

ANNEX 1

DETAILS OF PUBLIC CONSULTATION FOR NAKURU WATER & SANITATION SERVICES COMPANY LIMITED (FOR THE PERIOD 2024/2025 – 2029/2030)

1.0 Cost and Revenue Structure for the Tariff Period

Expenditure Item	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Operations	926,937,442	1,109,264,534	1,192,911,840	1,276,579,071	1,396,508,838	1,484,212,610	1,550,212,936
Maintenance	111,069,118	100,117,500	87,849,500	106,459,500	119,321,500	106,885,700	120,792,320
Regulatory Levy	46,783,375	53,569,155	84,041,462	84,374,887	84,708,309	85,041,734	85,209,154
Total O&M Costs	1,084,789,935	1,262,951,189	1,364,802,802	1,467,413,458	1,600,538,646	1,676,140,044	1,756,214,409
Investment Costs	70,758,843	36,552,825	577,002,795	475,205,188	354,178,454	327,286,176	235,149,070
Debt Repayment	39,468,545	39,468,545	39,468,545	39,468,545	39,468,545	39,468,545	39,468,546
Total Costs	1,195,017,323	1,338,972,559	1,981,274,143	1,982,087,191	1,994,185,645	2,042,894,764	2,030,832,025
Total Billing (KShs)	1,150,087,984	1,339,228,877	2,101,036,549	2,109,372,185	2,117,707,719	2,126,043,355	2,130,228,840
Collection Efficiency (%)	96%	95%	95%	95%	95%	95%	95%
Projected Revenue	1,104,084,464	1,272,267,433	1,995,984,721	2,003,903,576	2,011,822,333	2,019,741,187	2,023,717,398
O&M Cost Coverage	102%	101%	146%	137%	126%	120%	115%
Total Cost Coverage	92%	95%	101%	101%	101%	99%	100%

2.0 Proposed Change in Tariff Structure for the Period

2.1 Water Tariff

Proposed Tariff for Nakuru Water and Sanitation Services Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption	Proposed Tariff
	(m3)	(Kshs/M ³)	(m3)	(Kshs/M3)
Domestic/Residential	0-6	59	1-6	95
	7-20	74	7-20	123
	21-50	92	21-50	135
	51-100	108	51-100	145
	100-300	130	101-300	155
	>300	151	>300	165
Multi-Dwelling Units	Flat Rate	-	Flat Rate	123
Yard Taps	Flat Rate	-	Flat Rate	123
Commercial/Industrial	0-6	70		
	7-20	81		
	21-50	97	1-50	135
	51-100	114	51-100	145
	100-300	135	101-300	155
	>300	157	>300	165
Government/Institutions	0-6	70		
	7-20	81		
	21-50	97	1-50	135
	51-100	114	51-100	145
	100-300	135	100-300	155
	>300	157	>300	165
Schools	0-600	65	1-600	123
	601-1200	97	601-1200	145
	>1200m3	108	>1200m3	165
Unique Consumer Categories	Bulk Sale	40	Per M3	50
	Kiosk	35		80

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

2.2 Sewerage Tariff

a) Consumers with a Water Connection

Proposed Tariff for Nakuru Water and Sanitation Services Co. Ltd.				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Proposed Tariff
	(m3)	(Kshs/M ³)	(75% of water Consumed) (m3)	(Kshs/M ³)
Domestic/Residential	0-6	59	1-6	90
	7-20.	74	7-20.	105
	21-50	92	21-50	115
	51-100	108	51-100	125
	101-300	130	101-300	135
	>300	151	>300	155
Multi-Dwelling Units		N/A	Per M3	105
	0-6	70		
	7-20.	81		
Commercial/Industrial	21-50	97	1-50	115
	51-100	114	51-100	125
	101-300	135	101-300	135
	>300	157	>300	157
		0-6	70	
	7-20.	81		
Government/Institutions	21-50	97	1-50	115
	51-100	114	51-100	125
	101-300	135	101-300	135
	>300	157	>300	157
		0-600	65	1-600
Public Schools, Colleges and Universities	601-1200	97	601-1200	130
	>1200m ³	108	>1200m ³	155

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 2.2(a) above.

