



DAVAO CITY WATER DISTRICT

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# 2018 Performance Report

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## Introduction

For the past 12 months, DCWD continued exerting efforts to meet customers' expectations. Various programs and projects geared towards customer satisfaction were continuously implemented by the district. These programs/projects support different strategies (see Figure 1) that were identified to achieve the district's ultimate goal—customer satisfaction.



*Figure 1. Strategic Goals*

In line with the achievement of these goals within the medium-term, the following are the highlights of DCWD's performance in 2018, viz.:

Two of the utility's major strategic goals relate to the continuous provision of water supply to meet growing customer demand. Towards this end, DCWD continued to focus its efforts to achieve the following: 1) exceed by 25% the projected water demand covered by available resources; and 2) increase water service coverage to 77% of Davao City's population by the end of its medium-term development plan (2023).

In 2018, the following were implemented and accomplished, viz.:

**Strategic Goal No. 1:** Exceed by 25% the projected water demand covered by available resources

With the completion of the rehabilitation project of Cabantian Production Well (PW) No. 1 in Cabantian Water Supply System (WSS) and the continued operation and efficient maintenance of existing PWs, DCWD ended the year with a source capacity of 122,341,148 cu.m, 2% higher compared to 2017's 120,342,517 cu.m.

Billed consumption this year was also recorded at 80,147,182 cu.m, higher by 5% compared to 2017's 75,999,719 cu.m. The current year's source capacity-to-demand ratio is 1.53, that is, for every 1 cu.m of water demanded, DCWD was able to supply 1.53 cu.m.

**Strategic Goal No. 2:** Increase water service coverage to 77% of Davao City's population

#### **Water Supply System (WSS) Improvements**

DCWD continued to further expand and improve its service coverage in areas experiencing less than 24/7 water supply. Towards this end, it invested heavily in infrastructure development to bring water to several areas of the city that still have a limited water supply. Also, eleven (11) various infrastructure projects were completed in the different WSS, specifically in Dumoy, Cabantian, Tugbok, and Lubogan to alleviate the plight of those suffering from an intermittent water supply.

Further, DCWD laid 68.21 km of pipelines during the year, including the 7.80 km pipelaying under the ME/MI Program, bringing the total stretch to 1,765.23 km of transmission and distribution lines. This accomplishment enabled the utility to cater to an additional 6,568 service connections (SCs). This consequently brought the total number of active service connections to 223,530, higher by 3% compared to 216,962 in 2017.

As a result of these undertakings, it is estimated that 71.27% of the total projected population of Davao City was given access to potable water in 2018, representing an increase of 8.09 percentage points compared to 2017's 63.18%.

### **Davao City Bulk Water Supply Project (DCBWSP)**

The utility also completed eleven (11) carry-over projects under the DCBWSP in preparation for its operation by the later part of 2021. Some of the benefits of this project are the following:

- Protect the long-term security of Davao's groundwater source;
- Reduce groundwater use, and thus, generate savings on power;
- Improve water quality in Panacan and Cabantian WSS;
- Serve 120 out of the city's 182 barangays;
- Serve approximately 77% of the city's population in the next five years;
- Improve the pressure and volume of existing consumers; and
- Supply water of at least 126 million cubic meters per year.

Well-managed and protected watersheds are critical to the provision of reliable and safe water supply to DCWD's customers. To ensure continuous water supply that would sustain the city's present and future water demands, the utility intensified the implementation of its performance improvement programs/projects (PIPs) that address its third strategic goal.

### **Strategic Goal No. 3: Sustain quality and supply capacity of water resources**

#### **Watershed Rehabilitation and Maintenance Program**

During the year, DCWD planted 6,401 seedlings through the various tree planting activities conducted by adopters, various stakeholders, and DCWD employees. Also, the utility was able to achieve an average survival rate of 93% for the trees that were planted, 13 percentage points higher than the 80% standard survival rate set by the Department of Environment and Natural Resources (DENR).

With the continued implementation of the Adopt-a-Site Project, DCWD enlisted the support of four (4) additional adopters this year, bringing the total to 159 adopters who adopted a total of 318.5 hectares of forest land in Mt. Talomo-Lipadas, Malagos and Mt. Tipolog-Tamugan Watersheds. Community development-related projects like capacity building program/activities and environmental information campaigns were also conducted. These are part of the utility's thrust to protect the environment to ensure water resource sustainability for future generations.

