

**THE WATER ACT  
(No. 43 of 2016)  
KISUMU WATER AND SANITATION COMPANY  
APPROVED TARIFF STRUCTURE FOR THE PERIOD 2120/2022 to 2024/2025**

Kisumu Water and Sanitation Company (KIWASCO) applied to the Water Services Regulatory Board (WASREB) for a review of tariffs for water services, for the period 2021/2022 to 2024/2025 as per section 72 (1) b of the Water Act 2016.

Public consultation on the KIWASCO application was carried out in accordance to the requirements of section 139 of the Water Act 2016.

After considering the application, the written and oral submissions by all stakeholders during the consultation period, and based on latest available data, WASREB has determined an upward tariff review for KIWASCO is justified in order to improve service delivery, operate sustainably and protect consumer interests by meeting the tariff conditions attached to the tariff.

WASREB gives a one (1) months' notice to all existing and potential customers of KIWASCO that the approved tariffs for the four financial years 2021/22, 2022/23, 2023/24 and 2024/25 shall be as follows:

**1.0 Approved Tariff Structure**

**1.1 Water Tariff Structure for the period 2021/2022 to 2024/2025**

| Customer Category                                  | Approved          |                              |
|--|-------------------|------------------------------|
|  | Consumption Block | Tariff (KSh/M <sup>3</sup> ) |
| <b>Domestic</b>                                    | 1-6               | 75                           |
|  | 7-20.             | 110                          |
|  | 21-50             | 115                          |
|  | 51-100            | 130                          |
|  | 101-300           | 145                          |
|  | >300              | 160                          |
| <b>Commercial/industrial</b>                       | 1-50              | 115                          |
|  | 51-100            | 130                          |
|  | 101-300           | 145                          |
|  | >300              | 160                          |
| <b>Government</b>                                  | 1-50              | 115                          |
|  | 51-100            | 130                          |
|  | 101-300           | 145                          |
|  | >300              | 160                          |
| <b>Public schools, Universities &amp; colleges</b> | 1-600             | 60                           |
|  | 601 - 1200.       | 65                           |
|  | >1200             | 110                          |
| Commercial Bulk Sales/DMMs (Per M3)                |                   | 60                           |
| Water Kiosk (Per M3)                               |                   | 35                           |

## 1.2 Sewerage Tariff Structure for the period 2021/2022 to 2024/2025

### a) Consumers with a Water Connection

| Customer Category                         | Approved Tariff  |        |
|---|--|--------|
| Domestic                                  | Consumption Block<br>in m <sup>3</sup><br>(75 % of water consumed) | Tariff |
|   | 1-6  | 40     |
|   | 7-20.  | 55     |
|   | 21-50  | 65     |
|   | 51-100   | 70     |
|   | 101-300  | 75     |
|   | >300   | 80     |
| <b>Commercial/industrial/ Government</b>  |  |        |
|   |  |        |
|   | 1-50   | 60     |
|   | 51-100   | 70     |
|   | 101-300  | 75     |
|   | >300   | 80     |
| <b>Public schools, Universities &amp;</b> |  |        |
|   | 1-600  | 45     |
|   | 601 - 1200.  | 60     |
|   | >1200  | 70     |
| Water Kiosk (Per M3)                      | N/A  | N/A    |

### b) Consumers without a Water Connection

Sewerage consumers without a water connection shall be charged as follows:

- Single dwelling Domestic unit: Ksh. 350 Per Month
- All other categories: Volume of water consumed as per the metered source at the rates specified in 1.2 (a) above

### 1.3 Indexation of the Approved Tariff

The utility's approved tariffs for water and sewerage shall be eligible for annual indexation, as per the regulations of the Water Services Regulatory Board (WASREB). The inflation adjustment shall come into effect every **July** of the tariff period commencing **July 2023**.