3.0 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.

4.0 Miscellaneous Charges

Item/ Service	Charge (Ksh.)
Sanitation Levy (5% of water bill)	5% of water Bill
Water Deposit	
Category of consumer	
Domestic	2500
Retail shops less than 10m ³	3000
Retail shops more than 10m ³	3,500
Bar and restaurants less than 15 m ³	4000
Bar and restaurants more than 15 m ³	6,000
Hotel class "A" and "B" less than 150 m ³	12,000

Item/ Service	Charge (Ksh.)
Hotel class "A" and "B" more than 150 m ³	15000
Hotel class "C" and 'D' less than 150 m ³	18000
Hotel class "C" and 'D' more than 150 m ³	20,000
Hospitals and Health centres more than 150 m ³	20,000
Hospitals and 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
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 NAWASSCO's area for all consumers
Sale of water Per M ³ at bowing point (own tanker)	Ksh. 123
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on 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
Statement of account fees	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
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

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

5.0 Service Delivery Conditions attached to the Tariff.

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

Service Delivery Conditions							
Target	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
Water Coverage (%)	95%	96%	97%	98%	99%	100%	100%
Sewer Coverage (%)	32%	33%	34%	36%	38%	40%	42%
Water quality standards (%)	100% Compliance With Standards						
Personnel Expenditure as % of O&M	29%	29%	29%	28%	28%	28%	28%
Maintenance Expenditure as % of O&M	8%	8%	8%	8%	8%	8%	8%
Investment Expenditure as a % of Total Expenditure	6%	3%	29%	24%	18%	16%	12%
Non-Revenue Water	26%	26%	26%	26%	26%	25%	25%
Hours of Supply (Hrs.)	21	22	23	24	24	24	24
Staff per 1000 connections	3	3	3	3	3	3	3
Metering ratio (%)	100%	100%	100%	100%	100%	100%	100%
Collection Efficiency (%)	95%	95%	95%	95%	95%	95%	95%
Resale at kiosk	2kshs/20 litres Jerrican			5kshs/20 litres Jerrican			

6.0 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. **Creation of distinct water and sewer cost centres:** NAWASSCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- vi. **Creation of a Separate Bank Account for Sanitation Levy:** NAWASSCO shall open and maintain a separate bank account for sanitation levy.
- vii. **Ring-Fencing Sanitation Levy:** WSP shall ring fence sanitation levy funds and seek concurrence from WASREB whenever it wants to use the funds
- viii. **Investments:** The utility shall undertake the investments in **Table 1** as follows: -

Table 1: Proposed Investment for NAWASSCO

	Description	Length (M)/QTY	Unit Price (Kshs)	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
1. Water Infrastructure	Improving Access To Safe Water Services For People Living In Umoja Estate In Nakuru	9,360		12,912,226	-	-	-	-
	Improving Access to Safe Water Services for People Living in Kiamunyi Estate in Nakuru	26,070		-	21,734,287	-	-	-
	Improving Access to Safe Water Services for Communities in The Low-Income Areas of Maili Sita Estate in Nakuru	29,580		-		22,030,547		
	Improving Access to Safe Water Services in Mzee Wanyama of Nakuru	18,250		-	-	-	35,190,212	
	Improving Access to Safe Water Services for People Living in Milimani and Ngambo (Kapkures) Estate in Nakuru	17,600		-	-	-	-	30,190,260
2. Purchase of Motor Vehicles	Single Cabin Pickup 2000-2600 cc	6	5,500,000	5,500,000	16,500,000	11,000,000	-	-
	Double Cabin Pickup 2000-2600cc	1	7,000,000	7,000,000				
	Motor Cycles	10	250,000			2,500,000		
	Official Vehicle for HR & Admin (Headquarters) 3000cc	1	14,000,000	14,000,000				
	Double Cabin Pickup 2000-2600cc	1	7,000,000	7,000,000				
	Single Cabin Pickup (Production, Electromechanical, Distribution section & for river intake patrols) 2000-2600cc	4	5,500,000	-	22,000,000	-	-	-
	Motor Vehicle Lory with Crane and boom 3000-4000cc	1	15,000,000				15,000,000	
	Motor Vehicle Excavator (Backhoe Loader) 3000-4000cc	2	12,500,000		25,000,000	-		
Motor Vehicle with a Sewer Suction Unit	1	35,000,000			35,000,000	-	-	
3. Water Meters	Consumer Meters 15MM, Volumetric R 200 and Above- Class C	Various sizes are procured on a need basis.	The size of meters is as per the attached tender minutes for 2024/2025FY	150,000,000				
	Production, DMA & TMA meters- Various Sizes	Various sizes are procured on a need basis.	The size of meters is as per the attached tender minutes for 2024/2025FY	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
4. Plant & Equipment	Atomic Absorption Spectrophotometer AA-7800 Series	1	12,000,000		12,000,000			
	Welding & Dewatering Machine (Denio -180SS)	1	1,200,000		1,200,000			
	Pumps and Motors- Various Sizes	Various sizes are procured on a need basis.	The size of pumps and motors is as per the attached tender minutes for 2024/2025FY	100,000,000	50,000,000	25,000,000	25,000,000	50,000,000

