and Complaints,
- Media campaigns,
- As well as direct contacts with customers through telephone calls.

Implementation of projects Kos-V, Phase 2:

- From the German Bank was approved the investments list of 2.214.597€, these investments are distributed as it follows; Peja 7 projects, Istog 8 projects, Klina 7 projects and Junik 6 projects, totalling to 28 projects. Until the end of March 2008 Hidrodrini has to prepare technical data that are necessary for drafting of detailed Projects by the side of Consulting Company which will also prepare the necessary material for tendering process. Some projects have already been prepared and tendering will be done in March 2008 (project of supply with domestic and sub-zonal water meters, and also for plastic boxes for domestic water meters). **See – Table No. 1.**

Project proposals for KOS-VI, Phase 2:

- Hidrodrini (Peja) and Hidroregjioni Jugor (Prizren) are qualified for donations of the German bank with the value of 3 million euro. Investments part of KOS VI, Phase 2 from their nature differ from the previous investments, and thus here can be included investments in wastewater network and in extension of the existing water supply network. The German Bank has set criteria such as increase in the number of customers, improvement of the water quality, in other words criteria that will have a direct impact on the revenues of the Company. The selection of projects is of a competitive nature between Peja and Prizren, meaning that only the most justifiable projects will be selected and implemented from and in both companies. R.W.C. "Hidrodrini" J.S.C. has drafted a considerable number of project proposals which are presented in more detail under point 6 – **Investments Plan.**

Table No. 1

Approved Investments from German bank that will be implemented in 2008 (Kosovo V-Phase 2)

Op. Unit	No:	Description	Cost (€)
Peja	P1	Rehabilitation of the main pumping station and the existing reservoir "City 1"	240.000
	P2	Construction of two new reservoirs "City 2" and "City 3"	460.000
	P3	Improvements in the main distribution system	80.000
	P4	Rehabilitations and improvements in the secondary distribution network	250.000
	P5	Supply with domestic water meters	56.500
	P6	Rehabilitation of the Technical service building and of the warehouse	130.000
	P7	Equipment for water loss management	70.000
		Subtotal Peja	1.286.500
Klina	K1	Rehabilitation of the building and the warehouse	15.000
	K2	Chlorination Tikvesh	25.000
	K3	Improvement of the water quality in Klina	150.000
	K4	Washout chamber	15.000
	K5	Domestic water meters	30.000
	K6	Fences for the reservoir	3.000
	K7	Graveling of the road to the pumping station	20.000
		Subtotal Klina	258.000
Junik	J1	Installation of district water meters	20.000
	J2	Installation of air valves in the network	3.500
	J3	Rehabilitation of pipe DN 150	3.000
	J4	Rehabilitation of the network in Gacaferri neighbourhood	30.000
	J5	Truck for network maintenance	13.000
	J6	Provision of domestic water meters	35.000
		Subtotal Junik	104.500
Istog	I1	Rehabilitation of the pipeline of the main network	55.000
	I2	Installation of district water meters	35.000
	I3	Equipment of the network with air valves	15.000
	I4	Provision of domestic water meters inclusive plastic boxes	43.000
	I5	Rehabilitation of pumps	145.000
	I6	Protection wall at the main spring	15.000
	I7	New reservoir and booster station for Banja e Pejës	150.000
	I8	Provision of electricity supply	32.000
		Subtotal Istog	490.000
	TOTAL	2.139.000	
	Miscellaneous	75.597	
	GRAND TOTAL	2.214.597	

Measurements P5, K5, J1, J6, I2 and I4 are separate parts of the tender which will open in March 2008

4 FINANCIAL PLAN

Financial Plan 2008 of R.W.C “Hidrodrini” will be based on the financial analyses conducted by management for 2007; our scope of activity will be based on issues presented below:

4.1 Payment of expenses

During 2008 the Company plans to conduct all necessary payments that may arise during normal implementation of activity, meaning that payment of debts will be speeded up, as well as payment of old debts to KEK in Klina in monthly instalments of 5.000€.

4.2 Financial security (coverage)

Revenue collection in our company is mainly done in three forms:

- Through payments in cash, at customers doorstep,
- Through payments in cash, at the cashdesks of our company, and
- Through payments to our bank account.

-Cash payments (collections) at doorsteps of our customers is carried out through our cash collectors “inkasantet” and mainly in the household category, those collected means are then handed over to the people in charge of cashdesks, who at the end of the same working day deposit them to our bank account.

-Payments at cashdesks of our company, customers pay their obligation at the cash-desk of our Company.

-Bank payments are carried out thorough our Company’s bank account, which mainly occurs by the side of Institutions category, and a part of the commercial - business category, and a small part of household category as well.

Payment summary through years

Years	2005	2006	2007	2008	2009	2010
Collections – cashdesk (%)	25.34%	30.21%	36.5%	38%	40%	43%
Collections – bank(%)	36.24%	35.86%	36%	37%	38%	39%
Collections by cash collectors (%)	37.52%	33.72%	27.5%	24%	21%	16.5%
Collections – sues (%)	0.90%	0.22%	0%	1.0%	1.0%	1.5%

4.3 Depretiation of stocks

The Company will create procedures for recognition and measurement of the provisioning for aged/depreiated stocks, a stock provisioning registry will be created for stocks, and additionally will treat with reliable effectiveness the assessment of aged/depreiated stocks.

4.4 Grants

The Company will invest efforts in collecting and archiving of all the evidence for grants from donors, within shortest time as possible. R.W.C. “Hidrodrini” will explain the important role the grant’s evidence have, to the Consulting Agencies part of donation organizations.

4.5 Contingencies and Liabilities

Ownership status:

The Ownership status for most of the property of the Company such as buildings and equipment is not resolved yet. The Company will put all its effort and use all its competencies to working with relevant factors in order to resolve this complex issue.

Tax:

Great commitment will be paid to bookkeeping and tax journals, in order to enable the Company to have a good coordination with tax authorities for a higher accuracy and update, and will undertake necessary and efficient measures for any unclarity in order to avoid any possibility of additional tax payments or penalties.

4.6 Information Technology

During 2008 the Company will establish a centralised IT system, meaning safe connection of all buildings and centralization of the data in a single database. Regarding servers, the Company will have two servers: for PIANO and for GIS, and the Company will create conditions – technical standards foreseen for maintenance and security of the data – weekly backups on external portable media.

4.7 Planning of Preliminary Procurement

The procurement plan will be kept as **confidential**.

Supply Contracts:

Product classification (2 first figures from FPP)		Contract description	Unit	Quantity	Forecasted Contract Value	Forecasted date for beginning of each procurement
11	1.	Euro Diesel	l	45.000	50.000,00	20.02.2008
	2.	Petrol	l	2.500	3.000,00	20.02.2008
	3.	Syntetic Oil	l	1.500	4.500,00	20.02.2008
	4.	Antifreeze	l	150	500,00	15.10.2008
	Σ	Total			58.000,00	
10	1.	Coal	kg	10 000	1.000,00	
	Σ	Total			1.000,00	
34	1.	Spare parts for Maintenance of vehicles			9.000,00	01.03.2008
	2.	Batteries (accumulators)			1.000,00	01.03.2008
	3.	Tyres for vehicles			9.000,00	01.09.2008
	Σ	Total			19.000,00	

24	1.	Natrium Hypochloride	kg	10.000	16.000,00	20.03.2008
	2.	Liquid Chlorine	l	20.000	20.000,00	20.03.2008
	Σ	Total			36.000,00	
50	1.	Water Supply Maintenance Materials (connectors, assecories)			94.000,00	01.04.2008
	2.	PE pipes -100			6.000,00	01.04.2008
	Σ	Total			100.000,00	
36	1.	Inventory			5.000,00	10.05.2008
	Σ	Total			5.000,00	
18	1.	Material for protection at work			9.500,00	01.08.2008
	Σ	Total			9.500,00	
35	1.	Vehicles			20.000,00	01.06.2008
	Σ	Total			20.000,00	
Grand Total					248.500,00	

Supply Contracts:

Product classification (2 first figures from FPP)		Contract description	Forecasted Contract Value	Forecasted date for beginning of the procedure
93	1.	Vehicle Insurance Services	15.000,00	15.02.2008
	2.	Vehicle Maintenance Services	9.500,00	10.03.2008
	Σ	Total	24.500,00	
78	1.	Invoice Printing Services	9.000,00	01.02.2008
	Σ	Total	9.000,00	
Grant Total			33.500,00	

Supply Contracts:

Product classification (2 first figures from FPP)		Contract description / Core characteristics of each work contract	Forecasted Contract Value	Forecasted date for begining of each procurement
45	1.	Construction of the water supply network with length of 2000m.	35.000,00	30.05.2008
	2.	Construction of the wastewater network with a length of 1000m.	18.000,00	20.08.2008
	3.	Construction of garages (storage) for vehicles (trucks)	25.000,00	25.06.2008
	4.	Construction of storage for diesel (diesel pumps for OU Peja and OU Istog)	15.000,00	01.06.2008
	Σ	Total	93.000,00	

5 STAFF DEVELOPMENT PLAN

One of the factors which has a crucial impact in the performance and effective development of the Company is organizational structure. Internal working environment is an influencing factor in functioning of the Company. This field includes:

5.1 Organisational Structure

During 2008 will be implemented the New Organisational Structure which will define terms of communication authority and will coordinate roles and relationships of the company. In this range belongs as well the structure of control, assessment and reporting. R.W.C. "Hidrodrini" J.S.C. has prepared functional scheme which complies with the development strategy because roles and responsibilities have been well specified, which demonstrates that we are talking about a strong company and a good development trend.

The new prepared structure will produce effectiveness towards the company management perspective.

R.W.C "Hidrodrini" J.S.C.

Board of Directors
(appointed by
Municipal Assemblies)

General
Director

PR Assistant

Secretary/
Procurement
Officer

Technical
Department

Financial
Department

Customer Services
Department

Legal Services

Water Quality

Network Water
Losses

Planning and
GIS

Stocks/Material
Accounting

Financial
Accounting

Procurement
Officer Z.Prok
urimi

Inspections

Disconnectio
ns

Jurist

IT

Safeguarding
Admin.