#### **Corporate Social Responsibility (CSR)**

The district believes that the continued sustainability of its operations is dependent on the communities that it serves and the environment that supports such resources. That is why the utility continued to pursue its CSR in 2018 towards the people and communities living around and/or within the sources of the water it supplies to the city.

The district's efforts to improve the quality of life of people in the rural areas as well as its continued commitment in protecting the watersheds of Davao City have earned for it the following:

- Recognition from the National Commission of Indigenous Peoples (NCIP) last May 3, 2018, for its consistent support to NCIP's "Tabang Paeskwela sa Tribo" Project 2017; and
- Acknowledgment by the Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB) Region XI last June 15, 2018, for being a champion that successfully operationalized the Davao River and Talomo

River Water Quality Management Areas (WQMAs) and for the utility's sustained efforts in watershed management.

Further, through the Educational Support Program of the district, one scholar with the degree of Bachelor of Science in Civil Engineering graduated last June 22, 2018 at the University of Southeastern Philippines (USEP) and passed the recently-held November 2018 Civil Engineer Licensure Examination. Also, more than 1,800 students were provided with educational assistance in the form of school supplies and monetary incentives through the said program.

DCWD also partnered with the City Health Office (CHO) and the Davao Medical School Foundation (DMSF) interns to provide free medical services, which benefitted around 1,440 residents in six (6) upland barangays (Barangays Tungkalan, Daliaon Plantation, Cadalian, Carmen, Marilog, and Tambobong) through its "Dagayday sa Barangay" Program conducted in time for the 25th year anniversary of the implementation of its CSR Program. To complement all the free medical services, the beneficiaries also received free vitamins and medicines from the utility and porridge from the City Government of Davao.

As part of DCWD's Public Sanitation and Hygiene Upgrading Program (PUSH-UP) in partnership with the Department of Science and Technology (DOST) Region XI, the district turned over two (2) sanitation facilities, one each for Barangays Hizon and 76-A. PUSH-UP is under DCWD's CSR and Gender Development Programs that supports the United Nations' 2030 Sustainable Development Goal No. 6 on Clean Water and Sanitation by promoting Water, Sanitation and Hygiene (WaSH) and improving the sanitation and hygiene practices of communities while preventing wastewater from polluting the water bodies.

Lastly, DCWD donated two (2) water tanks, one each for Doña Carmen Denia and Emilio J. Estipona National High Schools, and installed rain gutter to five (5) schools (Baracayo Elementary School, Baguio National School of Arts and Trade, Camansi, Lower Tamugan, and Lamanan National High Schools). The said schools benefited from the "Patubig sa Eskwela" Program of the utility in support of the City's Ordinance No. 0298-09, series of 2009, otherwise known as the Davao City Rainwater Ordinance of 2009.

Ensuring clean, safe and potable water involves an intricate set of processes that DCWD consistently pursues. Thus, the district saw to it that the water being delivered to its customers met the Philippine National Standards for Drinking Water (PNSDW).

**Strategic Goal No. 4:** Meet the PNSDW in all water supply systems

During the year, the utility continued to regularly monitor the quality (in terms of microbiological, physical and chemical attributes) of the drinking water that it serves to ensure that safe and quality water is being supplied to customers. Water samples are regularly taken from identified sampling points. In 2018, the utility was able to achieve a 99.36% negative for coliform bacteria rating, higher than the 95% standard set by the 2017 PNSDW.

Furthermore, DCWD's Water Safety Plan (WSP) was accepted and approved by the Department of Health (DOH) whose validity is good for three years starting April 16, 2018. The approval means that DCWD's WSP is compliant to the requirements stipulated in DOH's Department Administrative Order (DAO) 2017-0006 or the Guidelines for the Review and Approval of the Water Safety Plans of Drinking Water Service Providers. DCWD's WSP essentially aims to prevent any natural and man-made water hazard, avoid contamination in the source, treatment, storage, distribution, and customers' supply, and ensure that the final quality of water reaching the customers meets the established health-based standards.

