

**DETAILS OF PUBLIC CONSULTATION FOR OTHAYA MUKURWEINI SERVICES COMPANY
(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	239,971,322	253,966,773	265,119,449	279,098,420	296,287,581
Fixed Costs					
Average Annual Investment Cost	126,986,377	92,837,787	75,119,833	63,929,232	62,154,913
Debt	97,354,706	95,418,076	93,481,446	91,544,815	89,608,185
Sub Total- Fixed Costs	224,341,083	188,255,863	168,601,279	155,474,048	151,763,098
Total Average Annual Cost	464,312,405	442,222,635	433,720,728	434,572,468	448,050,679
Projected Average Annual revenue	469,864,290	484,498,903	505,079,284	523,190,571	544,406,932
Average Annual Cost Coverage	101%	110%	116%	120%	122%

2.0 Proposed Change in Water Tariff Structure for the Period.

Recommended Tariff for OMWASCO				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Proposed Tariff
	(m³)	(Kshs/M³)	(m³)	(Kshs/M³)
Domestic/Residential	0-6	200(Flat Rate)	1-6	90
	7-20.	50	7-20.	100
	21-50	65	21-50	115
	51-100	80	51-100	125
	100-300	100	101-300	130
	>300	130	>300	140
Mult dwelling Units	-	-	Flat rate	115
Commercial/Industrial	0-6	200(Flat Rate)		
	7-20.	50	-	-
	21-50	65	1-50	100
	51-100	80	51-100	110
	101-300	100	101-300	120
	>300	130	>300	140
Government/Institutions	0-6	200(Flat Rate)	-	-
	6-20	50	-	-
	21-50	65	1-50	100
	51-100	80	51-100	110
	101-300	100	100-300	120
	>300	130	>300	140
Schools	0-600	40	1-600	90
	601-1200	50	601-1200	110
	>1200m3	80	>1200m3	120
Unique Consumer Categories	Water Kiosks	35	Per M3	50

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	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Water Coverage (%)	47%	48%	49%	50%	51%	52%
Water quality standards (%)	100% Compliance with Standards					
Personnel Expenditure as % of O&M	43%	40%	40%	40%	40%	39%
Maintenance Expenditure as % of O&M	16%	14%	14%	14%	14%	14%
Investment Expenditure as a % of Total Expenditure	-	27%	21%	17%	15%	14%
Non-Revenue Water	35%	34%	32%	29%	29%	26%
Hours of Supply (Hrs.)	23	24	24	24	24	24
Staff per 1000 connections	5	5	5	5	5	4
Metering ratio (%)	95%	96%	97%	98%	99%	100%
Collection Efficiency (%)	95%	95%	95%	95%	95%	95%
Resale at Kiosk	Kshs. 3.00 per 20l Jerry Can					

5.1 Other Conditions

The conditions attached to this approval, which shall form part of the license conditions of Othaya Mukurweini Services Company, 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.
- Catchment Protection:** The utility shall undertake measures to conserve/ protect the catchment areas of their water source as part of Corporate Social Responsibility.
- Reporting:** The utility shall submit quarterly performance reports to WASREB in the prescribed format.

- v. **Creation of distinct water and sewer cost centres:** OMWASCO 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: -

							2024-2025	2025 - 2026	2026- 2027	2027 -2028	2028 -2029
TARGETTED INVESTMENT	PROJECT AREA	GUIDE	SIZE	SAMPLE DESCRIPTIONS	UNIT	UNIT COST	PROJECT COST (KSH)	PROJECT COST (KSH)	PROJECT COST (KSH)	PROJECT COST (KSH)	PROJECT COST (KSH)
A. Metering	Othaya Scheme Bulk meters	Installation of master meters for all zones in Othaya scheme Karima	1",6",4"1.5",2" and 3"	Master meters	SUM		1,353,530	-	-	-	-
	Mukurwe-ini Scheme Bulk Meters	Installation of master meters for all zones in Mukurweini scheme- Karundu	1",6",4"1.5",2" and 3"	Master meters	SUM		5,967,614	-	-	-	-
	New Connection Meters	DN15 Water Meters & Fittings	1/2 & 1 & 2	DN15 Water Meters & Fittings	Nr.	7,666	9,199,200	-	-	-	-
	Replacement of Meters	DN15 Water Meters	1/2 & 1 & 3	DN15 Water Meters	Nr.	3,950	3,160,000	-	-	-	-
	Othaya Scheme Bulk Meters	Installation of master meters for all zones in Othaya-Mumwe	0.5", 0.75",1",6",4"1.5",2" and 3"	Master meters	Sum		-	8,448,411	-	-	-
	New Connection Meters	DN15 Water Meters & Fittings	1/2 & 1 & 2	DN15 Water Meters & Fittings	Nr.	7,666	-	9,199,200	-	-	-
	Replacement of Meters	DN15 Water Meters	1/2 & 1 & 3	DN15 Water Meters	Nr.	3,950	-	3,160,000			
	Mukurwe-ini Scheme	Installation of master meters for all zones in Mukurweini scheme- Thiha	4",3",2"1.5",1.",0.75",0.5" and 6"	Master meters	Sum		-	-	7,169,814	-	-
	New Connection Meters	DN15 Water Meters & Fittings	1/2 & 1 & 2	DN15 Water Meters & Fittings	Nr.	7,666	-	-	9,199,200	-	-
	Replacement of Meters	DN15 Water Meters	1/2 & 1 & 3	DN15 Water Meters	Nr.	3,950	-	-	3,160,000	-	-
	Othaya Scheme Bulk Meters	Installation of master meters for all zones in Othaya Scheme - Chinga south	4",3",2"1.5",1.",0.75",0.5" and 6"	Master meters	Sum		-	-	-	6,856,492	-
	New Connection Meters	DN15 Water Meters & Fittings	1/2 & 1 & 2	DN15 Water Meters & Fittings	Nr.	7,666	-	-	-	9,199,200	-

