

**DAVAO CITY WATER DISTRICT**

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# **2019 First Semester Performance Report**

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## Introduction

Davao City Water District (DCWD) has always been exerting various efforts to meet customers' expectations. In keeping with its 2018-2023 Medium-Term Development Plan (MTDP), the utility implemented in 2019 various programs and projects geared towards the attainment of its ten (10) strategic goals that support its ultimate goal—customer satisfaction (see Figure 1).



Figure 1. Strategic Goals

The following are the highlights of DCWD's performance during the first semester of 2019, which are grouped by Strategic Goal, viz.:

Table 1: Summary of Key Performance Indicators (KPIs)

STRATEGIC GOAL/KPIs	ACCOMPLISHMENT		ACCOMPLISHMENT RATE
	TARGET	ACTUAL	
<b>Strategic Goal No. 1: Exceed by 25% the projected water demand covered by available resources</b>			
• Source capacity-to-billed consumption ratio	1:1.25	1:1.38	110%
• Water produced (in million cu.m.)	60.30	57.7	96%
• Billed consumption (in million cu.m.)	42.59	40.61	95%
• Billed service connections	227,668	225,265	99%
<b>Strategic Goal No. 2: Increase water service coverage to 77% of Davao City's population</b>			
• New Service Connections	4,500	4,152	92%
• Population served (in %)	77%	71.36%	93%
<b>Strategic Goal No. 3: Sustain quality and supply capacity of water resources</b>			
• Average tree planting survival rate	80%	96.5%	121%
• Implemented five (5) CSR program/projects	5	5	100%
<b>Strategic Goal No. 4: Meet the PNSDW in all water supply systems</b>			
• bacteria-free for micro-biological test (in %)	95%	98.73%	104%
• Daily chlorine residual requirement at the farthest endpoint	0.3 - 1.5 ppm	average of 0.89 ppm	compliant
<b>Strategic Goal No. 6: Improve operational efficiency</b>			
• NRW (in %)	25%	27.75%	111%
• Sustain ISO certification	100%	100%	100%
• Availability of ICTD services (in %)	100%	99.60%	100%
<b>Strategic Goal No. 7: Maintain a motivated and competent workforce</b>			
• Positions filled-up through Phase 2B LWD-MaCRO	250	257	103%
• Average training hours	12	22	187%
<b>Strategic Goal No. 8: Mainstream Gender and Development in policies, people, Performance Improvement Programs/Projects (PIPs) / Plan, Programs and Budget (PPB), systems and mechanisms</b>			
• Conduct Gender Analysis in 4 target areas (Indangan, New Loon, Shrine Hills, and Lacson)	4	4	100%
<b>Strategic Goal No. 9: Achieve financial sustainability</b>			
• Collection efficiency	98%	99.31%	101%
• On time payment	82%	83.40%	102%
• Billing/Water sales (in million PhP)	1,175	1,130	96%
<b>Strategic Goal No. 10: Ensure a satisfied customer base</b>			
• Percentage of complaints/requests received and acted upon as prescribed by Anti-Red Tape Act (ARTA) and other issuances	98%	99.76%	102%

Two of the utility's ten (10) strategic goals relate to the continuous provision of water supply to meet the demand of its customers. In line with this, DCWD continued implementing various infrastructure development programs/projects that would support the achievement of these goals, namely, 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 MTDP (2023).

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

In the first semester of 2019, DCWD produced 57.7 million cubic meters or an average of 319,155 cubic meters per day. This is 96% of the first semester’s target production of 60.3 million cubic meters. This can be attributed to the continued operation, efficient maintenance of existing production wells (PW), rehabilitation of Panacan PW No. 3, and construction of temporary facilities for Panacan PW No. 1 and Cabantian PW No. 1, which are collectively producing 7,200 cubic meters per day. See items 3, 4 and 8 of Annex A.

