

THE WATER ACT

(No. 43 of 2016)

KISUMU WATER AND SANITATION COMPANY LIMITED

APPROVED TARIFF STRUCTURE FOR THE PERIOD 2026/2027 TO 2029/2030

The Water Services Regulatory Board (WASREB), under the 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 Kisumu Water and Sanitation Company Limited (KIWASCO).

Kisumu Water and Sanitation Company Limited (KIWASCO) applied to the Water Services Regulatory Board (WASREB) for review of water services tariffs, for the period 2026/2027 to 2029/2030 as per section 72 (1) b of the Water Act, 2016.

Public consultation on the KIWASCO application was carried out in accordance with 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 KIWASCO 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 KIWASCO that the structure of approved tariffs for water services for the four financial years 2026/2027, 2027/2028, 2028/2029 and 2029/2030 shall be as follows:

1.0 Approved Tariff Structure

1.1 Water Tariff Structure for the period 2026/2027 to 2029/2030

<i>Consumer Categories</i>	<i>Consumption Block (m³)</i>	<i>Approved Tariff (KSh. /m³)</i>
Domestic/Residential	1-6	88
	7-20	132
	21-50	137
	51-100	148
	101-300	165
	>300	182
Multi-Dwelling Units	Per M3	132
Commercial/Industrial	1-50	137
	51-100	148
	101-300	165
	>300	182
Government/Institutions	1-50	137
	51-100	148
	101-300	165
	>300	182
Public Schools, Colleges, and Universities	1-600	76
	601-1200	80
	>1200m3	135
Unique Consumer Categories	Bulk Sale/MO/DMMS (Per m ³)	70
	Kiosk (Per m3)	50

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

1.2 Sewerage Tariff Structure for the period 2026/2027 to 2029/2030.

1.2.1 Consumers with a Water Connection

(a) Sewerage will be charged at 75% of the water volumes, billed at the Sewerage Tariff specified in the table below for all customer categories.

Consumer Categories	Consumption Block (75% of water consumed) (m ³)	Approved Tariff (KSh. /m ³)
Domestic/Residential	1-6	50
	7-20	66
	21-50	77
	51-100	82
	101-300	88
	>300	95
Multi-Dwelling Units	Per M3	70
Commercial/Industrial	1-50	77
	51-100	82
	101-300	88
	>300	95
Government/Institutions	1-50	77
	51-100	82
	101-300	88
	>300	95
Public Schools, Colleges, and Universities	1-600	55
	601-1200	72
	>1200m3	88

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

1.2.2 Consumers without a water connection

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

- (i) Domestic customers without a metered source of water (Per Single dwelling unit): Ksh. 300 Per Month
- (ii) All other categories: 75% of the volume of water consumed as per the metered source of water , including boreholes, at the rates specified (in 1.2.1(a)) 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 2027.

1.4 Miscellaneous Charges

These shall be as follows:

Item/ Service	Charge (KSh.)
Water Deposit	
Category of consumer	
Domestic	2500
Retail shops less than 10m ³	3000
Retail shops with more than 10m ³	3,500
Bar and restaurants with less than 15 m ³	4000
Bar and restaurants more than 15 m ³	6,000
Hotel class "A" and "B" with less than 150 m ³	12,000
Hotel class "A" and "B" with more than 150 m ³	15000
Hotel class "C" and "D" less than 150 m ³	18000
Hotel class "C" and "D" more than 150 m ³	20,000
Hospitals and Health centres with more than 150 m ³	20,000
Hospitals and Health centres with less than 150 m ³	12,000
Schools and other institutions have more than 200 m ³	20,000
Schools and other institutions with less than 200 m ³	10,000
Minor construction sites of more than 200 m ³	15,000
Major construction sites with more than 300 m ³	50,000
Light industries with 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 a 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 & 16,000 litres	2,500 & 5,000, respectively, per tanker within the WSP area for all consumers
Sale of water per M ³ at Browsing Point (own tanker)	132
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

Item/ Service	Charge (KSh.)
Sewer Connection- Industrial	15,000
Private sewer unblocking	2,500
Leak detection services	1,000
Sewer Reconnection fee	15,000
Printing of the customer's statement on their 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 (Fraud) – Domestic	30,000 plus estimated consumption during the period of the illegality
Overcharging (fraud) at the 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 the cut-off
Surcharge for tampering with meters (this includes 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 annual cost structure that makes up the total costs to be incurred by KIWASCO during the tariff period:

Expenditure Item	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Operations	829,398,749	889,090,467	937,435,916	992,610,229	1,051,254,983	1,109,477,444
Maintenance	256,843,411	256,843,411	154,106,046	155,647,107	157,203,578	158,775,614
Regulatory Levy	45,551,525	47,829,101	50,220,556	52,731,584	55,368,163	58,136,572
Total O&M Costs	1,131,793,685	1,193,762,979	1,141,762,519	1,200,988,920	1,263,826,724	1,326,389,629
Investment Costs	25,997,384	45,459,784	189,035,019	218,503,476	221,640,532	278,014,323
Debt Repayment	30,177,756	123,629,032	123,003,411	119,894,323	119,894,323	119,894,323
Total Costs	1,187,968,825	1,362,851,795	1,453,800,949	1,539,386,719	1,605,361,579	1,724,298,275
Total Billing (KSh)	1,178,916,804	1,422,732,460	1,567,819,962	1,638,290,226	1,694,780,937	1,753,370,033
Collection Efficiency (%)	105%	95%	95%	95%	95%	95%
Projected Revenue	1,233,677,101	1,351,595,837	1,489,428,964	1,556,375,715	1,610,041,890	1,665,701,532
O&M Cost Coverage	110%	113%	131%	130%	128%	126%
Total Cost Coverage	105%	99%	103%	101%	101%	97%

3.0 Conditions attached to the tariff approval.

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

3.1 Service Delivery Conditions attached to the Tariff

Target	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
Water Coverage (%)	93%	94%	95%	96%	97%	98%
Sewerage Coverage (%)	19%	21%	23%	25%	27%	29%
Water quality standards (%)	100%	100% Compliance with Standards				
Personnel Expenditure as % of O&M	30%	30%	30%	30%	30%	30%
Non-Revenue Water	32%	32%	31%	29%	28%	27%
Hours of Supply (Hrs.)	24	24	24	24	24	24
Staff per 1000 connections	5	5	5	5	5	5
Metering ratio (%)	100%	100%	100%	100%	100%	100%
Collection Efficiency (%)	102%	95%	95%	95%	95%	95%
Resale at Kiosk	Regulate resale by kiosk vendors at KSh. 5 per 20 litres. Tariffs at kiosks must be displayed at strategic points for public awareness					

3.2 Annual budgets: The WSP shall adhere to the budgetary levels set in the tariff.

3.3 Surpluses: The surpluses realised during the tariff period shall be used to implement priority service delivery capital projects approved by WASREB

3.4 Reporting: The utility shall submit to WASREB a quarterly performance report in the format provided.

3.5 Creation of distinct water and sewer cost centres: KIWASCO will ensure that separate water and sewer cost centres are created and that different records of operations of the two centres are maintained

3.6 Regulatory Levy: The utility is to pay a monthly regulatory levy based on 4% of turnover, which is inclusive of billing for other services and interest income earned.

3.7 Repayment of Loans: KIWASCO shall remit monthly loan repayments to LVSWWDA for AFD (STAP & LTAP) Loans as detailed below.

	2026/2027	2027/2028	2028/2029	2029/2030
Amount (KSh) per month	5,864,671	5,864,671	5,864,671	5,864,671

3.8 Catchment Protection: The utility shall undertake measures to conserve/ protect the catchment areas of their source of water as part of Corporate Social Responsibility

3.9 Phase-out of the Delegated Management Model (DMM): The WSP shall progressively phase out the DMMs and transition to direct service provision by the end of the current tariff period, to safeguard consumer interests and ensure protection of their rights.

3.10 Investments: The utility shall undertake the investments in Appendix 1:

4. Penalty notice

4.1 Take note that failure of an Accounting Officer to administer this tariff and the conditions attached to it is an offence subject to section 196 (2) of the Public Finance Management Act 2012, 117 (1) (aa) of the County Governments Act 2012, Sections 147 and 158 of the Water Act 2016, and Regulations 46 (1), 101 and 105 of the Water Services Regulations 2025.

4.2 Failure to comply with the tariff and conditions attached to it amounts to a breach of licence conditions and shall attract sanctions pursuant to section 92 of the Water Act 2016, including:

- (i) Payment of a penalty
- (ii) Suspension or cancellation of the licence.
- (iii) Placement of the utility under Special Regulatory Regime.
- (iv) Prosecution.

Appendix 1: Investments through internally generated funds by Kisumu Water and Sanitation Company Limited

