

# METROPOLITAN CEBU WATER DISTRICT 2014 ANNUAL REPORT

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### Foreword

For 2014, the Metropolitan Cebu Water District (MCWD) sought to establish better and closer relationships with the local government units in its service area. MCWD presented its development plans until 2020 to the city and municipal officials of the four cities and four municipalities it serves.

These development plans were in line with the MCWD's Vision 60/80 in 2020, which is a six-year plan to increase its commercial service coverage to 80 percent and its residential service coverage to 60 percent by the year 2020.

Early in 2014, MCWD also launched its One-Stop Shop (OSS) where consumer complaints can be received at the ground floor, enhancing customer services by making them more accessible at one area and with the use of queuing system. Before the OSS, consumers had to go different floors in the building for their different concerns. The water district also increased the number of payment centers to make bill payments more convenient for its more than 162,000 service connections.

For the year 2014, MCWD also witnessed a leadership-transition when General Manager Armando H. Paredes retired from government service after more than 26 years with MCWD.

In July 2014, Assistant General Manager for Operations Ernie Delco accepted the challenge of moving the water district work forward as he received the baton of leadership from GM Paredes.

### Vision

MCWD envisions itself to be a progressive and economically viable utility firm that provides adequate, safe, potable and affordable water and an effective sewerage system for Metro Cebu.

## **Mission**

We are committed to undertake continuing exploration and development activities, aimed at the preservation and sustainability of our water resources. We must always adhere to sound practices in preserving our natural environment.

Our capability to provide proper services must continuously improve by designing and managing the growth of infrastructure in an innovative, timely, safe and cost-effective manner and conforming to internationally accepted standards.

We shall operate and maintain our facilities in an optimal manner, making total quality an integral part of our performance.

It is then indispensable to nurture a highly-motivated workforce, with a strong spirit of collaboration, deeply committed to professionalism, and firmly focused on productivity.

The workforce shall be upheld and inspired by a competent management team dedicated to the common good of MCWD.

All these tasks must be accompanied by sound and prudent financial management with the overriding goal of providing better services to the people of Metro Cebu.

## **Core Values**

To attain our vision through the fulfilment of our mission, we must establish a corporate culture deeply characterized by our core values. Everything that we do in the office and in the field on a day-to-day basis must be imbued by the force of these our core values.

**Spirit of Service.** Anchored in the belief that our major reward in work consists in making people happy because we serve them well

- Let us be accessible to all our customers and serve them with sincere and honest attention.
- Our spirit of service must go beyond responding to the customers' complaints by providing them with prompt service and accurate information.

**Moral Integrity.** Built on the reality that human dignity and happiness is essentially linked to the practice of moral values in the workplace and elsewhere

- Genuine selflessness will be our prime motive for doing our work. This means that we principally desire to be of valuable service to people, and not to do our work simply because of what we can get in return.

- Avoid all use of influence and connections to get undue favors for oneself or for others, and refuse to influence one another negatively.
- Let us encourage a lifestyle that is truly respectful of a person's dignity.
- Reject all use of MCWD resources and time for our own personal convenience and financial benefit.

Loyalty to Our Institution. Rooted in the intrinsic values of our corporation worthy of our love and pride

- Let us align our personal goals with the corporate goals of MCWD. It would be a disservice for any employee of MCWD to use undue influence which is in conflict with the corporate goals.
- Deep concern about the image of MCWD must characterize our behavior at all times. We must strive to contribute to the good image of MCWD by doing our work selflessly with competence and integrity.
- Loyalty to our institution leads us to be mutually supportive of all the employees and departments of MCWD with no exception whatsoever.

Professionalism. Based on a belief that our God-given talents must be made to grow and be constantly improved so that we may be of better service to people

- It is our personal responsibility to build our own competence by working hard and demanding a lot from ourselves, seeking to upgrade our skills and learn from our mistakes.
- Let us create and maintain a culture where respect for work standard is paramount and where we help one another in striving for excellence.