Billed consumption for the 2019 First Semester was recorded at 40.61 million cubic meters, lower by 4% of the target of 42.59 million cubic meters. Meanwhile, the semester’s source capacity-to-billed consumption ratio, which was 1:1.38, was higher than the 1:1.25 target of both the utility and LWUA. The ratio means that for every 1 cubic meter of water consumed by a customer, DCWD has available supply of 1.38 cubic meter, providing 24/7 water supply to 91% of the total connections of 225,995 as of June 30, 2019.

Disaggregating these indicators by water supply system (WSS), there is water supply available in every WSS, billed consumption is, on average, 72% of the supply while non-revenue water (NRW) is 28%. On the other hand, Dumoy WSS has the bulk share both in terms of production and billed consumption as shown in figures below.

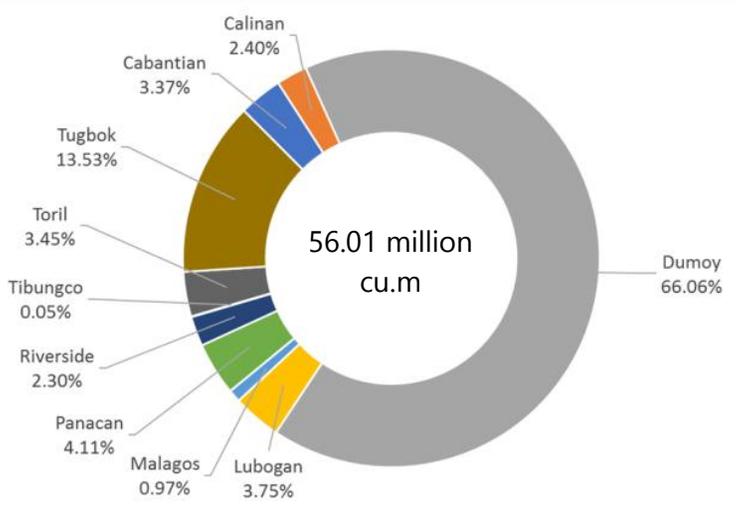


Figure 2: Production (in cu.m), by WSS: January-June 2019

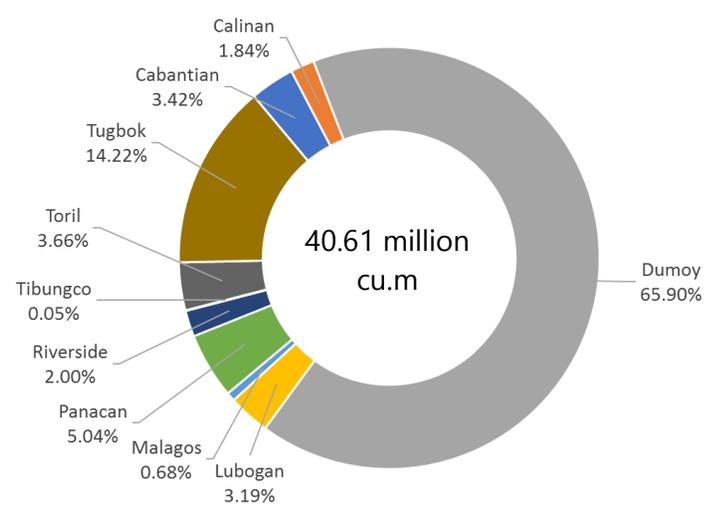


Figure 3: Billed Consumption (in cu.m), by WSS: January-June 2019

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

**Water Supply System (WSS) Improvements**

DCWD continued furthering its service coverage through expansion and improvement, particularly in areas with less than 24/7 water supply. Thus, the utility invested heavily on infrastructure development to bring water to several areas of the city that are still experiencing intermittent water supply. During the semester, eight (8) various infrastructure projects were completed in the different WSS, namely, Dumoy, Tugbok, Riverside, Lubogan, Panacan and Cabantian, which improved the water availability of about 5,300 service connections found in these mentioned WSS, especially during peak hours.

Completion of programs/projects in Items 1 to 8 of Annex A contributed to the improvement of water availability of the abovementioned WSS.

