

ANNEX 2

DETAILS OF PUBLIC CONSULTATION FOR TAVEVO WATER AND SEWERAGE COMPANY LTD (TAVEVO) 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	350,725,088	380,834,458	460,807,364	487,129,980	518,325,157
Maintenance	70,792,362	26,287,800	26,779,524	27,281,082	25,151,801
Regulatory Levy	11,574,164	11,972,638	23,275,254	24,202,584	25,151,801
Other Levies	1,855,800	987,066	1,102,661	1,124,714	1,147,209
Minor Investments	-	-	27,968,016	20,635,296	17,346,804
Debt Repayment	-	11,406,600	11,406,600	11,406,600	5,703,300
Total Costs	434,947,414	431,488,563	551,339,419	571,780,256	592,826,072
Total Billing (Kshs)	320,439,530	299,315,952	581,881,353	605,064,590	628,795,037
Collection Efficiency (%)	94%	94%	95%	95%	95%
Projected Revenue	301,778,987	281,356,995	552,787,285	574,811,360	597,355,285
Total Cost Coverage	69%	65%	100%	101%	101%

2.0 Proposed Water Tariff Structure for the period.

Recommended Tariff for TAVEVO Water and Sewerage Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Recommended Tariff
	(m3)	(Kshs/M ³)	(m3)	(Kshs/M ³)
Domestic/Residential	0-6	55	1-6	98
	7-20.	70	7-20.	145
	21-50	85	21-50	160
	51-100	100	51-100	175
	100-300	110	101-300	190
	>300	140	>300	205
Multi- Dwelling Units	Flat Rate	N/A	Flat Rate	145
Government Institutions	0-6	65		
	7-20.	80		
	21-50	95	1-50	145
	51-100	110	51-100	170
	100-300	120	101-300	190
	>300	150	>300	205
Commercial/Industrial	0-6	65		
	7-20.	80		
	21-50	95	1-50	145
	51-100	110	51-100	170
	100-300	120	101-300	190
	>300	150	>300	205
Schools/ Colleges/Universities	1-600	65	1-600	120
	600<1200m3	80	600<1200m3	150
	>1200m3	90	>1200m3	170
	Bulk water for resale	60	Flat Rate	90
	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 (%)	45%	46%	47%	48%	49%
Water quality standards (%)	93%	100% Compliance with Standards			
Personnel Expenditure as % of O&M	27%	30%	26%	26%	25%
Non-Revenue Water	36%	36%	34%	32%	30%
Hours of Supply (Hrs.)	15	16	17	18	19
Staff per 1000 connections	13	12	12	11	11
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	94%	94%	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 Tavevo Water and Sewerage Company Ltd (TAVEVO) 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. TAVEVO 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:** TAVEVO 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:** TAVEVO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- viii. **Repayment of Loans:** TAVEVO shall remit monthly loan repayments as detailed below:

Financing	2023/2024	2024/2025	2025/2026
WASSIP 1 & WASSIP AF	11,406,600	11,406,600	5,703,300

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:**

Proposed Investment Summary for Tavevo Water & Sewerage Co. Ltd (TAVEVO)						
Targeted Outcome	Proposed Intervention	Targeted Area	2022/2023	2023/2024	2024/2025	2025/2026
Increased Water Coverage	Meters & Fittings - New Connections	Entire Service Area	2,000,000	5,772,000	6,060,000	6,366,000
	Network Extension	OD 110mm HDPE Rising main from Mwasinenyi- Mwatunge tank- 2.0km with associated fittings		10,232,244		
		OD 110mm HDPE pipe from Mwatunge Tank to Landi-5.0km with associated fittings			8,805,804	8,805,804
	Drilling of boreholes	Construction of Mwasinenyi borehole & Piping		5,432,444		
Sub - Total Increased Coverage				21,436,688	14,865,804	15,171,804
Increased Quality of Service (Hrs of Supply)	5No. Grundfos SP 46-20 (30kW) Pump set (Pump and motor) submersible unit or an equivalent with a discharge of 70m3/h at a dynamic head of 300m complete with all the necessary fittings	Installation of stand by submersible Mwasinenyi, Voi pump, Ndii, Maungu and at Kaloleni.		3,846,328	5,769,492	0
Sub - Total Pumps			-	3,846,328	5,769,492	-
Operational Efficiency	ICT Infrastructure	5 Laptops	-	450,000	-	-
		15 Desktops	-	480,000	-	420,000
		50 Smart phones	-	1,035,000	-	1,035,000
	Motor Vehicles & Cycles	8 Motor Bikes	-	720,000	-	720,000
Sub - Total _ Vehicles & Cycles			-	2,685,000	-	2,175,000
Total _ Investments			=	27,968,016	20,635,296	17,346,804