



BUTUAN CITY WATER DISTRICT



2015

ANNUAL REPORT



Sustainable and Quality
Service for the
Community



A leader in the water and sanitation industry advancing integrated water resource management.



Butuan City Water District, a service-oriented entity, endeavors to preserve the environment, deliver quality service and satisfy its customers.



- C - Commitment**
- L - Leadership**
- I - Integrity**
- E - Excellence**
- N - Novelty (Innovation)**
- T - Teamwork**
- S - Safety**

BUTUAN CITY WATER DISTRICT 2015 Annual Report Contents

VISION, MISSION AND CORE VALUES	2
TO OUR STAKEHOLDERS	5
2015 POLICIES	8
PRODUCTS AND SERVICES	
Water Production	11
Water Quality	13
Physical and Chemical Analysis	14
Bacteriological Analysis	16
Pipe Lines and Appurtenances Maintenance	17
Meter Accuracy	18
Active Connections, Population Served and Average Consumption	18
INFRASTRUCTURE DEVELOPMENT	
Line Improvement	19
HUMAN RESOURCES DEVELOPMENT	
Number of Personnel	25
Personnel Distribution	25
Filled Up Positions	26
Staff Productivity Index	28
Personnel Movement	29
Trainings, Conventions and Seminars	29
FINANCIAL CAPABILITY	
Results of Operations (Income Statement)	30
Cash Flows	31
Financial Position	34
Balance Sheet	35
PROCUREMENT	36
SYSTEMS DEVELOPMENT	
Database Management	36
INTERNAL CONTROL	
Pre-audit of Transaction Documents	38
Accounting and Safeguarding of Assets- Cash and Property	38
Other Highlights	39
ENVIRONMENTAL CONCERN	
2011-2013 Reforestation Projects	40
National Greening Program	40
Adopt-A-Forest Program	42
Abaca Intercropping Project	43
Construction of a Sanitation Facility	43
PUBLIC INFORMATION/ RELATIONS	
Institutional Ads/ Information Materials	44
Media Relations	44
Customer Relations	45
Corporate Social Responsibility	45
National Representation	46
IN A NUTSHELL	47

Board of Directors



ATTY. ROLDAN L. TORRALBA
Chairperson
Professional Sector

DIR. LEAH A. MENDOZA, CPA
Member
Women Sector

DIR. JUANITO A. LAO, Ph.D.
Treasurer
Education Sector

DIR. CRISPIN L. YOUNG
Secretary
Business Sector

DIR. CLAUDIO B. ESTACIO, M.D.
Vice Chairperson
Socio-Civic Sector

TO OUR STAKEHOLDERS

2015 was the most challenging year for the Butuan City Water District (BCWD). Towards the end of 2014, Tropical Storm Seniang (TS Seniang) made landfall on the eastern coast of Mindanao and hit Butuan on December 29, 2014 with a maximum sustained winds of 65 kilometers per hour (kph) near the center and gustiness of up to 80 kph with estimated rainfall from 15-30 mm per hour (heavy – intense) within the 300-km diameter.

Based on the ocular inspection conducted on Dec. 30, 2014, the following were the destructions brought about by TS Seniang:

TS Seniang Aftermath at the Infiltration Gallery Area

1. The cover of the four (4) units service manholes were washed out, leaving the manholes open;
2. Three (3) of the four (4) manhole boxes were fully filled with mixed sand and gravel materials; head-size rocks were also suspected to have entered the manholes during the height of the flooding. Meanwhile, the fourth manhole box was found partially filled with mixed sand and gravel (flood materials);
3. Sand and gravel were found deposited at the entire stretch of the Infiltration Gallery but the bigger volume of the flood materials were at the upstream portion of the Infiltration Gallery area covering the service manholes 1 & 2;
4. The remaining entry point for water supply to the Filtration Plant is only through manhole 4, though the water may still percolate along the entire stretch of the Infiltration Gallery. However, the filtered water accumulated along the stretch of the perforated pipe was no longer enough to supply the required volume;
5. The by-pass line of the transmission line from the Infiltration Gallery at Pianing Creek was also damaged due to the movement of the gabions used as bank protection for the Pianing Bridge.

The following were corrective actions immediately conducted as remedial activities to said damages for augmentation of the supply of water, which volume was considerably reduced due to the aforementioned damages at the Infiltration Gallery:

1. Immediately, a cover for Manhole No. 4 was fabricated to protect further intrusion of flood materials during the floods as the following days after TS Seniang, frequent incidence of high turbidity level at the Taguibo River was still occurring.

*The new cover of
Manhole No. 4*



- Manual declogging activities with the aid of an air compressor and dewatering pumps started on January 19, 2015. Thereafter, BCWD and Taguibo Aquatech Solutions Corporation (TASC) had a coordination meeting where the latter offered the use of their equipment with personnel compliment for faster declogging works.

Manual declogging at Manhole No. 4 to restore the operation of the Infiltration Gallery. A pump was used in dewatering the manhole, which was necessary for the removal of stones and pebbles.



- On January 23, 2015, BCWD formally requested assistance from TASC as part of the cooperation agreement to undertake the rehabilitation of the IG.

Declogging activity at Manhole No. 4 with the aid of pumping equipment.



- Management decided to install a by-pass line accessing the surface water upstream of the IG. However, inasmuch as the construction of the by-pass line would take a longer period of time, a temporary by-pass line using flexible hose to convey water directly to the transmission line was assembled with the help of TASC especially on the provision and use of equipment and personnel compliments.

- On January 23, 2015, BCWD and TASC personnel worked hand-in-hand for the establishment of an interconnection of the temporary by-pass line and the transmission line. A 600-mm steel pipe opening served as the entry point of the water pumped from the Taguibo River.

An 8-inch flexible hose serving as discharge line of the centrifugal pumps directed to the 600-mm interconnection pipe.



- Two (2) units centrifugal pumps and two (2) generator sets were used during the establishment of the temporary by-pass line. The two generator sets were lent by TASC while BCWD provided the fuel for their operation.

- Water Rationing by area (scheduling) through Valving (Valve Control).

Valve rationing conducted by flushing personnel near Magsaysay Bridge.



- Reactivation of old Pumping Stations.

Rehabilitation activities, i.e., installation of pump/motor, and pipes, for the reactivation of Pump Station No. 10.



The temporary by-pass line was operational by January 28, 2015 delivering a maximum of 600 cubic meters per hour. This by-pass line was still dependent on the quality of the water at Taguibo River. Should there be rains at the watershed areas, the pumping operation would also be temporarily suspended.

Aside from the by-pass line, the reactivation of two Pump Stations particularly Pump Station Nos. 10 and 16, located at Km. 7, Ampayon and Km. 3 Baan were also conducted to augment the decreased water supply. However, these stations' operations were later discontinued due to deteriorating water quality.

In the past 12 months, all of us were living witnesses of how BCWD performed its primordial duties and responsibilities notwithstanding the inclement weather. We made it because of our "Sustainable and Quality Service for the Community."

We have a strong and growing foundation as BCWD is our HOME and we belong as one FAMILY guided by the BCWD Vision: "A leader in the water and sanitation industry advancing integrated water resource management," governed by BCWD Mission: "Butuan City Water District, a service-oriented entity, endeavors to preserve the environment, deliver quality service and satisfy its customers" and propelled by BCWD Core Values: "CLIENTS - Commitment Leadership Integrity Excellence Novelty (Innovation) Teamwork Safety."


ENGR. ANSELMO L. SANG TIAN
 General Manager


ATTY. ROLDAN L. TORRALBA
 Chairman

2015 POLICIES

The Board of Directors passed significant policies in support of the Management's basic duties, internally and externally. These include the following:

1. The Collective Negotiation Agreement (CNA) that redound to the benefit of BCWD Staff and Personnel;
2. Policy on the activities that respond to Gender Sensitivity Program;
3. Policy on enhancement of information drive program like, but not limited to, "Bisita Eskwela;"
4. Policy on the establishment, implementation and maintenance of International Standard on Quality Management pursuant to ISO 9001-2008;
5. Implementation of BCWD "Adopt-A-Forest Program" for the Taguibo River Watershed Forest Reserve; and
6. Continuing study for expansion programs and Reduction of NRW.

Operation and Management

In the usual course of business of the BCWD services, resolutions were enacted for the financial need and material requirements of BCWD operation and management.

As part of the continuing improvement of management, the Board enacted the following resolutions in relation to ISO 9001-2008 by which BCWD was accorded the International Standard on Quality Management and successfully received ISO Certificate.

➤ **RESOLUTION NO. 099-2014 "RESOLUTION APPROVING THE ESTABLISHMENT, IMPLEMENTATION AND MAINTENANCE OF A QUALITY MANAGEMENT SYSTEM OF BUTUAN CITY WATER DISTRICT LEADING TO ISO 9001:2008 CERTIFICATION AND THE APPOINTMENT OF EMPLOYEES TO COMPRISE THE QUALITY MANAGEMENT TEAM AND AUTHORIZING ENGR. ANSELMO L. SANG TIAN, GENERAL MANAGER, BUTUAN CITY WATER DISTRICT TO INSTALL, SIGN AND DISTRIBUTE THE QUALITY MANUAL AND OTHER COVERING DOCUMENTS"**

➤ **RESOLUTION NO. 127-2014 "RESOLUTION APPROVING THE POLICY MANUAL LEVEL ONE OF THE BUTUAN CITY WATER DISTRICT (BCWD) QUALITY MANAGEMENT SYSTEM FOR ISO 9001:2008"**



Personnel Welfare

Giving importance to human resources and welfare of BCWD staff and personnel, the Board passed and enacted the following resolutions:

1. Resolution Approving the Collective Negotiation Agreement (CNA) Incentives for year 2015;
2. Resolution Authorizing Engr. Anselmo L. Sang Tian, General Manager, Butuan City Water District, to Enter Into and Sign A Memorandum of Agreement With the Government Service Insurance System (GSIS) Regarding the Payment of GSIS Premium Arrearages Including Settlement of Interests and Surcharges of Fifty Five (55) BCWD Employees;
3. Resolution Approving the Grant of Additional Five Percent (5%) Increase in the Employer's Share for the Butuan City Water District Provident Fund as Incorporated in the 2015 Approved Annual Corporate Budget;
4. Resolution Approving the Implementation Plan for a Drug-Free Workplace to Take Effect On January 2016; and
5. Training for Gender and Sensitivity Program.

Community

1. Resolution Approving the Draft Memorandum of Understanding (MOU) Between Butuan City Water District and National Line Agencies Re: City Poverty Reduction Program and Further Authorizing Engr. Anselmo L. Sang Tian, General Manager, Butuan City Water District, To Sign the Same;
2. Resolution Approving the Proposed Billing Adjustment as Presented by Management; and
3. For enhancement of information drive program like, but not limited to, "Bisita Eskwela."
4. Resolution Approving the Recommendation of Management, for the Budgetary Appropriation of Six Million Pesos (₱6,000,000.00) to fund the Rehabilitation of BCWD's Water System Damaged by Tropical Storm Seniang and for the Conduct of Water Rationing to Concessionaires;
5. A Resolution Expressing Wholehearted Appreciation and Deepest Gratitude to Local Water Utilities Administration (LWUA) for the Use of Two Mobile Water Treatment Plants;

Environment

1. Resolution Authorizing Engr. Anselmo L. Sang Tian, General Manager, Butuan City Water District, to sign the Memorandum of Agreement for BCWD Adopt-A-Forest Program Between Phoenix Philippines Foundation, Inc. and BCWD;
2. Resolution Requesting Hon. Ferdinand M. Amante, Jr., City Mayor, Butuan City, to Create the Taguibo Watershed Forest Reserve Protection Team to Monitor and Prevent the Entry of Timber Poachers and Transport of Illegally Cut Lumber from the Watershed; and
3. Resolution Authorizing Engr. Anselmo L. Sang Tian to Sign the Implementing Rules And Regulation (IRR) for the Taguibo Watershed Management Council (TWMC) for and on Behalf of the Butuan City Water District.

The Management



ENGR. ANSELMO L. SANG TIAN
General Manager



ENGR. JORGE GUDUYO
Assistant General Manager



EMMA B. LUPIBA, CPA
Dept. Manager
Finance Department



VIRGILIA B. ADLAWON, CPA
Dept. Manager
Commercial Services Department



JONATHAN B. CALO, MPA
Actg. Dept. Manager
Management Services Department



ENGR. REDEN C. MEJORADA
OIC
Production and Distribution Dept.