Unit Managers: Peja, Deçan, Istog, Klina, Junik

Technical Unit
Peja

Technical Unit
Deçan

Technical Unit
Istog

Technical Unit
Klinë

Technical Unit
Junik

Store
Peja

Store
Deçan

Store Istog

Store Klina

Cash-desk
Peja

Cash-desk
Deçan

Cash-desk
Istog

Cash-desk
Klina

Cash-desk
Junik

CS Officer
Peja

2- Billing
1-Complaints
8-Readers
7 Cash collectors

CS Officer
Deçan

Billing /
Complaints
3-Readers
2-Cash collectors

CS Officer
Istog

Billing /
Complaints
3-Readers
3-Cash collectors

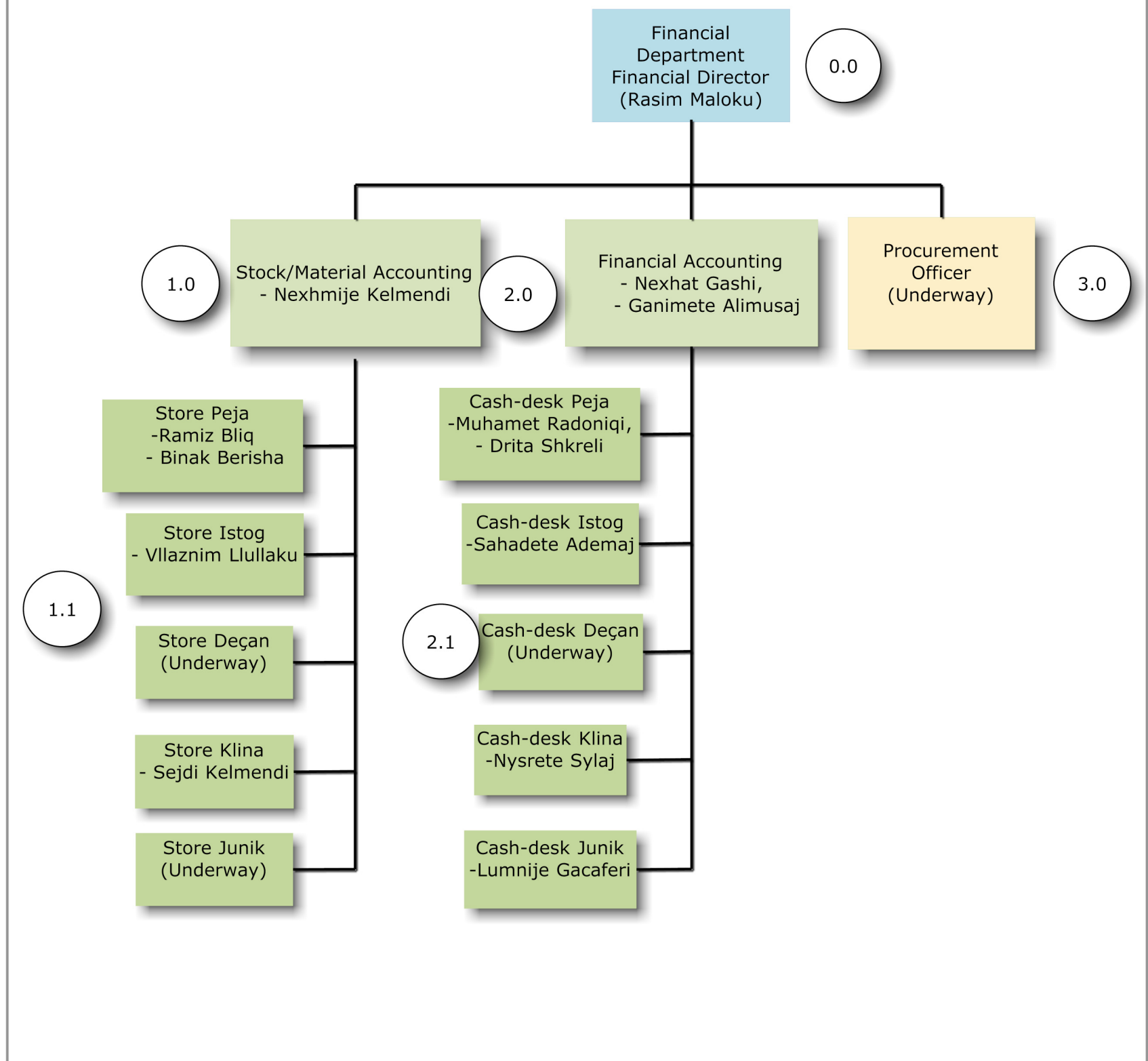
