

The MD

Ol-Kalou Water and Sanitation Company Ltd

Date:

RE: PUBLIC CONSULTATION FOR REGULAR TARIFF APPLICATION BY OL-KALOU AND SANITATION COMPANY LTD (OLWASCO)

Following the review of the regular tariff review proposal Ol-Kalou Water and Sanitation Company Ltd (OLWASCO) is required to carry out public consultation on the proposed tariff as per Section 139 of the Water Act 2016.

1.0 Notification to Stakeholders on the Public Consultation Process

OLWASCO will publish a notice and Details of the Public Consultation in relation to the proposed regular tariff adjustment:

- a) Physically, in all its **Regional Offices, Places of Worship, Market places, Chief camps, and Assistant/County commissioner's offices.**
- b) On the Company's official website
- c) In at least one Kenyan radio station broadcasting in that locality.

2.0 The notice shall in each case —

- a) Set out a summary of the application or proposed action (see Annex 1).
- b) State the premises at which the application details may be inspected.
- c) Invite written comments on or objections to the application or proposed action.
- d) Specify the person or body to which any such comments are to be submitted; and
- e) Specify a date by which any such comments are required to be received, not being a date earlier than 30 days after publication of the notice.

OLWASCO shall plan for the public to obtain copies, at reasonable cost, of documents relating to the application.

The latest audited accounts and the current service needs plan of OLWASCO shall be uploaded to the Company's website for public information.

3.0 OLWASCO shall consider —

- a) Any written comments received on or before the date specified under subsection (2.0) (e); and

- b) Any comments whether in writing or not, received at any public meeting held in relation to the regular tariff adjustment application.

4.0 Public Consultation Meeting

WASREB in conjunction with OLWASCO shall hold a public consultation meeting in relation to the proposed regular tariff adjustment as per the WASREB guidelines on public consultations. During the meeting that will be held on 13th May 2024 at Royal Gardens - Ol Kalou; along Gilgil - Nyahururu Road, OLWASCO will be required to:

- i. Invite all its key stakeholders and make the necessary arrangements for both the physical and hybrid meetings.
- ii. Make a presentation to the meeting on the status of Water Service Delivery in OLWASCO's Service Area and justification for tariff adjustment.

5.0 Public Consultation Report

OLWASCO shall submit a public consultation report for WASREB review. The report shall detail the process of the consultation, including all information shared with the Public/ Stakeholders all comments received before and after the Public/ Stakeholders meeting, and the responses given by the WSP management.

Aq-CHIEF EXECUTIVE OFFICER

cc

The Governor
Nyandarua County
Att: CEC- Water Affairs

The CEO
Central Rift Valley WWDA

ANNEX 1
DETAILS OF PUBLIC CONSULTATION FOR OL-KAOU WATER AND SANITATION COMPANY LTD
(FOR THE PERIOD 2024/2025 – 2026/2027)

1.0 Cost and Revenue Structure for the Tariff Period

Expenditure Item	2022/23	2023/24	2024/25	2025/26	2026/27
Operations	31,606,377	49,805,858	54,733,618	54,733,618	54,733,618
Maintenance	11,552,542	11,608,905	17,150,000	17,150,000	17,150,000
Regulatory Levy	1,647,249	1,817,426	4,692,129	4,692,129	4,692,129
Total O&M Costs	44,806,168	63,232,190	76,575,747	76,575,747	76,575,747
Investment Costs	-	124,700	24,085,683	26,029,973	26,907,076
Debt Repayment	-	-	-	-	-
Total Costs	44,806,168	63,356,890	100,661,430	102,605,720	103,482,823
Total Billing (KShs)	41,210,283	46,225,714	117,303,215	120,909,853	124,804,929
Collection Efficiency (%)	98%	101%	95%	95%	95%
Projected Revenue	40,386,077	46,687,971	111,438,054	114,864,361	118,564,682
Total Cost Coverage	90%	74%	111%	112%	115%