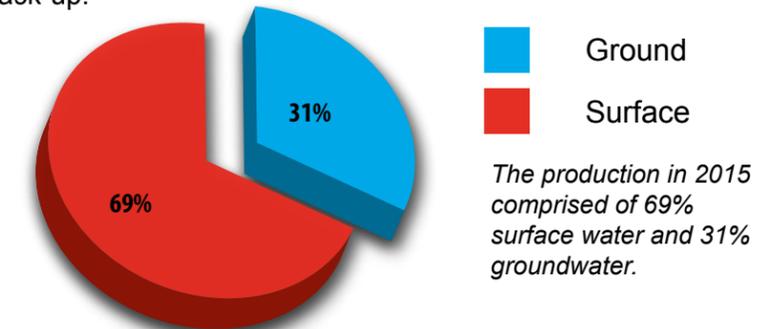
ATTY. ELSIE A. ALEJANDRO
Actg. Dept. Manager
Engineering and PAMD

PRODUCTS AND SERVICES

Water Production

Our water supply consists of surface water from the run-off river at Taguibo River and groundwater deep wells. The surface water run-off serves as the major source of water supply and the five (5) ground water sources serve as back-up.

Figure 1. The percentage of water production from ground water and surface water sources.



The total rated capacity for the year 2015 was 36,056,160 cu.m with the annual Non Revenue Water (NRW) of 35.50%. The annual production for the year 2015 was 11,340,393 cu.m of quality drinking water to 41,024 concessionaires in 55 barangays in Butuan. Sixty nine (69%) percent or 7,833,619 cu.m of the production came from the surface, while thirty one (31%) percent or 3,506,774 cu.m was extracted from the five pump stations. This is 10.13% higher than 2014 annual production of 10,191,686 cu.m.

Table 1 shows the monthly production for 2015 including monthly projected volume. First quarter has the lowest water production, while third and fourth quarter have the highest water production.

Overall, the total actual production of the two sources exceeded the targeted volume by two percent (2%).

By the second quarter, the District was already experiencing weak El Niño which then upgraded to moderate El Niño until the end of the year. However, there were still occasional occurrences of moderate to intense rains at the Watershed which caused high water level and turbidity in the river.

Table 1. Monthly actual production against the projected volume

Month	Production, cu.m		Percentage %
	Projected Volume	Actual Volume	
January	978,167.69	610,423	
February	967,800.00	716,423	
March	958,128.36	821,350	
Sub Total	2,904,096.05	2,148,335.00	
April	949,027.94	930,759	
May	940,137.68	946,141	
June	931,712.86	990,482	
Sub Total	2,820,878.48	2,867,382.00	
July	923,394.37	1,077,423	
August	915,269.44	1,079,621	
September	907,295.89	1,050,341	
Sub Total	2,745,959.70	3,207,385.00	
October	899,485.14	1,032,043	
November	891,786.67	1,099,076	
December	884,178.95	986,172	
Sub Total	2,675,450.76	3,117,291.00	
Grand Total	11,146,384.99	11,340,393.00	2%

Figure 2 below shows that the highest number of hours of interruption of the I.G. operation was in January 2015 where there was almost one month of no operation. This was due to the aftermath of TS Seniang. For the eleven remaining months of the year, the average interruption, excluding the month of January considering that we were still in the process of rehabilitating the Infiltration Gallery, was 155.42 hours or 6.47 days.

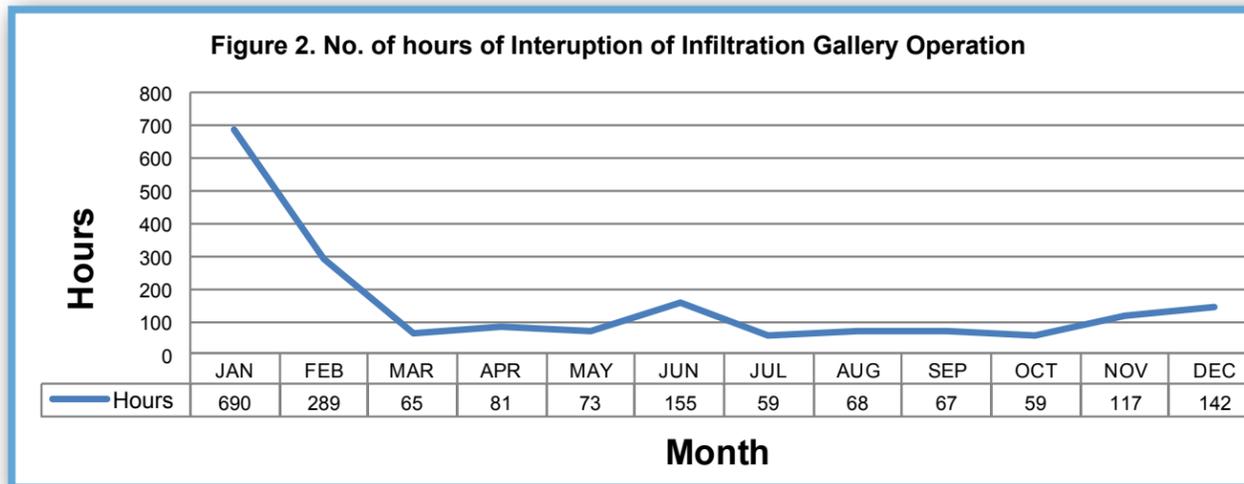
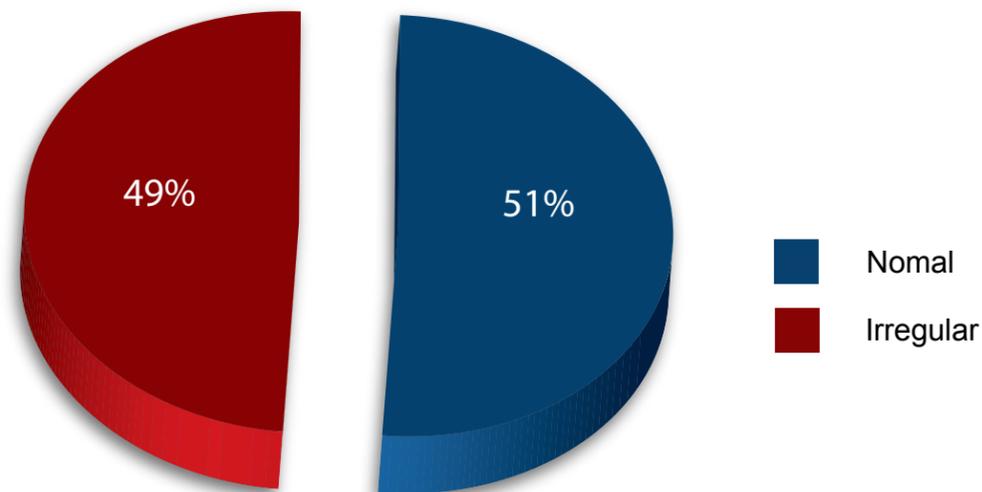
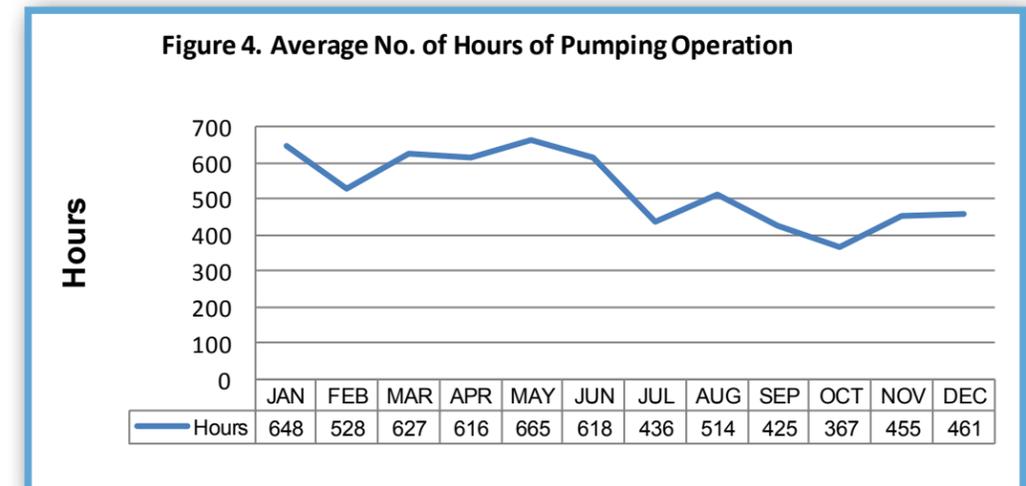


Figure 3. Percentage of Normal vs. Irregular Operation of the Filtration Plant



The production of 2015 comprised 69% surface water and 31% groundwater. However, from the proposed annual production of 11,146,384.99 cu.m, there was an increase of 2% due to the added pump operations to reach desired pressure at Pump Station No. 1. The pressure required at Pump Station No. 1 during peak hours is 90 psi while 80 psi at non-peak hours. Due to this, the standby five (5) pumping facilities were used with a total of 6,360 pumping operational hours.



With surface water as major water source with the volume extracted considerably reduced due to the effects of T.S. Seniang; and five production wells, keeping the water flowing was no small task. We had been continuously striving to find new ways of doing things more effectively to better serve our consumers.

Water Quality

Our Water Quality Division regularly conducts monitoring activities to ensure that the water produced and distributed to concessionaires are compliant with the standards set by the Philippine National Standard for Drinking Water (PNSDW). Monitoring activities last year included chlorine residual testing and collection of samples including analysis for physical and chemical parameters, and bacteriological presence.

Flushing and Valve Exercise

Water main flushing is a routine operation that results in a clean and maintained water system. During this activity, water is forced through pipes at high velocity and systematically flushed out of the fire hydrants and blow-offs to remove accumulated mineral sediments until the water is clear.



As part of our core mission to provide our community with a reliable, safe drinking water supply and in preparation for the bulk water project, an Intensive Flushing Program is conducted to improve water quality, restore water pressure and protect pipe integrity. Part of the program involves testing the large main line valves and fire hydrants to ensure they are operating properly. We maintain approximately 263.63 km of transmission and distribution pipelines, 118 hydrants and 354 blow offs, all with gate valves.

To minimize impact to water service, this maintenance in 2015 was scheduled during night time (8:00 p.m. to 4:00 a.m.) and is conducted by four flushing personnel.



Monitoring of Water Quality in Terms of Physical and Chemical Parameters

Physical and Chemical Analyses

The chemical and physical quality of water may affect its acceptability by consumers. Problems resulting to taste, odor, turbidity, color may originate in new water sources, treatment processes, in the distribution system and plumbing systems of the consumers. Acceptability aspects of drinking water quality are set to satisfy the need of consumers for a COLORLESS, ODORLESS and TASTELESS drinking water.

Our water supply mainly comes from the Taguibo River. Being a surface water, it is considered vulnerable to contamination from agricultural, mining, water run-off, industrial, and domestic waste water discharges.

The Philippine National Standards for Drinking Water (PNSDW) sets the Minimum Frequency of Sampling for Drinking Water Supply Systems for Physical and Chemical Analyses.

Table 2. Frequency of Sampling

Source and mode of Supply	Minimum Frequency
a. Level I b. Level II c. Level III d. Emergency Supplies of Drinking Water	Once a year
e. Water Refilling Stations f. Water Vending Machines	Twice a year

Our water system falls under Level III based from the PNSDW, which requires a minimum of once a year sampling frequency for water at each source. However, to ensure the quality of the water being produced, our Laboratory Personnel closely monitored the water sources and conducted monthly sampling and analyses for the (1) Taguibo River, before entering the Infiltration Gallery; (2) raw water- the water transmitted after the Infiltration Gallery before passing the Filtration Plant; (3)

the product water, as a result after passing thru the Automatic Brush Filters (ABF) and 2 microns Automatic Microfiber Filters (AMF); and (4) the mixed water, a mixture of the product water and the raw water.

For the five (5) deep well sources which serve as back-up supplies, two (2) pumping stations namely: Pump Station No. 14 and 17, were required to have a monthly monitoring by the Multi-partite Monitoring Team (MMT). For the

rest of the Pump Stations, Pump Station Numbers 1, 3 and 15, and support facilities such as reservoirs, the Physical and Chemical analyses were conducted twice a year. Thus, a total of six (6) water samples from the sources were conducted monthly.

Below are the tabulated monthly collection and analyses of water samples for Physical and Chemical Analyses.

Table 3. Number of samples taken and analyzed for Physical and Chemical Analyses for the whole year

No. of Samples	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Collected Monthly	14	9	7	6	6	6	6	6	6	7	6	6	85
Analyzed Monthly	14	9	7	6	6	6	6	6	6	7	6	6	85
Bi-annual Monitoring						11					11		22
Send-out for Annual Monitoring for Heavy Metals and Pesticides					6								6
Analyzed Outside/ Client Samples	22	19	56	3	10	24	34	12	13	2	20	7	222

For the month of January 2015, analyses from different water sources identified for rationing which included: Barangay Tiniwisan and Los Angeles flowing water; Water at the revived Pump Station Numbers 10 and 16; Agusan River which was used by the LGU for their rationing and Bonbon Creek which was utilized by BCWD using the LWUA Mobile Treatment Plant were also conducted. For the month of February, included in the table was the confirmatory analysis of Pump Station 10 and 16 for closure. For the month of June and November included in the analyses were the Bi-annual Physical and Chemical

Analyses of all water sources and support facilities. For the month of October, included in the analysis was Pump Station 1 which had some quality issues to determine if the same was still within acceptable parameters.

