

## ANNEX 2

### DETAILS OF PUBLIC CONSULTATION FOR KILIFI - MARIAKANI WATER AND SEWERAGE COMPANY LTD (KIMAWASCO) REGULAR TARIFF APPLICATION (2023/2024 to 2025/2026)

#### 1.0 Cost and Revenue Structure for the Tariff Period

Expenditure Item	2021/22	2022/23	2023/24	2024/25	2025/26
Operations	479,576,654	536,803,217	667,766,257	681,026,907	691,661,607
Maintenance	45,650,208	48,712,905	51,148,550	53,705,978	56,391,277
Regulatory Levy	23,038,945	26,184,269	32,796,457	35,675,174	36,288,275
<b>Operation &amp; Maintenance (O&amp;M)Costs</b>	<b>548,265,807</b>	<b>611,700,391</b>	<b>751,711,264</b>	<b>770,408,059</b>	<b>784,341,158</b>
Minor Investments	-	-	13,500,000	35,000,000	32,500,000
Debt Repayment	-	-	16,706,943	16,706,943	8,353,471
<b>Total Costs</b>	<b>548,265,807</b>	<b>611,700,391</b>	<b>781,918,207</b>	<b>822,115,002</b>	<b>825,194,629</b>
<b>Total Billing (KShs)</b>	<b>617,500,589</b>	<b>648,375,618</b>	<b>819,911,417</b>	<b>891,879,362</b>	<b>907,206,869</b>
<b>Collection Efficiency (%)</b>	<b>86%</b>	<b>88%</b>	<b>90%</b>	<b>95%</b>	<b>95%</b>
<b>Projected Revenue</b>	<b>533,138,069</b>	<b>570,570,544</b>	<b>737,920,276</b>	<b>847,285,394</b>	<b>861,846,525</b>
<b>O&amp;M Cost Coverage</b>	<b>97%</b>	<b>93%</b>	<b>98%</b>	<b>110%</b>	<b>110%</b>
<b>Total Cost Coverage</b>	<b>97%</b>	<b>93%</b>	<b>94%</b>	<b>103%</b>	<b>104%</b>

#### 2.0 Proposed Water Tariff Structure for the period.

Kilifi – Mariakani Water & Sewerage Co. Ltd (KIMAWASCO)				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Recommended Tariff
	(m3)	(Kshs/M <sup>3</sup> )	(m3)	(Kshs/M3)
<b>Domestic/Residential</b>	0-6	60	1-6	100
	7-20.	75	7-20.	115
	21-50	98	21-50	140
	51-100	120	51-100	160
	100-300	175	101-300	175
	>300	225	>300	225
<b>Multi- Dwelling Units</b>	Flat Rate	N/A	Flat Rate	135
<b>Government Institutions</b>	1-50	95	1-50	135
	51-100	140	51-100	140
	101-300	175	101-300	180
	>300	225	>300	230
<b>Commercial/Industrial</b>	1-50	95	1-50	135
	51-100	140	51-100	140
	101-300	175	101-300	180
	>300	225	>300	230
<b>Schools/ Colleges/Universities</b>	1-600	65	1-600	100
	600<1200m3	75	600<1200m3	130
	>1200m3	200	>1200m3	150
<b>Water Kiosks</b>	per m3	35	per m3	50
<b>Bowsing Points</b>	per m3	150	per m3	150
<b>Water Kiosks</b>	per m3	180	per m3	180

### 3.0 Proposed Sewerage Tariff Structure for the period.

#### a) Consumers with a Water Connection

Sewerage will be charged at 75% of the water volumes, billed at the tariff for water specified (in 2) above for all customer categories.

#### 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: 75% of the Volume of water consumed as per the metered source at the rates specified (in 2) above.

Note: All disconnected accounts (water only, sewer only and water + sewer shall be charged based on the average of the last three months' charges before the disconnection.

### 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	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Water Coverage (%)	61%	62%	63%	64%	65%
Water quality standards (%)	92	100% Compliance with Standards			
Personnel Expenditure as % of O&M	27%	32%	27%	27%	27%
Non-Revenue Water	49%	48%	45%	42%	39%
Hours of Supply (Hrs.)	16	16	17	18	19
Staff per 1000 connections	8	8	7	6	5
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	88%	88%	90%	90%	90%
Resale at Kiosk	Kshs. 3.00 per 20l Jerry Can				

### 6.0 Other Conditions

The conditions attached to this approval which shall form part of the license conditions Kilifi - Mariakani Water and Sewerage Company Ltd (KIMAWASCO) are:

- i. **Annual budgets:** The utility shall adhere to the budgetary levels set in the tariff.
- ii. **Surpluses:** the surpluses projected to be realised shall be set aside to implement priority service delivery capital projects. KIMAWASCO shall be required at the end of every financial year to identify the priority project to be implemented and obtain approval from WASREB.