2.0 Proposed Change in Water Tariff Structure for the Period.

Proposed Tariff for Ol-Kalou Water Sanitation Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Proposed Tariff
	(m3)	(Kshs/M ³)	(m3)	(Kshs/M3)
Domestic/Residential	0-6	Flat rate 500	1-6	170
	7-20.	100	7-20.	185
	21-50	130	21-50	200
	51-100	150	51-100	210
	101-300	160	101-300	220
	>300	170	>300	230
Multi-Dwelling Units		N/A	Per M3	200
Commercial/Industrial	0-6	Flat rate 500		
	7-20	100		
	21-50	130	1-50	200
	51-100	150	51-100	210
	101-300	160	101-300	220
	>300	170	>300	230
Government/Institutions	0-6	Flat rate 500		
	7-20	100		
	1-50	130	1-50	200
	51-100	150	51-100	210
	101-300	160	101-300	220

Proposed Tariff for Ol-Kalou Water Sanitation Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Proposed Tariff
	(m3)	(Kshs/M ³)	(m3)	(Kshs/M3)
		>300	170	>300
Public Schools	0-600	90	1-600	175
	601-1200	100	601-1200	200
	>1200m3	130	>1200m3	230
Unique Consumer Categories	Bulk Water Supply	125	Per M2	170
	Water Kiosks	35	Per M3	170

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 2026/2027

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. 300 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.

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

Target	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Water Coverage (%)	53%	54%	55%	56%	57%
Water quality standards (%)	65%	100% Compliance with Standards			
Personnel Expenditure as % of O&M	46%	46%	45%	45%	44%
Non-Revenue Water	37%	35%	32%	30%	28%

Hours of Supply (Hrs.)	18	19	19	20	20
Staff per 1000 connections	14	13	10	10	9
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	98%	101%	95%	95%	95%
Resale at Kiosk	Kshs. 5.00 per 20l Jerry Can				

6.1 Other Conditions

- i. **Annual budgets:** The utility shall adhere to the budgetary levels set in the tariff.
- ii. **Surpluses:** the surpluses realised during the tariff period shall be used to implement priority service delivery capital projects approved by WASREB.
- iii. **Reporting:** The utility shall submit quarterly performance reports to WASREB in the prescribed format.
- iv. **Creation of distinct water and sewer cost centres:** OLWASCO shall create separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- v. **Investments:** The utility shall undertake the investments as follows: -

1. Water Investments-Improvement of Access Levels

Project	Activities	Quantity	Unit Cost (Ksh)	2024/2025 (Ksh)	2025/2026 (Ksh)	2026/2027(Ksh)
CAPTAIN PUMP	Excavate trench 450mm wide and 600mm in common soil.keep trench bottom level, backfill to return the site to original level	1	318,120.00	318,120.00		
	Supply material and construct manhole chamber to house sluice valve and meter with the following measurements 1000mmX 1000mmX 1000mm high,plaster the internal walls and point the external walls	1	40,000.00		40,000.00	
J.M PRIMARY SCHOOL PUMP	Supply to site,handle and lay PN 16 HDPE pipes of the following sizes			7,360.00		
	supply to site, handle and fix the following				246,630.00	
	Supply material and construct manhole chamber to house sluice valve and meter with the following measurements 1000mmX 1000mmX 1000mm high,plaster the internal walls and point the external walls	1	40,000.00			40,000.00
KIENI PUMP	Supply to site,handle, and lay PN 16 HDPE pipes of the following sizes	1	6,400.00	6,400.00		
	supply to site, handle and fix the following	1	-		256,630.00	
	Supply material and construct manhole chamber to house sluice valve and meter with the following measurements 1000mmX 1000mmX 1000mm high, plaster the internal walls and point the external walls	1	40,000.00			40,000.00
KIGANJO PUMP	Supply to site, handle, and lay PN 16 HDPE pipes of the following sizes	1	9,750.00	9,750.00		
	supply to the site, handle and fix the following	1	312,620.00		312,620.00	
	Supply material and construct a manhole chamber to house sluice valve and meter with the following measurements 1000mmX 1000mmX 1000mm high, plaster the internal walls and point the external walls	1	40,000.00			40,000.00
	Excavate trench 450mm wide and 600mm in common soil.keep trench bottom level,backfill to return the site to original level	1	450,000.00		450,000.00	
MWIHOTI PUMP	Supply to site,handle and lay PN 16 HDPE pipes of the following sizes	1	1,950,000.00		1,950,000.00	
	supply to site, handle and fix the following	1	436,100.00		436,100.00	