	Replacement of Meters	DN15 Water Meters	1/2 & 1 & 3	DN15 Water Meters	Nr.	3,950	-	-	-	3,160,000	-
	Othaya Scheme	Installation of master meters for all zones in Othaya Scheme - Mahiga & Iriani	4",3",2"1.5",1.",0.75",0.5" and 6"	Master meters	Sum		-	-	-	-	14,249,323
	New Connection Meters	DN15 Water Meters & Fittings	1/2 & 1 & 2	DN15 Water Meters & Fittings	Nr.	7,666	-	-	-	-	9,199,200
	Replacement of Meters	DN15 Water Meters	1/2 & 1 & 3	DN15 Water Meters	Nr.	3,950	-	-	-	-	3,160,000
				Sub - Total		58,080	19,680,344	20,807,611	19,529,014	19,215,692	26,608,523
B.NRW Management				Procure and install 2no.pressure loggers and integrate them with the billing system	Nr.	100,000	200,000	-	-	-	-
				Procure ArcGIS software	Sum	1,500,000	1,500,000	-	-	-	-
				Purchase 2no.portable meter testing kit	Nr.	300,000	300,000	-	-	-	-
				Purchase meter testing bench for meter testing	Nr.		-	-	-	300,000	-
				Sub - Total		1,900,000	2,000,000	-	-	300,000	
C. Sewer Improvement	Rehabilitation of sewer system to improve services, last mile connectivity	-	-	Replacement of sewer rods	DOZ	200,000	-	-	-	-	-
		-	-	Rehabilitation of sewer system to improve services, last mile connectivity 60M pipeline and facilities	Nr	200,000	2,000,000	-	-	-	-

		Rerouting of 300 meters high risk pipeline	-	Rerouting of trunk C sewer system passing within Thuti River	Sum		-	5,543,454	-	-	-
		Rehabilitation of sewer system to improve services, last mile connectivity	-	Stone Pitching - Hardcore	Sum	350	-	-	700,000	-	-
		Construction of incinerator at Karega Sewerage plant	-	Proper waste Management	Sum		-	-	-	285,720	-
		Fencing of Gatugi sewerage ponds	-		Sum		-	-	-	-	150,000
		Rehabilitation of sewer system to improve services, last mile.		Replacement of sewer rods	DOZ	200,000	600,000				
				Sub - Total	Sum	400,350	2,600,000	5,543,454	700,000	285,720	150,000
Rehabilitation of service lines		Rehabilitation of Karima Service Lines & Rehabilitation of Othaya Urban Service Lines	90mm, 63mm 50mm, 32mm and 25mm (pipe and fittings)	Karima location	Sum		6,354,830	-	-	-	-
	Othaya Scheme	Rehabilitation of Chinga North Service Lines		Chinga location	Sum		5,635,080	-	-	-	-
		Rehabilitation of Mahiga Service Lines		Mahiga Location	Sum		1,566,473	-	-	-	-
	Othaya Scheme	Rehabilitation of Othaya Urban Service Lines subzones 1 and 2	90mm, 63mm 50mm, 32mm and 25mm (pipe and fittings)	Karima location	Sum		-	19,000,720	-	-	-
	Mukurweini Scheme	Rehabilitation of Gikondi Service Lines Subzones 2 & 3	90mm,63mm50mm,32mm and 25mm (pipe and fittings)	Gikondi Sublocation	Sum		-	16,057,567	-	-	-
	Othaya Scheme	Rehabilitation of Othaya Urban Service Lines subzones 7,8,9,10	90mm, 63mm 50mm, 32mm and 25mm (pipe and fittings)	Karima location	Sum		-	-	22,319,934	-	-
	Mukurweini Scheme	Rehabilitation of Karundu Service Lines (Ngamwa Tank Supply Area)	90mm,63mm50mm,32mm and 25mm (pipe and fittings)	Ngamwa Sublocation	Sum		-	-	5,064,635	-	-
		Rehabilitation of Karundu Service Lines (Ngamwa Tank Supply Area)	90mm,63mm50mm,32mm and 25mm (pipe and fittings)	Ngamwa Sublocation	Sum		-	-	-	3,650,281	-

