

### **TETU ABERDARE WATER & SANITATION COMPANY**

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**TEAWASCO** 

TEAWASCO/ACCTS.50/VOL.1/2 2024 30th April

# NOTICE OF PUBLIC CONSULTATION Water Act 2016 Section 139

Notice is given to the general public that Tetu Aberdare Water and Sanitation Company Ltd, which is a water service delivery entity in Nyeri County and has authority from the Nyeri County Government to provide Water and Sanitation Services within Tetu Sub-County and its environs as per license, has applied to the Water Services Regulatory Board for a regular tariff review in the interests of consumer protection.

Tetu Aberdare Water and Sanitation Company Ltd (TEAWASCO) proposes a water tariff review to enable the water utility to operate at full cost recovery and meet conditions for improving service delivery.

Details of the current tariff and the proposed tariff can be obtained from <a href="https://www.teawasco.co.ke">https://www.teawasco.co.ke</a> or at the Tetu Aberdare Water and Sanitation Company Ltd offices at **Kamakwa Nyeri Central Sub-County Water Office**.

Written comments on improvements in service delivery and/or comments on the tariff review should be addressed to the MD, Tetu Aberdare Water and Sanitation Company Ltd **P.O. Box 1089-10100 NYERI**.

Written comments can also be addressed to <a href="mailto:tariffs@wasreb.go.ke">tariffs@wasreb.go.ke</a>

The closing date for such comments shall be on 23<sup>rd</sup> May 2024. A public consultation meeting shall be held on **14<sup>th</sup> May 2024 at Wamagana** Catholic Hall starting at **10.00** am.

S.W. WANJAU

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**MANAGING DIRECTOR** 

Water is Life. Conserve it!!

## ANNEX 1 DETAILS OF PUBLIC CONSULTATION FOR TETU ABERDARE WATER AND SANITATION COMPANY LTD (FOR THE PERIOD 2024/2025 – 2028/2029)

#### 1.0 Cost and Revenue Structure for the Tariff Period

| Expenditure Item          | 2022/23    | 2023/24    | 2024/25     | 2025/26     | 2026/27     | 2027/28     | 2028/29     |
|---------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Operations                | 48,941,344 | 55,797,004 | 75,357,805  | 75,357,805  | 75,357,805  | 75,357,805  | 75,357,805  |
| Maintenance               | 6,249,116  | 6,374,098  | 6,889,650   | 6,889,650   | 6,889,650   | 6,889,650   | 6,889,650   |
| Regulatory Levy           | 2,700,396  | 2,825,652  | 6,735,201   | 6,735,201   | 6,735,201   | 6,735,201   | 6,735,201   |
| Total O&M Costs           | 57,890,856 | 64,996,755 | 88,982,656  | 88,982,656  | 88,982,656  | 88,982,656  | 88,982,656  |
| Investment Costs          | 10,580,000 | 13,702,100 | 45,403,000  | 50,073,000  | 54,107,000  | 53,270,800  | 58,892,000  |
| Debt Repayment            | -          |            | -           | -           | -           | -           | -           |
| Total Costs               | 68,470,856 | 78,698,855 | 134,385,656 | 139,055,656 | 143,089,656 | 142,253,456 | 147,874,656 |
| Total Billing (KShs)      | 67,758,820 | 70,641,294 | 168,380,014 | 172,692,562 | 177,087,365 | 181,552,699 | 186,088,716 |
| Collection Efficiency (%) | 93%        | 94%        | 95%         | 95%         | 95%         | 95%         | 95%         |
| Projected Revenue         | 63,015,703 | 66,402,816 | 159,961,013 | 164,057,934 | 168,232,997 | 172,475,064 | 176,784,280 |
| Total Cost Coverage       | 92%        | 84%        | 119%        | 118%        | 118%        | 121%        | 120%        |