Further, DCWD laid 6.882 km of pipelines in the different WSS, bringing the total stretch to 1,778.25 km of transmission and distribution lines. This accomplishment enabled the utility to cater to additional 4,152 new service connections (SCs) (as shown in Figure 4), which consequently brought the total number of active service connections to 225,625.

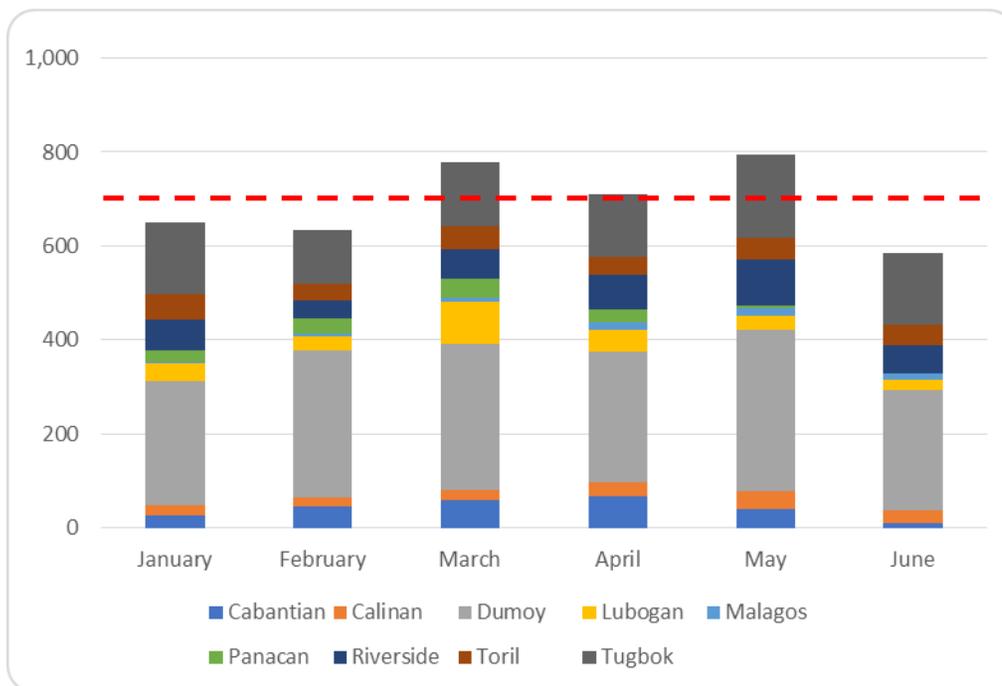


Figure 4: New Service Connections, by WSS: January-June 2019

As a result of these undertakings, the utility provided access to safe water to about 71% of the Davao City's population during the first semester. The list of various projects that contributed to this achievement is presented in items 1 to 8 of Annex A.

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

With respect to the DCBWSP, DCWD also completed 20 carry-over projects; six (6) projects are ongoing; three (3) are for procurement; and three (3) projects are undergoing detailed engineering design (DED), which are targeted to be implemented during the later part of 2021. Among the benefits of this project are as follows:

- 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 the consumers' existing supply; and
- Supply water of at least 126 million cubic meters per year.

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

In the district's quest to supply sufficient and safe water to its customers, it is important to ensure water resource sustainability. To achieve this, DCWD engaged its partner stakeholders (people in the upland communities) in safeguarding Davao City's water resources. The following programs were implemented within the first semester of 2019; namely, Watershed Rehabilitation and Maintenance Program, and the Corporate Social Responsibility (CSR).

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

During the first semester, DCWD continued the maintenance of nurseries in the three (3) watersheds in coordination with the utility's adopters, various stakeholders, and selected DCWD employees. The result of the planting activities inventory revealed an average survival rate of 96.5%, 3.5% higher than the previous semester's rate of 93% and 17% higher than the 80% standard survival rate set by the Department of Environment and Natural Resources (DENR) (Table 2).

