

ANNEX 1
DETAILS OF PUBLIC CONSULTATION FOR LAMU WATER & SEWERAGE COMPANY LTD
(FOR THE PERIOD 2025/2026 – 2027/2028)

1.0 Cost and Revenue Structure with subsidy on electricity, seconded staff salaries, and investments

Expenditure Item	2023/2024	2024/25	2025/26	2026/27	2027/2028
Total O&M Costs	37,964,724	41,480,153	43,285,822	44,075,582	44,950,498
Investment Costs	-	-	-	-	-
Debt Repayment	-	-	-	-	-
Total Costs	37,964,724	41,480,153	43,285,822	44,075,582	44,950,498
Total Billing (KShs)	22,022,707	20,207,454	49,099,276	51,753,117	54,815,862
Collection Efficiency (%)	95%	95%	95%	95%	95%
Projected Revenue	20,921,572	19,197,081	46,644,312	49,165,462	52,075,069
O&M Cost Coverage	55%	46%	108%	112%	116%
Total Cost Coverage	55%	46%	108%	112%	116%

1.1 Proposed Tariff Structure without subsidy

Recommended Water Tariff for Lamu				
Consumer Categories	Consumption Block	Current Tariff	Consumption Block	Proposed Tariff
	(M ³)	(Kshs/M ³)	(M ³)	(Kshs/M ³)
Domestic/Residential	0-6	Flat rate 300	1-6	160
	7-20.	80	7-20.	175
	21-50	100	21-50	185
	51-100	120	51-100	195
	101-300	140	101-300	205
	>300	160	>300	215
Multi-Dwelling Units	0-6	Flat rate 300	Flat rate	195
	7-20.	80		
	21-50	100		
	51-100	120		
	101-300	140		
	>300	160		
Commercial/Industrial	1-6	65		
	7-20.	85		
	21-50	105	1-50	185
	51-100	125	51-100	195
	101-300	145	101-300	205
	>300	165	>300	215
Schools, Universities, and Colleges	1-600	75	1-600	195
	601-1200	100	601-1200	205
	>1200M ³	110	>1200M ³	215
Water Kiosks	Per M ³	35	Per M ³	70

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

2.0 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.

3.0 Miscellaneous Charges

Item/ Service	Charge (Ksh.)
Water Deposit	
Category of consumer	
Domestic	2500
Retail shops less than 10m ³	3000
Retail shops more than 10m ³	3,500
Bar and restaurants less than 15 m ³	4000
Bar and restaurants more than 15 m ³	6,000
Hotel class "A" and "B" less than 150 m ³	12,000
Hotel class "A" and "B" 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 more than 150 m ³	20,000
Hospitals and Health centres less than 150 m ³	12,000
Schools and other institutions more than 200 m ³	20,000
Schools and other institutions less than 200 m ³	10,000
Minor construction sites of more than 200 m ³	15,000
Major construction sites more than 300 m ³	50,000
Light industries 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 Bowsing Point (own tanker)	185
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on request	500
Special meter reading at the customer's request	500
Sewer Connection- Residential/ Domestic	5,000
Sewer Connection- Commercial, Government, Schools, Universities, and Colleges	7,500
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 at 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

Item/ Service	Charge (Ksh.)
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 &	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	5,000
Surcharge for direct suction of water from the supply line using a pump	10,000

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

4.0 Service Delivery Conditions attached to the Tariff.

The conditions attached to this approval, which shall form part of the license conditions of Lamu Water & Sewerage Company Ltd, are:

Service Delivery Conditions					
Target	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Water Coverage (%)	74%	74%	75%	76%	77%
Water quality standards (%)	100% Compliance with Standards				
Personnel Expenditure as % of O&M	51%	47%	45%	45%	45%
Maintenance Expenditure as % of O&M	10%	10%	10%	10%	10%
Investment Expenditure as a % of Total Expenditure	0%	0%	17%	18%	19%
Non-Revenue Water	54%	51%	49%	47%	45%
Hours of Supply (Hrs.)	12	13	14	15	16
Staff per 1000 connections	24	23	21	17	15
Metering ratio (%)	100%	100%	100%	100%	100%
Collection Efficiency (%)	95%	95%	95%	95%	95%

6.1 Other Conditions

- Annual budgets:** The utility shall adhere to the budgetary levels set in the tariff.
- Operational Subsidy:** For the period 2025/2026 to 2027/2028, the County Government of Lamu is required to continue to provide operational subsidy to Lamu Water & Sewerage Co. (LAWASCO) to be directed towards payment of production electricity and Salaries for seconded staff and investments as shown in the table below:

Expenditure	2025/2026 (Ksh)	2026/2027(Ksh)	2027/2028(Ksh)
Seconded Staff	7,452,390	7,601,437	7,753,466
Electricity	14,286,039	15,714,643	17,286,107
Investment	9,163,540	9,906,830	10,309,600
Total	30,901,969	33,222,910	35,349,173

- Surpluses:** the surpluses realised during the tariff period shall be used to implement priority service delivery capital projects approved by WASREB
- Reporting:** The utility shall submit quarterly performance reports to WASREB in the prescribed format.
- Investments:** The utility shall undertake the investments as follows: -