## 1.4 Miscellaneous Charges

These shall be as follows:

| Item/ Service   | Charge (Ksh.)  |
|---|--|
| <b>Water Deposit</b>  |  |
| <b>Category of consumer</b>   |  |
| Domestic  | 2500   |
| Retail shops less than 10m <sup>3</sup>   | 3000   |
| Retail shops more than 10m <sup>3</sup>   | 3,500  |
| Bar, restaurants less than 15 m <sup>3</sup>  | 4000   |
| Bar, restaurants more than 15 m <sup>3</sup>  | 6,000  |
| Hotel class "A" and "B" less than 150 m <sup>3</sup>  | 12,000   |
| Hotel class "A" and "B" more than 150 m <sup>3</sup>  | 15000  |
| Hotel class "C" and 'D' less than 150 m <sup>3</sup>  | 18000  |
| Hotel class "C" and 'D' more than 150 m <sup>3</sup>  | 20,000   |
| Hospitals more than 150 m <sup>3</sup>  | 20,000   |
| Health centres less than 150 m <sup>3</sup>   | 12,000   |
| Schools and other institutions more than 200 m <sup>3</sup>                                 | 20,000   |
| Schools less than 200 m <sup>3</sup>  | 10,000   |
| Minor construction sites more than 200 m <sup>3</sup>                                       | 15,000   |
| Major construction sites more than 300 m <sup>3</sup>                                       | 50,000   |
| Light industries less than 200 m <sup>3</sup>   | 30,000   |
| Medium industrial between 200 m <sup>3</sup> and 300 m <sup>3</sup>                         | 50,000   |
| Heavy industries more than 300 m <sup>3</sup>   | 100,000  |
| Water Kiosks  | 5,000  |
| Customers with only sewer connection to be charged a deposit equivalent to water connection |  |
| <b>Other Charges</b>  |  |
| <b>Service</b>  |  |
| New water connection fee – Connection size: ½ inch to 1 inch                                | 2,500  |
| New water connection fee – Connection size: 1.5 inches to 3 inches                          | 7,500  |
| New water connection fee – Connection size above 3inches                                    | 15,000   |
| Water Reconnection fee – at meter point   | 1,000  |
| Water Reconnection fee – at mains   | 5,000 and double deposit   |
| Tanker – 8000, 16,000 litres  | 2,500, 5,000 respectively per tanker within KIWASCO area for all consumers |
| Sale of water Per M <sup>3</sup> at bowsing point (own tanker)                              | 80   |
| Replacement of stolen or damaged meters   | 100% of the market cost of the meter                                       |
| Meter testing on request  | 500  |
| Sewer Connection- Residential/ Domestic   | 5,000  |
| Sewer Connection- Commercial, Government, schools, Universities and Colleges                | 7,500  |
| Sewer Connection- Industrial  | 15,000   |
| Private sewer unblocking  | 2,500  |
| Leak detection services   | 1,000  |
| Sewer Reconnection fee  | 15,000   |
| Statement of account fees   | 200  |
| For cutting off the supply at the request of the consumer                                   | 200  |

| Item/ Service   | Charge (Ksh.)  |
|---|--|
| For turning on the supply otherwise than in respect of a first connection                   | 200  |
| Exhauster Services (Company Exhauster)  | 5,000 for other customers and 4,000 for informal settlements           |
| Private Exhausters (Dumping into the company's sewer system)                                | 15,000 per Truck per month   |
| <b>Penalties</b>  |  |
| Illegal water connection, -Commercial, Industry, Construction (Fraud)                       | 100,000 plus estimated consumption during the period of the illegality |
| Illegal water connection, (Fraud) – Domestic  | 30,000 plus estimated consumption during the period of the illegality  |
| Overcharging (fraud) at water kiosk   | 15,000   |
| Illegal sewer connection- Commercial, Industry, Construction                                | 100,000  |
| Illegal sewer connection- Domestic, Government, schools, Universities & Colleges            | 30,000   |
| Self-reconnection after cut off for non-payment   | 5,000 and billing to be backdated from date of cut off                 |
| Surcharge for tampering with meters (this to include meter removal, reversing of meter etc) | 10,000   |
| Surcharge for direct suction of water from the supply line using a pump                     | 10,000   |

## 2.0 Analysis of Cost Structure

Below is the summary of the projected **Annual** cost structure that makes up the total costs to be incurred by KIWASCO during the tariff period:

|   | Ksh         | Ksh           |
|---|-------------|---------------|
| <b>Costs Subject to Annual indexation</b>                         |             |               |
| O&M (Ksh.) (a)  | 820,653,929 | 820,653,929   |
| <b>Fixed Costs</b>  |             |               |
| Investment Cost (Av) (b)  | 52,079,194  |               |
| Debt (c)  | 97,446,754  |               |
| Asset renewal (d)   | 5,815,763   |               |
| <b>Sub Total Fixed Costs (e=b+c+d)</b>                            | -           | 155,341,711   |
| <b>Total Average Annual Costs (a+e)</b>                           | -           | 975,995,641   |
| Forecasted Annual Average Billing                                 | -           | 1,096,165,386 |
| Forecasted Annual Average Revenue Adj (95% collection Efficiency) | 0.95        | 1,041,357,117 |
| <b>Average Total Cost Coverage</b>                                |             | 106%          |

