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**EXTRACT:**

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**GAZETTE NOTICE NO. 12832**

**THE WATER ACT**

*(No. 43 of 2016)*

**OLOOLAISER WATER & SEWERAGE COMPANY**

**APPROVED TARIFF STRUCTURE FOR THE**

**PERIOD 2024/2025 TO 2028/2029**

Oloolaiser Water and Sewerage Company (OWSC) 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 OWSC 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 OWSC 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 OWSC that the approved tariffs for the five financial years 2024/2025, 2025/2026, 2026/2027, 2027/2028 and 2028/2029 shall be as follows:

## **2 Approved Tariff Structure for the period 2024/2025 to 2028/2029**

### ***1.1 Water Tariff***

<i>Consumer Categories</i>	<i>Consumption Block</i>	<i>Approved Tariff</i>
	(M <sup>3</sup> )	(KSh./M <sup>3</sup> )
Domestic/Residential	1-6	190
	7-20.	210
	21-50	220
	51-100	230
	101-300	240
	>300	250
Multi-Dwelling Units	Per M3	210
Commercial/Industrial/Government/Institutions	1-50	220
	51-100	230
	101-300	240
	>300	250
Public Schools/Colleges/Universities	1-600	195
	601-1200	230
	>1200m <sup>3</sup>	250
Unique Consumer Categories–Water Kiosk	Per M <sup>3</sup>	185

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 sewerage charges for the last three months 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

<i>Item/ Service</i>	<i>Charge (KSh.)</i>
Water Deposit	
Category of consumer	
Domestic	2,500
Retail shops less than 10m <sup>3</sup>	3,000
Retail shops more than 10m <sup>3</sup>	3,500
Bar and restaurants less than 15 m <sup>3</sup>	4,000
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>	15,000
Hotel class "C" and "D" less than 150 m <sup>3</sup>	18,000
Hotel class "C" and "D" more than 150 m <sup>3</sup>	20,000
Multi-Dwelling Units less than 200m <sup>3</sup>	20,000
Multi-Dwelling Units more than 200m <sup>3</sup>	30,000
Malls and Supermarkets	25,000
Filling Stations, Garages and Car Wash	25,000
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	
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

<i>Item/ Service</i>	<i>Charge (KSh.)</i>
Tanker – 8000 and 16,000 litres	2,500 and 5,000 respectively per tanker within OWSC's area for all consumers
Sale of water Per M <sup>3</sup> at bowing point (own tanker)	KSh. 200
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 fees	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
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 & 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 OWSC during the tariff period:

<i>Expenditure Item</i>	<i>2022/23 (KSh.)</i>	<i>2023/24 (KSh.)</i>	<i>2024/25 (KSh.)</i>	<i>2025/26 (KSh.)</i>	<i>2026/2 (KSh.)</i>	<i>2027/28 (KSh.)</i>	<i>2028/29 (KSh.)</i>
Operations	155,521,604	168,386,858	197,687,848	216,264,956	229,703,187	241,300,280	254,379,153
Maintenance	5,589,873	7,221,970	7,221,970	7,583,069	7,962,222	8,360,333	8,778,350
Regulatory Levy	4,769,504	4,843,216	9,597,778	10,201,801	10,665,228	11,347,307	11,859,349
Total O&M Costs	165,880,981	180,452,044	214,507,595	234,049,825	248,330,637	261,007,919	275,016,852
Investment Costs	-	-	5,740,000	4,140,000	2,984,800	2,784,800	2,534,800
Debt Repayment	-	-	-	-	-	-	-
Total Costs	165,880,981	180,452,044	220,247,595	238,189,825	251,315,437	263,792,719	277,551,652
Total Billing (KShs)	121,447,406	130,867,342	239,944,439	255,045,029	266,630,699	283,682,671	296,483,732
Collection Efficiency (%)	94%	94%	95%	95%	95%	95%	95%
Projected Revenue	114,160,562	123,015,301	227,947,217	242,292,777	253,299,164	269,498,537	281,659,545
Total Cost Coverage	69%	68%	103%	102%	101%	102%	101%