In order to comply with the DOH Administrative Order 2007-2012, the tests should include the priority parameters of which heavy metals, Benzene and pesticides were included in which our Laboratory is not equipped to conduct analysis due to unavailable equipment for that specific analysis. Thus, we sent water samples for analysis by

other DOH accredited laboratories.

Our Water Testing Laboratory is a duly DOH Accredited Laboratory for Physical, Chemical and Bacteriological Analyses, thus, it extends its laboratory services to neighboring water districts, LGUs, refilling stations, mining companies and other private entities which voluntarily avail of the services with corresponding costs.

For the year 2015, a total of 222 samples from outside sources were received and analyzed/ tested.



Bacteriological Analysis

In accordance with the PNSDW 2007, Table 4: *Minimum Frequency of Sampling for Drinking-Water Supply Systems for Microbiological Examination*, for a level III water supply system serving more than 100,000 population, the minimum sampling points for Bacteriological Analysis is calculated at twenty samples plus one sample per 10,000 of the population. To get the total population served by the utility, number of service connections is multiplied by the number of persons per connection.

Table 4. Minimum Frequency of Sampling for Drinking-Water Supply Systems for Microbiological Examination

Source and mode of Supply	Population Served	Minimum Frequency of Sampling
a. Level I	90-150	Once in three (3) months
b. Level II	600	Once in two (2) months
c. Level III	Less than 5,000	1 sample monthly
	5,000 - 100,000	1 sample per 5,000 population monthly
	More than 100,000	20 samples and additional one (1) sample per 10,000 population monthly

Based on the Philippine National Standards for Drinking Water 2007

By the end of December 2014, there were a total of 37,703 service connections. This number multiplied with the average number of individuals per service connection which is seven (7), results to 263,921 service population. Following Table 4, a total of 46 minimum samples is required for bacteriological analysis

every month.

Instead of the required 46 sampling points, we established 55 sampling points for Bacteriological Analysis and then later changed to 56 by the month of May 2015, adding Pump Station Number 17 to the list.

As of December 2015, our concessionaires grew to 41,024 for an equivalent population of 287,168.

Table 5. Number of samples taken and analyzed for Bacteriological Analysis for the whole year

No. of Samples	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Collected Monthly	12	60	68	55	57	58	58	67	86	65	73	56	715
Analyzed Monthly	12	60	68	55	57	58	58	67	86	65	73	56	715
Resample	2	19	17	4	8	7	2	15	30	9	17	0	130
Analyzed Outside/ Client Samples	9	2	1	17	7	12	14	16	8	8	7	7	106

Based on Table 5, for the month of January, only 12 samples were analyzed due to prolonged period of water interruption/ lack of water supply. Resampling was also conducted as a preventive action for samples found to be positive with coliform bacteria. Before every resampling, flushing of pipelines was conducted.

Frequency of Sampling and Resampling

The minimum number of samples to be collected and examined periodically must be based on the

mode of source of water supply and the number of population served as required under the PNSDW 2007. However, frequency of sampling should also take into account the past record yielding unsatisfactory results. Resampling after a conduct of refushing was also made in areas where results were found unsatisfactory until confirmation that the water running through the pipes is free from non-conforming matter.

Chlorine Residual Monitoring

Based on Table 6, except for the

month of January 2015, regular monitoring of chlorine residual was conducted at various points in the distribution system to ensure that the same was within the approved level of 0.3 (minimum) to 1.5 (maximum) mg/L. There were only a maximum of 3 months where free chlorine fell out of the range with a maximum of 5 out of 89 samples for transmission lines and 5 out of 160 samples for distribution lines. For the succeeding months thereafter, results were within the acceptable range set by the PNSDW.

Table 6. Number of samples taken and analyzed for Chlorine Residual Monitoring for the whole year

No. of Samples	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Transmission Line	0	84	84	84	84	84	84	84	84	84	84	84	924
Failed/ <0.3 ppm		1	2	0	5	0	0	0	0	0	0	0	8
Distribution Line	0	160	160	160	160	160	160	160	160	160	160	160	1760
Failed/ <0.3ppm		0	5	0	5	0	0	0	0	0	0	0	10

No samples were taken in the month of January 2015 due to unavailability of water in the pipelines (i.e. the Infiltration Gallery not being operational due to TS Seniang aftermath) during scheduled conduct of monitoring.

Pipe Lines and Appurtenances Maintenance

On service connections maintenance, there was a negative variance of actual accomplished orders from Total Received Orders (TRO) of 507 or 5.87% un-acted orders. However, the actual accomplishment exceeded the target by 2,847 or 53.92%. These included maintenance and service request orders concerning maintenance of service

connections, from the tapping of point of distribution lines up to the maintenance of clusters and its appurtenances including change meters.

Transmissions and distribution lines maintenance, on one hand, included repair of Leaking Main and distribution lines. There were 24 orders left un-acted.

Also conducted were inventory and tagging activities of all existing hydrants for maintenance and monitoring. As of December 2015, a total of 301 blow-offs and 107 fire hydrants were determined / located. These tagged blow offs and hydrants served as bases for the maintenance activity schedule.

Meter Accuracy

Based on study, water meters have a maximum life of five years considering accuracy of reading. Hence, ensuring the reading accuracy of our meters, the Water Meter Maintenance Program (WMMP) was implemented. The program was designed to ensure that delivered water was properly accounted by replacing old water meters, aged 5 years and up, with new ones.

In 2015, the activity commenced only on February 9, 2015 as the personnel assigned were utilized to augment the manpower in the water rationing during intermittent water supply resulting from TS Seniang. Hence, only 3,229 water meters were replaced. These water meters were installed from 2002 up to 2008.

ACTIVE CONNECTIONS, POPULATION SERVED AND AVERAGE CONSUMPTION

From the projection of 41,388, our active/metered connections ending December 31, 2015 reached to 41,024, with a variance of 364 connections. The difference was attributed to unmet target of additional connections coming from existing areas due to the damages done by the TS Seniang and higher number of disconnection against reconnection by 1,265.

Of the 41,024 active connections, 2,853 were "new connections" coming from 55 barangays. Pigdaulan, as the 55th barangay was activated last September 2015 with 81 new connections. Also, a new expansion in Barangay Dumalagan increased its connections by 120. In the same year, Barangay Villa



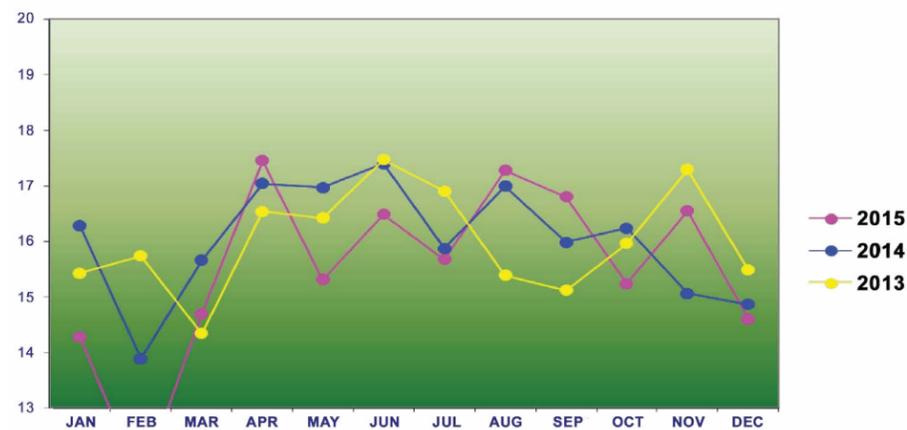
Kananga got the highest number of new connections, followed by Barangay Libertad.

Population served with 41,024 active connections was estimated at 287,168 individuals. Out of the 41,024 active connections, 556 were senior citizens who enjoyed the 5% discount on their water consumption not exceeding 30 cu.m. per month with a total amount of ₱108,711.58. As of December 31, 2015, 159 of them did not avail of the discount due to failure to file their annual renewal of application as provided for in RA 9994. For the year 2016, an increase in the number of renewed application is anticipated with the abolition of the Barangay Certification as

a requirement for renewal which discourages most of the Senior Citizens because it is costly and an additional expense for them.

Average monthly consumption per connection in 2015 was 15.50 cu.m. which is 0.52 cu.m. lower compared to 2014. This significant decrease was brought by the damage of the facilities at Sitio Iyao during the TS which greatly affected the water supply for the months of January and February. If the months of January to February would be disregarded, the average monthly consumption per connection would be 16.01 cu.m. which only have an insignificant difference of 0.01 cu.m. compared to 2014.

Figure 5. Average Monthly Consumption per Connection

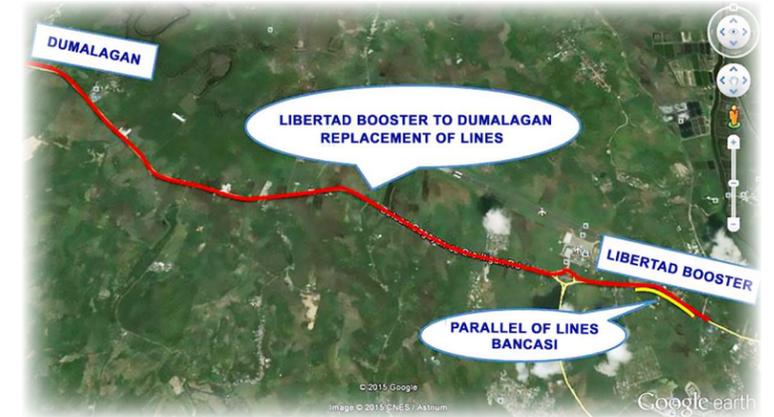


INFRASTRUCTURE DEVELOPMENT

Line Improvement Projects

This year, we implemented a total of nine (9) projects involving upgrading of lines, expansion of lines and replacement of lines. These projects were in line with our commitment to provide potable water to every concessionaire's taps.

The total length of upgraded lines reached 5,268 l.m. Expansion of lines was 3,252 lm, and the total length of replaced lines with expansion was 4,224 l.m. which brought the total barangays served from 54 to 55 barangays.



LIBERTAD TO DUMALAGAN

Project	: Replacement of Lines Including Expansion Lines	Date Started	: Dec. 1, 2014
Location	: Libertad Booster to Dumalagan	Target Date Completed	: June 1, 2015
Total Project Cost	: ₱4,647,764.48	Actual Date Started	: Dec. 1, 2014
Design Length	: 4,242 l.m.	Actual Date Completed	: May. 29, 2015
Duration	: 99 Days	Actual Length	: 4,242 l.m.
		Actual Project Cost	: ₱4,390,301.31



ACOSTAVILLE, LIBERTAD

Project	: Upgrading of Lines	Date Started	: Feb. 10, 2015
Location	: Acostaville, Libertad	Target Date Completed	: Feb. 25, 2015
Total Project Cost	: ₱315,172.32	Actual Date Started	: Feb. 10, 2015
Design Length	: 534 l.m.	Actual Date Completed	: Feb. 20, 2015
Duration	: 15 Days	Actual Length	: 534 l.m.
		Actual Project Cost	: ₱246,467.84



EMPLOYEES VILLAGE

Project	: Upgrading of Lines	Date Started	: Feb. 17, 2015
Location	: Employees Village	Target Date Completed	: Apr. 17, 2015
Total Project Cost	: ₱ 1,057,286.41	Actual Date Started	: Mar. 12, 2015
Design Length	: 1,548 l.m.	Actual Date Completed	: Apr. 28, 2015
Duration	: 60 Days	Actual Length	: 1,548 l.m.
		Actual Project Cost	: ₱ 897,043.87



CAMELLA TO TEACHERS VILLAGE

Project	: Upgrading of Lines	Date Started	: Mar. 18, 2015
Location	: Camella to Teachers Village	Target Date Completed	: Apr. 2, 2015
Total Project Cost	: ₱469,916.19	Actual Date Started	: Mar. 18, 2015
Design Length	: 534 l.m.	Actual Date Completed	: Mar. 27, 2015
Duration	: 15 Days	Actual Length	: 486 l.m.
		Actual Project Cost	: ₱383,383.47



FRANCOVILLE VILLA KANANGA

Project	: Upgrading of Lines	Date Started	: Mar. 10, 2015
Location	: Francoville, Villa Kananga	Target Date Completed	: Mar. 25, 2015
Total Project Cost	: ₱294,198.80	Actual Date Started	: Mar. 10, 2015
Design Length	: 474 l.m.	Actual Date Completed	: Mar. 18, 2015
Duration	: 15 Days	Actual Length	: 474 l.m.
		Actual Project Cost	: ₱298,405.23