#### 2.0 Proposed Change in Water Tariff Structure for the Period.

| Proposed Tariff for Tetu Aberdare Water and Sanitation Co. Ltd. |                   |                   |                      |                 |  |  |  |  |  |
|---|-------------------|-------------------|----------------------|-----------------|--|--|--|--|--|
| Consumer Categories   | Consumption Block | Current<br>Tariff | Consumption<br>Block | Proposed Tariff |  |  |  |  |  |
|   | (m3)              | (Kshs/M³)         | (m3)                 | (Kshs/M3)       |  |  |  |  |  |
|   | 0-6               | 33.33             | 1-6                  | 95              |  |  |  |  |  |
|   | 7-20              | 50.00             | 7-20.                | 100             |  |  |  |  |  |
| Domestic/Residential  | 21-50             | 65.00             | 21-50                | 105             |  |  |  |  |  |
|   | 51-100            | 80.00             | 51-100               | 110             |  |  |  |  |  |
|   | 100-300           | 100.00            | 101-300              | 120             |  |  |  |  |  |
|   | >300              | 130.00            | >300                 | 140             |  |  |  |  |  |
| Multi- Dwelling Units   |                   | N/A               | Per M3               | 100             |  |  |  |  |  |
|   | 0-6               | 33.33             |                      |                 |  |  |  |  |  |
|   | 7-20.             | 50.00             |                      |                 |  |  |  |  |  |
| Commercial/Industrial   | 21-50             | 65.00             | 1-50                 | 105             |  |  |  |  |  |
|   | 51-100            | 80.00             | 51-100               | 110             |  |  |  |  |  |
|   | 100-300           | 100.00            | 101-300              | 120             |  |  |  |  |  |
|   | >300              | 130.00            | >300                 | 140             |  |  |  |  |  |
|   | 0-6               | 33.33             |                      |                 |  |  |  |  |  |
| Covernment (Institutions  | 7-20.             | 50.00             | ]                    |                 |  |  |  |  |  |
| Government/Institutions   | 21-50             | 65.00             | 1-50                 | 105             |  |  |  |  |  |
|   | 51-100            | 80.00             | 51-100               | 110             |  |  |  |  |  |

|                 | 100-300                       | 100.00 | 100-300  | 120 |
|-----------------|-------------------------------|--------|----------|-----|
|                 | >300                          | 130.00 | >300     | 140 |
|                 | 0-600                         | 40     | 1-600    | 100 |
| Public Schools  | 601-1200                      | 50     | 601-1200 | 120 |
|                 | >1200m3                       | 90     | >1200m3  | 140 |
| Unique Consumer | Commercial Plots/Yard<br>Taps | N/A    | Per M3   | 105 |
| Categories      | Water Kiosks                  | 35     | Per M3   | 110 |

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

#### 3.0 Sewerage Tariff Structure for the period 2024/2025 to 2028/2029

#### a) Consumers with a Water Connection

Sewerage will be charged at 75% of the water volumes, billed at the tariff for water specified (in 2.0) above for all customer categories.

#### b) Consumers without a Water Connection

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

- Single dwelling Domestic unit: Ksh. 300 Per Month
- All other categories: 75% of the Volume of water consumed as per the metered source at the rates specified (in 2.0) above.

#### 4.0 Indexation

The utility's 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 after a full year of implementation, on the 15th day of July every year, and shall remain in force until the 14th day of July the following year.

#### 5.0 Miscellaneous Charges

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

#### 6.0 Service Delivery Conditions attached to the Tariff.

The conditions attached to this approval, which shall form part of the license conditions of Tetu Aberdare and Sanitation Company Ltd, are:

| Target                            | 2022/2023                   | 2023/2024 | 2024/2025   | 2025/2026      | 2026/2027     | 2027/2028 | 2028/2029 |
|-----------------------------------|-----------------------------|-----------|-------------|----------------|---------------|-----------|-----------|
| Water Coverage (%)                | 94%                         | 95%       | 95%         | 96%            | 96%           | 97%       | 97%       |
| Water quality standards (%)       | 95%                         |           | 100         | % Compliance   | ce with Stand | lards     |           |
| Personnel Expenditure as % of O&M | 55%                         | 54%       | 54% 52% 51% |                | 49%           | 48%       | 47%       |
| Non-Revenue Water                 | 36%                         | 35%       | 35%         | 34%            | 33%           | 32%       | 31%       |
| Hours of Supply (Hrs.)            | 22                          | 22        | 23          | 23             | 23            | 24        | 24        |
| Staff per 1000 connections        | 6                           | 6         | 5           | 5              | 5             | 5         | 5         |
| Metering ratio (%)                | 100%                        | 100%      | 100%        | 100%           | 100%          | 100%      | 100%      |
| Collection Efficiency (%)         | 93% 94% 95% 95% 95% 95% 95% |           |             |                |               |           |           |
| Resale at Kiosk                   |                             |           | Kshs. 5     | .00 per 201 Je | erry Can      |           |           |

