

Coast Water Works Development Agency (CWWDA) applied to the Water Services Regulatory Board (WASREB) for review of tariff for Bulk Water Supply, for the period 2023/2024 to 2025/2026 as per section 72 (1) (b) of the Water Act, 2016.

Public consultation on the application was carried out in accordance with the requirements of section 139 of the Water Act, 2016.

After considering the application, the written and oral submissions by all stakeholders during the consultation period, and based on latest available data, WASREB has determined a justified tariff to improve service delivery, operate sustainably and protect consumer interests by meeting the tariff conditions attached to the tariff.

WASREB gives a one (1) months' notice to all existing and potential customers of the CWWDA Bulk Water Supply that the approved tariff for the three financial years, 2023/2024, 2024/2025 and 2025/2026 shall be as follows:

### 1.0 Approved Tariff Structure

#### 1.1 Water Tariff Structure for the period 2023/2024 to 2025/2026

	Approved Tariff (KSh./M <sup>3</sup> )
Sale per M <sup>3</sup>	34

### 2.0 Approved Cost Structure

Below is the summary of the approved cost structure of the Bulk Water Supply.

Expenditure Item	2023/2024	2024/2025	2025/2026
Direct Operating Costs	793,893,669	870,958,036	951,755,576
Personnel Costs	82,326,300	84,384,458	86,494,069
Training Expenditure	2,192,586	2,247,400	2,303,585
General Administration expenses	34,581,141	35,445,670	36,331,812
Board of Directors Expenses	9,000,000	9,000,000	9,000,000
Maintenance Expenses	95,891,072	100,685,626	105,719,907
Total O and M Costs	1,017,884,768	1,102,721,189	1,191,604,949
Loan Repayment	356,549,012	350,629,296	190,635,742
Minor Investments	15,000,000	17,000,000	39,300,000
Total Costs	1,389,433,781	1,470,350,486	1,421,540,691
Total Billing. (KSh.)	1,442,931,824	1,492,122,681	1,524,916,586
Collection Efficiency (%)	95%	95%	95%
Projected Rev. (KSh.)	1,370,785,232	1,417,516,547	1,448,670,757
O and M Cost Coverage (%)	135%	129%	122%
Total Cost Coverage	99%	96%	102%

### 3.0 Conditions Attached to the Tariff Approval

The conditions attached to this approval which shall form part of the license conditions for Coast Bulk Water Supply are:

#### (i) Service Delivery Conditions Attached to the Tariff

Target	2023/2024	2024/2025	2025/2026
Non-Revenue water	12%	9%	7%
Water Quality Standards	100% Compliance with all standards		
Hours of Supply	24	24	24
Metering Ratio	100%	100%	100%
Staff per 1 Million M <sup>3</sup> billed (No.)	96	96	96
Collection Efficiency (%)	95%	95%	95%
O and M Cost Coverage (%)	135%	129%	122%
Total Cost Coverage	99%	96%	102%

Performance targets to be met and ascertained by WASREB. Appropriate enforcement measures shall be taken against non-achievement of the set targets.

#### (ii) Annual Budgets

The approved cost structure shall form the annual budget for the Bulk Water Supply System for each of the financial years of the tariff period.

#### (iii) Reporting:

CWWDA shall submit to WASREB a quarterly tariff performance report in the prescribed format. WASREB will carry out a tariff implementation review at the end of each year.

#### (iv) Loan Repayment

CWWDA shall open a separate bank account where it shall deposit equal monthly equal instalments for the semi-annual loan repayments. CWWDA shall then remit the semi-annual loan repayment to the National Treasury as per the subsidiary loan agreements.

	2023/2024	2024/2025	2025/2026
Loan Repayment Amount (KSh.)	356,549,012	350,629,296	190,635,742

#### (v) Investments:

The utility shall undertake the following investments within the tariff period and submit quarterly progress reports.

#### (a) Non-Revenue Water Management - Smart Bulk Meters

Water Service Provider (WSP) Area	Amount (KSh.)
1. Malindi	2,510,000
2. Tavevo	2,195,000
3. Kilifi - Mariakani	2,680,000
4. Kwale	2,790,000
5. Mombasa	5,000,000
Total Approved Budget (KSh.)	15,175,000

#### (b) Rehabilitation of Bulk System Infrastructure

Kwale and Kilifi WSPs	Amount (KSh.)
1. Repair of leaking Magodzeni Reservoir tank	1,000,000
2. Harmonisation of off-takes i.e., Kwale WSP; Tavevo WSP; Kilifi - Mariakani WSP; Mombasa WSP.	800,000
3. Repair of leaks of main service from Tiwi Boreholes to Kaya Bombo	2,000,000
<b>Malindi WSP</b>	
1. Rehabilitation of Baricho-Kakuyuni raising main	25,000,000
2. Solar Energy Meter - Baricho	1,500,000
Total Costs	30,300,000