### 3.0 Conditions attached to the tariff approval

The conditions attached to this approval which shall form part of the license conditions of Kisumu Water and Sanitation Company are:

#### i. Service Delivery Conditions attached to the Tariff

| Target                                  | 2021/22  | 2022/23 | 2023/24 | 2024/25 |
|---|--|---------|---------|---------|
| Water Coverage                          | 86   | 87      | 88      | 89      |
| Water quality standards                 | 100% compliance with the quality standards   |         |         |         |
| Non- Revenue Water                      | 31   | 29      | 28      | 26      |
| Hours of Supply (Hrs)                   | 24   | 24      | 24      | 24      |
| Personnel Expenditure as % of O&M Costs | 30   | 28      | 26      | 24      |
| Staff per 1000 connections              | 5  | 5       | 5       | 5       |
| Metering ratio                          | 100  | 100     | 100     | 100     |
| Collection Efficiency (%)               | 95   | 95      | 95      | 95      |
| Resale at Kiosk                         | Regulate resale by kiosk vendors at Ksh. 2 per 20-litres. Tariffs at kiosks must be displayed at strategic points for public awareness |         |         |         |

- ii. **Annual budgets:** The utility shall adhere to the budgetary levels set in the tariff.
- iii. **Construction of Office Block:** provision for development of office block in the tariff has been made with a condition that the funds are ring fenced pending processing of title/ lease deed for the subject parcel in the names of KIWASCO.
- iv. **Surpluses:** the surpluses projected to be realised shall be set aside to implement priority service delivery capital projects. KIWASCO shall be required at the end of every financial year to identify the priority project to be implemented and obtain approval from WASREB.
- v. **Catchment Protection:** The utility shall undertake measures to conserve/ protect the catchment areas of their source of water as part of Corporate Social Responsibility.
- vi. **Reporting:** The utility shall submit to WASREB a quarterly performance report in the format provided.
- vii. **Creation of distinct water and sewer cost centres:** KIWASCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- viii. **Tariff Assessment:** KIWASCO will be required to carry out a self-assessment of the trend in Billing (Ksh) within the first 3 months of approval and implementation of the tariff. The detailed report should be submitted to WASREB.
- ix. **Gradually Phase out the DMMs:** The WSP to gradually phase out the Delegated Management Model (DMM) and provide services directly to safeguard the interest and right of the consumers.
- x. **Investments:** The utility shall undertake the investments in **Annex 1:**