Proposed Investments – Subsidised by the County Government of Lamu

FY 2025-2026								
TARGETTED INVESTMENT	PROJECT AREA	GUIDE	SIZE	SAMPLE DESCRIPTIONS	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
A. Metering	Consumer Meters	To ensure all stopped Meters are replaced and provide for the new water connections.	DN15	¾" Cold Water Consumer meters - dry velocity type (where water does not come into contact with counter/dial), preferably Kent or Zenner	No	4,200	400	1,680,000
	Master Meters		DN50	Cold Water Master meters - dry velocity type (where water does not come into contact with counter/dial)	No	55,000	4	220,000
			DN90	Cold Water Master meters - dry velocity type (where water does not come into contact with counter/dial)	No	65,000	2	130,000
			DN100	Cold Water Master meters - dry velocity type (where water does not come into contact with counter/dial)	No	85,000	3	255,000
			DN150	Cold Water Master meters - dry velocity type (where water does not come into contact with counter/dial)	No	155,000	2	310,000
B. Capital Works	Billing system and accessories	Migrate from manual to digital system	Software	Allow programming, supply and installation of a water billing system	Ls	4,160,000	1	4,160,000
C. Treatment works	Laboratory Equipments & Reagents	To ensure water quality test is carried out as per WASREB regulation	Assorted items to be used for carrying out water analysis	Procurement of Laboratory Equipments and Reagents necessary for day-to-day water quality analysis	Ls	1,152,190	1	1,152,190
D. Water system extension	Pipeline extension	To provide water access at Mokowe DTF-50 Site	DN 63mm, 1,500 metres PVC Pipeline	Construction of 1,500 metres PVC Pipeline for Mokowe DTF-50 Site and its environs	Ls	1,256,350	1	1,256,350
Sub -Total								9,163,540
FY 2026-2027								
TARGETTED INVESTMENT	PROJECT AREA	GUIDE	SIZE	SAMPLE DESCRIPTIONS	UNIT	UNIT COST	QUANTITY	PROJECT COST (KSH)
A. Water system rehabilitation	Repair of damaged well structures at Shella Shallow Wells	Address the Well structural damages and replace the stolen items at the respective Wells.	-	Construction of Concrete Well Top Covers and replacement of all necessary missing items.	Ls	4,698,430	1	4,698,430
B. Capital Works	Computers and printers	Provide incentive for keeping records of daily operation within all sections	Computers with a RAM 8 or above	Supply Computers with a RAM 8 or above	Ls	1,128,000	1	1,128,000
C. Treatment works	Improving water production at water sources	Provide Booster and well Pumps at Shella & Bebebe water works.	0.75 Kw submersible Pump	Supply and Delivery of 0.75 Kw 3 Phase submersible complete with all necessary accessories	No	55,000	10	550,000
		Provide Booster and well Pumps at Shella & Bebebe water works.	2.2 Kw submersible Pump	Supply and Delivery of 2.2 Kw 3 Phase submersible complete with all necessary accessories	No	79,000	10	790,000
		Provide Booster and well Pumps at Shella & Bebebe water works.	11 Kw submersible Pump	Supply and Delivery of 11 Kw 3 Phase submersible complete with all necessary accessories	No	600,200	2	1,200,400

		Provide Booster and well Pumps at Shella & Bebebe water works.	18.5 Kw submersible Pump	Supply and Delivery of 18.5 Kw 3 Phase submersible complete with all necessary accessories	No	770,000	2	1,540,000
Sub-Total								9,906,830
FY 2027-2028								
A.NRW Reduction Plan	To reduce NRW from 51% to 50%	Replacing of old and leaking GI Pipes.		Rehabilitation of Mkomani service line	No	1,100,500	1	1,100,500
B. Water System Rehabilitation	Replacement of old and worn-out PVC Pipeline along the sea front	Remove the old DN 63mm PVC Pipeline and construct a new DN 63mm PVC Pipeline	DN63mm Dia, 1.9km PVC Pipeline	Construction of a DN 63mm PVC Pipeline, interconnect to all the existing registered water connection along the Sea front Pipeline	No	2,088,375	1	2,088,375
C. Treatment works	Improving water production at water sources	Provide Booster and well Pumps at Shella & Bebebe water works.	0.75 Kw submersible Pump	Supply and Delivery of 0.75 Kw 3 Phase submersible complete with all necessary accessories	No	55,000	10	550,000
			2.2 Kw submersible Pump	Supply and Delivery of 2.2 Kw 3 Phase submersible complete with all necessary accessories	No	79,000	10	790,000
			11 Kw submersible Pump	Supply and Delivery of 11 Kw 3 Phase submersible complete with all necessary accessories	No	600,200	2	1,200,400
			18.5 Kw submersible Pump	Supply and Delivery of 18.5 Kw 3 Phase submersible complete with all necessary accessories	No	770,000	2	1,540,000
D. Water system extension	Pipeline extension	Pipeline extension at India - Polytechnic Area.	350 metres DN63mm PVC Pipeline	Construction of 350 metres PVC Pipeline at India - Polytechnic Area in Shella ward	No	527,625	1	527,625
		Pipeline extension at Manda area, Shella Ward.	1,500metres DN63mm PVC Pipeline	Construction of 1,500 metres PVC Pipeline at Mand Area in Shella ward	No	1,256,350	1	1,256,350
		To provide water access at Mokowe DTF-50 Site	DN 63mm, 1,500 meters PVC Pipeline	Construction of 1,500 metres PVC Pipeline for Mokowe DTF-50 Site and its environs	Ls	1,256,350	1	1,256,350
		Sub- Total						3,040,325
TOTAL								10,309,600