

ANNEX 2
DETAILS OF RUNDA WATER COMPANY LTD
(RWCL)
REGULAR TARIFF APPLICATION (2020 to 2022)

1. Cost and Revenue Structure for the Tariff Period

Expenditure Item	2019	2020	2021	2022
Operations	50,478,374	47,525,670	51,006,553	54,716,232
Maintenance	2,139,045	4,663,734	5,448,294	6,235,539
Regulatory Levy	2,599,858	3,094,534	3,670,213	3,851,144
Licensee Remuneration to AWSB	612,000	0	0	0
Investments	0	13,719,998	10,424,028	2,682,022
Debt Repayment	9,202,700	9,202,700	9,202,700	6,135,133
Total Costs (Ksh.)	65,031,976	78,206,634	79,751,787	73,620,070
Total Billing (KSh.)	64,996,439	77,363,341	91,755,329	96,278,591
Collection Efficiency (%)	85%	87%	89%	91%
Projected Revenue	55,443,441	67,539,955	81,939,595	87,904,543
Cost coverage	85%	86%	103%	119%

2. Recommended Water Tariff Structure for 2020 to 2022

Customer Category		Current Tariff	Proposed Tariff
Domestic Consumers	Consumption Block(m3)		Tariff
	1-6	75	95
	7-20	80	115
	21-50	85	122
	51-100	100	129
	101-300	130	136
	>300	150	150
All other consumers	Consumption Block(m3)	Current Tariff	Proposed Tariff
	1-50	N/A	115
	51-100	N/A	122
	101-300	N/A	129
	>300	N/A	136

3. Miscellaneous Charges

1. Connection Fees		
	Current Charge (Kshs)	Proposed Charge (Kshs)
Water Connection Fee	30,000	30,000
Water Deposit (Refundable)	6,000	6,000
2. Re- Connection Fees		
	Current Charge (Kshs)	Proposed Charge (Kshs)
Normal	500	500
At Mains	5,000	5,000
3. Illegal Connection Fees		
	Current Charge (Kshs)	Proposed Charge (Kshs)
Domestic	Fine Kshs. 15,000 plus Double Deposit and charge for water stolen	Fine Kshs. 15,000 plus Double Deposit and charge for water stolen
Commercial/Industrial/Construction	Fine Kshs. 15,000 plus Double Deposit and charge for water stolen	Fine Kshs. 15,000 plus Double Deposit and charge for water stolen
Replacement of Stolen/Damaged Meter	100% of the current market cost of the meter	100% of the current market cost of the meter

4. Service Delivery Conditions attached to the Tariff

Target	2019	2020	2021	2022	2023
Water Coverage (%)	86	86	87	87	88
Water quality standards (%)	100% compliance with WASREB Standards				
Non-Revenue Water %	22	18	17	17	16
Hours of Supply (Hrs)	17	18	19	20	21
Staff per 1000 connections	19	18	18	17	17
Metering ratio (%)	100	100	100	100	100
Personnel Expenditure as % of O&M	36	34	34	33	32
Maintenance Expenditure as % of O & M	4	8	8	9	10
Collection Efficiency (%)	90	92	93	95	95

5. Other Conditions

- i. **Annual budgets:** The WSP shall adhere to the budgetary levels set in the tariff.
- ii. **Reporting:** The utility shall submit to WASREB a quarterly performance report.
- iii. **Investments:** The utility shall undertake the following investments within the tariff period and submit progress reports to WASREB on a quarterly Basis.