SUGECO

Project	: Upgrading of Lines	Date Started	: Apr. 27, 2015
Location	: SUGECO	Target Date Completed	: May 27, 2015
Total Project Cost	: ₱407,436.02	Actual Date Started	: Apr. 6, 2015
Design Length	: 660 l.m.	Actual Date Completed	: Apr. 27, 2015
Duration	: 30 Days	Actual Length	: 660 l.m.
		Actual Project Cost	: ₱311,635.55



LEMON TO PIGDAULAN

Project	: Upgrading of Lines	Date Started	: May 16, 2015
Location	: Lemon to Pigaulan	Target Date Completed	: Jul. 16, 2015
Total Project Cost	: ₱1,505,450.37	Actual Date Started	: Jun. 2, 2015
Design Length	: 3,252 l.m.	Actual Date Completed	: Jul. 24, 2015
Duration	: 60 Days	Actual Length	: 3,252 l.m.
		Actual Project Cost	: ₱1,367,609.28



MAON

Project	: Upgrading of Lines	Date Started	: May 1, 2015
Location	: Maon	Target Date Completed	: Jun. 15, 2015
Total Project Cost	: ₱985,387.85	Actual Date Started	: Apr. 23, 2015
Design Length	: 1,236 l.m.	Actual Date Completed	: May 22, 2015
Duration	: 45 Days	Actual Length	: 1,236 l.m.
		Actual Project Cost	: ₱740,059.02



GOLDEN RIBBON

Project	: Upgrading of Lines	Date Started	: Jul. 8, 2015
Location	: Golden Ribbon	Target Date Completed	: Jul. 23, 2015
Total Project Cost	: ₱451,394.14	Actual Date Started	: Sep. 18, 2015
Design Length	: 336 l.m.	Actual Date Completed	: Oct. 1, 2015
Duration	: 15 Days	Actual Length	: 330 l.m.
		Actual Project Cost	: ₱130,952.66



New and Upgraded Facilities

The construction of 500 cu.m. ground tank at Km. 6 Booster Station was completed in April, 2015. On the other hand, the 200 cu.m. Pinamanculan Ground Tank was upgraded to 370 cu.m. to augment stored water for the barangay during long period of water interruption.



Km. 6 Booster Station



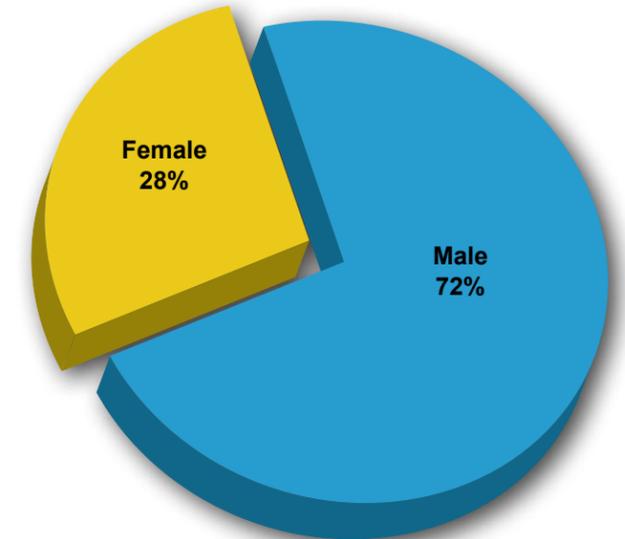
Pinamanculan Ground Tank

HUMAN RESOURCE DEVELOPMENT

Number of Personnel

The workforce consisted of 194 employees, 140 (72%) males and 54 (28%) females. Out of this, 137 (71%) were employees with Permanent status, 2 (1%) with Temporary status and 55 (28%) with Job Order status.

Figure 5. Distribution of Personnel by Gender

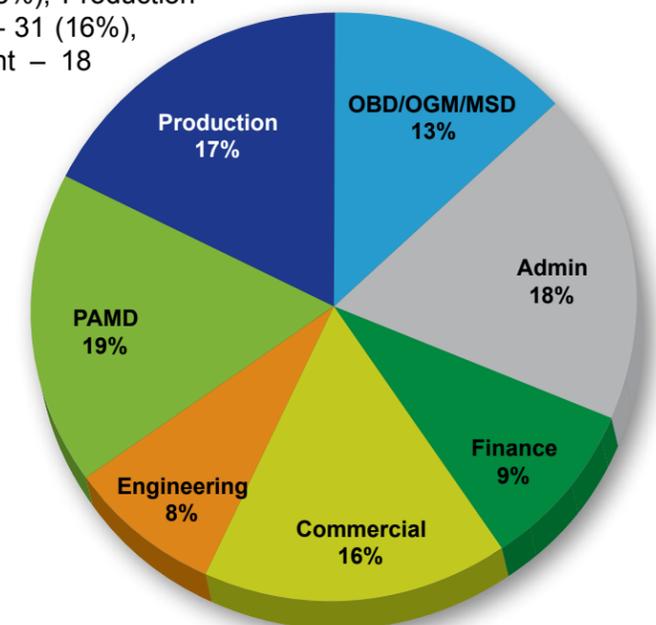


The dominance of the male population can be accounted to the fact that we basically provide water supply services to the City. Thus, we require more men with skills and manual work to operate pumping machines/equipment, do the excavation, installation and maintenance works for the transmission, distribution and service lines, including the watershed area as the source of water supply.

Personnel Distribution

In the distribution of personnel, which includes the reassigned personnel from one office/department to another office/department, PAMD has the highest personnel count – 37 (19%), followed by the Admin Department - 34 (18%), Production Department – 33 (17%), Commercial Department – 31 (16%), OBD/OGM/MSD – 26 (13%), Finance Department – 18 (9%), and the Engineering Department – 15 (8%).

Figure 6. Distribution of Personnel per Department



Filled Up Positions

The 241 existing plantilla positions which had been approved by the Department of Budget and Management for BCWD under Category "A" are distributed to the following offices/departments : 32 (14%) for the OBD/OGM/MSD; 45 (19%) for the Admin Department; 27 (11%) for the Finance Department; 35 (14%) for the Commercial Department; 23 (9%) for the Engineering Department; 36 (15%) for PAMD; and 43 (18%) for the Production Department.

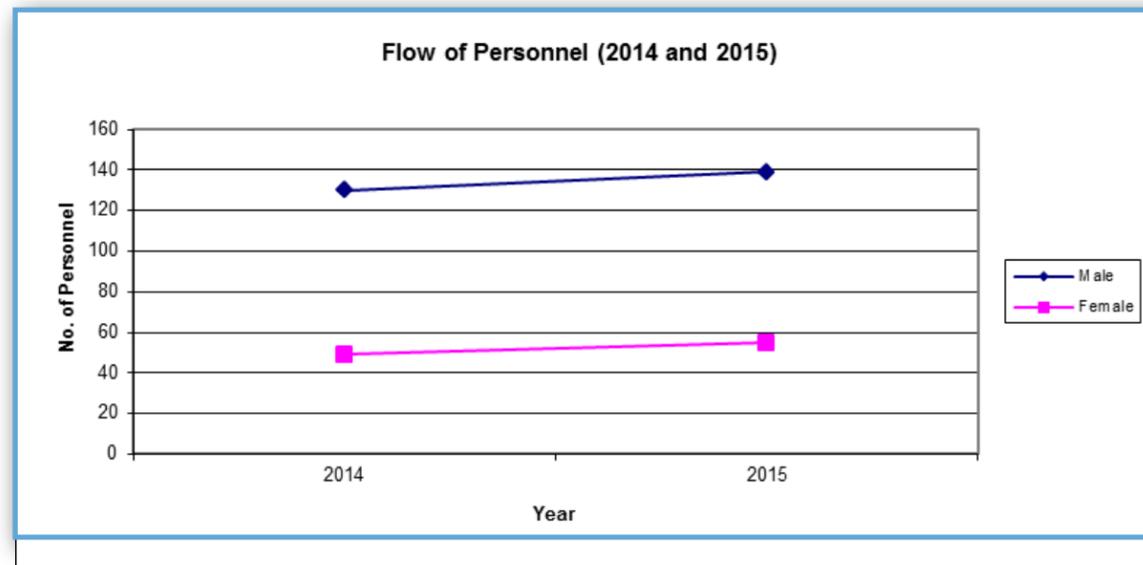
Table 7. Distribution of Existing Plantilla Positions

Plantilla	Frequency	Percentage
Existing	241	100%
Filled	139	58%
Unfilled	102	42%

Out of the 241 existing positions, 139 or 58% have already been filled up. Breakdown of the filled positions are as follows: OBD/OGM/MSD – 16 positions (12%); Admin Department – 30 (22%); Finance Department – 17 (12%); Commercial Department – 24 (17%); Engineering Department – 8 (6%); PAMD – 23 (16%); and Production Department – 21 (15%).

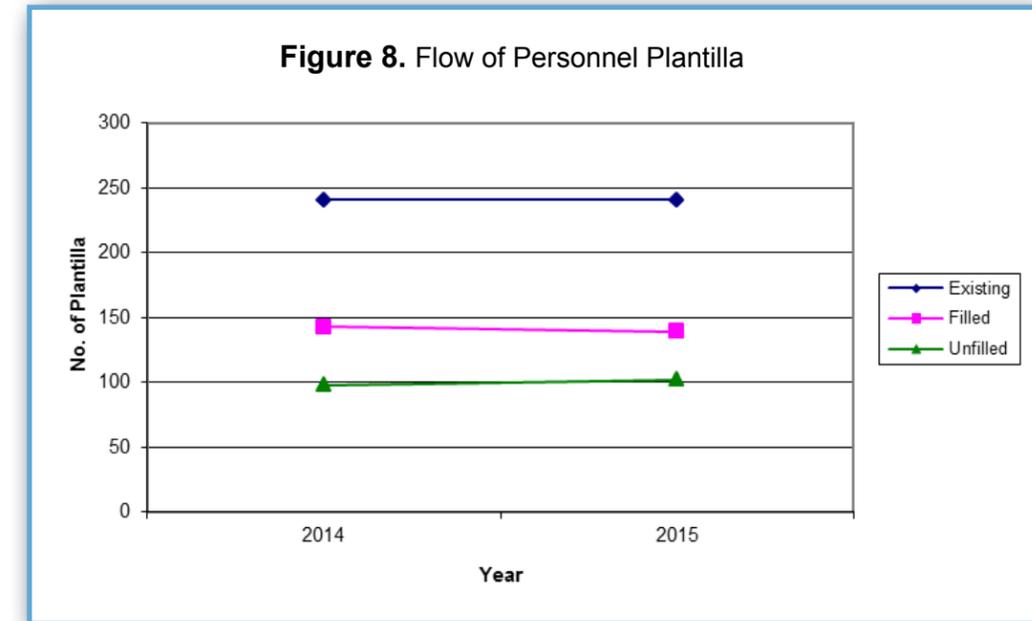
There are still 102 (42%) vacant positions waiting for its proper hiring and filling up : OBD/OGM/MSD – 16 positions; Admin - 15; Finance - 10; Commercial - 11; Engineering - 15; PAMD - 13; and Production - 22.

Figure 7. Flow of Personnel (2014 and 2015)



The personnel count for the year 2015 increased by fifteen (15) employees compared to 2014. The Male and Female populations increased for both 2014 and 2015 because of recruitment/hiring.

The number of filled up plantilla positions in 2015 decreased by four (4) positions compared to 2014 due to the retirement and resignation of permanent employees.



The number of employees from 2014 increased by fifteen (15) in 2015 due to personnel recruitment/ hiring.