#### **6.1 Other Conditions**

- i. Annual budgets: The utility 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. Investments: The utility shall undertake the investments as follows: -

| ng tariff period  | 2024-2025 2025-2026 2026-2027 2027-2028 2 | 5 435,000 145,000 | 5 65,000 65,000 65,000 65,000 | 5         60,000         60,000         60,000         60,000         60,000 | 76,000 76,000 | 132,000 132,000 | 144,000 144,000 | 2,500,000                | 2,500,000 2,500,000 | 4,262 550,000 1,300,000 2,650,000 2,848,800 2,880,000 | 33,458 900,000 1,250,000 2,200,000 1,840,000 1,840,000 | 8,632 850,000 1,300,000 1,950,000 2,000,000 2,100,000 | 24,375 750,000 1,350,000 1,200,000 1,250,000 1,300,000 | 22,821 800,000 2,250,000 1,900,000 1,950,000 2,000,000 | 62,084 800,000 1,250,000 4,200,000 4,300,000 4,350,000 | 85,060 950,000 1,175,000 2,081,000 2,100,000 2,200,000 | 14,821         955,000         1,925,000         3,950,000         3,750,000         3,500,000 | 11,542 7,500,000 6,500,000 2,500,000 5,400,000 5,800,000 | 2,476 4,000,000 2,900,000 3,000,000 2,800,000 2,650,000 | 2,913 800,000 1,250,000 1,700,000 1,560,000 1,680,000 |                   |
|---|---|-------------------|-------------------------------|--|---------------|-----------------|-----------------|--------------------------|---------------------|---|--|---|--|--|--|--|--|--|---|---|-------------------|
| Proposed internally funded Investments during tariff period | T UNIT COST                               | 145,000           | 65,000                        | 000'09   | 38,000        | 22,000          | 18,000          | 5,000                    | 5,000               | 2,400   | 240  | 950   | 240  | 390  | 240  | 100  | 950  | 2,400  | 6,200   | 2,400   | 100               |
| ally funded   | TIND                                      | No.               | 2                             | 2  | 2             | S.              | N.              | Š                        | S.                  | Σ   | Σ  | Σ   | Σ  | Σ  | Σ  | Σ  | Σ  | Σ  | E   | M   | Σ                 |
| Proposed intern   | TYPE                                      | Class C           | Class C                       | Class C  | Class C       | Class C         | Class C         | Class C                  | Class C             | Kagwathi  | Gachuiro   | Nyambari  | Karongo  | Kinunga  | Kihatha  | Kiriara  | Jolly line   | Munugaine  | AC Line   | Gathunguya<br>- Ihari                                 | Kianguta -        |
|   | SIZE                                      | 300mm             | 250mm                         | 200mm  | 150mm         | 80mm            | 50mm            | 15mm                     | 15mm                | 160mm Hdpe pipe Pn<br>12.5                            | 50mm Hdpe pipe Pn<br>12.5                              | 110mm Hdpe pipe Pn<br>12.5                            | 50mm Hdpe pipe Pn<br>12.5                              | 63mm Hdpe pipe Pn<br>12.5                              | 50mm Hdpe pipe Pn<br>12.5                              | 32mm Hdpe pipe Pn<br>12.5                              | 110mm Hdpe pipe Pn<br>12.5   | 160mm Hdpe pipe Pn<br>12.5                               | 280mm Hdpe pipe Pn<br>12.5                              | 160mm Hdpe pipe Pn<br>12.5                            | 32mm Hdpe pipe Pn |
|   | GUIDE                                     | Production        | Production                    | Transmission   | Transmission  | Zonal meters    | Zonal meters    | New water<br>connections | Replacement         | Tetu<br>Thegenge<br>Scheme                            |  |   |  |  |  |  |  |  |   |   |                   |
|   | PROJECT<br>AREA                           |                   |                               | Aguthi Tetu  | scheme        |                 |                 | Aguthi Tetu<br>and Titie | scheme              |   |  |   |  |  |  |  |  |  |   |   |                   |
|   | METERING                                  | A. Bulk           | cialali                       |  |               |                 |                 | B.<br>Customer           |                     |   |  |   |  |  | -  | D.<br>Rehabilitati                                     | Service  | rines  |   |   |                   |

