

**DETAILS OF PUBLIC CONSULTATION FOR GATUNDU WATER AND SANITATION COMPANY LTD
(FOR THE PERIOD 2024/2025 – 2028/2029)**

1.0 Cost and Revenue Structure for the Tariff Period

| Cost Subject to Annual Indexation | FY 2024/2025 | FY 2025/2026 | FY 2026/2027 | FY 2027/2028 | FY 2028/2029 |
|-------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Operations and Maintenance costs | 279,407,237 | 291,261,657 | 306,842,582 | 332,262,213 | 356,999,789 |
| Fixed Costs | | | | | |
| Average Annual Investment Cost | 95,701,873 | 56,921,603 | 65,510,777 | 205,083,075 | 226,539,491 |
| Debt | - | - | - | - | - |
| Sub Total- Fixed Costs | 95,701,873 | 56,921,603 | 65,510,777 | 205,083,075 | 226,539,491 |
| Total Average Annual Cost | 375,109,111 | 348,183,260 | 372,353,359 | 537,345,288 | 583,539,279 |
| Projected Average Annual revenue | 373,507,485 | 391,730,915 | 421,595,440 | 549,978,489 | 681,461,386 |
| Average Annual Cost Coverage | 100% | 113% | 113% | 102% | 117% |

2.0 Proposed Change in Water Tariff Structure for the Period.

| Consumer Categories | Consumption Block | Current Tariff | Consumption Block | Proposed Tariff |
|-----------------------------------|--------------------------|------------------------|-------------------|-----------------|
| | (m3) | (Kshs/M ³) | (m3) | (Kshs/M3) |
| Domestic/Residential | 0-6 | 200(Flat Rate) | 1-6 | 107 |
| | 7-20. | 50 | 7-20. | 115 |
| | 21-50 | 65 | 21-50 | 120 |
| | 51-100 | 80 | 51-100 | 130 |
| | 100-300 | 100 | 101-300 | 140 |
| | >300 | 130 | >300 | 150 |
| Multi-Dwelling Units | Flat Rate | N/A | Flat Rate | 120 |
| Commercial/Industrial | 0-6 | 200(Flat Rate) | | |
| | 7-20. | 50 | 1-50 | 115 |
| | 21-50 | 65 | 51-100 | 120 |
| | 51-100 | 80 | 101-300 | 130 |
| | 101-300 | 100 | >300 | 140 |
| | >300 | 130 | | |
| Government/Institutions | 0-6 | 200(Flat Rate) | 1-50 | 115 |
| | 6-20 | 50 | 51-100 | 120 |
| | 21-50 | 65 | 100-300 | 130 |
| | 51-100 | 80 | >300 | 140 |
| | 101-300 | 100 | | |
| | >300 | 130 | | |
| Schools | 0-600 | 40 | 1-600 | 110 |
| | 601-1200 | 50 | 601-1200 | 120 |
| | >1200m3 | 80 | >1200m3 | 130 |
| Unique Consumer Categories | Water Kiosks | 35 | Per M3 | 70 |
| | Bulk Water Supply | 20 | Per M3 | 78 |

Customers with non-functional meters shall be billed based on the average of the last three months' bill.

3.0 Sewerage Tariff Structure for the period 2024/2025 to 2028/2029

a) Consumers with a Water Connection

Sewerage will be charged at 75% of the water volumes, billed at the tariff for water specified (in 2.0) 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 2.0) above.

4.0 Indexation

The utility's tariffs for water and sewerage shall be eligible for annual indexation as per the regulations of the Water Services Regulatory Board (WASREB). The inflation adjustment shall come into effect after a full year of implementation, on the 15th day of July every year, and shall remain in force until the 14th day of July the following year.

5.0 Miscellaneous Charges

These shall be charged as per the approved miscellaneous charges approved by WASREB.

