

**DETAILS FOR PUBLIC CONSULTATION FOR LAKE VICTORIA SOUTH WATER WORKS DEVELOPMENT
AGENCY
(FOR THE PERIOD 2025/2026 – 2029/2030)**

1. Cost structure

Proposed Tariff for Itare Bulk Water Supply				
Expenditure Item	2026/2027	2027/2028	2028/2029	2029/2030
Operations	115,458,945.59	128,914,181.23	136,877,165.73	145,110,503.99
Maintenance	5,510,000.00	6,061,000.00	6,667,100.00	7,333,810.00
Regulatory Levy	1,433,836.80	1,613,066.40	1,702,681.20	1,792,296.00
Total O&M Costs	122,402,782.39	136,588,247.63	145,246,946.93	154,236,609.99
Investment Costs	8,784,400.00	8,784,400.00	8,784,400.00	8,784,400.00
Debt Repayment	-	-	-	-
Total Costs	131,187,182.39	145,372,647.63	154,031,346.93	163,021,009.99
Total Billing (KShs)	143,383,680	161,306,640	170,268,120	179,229,600
Collection Efficiency (%)	95%	95%	95%	95%
Projected Revenue	136,214,496	153,241,308	161,754,714	170,268,120
O&M Cost Coverage	111%	112%	111%	110%
Total Cost Coverage	104%	105%	105%	104%

2. Details of Tariff structure

Water Tariff Structure for the period 2026/2027 to 2029/2030

Water Service Provider (off taker)	Proposed Tariff (KSh/M ³)
Kericho Water and Sanitation Company (KEWASCO)	66
Bomet Water and Sanitation Company (BOMWASCO)	66

3. Service delivery Conditions

Service Delivery Conditions				
Target	2026/2027	2027/2028	2028/2029	2029/2030
Residual Chlorine Tests	100%	100%	100%	100%
Compliance with Residual Chlorine Tests	100%	100%	100%	100%
Bacteriological Tests	100%	100%	100%	100%
Compliance with Bacteriological Tests	100%	100%	100%	100%
Non-Revenue Water	7%	7%	7%	7%
Hours of Supply (Hrs.)	20	20	20	20
Staff per 1000 000 m ³ of water	2	2	2	2
Staff costs as a % of O&M Expenditure	15%	15%	15%	15%
Metering ratio (%)	100%	100%	100%	100%
Collection Efficiency (%)	95%	95%	95%	95%
Total Cost Coverage	100%	100%	100%	100%

Other Conditions

3.1. 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.

3.2. Performance Evaluation: Performance targets to be met shall be ascertained by WASREB at the end of the 1st year of the tariff period.

3.3. Reporting: The utility shall submit quarterly performance reports to WASREB in the prescribed format.

3.4. Separate Books of Accounts: LVSWWDA shall maintain separate books of accounts for the Itare Bulk Water Supply System to safeguard the bulk supply.

3.5. Tariff Assessment: WASREB will carry out a tariff implementation review within the first 12 months of approval and implementation during which a joint assessment with the utility on the trend in Billing shall be carried out and the status of implementation of the tariff evaluated