

**THE WATER ACT
(No. 43 of 2016)
MAVOKO WATER AND SEWERAGE COMPANY LTD
APPROVED TARIFF STRUCTURE FOR THE PERIOD 2023/2024 to 2025/2026**

Mavoko Water and Sewerage Co. Ltd (MAVWASCO) applied to the Water Services Regulatory Board (WASREB) for review of water services tariffs, for the period 2023/2024 to 2025/2026 as per section 72 (1) b of the Water Act 2016.

Public consultation on the MAVWASCO application was carried out in accordance with 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 MAVWASCO is justified in order to improve service delivery, operate sustainably and protect consumer interests by meeting the tariff conditions.

WASREB gives a one (1) months' notice to all existing and potential customers of MAVWASCO that the approved tariffs for the three financial years 2023/24, 2024/25, and 2025/26 shall be as follows:

1.0 Approved Tariff Structure

1.1 Water Tariff Structure for the period 2023/2024 to 2025/2026

Consumer Categories	Consumption Block (m³)	Approved Tariff (Kshs/ m³)
Domestic/Residential	1-6	120
	7-20	135
	21-50	152
	51-100	157
	100-300	162
	>300	170
Multi-Dwelling Units	N/A	152
Government Institutions	1-50	152
	51-100	160
	100-300	170
	>300	180
Commercial/Industrial	1-50	152
	51-100	160
	100-300	170
	>300	180
Public Schools/ Colleges/Universities	1-600	140
	600<1200m³	150
	>1200m³	160
Unique Consumer Categories	Bulk Water Supply (Per m³)	152
	Bowsing Points (Drawing point for private Tankers)- Per m3	152
	Water Kiosks (Per m³)	50

1.2 Sewerage Tariff Structure for the period 2023/2024 to 2025/2026

a) Consumers with a Water Connection

- i. Sewerage will be charged at 75% of the water volumes, billed at the tariff for water specified (in 1.1) above for all customer categories.
- ii. Disconnected water accounts shall be charged based on the average of the last three months' sewer charges before the disconnection.

b) Consumers without a Water Connection

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

- i. Single room, given an approximate water consumption of 2m³ sewer charge should be Kshs. 180 per month
- ii. One and Two-bedroom units, given an approximate water consumption of 5m³, sewer charge should be Kshs. 450 per month
- iii. Three-bedroom units and above an approximate water consumption of 8m³, sewer charge should be Kshs. 742 per month
- iv. All other categories: 75% of the volume of water consumed as per the metered source of water.

1.3 Miscellaneous Charges

These shall be as follows:

Item/ Service	Charge (Ksh.)
Water Deposit	
Category of consumer	
Domestic	2,500
Multi Dwelling Units (MDU - Small); 4-10 units	5,000
Multi Dwelling Units (MDU - Medium); 11-20 units	10,000
Multi Dwelling Units (MDU - Large); > 21 units	20,000
Retail shops less than 10m ³	3,000
Retail shops more than 10m ³	3,500
Bar, restaurants less than 15 m ³	4,000
Bar, restaurants more than 15 m ³	6,000
Hotel less than 150 m ³	12,000
Hotel more than 150 m ³	15,000
Hospitals more than 150 m ³	20,000
Health centres less than 150 m ³	12,000
Schools less than 200 m ³	10,000
Schools and other institutions more than 200 m ³	20,000
Minor construction sites more than 200 m ³	15,000
Major construction sites more than 300 m ³	50,000
Light industries less than 200 m ³	30,000
Medium industrial between 200 m ³ and 300 m ³	50,000
Heavy industries more than 300 m ³	100,000
Water Kiosks	5,000

Item/ Service	Charge (Ksh.)
*Customers with only sewer connection to be charged a deposit equivalent to water connection	
Other Charges	
Service	
New water connection fee	2,500
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 WSP Service Area for all consumers
Sale of water Per M ³ at bowing point (own tanker)	As per rates specified (in 1.1) above
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on request	500
Sewer Connection- Residential/ Domestic	2,500
Sewer Connection- Commercial, Government, schools, Universities and Colleges	5,000
Sewer Connection- Industrial	15,000
Private sewer unblocking	2,500
Leak detection services	1,000
Sewer Reconnection fee (At mains)	15,000
For cutting off the supply at the request of the consumer	200
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
Penalties	
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)	5,000
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 MAVWASCO during the tariff period:

