

Targeted Outcome	Intervention	Targeted Area	2023/2024	2024/2025	2025/2026
Coverage	Connections				
Increased Quality of Service (Hrs of Supply)	Vertical Multistage Centrifugal Pump	For Kachako, Mapawa, Palakumi, Kibao Kiche and Vitengeni	5,000,000	5,000,000	5,000,000
	Purchase and Installation of 4No. Standby Generators	To serve Palakumi, Kachako, Mazeras, Kibao Kiche, Mwavumbo, Kitsaumbi, Mapawa, Kitsoeni		5,000,000	5,000,000
Rehabilitation of Water Supply Network	Replacement of aged pipeline and appurtenances	Kilifi, Mtwapa, Mazeras, Mariakani, kaloleni, chonyi, Ganze, Vitengeni and Baricho		8,000,000	8,000,000
Improved Service Delivery	Motor Vehicles	Entire Service Area		6,750,000	6,750,000
	Motor Cycles	Entire Service Area	1,500,000	2,250,000	2,250,000
Operational Efficiency	Movable Assets	Furniture		1,500,000	1,500,000
		Computers and server computers		2,000,000	2,000,000
Non-Revenue Water Reduction	Development of DMA's (Kilifi 8No; Mtwapa 7No.)	(Kilifi 8No; Mtwapa 7No.)	1,000,000	1,000,000	1,000,000
	Installation of pressure gauges and hydrological modelling	Lot		3,000,000	500,000
	Replacement of stalled and very old meters (above seven years) - 1500 p.a	Lot		2,500,000	2,500,000
	Procurement of handheld meter reading gadgets	Lot	1,000,000	1,000,000	1,000,000
Total _ Investments			13,500,000	43,000,000	40,500,000

MR/5166662

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

GAZETTE NOTICE NO. 10539

THE WATER ACT

(No. 43 of 2016)

KWALE WATER AND SEWERAGE COMPANY

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

Kwale Water and Sewerage Company (KWAWASCO) 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 KWAWASCO 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 KWAWASCO that the approved tariffs 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

Customer Category		
	Consumption Block in M ³	Approved Tariff (KSh/M ³)
Domestic/Residential	1-6	98
	7-20	105
	21-50	115
	51-100	120
	101-300	135
	>300	175
Multi- Dwelling Units	Per M ³	105
Commercial/Industrial/ Government/ Institutions	1-50	105
	51-100	130
	101-300	155
	>300	180
Schools, Universities and Colleges	1-600	100
	601 - 1200	105
	>1200	110
Bowsing Points- Per M ³	Per M ³	150
Community Water Projects	Per M ³	105
Water Kiosks	Per M ³	50

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

1.2 Miscellaneous Charges

These shall be as follows:

Item/ Service	Charge (KSh.)
Water Deposit	
<i>Category of Consumer</i>	
Domestic	2,500
Retail shops less than 10m ³	3,000
Retail shops more than 10m ³	3,500
Bar, restaurants less than 15 m ³	4,000
Bar, restaurants more than 15 m ³	6,000
Hotel less than 150 m ³	12,000
Hotel more than 150 m ³	15,000
Hospitals more than 150 m ³	20,000
Health centres less than 150 m ³	12,000
Schools less than 200 m ³	10,000
Schools and other institutions more than 200 m ³	20,000
Minor construction sites 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 industrial between 200 m ³ and 300 m ³	50,000
Heavy industries more than 300 m ³	100,000
Water kiosks	5,000
*Customers with only sewer connection to be charged a deposit equivalent to water deposit	
Other Charges	
<i>Service</i>	
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 ³ at bowsing point (own tanker)	150
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
Penalties	
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 KWAASCO during the tariff period:

Expenditure Item	2023/2024	2024/2025	2025/2026
Operations	302,159,174	307,057,844	312,234,694
Maintenance	7,067,588	7,420,968	7,792,016
Regulatory Levy (WASREB)	8,780,094	9,219,099	9,680,054
Investments	2,000,000	9,327,350	19,945,200
Debt Repayment	15,155,715	15,155,715	15,155,715
Total Costs	335,162,572	348,180,975	364,807,678
Total Billing (Kshs.)	338,434,074	358,231,800	395,789,120
Collection Efficiency (%)	95%	95%	95%
Projected Revenue	321,512,370	340,320,210	375,999,664
Subsidy	13,650,201	7,860,765	-

Expenditure Item	2023/2024	2024/2025	2025/2026
Projected Revenue with subsidy	335,162,572	348,180,975	375,999,664
OandM Cost Coverage (With subsidy)	105%	108%	114%
Total Cost Coverage (With subsidy)	100%	100%	103%

3.0 Conditions Attached to the Tariff Approval

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

(i) Service Delivery Conditions attached to the Tariff.

Target	2023/2024	2024/2025	2025/2026
Water Coverage (%)	33%	34%	35%
Water quality standards (%)	100% Compliance with Standards		
Personnel Expenditure as % of O and M	21%	21%	22%
Non-Revenue Water	47%	45%	43%
Hours of Supply (Hrs.)	7	9	11
Staff per 1000 connections	9	8	7
Metering ratio (%)	100%	100%	100%
Collection Efficiency (%)	95%	95%	95%
Resale at Kiosk	KSh. 3.00 per 20 litres. Tariffs at kiosks must be displayed at strategic points for public awareness		

(ii) Annual budgets: The utility shall adhere to the budgetary levels set in the tariff.

(iii) Surpluses: The surpluses projected to be realised shall be used on priority infrastructure projects identified by KWAWASCO and Approved by WASREB.

(iv) Customer re-categorisation for billing: KWAWASCO will separate individual domestic accounts from Multi-Dwelling Units (MDU) accounts and bill as per the approved tariff.

(v) County Subsidy: The County Government of Kwale will support the WSP with the following subsidy for purchase of bulk water supply:

	2023/2024	2024/2025	2025/2026
Subsidy Amount (KSh.)	13,650,201	7,860,765	-

(vi) Repayment of Loans: KWAWASCO shall remit monthly loan repayments as detailed below: -

	2023/2024	2024/2025	2025/2026
Amount (KSh.)	15,155,715	15,155,715	15,155,715

Evidence of loan repayment to Coast Water Works Development Agency (CWWDA) shall be submitted to WASREB monthly by the 10th day of the following month.

(vii) Reporting: The utility 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.

(viii) Investments: The utility shall undertake the investments in Annex 1 and submit quarterly progress reports.

Annex 1

INVESTMENT SUMMARY FOR KWALE WATER AND SEWERAGE WATER COMPANY LIMITED				
Targeted Outcome	Intervention	2023/2024	2024/2025	2025/2026
Increased Water Coverage	Meters and Fittings - New Connections	2,000,000	2,500,000	4,000,000
Sub-Total _New Connections		2,000,000	2,500,000	4,000,000
Non - Revenue Water Reduction	DMA Bulk Meters, Valves and Accessories (For the study DMA Zone and for replacement) Volumetric	-	1,000,000	3,000,000
	Replacement of stalled and very old meters (above seven years)	-	2,500,000	4,000,000
	Sub - Total _ NRW Reduction	-	3,500,000	7,000,000
ICT Investments	Headquarters Server Room	-	-	4,000,000
Sub - Total ICT Investments		-	-	4,000,000
Network Rehabilitation	Maweni Water Supply Line Extensions	-	3,327,350	-
	Hill Park Supply Line Extension	-	-	4,945,200
Sub - Total _ Network Rehabilitation		-	3,327,350	4,945,200
Total _ Investments		2,000,000	9,327,350	19,945,200