

ANNEX 2

DETAILS OF PUBLIC CONSULTATION FOR MOMBASA WATER AND SANITATION COMPANY LTD (MOWASSCO) 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	883,727,623	847,069,580	1,060,315,023	1,081,982,511	1,104,712,620
Maintenance	64,670,000	107,440,000	112,810,000	118,180,000	123,650,000
Regulatory Levy	26,598,384	29,294,381	56,662,444	58,273,730	68,269,492
Other Levies	3,730,000	3,804,600	3,880,692	3,958,306	4,037,472
Minor Investments	7,000,000	7,000,000	7,500,000	11,000,000	12,000,000
Debt Repayment	97,492,820	97,492,820	97,492,820	97,492,820	95,599,013
Total Costs	1,083,218,827	1,092,101,381	1,338,660,980	1,370,887,367	1,408,268,597
Total Billing (Kshs)	664,959,601	732,359,528	1,416,561,111	1,456,843,239	1,706,737,312
Collection Efficiency (%)	95%	95%	95%	95%	95%
Projected Revenue	631,711,621	695,741,551	1,345,733,056	1,384,001,077	1,621,400,446
Total Cost Coverage	58%	64%	101%	101%	115%

2.0 Proposed Water Tariff Structure for the period.

Recommended Tariff for Mombasa Water and Sanitation Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Recommended Tariff
	(m3)	(Kshs/M ³)	(m3)	(Kshs/M ³)
Domestic/Residential	0-6	75	1-6	150
	7-20.	85	7-20.	182
	21-50	105	21-50	190
	51-100	140	51-100	210
	100-300	180	101-300	220
	>300	200	>300	250
Multi- Dwelling Units	Flat Rate	N/A	Flat Rate	182
Government Institutions	0-6	75	-	
	7-20.	85	-	
	21-50	105	1-50	182
	51-100	140	51-100	215
	100-300	180	101-300	225
	>300	200	>300	255
Commercial/Industrial	0-6	75	-	
	7-20.	85	-	
	21-50	105	1-50	182
	51-100	140	51-100	215
	100-300	180	101-300	225
	>300	200	>300	255
Schools/ Colleges/Universities	1-600	85	1-600	185
	600<1200m3	100	600<1200m3	200
	>1200m3	240	>1200m3	205
	Bowsing Points	200	Flat Rate	250
	Water Kiosks	35	Per m3	50

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 (%)	54%	55%	56%	57%	58%
Water quality standards (%)	100% Compliance with Standards				
Personnel Expenditure as % of O&M	44%	41%	34%	34%	34%
Non-Revenue Water	51%	51%	45%	42%	39%
Hours of Supply (Hrs.)	8	9	10	11	12
Staff per 1000 connections	10	10	9	9	9
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	96%	95%	95%	95%	95%
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 Mombasa Water and Sanitation Company Ltd (MOWASSCO) 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. MOWASSCO 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:** MOWASSCO 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. **Repayment of Loans :** MOWASSCO shall remit monthly loan repayments as detailed below:

Financing	2023/2024	2024/2025	2025/2026
WASSIP 1 & WASSIP AF	97,492,820	97,492,820	95,599,013

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

- vii. **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.
- viii. **Creation of distinct water and sewer cost centres:** MOWASSCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- 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:**

MOMBASA WATER AND SANITATION COMPANY							
MINOR INVESTMENT ON NON – REVENUE WATER (NRW) REDUCTION							
No.	Details	FY 2023/24		FY 2024/25		FY 2025/26	
			(Amount – Kshs)		(Amount – Kshs)		(Amount – Kshs)
1	Maps/GIS		-	Equipping GIS unit	1,000,000		-
2	Customer Meter Class D	Procuring smart meters	5,000,000	Procuring Ratio meters	6,000,000	Procuring Ratio meters	5,000,000
3	Smart metering of large consumers	Procuring smart meters	2,500,000	Procuring smart meters	4,000,000	Procuring smart meters	7,000,000
Totals			7,500,000		10,000,000		12,000,000