

**ANNEX 2**  
**DETAILS OF LIMURU WATER AND SEWERAGE COMPANY LTD.**  
**(LIWASCO)**  
**REGULAR TARIFF APPLICATION (2022/23 to 2025/26)**

**1.0 Cost and Revenue Structure for the Tariff Period (2022/23 to 2025/26)**

Expenditure Item	BASE YEAR 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Operations	118,015,644	144,854,851	148,557,558	154,795,739	161,180,286	168,307,703
Maintenance	10,344,272	11,832,524	14,703,132	15,273,101	15,886,197	16,110,672
Regulatory Levy	7,409,210	7,059,378	10,125,387	10,669,234	11,631,974	12,673,431
Minor Investments	-	-	26,918,618	30,300,167	42,557,986	47,876,567
Loan Repayment	-	-	5,828,901	5,828,901	6,417,136	6,417,136
<b>Total Costs</b>	<b>135,769,126</b>	<b>166,603,333</b>	<b>206,133,597</b>	<b>216,867,143</b>	<b>237,673,581</b>	<b>251,385,509</b>
<b>Total Billing (KShs)</b>	<b>122,047,690</b>	<b>134,222,408</b>	<b>215,915,895</b>	<b>235,823,729</b>	<b>257,657,622</b>	<b>281,297,882</b>
<b>Collection Efficiency (%)</b>	<b>93%</b>	<b>94%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>	<b>95%</b>
<b>Projected Revenue</b>	<b>113,138,114</b>	<b>126,384,494</b>	<b>205,120,100</b>	<b>224,032,543</b>	<b>244,774,741</b>	<b>267,232,987</b>
<b>Total Cost Coverage (%)</b>	<b>83%</b>	<b>76%</b>	<b>100%</b>	<b>103%</b>	<b>103%</b>	<b>106%</b>

**2.0 Proposed Change in Water Tariff Structure for 2022/23 to 2025/26**

<b>Domestic/Residential</b>			
<b>Consumption Block(m3)</b>	<b>Current Tariff (KShs/M<sup>3</sup>)</b>	<b>Consumption Block(m3)</b>	<b>Recommended Tariff Water (KShs/M3)</b>
0-6	60	1-6	90
7-20.	70	7-20.	118
21-50	80	21-50	125
51-100	95	51-100	135
101-300	125	101-300	145
>300	140	>300	170
<b>Commercial/Industrial/Government Institutions</b>			
<b>Consumption Block(m3)</b>	<b>Current Tariff (KShs/M<sup>3</sup>)</b>	<b>Consumption Block(m3)</b>	<b>Recommended Tariff Water (KShs/M3)</b>
0-6	65	1-50	118
7-20.	75	51-100	135
21-50	90	101-300	145
51-100	105	>300	170
101-300	135		
>300	150		
<b>Schools/ Colleges/Universities</b>			
<b>Consumption Block(m3)</b>	<b>Current Tariff (KShs/M<sup>3</sup>)</b>	<b>Consumption Block(m3)</b>	<b>Recommended Tariff Water (KShs/M3)</b>
0-600	65.00	1-600	95
601-1200	80.00	600<1200m3	118
>300	100.00	>1200m3	155
<b>Multi dwelling</b>	N/A	<b>Multi dwelling</b>	120
<b>Bulk Water Supply</b>	50	<b>Bulk Water Supply</b>	65
<b>Water Kiosks</b>	35	<b>Water Kiosks</b>	35

### 3.0 Sewerage Tariff

#### 3a) Consumers with a Water Connection

(a) Sewerage is charged at 75% of the volume of water billed at the price of water for all customers with a sewer connection.

(b) Disconnected water accounts shall be charged based on the average of the last three months' sewer charges before the disconnection.

(c) Customer with no water connection:

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

- Domestic (Per Single dwelling unit): Ksh. 350 Per Month
- All other categories: 75% of the volume of water consumed as per the metered source of water.

#### 4.0 Miscellaneous Charges

These shall be charged as per the approved miscellaneous charges approved by WASREB.

#### 5.0 Service Delivery Conditions attached to the Tariff

Target	Current Year 2021/22	2022/2023	2023/2024	2024/2025	2025/2026
Water Coverage (%)	78%	80%	82%	84%	86%
Water quality standards (%)	82%	100%			
Maintenance/O&M	8%	8%	8%	8%	8%
Personnel Expenditure as % of O&M	37%	36%	35%	34%	31%
Non-Revenue Water (%)	34%	33%	32%	31%	30%
Hours of Supply (Hrs)	15	16	17	18	19
Staff per 1000 connections	6	5	5	5	5
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	93%	95%	95%	95%	95%
Resale at Kiosk	Ksh.2/= per 20 Litres Jerrican				

#### 5.1 Other Conditions

- Annual budgets:** The WSP shall adhere to the budgetary levels set in the tariff.
- Surpluses:** The surpluses projected to be realised shall ONLY be used in extension on water network system to increase water coverage/access to water.
- Reporting:** The utility shall submit to WASREB a quarterly performance report in the format provided.
- Creation of distinct water and sewer cost centres:** LIWASCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.

v. **Customer re- categorisation for billing:** LIWASCO will separate individual domestic accounts from Multi-Dwelling Units accounts and migrate consumer billing data within the first 3 months of tariff approval and implementation of the tariff.

The detailed report should be submitted to WASREB.

Pursuant to this, the WSP shall bill all MDU / Gated communities at the recommended MDU/ Gated Community tariff for Water, Sewerage and other Miscellaneous charges specified in this tariff.

vi. **Tariff Assessment:** - WASREB will carry out a tariff implementation review within the first 12 months of approval and implementation during which a joint assessment with the utility on the trend in Billing (Ksh) shall be carried out and status of implementation of the tariff evaluated.

Additionally, an assessment will be carried out on progress of the separation of water and sewer cost centres and maintenance of distinct records of operations.

vii. **Investments:** The utility shall undertake the following investments within the tariff period and submit progress reports on a quarterly Basis.

<b>Summary of Capital Investments to be Carried out By Limuru Water &amp; Sewerage Company Ltd. for The Period 2022/23 – 2025/26</b>				
<b>Proposed Investment</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Water Meters -New Connections	3,780,000	4,961,250	5,730,243	6,563,733
Smart Meters	3,937,500	4,134,500	4,341,000	4,558,250
Sewer Improvements	-	-	-	10,546,224
Water System Extensions	3,187,620	3,506,388	3,857,027	4,242,729
Water System Rehabilitation		7,621,803	10,167,423	12,772,122
Lay 13km assorted pipeline network for Tiekunu	-	-	8,551,743	-
Solarisation of Boreholes	6,923,498	2,864,626	1,505,150	1,906,509
Meter replacements	2,835,000	2,976,600	3,125,400	3,282,000
Laptops	310,000	465,000	-	-
Motorbikes	480,000	480,000	480,000	480,000
Smartphones	-	-	375,000	-
Desktop Phones & Accessories	40,000	-	-	-
ERP system	5,000,000	-	3,500,000	3,500,000
Document Management System	-	2,000,000	-	-
Centralized Power back up system	-	600,000	-	-
Public Address system inclusive of a generator	-	-	300,000	-
CCTV	300,000	300,000	600,000	-
Digital cameras	-	200,000	-	-
Furniture set - Desk & Chair	-	165,000	-	-
Steel file Cabinets	25,000	25,000	25,000	25,000
Fire Extinguishers	100,000	-	-	-
<b>TOTALS</b>	<b>26,918,618</b>	<b>30,300,167</b>	<b>42,557,986</b>	<b>47,876,567</b>