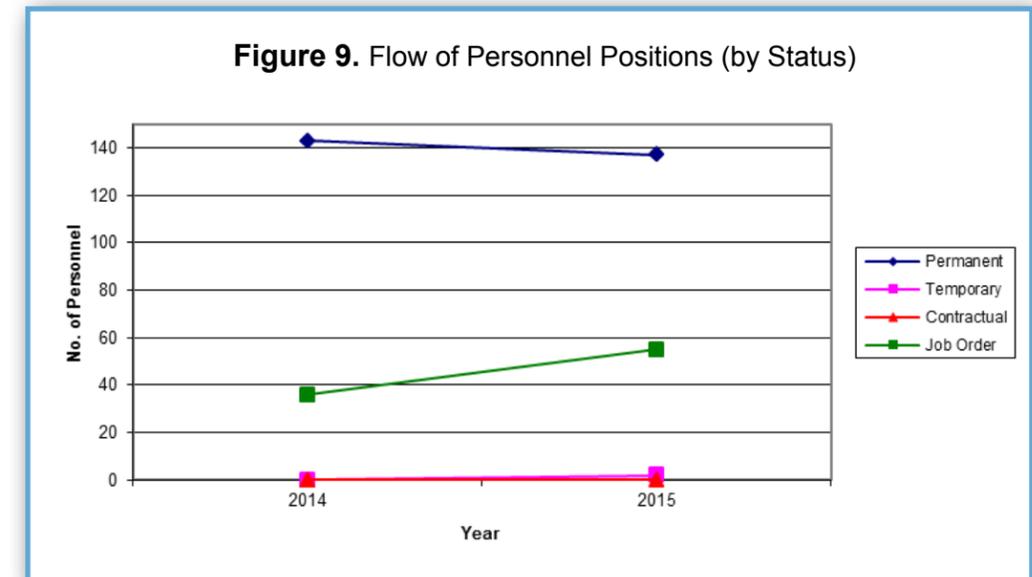


Table 8. Staff Productivity Index Based on Active Water Service Connections
(from 1995 to 2015)

YEAR	No. of Active Connections	Existing No. of Personnel	Staff Productivity Index (1 Staff per 120 Connections)	Variance
1995	13,296	116	111	(5)
1996	14,205	112	118	6
1997	14,903	137	124	(13)
1998	15,779	117	131	14
1999	17,376	121	145	24
2000	19,020	121	159	38
2001	20,331	130	169	39
2002	21,156	133	176	43
2003	23,163	132	193	61
2004	25,139	137	209	72
2005	27,560	141	230	89
2006	28,892	131	241	110
2007	30,273	131	252	121
2008	31,972	140	266	126
2009	32,255	150	269	119
2010	33,456	154	279	125
2011	34,285	168	286	118
2012	35,726	167	298	131
2013	37,703	176	314	138
2014	39,435	179	329	150
2015	40,770	194	340	146

Based on the Staff Productivity Index per Active Water Service Connections with the standard ratio of 1 employee per 120 connections (1:120) as determined by the Local Water Utilities Administration and the Department of Budget and Management, it shows that we are still understaffed. As of December 31, 2015 with 194 employees, the number of service connections per employee ratio is 1:340, thus, with a variance of 146 lacking personnel as indicated in the table above.

Personnel Movement

Table 9. Comparative of the No. of Appointment between 2014 and 2015

Status	No. of Appointments		Variance
	2014	2015	
Promotion – Permanent	3	10	7
Promotion – Temporary (in nature)	0	1	1
Temporary Status to Permanent	0	0	0
Contractual to Permanent	0	0	0
Job Order to Permanent	1	10	9
Job Order to Temporary	0	1	1
Job Order to Contractual	0	0	0

The Table 9 above shows that in 2015, ten (10) permanent personnel were promoted but one (1) of these had his status under temporary appointment only; ten (10) job order employees had their status changed from JO to permanent; and one (1) job order employee had his status changed from JO to temporary.

Trainings, Conventions, Seminars

There were a number of in-house and outside trainings, conventions or conferences and seminars attended by officers and employees for honing their expertise. By attending these trainings, conventions and seminars, our manpower acquired the competencies to carry out programs and activities for the attainment of its goals and objectives.



A total of 15 in-house trainings were conducted or sponsored in 2015. A number of employees were sent to 21 different trainings and seminars conducted by other institutions. The Board of Directors, management and some employees attended 18 various regional and national conventions and conferences of various water utilities' associations and other professional organizations.

FINANCIAL CAPABILITY

Results of Operation

Revenues

As reflected in the Income Statement, illustrated in Table 10, we accumulated water sales, net of discounts, amounted to ₱286,526,227.05 which was ₱6,840,311.45 or 2.3% short of the projected water sales for 2015. One of the main factors that caused this variance was the projected average consumption per connection of 16.44 cu.m. was not met. Our average consumption per connection for the year was only 14.60 cu.m. or 1.84 cu.m. lower than the expected consumption.

Expenses

The total operating and maintenance expenses reflected a favorable variance of ₱37,713,328.05 or 16.20% under budget. The total operating and financial expenses in 2015 amounting to ₱250,180,275.64 was equivalent to 83% of the total revenues, leaving a net surplus of ₱51,520,550.95 or approximately 17%.

The interest on loans paid to DBP also decreased compared to 2014's debt service to DBP as a direct effect of reduced interest rate on loans for the two (2) DBP loans which was approved last June 2015 from 7.5% to 5.5%.

Table 10. Income Statement

INCOME STATEMENT

For the Year Ended December 31, 2015
(With Comparative Figures for 2014 and Projected Figures for 2015)

	2015	2014	INCREASE/ (DECREASE)	% INCREASE/ (DECREASE)	2015 PROJECTION	FAVORABLE/ (UNFAVORABLE) VARIANCE	% FAVORABLE/ (UNFAVORABLE) VARIANCE
REVENUES							
Water Sales	286,526,227	286,502,084	24,143	.01%	293,368,144	(6,841,917)	-2.33%
Penalties & Other Service Income	8,948,962	8,732,693	216,269	2.48%	8,225,487	723,475	8.80%
Other Operating Income	2,410,826	1,612,998	797,828	49.46%	1,971,923	438,903	22.26%
Other Non-Operating Income	3,814,810	3,541,778	273,032	7.71%	2,842,014	972,796	34.23%
TOTAL REVENUES	301,700,825	300,389,554	1,311,271	.44%	306,407,569	(4,706,743)	-1.54%
EXPENSES							
Salaries and Wages	39,333,974	38,187,867	1,146,107	3%	42,905,040	3,571,066	8.32%
Pumping Cost	10,299,499	6,962,816	3,336,683	47.92%	11,185,394	885,895	7.92%
Chemical Treatment	2,320,535	2,517,146	196,611	7.81%	2,965,614	645,079	21.75%
Other O & M Expense	83,191,017	73,098,675	10,092,342	13.81%	111,856,134	28,665,117	25.63%
Depreciation Expense	54,496,685	52,629,982	1,866,703	3.55%	58,258,579	3,761,894	6.46%
Interest Expense	54,163,405	65,981,922	(11,818,517)	-17.91%	54,163,437	32	0%
Taxes	5,831,774	5,727,991	103,783	1.81%	6,016,053	184,279	3.06%
Other Financial Charge	543,384	662,563	(119,179)	-17.99%	543,834	450	.08%
TOTAL EXPENSES	250,180,275	245,768,965	4,411,310	1.79%	287,894,086	37,713,811	13.10%
NET INCOME	51,520,550	54,620,589	(3,100,039)	-5.68%	18,513,483	33,007,067	-178.29%

Cash Flows

We generated a net cash balance of ₱168,997,014.63 or a net increase of ₱46,013,793.84 as compared to 2014's cash balance, equivalent to nearly 12.50% increase.

Out of the ₱310,574,232.63 total cash receipts in 2015, the total disbursements paid amounted to a total of ₱264,560,438.79 or roughly 85% of the total cash receipts, leaving a net cash surplus of 15% or ₱46,013,793.84. As illustrated in Figure 11, the biggest cut of our spending was the payment of debt service for loans to DBP, constituting 28.78% of the total disbursements. The payment of personal services for salaries, wages and allowances to officers and employees was equivalent to 25.07% or approximately ₱66,331,801.61 while disbursements spent for the maintenance and operation amounted to ₱62,589,161.13 or nearly 23.66% of the total cash receipts.



Figure 10. Distribution of Cash Receipts

PIE CHART FOR DISTRIBUTION OF CASH RECEIPTS FOR CY 2015

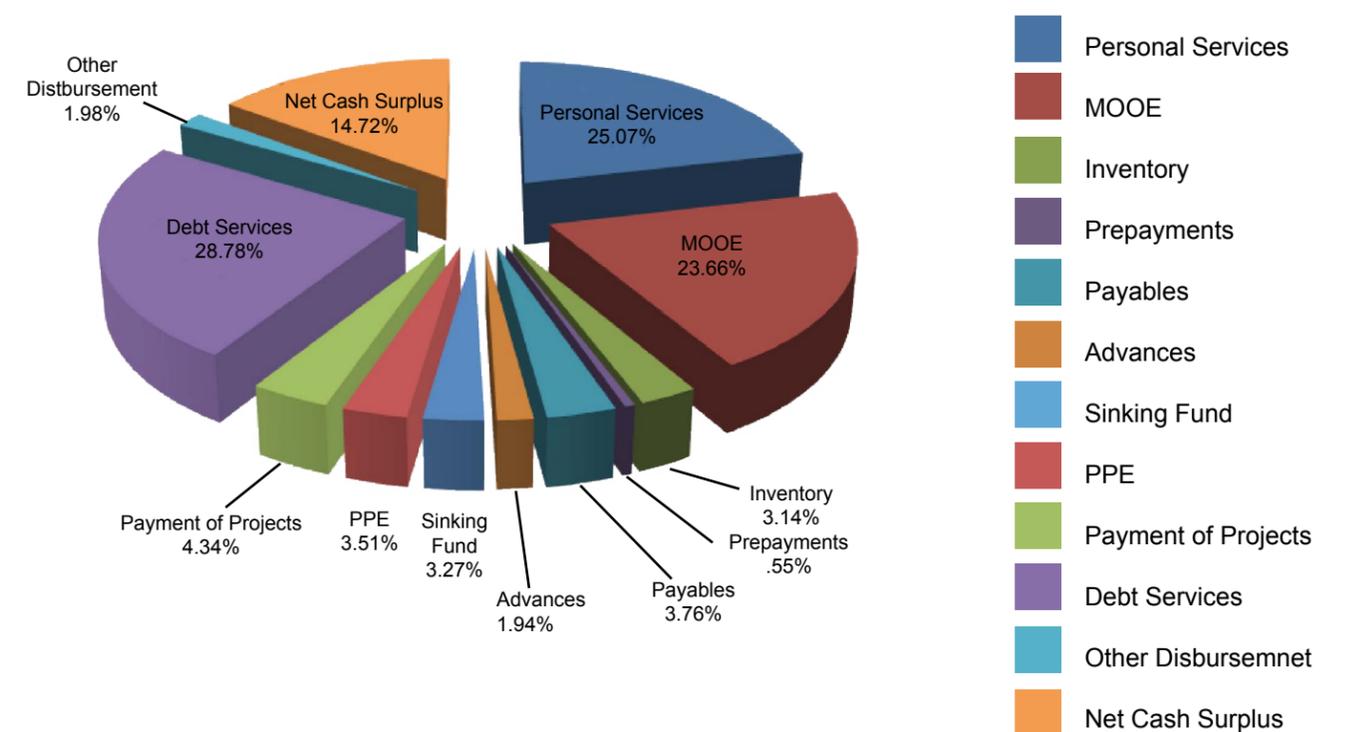


Table 11. Cash Flow Statement

CASH FLOW STATEMENT

For the Year ended December 31, 2015
(With comparative figures from CY 2014 and CY 2015 Budget)

	YEAR TO DATE						
	CY 2015	CY 2014	INCREASE (DECREASE)	% INCREASE (DECREASE)	BUDGET	FAVORABLE/ (UNFAVORABLE) VARIANCE	%FAVORABLE/ (UNFAVORABLE) VARIANCE
Cash Inflows							
Collection of Water Sales	282,048,435	279,230,481	2,817,954	1%	288,493,634	(6,445,199)	-2%
Fines & Penalties	8,967,416	8,732,307	235,109	12%	8,244,998	611,880	8%
Other Operating Income	7,690,148	6,977,303	712,845	21%	8,913,789	(1,653,632)	-19%
Other Non-Operating Income	490,358	338,413	151,945	72%	413,137	48,775	17%
Customer's Deposit	3,601,598	3,204,792	396,806	9%	3,804,762	121,232	4%
Sale of P.E tubes	2,128,275	2,272,636	(144,361)	3%	2,905,043	(382,028)	-14%
Other Receipts	5,648,002	11,897,457	(6,249,455)	100%	4,779,566	5,904,788	99%
Total Cash Inflows	310,574,232	312,653,388	(2,079,156)	1%	317,554,929	(13,238,375)	-4%
Cash Outflows							
Personal Services	66,331,802	62,049,352	4,282,450	7%	77,700,278	11,368,476	15%
MOOE	62,589,161	50,004,732	12,584,429	25%	70,368,345	7,779,184	11%
Purchase of Inventory	8,319,221	18,628,020	(10,308,799)	-55%	3,293,664	(5,025,557)	-153%
Prepayments & Deposits	1,465,188	4,544,509	(3,079,321)	-68%	2,318,833	853,645	37%
Payables	9,944,654	6,802,031	3,142,623	46%	28,704,787	18,760,133	65%
Release of Advances	5,140,400	5,032,958	107,442	2%	6,407,297	1,266,897	20%
Sinking Fund	8,645,278	8,050,170	595,108	7%	8,787,078	141,800	2%
Purchase of P.E Tubes	-	3,399,398	(3,399,398)	-100%	931,004	931,004	100%
Property, Plant & Equipment	9,276,131	7,737,438	1,538,693	20%	26,386,052	17,109,921	65%
Payment of Projects	11,470,879	11,203,871	267,008	2%	30,379,396	18,908,517	62%
Debt Services	76,131,633	93,823,135	(17,691,502)	-19%	74,107,615	(2,024,018)	-3%
Other Disbursement	5,246,091	62,049,352	(56,803,261)	-92%	5,214,552	(31,539)	-1%
Total Cash Outflows	264,560,438	333,324,966	(68,764,528)	-21%	334,598,901	70,038,463	21%
Net Increase/ (Decrease) in Cash	46,013,794	40,902,126	5,111,668	12%	(17,043,972)	(77,019,160)	452%
Add: Cash Balance, Beginning	122,983,221	82,081,095	32,532,191	40%	122,983,221	-	0%
Cash balance, Ending	168,997,015	122,983,221	46,013,794	37%	105,939,249	63,057,766	60%

