

**DETAILS OF PUBLIC CONSULTATION FOR MACHAKOS WATER & SEWERAGE COMPANY LIMITED (FOR THE PERIOD 2024/2025 – 2028/2029)**

**1.0 Cost and Revenue Structure for the Tariff Period**

Expenditure Item	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Operations	100,545,664	115,127,210	126,416,063	133,961,219	140,281,610	148,000,759
Maintenance	14,966,145	15,714,452	18,477,950	19,401,847	20,371,940	21,390,536
Regulatory Levy	4,339,952	5,446,376	7,830,872	8,259,128	8,505,444	8,946,581
<b>Total O&amp;M Costs</b>	<b>119,851,761</b>	<b>136,288,038</b>	<b>152,724,885</b>	<b>161,622,195</b>	<b>169,158,993</b>	<b>178,337,877</b>
Investment Costs	-	-	14,540,000	13,057,000	16,547,000	17,094,000
Debt Repayment	-	-	-	-	-	-
<b>Total Costs</b>	<b>119,851,761</b>	<b>136,288,038</b>	<b>167,264,885</b>	<b>174,679,195</b>	<b>185,705,993</b>	<b>195,431,877</b>
<b>Total Billing (KShs)</b>	<b>108,498,809</b>	<b>136,159,390</b>	<b>195,771,803</b>	<b>206,478,203</b>	<b>212,636,092</b>	<b>223,664,528</b>
<b>Collection Efficiency (%)</b>	<b>88%</b>	<b>90%</b>	<b>91%</b>	<b>92%</b>	<b>93%</b>	<b>94%</b>
<b>Projected Revenue</b>	<b>95,478,952</b>	<b>122,543,451</b>	<b>178,152,341</b>	<b>189,959,947</b>	<b>197,751,566</b>	<b>210,244,656</b>
<b>O&amp;M Cost Coverage</b>	<b>80%</b>	<b>90%</b>	<b>117%</b>	<b>118%</b>	<b>117%</b>	<b>118%</b>
<b>Total Cost Coverage</b>	<b>80%</b>	<b>90%</b>	<b>107%</b>	<b>109%</b>	<b>106%</b>	<b>108%</b>

**2.0 Proposed Change in Water Tariff Structure for the Period**

Recommended Tariff for MACHWASCO				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Proposed Tariff
	(m3)	(Kshs/M <sup>3</sup> )	(m3)	(Kshs/M3)
Domestic/Residential	0-6	450 (Flat Rate)	1-6	180
	7-20	115	7-20	205
	21-50	150	21-50	220
	51-100	185	51-100	240
	100-300	230	101-300	260
	>300	300	>300	300
Multi-Dwelling Units	Flat Rate		Flat Rate	205
Commercial/Industrial	0-6	450 (Flat Rate)		
	7-20	115		
	21-50	150	1-50	220
	51-100	185	51-100	240
	100-300	230	101-300	260
	>300	300	>300	300
Government/Institutions	0-6	450 (Flat Rate)		
	7-20	115		
	21-50	150	1-50	220
	51-100	185	51-100	240
	100-300	230	100-300	260
	>300	300	>300	300
Schools	1-600	90	1-600	205
	601-1200	115	601-1200	240
	>1200m3	130	>1200m3	300
Unique Consumer Categories	Kiosk	35		180

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

### 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 Water Services Regulatory Board (WASREB) regulations. 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.

