

**DETAILS OF PUBLIC CONSULTATION FOR MERU COUNTY RURAL WATER SANITATION SERVICES
COMPANY LTD
(FOR THE PERIOD 2024/2025 – 2027/2028)**

1.0 Cost and Revenue Structure for the Tariff Period

Expenditure Item	2024/25	2025/26	2026/27	2027/28
Operations	56,532,492	60,961,335	63,576,876	66,420,453
Maintenance	12,264,794	12,878,033	13,521,935	14,198,032
Regulatory Levy	2,205,510	3,942,917	4,032,233	4,123,584
Total O&M Costs	71,002,796	77,782,286	81,131,045	84,742,069
Investment Costs	-	1,104,000	1,904,000	1,504,000
Debt Repayment	-	11,326,607	11,326,607	11,326,607
Total Costs	71,002,796	90,212,893	94,361,652	97,572,675
Total Billing (KShs)	55,497,217	98,572,935	100,805,831	103,089,599
Collection Efficiency (%)	95%	95%	95%	95%
Projected Revenue	52,722,357	93,644,288	95,765,540	97,935,119
Total Cost Coverage	78%	109%	107%	106%

2.0 Proposed Change in Water Tariff Structure for the Period.

Recommended Tariff for MERUWASCO				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Proposed Tariff
	(M ³)	(Kshs/M ³)	(M ³)	(Kshs/M ³)
Domestic/Residential	0-6	200(Flat Rate)	1-6	90
	7-20.	50	7-20.	100
	21-50	65	21-50	105
	51-100	80	51-100	110
	100-300	100	101-300	115
	>300	130	>300	120
Mult dwelling Units	-	-	Flat rate	100
Commercial/Industrial	0-6	200(Flat Rate)		
	7-20.	50	1-50	100
	21-50	65	51-100	105
	51-100	80	101-300	115
	101-300	100	>300	120
	>300	130		
Government/Institutions	0-6	200(Flat Rate)	1-50	100
	6-20	50	51-100	105
	21-50	65	100-300	115
	51-100	80	>300	120
	101-300	100		
	>300	130		
Public Schools	0-600	40	1-600	90
	601-1200	50	601-1200	100
	>1200M ³	80	>1200M ³	110
Unique Consumer Categories	Water Kiosks	35	Per M ³	85

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 2027/2028

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.

Item/ Service	Charge (Ksh.)
Water Deposit	
Category of consumer	
Domestic	2,500
Retail shops less than 10m ³	3,000
Retail shops more than 10m ³	3,500
Bar and restaurants less than 15 m ³	4,000
Bar and restaurants more than 15 m ³	6,000
Hotel class "A" and "B" less than 150 m ³	12,000
Hotel class "A" and "B" more than 150 m ³	15,000
Hotel class "C" and 'D' less than 150 m ³	18000
Hotel class "C" and 'D' more than 150 m ³	20,000
Hospitals & Health centres more than 150 m ³	20,000
Hospitals & Health centres less than 150 m ³	12,000
Schools and other institutions more than 200 m ³	20,000
Schools and other institutions less than 200 m ³	10,000
Minor construction sites of more than 200 m ³	15,000
Major construction sites more than 300 m ³	50,000
Light industries less than 200 m ³	30,000
Medium industries between 200 m ³ and 300 m ³	50,000
Heavy industries of more than 300 m ³	100,000
Water Kiosks	5,000

Item/ Service	Charge (Ksh.)
Customers with only sewer connection are to be charged a deposit equivalent to a water connection	
Other Charges	
Service	
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
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 ³ at bowsing point (own tanker)	90
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on request	1,500
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	500
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 within the WSP area for all consumers
Private Exhausters (Dumping into the company's sewer system)	15,000 per Truck per month within the WSP area for all consumers
Penalties	
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.

Service Delivery Conditions				
Target	2024/2025	2025/2026	2026/2027	2027/2028
Water Coverage (%)	92%	92%	93%	93%
Water quality standards (%)	100% Compliance with Standards			
Personnel Expenditure as % of O&M	40%	38%	37%	37%
Maintenance Expenditure as % of O&M	17%	17%	17%	17%
Investment Expenditure as a % of Total Expenditure	0%	1%	2%	2%
Non-Revenue Water	39%	38%	37%	36%
Hours of Supply (Hrs.)	17	18	19	20
Staff per 1000 connections	14	11	10	9
Metering ratio (%)	86%	88%	90%	92%
Collection Efficiency (%)	95%	95%	95%	95%

5.1 Other Conditions

The conditions attached to this approval, which shall form part of the license conditions of Meru County Rural Water Sanitation Services Company Ltd, are:

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

Proposed Investment MERUWASCO											
Investment	Project Area	Guide	Size	Sample description	Unit	Unit Cost	Quantity	TOTAL AMT KSHS	2025/2026 (ksh)	2026/2027 (ksh)	2027/2028 (ksh)
A. Increase water coverage	New Connections in Mitunguu scheme, muriri scheme and reviving of the dormant connections	Purchase of New Meters	DN 15	Mechanical Cold Water multi-jet water meter class B	No.	2,000	3,500	7,000,000	1,000,000	1,800,000	1,400,000
B.Reduce NRW	Purchase of regional Master meters -In the 9 schemes; Muriri, Ngundune, Kianjae, Maua, Timau,Nkubu,Mwimbi,Kanyaka & Mitunguu		50mm	Mechanical Cold Water multi-jet water meter class B	No	15,000	40	600,000	30,000	30,000	30,000
			80mm	Mechanical Cold Water multi-jet water meter class B	No	35,000	9	315,000	28,000	28,000	28,000
			100mm	Mechanical Cold Water multi-jet water meter class B	No	45,000	10	450,000	18,000	18,000	18,000
			150mm	Mechanical Cold Water multi-jet water meter class B	No	60,000	5	300,000	12,000	12,000	12,000
			200mm	Mechanical Cold Water multi-jet water meter class B	No	80,000	1	80,000	16,000	16,000	16,000
TOTAL								8,745,000	1,104,000	1,904,000	1,504,000