CS Officer
Klina

Billing /
Complaints
2-Readers
2-Cash collector

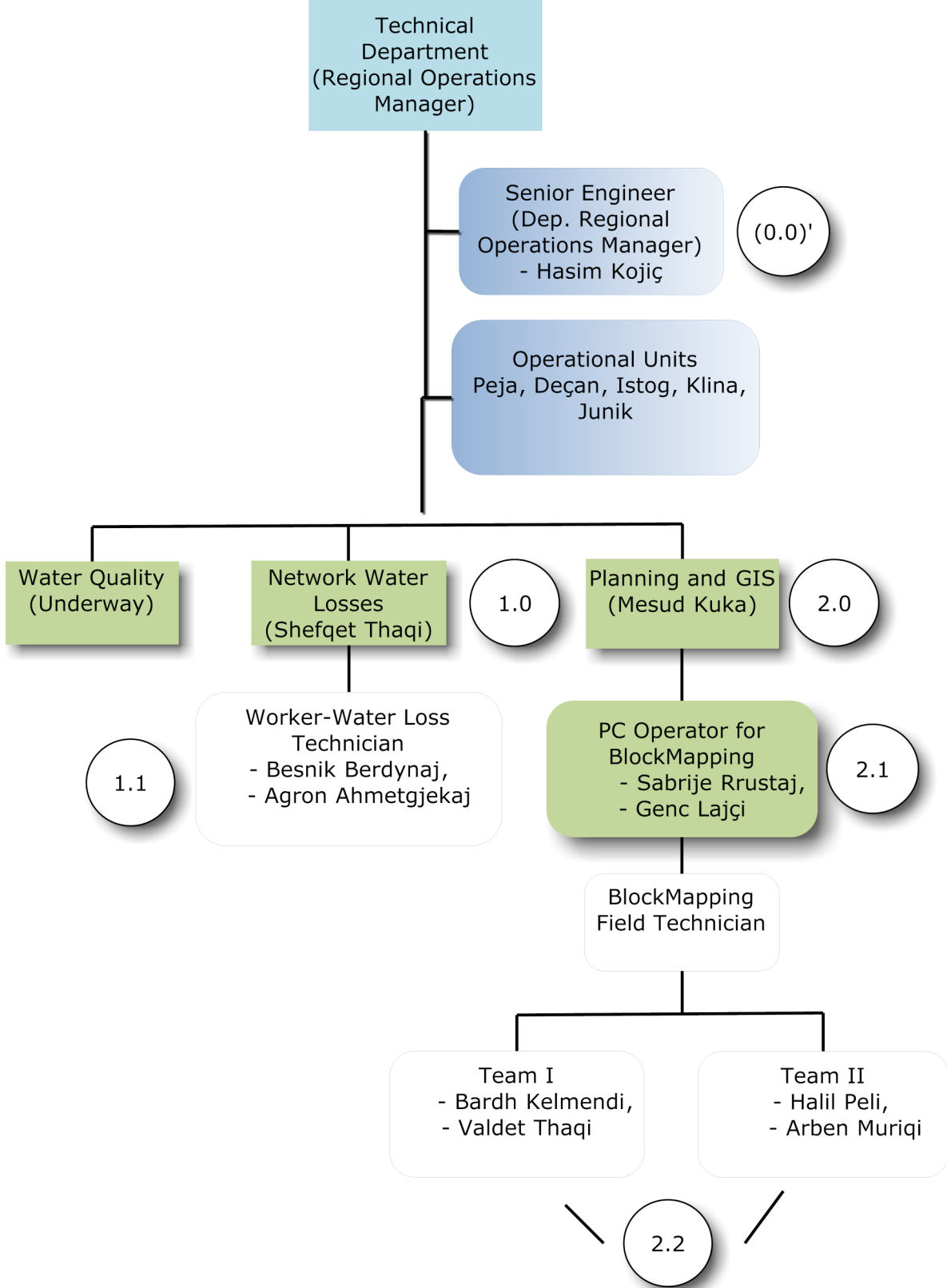
CS Officer
Junik

Billing /
Complaints
1-Reader/cash
collector

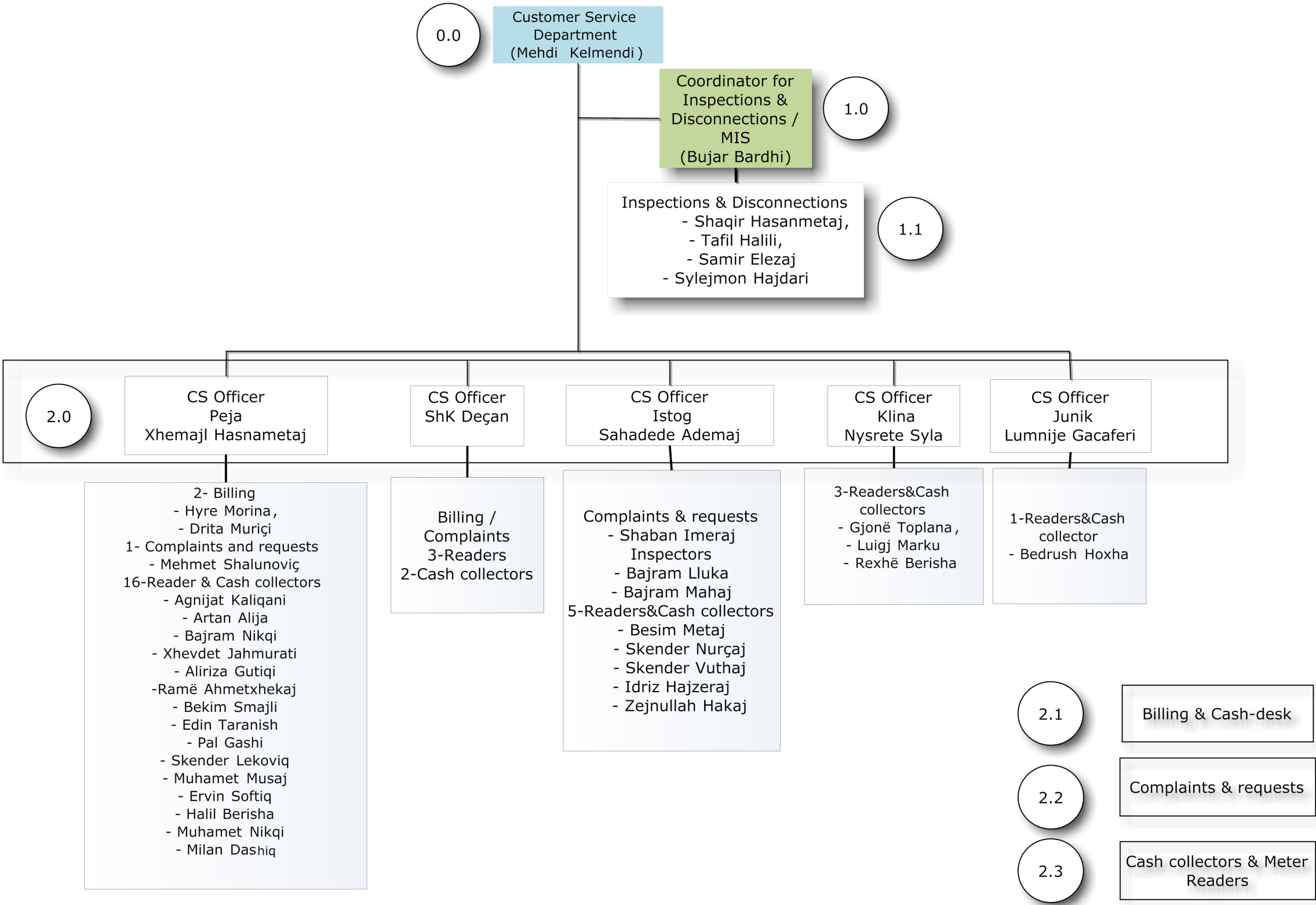
R.W.C "Hidrodrini" J.S.C. Financial Department



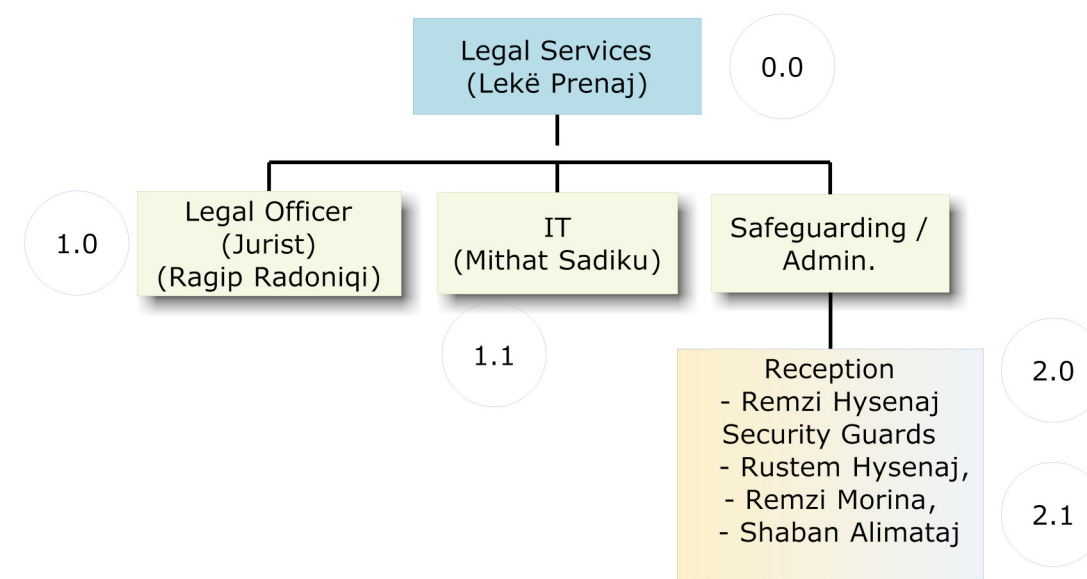
R.W.C "Hidrodrini" J.S.C. Technical Department



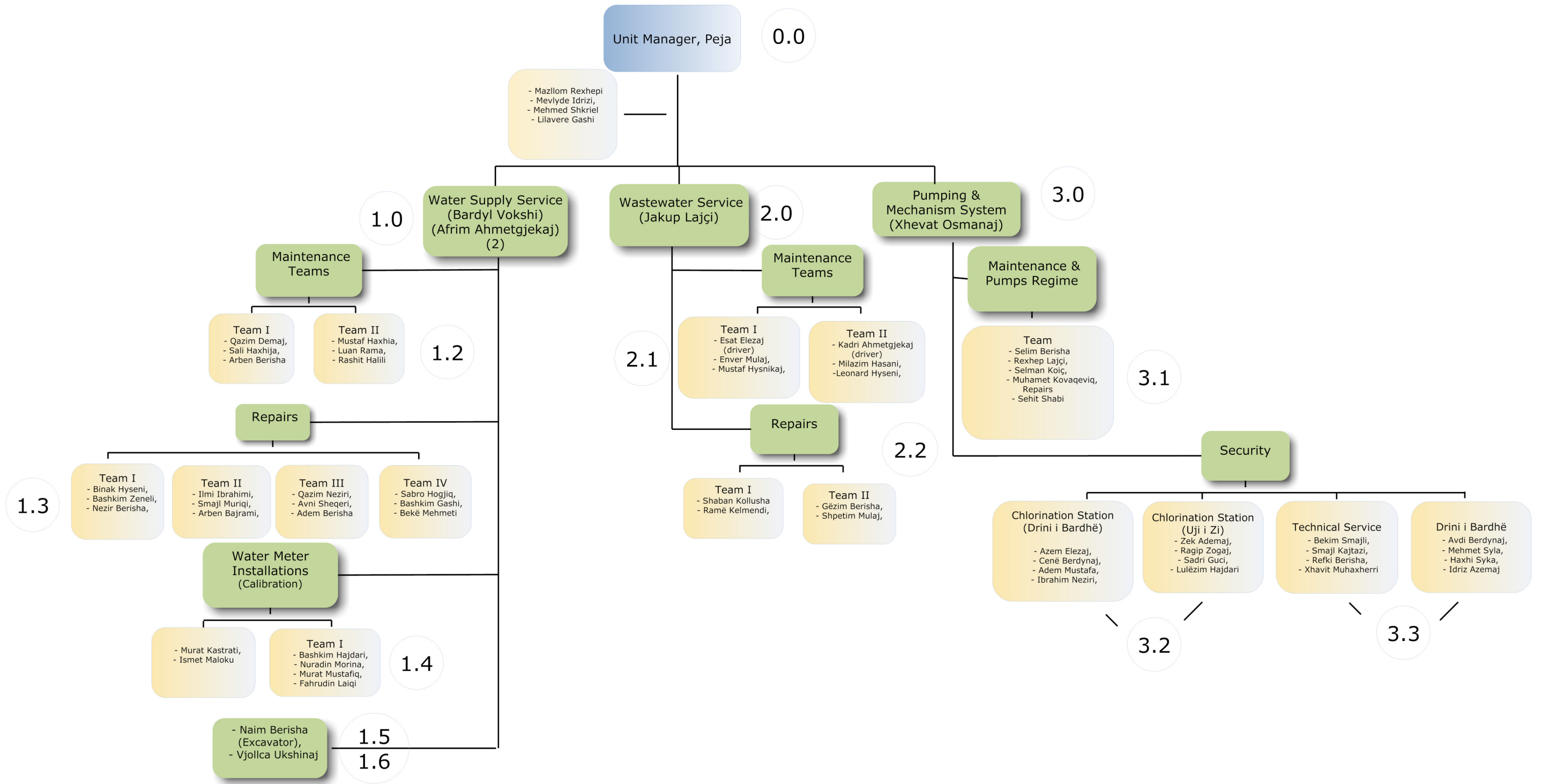
R.W.C. "Hidrodrini" J.S.C. Customer Services Department



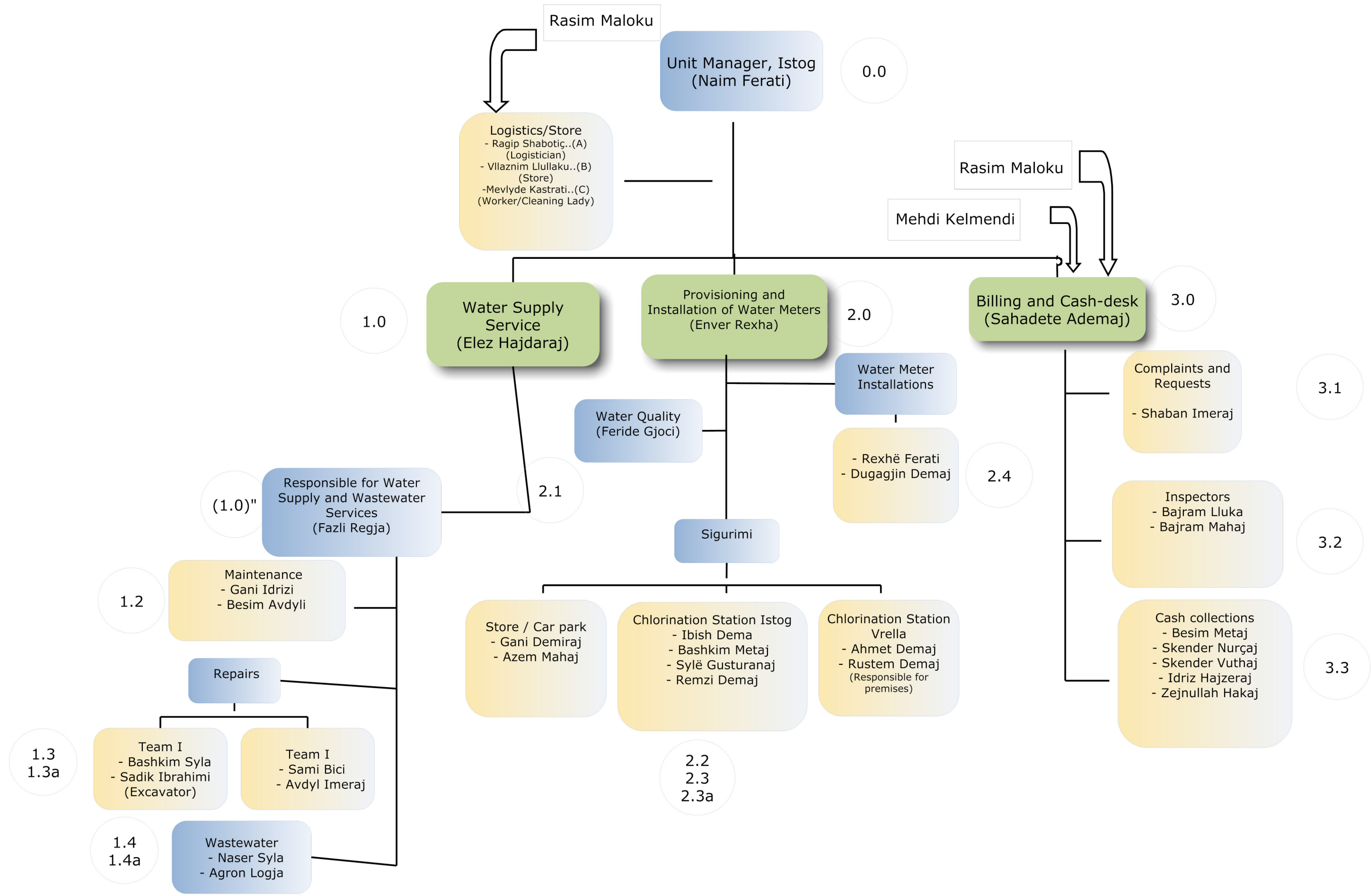
R.W.C "Hidrodrini" J.S.C. Corporate Services



