

ANNEX 2
DETAILS OF MATUNGULU-KAGUNDO WATER AND SEWERAGE COMPANY LTD.
(MAKAWASCO)
REGULAR TARIFF APPLICATION (2022/23 to 2024/25)

1. Cost and Revenue Structure for the Tariff Period (2022/23 to 2024/25)

Expenditure Item	2019/20	BASE YEAR 2020/21	2021/22	2022/23	2023/24	2024/25
Operations	10,784,456	12,898,354	9,691,987	10,115,344	11,643,761	12,593,740
Maintenance	1,163,628	942,525	67,540	1,728,059	1,754,718	1,865,751
Regulatory Levy	588,576	544,737	509,159	533,462	620,942	787,946
Minor Investments	-	-	400,000	1,416,022	2,377,555	961,533
Loan Repayment	-	-	-	-	-	-
Total Costs	12,536,660	14,385,616	10,668,686	13,792,886	16,396,976	16,208,970
Total Billing (Ksh)	12,529,710	13,507,188	10,906,260	14,459,258	18,050,858	18,816,192
Collection Efficiency (%)	96%	88%	95%	95%	95%	95%
Projected Revenue	12,017,671	11,929,172	10,360,947	13,736,295	17,148,315	17,875,382
Total Cost Coverage (%)	96%	83%	97%	100%	105%	110%

2. Proposed Change in Water Tariff Structure for 2022/23 to 2024/25

Domestic/Residential			
Consumption Block(m3)	Current Tariff (Ksh/M³)	Consumption Block(m3)	Recommended Tariff Water
Flat rate	150	1-6	145
		7-20	150
		21-50	160
		51-100	170
		101-300	180
		>300	190
Commercial/Industrial/Government Institutions			
Consumption Block(m3)	Current Tariff (Ksh/M³)	Consumption Block(m3)	Recommended Tariff Water
Flat rate	150	1-50	160
		51-100	170
		101-300	180
		>300	190
Schools/ Colleges/Universities			
Consumption Block(m3)	Current Tariff (Ksh/M³)	Consumption Block(m3)	Recommended Tariff Water
Flat rate	150.00	1-600	160
		600<1200m3	180
		>1200m3	190
Multi -Dwelling Units/Gated Communities (More than 20 Shared Connections)	N/A	Flat Rate	150
Water Kiosks	35	Water Kiosks	35

3. Miscellaneous Charges

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

4. Service Delivery Conditions attached to the Tariff

Target	Base Year 2020/21	2021/2022	2022/2023	2023/2024	2024/2025
Water quality standards (%)	23%	100% Compliance with Water Quality Standards			
Water Coverage	14%	14%	20%	25%	30
Non-Revenue Water %	41	50	47	44	41
Hours of Supply (Hrs)	16	16	17	18	19
Staff per 1000 connections	14	14	13	13	13
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	87%	90%	95%	95%	95%
Resale at Kiosk		Ksh. 2.00 per 20l Jerry Can			

5. Other Conditions

- i. **Annual budgets:** The WSP shall adhere to the budgetary levels set in the tariff.
- ii. **Surpluses:** The surpluses projected to be realised shall ONLY be used on the rehabilitation/ replacement of dilapidated water networks, to curb physical losses of water.
- iii. **Reporting:** The utility shall submit to WASREB a quarterly performance report in the format provided.
- iv. **Customer re- categorisation for billing:** The WSP shall bill all MDU / Gated communities at the proposed MDU/ Gated Community tariff for Water, Sewerage and other Miscellaneous charges specified in this tariff.
- v. **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.
- vi. **Investments:** The utility shall undertake the following investments within the tariff period and submit progress reports on a quarterly Basis.

Summary of Minor Investments to be Carried out By Matungulu-Kagundo Water & Sewerage Company Ltd. for The Period 2022/23 – 2025/26			
Proposed Investment	2022/23	2023/24	2024/25
Metering			
Purchase of Consumer meters (300 No.)	450,000	450,000	450,000
Purchases of Movable and Non-Movable Assets			
Financial Reporting software (1 No.)	300,000	-	-
Purchase of Motorbikes (2 No.)	300,000	-	-
Purchase of Office Furniture (15 No.)	-	150,000	-
Purchase of Office Metal Cabinets (3No.)	-	-	75,000
Improving Drinking Water Quality			
Purchase of Test Kits (2 No.)	-	100,000	-
Reduction of NRW			
Replacement of Customer Meters (150 No.)	225,000	225,000	225,000
Purchase of Tools& Equipment: -			
Pipe Locator (1 No.)	-	200,000	-
Leak Detector (1 No.)	-	700,000	-
Listening Stick (1 No.)	-	200,000	-
Purchase and Installation of Master Meters (10 No.)	141,022	352,555	211,533
TOTALS	1,416,022	2,377,555	961,533