| PROJECT                  |                                     |  | Proposed internal         | y funded Inv | internally funded Investments during tariff period | tariff peri | pc         |            |            |            |            |
|--------------------------|-------------------------------------|--|---------------------------|--------------|--|-------------|------------|------------|------------|------------|------------|
| AREA                     | GUIDE                               | SIZE   | TYPE                      | TIND         | UNIT COST  | ΔTΛ         | 2024-2025  | 2025-2026  | 2000 3000  |            |            |
|                          |                                     | 110mm Hdpe pipe Pn<br>12.5                       | Gititu - Ithe<br>Kahuno   | ¥            | 950  | 4,263       | 200 000    | 4 550 000  | 7.02-502/  | 2027-2028  | 2028-2029  |
|                          |                                     | 90mm Hdpe pipe Pn<br>12.5                        | FT line -<br>Gathaithi    | Σ            | 770  | 4,545       | 100,000    | 000,000,1  | 1,800,000  | 1,850,000  | 1,900,000  |
|                          | Aguthi                              | 32mm Hdpe pipe Pn<br>12.5                        | PC line &<br>Karathi      | ∑            | 100  | 70,500      | 450,000    | 1,450,000  | 1,600,000  | 1,550,000  | 1,650,000  |
|                          | Scheme                              | 90mm Hdpe pipe Pn<br>12.5                        | Ithekahuno-<br>Karo       | W            | 770  | 6,624       | 000,000    | 1,400,000  | 1,500,000  | 1,650,000  | 1,700,000  |
|                          |                                     | 90mm Hdpe pipe Pn<br>12.5                        | Ithekahuno -<br>Thage-ini | Σ            | 770  | 4,013       | 400,000    | 1,350,000  | 850,000    | 1,150,000  | 1,350,000  |
|                          | Single cab pic                      | Single cab pick hardbody 4x4 3.0 Diesel Engine   | ngine                     | No           | 6,000,000  | -           | 400,000    | 1,850,000  | 1,000,000  | 1,050,000  | 1,100,000  |
|                          | Motor Cycles 200cc                  | 200cc  |                           | No           | 200,000  | 12          | 600,000    | 600,000    | 000'009    | 300,000    | 300,000    |
|                          |                                     | ERP Upgrading                                    |                           | No           | 5,000,000  | -           | 5,000,000  |            |            |            |            |
|                          |                                     | Procurement of Lab Equipment for Treatment plant | pment for Titie           | Ls           | 10,293,000   | -           | 700,000    | 460,000    | 3,633,000  | 500,000    | 5,000,000  |
|                          |                                     | Procurement of two lister engines to backwashing | engines for               | No           | 1,600,000  | 7           | 400,000    | 800,000    | 1,000,000  | 500,000    | 500,000    |
| NRW Reduction Activities | To reduce<br>NRW from<br>37% to 31% | As per NRW Management Schedule                   | Schedule                  |              |  |             | 8,236,000  | 7,486,000  | 7,386,000  | 7,430,000  | 7,530,000  |
|                          |                                     |  | TOTAL                     |              |  |             | 45,403,000 | 50,073,000 | 54,107,000 | 53,270,800 | 58.892.000 |
|                          |                                     |  |                           |              |  |             |            |            |            | ·          |            |

E. Statement ... Special State of the Control of the

| n Hamil Oursing   | Ohama Wah  |
|---|--|
| Item/ Service   | Charge (Ksh.)  |
| Water Deposit   |  |
| 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, 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 more than 150 m <sup>3</sup>                                    | 20,000   |
| 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 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 industrial between 200 m³ and 300 m³                               | 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 eq       |  |
| -   | I  |
| Other Charges   | <b>r</b>   |
| Service   | 0.500  |
| 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 TEAWASCO's area  |
| Cala of water Par M3 at howeing point (own tanker)                        | for all consumers  Ksh. 105                                  |
| Sale of water Per M³ at bowsing point (own tanker)                        |  |
| 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           | 7,500  |
| and Colleges  | 45.000   |
| 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   |  |
| r Citatuca  |  |

| Item/ Service   | Charge (Ksh.)  |
|---|--|
| Illegal water connection, -Commercial, Industry, Construction       | 100,000 plus estimated consumption during the period of    |
| (Fraud)   | 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,            | 30,000   |
| Universities & Colleges   |  |
| 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, | 5,000  |
| reversing of meter etc)   |  |
| Surcharge for direct suction of water from the supply line using a  | 10,000   |
| pump  |  |
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