

ANNEX 2

**DETAILS OF PUBLIC CONSULTATION FOR TANA RIVER WATER AND SEWERAGE COMPANY LTD
(TAWASCO)
REGULAR TARIFF APPLICATION (2023/2024 to 2025/2026)**

1.0 Cost and Revenue Structure for the Tariff Period

Expenditure Item	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Operations	47,315,644	51,567,653	58,031,230	61,955,602	65,711,987
Maintenance	8,109,581	8,271,773	8,437,208	8,605,952	8,778,071
Regulatory Levy	1,676,140	1,849,480	1,549,870	1,580,868	1,612,485
Other Levies	990,209	1,080,389	1,170,569	1,170,569	1,170,569
Minor Investments	-	-	2,756,960	8,932,250	8,610,450
Debt Repayment	-	-	-	-	-
Total Costs	58,091,574	62,769,294	71,945,837	82,245,240	85,883,562
Total Billing (KShs)	41,903,500	46,237,000	73,952,268	84,566,571	91,147,246
Collection Efficiency (%)	49%	55%	80%	85%	90%
Projected Revenue	20,534,000	25,235,000	59,161,814	71,881,585	82,032,522
Projected(O+M) Subsidy from County Government	11,294,040	11,858,742	13,977,329	14,097,103	7,218,074
Total Projected Revenue including Subsidy	31,828,040	37,093,742	73,139,144	85,978,688	89,250,595
Total Cost Coverage	35%	40%	82%	87%	96%
Total Cost Coverage	55%	59%	102%	105%	104%

2.0 Proposed Change in Water Tariff Structure for the period.

Recommended Tariff for Tana River Water and Sewerage Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Recommended Tariff
	(m3)	(Kshs/M³)	(m3)	(Kshs/M³)
Domestic/Residential	0-12 (flat rate)	500	1-6 (flat rate)	600
	>12	50	7-20.	110
			21-50	120
			51-100	130
			101-300	140
			>300	150
Government Institutions	0-12 (flat rate)	500	1-6 (flat rate)	650
	>12	50	7-50	150
			51-100	165
			101-300	170
			>300	180
Commercial/Industrial	0-12 (flat rate)	500	1-6 (flat rate)	650
	>12	50	7-50	150
			51-100	165
			101-300	170
			>300	180

Recommended Tariff for Tana River Water and Sewerage Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Recommended Tariff
	(m3)	(Kshs/M³)	(m3)	(Kshs/M³)
Schools/ Colleges/Universities	0-12 (flat rate)	500	1-6 (flat rate)	650
			7-600	120
	>12	50	600<1200m3	130
			>1200m3	140
Water Kiosks	Per m3 (flat rate)	35	Per m3 (flat rate)	35

3.0 Proposed Change in 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 (%)	22%	23%	24%	25%	26%
Water quality standards (%)	0	100% Compliance with Standards			
Personnel Expenditure as % of O&M	36%	34%	32%	31%	30%
Non-Revenue Water	70%	71%	70%	65%	62%
Metering ratio (%)	46%	68%	100%	100%	100%
Collection Efficiency (%)	49%	55%	80%	85%	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 Tana River Water and Sewerage Company Ltd (TAWASCO) 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. TAWASCO 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. **Metering:** TAWASCO shall progressively enhance metering ratio. At the end of 2023/2024, all non-domestic consumers must be metered .
Additionally, at the end of the tariff period, the WSP will have attained at minimum metering ratio of 75% of all domestic connections.
- vi. **Bulk Tariff to National Irrigation Authority for Bura Scheme**
The WSP will pay NIA a bulk rate of Kshs. 35 for water abstracted in Bura Scheme .
- vii. **County Subsidy**
 - a) The County Government of Tana River will support the WSP in payment of salaries for seconded personnel as outlined below.

	2022/2023	2023/2024	2024/2025	2025/2026
Operational Subsidy from the County Government of Tana River	11,858,742	13,977,329	14,097,103	7,218,074

- b) Additionally, the County Government of Tana River will progressively competitively recruit for WSP positions currently held by seconded personnel from the County . These shall be filled by with substantive employees of Tana River Water & Sanitation Co. as guided by relevant laws and legislations.
- viii. **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.

- 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. **Investments:** The utility shall undertake the investments in **Annex 1:**

Investments Summary for Tana River Water and Sewerage Company Limited							
Theme 1: Metering							
Proposed Investments	Specification	Unit	Qty	Unit Cost	2023/2024	2024/2025	2025/2026
Master Meters (All Schemes)							
	Supply & fix 2" Master meters complete with required fittings	Pcs	5	55,000	275,000	-	-
	Supply & fix 3" Master meters complete with required fittings	Pcs	1	65,000	65,000	-	-
	Supply & fix 4" Master meters complete with required fittings	Pcs	1	85,000	85,000	-	-
	Supply & fix 6" Master meters complete with required fittings	Pcs	4	155,000	620,000	-	-
	Supply & fix 8" Master meters complete with required fittings	Pcs	1	220,000	220,000	-	-
	Supply & fix 14" Master meters complete with required fittings	Pcs	1	280,000	280,000	-	-
	Supply & fix 16" Master meters complete with required fittings	Pcs	1	320,000	320,000	-	-
Sub-Totals					1,865,000	-	-
Other Connections							
	Commercial Meters (¾")	Pcs	31	4,020	124,620	-	-
	Government Institutions (¾")	Pcs	60	4,020	241,200	-	-
	Government Institutions (2")	Pcs	18	13,700	246,600	-	-
	Schools (¾")	Pcs	20	4,020	80,400	-	-
	Schools (2")	Pcs	3	13,700	41,100	-	-
	Kiosks (2")	Pcs	2	4,020	8,040	-	-
Sub-Totals					741,960	-	-
Domestic Connections	Domestic (¾") - Half in FY 2024/2025 and the remaining Half in 2025/2026	Pcs	2225	4,020	-	4,472,250	4,472,250
Sub-Totals					-	4,472,250	4,472,250

Investments Summary for Tana River Water and Sewerage Company Limited							
Theme 1: Metering							
Proposed Investments	Specification	Unit	Qty	Unit Cost	2023/2024	2024/2025	2025/2026
Theme 2: Water System Upgrading							
Upgrading of Ngao Rising Main	Upgrading of Ngao Rising Main From 3" to 6"	LM	450	4,418	-	-	1,988,200
Sub-Totals					-	-	1,988,200
Theme 3: Movable Assets							
Motor Cycles	5No. 125cc	Pcs	5	150,000	150,000	300,000	300,000
Sub-Totals					150,000	300,000	300,000
Theme 4: Pumps							
Pump plus accessories	Supply and fix a motor and pump coupled on the same base plate capable of supplying 100cum/hr against a head of 155m. Allow for necessary star-delta control panel, cables etc at Hola Scheme	No	1	1,850,000			1,850,000
Sub-Totals					-	-	1,850,000
Theme 5: Billing System							
1: Preliminary and General Items	Supply Computers with a RAM 8 or above	No.	6	60,000		360,000	
	Supply of computer as a server	No.	1	200,000		200,000	
	Allow for necessary linking and networking	item	1	200,000		200,000	
	Allow for consultancy services in forming TAWASCO strategic plan. Allow for necessary packaging and presentation in both hard and soft copies	item	1	1,000,000		1,000,000	
2: Installation of Billing software	Allow programming, supply and installation of a water billing system	item	1	2,400,000		2,400,000	
Sub-Totals					-	4,160,000	-

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Total Investments					2,756,960	8,932,250	8,610,450