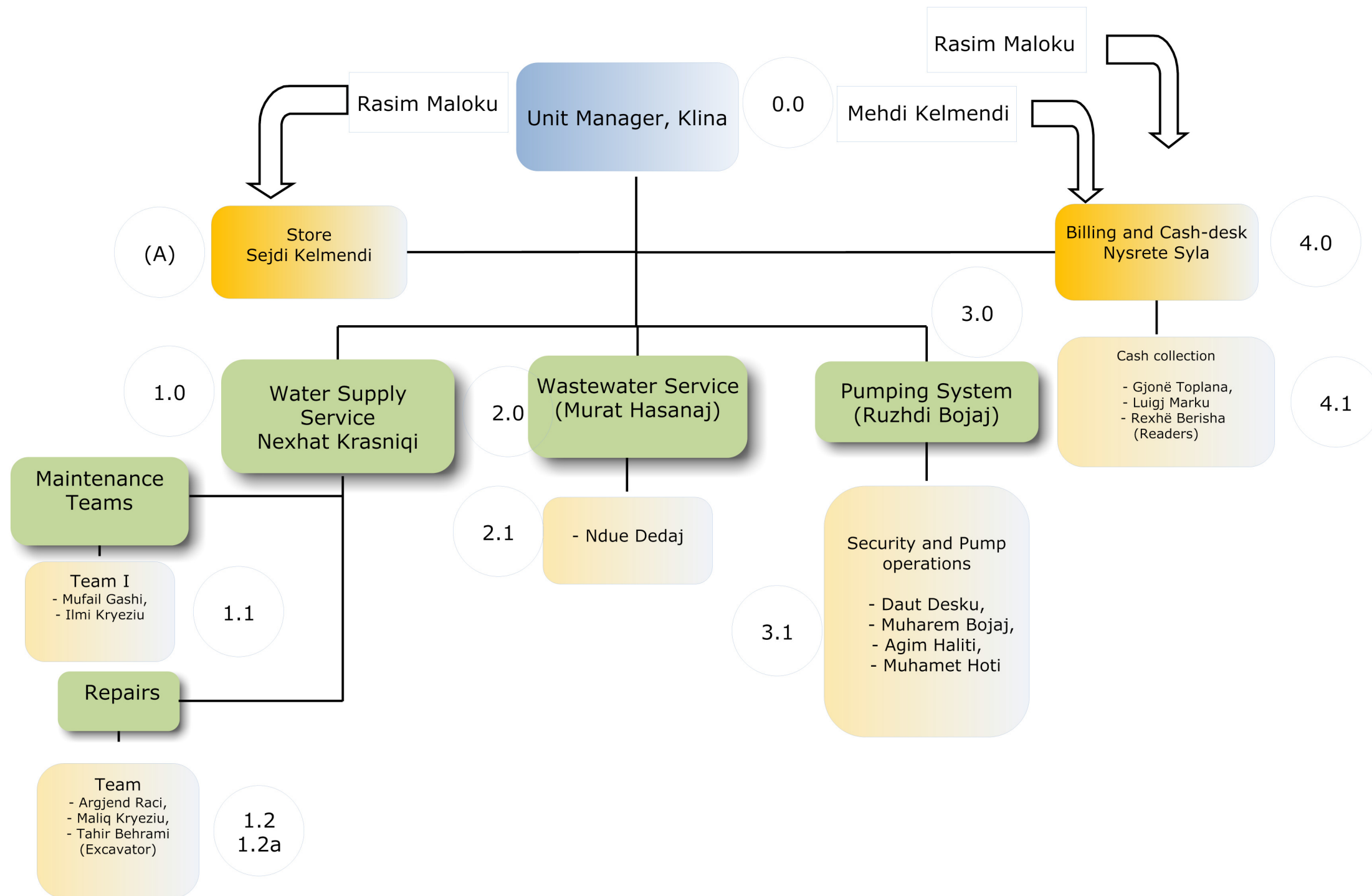
R.W.C "Hidrodrini" J.S.C.
Operational Unit Peja



R.W.C. "Hidrodrini" J.S.C. Operational Unit Istog



R.W.C. "Hidrodrini" J.S.C. Operational Unit Klina



Board of Directors

With the incorporation process of public companies in Kosovo, and based on the statute of R.W.C. "Hidrodrini" J.S.C. the governing body of the Company is the Board of Directors. This new structure or corporative governance has been established and started functioning at the second half of 2007. The main and most important aim of the Board of Directors is to ensure transparency, reliability and increase in the work quality.

The Board is composed of the Chairman of the Board representing the Kosovo Trust Agency, Four non-executive directors nominated by Municipal Assemblies of Peja, Klina, Junik and Istog, and the Managing Director of R.W.C. "Hidrodrini" J.S.C. who is an executive director in the Board of Directors.

Managing Director

The MD shall be the chief executive officer of the Company. He shall have the authority to bind the Company in contract, in accordance with the charter, these by-laws and Applicable Law, and he shall report to the Board of Directors.

The day-to-day activities of the Company shall be conducted under the management and supervision of the MD in accordance with the charter and by-laws of the Company and the resolutions of the Board of Directors.

The MD shall submit to the Board of Directors a proposal regarding the internal organization of the Company.

The MD shall have the authority to hire and dismiss the officers and staff of the Company and to delegate such authority to other officers and staff members. The preceding notwithstanding, (i) the Chief Finance Officer, (ii) the Secretary, (iii) if and when appointed, the internal auditor and the procurement officer, and (iv) any other officer that the Board of Directors specifically retains the right to hire and dismiss, may be hired and dismissed by the Board of Directors only.

The MD shall perform such other duties as are determined by the Board of Directors

Technical Department

Technical Department is centralized in one department with one Regional Technical Manager, responsible for Peja, Istog, Klina and Junik. This makes sense, especially for the future of a deeper centralization which should be taken in consideration.

Technical department covers:

a) Technical Operational Units (maintenance of the water and wastewater networks, maintenance of equipment and pumps, maintenance of the water and wastewater system infrastructure, maintenance of rural water supply systems).

b) Centralized departments (Water quality, Water Loss Management, Planning, and GIS and as part of Corporate Services IT). The Water Quality sector will be established and finalised at the beginning of 2009.

Financial Department

The Financial Department will manage the financial means as it is foreseen in the policy of the Company, compensation towards employees, fulfilment of obligations towards suppliers, payments towards; tax administration, WWRO, MESP will be made in compliance to the respective regulations, and accounting will be applied according to Kosovo Accounting Standards.

Accounting is centralized in Peja at the Headquarters of the Company, while billing is carried out in each Unit: Peja, Istog, Klinë, and Junik in order to be as close as possible to our customers for the sake of better and more accurate data.

Customer Services Department

Customer Services Department (CS) organizes services and relationship with customers. Assures better performance of services provided to public. Assures communication with all other departments, undertakes all necessary steps in the direction of increasing the collection ratio. Order disconnection for contract breaches (such as when customers do not pay their invoices regularly) and monitors implementation of that order. Organizes the work of inspection teams, receives their reports and undertakes immediate and serious actions. Processes requests/applications for new connections, prepares and submits documentation to the respective department for finalization of the procedure.

Corporate Services Department

The work of this department is oriented towards performing services in all fields concerning administration and general services that are required by the whole company departments. This department deals with Human Resources, Legal Advice, Protection and Safety at Work, develops internal regulations, processes them and monitors their implementation, gives proposals and implements measures in line to improving the corporate identity of the workforce. In addition to this, takes care and supports the process of signing agreements and other contracts between Municipalities and the Company. Part of this department is also the IT unit, as well as security unit (security for the offices / administrative premises).

R.W.C. "Hidrodrini" plans to increase salaries after fulfilment of planned targets, the following table presents the existing situation and also planning for coming years:

Staff salaries	Years			
	2007	2008	2009	2010
Annual	753.103	841.000	900.000	945.000
Increase in %	-	10%	6.5%	5%

5.2 Staff training (capacity building)

Reorganisation of work, transfer of employees to planned services, continuous changes on the structure of the Company with main aim to increase efficiency at work and to be compatible to the working environment, are the main indicators that staff training and development will be an ongoing process with a positive impact in increasing the effectiveness of R.W.C. "Hidrodrini" J.S.C. Through this process we are aiming to achieve an improvement of capabilities and professional qualifications of employees, because each work has its own specifics.

R.W.C. "Hidrodrini" J.S.C. is planning to organize continuous training, in each sector of the Company, for its own employees by the heads of these departments.