Item/ Service	Charge (Ksh.)
<b>Water Deposit</b>	
<b>Category of consumer</b>	
Domestic	2500
Retail shops less than 10m <sup>3</sup>	3000
Retail shops more than 10m <sup>3</sup>	3,500
Bar, and restaurants less than 15 m <sup>3</sup>	4000
Bar, restaurants more than 15 m <sup>3</sup>	6,000
Hotel class "A" and "B" less than 150 m <sup>3</sup>	12,000
Hotel class "A" and "B" more than 150 m <sup>3</sup>	15000
Hotel class "C" and 'D' less than 150 m <sup>3</sup>	18000
Hotel class "C" and 'D' more than 150 m <sup>3</sup>	20,000
Hospitals more than 150 m <sup>3</sup>	20,000
Health centres less than 150 m <sup>3</sup>	12,000
Schools and other institutions more than 200 m <sup>3</sup>	20,000
Schools less than 200 m <sup>3</sup>	10,000
Minor construction sites of more than 200 m <sup>3</sup>	15,000
Major construction sites more than 300 m <sup>3</sup>	50,000
Light industries less than 200 m <sup>3</sup>	30,000
Medium industrial between 200 m <sup>3</sup> and 300 m <sup>3</sup>	50,000
Heavy industries of more than 300 m <sup>3</sup>	100,000
Water Kiosks	5,000
Customers with only sewer connection are to be charged a deposit equivalent to a water connection	
<b>Other Charges</b>	
<b>Service</b>	
New water connection fee – Connection size: ½ inch to 1 inch	2,500
New water connection fee – Connection size: 1.5 inches to 3 inches	7,500

Item/ Service	Charge (Ksh.)
New water connection fee – Connection size above 3inches	15,000
Water Reconnection fee – at meter point	1,000
Water Reconnection fee – at mains	5,000 and double deposit
Tanker – 8000, 16,000 litres	2,500, 5,000 respectively per tanker within the WSP area for all consumers
Sale of water Per M <sup>3</sup> at bowsing point (own tanker)	180
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on request	500
Special meter reading under customer's request	500
Sewer Connection- Residential/ Domestic	5,000
Sewer Connection- Commercial, Government, Schools, Universities and Colleges	7,500
Sewer Connection- Industrial	15,000
Private sewer unblocking	2,500
Leak detection services	1,000
Sewer Reconnection fee	15,000
Printing of customer's statement under own request	200
For cutting off the supply at the request of the consumer	200
For turning on the supply otherwise than in respect of a first connection	200
Exhauster Services (Company Exhauster)	5,000 for other customers and 4,000 for informal settlements
Private Exhausters (Dumping into the company's sewer system)	15,000 per Truck per month
<b>Penalties</b>	
Illegal water connection, -Commercial, Industry, Construction (Fraud)	100,000 plus estimated consumption during the period of illegality
Illegal water connection, (Fraud) – Domestic	30,000 plus estimated consumption during the period of the illegality
Overcharging (fraud) at water kiosk	15,000
Illegal sewer connection- Commercial, Industry, Construction	100,000
Illegal sewer connection- Domestic, Government, Schools, Universities & Colleges	30,000
Self-reconnection after cut-off for non-payment	5,000 and billing to be backdated from the date of cut-off
Surcharge for tampering with meters (this to include meter removal, reversing of meter etc)	5,000
Surcharge for direct suction of water from the supply line using a pump	10,000

## 6.0 Service Delivery Conditions attached to the Tariff.

The conditions attached to this approval, which shall form part of the license conditions of Machakos Water & Sewerage Company Limited are:

Target	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Water Coverage (%)	45%	46%	47%	48%	49%	50%
Water quality standards (%)	100% Compliance with Standards					
Personnel Expenditure as % of O&M	44%	43%	42%	41%	41%	40%
Maintenance Expenditure as % of O&M	12%	12%	12%	12%	12%	12%
Non-Revenue Water	31%	30%	29%	28%	28%	27%
Hours of Supply (Hrs.)	12	13	13	14	14	15
Staff per 1000 connections	10	9	9	8	7	5
Metering ratio (%)	100%	100%	100%	100%	100%	100%
Collection Efficiency (%)	88%	90%	91%	92%	93%	94%
Resale at kiosk	5kshs/M3					

## 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. **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. **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.
- vi. **Investments:** The utility shall undertake the investments in **Table 1** as follows: -

