

GAZETTE NOTICE NO. 12824

THE WATER ACT

(No. 43 of 2016)

GATUNDU WATER AND SANITATION COMPANY

APPROVED TARIFF STRUCTURE FOR THE PERIOD 2024/2025 TO 2028/2029

Gatundu Water and Sanitation Company (GATWASCO) applied to the Water Services Regulatory Board (WASREB) for review of water services tariffs, for the period 2024/2025 to 2028/2029 as per section 72 (1) (b) of the Water Act, 2016.

Public consultation on the GATWASCO 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 the latest available data, WASREB has determined an upward tariff review for GATWASCO 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 GATWASCO that the approved tariffs for the five financial years 2024/2025, 2025/2026, 2026/2027, 2027/2028, and 2028/2029 shall be as follows:

3 Approved Tariff Structure for the period 2024/2025 to 2028/20291.1 *Water Tariff*

Consumer Categories	Consumption Block	Approved Tariff
	(M ³)	(KSh./M ³)
Domestic/Residential	1-6	107
	7-20.	115
	21-50	120
	51-100	130
	101-300	140
	>300	150
Multi-Dwelling Units	Flat Rate	120
Commercial/Industrial/Government/Institutions	1-50	115
	51-100	120
	101-300	130
	>300	140
Public Schools	1-600	110
	601-1200	120
	>1200m ³	130
Unique Consumer Categories	Water Kiosk - Per M ³	70
	Bulk Water Supply -Per M ³	78

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

1.2 *Sewerage Tariff*

1.2.1 Consumers with a Water Connection

(a) Sewerage will be charged at 75% of the water volumes, billed at the tariff for water specified (in 1.1) above for all customer categories

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

1.2.2 Customer with no water connection

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

- Domestic customers without a metered source of water (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 including boreholes, at the rates specified in (1.1) above

1.3 *Indexation*

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, 2025.

1.4 *Miscellaneous Charges*

Item/ Service	Charge (KSh.)
Water Deposit	
Category of consumer	
Domestic	2,500
Retail shops less than 10m ³	3,000
Retail shops more than 10m ³	3,500
Bar and restaurants less than 15 m ³	4,000
Bar and 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	15,000

Item/ Service	Charge (KSh.)
Hotel class "C" and 'D' less than 150 m ³	18,000
Hotel class "C" and 'D' more than 150 m ³	20,000
Hospitals and Health centres more than 150 m ³	20,000
Hospitals and Health centres less than 150 m ³	12,000
Schools and other institutions more than 200 m ³	20,000
Schools and other institutions less than 200 m ³	10,000
Minor construction sites of 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 industries between 200 m ³ and 300 m ³	50,000
Heavy industries of more than 300 m ³	100,000
Water Kiosks	5,000
Customers with only sewer connection are to be charged a deposit equivalent to a water connection	
Other Charges	
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 and 16000 litres	2,500 and 5,000 respectively per tanker within the WSP area for all consumers
Sale of water Per M ³ at bowsing point (own tanker)	115
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
Penalties	
Illegal water connection, –Commercial, Industry, Construction (Fraud)	100,000 plus estimated consumption during the period of illegality
Illegal water connection, – Domestic (Fraud)	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 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

1.0 Cost Summary

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

Expenditure Item	2022/2023 (KSh.)	2023/2024 (KSh.)	2024/2025 (KSh.)	2025/2026 (KSh.)	2026/2027 (KSh.)	2027/2028 (KSh.)	2028/2029 (KSh.)
Operations	122,832,212	201,831,411	198,338,684	208,051,341	220,883,577	239,458,368	257,056,157
Maintenance	11,284,232	64,843,867	66,128,253	67,541,079	69,095,187	70,804,705	72,685,176
Regulatory Levy	12,310,406	6,520,960	14,940,299	15,669,237	16,863,818	21,999,140	27,258,455
Total O&M Costs	146,426,850	273,196,237	279,407,237	291,261,657	306,842,582	332,262,213	356,999,789
Investment Costs	-	-	95,701,873	56,921,603	65,510,777	205,083,075	226,539,491
Debt Repayment	-	-	-	-	-	-	-
Total Costs	146,426,850	273,196,237	375,109,111	348,183,260	372,353,359	537,345,288	583,539,279
Total Billing (KShs)	141,703,797	163,021,872	373,507,485	391,730,915	421,595,440	549,978,489	681,461,386
Collection Efficiency (%)	89%	95%	95%	95%	95%	95%	95%
Projected Revenue	126,171,986	154,870,779	354,832,111	372,144,370	400,515,668	522,479,564	647,388,316
Total Cost Coverage	97%	60%	100%	113%	113%	102%	117%