In addition to this, as organized before there are some ideas to organize training in the level of SHUKOS, on ways how to increase effectiveness of technical and financial services throughout Water and Wastewater Companies in Kosovo. The needs for training are quite evident, so far training was provided in the fields of: Maintenance of the Water Network, Detection of Water Losses in the Network, Management Information System, and there are still ongoing trainings being delivered by Rodeco Office acting in Peja. A request from management of the Company was submitted to the German bank, for future investments projects to be accompanied with training and development of our staff. With the initiative of Rodeco Office during 2008 will be checked possibilities for organizing management training in Effective Communication/Delegation in the Company, Change Management, Conflict Management, Organizing Meetings, etc.

R.W.C. "Hidrodrini" J.S.C. managed to qualify for a one year project for Development and Implementation of Modern Human Resources for the Public and Private Sector in Kosovo.

This project is supported by the "**Austrian Development Cooperation**" and implementation of this project is expected to start in March 2008.

6 CAPITAL INVESTMENTS PLAN

Projects proposed for KfW funding as part of Kosovo VI programme

Investment for Regional Water Company Hidrodrini (4,084 mil)

No.	Name of Investment	Cost (€)	Year	
1	Implementation of District Metered Areas - DMA's in Peja	290,000		
2	Water Supply network for six villages of Peja municipality	450,000		
3	Water Supply for Raushiq village, Phase II	140,000		
4	Sewage pipeline in center of Peja town	350,000		
5	Sewage pipeline in Peja unit	450,000		
6	Water supply pipeline in Vitomirica	120,000		
7	Rehabilitation of water pipeline in Sahat Kulla district	55,000		
8	Rehabilitation of water pipeline in Kristali district	160,000		
9	Rehabilitation of water pipeline in Zatrati district	12,000		
10	New water pipeline in districts; 7 Shtatori, Xhemajl Kada and Rrokaqielli	210,000		
			OU N Peja	2,237,000
11	Water Supply to 11 villages of Istog Municipality, branch 2 and 3	320,000		
12	Catchments of three sources in Strofcu mountains – second phase	57,000		
13	Distribution pipeline to the Prison of Dubrava	180,000		
14	Workshop construction and warehouse rehabilitation	40,000		
15	Supply of neighborhoods; Zeka-Avdylaj, Dushkaja, Hakajt-Orröberd	50,000		
16	Supply of quarters; Blakaj, Bytyqi, Gostoranajt	70,000		
			OU Istog	717,000
17	New chlorine station for 13 villages	30,000		
18	Water Supply network for Zajm village	90,000		
19	Secondary distribution pipeline in Klinë town	12,000		
20	Water Supply network for Krushevë e Vogël village	75,000		
21	Rehabilitation of existing pumps	18,000		
22	Sewage pipeline in Klinë town, district Perlina	60,000		
23	Sewage pipeline in Klinë town, district Economical School	40,000		
			OU Klinë	325,000
24	New chlorine station and reservoir	110,000		
25	Water supply of quarter Goqi	85,000		
26	Water distribution pipeline, second phase	140,000		
			OU Junik	335,000
27	Equipment for reading in distance of water meters (Optimal HRI Pulse Unit)	75,000		
28	Domestic water meters	115,000		
29	Supplying with spare parts, pipes and bulk water meters	130,000		
30	Implementation of District Metered Areas - DMA's in Istog, Klinë and Junik	150,000		
			Hidrodrini - all units	470,000
			Total Hidrodrini:	4,084,000

Justification for the investments proposed by R.W.C. Hidrodrini: Operational Units: Pejë, Klinë, Junik and Istog

Kosovo VI – II Phase

Project Description:

Project Name: Implementation of District Metered Areas – DMA's in Peja

Project No.: Hidrodrini – Peja: 01

Location: The project will be implemented in the urban area of Peja town.

Costs: Total cost: 290,000€;

Short Project Description: Few months ago, expert from SETEC, a consulting company, working in the project financed by the KfW, with purpose to reduce water losses in Hidrodrini, together with Hidrodrini's staff, designed establishment of the District Metered Areas - DMAs for urban area of Peja, as the DMAs for rural areas are implemented in the past. The project comprises building of 25 bulk water meter chambers and installing bulk water meters with all fittings.

The project will be implemented in the urban area of Peja town. About 77% of the population served by Hidrodrini in Peja unit is concentrated in the urban area of Peja. It is considered a part of the network with the highest rate of the water losses in Hidrodrini, as the losses come to the rate of 75%.

Total water supply to Peja's urban area is about 1,500,000m³/month. Based on water loss rate of 75%, currently only about 375,000m³/month is billed.

After reducing losses and extension of water services, it is possible to cover investments within 6 months.

Cost Estimation: Material Supply; 210,000€
Execution of works; 80,000€

Benefits: By reducing water losses from 75% to 50% Hidrodrini will be able to save additional 375,000m³/month water, enabling extension of water supply network to other areas, which are still consuming water from wells.

Project Name: Water Supply network for six villages of Peja municipality

Project No.: Hidrodrini – Peja: 02

Location: The project will be implemented in Municipality of Peja

Costs: Total cost: 450.000€

Short Project Description:	<p>The project comprises installing a new pipe line and installing water supply network with different pipe diameters and length as following:</p> <p>D = 300 mm → L= 5,900 m D = 250 mm → L= 1,100 m D = 200 mm → L= 1,700 m D = 150 mm → L= 6,100 m D = 100 mm → L= 1,800 m Total length of pipes: 16,600 m</p> <p>Based on the hydraulic modeling, there exists sufficient water amount to supply these villages. The network will be connected to the existing Hidrodrini's network in Peja, which is supplied by gravity.</p> <p>The project will be implemented in six villages of Peja Municipality: Zahaq, Llabjan, Ramun, Lutogllavë, Nakëll and Nabërgjan, which are located in the East part of Peja town, and are spread on about 7-11 km far from Peja town.</p> <p>Inhabitants are being supplied with water from wells, which based on the Public Health Institute of Prishtina, the water doesn't fulfill drinking water standards, as it contains bacteriological pollution, presenting in this way risk for health of the inhabitants living in these villages. Often there are noted epidemic cases.</p> <p>Through this project will benefit about 8,960 inhabitants, or about 1,378 households.</p> <p>From 1,378 households, Hidrodrini will collect revenues of 6,048 €/month. Investments will be covered within 74 months, respectively 6.2 years.</p>
Cost Estimation:	<p>Material Supply; 300,000€ Execution of Works; 150,000€</p>
Benefits:	<p>By extension water supply network, Hidrodrini will increase number of its customers, as a result will increase its revenues, and on the other hand people will be supplied with drinkable water.</p>
Project Name:	Water Supply for Raushiq village, Phase II
Project No.:	Hidrodrini – Peja: 03
Location:	The project will be implemented in village Raushiq of Peja Municipality
Costs:	Total cost: 140.000€
Short Project	The project comprise installing a new pipe line and installing water

Description: supply network, with different pipe diameters and length as following:
 D = 280 mm → L= 2,200 m
 D = 180 mm → L= 1,000 m
 D = 160 mm → L= 2,420 m
 D = 140 mm → L= 1,500 m
 Project will be implemented in village Raushiq, which is located in the South part of Peja town.
 For supplying this village, there are identified two water sources in mountains close to the village Raushiq, with total capacity of 35l/s, which is calculated to be sufficient, comparing with population to be supplied. This network will be a separated system from existing Peja's system, as it has its own water source and water intake.

At the moment, inhabitants are being supplied with water taken from wells, which is contaminated, and quite often there are noted epidemic cases.
 Through this project will benefit about 4,500 inhabitants, respectively 760 households.
 From 760 households, Hidrodrini will collect revenues of 2,100 €/month. Investments will be covered within 65 months, respectively 5.5 years.

Cost Estimation: Material Supply; 90,000€
 Execution of Works; 50,000€

Benefits: By extension water supply network, Hidrodrini will increase number of its customers, as a result will increase its revenues, and on the other hand people will be supplied with drinkable water.

Project Name: Sewage pipeline in center of Peja town

Project No.: Hidrodrini – Peja: 04

Location: The project will be implemented in the center of Peja town

Costs: Total cost: 350.000€

Short Project Description: The project comprises construction of sewage pipeline in length of 400m and with diameter of 500mm. Project will be implemented in the square from Peja Municipality building to Haxhi Zeka monument. In this square there hasn't been constructed any sewage pipeline in the past, so the wastewater is discharged directly into the river "Lumi I Bardhë" which flows through the center of Peja town.

From this project will benefit about 9,000 inhabitants, respectively about 1,500 households.

From 1,500 households, Hidrodrini will collect revenues of 3,000 €/month. Investments will be covered within 9.7 years.

Cost Estimation: Material Supply; 210,000€
Execution of Works; 140,000€

Benefits: Implementing this project, the main benefits will be protection of the river “Lumi i Bardhë” and providing our clients with wastewater services.

Project Name: Sewage pipeline in Peja unit

Project No.: Hidrodrini – Peja: 05

Location: The project will be implemented in three quarters of Peja town

Costs: Total cost: 450.000€

Short Project Description: The project comprises construction of main sewage pipeline, with different pipe diameters and length, as following:

D = 700 mm → L= 1,500 m

D = 500 mm → L= 1,200 m

D = 400 mm → L= 2,200 m

D = 300 mm → L= 2,300 m

Total length of pipes: 7,200 m

Project will be implemented in three quarters of Peja town; Vitomiricë, 7 Shtatori and Kristal, which are located in the North-East part of Peja center. In this square there hasn't been constructed any sewage pipeline in the past. Wastewater is being managed using septic tanks, which presents a health risk due to environment pollution (odor, soil and groundwater pollution), due to high density of dwellings.

From this project will benefit 15,000 inhabitants, respectively about 2,500 households.

From 2,500 households, Hidrodrini will collect revenues of 5,000 €/month. Investments will be covered within 5.8 years.

Cost Estimation: Material Supply; 270,000€
Execution of Works; 180,000€

Benefits: Implementing this project, the main benefits will be protection health of the people living in these areas, and providing our clients with wastewater services.