**TABLE 1: PROPOSED INVESTMENTS SCHEDULE- INTERNALLY GENERATED FUNDS**

(MACHWASCO) 2025-2026							
TARGETTED INVESTMENT	PROJECT AREA	NATURE OF ACTIVITIES	SIZE	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
Non-Revenue Water Reduction Plan	Machakos Town and Environs	Procure leak detection equipment and tools		LS	4,500,000.00	1	4,500,000.00
		Install pressure loggers		Nr.	500,000.00	3	1,500,000.00
		Install pump probes and tank-level sensors		LS	1,000,000.00	1	1,000,000.00
		Leak repair records- Georeferencing bursts and leaks location to database with smartphones/ GPS		LS	400,000.00	1	400,000.00
		Formation of NRW unit and capacity building of the team		LS	740,000.00	1	740,000.00
	Restocking of repair materials and capacity building of O&M team and area managers to enhance leak control in the distribution system and at the household connections		LS	1,000,000.00	1	1,000,000.00	
	Eastleigh Area	Create new DMA and sub-DMAs; replacement of faulty meters, isolation valves, and control valves, rehabilitation and replacement of customer service lines and installation of meters		LS	5,000,000.00	1	5,000,000.00
<b>Sub-Total</b>							<b>14,140,000.00</b>
Customer Metering	Machakos Town and Environs	Customer metering- replacement of faulty meters complete with associated fittings and mapping		Nr.	4,000.00	100	400,000.00
<b>Sub-Total</b>							<b>400,000.00</b>
<b>Total</b>							<b>14,540,000.00</b>
2026-2027							
TARGETTED INVESTMENT	PROJECT AREA	NATURE OF ACTIVITIES	SIZE	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
Regional Master Meters	Kaseve Pipeline DMA	Creation of new DMA and Sub-DMAs	DN 160mm	Nr.	150,000.00	1	150,000.00
			DN 110mm	Nr.	102,000.00	1	102,000.00
			DN 63mm	Nr.	45,000.00	2	90,000.00
	Kimutwa Pipeline DMA	Creation of new DMA and Sub-DMAs	DN 250mm	Nr.	210,000.00	1	210,000.00
			DN 63mm	Nr.	45,000.00	3	135,000.00
<b>Sub-Total</b>							<b>687,000.00</b>
Non-Revenue Water Reduction Plan	Machakos Town and Environs	Leak repair records- Georeferencing bursts and leaks location to database with smartphones/ GPS		LS	500,000.00	1	500,000.00

(MACHWASCO) 2026-2027

TARGETTED INVESTMENT	PROJECT AREA	NATURE OF ACTIVITIES	SIZE	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
		Purchase Portal Pressure Gauges to continuously monitor pressure in the distribution network		LS	1,570,000.00	1	1,570,000.00
		Categorize both physical and commercial losses by conducting MNF, leak measuring devices		LS	1,800,000.00	1	1,800,000.00
	Miwani, Eastleigh, and Kenya Israel areas	Create new DMA and sub-DMAs; replacement of faulty meters, isolation valves and control valves, rehabilitation and replacement of customer service lines and installation of meters		LS	7,000,000.00	1	7,000,000.00
<b>Sub-Total</b>							<b>10,870,000.00</b>
Customer Metering	Machakos Town and Environs	Customer metering- replacement of faulty meters complete with associated fittings and mapping		Nr.	4,000.00	100	400,000.00
		Random field meter testing using electromagnetic meter		LS	300,000.00	1	300,000.00
		Geo-referencing customer meters using GIS and updating in the customer database		LS	800,000.00	1	800,000.00
<b>Sub-Total</b>							<b>1,500,000.00</b>
<b>Total</b>							<b>13,057,000.00</b>