		Rehabilitation of Gikondi Service Lines Subzone 8	90mm,63mm50mm,32mm and 25mm (pipe and fittings)	Gikondi Sublocation	Sum		-	-	-	9,396,003	-
		Rehabilitation of Karundu Service Lines	90mm,63mm50mm,32mm and 25mm (pipe and fittings)	Karundu Kariara Sublocations	Sum		-	-	-	3,871,925	-
		Rehabilitation of Thiha Service Lines	63mm50mm,32mm and 25mm (pipe and fittings)	Kiharo, Ithanji & Mutundu Sublocations	Sum		-	-	-	6,376,965	20,834,335
		Rehabilitation of Mukurweini Urbani Service Lines Subzones 5,6,7 & 8	90mm,63mm50mm,32mm and 25mm (pipe and fittings)	Mukurweini Central Sublocation	Sum		-	-	-	-	11,562,055
		Rehabilitation of Gikondi Service Lines Subzone 4	90mm,63mm50mm,32mm and 25mm (pipe and fittings)	Gikondi Sublocation	Sum		-	-	-	-	-
				Sub - Total			13,556,383	35,058,287	27,384,569	23,295,174	32,396,390
E. Capital Works	Construction of filters chambers at Chinga Treatment Works	To improve water quality in Mukurweini Scheme	1 Filters	Improvement of Chinga treatment works	Sum		1,500,000	-	-	-	-
	Purchase of turbidimeter	To improve water quality in Othaya Scheme		For Kihuri Treatment plant Laboratory	Sum		300,000	-	-	-	-
	Installation of Smart meters at treatment works	To compute accurate production	8"DN Electromagnetic Smart meter	Reduction of water losses in company supply area	Sum	800,000	9,600,000	-	-	-	-
	Installation of direct lines in Othaya Urban zone	Installation of direct lines in Othaya Urban Subzones 1,2,3,7,8,9, and 10	63 mm ,90mm,110mm and 160 mm	Reduction of water losses and increased billing efficiency in Othaya Urban Zone	Sum		74,249,650	-	-	-	-
	Chinga Treatment Works	Installation of Power backup in Chinga Treatment Facility		To facilitate backwashing during power outages	Nr.	250,000	500,000	-	-	-	-
				turbidimeter	Nr.	300,000	-	300,000	-	-	-

	Purchase of Laboratory equipment	To improve water quality at Othaya & Mukurweini schemes		ph meter	Nr.	200,000	-	200,000	-	-	-
	Kihuri Treatment Works	Installation of Power back up in Kihuri Treatment Facility		A hydrobox power grid connection	Nr.	500,000	-	500,000	-	-	-
	Construction of filters chambers at Chinga Treatment Works	To improve water quality in Mukurweini	1 Filters	Improvement of Chinga treatment works	Sum	200,000	-	2,985,150	-	-	-
	Karundu-Kangurwe - Gumba	Construction of Karundu Gumba Mainline	160mm,110mm and 90mm	To improve water supply in Karundu Zone	Sum		-	9,443,285	-	-	-
	Njigari Treatment Works	Installation of Power back up in Njigari Treatment Facility		A hydrobox power grid connection		500,000	-	-	500,000	-	-
	Purchase of Laboratory equipment for Kaharo Treatment works	To improve water quality at Othaya & Mukurweini schemes		turbidimeter&ph meter	Nr.	500,000	-	-	500,000	-	-
	Gikondi Zone	Installation of Kamuchuni Kaingore Main Line	160mm,110mm and 90mm	Improve water supply at Gikondi Sublocation area	Sum	-	-	-	23,506,250	-	-
	Gikondi Zone	Installation of Karindi Nyakahuho Mainline	160mm,110mm and 90mm	Improve water supply at Ngamwa area	Sum	-	-	-	-	5,832,646	-
	Renewal of fleet	Procure new vehicles - Toyota Hilux Double cab pick up		Procure Utility vehicles	Nr.	15,000,000	-	15,000,000	-	15,000,000	-
F. Mobility Improvement	Transport alignment for staff	Purchase of motorcycles - TVS HLX	UPTO 180CC	Motorcycles	Nr.	200,000	3,000,000	3,000,000	3,000,000	-	3,000,000
				Sub - Total		18,450,000	89,149,650	31,428,435	27,506,250	20,832,646	3,000,000
Total							126,986,377	92,837,787	75,119,833	63,929,232	62,154,913