Expenditure Item	2021/22	2022/23	2023/24	2024/25	2025/26
Operations	202,728,191	219,671,788	234,612,579	258,101,918	270,163,270
Maintenance	29,998,159	36,837,963	40,349,471	44,271,852	48,666,790
Regulatory Levy (WASREB)	9,652,873	11,895,811	13,986,625	16,333,883	18,681,773
Abstraction Levy (WRA)	422,188	732,118	1,080,000	1,080,000	1,080,000
Operation & Maintenance (O&M)	242,379,223	268,405,562	288,948,675	318,707,653	337,511,832
Minor Investments	-	-	12,845,145	44,621,184	52,401,999
Total Costs	242,379,223	268,405,562	301,793,820	363,328,837	389,913,832
Total Billing (KShs)	227,103,068	289,965,169	337,012,541	404,767,233	429,988,986
Collection Efficiency (%)	83%	85%	90%	95%	95%
Projected Revenue	188,495,546	246,470,394	303,311,287	384,528,871	408,489,537
O&M Cost Coverage	78%	92%	105%	121%	121%
Total Cost Coverage	78%	92%	101%	106%	105%

3.0 Conditions attached to the tariff approval.

The conditions attached to this approval which shall form part of the license conditions of MAVWASCO are:

i. Service Delivery Conditions attached to the Tariff

Target	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Water Coverage (%)	49%	50%	51%	52%	53%
Water quality standards (%)	60%	100% Compliance with Standards			
Personnel Expenditure as % of O&M	31%	30%	29%	27%	27%
Non-Revenue Water	30%	29%	27%	25%	25%
Hours of Supply (Hrs.)	6	6	7	8	9
Staff per 1000 connections	6	6	5	5	4
Maintenance Expenditure as % of O&M	12%	14%	13%	13%	14%
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	83%	85%	90%	95%	95%
Resale at Kiosk	Kshs. 3.00 per 20l Jerry Can				

- ii. **Annual budgets:** The WSP shall adhere to the budgetary levels set in the tariff.
- iii. **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
- iv. **Reporting:** The utility shall submit to WASREB a quarterly performance report in the format provided
- v. **Tariff Assessment:** - MAVWASCO 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.
- vi. **Investments:** The utility shall undertake the investments in **Table 1**:

Table 1: Investments

SUMMARY OF CAPITAL INVESTMENTS TO BE CARRIED OUT BY MAVOKO WATER AND SEWERAGE COMPANY LTD. FOR THE PERIOD 2023/24 – 2025/26			
Description	2023/2024	2024/2025	2025/2026
New connections (meters & fittings)	4,000,000	4,000,000	4,000,000
EXTENSIONS OF NETWORKS			
Syokimau pipeline extensions	-	2,250,000	4,027,500
Athi river town pipeline extensions	-	8,302,495	5,234,510
Mlolongo pipeline extensions	-	1,710,000	1,822,515
Kinanie pipeline extensions	-	2,069,995	4,732,300
<u>Sub-total network extensions</u>	<u>=</u>	<u>14,332,490</u>	<u>15,816,824</u>
NON-REVENUE WATER REDUCTION PLAN			
Replacement of water meters	400,000	800,000	2,000,000
NETWORK REHABILITATION			
Town pipeline augmentation	-	4,500,000	3,240,002
Mlolongo pipeline upgrades	-	765,150	1,964,535
Syokimau pipeline upgrades	-	764,980	2,129,455
Kinanie pipeline upgrades	-	2,400,005	1,369,435
<u>Sub-total network extensions</u>	<u>=</u>	<u>8,430,135</u>	<u>8,703,427</u>
Sewer improvements	-	5,000,000	10,000,000
PURCHASE OF MOVABLE ASSETS (ADMINISTRATION)			
3 No. Motor vehicles - double cab pick up (4 x4) 3,000 cc diesel	7,000,000	7,000,000	7,000,000
7 No. Motor bikes 150cc offroad	900,000	600,000	600,000
Assorted office furniture	-	393,560	216,748
ICT equipment	545,145	700,000	700,000
<u>Sub-total movable assets</u>	<u>8,445,145</u>	<u>8,693,560</u>	<u>8,516,748</u>
Plant & machinery		3,365,000	3,365,000
Total	12,845,145	44,621,184	52,401,999

Date: 8th March 2024

Dr. Julius Itunga,

Ag. Chief Executive Officer

Water Services Regulatory Board