CATBALOGAN WATER DISTRICT

Catbalogan, Samar

## OFFICE OF THE BOARD OF DIRECTORS

## Board Resolution No. 40

## Series of 2012

SUBJECT:

INQUIRING FROM THE PHILIPPINE ASSOCIATION OF WATER DISTRICTS, INC. (PAWD) LEADERSHIP THE STATUS OR ACTION TAKEN IF ANY ON THE ISSUE RAISED ABOUT THE RE-CATEGORIZATION DURING THE 33rd PAWD NATIONAL CONVENTION, AND DEFERRING ACTION ON ITS REQUEST FOR A SUPPORT RESOLUTION

WHEREAS, the existence of PAWD and all the local water districts is being threatened by Senate Bill No. 2997 and House Bill No. 5497, as the two pending bills propose the creation of Water Sanitation and Regulatory Authority (WSRA) that will abolish all water districts, among others;

WHEREAS, PAWD is soliciting support through a resolution from its member Water Districts opposing the creation of Water Sanitation and Regulatory Authority (WSRA) and supports the establishment of Water Regulatory Commission (WRC);

WHEREAS, during the 33rd PAWD Convention held last February 8 – 10, 2012 at Radisson Blu Hotel, Cebu City several participants expressed their opposition to the re-categorization of water districts on the plenary hall – while we do not recall the issue on the said Senate Bill and House Bill being similarly tackled;

WHEREAS, the PAWD leadership promised that it will act on this matter, and yet until now no words have ever reached this Board of Directors about any such action if ever from the PAWD leadership;

WHEREAS, we believe that, besides in accord with the proper order of business, any information, before any other action, from the PAWD Leadership on its actions in relation to the concerns raised by its members in the 33rd PAWD Convention, will show the importance it gives to the views and concerns of its member Water Districts – hence will solidify PAWD as a whole, and give it greater strength in opposing the Senate and House Bills in question;

NOW THEREFORE, as unanimously moved and seconded by the members of the Board present,

RESOLVED, as it is hereby resolved, that we make inquiries with the Philippine Association of Water Districts, Inc. (PAWD) Leadership as to the status or action taken, if any, on the issue raised about the re-categorization during the 33rd PAWD National Convention held last February 8 -10, 2012 at Radisson Blu Hotel, Cebu City.

RESOLVED FURTHER, that we defer the issuance of the resolution being requested by the PAWD Leadership pending its response to this inquiry;

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RESOLVED FURTHER that this resolution be shared with other Board of Directors of other Water Districts, and posted in our website;

Adopted this 16th day of April 2012.

## ATTY. GERARDO C. TEVES

Chairman

**VICTORIANO C. NAVARRETE ROSARIO T. POMIDA**

 Vice Chairman Secretary/Treasurer

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####  ROLANDO T. KO JOSE A. MABULAY, JR.

 Director Director

Yboa ‘12

CATBALOGAN WATER DISTRICT

Catbalogan, Samar

## OFFICE OF THE BOARD OF DIRECTORS

## Board Resolution No. 41

## Series of 2012

SUBJECT:

RECOMMENDING CHANGES IN THE LOCAL WATER DISTRICTS – MANUAL ON CATEGORIZATION, RE-CATEGORIZATION AND OTHER RELATED MATTERS (LWD-MaCRO) THAT INCORPORATES BUILT-IN MEASURES FOR ENCOURAGING LOCAL WATER DISTRICTS TO REACH MORE CLIENTS

**Whereas**, the **Revised Local Water Manual on Categorization, Re-Categorization and Other Related Matters (LWD-MaCRO)** explains its main difference from the old manual in its RATIONALE which states that “…the number of service connections becomes a significant factor in categorization in line with the LWDs’ key service objective of reaching as many clients as possible” (underscoring supplied);

**Whereas**, the LWD-MaCRO contains three major features that work **against** rather than **for** the attainment of this “key service objective”:

1.) the reduction in the number of categories from six to four,

2.) the “categorization based on the **Number of Active Service Connections”** as

 concretized in :Table 1: SERVICE CONNECTION CATEGORY”, and

3.) the use of the “whichever is lower” rule in the comparison between the ratings

 from the said Table 1 and Table 2: Point-Rating Category (III.B.5);

**Whereas**, the reduction in the number of categories was merely “to clearly distinguish each category from the other” (II. RATIONALE), obviously by widening the gaps between the categories, e.g. from “at least 3,000” (Category C), to “ at least 10,000” (Category B), then to “at least 30,000” (Category A) (III.B.2);