Table 2: Percentage of Areas Rehabilitated and Survival Rate of Seedlings Planted at Mt. Talomo-Lipadas, Malagos and Mt. Tipolog Tamugan

INDICATOR	WATERSHEDS		
	MT. TALOMO-LIPADAS	MALAGOS	MT. TIPOLOG-TAMUGAN
% area rehabilitated	100%	100%	42%
Survival rate of seedlings planted	90%	100%	100%

With the continued implementation of the Adopt-a-Site Project, Phoenix Petroleum, and Apo Agua Infraestructura planted almost 7,000 seedlings in the ten (10) hectares that they adopted. On the other hand, community development-related projects like capacity building program/activities and environmental information campaigns were also conducted. Two of these activities are: 1) Rubber Production and Maintenance with emphasis on Proper Tapping Techniques; and 2) Cacao and Other Fruit Trees Production and Maintenance. The purpose of these activities is to capacitate the new members of the People's Organization (PO) in the community on the proper tapping of rubber trees that would redound to increased production during harvest time.

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

Given that the sustainability of DCWD's operations depend on the customers it serves and the environment that supports such resources, the utility continued to pursue its CSR programs/projects for the people and communities living around and/or within the sources of the water it supplies to the city.

Thus, DCWD has categorized five (5) major projects for CSR, including: 1) educational support; 2) community care; 3) Water, Sanitation and Hygiene (WaSH); 4) capacity building; and 5) research and development. Believing that the youth is the hope of the future, the district has been financially supporting students from primary, secondary and tertiary level for the past several years. During the semester, 320 Grade 4 and 5 learners and 393 high school students with grades of at least 85% were grateful upon receiving DCWD's financial incentives and educational assistance under its Elementary Support Program. Further, in support to the overarching goal of the utility which is to increase access to formal education among its partner community members, DCWD also provided assistance for the elementary children of the utility's partner POs. As for the College Scholarship Program, it helped 17 college students, of which, four (4) have already earned a degree of Bachelor of Public Administration and Agricultural Business.

On community care, DCWD also partnered with the City Health Office (CHO) and the Davao Medical School Foundation (DMSF) interns in providing free medical services, which benefitted 262 females and 135 males from barangays Carmen and Malagos through its "Dagayday sa Barangay" Program. This program is being conducted annually to ensure that its partners in protecting the watersheds are in good health.

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 three (3) sanitation facilities within the semester. Of these, one sanitation facility

each for 1) Sitio Sub-sub in Barangay Tambobong; 2) Sitio Ladian; and 3) Sitio Marahan in Barangay Marilog were respectively given.

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

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 meet the Philippine National Standards for Drinking Water (PNSDW).

#### ***Water Safety Plan***

To ensure that the water produced and distributed to its customers is safe, DCWD is performing precautions and water quality procedure standards. One of these is the carrying out of its Water Safety Plan (WSP). The utility'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. It was accepted and approved by the Department of Health (DOH) and DCWD garnered a rating of 89.9% from the external assessors, namely, the World Health Organization (WHO), DOH and the Local Water Utilities Administration (LWUA). It means that its WSP passed and is compliant with 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. The validity of the said rating is good for three (3) years.

#### ***Water Quality Assurance***

Aside from utility's regular monitoring on the quality (in terms of microbiological, physical and chemical attributes) of the drinking water that serves as ensuring tool for the safe and quality of water being supplied to customers, DCWD pilot-tested the use of chlorine dioxide at Panacan PW No. 6. The said water treatment technique yielded a positive result through the improvement of aesthetic quality of water such as the color. With this result, the same technique is recommended for implementation in Cabantian WSS in 2020.

During the semester, the utility also conducted disinfection activities in 13 reservoirs and storage tanks to ensure that the district's storage facilities are able to store and preserve water quality. Also, DCWD ensured that the water flowing through the district's pipe network is treated and coliform-free by maintaining chlorine residual at an average of 0.89 parts per million (ppm), of which the acceptable range (as required by LWUA) is at a maximum of 1.5 ppm to a minimum of 0.3 ppm in the farthest point in the system.