Project Name:	Water supply pipeline in Vitomirica
Project No.:	Hidrodrini – Peja: 06
Location:	The project will be implemented in Peja unit, area of Vitomiricë
Costs:	Total cost: 120.000€
Short Project Description:	<p>The project comprises construction of water distribution pipeline, with following specifications: $D = 250 \text{ mm} \rightarrow L = 2,200 \text{ m}$ Project will be implemented in the area of Vitomiricë, which is located in the North part of Peja town. It has population of about 16,000.</p> <p>Vitomirica currently is connected to the water supply system of Peja unit, but they are permanently having problem with low pressure, and on the other hand, because of high flow rate, consumption from Vitomirica is causing the same problem to the Peja town. Based on hydraulic modeling, Vitomirica has to be connected to the main pipe of $D=600\text{mm}$ and not to that $D=500\text{mm}$, where it is connected currently.</p> <p>By implementing this project, Vitomirica will receive more qualitative water services, and will be increased flow rate to other part of the network, so other areas will have better water pressure, and on the other hand there will be more water for extension of services. It will affect also on the fee collection rate, as customers will receive better services, so they will be more easily willing to pay for consumed water.</p>
Cost Estimation:	Material Supply; 80,000€ Execution of Works; 40,0€
Benefits:	By implementing this project, Hidrodrini will provide more qualitative water supply and will enable extension of water services.
Project Name:	Rehabilitation of water pipeline in Sahat Kulla district
Project No.:	Hidrodrini – Peja: 07
Location:	The project will be implemented in Peja unit
Costs:	Total cost: 55.000€
Short Project Description:	<p>The project comprises rehabilitation of 450 m length of water supply pipeline with diameter of $D=400 \text{ mm}$. The existing pipe which is to be rehabilitated is with diameter of DN 350 mm, made of Asbestos Cement, which is quite old and based on the hydraulic modeling, a project financed by KfW; it isn't of a sufficient diameter and it has to be of a larger diameter. Because of the small existing diameter, velocity in the</p>

pipe quite often exceeds value of 2.5m/s, which is far from the optimal velocity.

The existing pipe supplies a zone which lies in the opposite part of the river Lumi I Bardhë and it is considered of a high priority. In the near future, it is going to be fed by the reservoir named City 2, which is going to be constructed soon by KfW.

Based on the hydraulic modeling this project is classified as a first priority.

Cost Estimation: Material Supply; 35,000€
Execution of Works; 20,000€

Benefits: By implementing this project, Hidrodrini would provide better services to its customers, would optimize velocity in this part of the network, in order to avoid possible faults in the network

Project Name: Rehabilitation of water pipeline in Kristali district

Project No.: Hidrodrini – Peja: 08

Location: The project will be implemented in Peja unit

Costs: Total cost: 160.000€

Short Project Description: The project comprises rehabilitation of 1,450 m length of water supply pipeline with diameter of D=400 mm. The existing pipe which is to be rehabilitated is with diameter of DN 350 mm, made of Asbestos Cement, which is quite old and based on the hydraulic modeling, a project financed by KfW; it isn't of a sufficient diameter and it has to be of a larger diameter.

The existing pipeline currently supplies with water some industrial customers in Kristali area and also seven other villages. By implementing this project, also will be prepared a fundamental base for extension of water services to other eleven villages, which based on the hydraulic modeling are planned to be supplied by Hidrodrini in the future.

Based on the hydraulic modeling this project is classified as a first priority.

Cost Estimation: Material Supply; 55,000€
Execution of Works; 105,000€

Benefits: By implementing this project, Hidrodrini would provide better services

to its customers and will prepare a base for extension services to other areas.

Project Name:	Rehabilitation of water pipeline in Zatrati district
Project No.:	Hidrodrini – Peja: 09
Location:	The project will be implemented in Peja unit
Costs:	Total cost: 12.000€
Short Project Description:	<p>The project comprises rehabilitation of 90 m length of water supply pipeline with diameter of D=200 mm. The existing pipe which is to be rehabilitated is with diameter of DN 50 mm, made of PVC and based on the hydraulic modeling, a project financed by KfW; it isn't of a sufficient diameter and it has to be of a larger diameter.</p> <p>The existing pipeline supplies with water a part of district Kapeshnica and a biggest part of the district Zatrati, which lies in a higher elevation comparing to other districts of Peja city. The population in district Zatrati is being increased more and more, and as results also the water demand is being increased. The current network in Zatrati isn't sufficient any more to provide stable supply with water for current population and for population that are going to settle in the future. So, currently only intermitted water supply is possible.</p> <p>The new pipeline will be a second feed point for the district Zatrati and will provide a sufficient water supply for this district. Based on the hydraulic modeling this project is classified as a first priority.</p>
Cost Estimation:	<p>Material Supply; 8,000€</p> <p>Execution of Works; 4,000€</p>
Benefits:	By implementing this project, Hidrodrini would provide stable and qualitative water supply for its customers in Zatrati and Kapeshnica districts.

Project Name:	New water pipeline in districts; 7 Shtatori, Xhemajl Kada and Rrokaqielli
Project No.:	Hidrodrini – Peja: 10
Location:	The project will be implemented in Peja unit
Costs:	Total cost: 210,000€

Short Project Description:	<p>The project comprises installing a new pipeline with diameter of 250 mm and length of 2,800 m.</p> <p>The project will be implemented alongside the main road of three districts in the Peja unit; 7 Shtatori, Xhemajl Kada and Rrokaqielli, starting from the road cross of Vitimirica until the road cross to the Police department in the center of Peja. All these districts are currently being supply with water by Hidrodrini.</p> <p>Almost all neighborhoods in the left hand side of these districts are having problem with water supply, as the connections to the network in the past aren't done based on the connection standards. Some years ago, a new pipeline has been constructed on the right hand side of districts, but neighborhoods in the left hand side are still having the old problem. Therefore, a frequent leaks and low pressures are typical for neighborhoods in the left hand side. As a result, these districts are considered area with a higher water loss because of the above mentioned reasons.</p> <p>On the other hand, geology of the area is composed mainly of gravel, so other leaks are supposed to be active, causing a high volume of water being lost.</p>
Cost Estimation:	<p>Material Supply; 140,000€</p> <p>Execution of Works; 70,000€</p>
Benefits:	<p>By implementing this project, Hidrodrini would reduce water losses, and would provide stable and qualitative water supply for its customers in 7 Shtatori, Xhemajl Kada and Rrokaqielli districts.</p>
Project Name:	Water Supply to 11 villages of Istog Municipality, branch 2 and 3
Project No.:	Hidrodrini – Istog: 11
Location:	Project will be implemented in Istog unit
Costs:	Total cost: 320.000€
Short Project Description:	<p>The project comprises installing a distribution pipe line from Gurakoc to Zallq and from Zallq to Kashicë, with different pipe diameters and length as following:</p> <p>D = 315 mm → L= 970 m</p> <p>D = 250 mm → L= 5,000 m</p> <p>D = 225 mm → L= 1,700 m</p> <p>Total length of pipes: 7,670 m</p>

The project will be implemented in 11 villages of Istog Municipality, located in the South part of Istog town; Gurrakoci, Zallqi, Zabllaqi, Trubuhoci, Saradorani, Dreja, Osojani, Kashic, Tuqepi, Shalinovica and Kerrina.

Inhabitants are being supplied with water from wells, which based on the Public Health Institute of Prishtina, the water doesn't fulfill drinking water standards, as it contains bacteriological pollution, presenting in this way risk for health of the inhabitants living in these villages.

Through this project will benefit about 13,402 inhabitants, or about 2,062 households.

From 2,062 households, Hidrodrini will collect revenues of 7,237 €/month. Investments will be covered within 44 months, respectively 3.7 years.

Cost Estimation:	Material Supply; 225,000€ Execution of Works; 95,000€
Benefits:	By extension water supply network, Hidrodrini will increase number of its customers, as a result will increase its revenues, and on the other hand people will be supplied with drinkable water.
Project Name:	Catchments of three sources in Strofcı mountains – second phase
Project No.:	Hidrodrini – Istog: 12
Location:	The project will be implemented in Istog unit
Costs:	Total cost: 57.000€
Short Project Description:	<p>The project started in 2004, and was separated into the two phases. First phase included construction of reservoir of 400 m³ and installing pipeline from reservoir to mountains of Strofcı, with length of 8,000m and diameter of 125mm. First phase finished in 2004, by support from ZDF, Municipality of Istog, Ministry of Finance and community, with total cost of 380,000€.</p> <p>The second phase didn't start yet until now, due to financial deficit. It comprises construction of three water intakes, for three different water sources in Strofcı mountain, with total average capacity of 12l/s, and installing 670m pipeline with diameter of 75mm.</p> <p>The project comprises increasing of water capacity for five villages; Zhakovë, Uçë, Rakosh, Sushicë e Eperme and Sushicë e Poshtme, due to existing water capacity don't fulfill required needs. Current supply is being realized through intermitted supply and low pressure.</p>

Through this project will benefit inhabitants of five villages.

Cost Estimation:	Material Supply; 45,000€ Execution of Works; 12,000€
Benefits:	By implementing this project, Hidrodrini will provide more qualitative water supply and will enable extension of water services for this area
Project Name:	Distribution pipeline to the Prison of Dubrava
Project No.:	Hidrodrini – Istog: 13
Location:	The project will be implemented in the East part of Istog town
Costs:	Total cost: 180,000€
Short Project Description:	<p>The project comprises installing a new distribution pipeline from Water source in Istog to pumping station that supplies Prison of Dubrava, with different pipe diameters and length as following:</p> <p>D = 315 mm → L= 3,085 m D = 280 mm → L= 1,295 m</p> <p>The Dubrava is the main Kosova's prison. There must be 24 h water supply.</p> <p>Currently, water supply for Dubrava prison relies on double using of pumps and reservoirs. First pumps pump the water to the first reservoir, and then the reservoir feeds second pumps, which pump the water to second reservoir, which supplies the prison.</p> <p>By installing new pipeline from source of Istog to second pumps, it will be possible to feed second pumps by gravity, which feeds the second reservoir, avoiding operation of the first pumps and reservoir. The new pipeline also will supply area Istog i Vogël, which is located in East part of Istog town, about 1 km from the town. First pumps and reservoir, then will supply only villages; Dubrava, Veriqi, Bellopoja, Kovragë and Dushkaja.</p> <p>Billing from Dubrava prison is in average 16,000 €/month. Investments will be covered within 12 months, respectively 1 year.</p>
Cost Estimation:	Material Supply; 120,000€ Execution of Works; 60,000€
Benefits:	Hidrodrini will ensure stable water supply to the prison of Dubrava, and will save electrical energy.