No	Strategic Objective	Strategic Activity	Year 1	Year 2	Year 3	Year 4
			2026/27	2027/28	2028/29	2029/30
Increase Water Production Capacity						
1	SP1 (1.1): Increase Water Coverage and Access from 91% to 95% (Water Production Capacity)	Establish And Fully Resources Kiwasco Electro-Mechanical Workshop	-	-	-	-
		Reduce Cost Of Potable Water Production And Water Resource Recovery: Solarize Dunga Plants	8,213,675	8,213,675	-	-
		Replace 2no Dunga Bulk Sale Tanks	5,000,000	5,000,000	-	-
		Equip Microbiological/Central Laboratory	5,909,388	4,387,180	-	-
Network Maintenance						
2	SP1 (1.1): Increase Water Coverage and Access from 91% to 95% (Water Network Infrastructure)	40km Extensions To Unserved: Nyamasaria; Buoye; Omungu; Chiga; Masawa Obino; Mariwa (LIAs Focus & Minimal Urban (Settlements) - LIA	7,126,990	10,690,485	21,380,971	32,071,456
		60km Densify Underserved (Both Lia And Non-Lia Areas)	10,690,486	16,035,728	32,071,457	48,107,185
		100km Overhaul Dilapidated (Both Lia And Non-Lia Areas)	17,817,476	26,726,214	53,452,428	80,178,642
		Construct Chambers	1,023,750	1,535,625	3,071,250	4,606,875
		LIA-Specific Investments				
3	SP I: Increase Water and Sanitation Access and Coverage (1.2 - Increase Sanitation Coverage and Access from 55% to 65%)	Support Construction Of 300 Toilets In Lias	2,600,000	5,200,000	7,800,000	10,400,000
		Capacity Building: On-Board, Nurture And Grow Sanitation Specialists Among Staffs	1,200,000	-	-	-
Wastewater						
4	SP I: Increase Water and Sanitation Access and Coverage (1.2 - Increase Sanitation Coverage and Access from 55% to 65%)	Extension And Overhauls Of 15km Sewer Networks (Both Lia And Non-Lia Areas)	16,555,575	41,388,938	49,666,725	57,944,513
		Rehabilitate Sunset, Airport, Kendu Lane Pumping Stations	2,700,000	6,750,000	8,100,000	9,450,000
		Replace Tom Mboya Station Inlet Line (14") - 300m (Epoxycoated And Lined Steel Pipes)	6,000,000	-	-	-
Non-Revenue Water Investments						
5	SP II: Improve Operational Efficiency (Reduce NRW from 37% to 20%)	Invest In 1,200 In-House Last Mile Connections (Both LIA And Non-LIA Areas)	1,397,850	1,863,800	2,795,700	3,261,650
		Aod Project (To	41,301,749	41,301,749	-	-

No	Strategic Objective	Strategic Activity	Year 1	Year 2	Year 3	Year 4
			2026/27	2027/28	2028/29	2029/30
		Accommodate Elevated Tank At Watson Bank)				
		Install Bulk Meters (Reservoirs) - 16no	8,097,080	8,097,080		
		Nrw-Specific Special Projects	35,301,000	26,093,000	14,802,000	21,094,000
ICT						
6	Smart TV flat screen 85", 60"		400,000	700,000		
	Air Conditioner (AC) - List of offices to be installed with Ac		700,000	2,400,000	700,000	700,000
	Desktop Computer 15" LCD (i7 and above) with OS		2,400,000	3,600,000	2,400,000	2,400,000
	Laptop Computer (i7 and above) with OS		3,600,000	1,050,000	3,600,000	3,600,000
	HP 3-in-1 Printer (Printer, Scanner, Copier) Up to A3 Model		-	600,000	-	-
	Kyocera 3-in-1 Printer (Printer, Scanner, Copier) Up to A3 Model		-	250,000	-	-
	CCTV Central Unit		-	1,920,000	-	-
	CCTV Cameras		-	4,200,000	-	-
	Smartphones for Meter Readers & Plumbers		-	120,000	-	4,200,000
	Samsung Galaxy Tab for GIS		-	180,000	-	-
	Integration of all field-automated services into the SCADA system		1,000,000	-	-	-
	Asset Tagging Implementation		1,000,000	-	4,000,000	-
	Biometric Register		2,500,000	-	-	-
	Water Hydraulic Modelling Software (Water GEMS)		-	-	300,000	-
	GIS Software (ARC GIS Pro)		-	-	500,000	-
	Civil Design and Survey Software (AutoCAD Civil 3D)		-	-	300,000	-
	Graphics Design Software		-	-	200,000	-
	Picture Editing Software		-	-	100,000	-
	SD-WAN (Software-Defined Wide Area Network) Interlinking all the sites		1,000,000	-	-	-
	Enterprise Server - RAM: 64GB, Processor: Intel Xeon Silver (12 core, 2.4GHz) 4214R, Storage: two (2) 300GB SAS SFF HDD (15k rpm); three (3) 1.2TB SAS SFF HDD (10k rpm), Network: 1Gb Ethernet 4-Port		1,500,000	-	-	-
	Customer Care Ticketing System		2,000,000	200,000	-	-
	Technology Research and Development		2,000,000	-	2,000,000	-
		TOTAL	189,035,019	218,503,475	221,640,531	278,014,322

Dated the 26th June, 2026.

RICHARD CHERUIYOT,
MR/7807399
Regulatory Board.

Ag. CEO, Water Services