Lack of proper sanitation practices among the population has a huge negative impact on the environment as it will contaminate the rivers and other bodies of water with coliform bacteria that come from human and animal wastes, which eventually end up in the sea. As a water utility company, DCWD acknowledges that its primary concern is not only to provide potable water but also maintain and preserve the natural characteristics of different sources and bodies of water.

**Strategic Goal No. 5: Provide wastewater services**

Provision of wastewater services, including collection, treatment, and disposal, is one of the mandates of local water districts under Presidential Decree 198. Also, the Philippine Clean Water Act of 2004 (Republic Act No. 9275) lodges the responsibility of putting up sewerage facilities, septage management program or other sanitation alternatives on water utilities in partnership with the Local Government Unit (LGU) on highly urbanized cities (HUCs) where such facilities are not yet existed. In the local setting, Davao City Ordinance No. 0363-10 series of 2010, otherwise known as the Septage and Sewerage Management Ordinance of Davao City, provides for the establishment of septage, sewerage, and sewerage treatment plant/facility by the City Government or by an accredited service provider. Despite these mandates, however, Davao City is yet to have a septage or sewerage management system.

The attempt of DCWD to pursue Septage Management Program (SpMP) is facing several challenges. This year, the district continued lobbying the Memorandum of Agreement (MOA) with the City Government of Davao relative to the latter's opinions and suggestions. Several hearings and deliberations have also been done and DCWD is hopeful that the MOA will be finalized the soonest time possible.

Once it is approved and signed, DCWD will proceed with the major components of the project including the acquisition of lot and construction of the Septage Treatment Plant (SpTP). A tariff mechanism based on Local Water Utility's Administration's (LWUA) guidelines will also be crafted and submitted to them for approval.

Operational efficiency is achieved when the right combination of resources, processes, and technology come together to optimize performance. With the improvement of operational efficiency as its strategic goal, DCWD seeks to eliminate unnecessary wastes and losses as well as maximize output creation.

**Strategic Goal No. 6: Improve operational efficiency**

**Water Loss/Reduction Management**

The size of DCWD's existing distribution network makes leakage monitoring and control a complex endeavor. Given this, the utility continued the operation of District Metered Areas (DMAs) during the year. Thirty-six (36) DMAs were operational this year, monitoring the water flows of more than 53,000 service connections in Dumoy, Tugbok, Malagos, Calinan, Lubogan, Cabantian, and Panacan WSS to proactively respond to unusual and significant changes in water pressure; thus, improving the district's ability to manage water losses in the said WSS.

Meanwhile, DCWD installed eight (8) Pressure Regulating Valves (PRV), nine (9) PRV controllers and fifteen (15) Pressure Monitoring Stations (PMS) in strategic locations of Dumoy, Tugbok, and Lubogan WSS. These appurtenances allowed the utility to adjust pressures based on water usage in specific areas during different times of the day, thus help prevent leaks caused by too much pressure.

Another tried-and-tested strategy that DCWD employs is the Caretaker System. As a complementing strategy to the DMAs, this approach subdivides the network area into small segments, each having a caretaker team to exclusively focus on maintenance and operation within an assigned area. This year, DCWD continued to harness its 24 caretaker teams that have greatly contributed to an average of 4.04 hours response time to restore water service during interruptions due to line breaks and/or production equipment breakdowns, way faster compared to the 10.09 hours average response time in 2017.

Further, the Change Meter Program was also implemented to ensure that all customer meters are accurate and efficient at all times, thus, preventing under-registration or over-registration of water consumption brought about by old and defective meters. In 2018, DCWD was only able to change 17,543 water meters (13mmØ), which is 30% lower than the previous year's 25,127.

This came about as a result of the redirection of focus to give priority to more important tasks, particularly elevating and arranging water meters affected by the road construction and widening projects of the Department of Public Works and Highways

(DPWH). During the year, the accomplishment reached 4,728, 130% higher than 2017's 2,054.

All these undertakings during the year resulted in improved operational efficiency as evidenced by the marked reduction of the non-revenue water (NRW), from 29.89% in 2017 to 27.44 % in 2018.

### **Information and Communications Technology (ICT) Enhancement**

ICT has proven to be both a catalyst and a tool in streamlining the utility's processes and procedures in service delivery. This year, DCWD continued making use of ICT in the different phases of its operation and administration to make it more efficient.