	CONSTRUCTION OF VALVE CHAMBERS	1	120,000.00			120,000.00
	Excavate trench 450mm wide and 600mm in common soil.Keep trench bottom level,backfill to return the site to original level	1	689,700.00	689,700.00		
SITE AND SERVICE	Supply to site,handle and lay PN 16 HDPE pipes of the following sizes	1	2,654,335.00	2,654,335.00		
	supply to site, handle and fix the following	1	473,270.00		473,270.00	
	Metering	1	1,558,000.00			1,558,000.00
	Construction of valve chambers	1	180,000.00			180,000.00
	Excavate trench 450mm wide and 600mm in common soil.Keep trench bottom level,backfill to return the site to original level	1	82,050.00	82050		
PARK PUMP	Supply to site,handle and lay PN 16 HDPE pipes of the following sizes	1	355,550.00	355,550.00		
	supply to site , handle and fix the following	1	-		339,320.00	
	Construction of valve chambers	1	-			40,000.00
	Excavate trench 450mm wide and 600mm in common soil.Keep trench bottom level,backfill to return the site to original level	1	825,000.00	825,000.00		
SIMBA PUMP	Supply to site,handle, and lay PN 16 HDPE pipes of the following sizes	1	3,575,000.00	3,575,000.00	-	
	supply to site , handle and fix the following	1	507,640.00		507,640.00	
	Construction of valve chambers	1	240,000.00			240,000.00
	Excavate trench 450mm wide and 600mm in common soil.Keep trench bottom level,backfill to return the site to original level	1	615,000.00	615,000.00		
SITE 22 village	Supply to site,handle and lay PN 16 HDPE pipes of the following sizes	1	2,665,000.00			2,665,000.00
	supply to site, handle and fix the following	1	507,640.00		507,640.00	
	Construction of valve chambers	1	200,000.00			200,000.00
	Excavate trench 450mm wide and 600mm in common soil. keep trench bottom level, backfill to return the site to original level	1	5,700.00		5,700.00	
VATICAN PUMP	Supply to site, handle and lay PN 16 HDPE pipes of the following sizes	1	24,700.00	24,700.00		
	supply to site, handle and fix the following	1	317,470.00		317,470.00	

	CONSTRUCTION OF VALVE CHAMBERS	1	40,000.00			40,000.00
2. Water investments - Customer meters						
Customer Meters						
	Meters 1/2 "	3600 Pcs	5200	11,440,000.00	7,280,000.00	
	Meters 3/4"	40 Pcs	6500	65,000.00	130,000.00	65,000.00
	Meters 1"	20 Pcs	8000	40,000.00	130,000.00	40,000.00
3. Water investments - BULK						
Bulk Meters						
	Meters 3"	10 Pcs	233,000.00	466,000.00	1,165,000.00	699,000.00
	Meter 4"	4 Pcs	260,000.00	260,000.00	520,000.00	260,000.00
4. Sewerage Investments						
	Construction of Inspection chambers	500 No	12,000.00	600,000.00	1,800,000.00	3,600,000.00
	laying of laterals	10km	1,000,000.00	-	4,000,000.00	6,000,000.00
5. NRW Management						
	As per the NRW Management Schedule	Lot		2,051,718.00	5,161,953.00	11,080,076.00
	Totals			24,085,683.00	26,029,973.00	26,907,076.00