Figure 11. Distribution of Expenses

PIE CHART FOR DISTRIBUTION OF EXPENSES
CY 2015

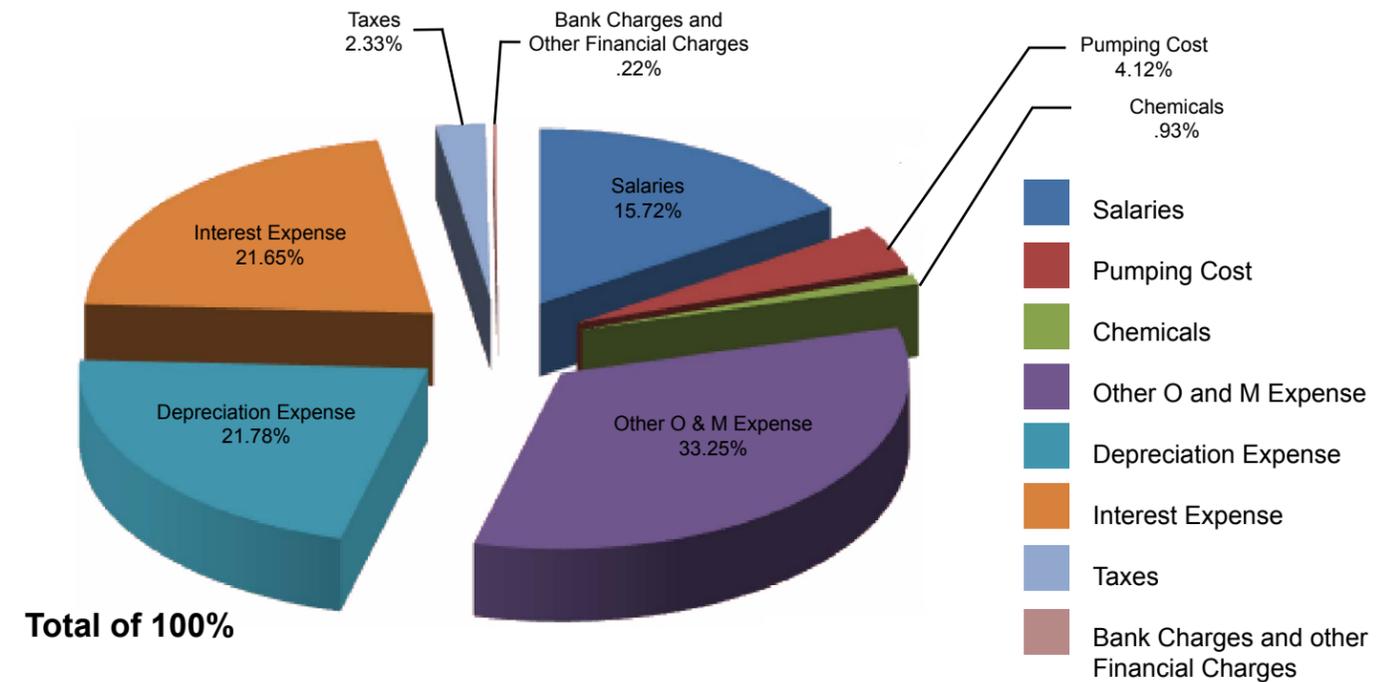
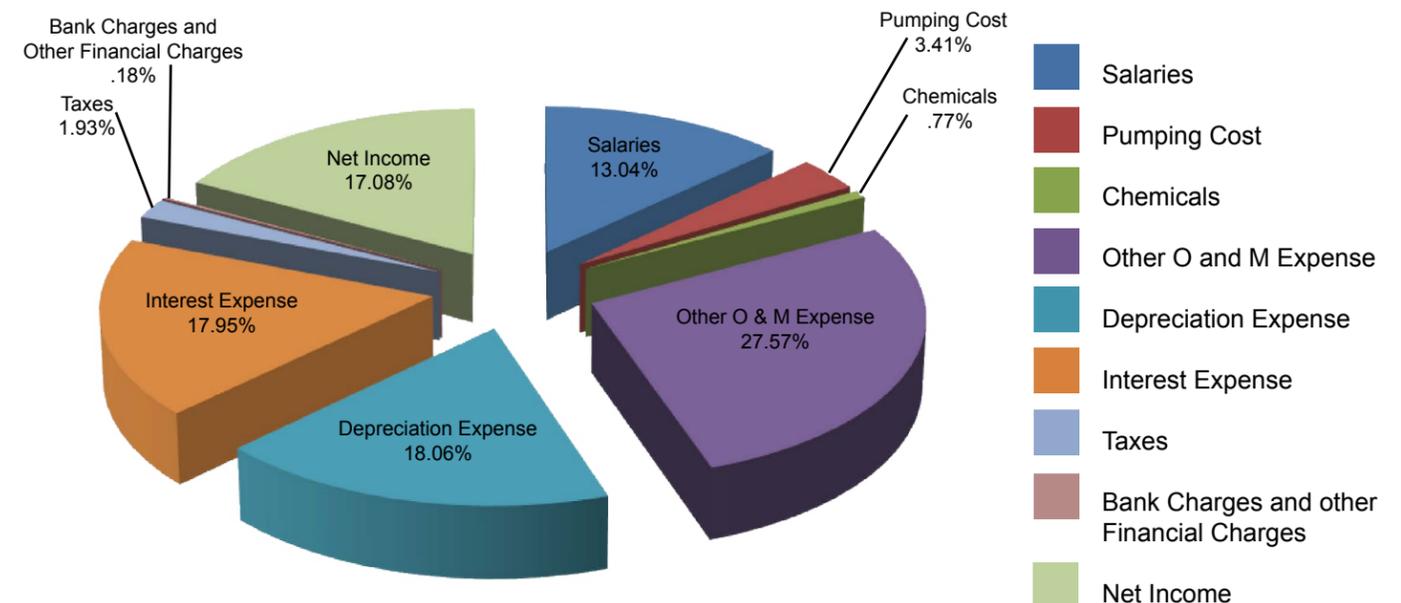


Figure 12. Distribution of Income and Expenses

PIE CHART FOR DISTRIBUTION INCOME AND EXPENSES



Financial Position

Assets

In 2015, we accumulated total assets amounting to ₱1,372,987,165.03, with net increase of ₱22,749,683.32 or approximately 1.68% from 2014's net assets. One of the favorable reasons for this increase was the build-up of cash deposits in bank amounting to ₱46,463,065.48, equivalent to 3.38% of the net increase in the total assets. However, there was a significant decrease in the Meters Inventory and Service Connection Materials Inventory due to the continuous releases of materials for the implementation of the Water Meter Maintenance Program (WMMP) and new service connections which summed up to ₱12,735,710.53. Also forming part of the assets was the Sinking Fund account which contributed a total increase of ₱8,766,286.19 or 38.53% of the total increase in assets.

The Property, Plant and Equipment account amounting to ₱1,063,831,330.55 comprised of the book value, net of accumulated depreciation for various office equipment and machineries, plant, building and structure, and various projects such as upgrading and expansion of distribution lines in service areas such as Acostaville, Employees Village, Brgy. Golden Ribbon, Camella to Teachers Village, Francoville to Villa Kananga, Brgy. Maon, Brgy. Diego Silang, SUGECO and Lemon to Pigdaulan and constructions of 500 cu.m. ground steel reservoir, in-line booster at Libertad, and temporary by pass line. Also, to improve the services to our concessionaires and to lessen the long standing high rate of Non- Revenue Water (NRW), we implemented a project to reduce the losses on revenues by

reducing the non-revenue down to be at par with the national standard requirements. We engaged a consultant who has been a co-author of various operation and maintenance manuals for local water districts including program for NRW reduction, hydro analysis and design.

Another part of the assets was the Deferred Charges account which included Pre-termination Fee amounting to ₱17,143,088.76 which was charged by LWUA for early termination of loan account numbers 3-757 and 4-2531. An arbitration case had already been filed for the cancellation and recovery of this fee, including interest and penalty charges, hence, payment was on hold making the said amount still a part of the assets in 2015. (Up to this writing, we are still waiting for the final resolution of the case which is now at the Office of the Government Corporate Counsel.)

Liabilities and Government Equity

Our Current liabilities amounting to ₱95,743,733.96, consisting of payables to suppliers and creditors for goods and services rendered but not yet paid, Collective Negotiation Agreement (CNA) incentives and other employees benefits, inter-agency payables to GSIS, PAGIBIG, PHILHEALTH for monthly premium payments, current portion of loans from DBP and LWUA, intra-agency payable which was a partial payment from retired/resigned BCWD employees for their COA disallowances and also trust receipts from various suppliers for the contractor's security deposit such as the bid



security and performance bond.

The Loans Payable account, on the other hand, was composed of loans from DBP and LWUA amounting to ₱816,205,279.57. Favorable decrease in interest rate was approved by the DBP from 7.5% to 5.5%. This significant decreased favorably contributed to the district's operation.

The Government Equity account was composed of Retained Earnings which represented the accumulated net earnings since the inception of our operation. The net increase of the Equity account was ₱50,013,102.90 or 12.73% increase from 2014. Huge part of this increase was the result of operation which generated a net income of ₱51,520,550.95 which surpassed the year's budgeted net income by 178%.

Table 12. Balance Sheet

BALANCE SHEET

As of December 31, 2015
(With comparative figures from CY 2014)

	CY 2015	CY 2014	INCREASE/ (DECREASE)	% INCREASE/ (DECREASE)
ASSETS				
Cash	168,997,014.63	122,983,220.79	46,013,793.84	37.41
Receivables (Net)	39,563,238.95	35,910,880.68	3,652,358.27	10.17
Inventories	23,655,809.17	36,391,519.70	(12,735,710.53)	(35.00)
Prepayments and Deposits	3,845,859.63	5,052,798.97	(1,206,939.34)	(23.89)
Deferred Charges	17,465,534.28	17,789,990.34	(324,456.06)	(1.82)
Investments	715,882.97	709,315.19	6,567.78	0.93
Property, Plant and Equipment (Net)	1,063,831,330.55	1,084,800,544.02	(20,969,213.47)	(1.93)
Other Assets	54,912,494.85	46,599,212.02	8,313,282.83	17.84
TOTAL ASSETS	1,372,987,165.03	1,350,237,481.71	22,749,683.32	1.68
LIABILITIES AND GOVERNMENT EQUITY				
Current Liabilities				
Payable Accounts	28,182,798.92	34,154,556.43	(5,971,757.51)	(17.48)
Inter and Intra Agency Payables	2,739,819.66	3,395,797.82	(655,978.16)	(19.32)
Other Payables	17,099,773.08	16,661,431.20	438,341.88	2.63
Current Portion of Loans	47,721,342.30	18,628,512.64	29,092,829.66	156.17
Total Current Liabilities	95,743,733.96	72,840,298.09	22,903,435.87	31.44
Non-Current Liabilities				
Loans Payable	816,205,279.57	866,722,952.70	(50,517,673.13)	(5.83)
Deferred Credits	18,178,269.30	17,827,451.62	350,817.68	1.97
TOTAL LIABILITIES	930,127,282.83	884,550,404.32	(27,263,419.58)	3.08
Government Equity	442,859,882.20	392,846,779.30	50,013,102.90	12.73
TOTAL LIABILITIES AND GOVERNMENT EQUITY	1,372,987,165.03	1,350,237,481.71	22,749,683.32	1.68

PROCUREMENT

We were able to conduct and complete several public biddings. There were 10 awarded contracts, worth ₱62,900,159.60, to various suppliers who had the lowest calculated bids and passed all the requirements. There were five failed biddings due to either no bidders or bidders failed to submit the required documents for post qualification.

On the other hand, the number of Purchase Requests, Job Requests, Requests for Price Quotations, Purchase Orders, Job Orders, Certificate of Acceptance and Billing Statements processed for regular procurement and bidding increased in 2015 compared with those in 2014. The significant increase was due to the much needed maintenance and improvement of the BCWD services, building, vehicles and other appurtenances.