Network switches and Intelligent Resilient Framework (IRF) were installed at the new Matina office to ensure "seamless connectivity" or the uninterrupted availability, reliability, and resiliency of computer networks. DCWD also replaced 17 computers used by tellers at new Matina office, Toril and Victoria Plaza collection centers, and upgraded 58 computer units used by office employees. These have a significant contribution to the faster processing of services.

Lastly, 339 water service interruptions (WSI) notices were disseminated to 3,137 registered customers through the implementation of Text Blast Technology (TBT). This facilitated faster information dissemination on WSI to affected customers in certain parts of the distribution network.

### **ISO Certification/Accreditation and Sustainability**

In 2018, DCWD was audited by TÜV SÜD Philippines as part of the utility's thrust to be ISO 9001:2015 certified, particularly for the provision of new water service connection. The said external audit was done in two stages to evaluate the readiness and full implementation of the Quality Management System (QMS). After the requirements had fully complied, DCWD received an attestation letter for the conduct of the audit and has been recommended for certification.

### **Freedom of Information (FOI)**

The utility's commitment to uphold transparency in the public service through easy access to information has earned for it the recognition of being the 2018 FOI Champion under the Local Water Districts category. The Presidential Communications Operations Office (PCOO) conferred the said award last November 28, 2018, at the National Museum of Fine Arts in Manila during the 2018 FOI Awards.

### **Other Notable Achievements**

Aside from the ones previously mentioned, the following were also accomplished:

- Opened the new Matina office to the public last May 15, 2018, to cater to more customers in the south; and
- Conducted a workshop on the implementation of Results-Based Performance Management System (RBPMS) in partnership with the National Economic and Development Authority (NEDA) Region XI to ensure more efficient and comprehensive monitoring of programs/projects.

An organization's success lies to a great extent on the skill, creativity, and dedication of its employees. This year, DCWD marshaled its resources in a bid to build an environment conducive for the attainment of the year's objectives, focusing efforts to harness its most important resource—the 1,162-strong workforce.

**Strategic Goal No. 7: Maintain a motivated and competent workforce**

**Rationalization of Organizational Structure**

DCWD stayed true to its commitment to create a more responsive organizational structure to meet the challenges of service delivery. During the year, the utility secured approval from the Department of Budget and Management (DBM) Region XI to create/rename positions and establish new divisions/units under the Phase 2B implementation in accordance with the Revised Local Water District Manual on Categorization, Re-categorization and Other Related Matters (LWD-MaCRO) for Category A Local Water District. The newly-approved structure contains 505 newly-created positions and 20 reclassified positions, including the establishment of new divisions/units. With this, DCWD was able to provide staff complement to already functioning units and divisions approved by DBM under Phase 2A of the approved re-categorization and address the Civil Service Commission (CSC) audit findings on job order employees (JOEs).

The district also continued to improve its evaluation and assessment of applicants in accordance with the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM). As part of the improvements done, it started administering appropriate written examinations and various competency-based assessment tools such as simulation, psychological assessment, Behavioral Event Interview (BEI) and Background Interview (BI).

By the end of 2018, a total of 67 JOEs were upgraded to permanent status and 90 employees were promoted. Also, one (1) division has been transferred to another department; one (1) department and one (1) division were renamed; three (3) divisions were created, and 44 units were established.

### **Learning and Development Program**

To equip its workforce with new skills and enhance their competence, DCWD continued to provide several in-house trainings, seminars and teambuilding activities. During the year, each employee logged an average of 50 training hours, which is 213% higher than the target of 16 training hours. Some employees, however, received more than one or two training sessions, hence, the huge number of average training hours per employee this year.

### **Employee Welfare Program**

DCWD implemented its Disaster Preparedness Program by conducting fire, earthquake and tsunami drills. The utility also issued 1,473 of various personal protective equipment (PPE) to 478 employees through its Zero Accident Program (ZAP). These are all part of the district's commitment to ensure the safety and welfare of its workers, foster the health and wellness of all employees, value life and property by embracing the "Safety First" policy.

Societal expectations and perceptions, which are reflected in and perpetuated by laws, policies, procedures, systems, programs, projects and activities of the government, could impede women and men's full development and their participation in and equal enjoyment of the fruits of development. Gender issues that arise from the unequal status of women, and even to men, have long been prevalent. As part of its efforts to promote gender equality in the workplace, the district has included mainstreaming Gender and Development (GAD) as one of its strategic goals.

