

THE WATER ACT

(No. 43 of 2016)

SIBO WATER AND SANITATION COMPANY LIMITED

APPROVED TARIFF STRUCTURE FOR THE PERIOD 2024/2025 To 2027/2028

Sibo Water and Sanitation Company Limited (SIBOWASCO) applied to the Water Services Regulatory Board (WASREB) for review of water services tariffs, for the period 2024/2025 to 2027/2028 as per section 72 (1) (b) of the Water Act, 2016.

Public consultation on the SIBOWASCO 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 SIBOWASCO 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 SIBOWASCO that the approved tariffs for the four Financial Years 2024/2025, 2025/2026, 2026/2027, and 2027/2028 shall be as follows:

1.0 Approved Tariff Structure

1.1 Water Tariff for the period 2024/2025 to 2027/2028

<i>Consumer Categories</i>	<i>Consumption Block</i>	<i>Approved Tariff</i>
	<i>(m3)</i>	<i>(KSh./m3)</i>
Domestic/Residential	1-6	155
	7-20.	167
	21-50	200
	51-100	220
	101-300	250
<i>Consumer Categories</i>	<i>Consumption Block</i>	<i>Approved Tariff</i>
	<i>(m3)</i>	<i>(KSh./m3)</i>
Multi-Dwelling Units	>300	300
	Per M3	167
Commercial/Industrial	1-50	200
	51-100	220
	101-300	250
	>300	300
Government/Institutions	1-50	200
	51-100	220
	100-300	250
	>300	300
Public Schools, Universities and Colleges	1-600	167
	601-1200	250
	>1200m3	300
Unique Consumer Categories	Water Kiosks (Per m3)	70
	Bulk Water Supply (Per m3)	110

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

1.2 Sewerage Tariff Structure

(e) Consumers with a Water Connection

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.

(f) 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: 75% of the Volume of water consumed as per the metered source at the rates specified (in 1.1) above.

1.3 Indexation

The utility shall be eligible for annual indexation of the approved tariff, 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	2500
Retail shops less than 10m3	3000
Retail shops more than 10m3	3,500
Bar, and restaurants less than 15 m3	4000
Bar, restaurants more than 15 m3	6,000
Hotel class "A" and "B" less than 150 m3	12,000
Hotel class "A" and "B" more than 150 m3	15000
Hotel class "C" and "D" less than 150 m3	18000
Hotel class "C" and "D" more than 150 m3	20,000
Hospitals more than 150 m3	20,000
Health centres less than 150 m3	12,000
Schools and other institutions more than 200 m3	20,000
Schools less than 200 m3	10,000
Minor construction sites of more than 200 m3	15,000
Major construction sites more than 300 m3	50,000
Light industries less than 200 m3	30,000
Medium industrial between 200 m3 and 300 m3	50,000
Heavy industries of more than 300 m3	100,000
Water Kiosks	5,000
Customers with only sewer connection to be charged a deposit equivalent to 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, 16,000 litres	2,500, 5,000 respectively per tanker within WSP area for all consumers
Sale of water Per M3 at bowring point (own tanker)	KSh .167
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
<i>Item/ Service</i>	<i>Charge (KSh.)</i>
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
Penalties	
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 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

2.0 Cost Structure

2.1 Cost Summary

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

Expenditure Item	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Operations	155,301,201	164,795,956	181,944,483	194,367,017	206,424,715	217,717,305
Maintenance	11,595,157	14,811,352	15,318,813	15,701,125	16,096,662	16,506,163
Regulatory Levy	5,302,557	10,080,624	14,668,576	16,275,653	17,633,315	19,580,554
Total O&M Costs	172,198,915	189,687,933	211,931,872	226,343,796	240,154,691	253,804,022
Investment Costs	-	21,586,000	12,870,900	28,056,400	37,065,000	35,467,400
Debt Repayment	24,036,541	30,621,131	120,110,028	117,735,529	115,361,031	112,986,534
Total Costs	196,235,456	241,895,064	344,912,800	372,135,725	392,580,722	402,257,956
Total Billing (KSh.)	132,563,929	252,015,602	366,714,412	406,891,326	440,832,874	468,593,963
Collection Efficiency (%)	95%	95%	95%	95%	95%	95%
Projected Revenue	125,935,732	239,414,822	348,378,692	386,546,760	418,791,231	445,164,265
Total Cost Coverage	64%	99%	101%	104%	107%	111%

3.0 Conditions attached to the tariff approval

The conditions attached to this approval which shall form part of the license conditions of SIBOWASCO

are: (i) Service Delivery Conditions attached to the Tariff

Target	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Water Coverage (%)	38%	41%	44%	47%	50%	53%
Water quality standards (%)	90%	100% Compliance with Standards				
Personnel Expenditure as % of O&M	36%	31%	29%	28%	28%	28%
Non-Revenue Water	57%	52%	47%	42%	37%	32%
Hours of Supply (Hrs.)	18	19	19	20	20	20
Staff per 1000 connections	6	9	7	6	5	5
Collection Efficiency (%)	95%	95%	95%	95%	95%	95%
Resale at Kiosk	KSh. 5.00 per 20l Jerry Can					

(ii) Annual budgets: The utility 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) Creation of distinct water and sewer cost centres: SIBOWASCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.

(v) Metering: SIBOWASCO shall progressively enhance the metering ratio to attain 100% as per condition (3i) above (vi) Reporting: The utility shall submit to WASREB a quarterly performance report in the format provided.

