

THE WATER SUPPLY AND SANITATION ACT,
(NA. 5 OF 2019)

ORDER

(Made under section 29(1)(d))

THE MUGUMU WATER SUPPLY AND SANITATION AUTHORITY (MUGUMU
WSSA) TARIFF ADJUSTMENT ORDER, 2019

- Citation **1.** This Order shall be cited as the Mugumu Water Supply and Sanitation Authority (Mugumu WSSA)(Tariff Adjustment for Water Supply and Sanitation Services) Order, 2019.
- Commencement Date **2.** This Order shall come into force on 1st December 2019.
- Tariffs and Charges **3.** Mugumu WSSA tariffs and charges are hereby adjusted as specified in the First Schedule to this Order.
- Conditions **4.**The approved tariff shall be subject to the following conditions:
- (a) prior to the implementation of new tariff, Mugumu WSSA shall provide evidence to EWURA that it has notified its customers of the new tariff order and it has conducted an intensive awareness to its customers including, government, political and religious representatives found in their area of services;
 - (b) Mugumu WSSA shall procure and maintain optimum stock of water meters in order to ensure that meter replacements are done within the shortest period of time;
 - (c) on or before 31st January 2020, Mugumu WSSA shall submit a revised Business Plan that incorporates the approved tariffs and action plan for implementation of conditions of this Order;
 - (d) Mugumu WSSA shall ensure it complies with the requirement of remitting regulatory levy;
 - (e) Mugumu WSSA shall ensure a 100% metering ratio to all domestic

customers by 31st December, 2019. Mugumu WSSA is requested to procure enough water meters in order to implement this directive;

- (f) on or before 31st December 2019, Mugumu WSS shall develop and submit to EWURA a strategy to reduce Non Revenue Water (NRW) from the current rate of 33% to 22% by 2021/22;
- (g) on or before 31st December, 2019, Mugumu WSSA shall develop and share with EWURA program to identify disadvantaged customers in Mugumu WSSA serviced area and serve them with water services in affordable manner;
- (h) on or before 31st December, 2019, Mugumu WSSA shall develop and share with EWURA customer's outreach program;
- (i) Mugumu WSSA shall implement the projects by using funds generated from the approved tariffs as detailed in the Second Schedule of this Order;
- (j) Mugumu WSSA shall attain key performance indicators as shown in the Third Schedule of this Order;
- (k) Mugumu WSSA shall, on annual basis as part of its annual performance report, submit to EWURA reports on the implementation of each of the Tariff Order condition and each cost item of the revenue requirement as presented in the Fourth Schedule; and
- (l) Mugumu WSSA shall continue to provide EWURA with information about its financial and operating condition in accordance with the requirements of EWURA. This information will be used by EWURA to evaluate Mugumu WSSA's performance in comparison with other Water Supply and Sanitation Authorities and the improvement of its performance over time. The evaluation will be considered by EWURA in evaluating the reasonableness of all future requests for tariff adjustment.

Revocation of
Tariff Order No. 2011 .
11-014 of 1st June
2011

5. This Order is hereby revoke the Mugumu WSSA Tariff Adjustment Order,

SCHEDULES

FIRST SCHEDULE

(Made under paragraph 3)

APPROVED TARIFFS AND CHARGES

Schedule 1(a): Current and Approved Metered Water Tariff (TZS/m³)

Customer Category	Current Tariff	Approved Tariff		
	2018/19	2019/20	2020/21	2021/22
Domestic	540	810	1,053	1,158
Institution	550	825	1,073	1,180
Commercial	560	840	1,092	1,201
Industrial	-	900	1,170	1,287
Kiosk	500	750	975	1,073
Average Tariff		825	1,073	1,180

Schedule 1(b): Current and Approved Unmetered Water Tariff (TZS/Month)

Customer Category	Current Tariff	Approved Tariff		
	2018/19	2019/20	2020/21	2021/22
Domestic	7,500	Disallowed		
Institution	11,000			
Commercial	16,000			
Industrial	-			
Kiosk	16,000			

Schedule 1 (c): Current and Approved Multi-Year Water Connection Fee (TZS/Connection)

