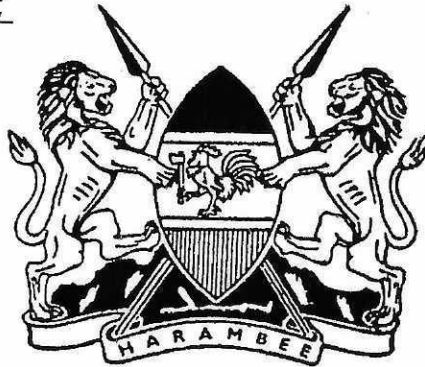


# SPECIAL ISSUE



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GAZETTE NOTICE NO. 7304

## THE WATER ACT

(No. 43 of 2016)

### KIBWEZI - MAKINDU WATER AND SANITATION COMPANY LIMITED

#### APPROVED TARIFF STRUCTURE FOR THE PERIOD 2024/2025 TO 2026/2027

The Water Services Regulatory Board (WASREB), under powers granted by section 72 (1) (b) and (2) of the Water Act, 2016, has approved the regular tariff adjustment for the area served by Kibwezi - Makindu Water and Sanitation Company (KIBMAWASCO).

KIBMAWASCO applied to the Water Services Regulatory Board (WASREB) for a review of water services tariffs for the period 2024/2025 to 2026/2027 in line with 72 (1) (b) of the Act. Public consultation on the KIBMAWASCO application was carried out by the requirements of section 139 of the Water Act, 2016.

Having considered the application, the written and oral submissions by all stakeholders and the current data, WASREB has determined that an upward tariff review is justified for KIBMAWASCO to improve service delivery, operate sustainably and protect consumer interests by meeting the tariff conditions attached to the tariff.

WASREB gives a one-month notice from the date of this communication to all existing and potential customers of KIBMAWASCO that the structure of approved tariffs for water services for the three financial years 2024/2025, 2025/2026 and 2026/2027 shall be as follows:

#### 1.0 Approved Tariff Structure for the period 2024/2025 to 2026/2027

##### 1.1 Water Tariff

Consumer Categories	Consumption Block	Approved Tariff
	(M3)	(Kshs/M3)
Domestic/Residential	1-6	113
	7-20	135
	21-50	150
	51-100	165
	101-300	180
	>300	203
Multi-Dwelling Units	Flat Rate per M3	116
Commercial/Industrial/Government/Institutions	1-50	155
	51-100	188
	101-300	203
	>300	225
Public Schools, Colleges and Universities	1-600	135
	601-1200	158
	>1200m <sup>3</sup>	173
Browsing points	Per M3	135
Kiosks	Per M3	53
Water Projects	Per M3	90

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

## 1.2 Indexation

The utility's approved tariffs for water and sewerage shall be eligible for annual indexation, as per the Water Services Regulatory Board (WASREB) regulations. The inflation adjustment shall come into effect every July of the tariff period, commencing July 2026.

## 1.3 Miscellaneous Charges

Item/ Service	Charge (KSh.)
<b>Water Deposit</b>	
Category of consumer	
Domestic	2500
Retail shops less than 10m <sup>3</sup>	3000
Retail shops more than 10m <sup>3</sup>	3,500
Bar and restaurants less than 15 m <sup>3</sup>	4000
Bar and restaurants more than 15 m <sup>3</sup>	6,000
Hotel class "A" and "B" less than 150 m <sup>3</sup>	12,000
Hotel class "A" and "B" more than 150 m <sup>3</sup>	15000
Hotel class "C" and 'D' less than 150 m <sup>3</sup>	18000
Hotel class "C" and 'D' more than 150 m <sup>3</sup>	20,000
Hospitals and Health centres more than 150 m <sup>3</sup>	20,000
Hospitals and Health centres less than 150 m <sup>3</sup>	12,000
Schools and other institutions more than 200 m <sup>3</sup>	20,000
Schools and other institutions less than 200 m <sup>3</sup>	10,000
Minor construction sites of 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 industries between 200 m <sup>3</sup> and 300 m <sup>3</sup>	50,000
Heavy industries of more than 300 m <sup>3</sup>	100,000
Water Kiosks	5,000
Customers with only sewer connection are to be charged a deposit equivalent to a water connection	
<b>Other Charges</b>	
Service	
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 the WSP area for all consumers
Sale of water Per M3 at bowing point (own tanker)	135
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on request	500
Special meter reading under customer's 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
Printing of customer's statement under own request	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
<b>Penalties</b>	
Illegal water connection, -Commercial, Industry, Construction (Fraud)	100,000 plus estimated consumption during the period of 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 the 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 Cost Summary