Project Name:	Workshop construction and warehouse rehabilitation
Project No.:	Hidrodrini – Istog: 14
Location:	The project will be implemented in Istog
Costs:	Total cost: 40.000€
Short Project Description:	<p>The project includes building of new workshop and rehabilitation of existing warehouse. Unit of Istog doesn't have yet a workshop for maintenance of their vehicles. Until now they maintained their vehicles on the open space, in their yard. Warehouse is long-standing and is needed to be rehabilitated.</p> <p>The project will be implemented to existing Warehouse, in the East part of Istog town. Implementing the project, Unit of Istog will be able to maintain properly their vehicles and will provide more secure condition for their spar parts.</p>
Cost Estimation:	<p>Material Supply; 30,000€ Execution of Works; 10,000€</p>
Benefits:	Istog unit will be more efficient on carrying out their responsibilities.

Project Name:	Supply of neighborhoods; Zeka-Avdylaj, Dushkaja, Hakajt-Orrobërd
Project No.:	Hidrodrini – Istog: 15
Location:	The project will be implemented in Istog unit
Costs:	Total cost: 50.000€
Short Project Description:	<p>The project comprises installing a new distribution pipeline in three different neighborhoods, as following:</p> <p>neighborhood: Zeka-Avdylaj D = 75 mm → L= 2,950 m</p> <p>neighborhood: Hakajt-Orrobërd D = 75 mm → L= 820 m</p> <p>neighborhood: Dushkaja D = 75 mm → L= 520 m</p> <p>Total length 4,290m</p> <p>The project will be implemented in the West part of Istog town. Currently, none of these neighborhoods are supplied with water.</p> <p>Through this project will benefit about 770 inhabitants, or about 110 households.</p>

From 110 households, Hidrodrini will collect revenues of 485 €/month. Investments will be covered within 103 months, respectively 8.5 years.

Cost Estimation: Material Supply; 35,000€
Execution of Works; 15,000€

Benefits: By implementing this project, Hidrodrini will extend water supply services, and as a result will increase its revenues

Project Name: Supply of quarters; Blakaj, Bytyqi, Gostoranajt

Project No.: Hidrodrini – Istog: 16

Location: The project will be implemented in Istog unit

Costs: Total cost: 70.000€

Short Project Description: The project comprises installing a new distribution pipeline in three different quarters, with pipe length of 2,500m and diameter of 160mm.

Currently, all the three quarters are connected with water supply network, supplied by pumps. By implementing this project, it will be possible to supply all the three quarters with water by gravity, in order to reduce Hidrodrini’s running cost through saving electricity power.

Cost Estimation: Material Supply; 45,000€
Execution of Works; 25,000€

Benefits: By implementing this project it will be possible to reduce running cost and reduce electricity.

Project Name: New chlorine station for 13 villages

Project No.: Hidrodrini – Klinë: 17

Location: The project will be implemented in Klina unit

Costs: Total cost: 30.000€

Short Project Description: The project comprises building of new chlorine station for treating water that supplies 13 villages of Klina town. The project was implemented 2 years ago, and based on the Public Health Institute of Prishtina, the water doesn’t fulfill drinking water standards, as it contains bacteriological pollution, presenting in this way risk for health of the inhabitants living in these villages.

In order to save health of inhabitants of these 13 villages, Hidrodrini informed its costumers living in these villages to not use water for drinking purposes.

Project will be implemented close to existing reservoir.
By implementing this project, inhabitants will be supplied with safe drinking water, based on European standards.

Cost Estimation:	Material Supply; 20,000€ Execution of Works; 10,000€
Benefits:	Implementing this project it will be possible to supply inhabitants with safe and qualitative drinking water.

Project Name:	Water Supply network for Zajm village
Project No.:	Hidrodrini – Klinë: 18
Location:	The project will be implemented in Klina unit
Costs:	Total cost: 90.000€

Short Project Description:	The project comprises installing a new pipeline for village Zajm, with different pipe diameters and length as following: D = 150 mm → L= 3,000 m D = 110 mm → L= 3,500 m Total length of pipes: 6,500 m
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Distribution pipe will be connected to the existing Kline’s system, which is supplied by gravity, through reservoir.

The project will be implemented in village Zajm, which is located in South-West part of Klina town.

Currently village Zajm isn’t being supply with water from Hidrodrini, unit of Klina, although there is a sufficient water amount.

Inhabitants are being supplied with water from wells, which based on the Public Health Institute of Prishtina, the water doesn’t fulfill drinking water standards, as it contains bacteriological pollution, presenting in this way risk for health of the inhabitants living in these villages.

Through this project will benefit about 2,100 inhabitants, or about 300 households.

From 300 households, Hidrodrini will collect revenues of 1,300 €/month. Investments will be covered within 68 months, respectively 5.7 years.

Cost Estimation: Material Supply; 60,000€
Execution of Works; 30,000€

Benefits: By extension water supply network, Hidrodrini will increase number of its customers, as a result will increase its revenues, and on the other hand people will be supplied with drinkable water.

Project Name: Secondary distribution pipeline in Klina town

Project No.: Hidrodrini – Klinë: 19

Location: The project will be implemented in Klina town

Costs: Total cost: 12.000€

Short Project Description: The project comprises installing a new secondary distribution pipeline in Klina town, with pipe diameters of 110mm and length of 1,100m. Klina town, although has enough water capacity, is suffering from intermitted water supply and low pressure, due to insufficient distribution capacity of existing network.

Klina is being supply with water by two reservoirs, one is in use for town of Klina, which have intermitted water supply, whilst another one is in use for 13 villages of Klina, which have available more water than they do consume. Solution of intermitted water supply for Klina town is to supply a certain part of town from the reservoir that supplies 13 villages, through installing a secondary distribution pipeline.

Cost Estimation: Material Supply; 8,000€
Execution of Works; 4,000€

Benefits: By implementing this project, Hidrodrini, unit of Klina, will provide stable and qualitative water supply for its customers in Klina town

Project Name: Water Supply network for Krushevë e Vogël village

Project No.: Hidrodrini – Klinë: 20

Location: The project will be implemented in Klina unit

Costs: Total cost: 75.000€

Short Project Description: The project comprises construction of reservoir, pumping station and installing network with different pipe diameters and length, as following:
D = 110 mm → L= 2,500 m
D = 75 mm → L= 1,100 m

$D = 63 \text{ mm} \rightarrow L = 1,200 \text{ m}$
 Total length of pipes: 4,800 m

The project will be implemented in the village Krushevë e Vogël, which is located in West-North part of Klina town, about 2 km far from town of Klina.

Currently village Krushevë e Vogël isn't being supply with water from Hidrodrini, although there is a sufficient water amount. Considering that Krushevë e Vogël lies in higher geographical position than existing reservoir, it is necessary building a pumping station and reservoir in order to be able to supply it with water.

Inhabitants are being supplied with water from wells, which based on the Public Health Institute of Prishtina, the water doesn't fulfill drinking water standards, as it contains bacteriological pollution, presenting in this way risk for health of the inhabitants living in these villages.

Through this project will benefit about 630 inhabitants, or about 90 households.

From 90 households, Hidrodrini will collect revenues of 400 €/month. Investments will be covered within 15 years.

Cost Estimation:	Material Supply; 50,000€ Execution of Works; 25,000€
Benefits:	By extension water supply network, Hidrodrini will increase number of its customers, as a result will increase its revenues, and on the other hand people will be supplied with drinkable water.

Project Name:	Rehabilitation of existing pumps
Project No.:	Hidrodrini – Klinë: 21
Location:	The project will be implemented in Klina unit
Costs:	Total cost: 18.000€
Short Project Description:	<p>The project comprises replacing of existing pumps, which supplies Klina town, with new pump with higher capacity. The new pump must be of capacity of 90-100l/s.</p> <p>The project will be implemented in the Klina town, at the existing pumping station.</p> <p>The existing pump doesn't have enough capacity to supply continuously Klina town, as it has capacity of about 56 l/s, whilst needed capacity is around 90l/s. On the other hand, there exists enough water capacity available at the source, whilst Klina town suffers of intermitted water</p>

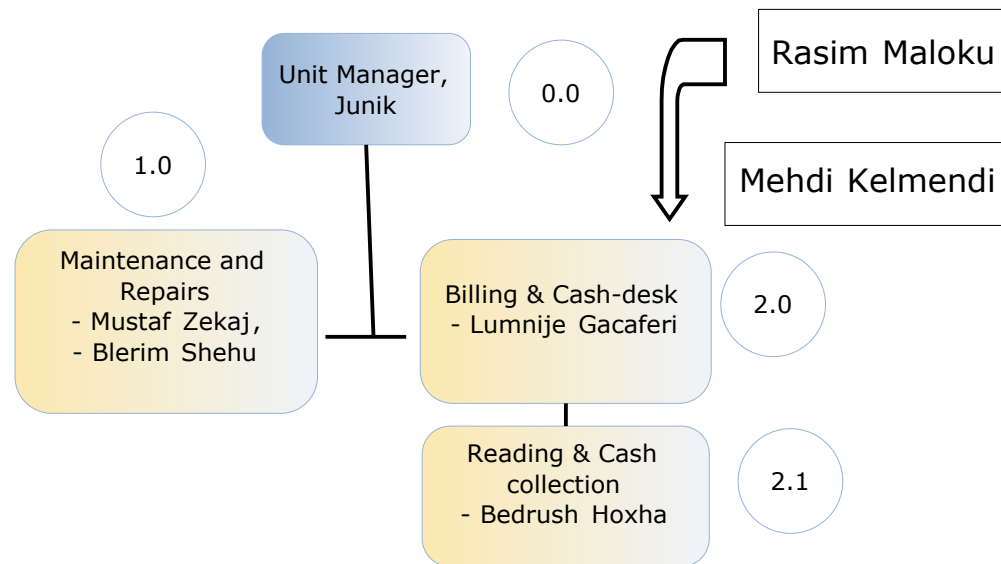
supply.