#### (c) Measures for Protection of Critical Infrastructure along the Bulk System

Details	No.	Name of WSP	Amount (KSh.)
Protection/securing of off-takes Chambers	100	Kwale WSP	20,000,000
	30	Tavevo WSP	6,000,000
Total Cost			26,000,000

JULIUS ITUNGA,  
Ag. Chief Executive Officer,  
Water Services Regulatory Board.  
MR/5166662

GAZETTE NOTICE NO. 10546

### THE WATER ACT

(No. 43 of 2016)

### KARURI WATER AND SANITATION COMPANY

#### APPROVED TARIFF STRUCTURE FOR THE PERIOD 2023/2024 TO 2025/2026

Karuri Water and Sanitation Company applied to the Water Services Regulatory Board (WASREB) for a review of tariffs for water services, for the period 2023/2024 to 2025/2026 as per section 72 (1) (b) of the Water Act, 2016.

Public consultation on the application was carried out in accordance with the requirements of section 139 of the Water Act, 2016.

After considering the application, the written and oral submissions by all stakeholders during the consultation period, and based on latest

available data, WASREB has determined an upward tariff review for the Water Service Provider (WSP) is justified to improve service delivery, operate sustainably and protect consumer interests by meeting the tariff conditions attached to the tariff.

WASREB gives a one (1) months' notice to all existing and potential customers of the WSP that the approved tariffs for the three financial years, 2023/2024, 2024/2025 and 2025/2026 shall be as follows:

## 2.0 Approved Tariff Structure

### 1.1 Water Tariff Structure for the Period 2023/2024 to 2025/2026

Customer Category	Consumption Block in M <sup>3</sup>	Approved Tariff (KSh/M <sup>3</sup> )
Domestic/Residential	1-6	90
	7-20	110
	21-50	120
	51-100	125
	101-300	130
	>300	140
Multi-Dwelling Units/Gated Communities		115
Yard Taps (Less than 20 shared connections)		115
Commercial/Industrial/Government/Institutions	1-50	120
	51-100	125
	101-300	135
	>300	145
Schools, Universities and Colleges	1-600	110
	601 - 1200	120
	>1200	125
Bulk Water Supply	Per M <sup>3</sup>	90
Water Kiosks	Per M <sup>3</sup>	35

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

### 1.2 Sewerage Tariff Structure for the period 2023/2024 to 2025/2026

#### (a) Consumers with a Water Connection

Sewerage will be charged at 75% of the water volumes, billed at the tariff for water specified (in 1.1) 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 1.1) above.

### 1.3 Miscellaneous Charges

These shall be as follows:

Item/ Service	Charge (KSh.)
<b>Water Deposit</b>	
<b>Category of Consumer</b>	
Domestic	2,500
Retail shops less than 10m <sup>3</sup>	3,000
Retail shops more than 10m <sup>3</sup>	3,500
Bar, restaurants less than 15 m <sup>3</sup>	4,000
Bar, restaurants more than 15 m <sup>3</sup>	6,000
Hotel less than 150 m <sup>3</sup>	12,000
Hotel more than 150 m <sup>3</sup>	15,000
Hospitals more than 150 m <sup>3</sup>	20,000
Health centres less than 150 m <sup>3</sup>	12,000

Item/ Service	Charge (KSh.)
Schools less than 200 m <sup>3</sup>	10,000
Schools and other institutions more than 200 m <sup>3</sup>	20,000
Minor construction sites 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 more than 300 m <sup>3</sup>	100,000
Water Kiosks	5,000
*Customers with only sewer connection to be charged a deposit equivalent to water deposit	
<b>Other Charges</b>	
<b>Service</b>	
New water connection fee	2,500
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 WSP Service Area for all consumers
Sale of water per m <sup>3</sup> at bowing point (own tanker)	120
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on request	500
Sewer Connection– Residential/ Domestic	2,500
Sewer Connection– Commercial, Government, schools, Universities and Colleges	5,000
Sewer Connection– Industrial	15,000
Private sewer unblocking	2,500
Leak detection services	1,000
Sewer Reconnection fee (At mains)	15,000
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 the 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 and Colleges	30,000
Self-reconnection after cut off for non-payment	5,000 and billing to be backdated from 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

### 2.0 Analysis of Cost Structure

Below is the summary of the approved cost structure that makes up the total costs to be incurred by the WSP during the tariff period:

Expenditure Item	2023/2024	2024/2025	2025/2026
Operations	137131904	144118596	150632926

Maintenance	12,355,300	14,210,000	16,090,000
Regulatory Levy (WASREB)	8,248,433	11,695,796	17,543,694
Operation and Maintenance (OandM)	157,735,637	170,024,392	184,266,619
Investments	12,897,000	13,054,000	10,430,000
Total Costs	170,632,637	183,078,392	194,696,619
Total Billing (KSh.)	178,220,363	197,110,911	212,049,015
Collection Efficiency (%)	95%	95%	95%
Projected Revenue	169,309,345	187,255,365	201,446,565
O and M Cost Coverage	107%	110%	109%
Total Cost Coverage	99%	102%	103%