- iii. **Catchment Protection:** The utility shall undertake measures to conserve/ protect the catchment areas of their source of water as part of Corporate Social Responsibility.
- iv. **Reporting:** The utility shall submit to WASREB a quarterly performance report in the format provided.
- v. **Customer re- categorisation for billing:** KIMAWASCO will separate individual domestic accounts from Multi-Dwelling Units (MDU) 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 Proposed MDU/ Gated Community tariff for Water, Sewerage and other Miscellaneous charges specified in this tariff.

- vi. **Ring-Fencing of Capital Expenditure:** The WSP to open a separate account for capital component of the tariff, to deposit the appropriate share of revenue into this account which is only to be used for capital expenditure and repayment of loans as provided for in the approved tariff.
- vii. **Creation of distinct water and sewer cost centres:** KIMAWASCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- viii. **Repayment of Loans :** KIMAWASCO shall remit monthly loan repayments as detailed below: -

<b>Financing</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>
WASSIP 1 & WASSIP AF	16,706,943	16,706,943	8,353,471

Evidence of loan repayment to CWWDA shall be submitted to WASREB monthly by the 10th day of the following month.

- ix. **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.
- x. **Performance Evaluation:** Performance targets to be met and ascertained by WASREB, at the end of the 1st year of the tariff period. Non achievement of the set targets without justifiable cause shall lead to reduction of the approved tariffs as a penalty.
- xi. **Investments:** The utility shall undertake the investments in **Table Below:**

<b>Proposed Investment Summary for Kilifi - Mariakani Water &amp; Sewerage Co. Ltd (KIMAWASCO)</b>						
<b>Targetted Outcome</b>	<b>Proposed Intervention</b>	<b>Targetted Area</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>
<b>Increased Water Coverage</b>	<b>Meters &amp; Fittings - New Connections</b>	<b>Entire Service Area</b>		<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>Increased Quality of Service (Hrs of Supply)</b>	Vertical Multistage Centrifugal Pump	For Kachako, Mapawa, Palakumi, Kibao Kiche & Vitengeni		5,000,000	5,000,000	5,000,000
<b>Sub - Total _ Pumps</b>			<b>-</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>
	Purchase & Installation of 4No. Standby Generators	To serve Palakumi, Kachako, Mazeras , Kibao Kiche, Mwavumbo, Kitsaumbi, Mapawa, Kitsoeni			5,000,000	5,000,000
<b>Sub - Total _ Generators</b>			<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>Rehabilitation of Water Supply Network</b>	Replacement of aged pipeline & appurtenances	Kilifi, Mtwapa, Mazeras, Mariakani, kaloleni, chonyi, Ganze, Vitengeni & Baricho			8,000,000	8,000,000
<b>Sub - Total _ Network Rehabilitation</b>			<b>-</b>	<b>-</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>Improved Service Delivery</b>	Motor Vehicles	Entire Service Area	0		6,750,000	6,750,000
	Motor Cycles	Entire Service Area	0	1,500,000	2,250,000	2,250,000
<b>Sub - Total _ Vehicles &amp; Cycles</b>			<b>-</b>	<b>1,500,000</b>	<b>9,000,000</b>	<b>9,000,000</b>
<b>Operational Efficiency</b>	Movable Assets	Furniture			1,500,000	1,500,000
		Computers and server computers			2,000,000	2,000,000
<b>Sub - Total _ Vehicles &amp; Cycles</b>			<b>-</b>	<b>-</b>	<b>3,500,000</b>	<b>3,500,000</b>
<b>Non - Revenue Water Reduction</b>	Development of DMA's ( Kilifi 8No; Mtwapa 7No.)	( Kilifi 8No; Mtwapa 7No.)	0	1,000,000	1,000,000	1,000,000
	Installation of pressure gauges and hydrological modelling	Lot	0		3,000,000	500,000

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	Replacement of stalled & very old meters( above seven years) - 1500 p.a	Lot	0		2,500,000	2,500,000
	Procurement of handheld meter reading gadgets	Lot	0	1,000,000	1,000,000	1,000,000
<b>Sub - Total _ NRW Reduction</b>			<b>-</b>	<b>2,000,000</b>	<b>7,500,000</b>	<b>5,000,000</b>
<b><u>Total Investments</u></b>			<b>-</b>	<b>13,500,000</b>	<b>43,000,000</b>	<b>40,500,000</b>