APPENDIX 1: INVESTMENTS FROM INTERNALLY GENERATED FUNDS

INVESTMENT	PROJECT AREA	GUIDE	SIZE	SAMPLE DESCRIPTIONS	UNIT	UNIT COST	QTY	TOTAL COST (KSH)	2020 (KSH)	2021 (KSH)	2022 (KSH)
A. Increase water coverage	New Connections	Purchase of New Meters	DN 15	Mechanical Cold Water Sensus & Kent meters	No.	4,000	60	240,000	80,000	80,000	80,000
		Sub -Total				4,000	60	240,000	80,000	80,000	80,000
Baton reduce NRW	Service Lines: Ruaka Grove, Runda Close, Ruaka Rd & Runda Rd.	Renewal of Service Lines	Lot	Assorted Sizes	Length (M)	3,642	4,180	15,223,970	11,417,978	3,805,993	
	Treatment Plant	Purchase and installation of Master Meters	DN 150	Mechanical Cold Water Sensus & Kent meters	No.	100,000	2	200,000	200,000		
	Old Runda, Runda Mimosa, Runda Meadows	Replacement of consumer Meters	DN 15	Mechanical Cold Water Sensus & Kent meters	No.	4,000	300	1,200,000		600,000	600,000
	Old Runda	New Zonal Meters	DN 100	Mechanical Cold Water Sensus & Kent meters	No.	50,000	4	200,000	200,000		
	Runda Meadows	New Zonal Meters	DN 100	Mechanical Cold Water Sensus & Kent meters	No.	50,000	1	50,000		50,000	
	Eagle Park	New Zonal Meters	DN 100	Mechanical Cold Water Sensus & Kent meters	No.	50,000	1	50,000		50,000	

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	Old Runda	Replacement of Zonal Meters	DN 100	Mechanical Cold Water Sensus & Kent meters	No.	50,000	5	250,000	250,000		
	Runda Mimosa	Replacement of Zonal Meters	DN 100	Mechanical Cold Water Sensus & Kent meters	No.	50,000	2	100,000		100,000	
		Sub -Total						17,273,970	12,067,978	4,605,993	600,000
C. Replacement of Pumps & Filter Vessels	Abstraction pump		160m3/hr	Supply, installation and commissioning of pump set with a base frame, rated capacity of 160 m3/h against a total head of 100m, power rating 75KW.	No.	1,575,280	1	1,575,280			
	Pressure Pump		150m3/hr	Supply, installation and commissioning of (Grundfos vertical multi stage) pump set with a rated capacity of	No.	1,575,280	1	1,575,280			

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				150 m3/h against a total head of 140m, power rating 75KW.							
	Vertical Booster Pump		150m3/hr	Supply, installation and commissioning of (Grundfos vertical multi stage) pump set with a rated capacity of 150 m3/h against a total head of 140m,	No.	2,024,084	1	2,024,084			
	Filter pumps		50m3/hr	Provision and installation rapid filter pump set complete with motor, starter, sensor, 63 A rated Power cable, valve system, gauges, clamps and all necessary accessories.	No.	1,098,520	1	1,098,520			

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	Filter Vessels			FC 708 domed filter c/w control valve	No.	2,718,007	2	5,436,014		5,436,014	
		Sub -Total					5	11,709,178	-00	5,436,014	-00
D. Water Tanks	92 Runda Grove	Repair of Sedimentation Tanks	(Dia. 6.5 X 6.0 Meters Deep)	Circular concrete tank	400m3	SUM	1	800,000	800,000		
	Treatment Plant	Repair of Balancing Tanks	(Dia. 5.0 X 2.3 Meters Deep)	Circular concrete tank	50m3	SUM	1	500,000	500,000		
	Plot 794, Eliud Mathu Street	Purchase of clean water storage tank	(6.2 X 6.1 X 4.0 Meters)	Elevated pressed steel tank	150m3	SUM	1	7,198,762			
		Sub -Total					3	8,498,762	1,300,000	-00	-00
E. Capital Works	Re-location of Toilet Block	Office Improvement		Design and Construction of toilet block	SUM	SUM		2,000,000			2,000,000
		Sub -Total						2,000,000	-00	-00	2,000,000
F. Lab Equipment and Accessories	PH Meter	Enhance water quality control		PH Meter	No.	100,000	1	100,000	100,000		
	Digital Calorimeter	Enhance water quality control		Digital Calorimeter	No.	120,000	1	120,000	120,000		
	Water Bath	Enhance water quality control		Water Bath	No.	50,000	1	50,000	50,000		
		Sub -Total					3	270,000	270,000	-00	-00

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G. Purchase of movable assets	Motor Cycles	Motor Cycles	125 cc	Stroke 54, Engine Displacement 123, Max Power 10.7 bhp@7500 rpm	No.	300,000	1	300,000		300,000	
		Sub -Total					1	300,000	-00	300,000	-00