3.0 Conditions attached to the tariff approval

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

i. Service Delivery Conditions attached to the Tariff

Service Delivery Conditions							
Target	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Water Coverage (%)	68%	69%	70%	71%	72%	73%	74%
Water quality standards (%)	100% Compliance with Standards						
Personnel Expenditure as % of O&M	64%	41%	41%	41%	41%	41%	41%
Maintenance Expenditure as % of O&M	8%	24%	24%	23%	23%	21%	20%
Investment Expenditure as a % of Total Expenditure	9%	1%	25%	16%	17%	38%	39%
Non-Revenue Water	54%	54%	38%	35%	30%	29%	28%
Hours of Supply (Hrs.)	20	21	22	23	23	23	23
Staff per 1000 connections	6	6	6	6	6	5	4
Metering ratio (%)	100%	100%	100%	100%	100%	100%	100%
Resale at Kiosk	KSh. 5.00 per 20l Jerry Can						

- (i) Annual budgets: The WSP shall adhere to the budgetary levels set in the tariff.
- (ii) Surpluses: The surpluses realised during the tariff period shall be used to implement priority service delivery capital projects approved by WASREB.
- (iii) Reporting: The utility shall submit quarterly performance reports to WASREB in the prescribed format.
- (iv) Creation of distinct water and sewer cost centres: GATWASCO will ensure it creates separate water and sewer cost centres within the first year of this tariff period. A distinct record of operations of the two centres should be maintained.
- (v) Investments: The utility shall undertake the investments in Table 1:

Table 1: Investments

INVESTMENTS SUMMARY-GATUNDU WATER & SANITATION COMPANY LTD

Classification	Item	Rate	Quantity	Unit Price (KSh.)	2024/2025 (KSh.)	2025/2026 (KSh.)	2026/2027 (KSh.)	2027/2028 (KSh.)	2028/2029 (KSh.)
Metering	Purchase of Consumer Water Meters and Fittings in the following areas -New Connections. DN15 Water Meters 1. Kamwangi Ward 2. Mang'u Ward 3. Ndarugu Ward 4. Ng'enda Ward 5. Kiganjo Ward 6. Komothai Ward 7. Githobokoni Ward	No.	6,338	10,800	12,043,037	2,778,710	5,516,449	23,738,949	24,376,573
	Bulk Production Meters in the following Water production sources Class C, cast iron casing and flang a. FY 2024/2025 1. Gacarage- 280mm - 5 no. 2. Mariguiti - 110mm - 2 no. 3. Theta-200mm - 3 no. 4. Gaititi-110mm - 3 no. b. FY 2025/2026 5. Kirangi -110mm- 2 no. 6. Ndarugu ,200mm- 4 no. 7. Nyamangara- 110mm - 2 no. 8. Gakoe - 4 no. C. FY 2026/2027 9. Karuri-160mm - 3 no. 10. Kairi-200mm- 3 no.	No.	38	100,000	1,300,000	1,200,000	600,000	300,000	400,000