Focus on Performance. Linked to our ideal that it is through excellence in our performance that we best serve people

- We must find pride and meaning in our own work, principally because we have work productively, constantly conscious of the standards we have set for ourselves.
- Let us instill a sense of urgency in all that we do. We will fight against all forms of procrastination. This will require that we take timely and adequate initiative in all our efforts.
- Conscious of the need for goal setting at all levels of the organization, we need to be forward-looking and review our goals often.

Stability in Unity. Founded in the knowledge that our organization will be firm and strong, anchored in the spirit of solidarity by which we all strive to contribute to the good of all

- The strength of an organization is found principally in the united power of people. We will foster an atmosphere of genuine trust and confidence in one another based on building competence and instilling integrity within the organization. Open and honest communication shall likewise be encouraged.

- A sense of fairness and justice would guide all our actions and thoughts. This requires a firm respect for the rights of everyone without exception. We must avoid all forms of envy and greed.

## **GENERAL**

### **Administrative**

In 2014, MCWD had a total of 917 employees. Of this, 533 held permanent positions while 384 were non-permanent (68 casual/temporary employees; 249 contractual; and 67 JO hirees). All personnel met the minimum qualifications set by MCWD in accordance with policies of the Civil Service Commission (CSC).

To ensure smooth and harmonious relations among its personnel, MCWD implements personnel policies and guidelines that are geared towards effective personnel administration. This includes the prohibition of hiring personnel up to the fourth degree by affinity or consanguinity.

Meanwhile, MCWD gives weight to customer satisfaction. Thus, it created a Billing Policy that serves as a guide in handling customer complaints lodged at its One-Stop Shop and Call Center.

As an ISO 9001 series of 2008 Certified-water district for its Quality Management System, MCWD maintains updated records of Customer Complaints. The water district regularly monitors and keeps records of leak reports, unaccounted for water or Non-Revenue Water, service connections, and water production, which are part of its key performance indicators.

### **Financial/Commercial**

MCWD's gross revenue for 2014 comprised of P1,458,935,465 as collection from water sales; P32,799,877 as other water revenues; and P8,900,951 as other non-operating income.

Its operational expenditures, particularly operation and maintenance expenses, including depreciation, was at P1,194,073,089 while Capital Outlay was at P106,278,595. Annual Debt Servicing was P179,257,680.

Expenses for salaries, wages and other emoluments paid to MCWD's employees reached P284,322,013 while MCWD spent P72,040,873 for power and fuel expenses.

Meanwhile, the water district received and processed 92,174 complaints during the year and 85,666 of these were settled to the satisfaction of the customers.

### **Technical**

MCWD has adopted, through Board resolutions, a set of design and construction standard prepared by the MCWD Technical Standards Committee. The water district strictly adheres to these standards in the implementation of all its projects.

MCWD undertakes biological tests of its water monthly. A monthly report is submitted to LWUA or a total of 12 reports a year.

MCWD uses chlorination as a process of eliminating contaminants in water.

MCWD conducts regular pump efficiency tests. The water district has 125 pumps and 120 of these are operational.

### **Operational**

MCWD produced a total of 73,462,590 cubic meters of water in 2014. Out of this, MCWD billed some 55,779,986 cubic meters with an average per capita consumption of 161.44 liters per day.

The water district used mechanical production meters or electromagnetic flowmeters to measure its water production. Personnel from the Production Division worked on a 24/7 shift to monitor and record pump production, and water level, among others.

By the end of 2014 MCWD's total number of billed service connections from both active and inactive accounts reached 164,536. Out of these, 163,007 were active service connections while the remaining 1,529 were delinquent connections. Average number of customers per service connection ratio was 5.1.

MCWD's service area had an estimated population of 2,233,492. Some 1,262,893 of which were served by the water district during the year.

One of the achievements of the year was reaching a 98 percent 24/7 water supply for MCWD consumers or 160,773 service connections out of 164,536. There were about 1,761 service connections in highly elevated areas where water supply availability was only between 7 to 12 hours.

## **II. PROFILE**

### **A. THE WATER DISTRICT AND ITS PHYSICAL SYSTEMS FACILITIES**

MCWD's service area spans some 750.87 square kilometers, which covers four cities and four municipalities. The water district deals with the complex demands for water service of each of the developing and growing local government unit.