**Strategic Goal No. 8:** Mainstream Gender and Development in policies, people, Performance Improvement Programs/Projects (PIPs) / Plan, Programs and Budget (PPB), systems and mechanisms

In adherence to Executive Order No. 273 and Memorandum Circular No. 48, series of 2013 on Mainstreaming Gender and Development, the district ensures that a gender perspective is embedded in its vision and goals. Hence, on November 8, 2018, the Board approved the integration of GAD in the district's vision statement. The new vision is now written as "best and **gender-responsive** water and wastewater service provider with utmost care for the people and the environment."

Further, various activities embedded with GAD were implemented, including the conduct of focus group discussion (FGD) and the disaggregation of males and females in the generation of statistics and reports. Also, data gathering was conducted in seven barangays (Barangays Bato, Marapangi, Binugao, Sirawan, Tambobong, 76-A, and 40-D) in preparation for another gender analysis that is being pursued to determine practical gender issues of the community and specific gender issues relative to water.

Ensuring financial sustainability by risk management and prudent utilization of its financial resources is also DCWD's long-term direction. With this, it has identified various programs that could lead to the attainment of its ninth strategic goal, viz.:

**Strategic Goal No. 9: Achieve financial sustainability**

**Inventory Management Program**

The district continued to wage efforts to facilitate easy withdrawal of materials and supplies for its daily operations to serve the whole distribution network more efficiently. This year, the four-level pipe rack at Matina warehouse was installed and the construction of Materials and Property Division (MPD) sub-office and warehouse in Bajada were completed. These accomplishments led to a better and faster stocking system of the district's warehouse operation.

**Asset Acquisition Program**

Under this program, ten (10) company motorcycles, four (4) dosing pumps, three (3) welding machines, two (2) excavators, and one (1) electric-operated power spray were delivered this year. These new assets will serve as back-up or replacement to ensure uninterrupted operations even during breakdowns or emergencies.

**Asset Operation and Maintenance Program**

Preventive maintenance for production facilities is necessary to ensure that the utility can provide continuous and quality water supply. During the year, DCWD conducted scrapings and cleaning of the filter and sedimentation basins for the maintenance of the Malagos Water Treatment Station. The chlorination lines of Tugbok PW Nos. 1, 2, 3, and 6, Toril PW Nos. 1 and 2, Lubogan PW Nos. 1 and 2, and Calinan PW No. 2 were also painted to shield metal fixtures and foundations against substances that cause corrosion, which can seriously jeopardize their structural integrity. Regular monthly maintenance for water treatment equipment and appurtenances for all WSS was also done.

Customer service is one of the most important components of any service organization's overall strategy for continuous growth and improvement. Such is the very reason that sustaining a customer-centered culture—one that strives for excellence in customer service—is deeply embedded in DCWD's corporate goals.

**Strategic Goal No. 10:** Ensure a satisfied customer base

In pursuance of its vision and mission as well as corporate goals, DCWD continued to find ways to cultivate and maintain a customer-centered culture in the organization. Aside from the district's accomplishments that are mentioned under the nine (9) strategic goals of this report, which support the attainment of Strategic Goal No. 10, the following efforts gained ground in 2018, viz.:

- Implemented self-service telephone transactions system that helped decongest the calls received by the operators through the development and installation of self-help menus to cater to simple transactions;
- Centralized the off-site customer service by merging General Services Division's telephone operators with that of the Central Information Unit (CIU);
- Attended, processed, and dispatched personnel to address the 83,595 various concerns of the customers received through the CIU; and
- Provided 24-hours available water supply to 91.96% of customers (205,554 SCs), 0.86% higher compared to 2017.

Towards the later part of 2018, DCWD commissioned the conduct of the Customer Satisfaction Survey (CSS) through a third party, the University of Mindanao Research and Publication Center. The said survey revealed that majority or about 98.24% of its customers were greatly satisfied with the services that the utility provided to them.

All told, 2018 turned out to be one of the best years of DCWD as it continued to move towards achieving its vision of being the "best and gender-responsive water and wastewater service provider with utmost care for the people and the environment."