## Annex 1: Investments

|   | Total              | 2021/2022         | 2022/2023         | 2023/2024         | 2024/25           |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|
|   | Ksh.               | Ksh.              | Ksh.              | Ksh.              | Ksh.              |
| <b>NEW INVESTMENTS</b>  |                    |                   |                   |                   |                   |
| <b>Water Infrastructure</b>                                   |                    |                   |                   |                   |                   |
| Installation Of Surge Protectors                              | 2,580,000          | 2,580,000         | -                 | -                 | -                 |
| Construction And Equipping of Microbiological Laboratory      | 7,750,688          | -                 | 7,750,688         | -                 | -                 |
| Procurement And Installation of Bulk Meters                   | 20,588,400         |                   | 6,862,800         | 6,862,800         | 6,862,800         |
| Gis & Hydraulic Zoning  | 9,490,910          | -                 | -                 | 9,490,910         | -                 |
| Water Services Improvements - Gulf Wsp                        | 16,577,791         | -                 | 5,577,790         | 5,000,000         | 6,000,000         |
| Water Services Improvements - Nyanas Wsp                      | 16,103,988         | -                 | 5,103,987         | 5,000,000         | 6,000,000         |
| Procurement And Installation of Domestic Meters               | 71,400,000         | 17,850,000        | 17,850,000        | 17,850,000        | 17,850,000        |
|   | <b>144,491,777</b> | <b>20,430,000</b> | <b>43,145,266</b> | <b>44,203,711</b> | <b>36,712,801</b> |
| <b>Office Equipment and Furniture</b>                         |                    |                   |                   |                   |                   |
| Boardroom tables  | 600,000            | -                 | 600,000           | -                 | -                 |
| Boardroom chairs  | 1,680,000          | -                 | 1,680,000         | -                 | -                 |
| Visitors chair 3-seater                                       | 266,000            | 38,000            | 152,000           | 38,000            | 38,000            |
| Visitor's chair - Catalina Seats                              | 440,000            | 110,000           | 110,000           | 110,000           | 110,000           |
| Ordinary Office Desk with Lockable Drawers                    | 1,400,000          | 350,000           | 350,000           | 350,000           | 350,000           |
| Executive Office Desk with Lockable Drawers                   | 910,000            | 130,000           | 520,000           | 130,000           | 130,000           |
| Ordinary Office Chair (Medium Back)                           | 1,100,000          | 200,000           | 500,000           | 200,000           | 200,000           |
| Ordinary Office Chair (High Back)                             | 1,320,000          | 240,000           | 600,000           | 240,000           | 240,000           |
| Executive Office Chair (High Back)                            | 680,000            | 120,000           | 320,000           | 120,000           | 120,000           |
| Workstations (4 Compartments)                                 | 3,520,000          | 880,000           | 880,000           | 880,000           | 880,000           |
| Office cabinet - steel (4 drawer)                             | 1,320,000          | 330,000           | 330,000           | 330,000           | 330,000           |
| Smart Flatscreen 80"  | 1,050,000          | 150,000           | 600,000           | 150,000           | 150,000           |
| Paper Shredder  | 175,000            | 25,000            | 100,000           | 25,000            | 25,000            |
| Air conditioner (AC)- List of Offices to be installed with Ac | 3,380,000          | 260,000           | 1,040,000         | 1,040,000         | 1,040,000         |
| Desk top Computers 15" LCD (i5 and above) With OS             | 2,000,000          | 500,000           | 500,000           | 500,000           | 500,000           |
| Laptop Computers (i5 and above) With OS                       | 4,200,000          | 1,050,000         | 1,050,000         | 1,050,000         | 1,050,000         |