Customer Category	Current Fee	Approved Fees		
		2019/20	2020/20	2021/22
Domestic	20% of recoverable expenditures as stipulated in Section 24 of Water Supply Regulation, 2013	20% of recoverable expenditures as stipulated in Section 24 of Water Supply Regulation, 2013		
Institution				
Commercial				
Industrial				
Kiosk				

Schedule 1 (d): Current, Proposed and Approved Water Reconnection Fee (TZS/Reconnection)

Customer category	Current Tariff	Approved Fees		
	2018/19	2019/20	2020/21	2021/22

Domestic	10,000	15,000	15,000	15,000
Institution	10,000	15,000	15,000	15,000
Commercial	10,000	15,000	15,000	15,000
Industrial	-	15,000	15,000	15,000
Kiosk	10,000	15,000	15,000	15,000

SECOND SCHEDULE

(Made under paragraph 4(i))

PROJECTS TO BE IMPLEMENTED

Description of the Activity	TZS (million)			Remarks/Details
	2019/20	2020/21	2021/22	
Replacement/Rehabilitation				
Replacement of 1000 water meters in 2019/20, 812 meters in 2020/21 and 625 meters in 2021/22	80.0	65.0	50.0	To be implemented by 30 th June 2022
Replacement of gate valves 6" in 2019/20, 10; 2020/21, 10; 2021/22, 8	30.0	30.0	24.0	To be implemented by 30 th June 2022
Replacement of polypipes rolls of 2" in 2019/20, 5; 2020/21, 5; 2021/22, 5	3.75	3.75	3.75	To be implemented by 30 th June 2022
Subtotal (Replacement/Rehabilitation)	113.75	98.75	77.75	
New Investment				
Procurement of 200 water meters in 2019/20, 300 water meters in 2020/21, 400 water meters in 2021/22	12.0	18.0	24.0	To be implemented by 30 th June 2022
Construction of 2 concrete water tanks of 200m ³ at Kisangura and Burunga villages	0	180.0	220.0	To be implemented by 30 th June 2020
Installation of New connections for 150 customer each year @ TZS 60,000/	9.0	9.0	9.0	To be implemented by 30 th June of each year of tariff implementation
Subtotal - (New Investments)	21.0	207.00	253.00	
Total Investment Cost	134.75	305.75	330.75	

THIRD SCHEDULE

(Made under paragraph 4(j))

KEY PERFORMANCE INDICATORS FOR 2019/20 – 2021/22

Description	Unit	Performance Target		
		2019/20	2020/21	2021/22
Proportion of population living within the area with water network	%	70	70	85
Proportion of population served with water	%	53.4	75	80

Non Revenue Water (NRW)	%	26	24	22
Average hours of supply	hrs	18	20	24
Revenue Collection Efficiency	%	92	95	98
Metering Ratio	%	65	85	100

FOURTHSCHEDULE

(Made under paragraph 4(k))

APPROVED REVENUE REQUIREMENTS

Description	2019/2020	2020/2021	2021/2022
O&M			
<i>Water Production</i>	177.2	180.19	183.25
<i>Water Distribution</i>	136.0	159.70	176.08
<i>Sewerage and Disposal</i>	26.0	32.1	36.0
<i>Personal</i>	182.0	199.20	213.0
<i>Administration</i>	38.06	42.06	32.5
<i>Events and Donation</i>	15.7	16.9	18.9
<i>Board Expenses</i>	41.26	47.6	55.07
<i>Financial</i>	0.2	0.30	0.3
Total O&M	625.56	692.15	748.95
Depreciation	48.51	67.51	85.01
Return of Investment	171.14	187.83	189.35
Total Revenue Requirement	845.21	947.50	1,023.31
Less: Operational Grants	100.0	120.0	140.0
Less: Other Income	11.01	13.44	15.71
RR - Water	734.21	814.06	867,61
Water Production (m³)	860,000	920,000	920,000
NRW (%)	26	24	22
Billed Water (m³)	636,400	675,000	699,200
Average Tariff (TZS/m³)	1,156	1,167	1,211

Dodoma
14th November, 2019

NZINYANGWA E. MCHANY
Director General