### 3.0 Conditions Attached to the Tariff Approval

The conditions attached to this approval which shall form part of the license conditions of Karuri Water and Sanitation Company are:

#### (i) Service Delivery Conditions attached to the Tariff.

Target	2023/2024	2024/2025	2025/2026
Water Coverage (%)	56%	58%	60%
Water quality standards (%)	100% Compliance with Standards		
Personnel Expenditure as % of O and M	24%	23%	22%
Non-Revenue Water	34%	31%	28%
Hours of Supply (Hrs.)	15	16	17
Staff per 1000 connections	<6	<6	<6
Maintenance Expenditure as % of O and M	8%	9%	9%
Metering ratio (%)	100%	100%	100%
Collection Efficiency (%)	95%	95%	95%
Resale at Kiosk	KSh. 2.00 per 20 litres. Tariffs at kiosks must be displayed at strategic points for public awareness		

- (ii) Annual budgets: The WSP shall adhere to the budgetary levels set in the tariff.
- (iii) Surplus: The surpluses projected to be realised shall be used on priority infrastructure projects identified by the WSP and Approved by WASREB.
- (iv) Customer re- categorisation for billing: the WSP will separate individual domestic accounts from Multi-Dwelling Units (MDU) accounts and Yard Taps and bill as per the approved tariff.
- (v) Creation of distinct water and sewerage cost centres: the WSP will create separate water and sewerage cost centres and maintain distinct record of operations of the two centres.
- (vi) Reporting: The WSP shall submit to WASREB a quarterly tariff performance report in the format provided. WASREB will carry out tariff implantation review at the end of each year of implementation.
- (vii) Investments: The WSP shall undertake the investments in Annex 1 and submit quarterly progress reports.

#### Annex 1

#### INVESTMENTS BY KARURI WATER AND SANITATION COMPANY LIMITED (2023/2024 – 2025/2026)

Investment Category	Item Description	2023/24	2024/25	2025/26
A. Plant and Equipment	Motor 22KW	350,000	-	-
	Motor 7.5 KW	180,000	-	-
	Draw Pipes	81,000	-	-
	Cable 4 core 10mm	486,000	-	-
	Control Panel	180,000	-	-
	Complete Pump Set-18.5KW	1,200,000	-	-
	Motors	1,050,000	-	-
	Panel Accessories	100,000	-	-
	Capacitor Banks	225,000	-	-

Investment Category	Item Description	2023/24	2024/25	2025/26
	Panel Accessories	-	150,000	-
	AVS	-	100,000	-
	Motors	-	1,050,000	-
	Assorted Cables	-	900,000	-
	Pump Set	-	-	1,500,000
	Motors	-	-	750,000
	Panel Accessories	-	-	200,000
Sub-Totals		3,852,000	2,200,000	2,450,000
B. Metering	Single jet co-polymer 15mm R200	2,400,000	-	-
	Single Jet Copolymer 15mm meters	-	2,400,000	-
Sub-Totals		2,400,000	2,400,000	-
C. NRW Reduction Plan	D.M.As ( 63mm-90mm) Smart metering	1,200,000	-	-
	D.M.As ( 63mm-90mm) Smart metering	-	1,200,000	-
	Smart Meters (DN 63-110MM)	-	-	1,200,000
Sub-Totals		1,200,000	1,200,000	1,200,000
D. Water System Rehabilitation	Rehabilitation of a 2Km pipeline DN 110, PN 12.5 in Mucatha	2,600,000	-	-
	Rehabilitation of a 3Km 90mm pipeline in Karuri and Mucatha areas	-	3,900,000	-
	Rehabilitation of a 2Km 110mm pipeline in Mucatha areas	-	-	3,000,000
	Rehabilitation of a 3Km 63mm pipeline in Kimuga areas	-	-	3,300,000
Sub-Totals		2,600,000	3,900,000	6,300,000
E. Motorcycles		420,000	-	-
		-	-	480,000
Sub-Totals		420,000	-	480,000
F. Computers and Office Equipment	Laptops	750,000	-	-
	Printer	100,000	-	-
	UPS	22,500	-	-
	Desktop	300,000	-	-
	Laptops	600,000	-	-
	Desktops	300,000	-	-
	UPS	22,500	-	-
	UPS 1KVA	15,000	-	-
	Laptops	-	450,000	-
Sub-Totals		2,110,000	450,000	-
G. Furniture and fixtures	Office Chairs	150,000	-	-
	Office Tables	100,000	-	-
	Cabinets	65,000	-	-
	Office Chairs	-	150,000	-
	Office Tables	-	50,000	-
	Board Chairs	-	204,000	-
Sub-Totals		315,000	404,000	-
H. Storage Facilities		-	2,500,000	-
Sub-Totals		-	2,500,000	-
Grand Total		12,897,000	13,054,000	10,430,000

JULIUS ITUNGA,  
Ag. Chief Executive Officer,  
Water Services Regulatory Board.

MR/5166662