By implementing this project inhabitants of Klina town will be supplied continuously with water. In this way, fee collection rate will be higher, as customers will be more willing to pay for water services.

Cost Estimation:	Material Supply; 16,000€ Execution of Works; 2,000€
Benefits:	By implementing this project, Hidrodrini, unit of Klina, will provide stable water supply for inhabitants in Klina town
Project Name:	Sewage pipeline in Klinë town, district Perlina
Project No.:	Hidrodrini – Klinë: 22
Location:	The project will be implemented in Klina town
Costs:	Total cost: 60.000€
Short Project Description:	The project comprises construction of main sewage pipeline in Klina town, with pipe diameter of 350mm and length of 2,000m. Project will be implemented in center of Klina town, respectively district Perlina. There hasn't been constructed any sewage pipeline in the past. Wastewater is being managed using septic tanks, which presents a health risk due to environment pollution (odor, soil and groundwater pollution), due to density of dwellings. From this project will benefit 2,100 inhabitants, respectively about 300 households.
Cost Estimation:	Material Supply; 35,000€ Execution of Works; 25,000€
Benefits:	Implementing this project, the main benefits will be protection health of the people living in these areas, and providing our clients with wastewater services.

Project Name:	Sewage pipeline in Klinë town, district Economical School
Project No.:	Hidrodrini – Klinë: 23
Location:	The project will be implemented in Klina town
Costs:	Total cost: 40.000€

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Operational Unit of Junik



Short Project Description:	<p>The project comprises construction of main sewage pipeline in Klina town, with pipe diameter of 350mm and length of 1,300m</p> <p>Project will be implemented in center of Klina town. There hasn't been constructed any sewage pipeline in the past. Wastewater is being managed using septic tanks, which presents a health risk due to environment pollution (odor, soil and groundwater pollution), due to density of dwellings.</p> <p>From this project will benefit 1,400 inhabitants, respectively about 200 households.</p>
Cost Estimation:	<p>Material Supply; 25,000€</p> <p>Execution of Works; 15,000€</p>
Benefits:	<p>Implementing this project, the main benefits will be protection health of the people living in these areas, and providing our clients with wastewater services.</p>
Project Name:	New chlorine station and reservoir
Project No.:	Hidrodrini – Junik: 24
Location:	The project will be implemented in Junik (Agim Ramadani)
Costs:	Total cost: 110.000€
Short Project Description:	<p>The project comprises building of new chlorine station and a reservoir</p> <p>Project will be implemented close to the Junik.</p> <p>By implementing this project, inhabitants will be supplied with qualitative drinking water, based on European standards.</p>
Cost Estimation:	<p>Material Supply; 70,000€</p> <p>Execution of Works; 40,000€</p>
Benefits:	<p>Implementing this project it will be possible to supply inhabitants with safe and qualitative drinking water.</p>
Project Name:	Water supply of quarter Goqi
Project No.:	Hidrodrini – Junik: 25
Location:	The project will be implemented in Junik unit
Costs:	Total cost: 85.000€

Short Project Description:	<p>The project comprises construction of; water intake, reservoir and water supply network, with different pipe diameters and length, as following: $D = 90 \text{ mm} \rightarrow L = 3,700 \text{ m}$ $D = 110 \text{ mm} \rightarrow L = 1,100 \text{ m}$ $D = 63 \text{ mm} \rightarrow L = 300 \text{ m}$ Total length of pipes: 5,100 m The project will be implemented in quarter Goqi, which is located in South-West part from center of Junik. Currently, quarter Goqi isn't connected to the water supply network. The water intake structure will be constructed in mountain Zharre, and will capture water capacity of about 5l/s. Inhabitants are being supplied with water from wells, which doesn't fulfill drinking water standards, as it contains bacteriological pollution, presenting in this way risk for health of the inhabitants living in these villages.</p> <p>Through this project will benefit about 245 inhabitants, or about 35 households.</p>
Cost Estimation:	<p>Material Supply; 60,000€ Execution of Works; 25,000€</p>
Benefits:	<p>By extension water supply network, Hidrodrini will increase number of its customers, and will be supplied with drinkable water.</p>
Project Name:	Water distribution pipeline, second phase
Project No.:	Hidrodrini – Junik: 26
Location:	The project will be implemented in Junik unit
Costs:	Total cost: 140.000€
Short Project Description:	<p>The project comprises installing of new water distribution pipeline, with following specifications: $D = 225 \text{ mm} \rightarrow L = 3,600 \text{ m}$ Project will be implemented in the mountain of Junik, which is located in West part of Junik center.</p> <p>Currently there is already constructed water intake by contribution from municipality of Junik, which was planned in the first phase. The second phase includes installing a distribution pipeline with length of 3,600m. By implementing this project, it will enable increasing of water production capacity and extension of water services to not served areas. The project comprises also installing of 4 air valves, three wash outs, one connection chamber, and fence for source.</p>
Cost	Material Supply; 90,000€

Estimation: Execution of Works; 50,0€

Benefits: By implementing this project, Hidrodrini will increase water production and will extent water services.

Project Name: **Equipment for reading in distance of water meters (Optimal HRI Pulse Unit)**

Project No.: Hidrodrini – Pejë, Istog, Klinë, Junik: 27

Location: The project will be implemented in Pejë, Istog, Klinë, Junik

Costs: Total cost: 75,000€

Short Project Description: The project comprises supplying with domestic water meters for reading in distance, with following specifications:

Water meters:

D = 20 mm → 2,500 pieces

The project will be implemented in Pejë, Istog, Klinë and Junik.

The main scope of the project is to reduce administrative water losses.

Cost Estimation: Material Supply; 75,000€
Execution of Works; 0,0€

Benefits: By implementing this project Hidrodrini will reduce water losses and will be able to extend services to other not supplied areas.

Project Name: **Domestic water meters**

Project No.: Hidrodrini – Pejë, Istog, Klinë, Junik: 28

Location: The project will be implemented in Pejë, Istog, Klinë, Junik

Costs: Total cost: 115,000€

Short Project Description: The project includes supplying with domestic water meters (WM), including WM fittings (taps), and boxes for water meter installations, with following specifications:

Water meters:

D = 20 mm → 3,000 pieces

D = 25 mm → 100 pieces

D = 30 mm → 50 pieces

D = 40 mm → 50 pieces

Total = 3,200 pieces

Boxes for water meter installations: 600 pieces.
The project will be implemented in Pejë, Istog, Klinë and Junik.

Providing our customers with water meters, will reduce water losses and on the other hand will enable consumers to pay according to the metered consumption. Until now, consumers without installed water meter are billed in the unaccounted manner.

Implementing this project, 1,250 customers will be supplied with water meters.

Hidrodrini will benefit revenues of 900€/month.

Investments will be covered within 4.8 years.

Cost Estimation:	Material Supply; 115,000€ Execution of Works; 0,0€
Benefits:	By implementing this project Hidrodrini will reduce water losses and will be able to extend services to other not supplied areas, increasing revenues.

Project Name:	Supplying with spare parts, pipes and bulk water meters
Project No.:	Hidrodrini – Pejë, Istog, Klinë, Junik: 29
Location:	The project will be implemented in Pejë, Istog, Klinë, Junik
Costs:	Total cost: 130,000€

Short Project Description:	The project includes supplying with spare parts and bulk water meters, with following specifications: Bulk water meters: DN = 300 mm → 4 pieces DN = 250 mm → 4 pieces DN = 200 mm → 8 pieces DN = 150 mm → 12 pieces DN = 100 mm → 12 pieces Total = 40 pieces Valves: DN = 300 mm → 2 pieces DN = 250 mm → 2 pieces DN = 200 mm → 4 pieces DN = 150 mm → 5 pieces DN = 100 mm → 6 pieces DN = 50 mm → 8 pieces Total = 27 pieces Pipes PEHD: DN = 225 mm → 600 m DN = 160 mm → 500 m
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DN = 110 mm → 1,500 m
 DN = 90 mm → 2,000 m
 DN = 75 mm → 1,000 m
 DN = 63 mm → 2,500 m
 DN = 50 mm → 2,500 m
 Pressure Reduction Valves:
 DN = 300 mm → 2 pieces
 DN = 250 mm → 2 pieces
 DN = 200 mm → 4 pieces
 DN = 150 mm → 5 pieces
 DN = 100 mm → 6 pieces
 Total = 19 pieces

The project will be implemented in Pejë, Istog, Klinë, and Junik. Materials will be used for repairing of leaks, network maintenance and reducing water losses, through establishing DMAs.

Cost Estimation: Material Supply; 130,000€
 Execution of Works; 0,0€

Benefits: By implementing this project Hidrodrini will reduce water losses and will be able to extend services to other not supplied areas, increasing revenues.

Project Name: **Implementation of District Metered Areas - DMA's in Istog, Klinë and Junik**

Project No.: Hidrodrini – Istog, Klinë, Junik: 30

Location: The project will be implemented in Istog, Klinë and Junik.

Costs: Total cost: 150,000€;

Short Project Description: Istog, Klinë and Junik units are being faced with the high rate of water losses. Currently, there isn't established any DMA, on the other hand water losses exceed rate of 70%. Hidrodrini has establish a Water Loss Management Department, who are well trained and supplied with modern leak detection devices from KfW. But, in order to implement succesfully water loss reduction program, establishing of DMA's is necessary.

The project comprises building of 18 bulk water meter chambers and installing bulk water meters with all fittings.

By reducing water losses and extension of water services to not supplied areas, it is possible to cover investments within 8 months.

Cost Estimation: Material Supply; 110,000€
Execution of works; 40,000€

Benefits: By reducing water losses, Hidrodrini will be able to serve more customers (those who are still consuming not potable water from wells) and increase its revenues. Also power savings are possible as less water will be pumped as the water flow will be reduced significantly.

6.1 Dynamic planning

Kosovo V-phase 2 Projets (Rough dynamic planning) - 2008

Description	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	Septemb. 2008	October 2008	Novemb. 2008	Decemb. 2008
Projecting												
Tendering												
Implement.												

Kosovo V-phase 2 Projets (Rough dynamic planning) - 2008 and 2009

Description	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	Septemb. 2008	October 2008	Novemb. 2008	Decemb.2008
Proj.propos.												
Selection												
Projecting												
Tendering												
Implement.												

Description	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009
Projecting						
Tendering						
Implement.						