SYSTEMS DEVELOPMENT

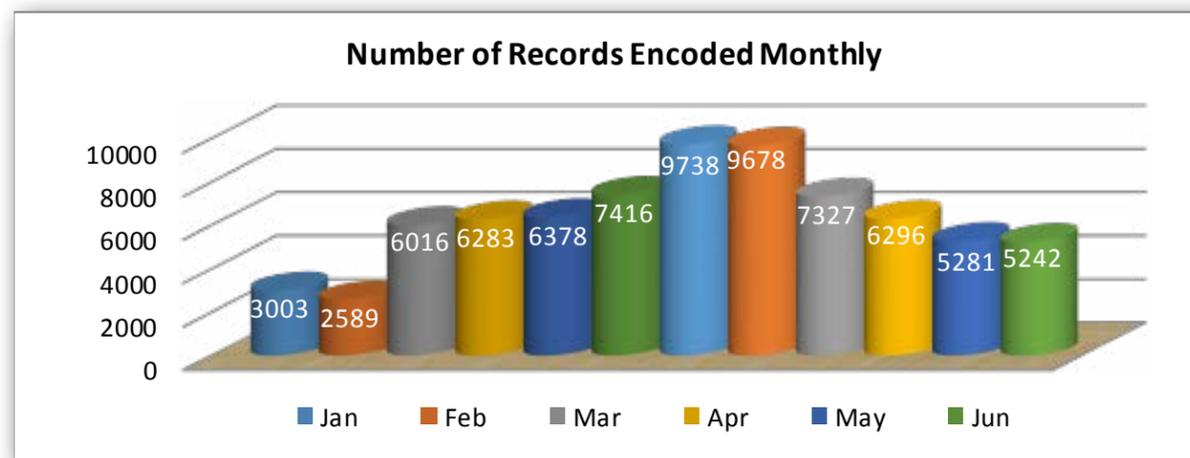
It has been our thrust to speed up business processes through utilization of information and communication technology (ICT). We continually develop information systems to cater the demands of various departments, divisions and sections of the agency.

In 2015, we developed new systems such as Service Application and Construction Order (SACO) Electronic File System and the Enhanced Collection System for our Collecting Agents. These new systems will contribute a lot in the efficiency of our operation.

DATABASE MANAGEMENT

Based on the graph of encoded data, the months of January and February have the lowest number of disconnections due to TS Seniang. July and August have the highest number of encoded data because of the implementation and generation of disconnection orders for concessionaires that have a total balance of more than ₱500.00.

Figure 13. Monthly Records Encoded



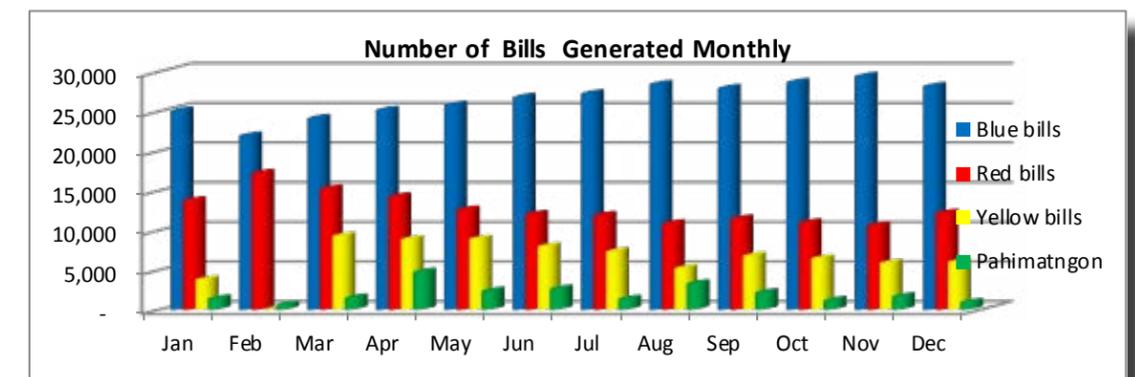
The number of verified/checked records depends on the total output of the records encoded.

Figure 14. Records Verified



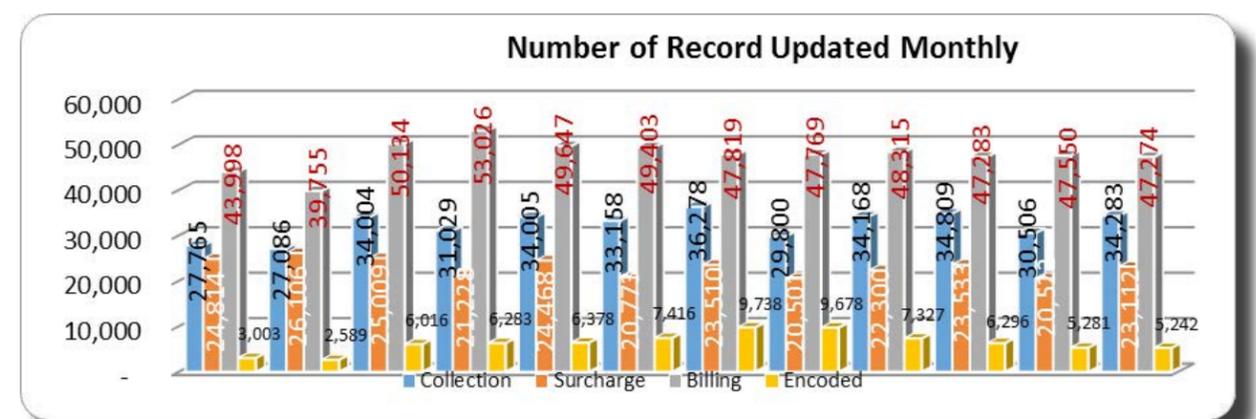
For the number of bills generated, blue bills (concessionaires with current water accounts) are much more higher compared to red bills (concessionaires with arrears greater than guaranty deposit). From August to December, the generation of red bills has dropped due to the implementation of Disconnection Order that have a total balance of greater than ₱500.00.

Figure 15. Monthly Bills Generated



As we look at the graph for the number of records updated, we can notice that the number of concessionaires billed is much greater compared to number of concessionaires paid. This tells us that our monthly collection is lesser compared to monthly billing. In other words, most of our concessionaires in 2015 were paying partially; hence, the number of surcharges is also high.

Figure 16. Updated Record



INTERNAL CONTROL

Our Internal Audit Division (IAD) is mandated to evaluate the degree of compliance with laws, rules, regulations, contract and managerial policies; to ascertain that assets are accounted for and safeguarded from losses; to evaluate the effectiveness and efficiency of the operations; and to assess the organization's internal control system whether they are properly implemented. These objectives are guided by the duties and responsibilities set in conformity with the Philippine Government Internal Audit Manual (PGIAM) and ISO 9001:2008 Quality Management System Internal Audit Requirements.

In line with these mandates, IAD performed pre-audit, validation and reviews to determine whether controls are in place over processes, including the adequacy and integrity of internal controls and evidence of process efficiencies and effectiveness.

Pre-audit of Transaction Documents

A total of 6,045 transaction documents were received and pre-audited in 2015, up by 29.36% from the 2014 transaction documents of 4,673. The increase of pre-audited documents were due to the following: (1) emergency purchase of supplies and materials and reactivation of pump stations due to TS Seniang; (2) massive reforestation implementation and other developmental and enhancement projects in the Taguibo Watershed; (3) massive implementation of projects and programs in connection with reducing NRW such as WMMP, DMA, etc. and additional upgrading and expansion of lines in various barangays. Details of these transaction documents are reflected in Table 13.

Table 13. Frequency of Pre-audit

Frequency of Pre-audit	Source Documents	2015	2014
Daily	Disbursement Vouchers	2,260	1,996
Daily/Monthly	Journal Entry Vouchers	1,497	979
Daily	Purchase Orders	1,185	984
Daily	Job Orders	841	468
Monthly	RCI/RD	262	246
Total		6,045	4,673

Findings and observations noted during the conduct of pre-audit were reported in the Monthly Summary of Audited Transactions and submitted to management. As of December 2015, these observations were already corrected and complied with by the concerned department/personnel.

Accounting and Safeguarding of Assets – Cash and Property

Property

IAD conducted inspection of supplies/materials/equipment (S/M/E) for items amounting to ₱50,000.00 below upon receipt of Inspection Requests from the Property and Materials Management Division (PMMD) and from the Letter Requests by the departments forwarded/routed to IAD from the General Manager.

A total of 651 transactions (per Purchase Order served) were inspected in 2015, an increase of 17.72% from the 2014 inspected items of 553 as shown in the table. Reasons enumerated above contributed to the increase of items inspected in the year 2015.

Table 14. Items Inspected

Items Inspected	2015	2014
Supplies/Materials	606	468
Equipment	45	85
Total	651	553

Cash

IAD performed a monthly cash count/cash examination to the Accountable Officers (AO) including the Revolving Fund Custodians (e.g Petty Cash Custodian and Working Fund Custodian), to check if the cash in their custody actually existed and items presented were viable. IAD also determined if cash balance surrendered were correctly recorded.

Cash overages and shortages incurred by the AOs were just minimal pursuant to the internal guidelines established by IAD and were reported to the management through a Narrative Report – Cash Examination. These reports were submitted and approved by the General Manager.

Other Highlights

- Provided technical assistance to the system users through cliniquing, mentoring and orientation. Complaints, on one hand, were evaluated and recommended with initial actions pursuant to our established policies, rules and regulations. However, for suggestions and opportunities for improvement, they were given consideration and have been incorporated in the systems manual.
- Conducted walkthrough observation and continued monitoring and evaluation of the established systems, financial accounting application and other operating regulations to ascertain compliance with established policies and applicable laws and regulations.
- Conducted assessment, review, categorization and consolidation of the Report on the Physical Count of the Property, Plant and Equipment as of December 31, 2014 (by department and by personnel).
- Initiated and conducted a three-day ISO 9001:2008 Internal Audit Seminar for newly-assigned ISO Internal Quality Auditors and one-day Re-echo Seminar on Lead Auditor Training Course in June 5 – 9, 2015.
- Observed the semi-annual physical inventory-taking on materials and supplies and the annual physical inventory-taking on both Supplies/Materials and Property, Plant and Equipment (PPE).
- Inspected hydro testing activities and completed projects implemented by the Engineering Department.
- Attended seminars and trainings to ensure that internal audit practices, methods and procedures were improved and updated through continuing education in conformity with Administrative Order Nos. 278 and 70. Seminars and trainings encompassed a variety of topics including internal quality audit, integrity in governance, quality assurance and challenges in internal auditing in public sector.

In addition, IAD carried out tasks such as the conduct of inspection by the Inspectorate Team. The latter was constituted with IAD Staff as Chief Inspectorate and performed an inspection on S/M/E amounting to ₱50,000.00 and above.

The top five major inspections conducted by the team during the year were those goods/services delivered by AVK Philippines, Inc. (Various CI & DI Fittings), Reftec Industrial Sales and Services (Construction of 500 cu.m ground steel reservoir), Toyota CDO, Inc. (Toyota Hi-Ace Super Grandia Van), Columbia Computer Center (Various computers & accessories) and American Water Technologies, Inc. (online monitoring Equipment for PH, Chlorine & Turbidity) in the amount of ₱5,545,951.75, ₱3,644,371.11, ₱1,812,281.24, ₱974,879.31 and ₱650,000.00, respectively.

The year 2015 marked a change in the functions of the IAD as ISO 9001:2008 Quality Management System had been fully implemented. Findings and observations found during Internal Quality Audit (IQA) were reviewed and monitored by the Lead IQA from IAD. The requirements for monitoring, evaluation, measurement and improvement process were strictly monitored and implemented.

ENVIRONMENTAL CONCERN

2011-2013 Reforestation Projects

We, in partnership with the different watershed stakeholders campaigning for the protection and rehabilitation of the Taguibo River Watershed Forest Reserve (TRWFR), had established reforestation projects through agro-forestry system of about 25 hectares of barren land within the proclaimed TRWFR in 2011-2013. Ten (10) hectares of the target activity was implemented through the hired watershed “pakyaw” system and the remaining fifteen (15) hectares were through family approach whereby partner beneficiaries, mostly indigenous people (IP) were the one who carried out the maintenance activity.



Rolex Urbizondo Area



Peter Cabaton Area

The maintenance program was scheduled quarterly based on the approved maintenance program for CY 2015. Maintenance program included clear brushing, strip brushing and round weeding wherein survival rate was 88.18 %.

National Greening Program

We entered into a Memorandum of Agreement (MOA) with the Department of Environment and Natural Resources (DENR), District Constituency Office (DCO) and Father Saturnino Urios University Foundation, Inc. (FSUUF) on June 23, 2014 regarding the implementation of the 130 hectares reforestation project through the National Greening Program (NGP) within the TRWFR. There were two (2) phases of implementation, the first phase covered 49 hectares, and the second phase covered 81 hectares with a total of 130 hectares, with the BCWD as the proponent of the project.