In addition, DCWD continued to regularly monitor the quality (in terms of microbiological, physical and chemical attributes) of the drinking water. Water samples are regularly taken from identified sampling points. The results of the microbiological test is recorded at 98.73%, higher than the 95% standard set by the 2017 PNSDW. It also means that, water distributed to the customers is bacteria-free. As for the physical-chemical test, this will be conducted in the second semester.

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

DCWD acknowledges that its primary concern is not only to provide safe water to drink but also maintain and preserve the natural characteristics of different sources and bodies of water. One practical way of realizing this is through the Septage Management Program (SpMP) given that this is more feasible at the moment.

#### ***Septage Management Program***

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) of highly urbanized cities (HUCs) where such facilities are not yet existing. 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 Management Program (SpMP).

DCWD, for its part, decided to pursue its SpMP. However, such attempt is facing several challenges. This year, the district continued lobbying for the program's Memorandum of Agreement (MOA) with the City Government of Davao relative to the latter's revisions. Several hearings and deliberations have already been done and DCWD is hopeful that the MOA will be finalized the soonest time possible.

Once it is approved and signed, the utility will proceed with the major components of the project including the acquisition of lot and the 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 the said entity for approval.

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

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 lessen unnecessary wastes and losses through the implementation of the following PIPs:

#### ***Water Loss/Reduction Management***

The size of DCWD's existing distribution network makes leakage monitoring and control a highly complex endeavor. Given this, the utility continued the operation of District Metered Areas (DMAs) during the year. Thirty-four (34) DMAs were operational this semester, monitoring the water flows of more than 51,000 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.

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. This semester, DCWD was able to change 15,278 water meters (13mmØ), 2% higher than the target of 15,000. Impact of this semester's changed meters is yet to be realized in the second semester of the year or next year.

With the implementation of ISO 9001:2015, DCWD verified 23,661 water meters for new service connections, change meter program, reconnection and request from customers for change meter. This is 833% higher than the 2,535 last January-June 2018. This activity guarantees that 1% of all delivered water meters passed the verification and calibration tests. This will help ensure the accuracy of the reading of water meters before installing to the customer's provision. As a result, all delivered water meters pass the verification and calibration test.

Lastly, DCWD installed clamp-on ultrasonic flow meters at Talomo Sump 1 and 2 to improve the accuracy of flow monitoring from production wells going to Talomo Sump. Also, the utility repaired 12,263 leaks recovering around 3.3 million cubic meters of water.

All these undertakings during the semester resulted in improved operational efficiency as evidenced by the marked reduction of the 12-month non-revenue water (NRW) by 1% (282,586 cu.m) to 28% in June 2019 from 29% in June 2018.

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

ICT has proven to be a catalyst 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.

This semester, the utility continued the implementation of its meter reading enhancement project which will be completed by July 2019. This will replace the old Psion devices with Android-based ruggedized smartphones for faster gathering of water consumption readings and field findings.

With the utility's in-house programmers, the Offline Collection System was revised and implemented in all collection centers. This system serves as a back-up collection system for tellers in case of power and network interruptions. An Ink Inventory System was also developed and implemented this semester which improves the monitoring of the availability of ink and toners for the district's 225 printers.

With the continued improvement and maintenance of ICT, an average of 99.60% availability of ICTD services on server availability and functionality was achieved. This is higher than its target of 98% to ensure continuous and seamless connectivity.

### ***Automation of Service/Interactive Centers***

DCWD installed two (2) Information Kiosks that are deployed in Matina Main Office and Victoria Plaza Collection Office which processes billing inquiries for now. Through this, customers are given the option to transact without face-to-face interaction with a customer service representative, thereby minimizing long queues on simple billing transactions but speeding up simple customer service/transactions.

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

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 its efforts in harnessing its most important resource—the 1,183-strong workforce. The following PIPs were implemented during the first semester, namely, Rationalization of Organizational Structure, Learning and Development Program, and Employee Welfare Program.