**Whereas**, with the widened gaps between categories, more LWDs will be abandoning their hopes and efforts of climbing up to the next category due to the increased difficulty and reduced chances of success – such that, as example, for LWDs in Category B with 12,000 service connections, trying to get 18,000 more connections to be in category A will be futile;

**Whereas,** in contrast, common sense dictates that the narrower the gaps between the categories, the easier it becomes for LWDs to graduate to the next, hence the bigger the number among them who will be striving accordingly – thus generating a lot more service connections nationwide;

**Whereas**, the “categorization based on the **Number of Active Service Connections** as concretized in “Table 1: SERVICE CONNECTION CATEGORY” (III.B.2) is obviously an attempt to encourage LWDs to have more service connections, and is also understandable from the administrative perspective, as the responsibilities and workload volume and complexity also grow with the rise in service connections;

**Whereas**, the “categorization based on the **Number of Active Service Connections”** can serve its purpose only in a **hypothetical context** where the areas of responsibility and number of potential service connections of all LWDs are more or less of the same size;

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**Whereas**, in the **actual context** where there are big and many differences in the LWDs’ areas and number of potential service connections, this kind of categorization becomes useless in terms of encouraging LWDs to reach to as many clients as possible;

**Whereas**, to illustrate this point using the figures above on the number of connections per category –

\* For LWDs in Category A, the categorization gives them no incentive to increase

 their service connections even if there are 40,000 more households in their areas

 that have no connections,

\* For LWDs in Category B, C and D, this categorization gives them no incentive

 to increase their connections if the areas of the Catgeory Bs have only 29,000

 potential connections or less, and the areas of those category C and D have only

 9,000 and 2,900 potential connections or less, respectively;

**Whereas**, as contrast, a categorization based on the percentage of the service connections vis-à-vis the number of potential connections, can have the overall effect of keeping every LWD trying to increase their connections regardless of their current and potential number of service connections;

**Whereas**, the “whichever is lower” rule is used in determining an LWD’s category, when its rating in the Point-Rating Category is compared with its rating in the Service Connection Category (III.B.5) – obviously to ensure that increasing the number of service connections is not neglected;

**Whereas**, for the Category B, C and D LWDs in the illustration above, the “whichever is lower” rule acquires a veto effect thus making it pointless for them to improve in their “Point-Rating Category”, hence also in their ability to expand and to improve the quality of their service;

**Whereas,** to achieve the “key service objective”, the old manual now appears to be more effective than the LWD-MaCRO due to these three defective features,

**Whereas**, while we are working to improve and expand our Water District not just to get to a higher category – we also believe that the LWD-MaCRO should contain as many built-in measures as possible to encourage all water districts to attain their key service objective of reaching as many clients as possible:

**Now, therefore, be it resolved as it is hereby resolved**,… in recommending to the proper authorities including PAWD, LWUA, DBM, and the Oversight Committee, the following changes to the LWD-MaCRO;

1. That the number of categories in classifying the water districts should be

 determined based on the actual distribution of their sizes, in such a way that

 graduating to the next category becomes a realistic and achievable target for

 the vast majority of them;

2. That the LWD-MaCRO adopts a third category, the Percentage of Population

 Served or Percentage of Potential Service Connection Served;

 3. That the “whichever is **higher**” rule be used, or if ever, the “whichever is

 **lower**” rule needs to be retained, it should be applied only to the “Point-Rating

 Category” and the proposed third category, where there is a level playing field

 for all LWDs, and should exclude the “Service Connection Category” which

 becomes redundant with the new Category;

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4. That in cases where the proposed third category becomes the determining

 category, its application be subject to the financial capability of the LWD

 concerned;

**Resolved further**, that pending the resolution of these recommendations, the implementation of the LWD-MaCRO be suspended and all LWDs revert to the status quo ante.

**Resolved further**, that we urge all LWDs to support this resolution by adopting this or similar resolution and sending this to the concerned authorities, and by soliciting support for their resolution from other officials such as our Congressmen and Senators, and further, by posting the said resolution in their websites or social networking accounts.

Adopted this 16th day of April 2012.

## ATTY. GERARDO C. TEVES

Chairman

**VICTORIANO C. NAVARRETE ROSARIO T. POMIDA**

 Vice Chairman Secretary/Treasurer

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####  ROLANDO T. KO JOSE A. MABULAY, JR.

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