	Smart Mobile Phones	120	31,000		1,860,000		1,860,000	
	Solarization of Kabatini 12No. Boreholes- The cost Solar Panels, Solar Batteries, Hybrid Inverters, Solar Roof Mounting Frames, Batteries & Inverter Racks, Power Cables and Installation Accessories	12	5,000,000		60,000,000			
5. Computers Hardware and Accessories	Computer with widescreen/Display	2	600,000			1,200,000		
	Network switches, routers and LAN	Lot	12,400,000		12,400,000	-	-	-
	Firewall	1	1,500,000	1,500,000	-	-	-	-
	Servers,	2	1,500,000	1,500,000			1,500,000	
	Desktop computers	40	150,000		1,500,000	1,500,000	1,500,000	1,500,000
	Laptops	20	200,000	2,000,000		2,000,000		
	Printers	10	100,000		1,000,000	-	-	-
	Backup system for ERP	1	13,000,000		13,000,000	-	-	-
	Automated Meter Reading (AMR) in 5No. Zones	1	270,000,000	120,000,000	50,000,000	50,000,000	50,000,000	-
	Computer-Assisted Audit Techniques	1	1,500,000	1,500,000		-	-	-
ERP Software Review and Re-design	1	15,300,000		15,300,000	-	-	-	
6. Land & Buildings	Land acquisition for drilling Boreholes within eastern zone 2No. Acres	2	5,000,000				10,000,000	
7. Sewer Infrastructure	Sewer Construction at Unsurveyed Sec 58	3,000		32,267,631	-	-	-	-
	Condominium Sewer Construction at Free Area, Rhonda, Mwariki	10,500		29,613,016	-	-	-	-
	Sewer Construction at Kipchoge Avenue	800		9,024,192	-	-	-	-
	Sewer Construction at Manyani	3,000		33,891,631	-	-	-	-
	Sewer Construction at Lake View Estate	1,500		18,258,313	-	-	-	-
	Sewer Rehabilitation at Free Area	1,000		11,035,786	-	-	-	-
	Sewer Construction at Kiratina	3,000		-	37,759,743	-	-	-
	Sewer Construction at Mwariki B Estate	10,000		-	113,951,158	-	-	-
	Sewer Rehabilitation at Pangani Estate	1,600		-	-	17,581,423	-	-
	Sewer Construction at London Block 20 And 21	6,000		-	-	62,713,752	-	-
	Sewer Construction at Mediheal/Nagaria	8,000		-	-	103,652,732	-	-
	Sewer Construction at Mawanga	12,000		-	-	-	94,603,620	-
	Sewer Construction at Neylan Estate	6,500		-	-	-	72,632,344	-
	Sewer Construction at Naka Estate	5,500		-	-	-	-	58,250,637
	Sewer Construction at Freehold Estate	4,500		-	-	-	-	50,348,423
Sewer Rehabilitation at Shabaab/Koinange	2,400		-	-	-	-	24,859,750	
Grand Total				577,002,795	475,205,188	354,178,454	327,286,176	235,149,070