### ***Rationalization of Organizational Structure***

DCWD remained true to its commitment to create a more responsive organizational structure to meet the challenges of service delivery. During the first semester, the utility filled-up 257 vacant positions, which is 3% higher than the target of 250. Of the said filled-up positions,

190 items are under the Phase 2B implementation of the Revised Local Water District Manual on Categorization, Re-categorization and Other Related Matters (LWD-MaCRO) for Category A Local Water District (LWD) and 67 items are under the original plantilla.

Table 3: Distribution of Personnel, by Area of Assignment: as of June 30, 2019

Office/ Departments	Office	Field	Office	Field
	under Phase 2B LWD-MaCRO		under the Original Plantilla	
1. AD	3		2	
2. CPD	3		4	
3. CREAD	6	4	2	
4. CSD	10	18	8	5
5. ECD	4	28	1	3
6. FMD	11	1	1	
7. GICWD		4		
8. GSD	8	6	3	2
9. HRD	2		10	
10. IAD	1			
11. ICTD	6		1	
12. LD	2			
13. OBS	1	1		
14. OGM	6			
15. PAMD	12	31	3	12
16. PD	1	21	3	7
<b>TOTAL</b>	<b>76</b>	<b>114</b>	<b>38</b>	<b>29</b>

Table 3 shows that 190 or 74% are filled-up positions which are under Phase 2B LWD-MaCRO; of which, 76 or 30% of it are assigned in the office and 114 or 44% are deployed at the field. These brought the total number of the workforce to 1,183 as of June 30, 2019. In addition, the number of Job Order Employees (JOEs) will reduce to 150 from 464 by the end of the year.

As regards its Staff Productivity Index (SPI), the district had a ratio of 1:191 based on the total workforce of 1,183 and 225,995 service connections as of June 2019.

### ***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 semester, each employee logged an average of 22.39 training hours, which is 187% higher than the target of 12 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 a fire drill at Matina Office last April 24, 2019. It also prepared 69 site safety inspection reports, highlighting procedures that need to be improved to ensure the safety of employees in the field. The utility also issued 496 of various personal protective equipment (PPE) to 232 employees through its Zero Accident Program (ZAP). This accomplishment resulted in the decrease of work-related incidents from three (3) incidents in January-June 2018 to one (1) in the same period.

This semester, DCWD also conducted Zumba Activities and Women Talk (Symposium about Breast, Cervical & Ovarian Cancers) which were participated in by 83 and 50 employees, respectively, successfully reaching 100% of the targeted participants. These activities aim to promote healthy lifestyle and gain awareness on some known female diseases.

These accomplishments 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. And with this commitment, DCWD received a Bronze Award for the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM) from the Civil Service Commission (CSC) during the PRIME-HRM Awarding Ceremonies held on July 24, 2019 at the Philippine International Convention Center.

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

DCWD's foremost strategy for a gender-responsive water utility is Gender Mainstreaming. In line with this, the district conducted various activities to attain this strategic goal.

### ***Gender Fair Language Guidelines Manual***

To encourage employees to have a conscious effort and avoid implicit and explicit discriminatory language against men and women, DCWD is formulating a Gender-Fair Language Manual. It began the formulation of a Gender-Fair Language Manual through a survey, among the different departments/offices, for the usage/non-usage of sexist and non-sexist languages in records and documents. The results were later validated by the GAD unit and distributed through a report to the respective departments/offices.

### ***GAD Attribution Activities for Infrastructure Projects***

Determining the gender issues or gaps at the barangay level through gender analysis by collecting socio-economic profile of the participants, particularly the generation of the sex-disaggregated data, in the affected communities of the infrastructure projects is one of the

activities that DCWD has been pursuing. For the first semester of 2019, the GAD unit had conducted Gender Analysis and collected community profile/sex disaggregated data from four (4) target areas (Indangan, New Loon, Shrine Hills, and Lacson). The said activity is the basis for the GAD attribution for the 2020 Infrastructure Projects. The same was executed through questionnaire, in-depth discussion, and a Focus Group Discussion (FGD).