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

Expenditure Item	2023/24	2024/25	2025/26	2026/27
Operations	93,416,903	111,003,000	111,045,014	115,911,269
Maintenance	4,761,196	6,151,240	6,907,214	7,787,142

Expenditure Item	2023/24	2024/25	2025/26	2026/27
Regulatory Levy	3,407,295	4,471,521	5,459,153	5,697,076
Total O&M Costs	101,585,394	121,625,761	123,411,381	129,395,487
Investment Costs	-	18,413,056	24,636,200	27,640,500
Debt Repayment	104,223	578,469	482,431	-
Total Costs	101,689,617	140,617,286	148,530,013	157,035,986
Total Billing (KShs)	86,454,572	111,788,017	136,478,819	142,426,893
Collection Efficiency (%)	95%	95%	95%	95%
Projected Revenue	82,131,843	106,198,616	129,654,878	135,305,548
O&M Cost Coverage	81%	87%	105%	105%
Total Cost Coverage	81%	76%	87%	86%

## 3.0 Conditions attached to the tariff approval

The conditions attached to this approval, which shall form part of the license conditions of KIBMAWASCO, are:

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

Service Delivery Conditions				
Target	2023/2024	2024/2025	2025/2026	2026/2027
Water Coverage (%)	40%	41%	42%	43%
Water quality standards (%)	100% Compliance with Standards			
Personnel Expenditure as % of O&M	52%	48%	48%	48%
Maintenance Expenditure as % of O&M	5%	5%	6%	6%
Investment Expenditure as a % of Total Expenditure	0	13%	17%	18%
Non-Revenue Water	57%	56%	54%	52%
Hours of Supply (Hrs.)	14	15	18	19
Staff per 1000 connections	13	13	12	12
Metering ratio (%)	100%	100%	100%	100%
Collection Efficiency (%)	95%	95%	95%	95%
Resale at Kiosk	3Kshs/20-liter jerrican			

- (ii) Annual budgets: The WSP shall adhere to the budgetary levels set in the tariff.
- (iii) Surpluses: The surpluses realised during the tariff period shall be used to implement priority service delivery capital projects approved by WASREB.
- (iv) Reporting: The utility shall submit quarterly performance reports to WASREB in the prescribed format.
- (v) Catchment protection: The utility shall undertake measures to conserve/ protect catchment areas of their water source as part of corporate social responsibility
- (vi) Regulatory Levy: The utility is to pay monthly regulatory levy based on 4% of the total turnover which is inclusive of billing of other services and interest income earned.
- (vii) Subsidy from the County Government of Makueni: The County Government of Makueni shall provide an annual budget subsidy of Kshs. 36,000,000 (thirty-six million) towards system maintenance and investments as factored in this tariff.
- (viii) Investments: The utility shall undertake the investments in Table 1:

Table 1: Investments

FY 2024-2025

Targetted Investment	Project Area	Guide	Size	Sample Descriptions	Unit	Quantity	Unit Cost	Project Cost (Ksh)
A. Regional Master meters	Makindu area	-	2" Dia	Installation of District meters	No.	2	230,000	460,000
	Kibwezi area	-	2" Dia	Installation of District meters	No.	4	230,000	920,000
	Sub-Total							1,380,000
B. Water quality	Water treatment equipment	Chlorine comparator kit c/w Sample pair cell and disc	2000+	-	No.	2	149,928	299,856
		Pocket pro+ multi 2 tester ph/cond/tds/salinity		-	No.	1	90,480	90,480
		Chlorine dozer	1,000l capacity	-	No.	1	890,000	890,000
Sub-Total							1,280,336	
C. Automation	Accounting and Stores software	Accounting and stores management software	-	-	No.	1	2,500,000	2,500,000
		-	-	Capacity building of the staff	No.	-	-	-
		-	-	Office Desk top computers	No.	7	140,000	980,000
		-	-	Office lap-tops	No.	4	170,000	680,000

Targetted Investment	Project Area	Guide	Size	Sample Descriptions	Unit	Quantity	Unit Cost	Project Cost (Ksh)
Sub -Total								
D. NRW Reduction Plan	To reduce NRW from 57% to 56%	-		Water Pipeline Locator Machine	No.	1	350,000	350,000
				Water pipeline leak detector machine	No.	2	111,360	222,720
				Supply and delivery of consumer meter DN 15mm Diameter R200	No.	1,000	3,800	3,800,000
				Supply and delivery of customer meter accessories i.e Saddle clamp, Gate Valve,	No.	1,000	6,560	6,560,000
Sub-Total								
E. Motor Vehicles and Motorcycles	Transports Operations			Motorcycle, Trail, 151 - 180cc	No.	3	220,000	660,000
Sub-Total								
TOTAL								
								18,413,056

FY 2025-2026

Targetted Investment	Project Area	Guide	Size	Sample Descriptions	Unit	Unit Cost	Quantity	Project Cost (Ksh)	
A. Water quality	Water treatment equipment	-	-	Pocket pro+ multi 2 tester ph/cond/tds/salinity	No.	1	90,480	90,480	
				Chlorine dozer	1,000 l capacity	No.	2	890,000	1,780,000
				Purchase of Portable Turbidimeters	0 to 1000 NTU	No.	1	522,000	522,000
Sub-total									
B. Automation	Accounting and Stores	-	-	Office Desk Top Computers	No.	2	147,000	294,000	
				Office Laptops	No.	2	178,500	357,000	
Sub-Total									
C. NRW Reduction Plan	To reduce NRW from 56% to 54%	-		Water Pipeline Locator Machine	No.	1	350,000	350,000	
				Water pipeline leak detector machine	No.	2	111,360	222,720	
				GIS Mapping and DMA Zoning	No.	1	2,300,000	2,300,000	
				Supply and delivery of consumer meter DN 15mm Diameter R200	No.	2,000	6,560	13,120,000	
Sub-Total									
D. Motor Vehicles and Motorcycles	Transport Operations	-	-	Motorcycle, Trail, 151 - 180cc	No.	5	220,000	1,100,000	
				Single Cab Pick-up, 4x4, LWB, 2400-3000 cc, Diesel	No.	1	4,500,000	4,500,000	
Sub-Total									
								24,636,200	

FY 2026-2027

Targetted Investment	Project Area	Guide	Size	Sample Descriptions	Unit	Unit Cost	Quantity	Project Cost (Ksh)
A. NRW Reduction Plan	To reduce NRW from 54% to 52%	-	-	Water pipeline leak detector machine	No.	2	111,360	222,720
				Replacement of worn-out consumer meters	DN 15mm	No.	1,200	6,822
Sub -Total								
B. Capital Works	Aligon-Mbui Nzau pipeline	-	6" dia	Supply, deliver and instal 6" dia hdpe pipe and fittings required to connect the booster pump @ aligon pumping station and mbui nzau town to the existing upvc old pipeline and test flow	No.	1	19,230,900	19,230,900
Sub -Total								
								19,230,900
TOTAL								
								27,640,500

Dated the 24th May, 2025.

RICHARD CHERUIYOT,  
Ag. Chief Executive Officer,  
Water Services Regulatory Board.