(vii) Investments: The utility shall undertake the investments in Table 1:

Table 1: Investments

S/No.	Investments	Description	Qty.	Unit Cost (KSh.)	2024/2025	2025/2026	2026/2027	2027/2028
1	Metering							

1.1	Water Meter - New Connections	AMR smart enabled meters (DN 15 meters)	500	5,500	2,750,000	-	-	-
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S/No.	Investments	Description	Qty.	Unit Cost (KSh.)	2024/2025	2025/2026	2026/2027	2027/2028
		AMR smart enabled meters (DN 20 meters)	350	7,500	2,625,000	-	-	-
		AMR smart enabled meters (DN 15 meters)	3000	5,500	-	16,500,000	-	-
		AMR smart enabled meters (DN 20 meters)	500	7,500	-	3,750,000	-	-
		AMR smart enabled meters (DN 15 meters)	4500	5,500	-	-	24,750,000	-
		AMR smart enabled meters (DN 20 meters)	700	7,500	-	-	5,250,000	-
		AMR smart enabled meters (DN 15 meters)	4000	5,500	-	-	-	22,000,000
		AMR smart enabled meters (DN 20 meters)	800	7,500	-	-	-	6,000,000
1.2	Water Meter - meter replacements	Replacement of meters that have surpassed their economic life (6yrs) - 200 DN 15 meters each year	1000	4,400	1,100,000	1,100,000	1,100,000	1,100,000
1.3	Bulk/Production meters	Production meter -2 DN 450 for KSh.350,000 each and 2 DN 150 for KSh.150,000 each for the 1st year. 3 DN 150 for Kshs.150,000 each and 3 DN 100 for KSh.100,000 each from the 3rd year. Installation of production meters at Yala treatment plant, Asembo treatment plant, Bondo treatment plant, South Sakwa treatment plant				750,000	750,000	750,000
2	Non-Revenue Water Management							
2.1	Bulk/Production Master Meters and Works	DN100 Single Jet AMR Enabled Meter	3	100,000	100,000	100,000		100,000
		DN75 Single Jet AMR Enabled Meter	3	80,000	80,000		80,000	80,000
		Construction and installation of series bulk meters and production meter chambers (2 Chambers every year)	8	50,000	100,000	100,000	100,000	100,000
		DN 450 Electromagnetic Water Meter	1	350,000				350,000
		DN150 Single Jet AMR Enabled Meter	2	150,000	-	-	150,000	150,000
2.2	DMA Master Meters and Works							
	For installation of meters within DMAs that will be created for determination of the actual NRW position and for establishment of DMAs for effective NRW management to support revenue growth	DN 200 Electromagnetic Water Meter	3	162,400	162,400	162,400		162,400
		DN150 Single Jet AMR Enabled Meter	4	150,000	150,000	150,000	150,000	150,000
		DN100 Single Jet AMR Enabled Meter	3	100,000	100,000	100,000	100,000	

	12 DMAs will be created for the five years with 3 DMAs being created each year	DMA creation and Isolation physical works	9	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	Accessories	Pipe Wrenches 48"	5	85,000	255,000	170,000	-	-
		Pipe Wrenches 24"	5	38,000	114,000	76,000	-	-
		Pipe Wrenches 18"	5	6,500	19,500	13,000	-	-
		Pipe Wrenches 14"	10	3,500	10,500	10,500	10,500	3,500
		Pipe Wrenches 12"	10	1,500	4,500	4,500	4,500	1,500
2.3	Cold Water Meter Testing and Calibration	Meter Calibration bench for meter sizes DN15mm to DN40mm		1,000,000	1,000,000			
		Portable Water Meter Test Kit	6	400,000		800,000	400,000	800,000
		Water Meter Anti-Tampering Plastic Seals	4000	500	500,000	500,000	500,000	500,000
2.4	Pressure data loggers, Pressure Gauges & Pressure Reducing Valves	Pressure data loggers with 2 output channels (max pressure 10 bars)	3	200,000	200,000	200,000	200,000	-
		Pressure data loggers with 2 output channels (max pressure 20 bars)	3	300,000	300,000	300,000	300,000	-
<i>S/No.</i>	<i>Investments</i>	<i>Description</i>	<i>Qty.</i>	<i>Unit Cost (KSh.)</i>	<i>2024/2025</i>	<i>2025/2026</i>	<i>2026/2027</i>	<i>2027/2028</i>
		Veron Moris analog calibrated Pressure Gauges with up to 20 bars and has plotter paper.	2	50,000	50,000	50,000	-	-
		Install Water Pressure Gauges	120	5,000	150,000	150,000	150,000	150,000
		Tank ball valves 4"	10	35,000	70,000	70,000	70,000	70,000
		Tank ball valves 3"	1	30,000	30,000			
	TOTAL				12,870,900	28,056,400	37,065,000	35,467,400

Dated the 2nd May, 2024.

JULIUS ITUNGA,
Ag. Chief Executive Officer,
Water Services Regulatory Board.

MR/5723150

	Procure 1No. Double CAB motor vehicle for NRW Unit	-	-	-	4,500,000
	Total Investments	6,100,000	21,301,603	24,609,942	25,804,008
Water Networks Rehabilitation	Gatango Water Supply				
	Kamagoko-Kora Main - Line		2,714,874	2,766,824	
	Kairo School Line, Gikindu line, Wangethi Line, Ndugu Line, Wamikurwe Line, Gicharuri, Pilot, Gati Iguru				2,154,362
	Mathioya Water Supply			1,331,537	1,331,537
	Total Network Rehabilitation	-	2,714,874	4,098,361	3,485,899

Dated the 2nd May, 2024.

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Ag. Chief Executive Officer, Water Services Regulatory Board.

MR/5723150