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

Effective management of the utility's financial resources ensures the efficiency and reliability of operations that will achieve the utility's core functions.

***Outsourcing the Collection of Customer Payments***

DCWD's customers are continuously increasing at an average of 750 customers every month, thus, contributing to the growing number of customers being served by its existing collection centers. This has led to the long queues that often caused inconvenience to the customers. Through this outsourcing program, collection of payments from the customers is expected to be enhanced and made more convenient for the customers. These payment options include: 1) Bayad Center, a one-stop-shop collection facility for utilities, insurances, tuition fees, internet, cable networks, and the like; and 2) Electronic Payment Portals (Debit/Credit Card, Phone/Mobile Banking) through G-Cash or PayMaya, all designed to cater to the needs of customers who prefer cashless transactions.

As regards the Bayad Center, DCWD has required the agency to submit an updated MOA and proposal letter for re-endorsement to the Board for their approval in August 2019. Meanwhile, the district has also coordinated with possible proponents such as banks and corporate centers providing collection services for the Electronic Payment Portals project. This is expected to commence after the Bayad Center project is approved and implemented.

***Asset Acquisition/Replacement Program***

The hallmark of efficient operations is the utility's ability to provide uninterrupted service to its customers, including its responsiveness to leak reports, quick facilitation of service requests, swift installation of new service connections, among others. For the first semester, DCWD exerted much effort to ensure the efficiency of its operations through the acquisition of four (4) 4x4 pick-up, one (1) crossover utility vehicle (CUV), four (4) Asian utility vehicles (AUV), and 33 multi-purpose vehicles (MPV). This contributed to the improved service efficiency through enhanced fleet management and faster response to customer's report and/or maintenance orders on leaks, among others, as evidenced by the 4.45 average response time, which is faster than the standard of 11 hours.

### **Management of Customers' Accounts**

During the semester, DCWD collected PhP1.4 million from 820 customers with dormant accounts. The rest are in promissory notes and with billing adjustment memos (BAMs) as shown below:

Table 4: Dormant Accounts Collected

ACCOUNTS SETTLEMENT	NO. OF CUSTOMERS	AMOUNT
Paid in cash	820	PhP1,443,667.85
Transferred to Active Account with Promissory Note	151	617,696.51
With Billing Adjustment Memos	5	39,385.90
<b>TOTAL</b>	<b>976</b>	<b>PhP2,100,750.26</b>

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

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—form part of DCWD's strategic goals.

#### **Public Relations Program**

Being a customer-centered organization, the district gives due attention to its customers' queries, requests and complaints. Bulk of these customer concerns are addressed by DCWD's Central Information Unit (CIU), which attended to alert 43,071 customers. Of these transactions, 42,950 (99%) were responded to within the standard time of three (3) minutes.

This semester, the utility also intensified its efforts in disseminating updates regarding the utility's services and operations through the use of quad media. A total 256 news releases were produced and published in newspapers and aired 456 radio and TV advertisements. This will keep its customers abreast of the various aspects of water service that impact on their satisfaction or dissatisfaction. A testament that the utility has maintained open communication with its customers.

#### **DCWD Citizen's Charter**

The Revised 2019 DCWD Citizen' Charter Manual, an official document containing the agency's service standards and pledges that communicates in simple terms regarding information on the services provided by the utility to its customers, was launched during a ceremonial event held at DCWD Matina Office last June 3, 2019. It was submitted to the Civil

Service Commission Region XI last June 11, 2019. The revision is in compliance with the Anti-Red Tape Act (ARTA), requiring the manual to be updated every two (2) years.

### **Other Notable Accomplishments**

This semester, DCWD delivered more than 6,900 cu.m of water to peri-urban barangay beneficiaries, to barangays with water service interruptions, the Presidential Guest House, and the University of the Philippines–Mindanao during the 2019 Palarong Pambansa held last April 27 to May 4.

All these undertakings during the semester yielded a positive impact among the customers as evidenced by the 95.60% overall satisfaction rating garnered during the First Semester 2019 Customer Satisfaction Survey (CSS) that DCWD conducted through a third party, the SVM Research Consultancy Services.