### 3.0 Conditions attached to the tariff approval

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

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

<b>Target</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
Water Coverage (%)	77%	78%	79%	80%	81%	82%	83%
Water quality standards (%)	93%			100% Compliance with Standards			
Personnel Expenditure as % of O&M	56%	53%	50%	47%	45%	43%	42%
Non-Revenue Water	35%	35%	35%	34%	33%	32%	31%
Hours of Supply (Hrs.)	16	17	17	18	18	19	19
Staff per 1000 connections	20	16	16	15	15	15	14
Metering ratio (%)	100%	100%	100%	100%	100%	100%	100%
Resale at Kiosk	KSh. 5.00 per 20l Jerry Can						

- (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 the catchment areas of their water source as part of Corporate Social Responsibility.
- (vi) Investments: The utility shall undertake the investments in Table 1 within the tariff period:

**Table 1: Investments****Proposed Investments for OWSC 2024/2025 to 2028/2029**

Proposed Activity										
Metering New Connections	Location/ point of use	Item	Unit	Quantity	Unit Price	2024/25	2025/26	2026/27	2027/28	2028/29
	All zones in the water supply: consumer connections	15mm water meter	no	500	3,500	1,750,000	-	-	-	-
	All zones in the water supply: consumer connections	15mm water meter	no	300	3,500	-	1,050,000	-	-	-
	All zones in the water supply: consumer connections	15mm water meter	no	300	3,500	-	-	1,050,000	-	-
	Water Kiosks in the Low-Income Areas	25mm water meter	no	4	8,700	-	-	34,800	-	-
	All zones in the water supply: consumer connections	15mm water meter	no	250	3,000	-	-	-	750,000	-
	All zones in the water supply: consumer connections	25mm water meter	no	4	8,700	-	-	-	34,800	-
	All zones in the water supply: consumer connections	15mm water meter	no	150	4,000	-	-	-	-	600,000
	All zones in the water supply: consumer connections	25mm water meter	no	4	8,700	-	-	-	-	34,800
						1,750,000	1,050,000	1,084,800	784,800	634,800
Water Networks Extensions	Network extensions of varied diameters 50mm to 63mm	Ngong and Matasia water supplies	m	1	800,000	800,000	-	-	-	-
		Bulbul Township - Ngong Water Supply	m	500	1,200	-	600,000	-	-	-
		Matasia Water Supply	m	1000	1,200	-	-	600,000	600,000	-
		Scheme 305 - Ngong Water Supply	m	500	1,200	-	-	-	-	-
						800,000	600,000	600,000	600,000	600,000
Water works, Equipment	Construction of bulk Meter	All zones in the water	-	5	15,000	75,000	-	-	-	-

, Pumps and Motors	Chambers (Masonry type)	supply								
	Pumps and equipment	Boreholes within the water supply	-	1	1,000,000	1,000,000	-	-	-	-
	Supply and install inline chlorine dozers	Boreholes in Ngong Water Supply	LS	2	60,000	-	120,000	-	-	-
	Pumps and Motors	Boreholes Ngong Water Supply	ls	1	1,000,000	-	1,000,000	-	-	-
	Pumps and Motors	Boreholes within Matasia and Ngong water supplies	ls	1	1,000,000	-	-	1,000,000	-	-
	Pumps and Motors	Boreholes - Ngong water supply	ls	1	1,000,000	-	-	-	1,000,000	-
	Pumps and Motors	Boreholes - Ongata Rongai Water Supply	ls	1	1,000,000	-	-	-	-	-
			-	-	-	1,075,000	1,120,000	1,000,000	1,000,000	1,000,000

Office Furniture and Equipment	Board Room chairs	Company Board room	no	10	5,000	-	50,000	-	-	-
	Small Single pedestal desk	Company Head Office	no	5	5,000	-	25,000	-	-	-
	filling cabinets	Company Head Office	no	5	15,000	-	75,000	-	-	-
	Reception Partitioning	Reception/ front office	no	1	50,000	-	50,000	-	-	-
	Office Chairs	Company Head Office	no	10	2,000	-	20,000	-	-	-
	Laptops	Commercial/ Finance Departments	no	5	60,000	-	300,000	-	-	-
	Conference Table	Company Board room	no	1	100,000	-	100,000	-	-	-
Sub - Total			-	-	-	-	620,000	-	-	-
NRW-Management Interventions						2,115,000	750,000	300,000	400,000	300,000
Total Annual Budgets						5,740,000	4,140,000	2,984,800	2,784,800	2,534,800

**Dated the 6th September, 2024.**

**MR/6547681**

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