	D. FY 2027/2028 11. Ruabora- 200mm-3no. E. FY 2028/2029 12. Ngenda- 200mm-2no. 13. Handege- 225mm-2no.										
	Smart Ultra - Sonic Flow meters	No.	13	100,000	500,000	200,000	200,000	200,000	200,000		
	Meter replacements- R200 Volumetric flow meters	No.	25,225	5,000	23,444,654	13,436,893	16,394,327	36,079,126	36,767,918		
Sub - Total					37,287,691	17,615,603	22,710,777	60,318,075	61,744,491		
Equipments & Computers	Laptops- Core i7, 11th gen,8GB RAM, 256GB SSD /core i7, 8GB, 1TB W11 Pro laptop	No.	11	150,000	600,000	600,000	450,000	-	-		
	Desktop Computer - Prodesk core i7- 10500, 16GB, 512SSD DOS SFF with 22" monitor / core i5, 8GB, 1TB HDD + 256GB SSD	No.	18	100,000	600,000	300,000	300,000	300,000	300,000		
	Motorbikes- 150cc - High rider, rough terrain	No.	10	200,000	1,000,000	1,000,000	-	-	-		
	Smartphones - Android 11, 6.5", 4GB, 64GB, Rugged	No.	52	30,000	360,000	300,000	300,000	300,000	300,000		
	Desktop Phones & Accessories - IP PBX, IP phones, PBX Software	No.	4	25,000	100,000	-	-	-	-		
	Smart TV -65" Smart TV	No.	2	100,000	100,000	100,000	-	-	-		
	Furniture set - Desks	No.	20	50,000	500,000	500,000	-	-	-		
	Furniture set – Chairs Locally made office furniture		17	30,000	210,000	300,000	-	-	-		
	Steel file Cabinets - Six drawers with a central lock system	No.	10	200,000	2,000,000	-	-	-	-		
	Survey equipment - Total station portable Total station and associated accessories	No.	2	500,000	1,000,000	-	-	-	-		
	Sub - Total					-	-	6,470,000.0	3,100,000.0	1,050,000.0	600,000.0
NRW Management	Purchase of Pressure loggers for use in monitoring pressures	No.	5	20,000	100,000.0	-	-	-	-		
	Sub-zonal meter installation Procurement of Volumetric flow meters ranging from DN160-DN63	No.	140	100,000	2,500,000.0	2,500,000.0	2,500,000.0	3,000,000.0	3,500,000.0		
	Procurement of Correlators for leak detection done in every DMA	No.	2	500,000	1,000,000.0	-	-	-	-		
	Construction of a meter testing laboratory	No.	-	-	1,594,182.0	-	-	-	-		
Sub Total					-	-	5,194,182.0	2,500,000.0	2,500,000.0	3,000,000.0	3,500,000.0
Network	Construction of	Lumpsum	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000		

Rehabilitation and Expansion	coffer dams upstream of sources All rivers: Karimenu, Thiririka, Ruabora, Ndarugu River									
	Lay a 100km pipeline of assorted sizes to serve pro-poor areas as follows; 1. Kamwangi Ward- 20km Hdpe pipes(PN10) of assorted sizes ranging from DN25-DN50 2. Mang'u Ward- 10km Hdpe pipes (PN10) of assorted sizes ranging from DN25-DN50 3. Ndarugu Ward- 10km Hdpe pipes (PN10) of assorted sizes ranging from DN25-DN50 4. Ng'enda Ward- 30km Hdpe pipes (PN10) of assorted sizes ranging from DN25-DN50 5. Kiganjo Ward- 10km Hdpe pipes (PN10) of assorted sizes ranging from DN25-DN50 6. Komothai Ward-10km Hdpe pipes (PN10) of assorted sizes ranging from DN25-DN50 7. Githobokoni Ward- 10km Hdpe pipes (PN10) of assorted sizes ranging from DN25-DN50	Lumpsum	N/A	N/A	250,000	250,000	250,000	250,000	250,000	250,000
	Replacement of dilapidated pipeline networks of assorted sizes ranging from DN50 to DN160 (187.7km HDPE and 138km Upvc pipes)	Lumpsum	N/A	N/A	43,500,000	30,456,000	36,000,000	45,400,000		64,930,000

	Construction of 12km, DN300 Upvc and 22km, DN200 Upvc Lateral sewers in estates along Kenyatta Road	Lumpsum	N/A	N/A	-	-	-	92,515,000	92,515,000
Sub Total					46,750,000	33,706,000	39,250,000	141,165,000	160,695,000
Total					95,701,873.30	56,921,603	65,510,776.80	205,083,074.90	226,539,490.70

Dated the 6th September, 2024.

MR/6547681
Board.

RICHARD K. CHERUIYOT,
Ag. Chief Executive Officer, Water Service Regulatory