One of MCWD's notable accomplishments in 2014 was providing water supply for 24 hours each day for about 98 percent of its consumers. Some two percent live in highly elevated areas which had 7 to 12 hours water supply.

In 2002, employees moved in to its new eight-storey building from its old two-floor office. The building stands as a witness of the industry of the entire MCWD workforce as it was built from the savings of the water district.

In 2014, MCWD produced a total of 166,889 cubic meters per day from its groundwater sources, 7,092 cubic meters per day from surface water sources and 32,092 cubic meters came from bulk water suppliers.

It has nine reservoirs. Four of which can store some 5,000 cubic meters, one reservoir can store 3,200 cubic meters, another 2,000 cubic meters, one 1,000 cubic meters, one 500 cubic meters and one 260 cubic meters.

From an initial consumer base of 20,000 in its early years, MCWD's total number of service connections by the end of December 2014 reached 162,543. Some 159,118 of which were residential consumers, 2,986 were commercial water users, 199 connections were for government offices, and 105 were communal

connections. There were also 80 subdivision connections and 55 for condominiums through bulk supply metering.

Average monthly production using booster pumps in 2014 reached 5,310,317 cubic meters while bulk water production on a monthly average reached 972,789 cubic meters.

MCWD's production efficiency on a monthly average was recorded at 23.88 percent which consequently registered the water district's lowest Non-Revenue Water on a year-to-date average of 23.88 percent, all in 2014.

## **B. CURRENT OPERATIONAL/FINANCIAL HIGHLIGHTS**

Since July 1, 2006 to December 31, 2014, MCWD implemented water rates that comprised of commodity and service charges. Service charges, which start from minimum or 0 to 10 cubic meters, differ based on the meter size of the consumer. Commodity charge for 11 to 20 cu. m was P15 per cu. m, P17.65 per cu. m. for 21 to 30 cu. m. and P48.40 per cu. m. for 31 cu. m. and up. These rates cover all consumers of MCWD in its service area.

Furthermore, the water district had a 40 percent debt ratio in the same year.

In terms of collection efficiency, 65 percent of MCWD's consumers paid on or before the due dates of their water bills.

MCWD collected P1,458,935,465 as water sales; P32,799,877 as other water revenues; and P8,900,951 as other non-operating income.

It spent P1,194,073,089 for its operations and maintenance while Capital Outlay was at P106,278,595. Annual Debt Servicing was at P179,257,680.

For salaries, wages and other emoluments paid to employees, MCWD spent P284,322,013. A total of P72,040,873 went to power and fuel expenses.

MCWD had an operating outlay of P1,241,664,071 and a capital outlay of P802, 876,208.

## **C. COMMUNITY ECONOMIC PROFILE**

MCWD's is serving eight local government units in Metro Cebu, particularly the cities of Cebu, Mandaue, Lapu-Lapu and Talisay and the municipalities of Consolacion, Liloan, Compostela and Cordova. The total population of the service area is 1,262,893. According to the National Statistical Coordination Board (NSCB) report in 2009, the average monthly income for Central Visayas, where Metro Cebu falls under, was at P15,334 while the average monthly family expenditure was at P12,667. The average rate of morbidity (water borne diseases) in Central Visayas, according to NSCB, was at 32,850 (per 100,000 population).

## **D. OTHER INFORMATION**

The water district has been paying five (5) bulk water suppliers an average of 17.53 cubic meters per month. To prevent or deter water pilferage, MCWD has implemented the Meter Clustering System. The water district conducts regular monitoring of the residual chlorine in various strategic points of its water supply system. It also has also maintained its established safety programs and standard

operating procedure. It has adopted measures like routine monitoring of water quality for chemical and bacterial contaminants in all its water sources and representative points from concessionaires in all service areas. MCWD's Water Laboratory in Talamban, Cebu City makes sure all regulatory requirements for water quality are diligently observed and followed.

Senior citizens continue to enjoy a 5 percent discount on their water bill. MCWD had an approved budget of P4.170 million for Gender and Development in 2014 in compliance with RA 9710. It has also adopted and implemented the approved Strategic Performance Management System (SPMS).