|  | <b>Total</b>       | <b>2021/2022</b>  | <b>2022/2023</b>  | <b>2023/2024</b>  | <b>2024/25</b>    |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
|  | <b>Ksh.</b>        | <b>Ksh.</b>       | <b>Ksh.</b>       | <b>Ksh.</b>       | <b>Ksh.</b>       |
| HP 3- in -1 Printer (printer, scanner, copier) - Up to A3- Models- | 975,000            | 195,000           | 520,000           | 130,000           | 130,000           |
| Book Shelf (Lockable)  | 187,000            | 17,000            | 136,000           | 17,000            | 17,000            |
| CCTV Central Unit  | 400,000            | 100,000           | 100,000           | 100,000           | 100,000           |
| CCTV Cameras   | 1,680,000          | 640,000           | 400,000           | 400,000           | 240,000           |
| Camera (Niko D750 24MP 3.2" LCD DSR                                | 240,001            | 120,000           | 120,000           | -                 | -                 |
| Mobile Smartphones- Meter reading                                  | 720,030            | 180,000           | 180,000           | 180,000           | 180,000           |
| Samsung Galaxy Tab- For GIS  | 300,003            | 100,000           | 100,000           | 100,000           | -                 |
| Samsung Tablets for BOD's and Commercial Dept                      | 850,006            | 550,000           | 100,000           | 100,000           | 100,000           |
| Water Dispenser (Hot and Cold)                                     | 690,018            | 300,000           | 150,000           | 150,000           | 90,000            |
|  | <b>30,083,000</b>  | <b>6,585,000</b>  | <b>11,138,000</b> | <b>6,340,000</b>  | <b>6,020,000</b>  |
| <b>IT, AUTOMATION &amp; Communication Improvement</b>              |                    |                   |                   |                   |                   |
| Integration of all field automated services into the SCADA         | 567,000            | 567,000           | -                 | -                 | -                 |
| High Volume Speakers for Boardroom                                 | 125,000            | 25,000            | 50,000            | 25,000            | 25,000            |
| Asset Tagging by Barcodes  | 1,000,000          | -                 | 1,000,000         | -                 | -                 |
| Biometric Register   | 2,250,000          | -                 | -                 | 2,250,000         | -                 |
| Water Hydraulic Modelling Software (Water GEMS)                    | 200,000            | 200,000           | -                 | -                 | -                 |
| GIS Software (ArcGIS Pro)  | 400,000            | 200,000           | 200,000           | -                 | -                 |
| Civil Design and Survey Software (AutoCAD Civil 3D)                | 200,000            | -                 | 200,000           | -                 | -                 |
| Graphic Design Software  | 200,000            | -                 | 100,000           | 100,000           | -                 |
| Picture Editing Software   | 100,000            | 100,000           | -                 | -                 | -                 |
|  | <b>8,542,000</b>   | <b>4,592,000</b>  | <b>1,550,000</b>  | <b>2,375,000</b>  | <b>25,000</b>     |
| <b>Purchase of M/Vehicles/Cycles &amp; Equipment</b>               |                    |                   |                   |                   |                   |
| Double Cab 4x2 Pickup & Motor cycles                               | 25,200,000         | 6,300,000         | 6,300,000         | 6,300,000         | 6,300,000         |
| Total investment in movable assets                                 | 63,825,000         | 17,477,000        | 18,988,000        | 15,015,000        | 12,345,000        |
| 60% Proportion of Movable Assets allocated to water                | 38,295,000         | 10,486,200        | 11,392,800        | 9,009,000         | 7,407,000         |
| 40% Proportion of Movable Assets allocated to sewerage             | 25,530,000         | 6,990,800         | 7,595,200         | 6,006,000         | 4,938,000         |
|  |                    |                   |                   |                   |                   |
| <b>Total New Investments</b>                                       | <b>208,316,777</b> | <b>37,907,000</b> | <b>62,133,266</b> | <b>59,218,711</b> | <b>49,057,801</b> |
|  |                    |                   |                   |                   |                   |
| <b>Asset Renewal</b>   |                    |                   |                   |                   |                   |
| Sewerage Infrastructure  |                    |                   |                   |                   |                   |
| Rehabilitate Kisat Electromechanical Equipment                     | 8,043,053          | -                 | 8,043,053         | -                 | -                 |
| Rehabilitation of Nyalenda Stabilization Ponds                     | -                  | -                 | -                 | -                 | -                 |
| Procure Sewer Manhole Covers for Open & Blocked Sewers             | 9,020,000          | 2,255,000         | 2,255,000         | 2,255,000         | 2,255,000         |
|  | <b>17,063,053</b>  | <b>2,255,000</b>  | <b>10,298,053</b> | <b>2,255,000</b>  | <b>2,255,000</b>  |

|  | <b>Total</b>       | <b>2021/2022</b>  | <b>2022/2023</b>  | <b>2023/2024</b>  | <b>2024/25</b>    |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
|  | <b>Ksh.</b>        | <b>Ksh.</b>       | <b>Ksh.</b>       | <b>Ksh.</b>       | <b>Ksh.</b>       |
| <b>Office Equipment and Furniture</b>                    |                    |                   |                   |                   |                   |
| Desk top Computers 15" LCD (i5 and above) with Operating | 2,000,000          | 500,000           | 500,000           | 500,000           | 500,000           |
| Laptop Computers (i5 and above) with Operating System    | 4,200,000          | 1,050,000         | 1,050,000         | 1,050,000         | 1,050,000         |
|  | <b>6,200,000</b>   | <b>1,550,000</b>  | <b>1,550,000</b>  | <b>1,550,000</b>  | <b>1,550,000</b>  |
|  |                    |                   |                   |                   |                   |
| TOTAL ASSET RENEWAL                                      | 23,263,053         | 3,805,000         | 11,848,053        | 3,805,000         | 3,805,000         |
| <b>TOTAL (New Investment and Asset Renewal) (KSH)</b>    | <b>231,579,830</b> | <b>41,712,000</b> | <b>73,981,318</b> | <b>63,023,711</b> | <b>52,862,801</b> |

Date: 10<sup>th</sup> December 2021

Eng. Peter Njaggah

*Ag. Chief Executive Officer*

*Water Services Regulatory Board*