2027-2028

TARGETTED INVESTMENT	PROJECT AREA	NATURE OF ACTIVITIES	SIZE	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
Regional Master Meters	Mutituni Pipeline DMA	Creation of new DMA and Sub-DMAs	DN 200mm	Nr.	180,000.00	1	180,000.00
			DN 63mm	Nr.	45,000.00	5	225,000.00
	Kyumvi Pipeline DMA	Creation of new DMA and Sub-DMAs	DN 110mm	Nr.	102,000.00	1	102,000.00
			DN 63mm	Nr.	45,000.00	6	270,000.00
<b>Sub-Total</b>							<b>777,000.00</b>

(MACHWASCO) 2027-2028

TARGETTED INVESTMENT	PROJECT AREA	NATURE OF ACTIVITIES	SIZE	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
Non-Revenue Water Reduction Plan		Leak repair records- Georeferencing bursts and leaks location to database with smartphones/ GPS		LS	700,000.00	1	700,000.00
		Restocking of repair materials and capacity building of O&M team and area managers to enhance leak control in the distribution system and at the household connections		LS	800,000.00	1	800,000.00
<b>Sub-Total</b>							<b>1,500,000.00</b>
Customer Metering	Machakos Town and Environs	Customer metering- replacement of faulty meters complete with associated fittings		Nr.	4,000.00	100	400,000.00
		Random meter testing using portable electromagnetic meter		LS	300,000.00	1	300,000.00
		Geo-referencing customer meters using GIS and updating in the customer database		LS	150,000.00	1	150,000.00
<b>Sub-Total</b>							<b>850,000.00</b>
Sewer Improvement	Machakos Town and Environs	Rehabilitation of sewer system to improve on services through replacement and manhole slabs, covers and ladder	Slabs	Nr.	8,000.00	160	1,280,000.00
			covers	Nr.	11,000.00	800	8,800,000.00
			ladder	Nr.	340.00	1000	340,000.00
<b>Sub-Total</b>							<b>10,420,000.00</b>
Rehabilitation/ Replacement and Extension of Water System	Machakos Town and Environs	Rehabilitation/replacement and extension of pipeline network, air valves, washouts, chambers and associated fittings.		LS	3,000,000.00	1	3,000,000.00
<b>Sub-Total</b>							<b>3,000,000.00</b>
<b>Total</b>							<b>16,547,000.00</b>
<b>2028-2029</b>							
TARGETED INVESTMENT	PROJECT AREA	NATURE OF ACTIVITIES	SIZE	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
Non-revenue Water Reduction Plan	Machakos Town and Environs	Purchase leak detection tools and equipment		LS	4,000,000.00	1	4,000,000.00
		Leak repair records- Georeferencing bursts and leaks location to database with smartphones/ GPS		LS	600,000.00	1	600,000.00
		Restocking of repair materials and capacity building of O&M team and area managers to enhance leak control in the distribution system and at the household connections		LS	3,500,000.00	1	3,500,000.00
<b>Sub-Total</b>							<b>8,100,000.00</b>
Customer Metering	Machakos Town and Environs	Customer metering- replacement of faulty meters complete with associated fittings		Nr.	4,000.00	100	400,000.00
<b>Sub-Total</b>							<b>400,000.00</b>

(MACHWASCO) 2028-2029

TARGETED INVESTMENT	PROJECT AREA	NATURE OF ACTIVITIES	SIZE	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
Sewer Improvement	Machakos Town and Environs	Rehabilitation of sewer system to improve services through replacement of manhole slabs, covers, and ladders	Slabs	Nr.	4,500.00	160	720,000.00
			covers	Nr.	9,000.00	500	4,500,000.00
			ladder	Nr.	340.00	1100	374,000.00
<b>Sub-Total</b>							<b>5,594,000.00</b>
<b>Rehabilitation/ Replacement and Extension of Water System</b>	Machakos Town and Environs	Rehabilitation/replacement and extension of pipeline network, air valves, washouts, chambers, and associated fittings.		LS	3,000,000.00	1	3,000,000.00
<b>Sub-Total</b>							<b>3,000,000</b>
<b>Total</b>							<b>17,094,000.00</b>