6.0 Service Delivery Conditions attached to the Tariff.

| Service Delivery Conditions | | | | | | | |
|--|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Target | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2027/2028 | 2028/2029 |
| Water Coverage (%) | 68% | 69% | 70% | 71% | 72% | 73% | 74% |
| Water quality standards (%) | 100% Compliance with Standards | | | | | | |
| Personnel Expenditure as % of O&M | 64% | 41% | 41% | 41% | 41% | 41% | 41% |
| Maintenance Expenditure as % of O&M | 8% | 24% | 24% | 23% | 23% | 21% | 20% |
| Investment Expenditure as a % of Total Expenditure | 9% | 1% | 25% | 16% | 17% | 38% | 39% |
| Non-Revenue Water | 54% | 54% | 38% | 35% | 30% | 29% | 28% |
| Hours of Supply (Hrs.) | 20 | 21 | 22 | 23 | 23 | 23 | 23 |
| Staff per 1000 connections | 6 | 6 | 6 | 6 | 6 | 5 | 4 |
| Metering ratio (%) | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Collection Efficiency (%) | 90% | 95% | 96% | 97% | 98% | 99% | 100% |
| Resale at Kiosk | Kshs. 5.00 per 20l Jerry Can | | | | | | |

5.1 Other Conditions

The conditions attached to this approval, which shall form part of the license conditions of Gatundu Water and Sanitation Company Ltd, are:

- Annual budgets:** The utility shall adhere to the budgetary levels set in the tariff.
- Surpluses:** the surpluses realised during the tariff period shall be used to implement priority service delivery capital projects approved by WASREB.

- iii. **Catchment Protection:** The utility shall undertake measures to conserve/ protect the catchment areas of their water source as part of Corporate Social Responsibility.
- iv. **Reporting:** The utility shall submit quarterly performance reports to WASREB in the prescribed format.
- v. **Creation of distinct water and sewer cost centres:** GATWASCO shall create separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- vi. **Regulatory Levy:** The utility to pay monthly regulatory levy based on 4% of turnover which is inclusive of billing of other services and interest income earned.
- vii. **Investments:** The utility shall undertake the investments as follows: -

| INVESTMENTS SUMMARY-GATUNDU WATER & SANITATION COMPANY LTD | | | | | | | | | |
|--|--|------|----------|------------------|---------------|---------------|---------------|---------------|---------------|
| Classification | ITEM | Rate | Quantity | Unit Price (Ksh) | 2024/25 (KSH) | 2025/26 (KSH) | 2026/27 (KSH) | 2027/28 (KSH) | 2028/29 (KSH) |
| 1. Metering | Purchase of Consumer Water Meters and Fittings in the following areas -New Connections. DN15 Water Meters 1. Kamwangi Ward 2. Mang'u Ward 3. Ndarugu Ward 4. Ng'enda Ward 5. Kiganjo Ward 6. Komothai Ward 7. Githobokoni Ward | No. | 6,338 | 10,800 | 12,043,037 | 2,778,710 | 5,516,449 | 23,738,949 | 24,376,573 |
| | Bulk Production Meters in the following Water production sources Class C, cast iron casing and flanged meters a. FY 2024/2025 1. Gacarage-280mm - 5 no. 2. Mariguiti -110mm - 2 no. 3. Theta-200mm - 3 no. 4. Gaititi-110mm - 3 no. b. FY 2025/2026 5. Kirangi -110mm- 2 no. 6. Ndarugu ,200mm- 4 no. 7. Nyamangara-110mm - 2 no. 8. Gakoe - 4 no. C. FY 2026/2027 9. Karuri-160mm - 3 no. 10. Kairi-200mm- 3 no. D. FY 2027/2028 11. Ruabora-200mm- 3no. E. FY 2028/2029 12. Ngenda-200mm- 2no. 13. Handege-225mm-2no. | No. | 38 | 100,000 | 1,300,000 | 1,200,000 | 600,000 | 300,000 | 400,000 |
| | Smart Ultra - Sonic Flow meters | No. | 13 | 100,000 | 500,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| | Meter replacements- R200 Volumetric flow meters | No. | 25,225 | 5,000 | 23,444,654 | 13,436,893 | 16,394,327 | 36,079,126 | 36,767,918 |