Rosalinda Cabaton Area



Wilma Garzon Area

The first phase (49 has.) of the project was implemented in October, 2014 and the remaining areas (81 has.) for phase 2 were developed in December, 2014. Maintenance for Year I of the project was conducted based on the approved schedule and design (every 2 months). Year I covers the date of implementation/planting until twelve (12) months were completed. In the case of phase 1 project, it was planted on October, 2014 and ended its Year-I maintenance in October, 2015 and the phase 2 was planted on December, 2014 and ended its Year-I maintenance in December, 2015.

Through the year, we maintained the 130 hectares NGP project following the approved maintenance cycle of every two (2) months. Upon completion of the maintenance cycle six (6) times, we had a survival rate of 93.50 %.

We hired five (5) local residents through “pakyaw” contract to augment the monitoring and evaluation of the assisted project and to ensure that the activities were conducted regularly based on the schedule. They also served as Forest Guards.

35 Hectares Reforestation Project for CY 2014-2015

Another 35 hectares of second growth forest were identified within the proclaimed Taguibo Watershed that needed further enhancement. Enhanced through planting of endemic trees, fruit trees, Bamboo and Balete along the creeks of Lakdayon, Bangonotan, Dodolongan and Sogayanon, all tributaries of Dugyaman creek situated at Sitio Dugyaman, Brgy. Anticala, Butuan City, the top most portion of Taguibo Watershed.



Bamboo Riverbank Stabilization



Banyan/Balete Plantation

The project covered 17 hectares of Bamboo plantation, 17 hectares of Agro-forestry system and one (1) hectare Banyan/Balete Tree plantation. Bamboos were planted along creeks in response to river banks stabilization strategy, Agro-forestry system were planted in the second growth forest as enrichment planting or improving vegetative cover of the area and Banyan/Balete trees were planted strategically within Taguibo Watershed.

For the project, 10 local residents were hired through “pakyaw” contract for planting and maintenance activities. This approach ensured that planted seedlings were maintained regularly based on the schedule because most of the areas were situated at the top most portions of the watershed far away from the community. Also, maintenance activities of the 12 hectares from 2011-2013 projects were performed by the hired “pakyaw”.

Adopt-A-Forest Program

We designed an “Adopt-A-Forest Program” for individuals, institutions and organizations willing to contribute to the rehabilitation of the watershed. Donation may be in the form of the conduct of actual tree planting activities and/or financial donation for reforestation of one or more hectares within the TRWFR. We will ensure that the seedlings provided and planted will be maintained and monitored regularly. In this manner, high survival rate of the planted seedling is ensured that eventually will enhance the forest cover of the TRWFR.



*Ceremonial
Tree Planting at Mahayahay
with
Atty. Asis and family*

Adopt-A-Forest Program will make possible for every one of us to be proactively involved in the protection and preservation of our watershed by planting and growing trees and/or by just donating funds for the reforestation project.

Additional Partners

In 2015, there were one (1) partner group (Phoenix Foundation, Inc.) and one (1) individual (Atty. Genaro Jeremiah Wil C. Asis), who entered into a Memorandum of Agreement with us and provided funds to support the reforestation effort in the TRWFR. The funds provided by the partners were deposited with our Deferred Account 459 under Adopt-A-Forest Program.



Abaca Intercropping Project (Livelihood Support)

We integrated abaca in the NGP project area in order to take advantage of the required environmental condition necessary for its growth and development. It is also one of the prevailing alternative livelihoods of the community living within the watershed.

In line with our commitment to provide alternative livelihood to our partner community and one of the significant intervention in the protection and rehabilitation of the TRWFR, we allocated fund for the continuity of the abaca intercropping program in order to maintain our advocacy in uplifting the economic condition of the watershed partner beneficiaries, thus, reducing illegal logging dependency and deflecting “kaingin” practices on the way to sustainable watershed development.

This year, we provided funds for the procurement and planting of 35,100 abaca suckers for intercropping activity in the 130 hectares NGP project or 270 suckers per hectare distribution.



Tarcelo Cabaton Area



Dominador Enggayas Area

Construction of Sanitation Facilities (Communal Comfort Rooms)

One of the prevailing issues and concerns in TRWFR is the sanitation problem particularly within the built-up areas within the watershed.

The water quality (bacteriological aspect) of the Taguibo River particularly at our Infiltration Gallery is now beyond the standard limits of Class “A” classification/category of river based on the water quality assessment of the Environmental Management Bureau (EMB).

For CY 2015, we constructed two (2) units Communal Comfort Rooms with standard septic tanks at Sitio Tagkiling, Anticala, Butuan City. As of December 2015, one was completed and the other one had 90% accomplishment. The ten percent (10 %) difference representing the procurement and installation of the tiles necessary for the flooring requirement.



Communal CR situated at Sitio Tagkiling Proper



Situated at Sitio Bobon- Tagkiling

PUBLIC INFORMATION / RELATIONS

In 2015, we focused our Community Relations and External Affairs (CREA) activities in establishing and maintaining our role in the community as an efficient water supply provider as well as educating and inculcating the significance of our existence in Butuan City. Aside from that, we also intensified our activities in terms of the promotion of awareness on the significance of water and water related issues among the public including the youth. These activities were done to gain support for the programs/projects pertaining to the preservation and conservation of the environment.

Specifically, we were able to conduct the following activities:

1. Publication of news releases;
2. Regular preparation of press releases, announcements and statements regarding our activities;
3. Conduct of live interviews through broadcast and television media for recent and updated development of our operations;
4. Brief spot announcements made at various times during a broadcast day or advertisement placements in various print media;
5. Release of the magazine "BREAKWATER" to continuously update the public of our undertakings;
6. Preparation/Production of information materials regarding our services, water conservation practices and other significant water fact sheets such as the BREAKWATER NEWSBITZ; and
7. Conduct of our Corporate Social Responsibility (CSR) Projects.

Institutional Ads / Information Materials

We were able to place a total of 8,825 spots/placement of advertisements in 2015 comprising of 15 placements of print ads, 1,570 spots of radio, 2,680 spots of TV, and 4,560 spots of e-board ads. The ads were aired through local radio, TV stations and e-board, published in local papers, newsletters and souvenir programs or used in sponsoring of activities.

Two publications were also printed and distributed to inform the public about our different activities and improvements undertaken. We published five issues of the Breakwater and five issues of Breakwater Newsbitz with an aggregate copies of 50,000.

For the 2015 Calendars, 5,421 copies (small) and 500 copies (big) were released.

Aside from printing of publications and calendars, 112 tarpaulins and six backdrops were designed and used in our various activities, and three billboards were refaced.

Media Relations

We continued fostering relationship with the media by means of information dissemination through press and news releases. The year recorded a total of 419 press releases ranging from Low Water Pressure, Water Service Interruption, Emergency Press Release, Flushing, Advisories and results of our Activities. News releases about our activities were also prepared by the CREAD staff and disseminated to appropriate news media. For 2015, a total of 59 news/feature articles were released. These comprised the news/feature articles related to our operations, local contests, and anniversary celebration. The news releases were published not only in the local papers but also in national publications.

There were 132 hook-in interviews, both live and recorded which were aired in local television and radio stations compared to 33 in 2014.

A very high increase in the number of interviews can be noted due to the fact that at the early part of 2015, we experienced a crisis with our water supply. The Infiltration Gallery was destroyed during the TS Seniang and as such more than 70% of our source for water supply was not utilized. A barrage of interviews was conducted to address the issue especially since it was almost a month before we were able to normalize its operations.

Customer Relations

Anniversary Give-Aways. Conducted last April 6 and 10, 2015 at the BCWD 2nd Floor Lobby, assorted grocery items were distributed to the concessionaires paying their water bills.

T-shirts for the concessionaires. The first 41 concessionaires who paid their bills during our 41st Anniversary on April 6, 2015 received our 41st Anniversary T-shirt.

Pamaskong Handog (Distribution of Christmas Give-Aways). Last December 15-16, 2015, assorted grocery items were distributed to the concessionaires who paid their water bills during the stipulated dates.



Corporate Social Responsibility

As the sole provider of safe piped drinking water, we are giving back to the communities that we serve part of the surplus we generated from their patronage of our water services by instituting programs that would benefit them. These programs constitute our Corporate Social Responsibility (CSR). Water Education and Advocacy Program (WEAP) is one of our CSR programs which cater to the youth.

Water Education and Advocacy Program. We invest in the youths' water and environment education to prepare them for their future roles as stewards of our water resources and environment.

In 2015, as part of WEAP, we conducted 10 contests aimed at inculcating in the minds of the youth the importance of water and environment. These were Photo Contest, On-the-Spot Poster Making Contest, Pipe Fitting Olympics, Quarterly Water Quiz Show, Oratorical Contest, Parliamentary Debate and Water Quiz Show Grand Championship Match. The winning poster was used in the design of our Annual Calendar while the winners of the water quiz show represented our agency in the National Level Contests.



We also conducted several Bisita Eskwela and Tour to BCWD Facilities to inculcate in the minds of elementary pupils and high school students the importance of water and the water district to life.



Outreach Program. We conducted, during our 41st Anniversary celebration, mass feeding, gift-giving, visit to Por Cristo and Balay Silonganan, and bloodletting.



Children's Christmas Party. We celebrated our Christmas by sharing our blessings with the children of our employees in a Children's Party held at Jesus Family Ministries.



Stakeholders' Education. To educate our different stakeholders on matters pertaining to the Public-Private Partnership (PPP) Treated Bulk Water Project which we engaged in, we conducted briefing and tour to the project site. Twenty one groups were able to grasp the concept and importance of the project to the people of Butuan City. Aside from educating our stakeholders on matters pertaining to the PPP Project, we also continued with the conduct of the Watershed Community Symposium at the different sitios located in the Taguibo River Watershed Forest Reserve. This is to ensure sustainability of information dissemination to our partners living in the Taguibo Watershed.



National Representation

REGINAH REIGN S. ARAIS of Light and Life Learning Center and KENJIRO P. MITSUI of Angelicum Montessori School, champions in our Grand Championship Match of our Water Quiz Show, represented us and the Northern Mindanao Natural Resources Management Council (NorMin-NRMC) in the 4th PAWD National Science and Math Quiz.

The success of our Water Quiz Show paved the way to its adoption by the Philippine Association of Water Districts (PAWD) as a national contest dubbed as the PAWD National Science and Math Quiz. This replaced the defunct PAWD National Oratorical and Poster-Making contests, another contests originated from BCWD.

Furthermore, our Breakwater Magazine won 3rd Place in the PAWD Best Publication Award.

Linkages with Other Water Districts

We played an active role in the editing of PAWD's Official Publication "Aquarius," the official publication of the PAWD. Aside from playing an active role in the production of Aquarius Magazine, we also assisted PAWD in the preparation of the guidelines and coverage for the National Science and Math Quiz, and facilitated the conduct of the contest proper during the PAWD National Convention in Cebu.

IN A NUTSHELL

The year 2015 was one of the most difficult, if not the most tumultuous, years in the more than 40 years of our existence. It was the year full of tribulations, uncertainties, and despair. It was the year when almost everybody was against us. A roller coaster ride for us, indeed.

The TS Seniang, which made landfall in Butuan City on December 29, 2014, brought havoc not only to our facilities at the Taguibo River but also to our integrity as the sole distributor of potable and safe drinking water in Butuan City. As a result of the damage of TS Seniang to our operation, the first quarter of 2015 was the most challenging period of the year as we weathered the storm. We had to deal with the fact that we lacked water supply, as our facilities at the Taguibo River were damaged by TS Seniang, and faced the people's outrage.

Be that as it may, we were able to survive through the end of the year from the bleakness of our situation. In fact, the Local Water Utilities Administration (LWUA) gave our performance a passing rate. At the middle of the year, we were certified ISO 9001:2008 for our Quality Management System (QMS) by AJA Registrars.

We accomplished a total of 12,744 linear meters of expanded, upgraded and replaced pipelines. Of these 12,744 linear meters, one barangay – Brgy. Pigdaulan – was added to our covered areas, raising to 55 out of the 86 barangays in Butuan City that have been served with piped drinking water. 2,853 new service connections enabled us to reach 41,024 active concessionaires. Income generated from our active concessionaires allowed us to continue the implementation of various programs, projects and activities for the preservation of the watershed and environment, and corporate social responsibility.

In spite of all we had been through, our performance in 2015 was good enough as evidenced by the 1.68% increase in our assets. This has been another proof of our resilience to whatever situation confronting us. Thus, it is only fitting to leave 2015 with great joy; and welcome 2016 with its countless opportunities.

Republic of the Philippines

BUTUAN CITY WATER DISTRICT



is now

**Certified internationally
for its
Quality Management System**

ISO 9001:2008

