

ANNEX 2
DETAILS OF KAKAMEGA COUNTY WATER AND SANITATION COMPANY LTD.
(KACWASCO)
REGULAR TARIFF APPLICATION (2021/22 to 2025/26)

1. Cost and Revenue Structure for the Tariff Period (2021/22 to 2025/26)

	Ksh.	Ksh.
Cost Subject to Annual Indexation		
Operations and Maintenance costs	298,639,398	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%

2. Proposed Change in Water Tariff Structure for 2021/22 to 2025/26

Domestic/Residential			
<i>Consumption Block(m3)</i>	<i>Current Tariff (KShs/M³)</i>	<i>Consumption Block(m3)</i>	<i>Recommended Tariff Water</i>
0-6	45	1-6	80
7-20.	68	7-20.	110
21-50	88	21-50	130
51-100	108	51-100	145
101-300	135	101-300	160
>300	175	>300	200
Commercial/Industrial/Government Institutions			
<i>Consumption Block(m3)</i>	<i>Current Tariff (KShs/M³)</i>	<i>Consumption Block(m3)</i>	<i>Recommended Tariff Water</i>
0-6	45	1-50	120
7-20.	68	51-100	145
21-50	88	101-300	165
51-100	108	>300	210
101-300	135		
>300	175		
Schools/ Colleges/Universities			
<i>Consumption Block(m3)</i>	<i>Current Tariff (KShs/M³)</i>	<i>Consumption Block(m3)</i>	<i>Recommended Tariff Water</i>

0-600	48.00	1-600	90
601-1200	55.00	600<1200m3	125
>300	60.00	>1200m3	170
Water Kiosks	35	Water Kiosks	35

3.0 Sewerage Tariff

3a) Consumers with a Water Connection

Customer Category	Current	Proposed		
		Consumption Block in m ³ (75 % of water consumed)	Tariff Per M ³	
Domestic	75 % of water consumed at the price of water	1-6.	45	
		7-20.	70	
		21-50	80	
		51-100	100	
		101-300	115	
		>300	150	
Multi-Dwelling Units/ Gated Communities				
Commercial/Industrial/ Government				
		1-50	70	
		51-100	90	
		101-300	120	
		>300	150	
Public schools, Universities & colleges				
		1-600	60	
		601 - 1200.	90	
		>1200	150	
Water Kiosks				35

(a) Sewerage is charged at 75% of the water billed for all customers with a sewer connection.

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

(c) Customer with no water connection:

Sewerage consumers without a water connection shall be charged as follows:

- Domestic (Per Single dwelling unit): Ksh. 350 Per Month
- All other categories: 75% of the volume of water consumed as per the metered source of water.

3. Indexation of the Proposed Tariff

- i. The utility shall be eligible for annual indexation of the approved tariff, as per the regulations of the Water Services Regulatory Board (WASREB).
- ii. The inflation adjustment shall come into effect every **July** of the tariff period commencing 1st **July 2023**

4. Miscellaneous Charges

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

5. Service Delivery Conditions attached to the Tariff

Target	Base Year 2020/21	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Water Coverage (%)	58	60	62	64	66	64
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		Kshs. 2.00 per 20l Jerry Can				

6. Other Conditions

- 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 within the tariff period and submit progress reports on a quarterly Basis.

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					
Purchase and installation of 250 No. pressure data loggers	3,400,000	7,300,000	11,000,000	13,500,000	15,500,000
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

