

THE WATER ACT

(No. 43 of 2016)

KAKAMEGA COUNTY WATER AND SANITATION COMPANY

APPROVED TARIFF STRUCTURE FOR THE PERIOD 2021/2022 TO 2025/2026

Kakamega County Water and Sanitation Company (KACWASCO) applied to the Water Services Regulatory Board (WASREB) for a review of tariffs for water services, for the period 2021/2022 to 2025/2026 as per section 72 (1) b of the Water Act, 2016.

Public consultation on the KACWASCO application was carried out in accordance to 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 KACWASCO is justified in order to improve service delivery, operate sustainably and protect consumer interests by meeting the tariff conditions attached to the tariff.

WASREB gives a thirty (30) days' notice from the date of this communication to all existing and potential customers of KACWASCO that the approved tariffs for the five financial years, 2021/22, 2022/23, 2023/24, 2024/25 and 2025/26 shall be as follows:

1.0. Approved Tariff Structure

1.1 Water Tariff Structure for the period 2021/2022 to 2025/2026

<i>Customer Category</i>	<i>Approved</i>	<i>Tariff (KSh/M³)</i>
<i>Domestic</i>	<i>Consumption Block in M³</i>	
	1-6	80
	7-20.	110
	21-50	130
	51-100	145
	101-300	160
	>300	200
<i>Commercial/industrial</i>		
	1-50	120
	51-100	145
	101-300	165
	>300	210
<i>Government</i>		
	1-50	120
	51-100	145
	101-300	165
	>300	210
<i>Public schools, Universities & colleges</i>		
	1-600	60
	601 - 1200.	90
	>1200	150
<i>Water Kiosk (Per M³)</i>		35

1.2 Sewerage Tariff Structure for the period 2021/2022 to 2025/2026

(a) Consumers with a Water Connection

<i>Customer Category</i>	<i>Approved Tariff</i>	
<i>Domestic</i>	<i>Consumption Block in m³ (75 % of water consumed)</i>	<i>Tariff Per M³</i>
	1-6.	45
	7-20.	70
	21-50	80
	51-100	100
	101-300	115
	>300	150
<i>Commercial/industrial/ Government</i>		
	1-50	70
	51-100	90
	101-300	120
	>300	150
<i>Public schools, Universities & colleges</i>		
	1-600	60
	601 - 1200.	90
	>1200	150
<i>Water Kiosks</i>		35

(b) Disconnected water accounts shall be charged based on the average of the last three months' sewer charges before the disconnection.

(c) 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: Volume of water consumed as per the metered source at the rates specified in 1.2 (a) above

1.3 Indexation of the Approved Tariff

The utility's approved 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 every July of the tariff period commencing July 2023.

1.4 Miscellaneous Charges

These shall be as follows:

Item/ Service	Charge (KSh.)
<i>Standing Charge Per Connection per Month</i>	
<i>Connection Size</i>	
½ inches	50
¾ inches	100
1 inch	250
1 ½ inches	250
2 inches	250
3 inches	450
4 inches	800
6 inches	1250
8 and above	2000
<i>Water Deposit</i>	
<i>Category of consumer</i>	
Domestic	2500
Retail shops less than 10m ³	3000
Retail shops more than 10m ³	3,500
Bar, restaurants less than 15 m ³	4000
Bar, 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	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 more than 150 m ³	20,000
Health centres less than 150 m ³	12,000
Schools and other institutions more than 200 m ³	20,000
Schools less than 200 m ³	10,000
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 connection	
<i>Other Charges</i>	
<i>Service</i>	
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 KACWASCO area for all consumers
Sale of water Per M ³ at bowsing point (own tanker)	80
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
<i>Penalties</i>	
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 & Colleges	30,000
Self reconnection after cut off for non payment	5,000 and billing to be backdated from date of cut off

Item/ Service	Charge (KSh.)
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 projected Annual cost structure that makes up the total costs to be incurred by KACWASCO during the tariff period:

	KSh.	KSh.
Cost Subject to Annual Indexation		
Operations and Maintenance costs		298,639,398
Fixed Costs		
Average Annual Investment Cost	19,000,000	
Debt	98,269,838	
Average Annual Asset Renewal	-	
Sub Total- Fixed Costs		117,269,838
Total Average Annual Cost		415,909,236
Projected Average Annual revenue		431,573,441
Average Annual Cost Coverage		104%

3.0 Conditions attached to the tariff approval

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

i. Service Delivery Conditions attached to the Tariff

Target	Base 2020/21	Year 2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026
Water Coverage (%)	58	60	62	64	66	68
Water quality standards (%)	92%	100% Compliance with Water Quality Standards				
Maintenance/O&M	14%	15%	15%	14%	14%	14%
Personnel Expenditure as % of O&M	51%	50%	50%	50%	49	47
Non-Revenue Water %	46	44	42	40	38	36
Hours of Supply (Hrs)	8	9	10	11	12	13
Staff per 1000 connections	5	5	5	5	5	5
Metering ratio (%)	100%	100%	100%	100%	100%	100%
Collection Efficiency (%)	87%	90%	92%	93%	95%	95%
Resale at Kiosk		KSh. 2.00 per 20l Jerry Can				

- (i) Annual budgets: The WSP shall adhere to the budgetary levels set in the tariff.
- (ii) Surpluses: The surpluses projected to be realised shall only be used on the rehabilitation/ replacement of dilapidated water networks, to curb physical losses of water.
- (iii) Reporting: The utility shall submit to WASREB a quarterly performance report in the format provided.
- (iv) Creation of distinct water and sewer cost centres: KACWASCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- (v) Tariff Assessment: - KACWASCO will be required to carry out a self-assessment of the trend in Billing (Ksh) within the first 3 months of approval and implementation of the tariff. The detailed report should be submitted to WASREB.
- (vi) Investments: The utility shall undertake the following investments in Annex 1 within the tariff period and submit progress reports on a quarterly Basis.

Annex 1: Investments

Summary of Capital Investments to be Carried out By Kakamega County Water & Sewerage Company Ltd. for The Period 2021/22 – 2025/26

Proposed Investment	2021/ 22	2022/ 23	2023/ 24	2024 25	2025/ 26
To Increase water production and supply					
Expanding water distribution pipeline networks by 20km of assorted sizes	1,000,000	2,000,000	3,000,000	4,000,000	11,000,000
To increase sanitation coverage					
Rehabilitation of existing sewerage infrastructure within Kakamega and Mumias towns.	500,000	1,000,000	1,500,000	2,000,000	8,000,000
Reduce operational costs/ Solarization					
Solarization of offices	500,000	1,000,000	1,500,000	2,000,000	2,000,000
Reduction of NRW					
Up scale DMAs in Kakamega					
Bulk smart metering (Production and zonal)					
Consumer metering 20,000 meters	3,400,000	7,300,000	11,000,000	13,500,000	15,500,000
Purchase and installation of 250 No. pressure data loggers					
Purchase of vehicles and motorbikes for O&M					

Purchase of a stationery meter test bench and mobile meter test kits					
To enhance water quality and sewer effluent quality					
Purchase of laboratory equipment	500,000	400,000	600,000	800,000	1,000,000
TOTALS	5,900,000	11,700,000	17,600,000	22,300,000	37,500,000

Dated the 5th November, 2021.

PETER NJAGGAH,
Ag. Chief Executive Officer.