## **Financial Performance**

### **Income Statement**

The table below shows the district's income and expenses report for the first semester.

Table 5: Income Statement (in million Php)

	<b>ACTUAL</b>	<b>TARGET</b>	<b>Inc. (Dec.)</b>
<b>Total Revenue</b>	PhP1,237.338	PhP1,291.552	-4%
<b>Operating Expenses</b>			
Salaries and Benefits	231.043	244.085	5%
Electricity Expenses	283.094	283.806	0%
Supplies and Materials	48.337	51.325	6%
Other Operating Expenses	112.133	114.377	2%
Fuel, Oil and Lubricants	6.154	6.468	5%
Depreciation Expenses	157.663	157.663	0%
Interest Expenses	22.720	22.72	0%
<b>Total Operating Expenses</b>	<b>861.144</b>	<b>880.443</b>	<b>2%</b>
<b>NET INCOME</b>	<b>PhP376.194</b>	<b>PhP411.109</b>	<b>-18%</b>

The utility's total revenue amounted to PhP1.237 billion or 4% lower than the target of PhP1.291 billion given that its billed consumption is only 40.547 million cubic meters or 5% lower than the target.

Further, the district was able to maintain its operating expenses in the amount of PhP861.144 million or 2% favorable. Electricity expenses shared 23% of the total revenue, salaries and wages at 19%, other operating expenses 8%, depreciation expense is also 13%, supplies and materials at 4%, fuel and oil at 1% while interest expenses also at 2%.

As of June 30, the district's net income ratio is 30% while operating ratio is 70%. Its selling price per cubic meter is 29.79 while the production cost is 21.24 per cubic meter. The net margin is 8.55 for the first semester.

Table 6 shows the consumption of customers by type of service connections during the six-month period:

Table 6: Connections, Consumption and Billing, by Classification: as of June 30, 2019

Classification	Service Connections		Billed Consumption		Billing	
	No.	%	Cu.m	%	Amount (in million PhP)	%
<b>Residential</b>	200,606	89%	29.133	72%	528.990	47%
Commercial 2.00	8,998	4%	5.799	14%	367.791	33%
Commercial 1.75	9,541	4%	2.011	5%	95.796	9%
Commercial 1.50	3,505	2%	0.626	2%	18.570	2%
Commercial 1.25	1,837	0.7%	1.386	3%	54.728	5%
Government	778	0.3%	1.593	4%	55.801	4%
<b>TOTAL</b>	<b>225, 265</b>	<b>100%</b>	<b>40.55</b>	<b>100%</b>	<b>1, 120.676</b>	<b>100%</b>

Residential accounts constitute 89% of the total connections, consuming 72% of the billed consumption in cubic meters with 47% contribution to the total billing. Meanwhile, commercial accounts represent 10% of the total connections, consuming 24% of the total billed consumption in cubic meters with 49% contribution to the total billing. The rest are attributed to government accounts.

### **Statement of Cash Flows**

As of June 30, 2019, total cash receipts amounted to PhP1.338 billion or 1% higher than the target.

Collection efficiency is 99%, higher than the target of 98%, while on-time payment is 83%, higher than the target of 82%

A total of PhP1.199 billion was paid for obligations like personnel services, operating expenses, capital outlay, debt services and other non-operating expenses.

The ending cash balance is PhP537.993 million.

### **Status of Loan**

The district's outstanding loan balance totaled to PhP1.864 billion as of June 30, 2019, which is broken down as follows:

- **DBP**      PhP1.186 billion      The PhP2 billion loan is for the Primary Distribution Lines and Storage Mains.
- **DBP**      PhP571.169 million      Construction of the Matina Building with a contract cost of PhP575 million.
- **PNB**      PhP19.722 million      CMRP under Dumoy Water Supply System.
- PhP87.159 million      Pipelines, reservoir and pumping facilities in Tigatto-Mandug and Calinan-Riverside WSS.