| Sub - Total | | | | | 37,287,691 | 17,615,603 | 22,710,777 | 60,318,075 | 61,744,491 |
|---------------------------------------|---|----------|-----|-----------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2. Equipments & Computers | Laptops- Core i7, 11th gen,8GB RAM, 256GB SSD /core i7, 8GB, 1TB W11 Pro laptop | No. | 11 | 150,000 | 600,000 | 600,000 | 450,000 | - | - |
| | Desktop Computer - Prodesk core i7-10500, 16GB, 512SSD DOS SFF with 22" monitor / core i5, 8GB, 1TB HDD + 256GB SSD | No. | 18 | 100,000 | 600,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| | Motorbikes- 150cc - High rider, rough terrain | No. | 10 | 200,000 | 1,000,000 | 1,000,000 | | - | - |
| | Smartphones - Android 11, 6.5", 4GB, 64GB, Rugged | No. | 52 | 30,000 | 360,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| | Desktop Phones & Accessories - IP PBX, IP phones, PBX Software | No. | 4 | 25,000 | 100,000 | - | - | - | - |
| | Smart TV -65" Smart TV | No. | 2 | 100,000 | 100,000 | 100,000 | - | - | - |
| | Furniture set - Desks | No. | 20 | 50,000 | 500,000 | 500,000 | - | - | - |
| | Furniture set - Chairs Locally made office furniture | | 17 | 30,000 | 210,000 | 300,000 | - | - | - |
| | Steel file Cabinets -Six drawers with a central lock system | No. | 10 | 200,000 | 2,000,000 | - | - | - | - |
| | Survey equipment -Total station portable Total station and associated accessories | No. | 2 | 500,000 | 1,000,000 | - | - | - | - |
| | Sub - Total | | - | - | 6,470,000.0 | 3,100,000.0 | 1,050,000.0 | 600,000.0 | 600,000.0 |
| 3. NRW Management | Purchase of Pressure loggers for use in monitoring pressures | No. | 5 | 20,000.0 | 100,000.0 | - | - | - | - |
| | Sub zonal meter installation Procurement of Volumetric flow meters ranging from DN160-DN63 | No. | 140 | 100,000.0 | 2,500,000.0 | 2,500,000.0 | 2,500,000.0 | 3,000,000.0 | 3,500,000.0 |
| | Procurement of Correlators for leak detection done in every DMA | No. | 2 | 500,000.0 | 1,000,000.0 | - | - | - | - |
| | Construction of a meter testing laboratory | No. | - | - | 1,594,182.0 | - | - | - | - |
| | Sub Total | | - | - | 5,194,182.0 | 2,500,000.0 | 2,500,000.0 | 3,000,000.0 | 3,500,000.0 |
| 4. Network rehabilitation & Expansion | Construction of coffer dams upstream of sources All rivers: Karimenu, Thiririka, Ruabora, Ndarugu River | Lump sum | - | - | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| | Lay 100km pipeline of assorted sizes to serve pro-poor areas as follows; 1. Kamwangi Ward- 20km Hdpe | Lump sum | N/A | N/A | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |

| | | | | | | | | | |
|------------------|---|----------|-----|-----|----------------------|-------------------|----------------------|-----------------------|-----------------------|
| | <p>pipes(PN10) of assorted sizes ranging from DN25-DN50</p> <p>2. Mang'u Ward-10km Hdpe pipes(PN10) of assorted sizes ranging from DN25-DN50</p> <p>3. Ndarugu Ward-10km Hdpe pipes(PN10) of assorted sizes ranging from DN25-DN50</p> <p>4. Ng'enda Ward-30km Hdpe pipes(PN10) of assorted sizes ranging from DN25-DN50</p> <p>5. Kiganjo Ward- 10km Hdpe pipes(PN10) of assorted sizes ranging from DN25-DN50</p> <p>6. Komothai Ward-10km Hdpe pipes(PN10) of assorted sizes ranging from DN25-DN50</p> <p>7. Githobokoni Ward- 10km Hdpe pipes(PN10) of assorted sizes ranging from DN25-DN50</p> | | | | | | | | |
| | Replacement of dilapidated pipeline networks of assorted sizes ranging from DN50 to DN160 (187.7km HDPE & 138km Upvc pipes) | Lump sum | N/A | N/A | 43,500,000 | 30,456,000 | 36,000,000 | 45,400,000 | 64,930,000 |
| | Construction of 12km, DN300 Upvc & 22km, DN200 Upvc Lateral sewers in estates along Kenyatta road | Lump sum | N/A | N/A | - | - | - | 92,515,000 | 92,515,000 |
| Sub Total | | | | | 46,750,000 | 33,706,000 | 39,250,000 | 141,165,000 | 160,695,000 |
| Total | | | | | 95,701,873.30 | 56,921,603 | 65,510,776.80 | 205,083,074.90 | 226,539,490.70 |