3rd World Water Forum: Water and Poverty Initiative
Multi-stakeholders Dialogue on Water Services for the Urban Poor
May 29-31, 2002

Manila Water Company, Inc.

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Group Director
Regulatory and Planning
Outline

- The Water System before Privatization
- Background on MWSS Privatization
- Manila Water’s Performance
- Key Messages
The Water System before

- High Rate of Illegals
- Leaks
- Poor Supply Conditions
- Poor Network Maintenance
- Dirty Water
- Depressed Areas, hardly served
1997 Takeover

Metropolitan Waterworks and Sewerage System (MWSS) 

25 Year Concession awarded to 2 winning bidders 

**East Zone**
2,200 employees 

**West Zone**
3,100 employees
# MWSS Service Area

<table>
<thead>
<tr>
<th><strong>Area</strong></th>
<th><strong>1,400 sq km</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Population:</strong></td>
<td><strong>5 Million</strong></td>
</tr>
<tr>
<td><strong>Population Served:</strong></td>
<td><strong>4 Million</strong></td>
</tr>
<tr>
<td><strong>Water Production:</strong></td>
<td><strong>1,600 mld</strong></td>
</tr>
</tbody>
</table>
Adopted New Corporate Value

WE CARE for

Customers    Company    Employees
The Territory Business Management Approach

SEVEN (7) BUSINESS AREAS

- Balara
- Marikina
- Cubao
- San Juan/Mandaluyong
- Makati
- Pasig
- Rizal/Taguig-Pateros
Implemented Major Capital Programs

Laying of Mains and Distribution Lines

- BALARA
- CUBAO
- PASIG
- SAN JUAN
- MAKATI

170 km of pipes laid since August 1997

Rehabilitation of Pumping Stations

- BALARA
- CUBAO
- SAN JUAN
- PASIG
- MAKATI

Water Availability CY 2000

Legend:
- Green: 24 Hours
- Yellow: 13-23 Hours
- Red: 0-12 Hours
- Blue: Primary Lines
Reduced Water Losses

in % Non-Revenue Water (NRW)

1997: 63%
2002: 50.7%
Delivered More Water to Customers

in Million Liters per Day

1997: 440
1998: 600
1999: 72%
2000: 775
2001: 755
2002: 755

SAME PRODUCTION
Served More Households

number of Households in Thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (Thousands)</th>
</tr>
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<tbody>
<tr>
<td>1997</td>
<td>325</td>
</tr>
<tr>
<td>1998</td>
<td>325</td>
</tr>
<tr>
<td>1999</td>
<td>400</td>
</tr>
<tr>
<td>2000</td>
<td>441</td>
</tr>
<tr>
<td>2001</td>
<td>441</td>
</tr>
<tr>
<td>2002</td>
<td>441</td>
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</table>
Improved Water Availability

1997

26%

2002

83%

[Map showing improved water availability over time with colors indicating availability: 24 hours (green), 13-23 hours (yellow), 0-12 hours (red)]
Consumer Savings in Water Bills

In Peso per cu.m.

P 10.0 B Savings

MWSS Rate

Manila Water Rate
MWC Rates vs. Other Sources

Vended Water

1 drum (200 liters) = P 20.00
5 drums = 1 cu.m.

Price per cu.m.
P 100.00

Manila Water is at least 12 times cheaper than vended water.
P 8.52

The monthly bill of Manila Water’s residential customers (consuming 30 cu.m.) is P 162.00
Financial Performance

In Million Pesos

- Revenues
- OPEX
- Earnings Before Amortization/Depreciation
- Net Income

Implemented Social/ Developmental Projects

- Save the La Mesa Watershed
- Cleaning and Greening of La Mesa Perimeter
- Habitat for Humanity
- Blood Donation
Provided Better Service to the Poor

“Tubig Para Sa Barangay”

<table>
<thead>
<tr>
<th>Number of HOUSEHOLD</th>
<th>Equivalent POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>0</td>
</tr>
<tr>
<td>1999</td>
<td>20,000</td>
</tr>
<tr>
<td>2000</td>
<td>40,000</td>
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<td>2001</td>
<td>60,000</td>
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<td>2002</td>
<td>80,000</td>
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<tr>
<td>End-March</td>
<td>100,000</td>
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53,000

320K
Provided Better Service to the Poor

“Tubig Para Sa Barangay”

<table>
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<tr>
<th>Year</th>
<th>Number of HOUSEHOLDS</th>
<th>Equivalent POPULATION</th>
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<tr>
<td>1998</td>
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<td>110K</td>
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<td>1999</td>
<td>0</td>
<td>660K</td>
</tr>
<tr>
<td>2000</td>
<td>20,000</td>
<td></td>
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<tr>
<td>2001</td>
<td>40,000</td>
<td></td>
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<tr>
<td>2002</td>
<td>60,000</td>
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End-Dec
Doing Business with a Social Conscience:
“Tubig Para Sa Barangay”
Focus

Depressed Communities

Objective

- To help build communities
Manila Water’s Intervention

Walk the line: Territory Management

To customers

To the depressed areas

Along the streets
Manila Water’s Intervention

Massive Leak Repair

Drive against illegal connections
Areas where project is applicable

- Areas where there is a large number of clustered low income families
- Areas with a high rate of illegals
- Areas with very poor water quality
- Areas where roadway is wide enough to lay tertiary mainline
Social Impact

1. Improved Quality of Life
2. Eradicated Illegal connections
3. Excellent Community Partnership
Business Results

- No. of Water Service Connections: 15,944
- No. of Families / Household Served: 52,795
- Billed Volume: 45 mld
# Completed Projects

<table>
<thead>
<tr>
<th></th>
<th>No. of Projects</th>
<th>No. of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balara</td>
<td>61</td>
<td>16,617</td>
</tr>
<tr>
<td>Cubao</td>
<td>25</td>
<td>1,780</td>
</tr>
<tr>
<td>Marikina</td>
<td>9</td>
<td>4,224</td>
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<tr>
<td>Pasig</td>
<td>10</td>
<td>12,613</td>
</tr>
<tr>
<td>SJ/Mand</td>
<td>23</td>
<td>8,015</td>
</tr>
<tr>
<td>Makati</td>
<td>22</td>
<td>2,629</td>
</tr>
<tr>
<td>Riz-T/Pat</td>
<td>21</td>
<td>6,897</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>171</strong></td>
<td><strong>52,795</strong></td>
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# Ongoing & Future Projects

<table>
<thead>
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<th>NO. OF HOUSEHOLDS</th>
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</thead>
<tbody>
<tr>
<td>Balara</td>
<td>3</td>
<td>4,600</td>
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<tr>
<td>Cubao</td>
<td>10</td>
<td>2,256</td>
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<tr>
<td>Marikina</td>
<td>4</td>
<td>1,615</td>
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<td>Pasig</td>
<td>10</td>
<td>7,467</td>
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<tr>
<td>SJ/Mand</td>
<td>12</td>
<td>2,030</td>
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<tr>
<td>Makati</td>
<td>10</td>
<td>11,071</td>
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<tr>
<td>Riz-T/Pat</td>
<td>23</td>
<td>32,818</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
<td><strong>61,857</strong></td>
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