



# CITY OF ILAGAN WATER DISTRICT

CCC NO. 090

## FINANCE and COMMERCIAL



# POLICY MANUAL



**FINANCE**  
**and**  
**COMMERCIAL**



**POLICY MANUAL**

# VISION

The most innovative and efficient water district in the provision of safe, potable water and sewerage system.

# MISSION

To develop, preserve an ecological and sustainable, safe and potable water resources. To uphold healthy practices. To protect and stabilize mother Earth and the health of the city residents. Insure continuous improvement in Public Services in providing safe potable water and sewerage system at par with international standards.





# FOREWORD

It is a common belief that attainment of organizational objective is determined by the performance level of an employee. Performance standards are established as measures of accountability that can be used by management to control the organizational productivity.

The Finance and Commercial Division deals with the Science of money matters which emphasizes the physical (fixed assets) and financial resources (revenues and investments) of the City of Ilagan Water District (CIWD). Financial planning, review and management are significant factors in attaining specific goals and objectives of an organization. The “Commercial Matters” features the classification of service connection, collection enforcement, billing and the market growth derived to achieve efficient operation.

This manual serves as a guide and reference to the procedures, practices, evaluation, assessment and analysis of the accuracy and effectiveness of the policies of the City of Ilagan Water District. Policies are classified as Originated, Appealed and Imposed.

The formulation of effective policy begins with a problem statement and is followed by the correct response to the statement and reasoning behind the correct response.

It is, therefore, very befitting that the Finance and Commercial Division comes up with this manual which aims to inform, educate CIWD concessionaires and be guided in handling about the transparency and fair practices in the establishment of water supply industry.

Furthermore, a glossary of terms in this manual is useful in the process of defining a properly operational and sustainable water supply system.

Finally, this manual is based on the best knowledge in the field and commercial policies.

A graphic with a blue and white background featuring abstract shapes and lines, with the text 'WATER RATES' in bold black letters.

# WATER RATES

Water rates are instruments for receiving the cost of providing adequate water service to customers and must reflect not only the fixed costs of the supply system, but also the operating expenses of the water district. The cost of service should be equated with revenue requirement for the purpose.

A graphic with a blue and white background featuring abstract shapes and lines, with the text 'BASIC GUIDE TO WATER RATES' in bold black letters.

## BASIC GUIDE TO WATER RATES

### FULL-COST PRICING

Full-cost pricing means establishing a price per unit of water (per cu.m) that covers all the costs involved in producing water and delivering it to the customer.

There are several reasons why full-cost pricing is used. First, it is the fairest way of charging water. The price tells the customer what it costs to deliver the water to a house or place or business. Second, knowing that everyone must pay the full price, customers will have a tendency not to waste, and therefore, full-cost pricing acts as a conservation measure. Finally, water income will cover expenditures plus provide extra funds for emergencies and small additions or replacement of the system.

In all likelihood the accounting system may need to be updated to show true expenses, public hearings may be necessary to explain the rates and the system's operation, and meters may have to be installed.

To charge the total cost of water to the customers as fairly as possible, the system must be 100 percent metered. That means every service or customer must have a meter, and there must be a master meter on the outlet of each source of supply to show how much water was provided. If some customers are unmetered, a flat rate must be incorporated as part of the total rate schedule.

## **RATE STRUCTURE**

A basic structure should be made up to two parts. The first part, the base rate is a charge per customer to recover fixed expenses, including the cost of debt service, reserve requirements, and capital improvements. This charge guarantees enough income to meet the utility's basic costs during periods of low water sales due to drought or other reasons.

The second part, called the unit rate, is a charge per unit of water sold to cover the cost of operation, maintenance and administration. With this two-part structure, all customers share equally in the basic costs of the water system and each pays only for the water used.

## **METERED RATE**

It is generally accepted that the charging for water in proportion to the amount and characteristics of use, and hence in proportion to cost, is more equitable than charging on a flat rate basis. Metering of service connections has long been recognized as the economical and equitable procedure for arriving at the appropriate water charges. Metered rates are imposed on the basis of the actual volume of water consumed for a billing period.

The prescribed rate structure consists of two components, viz. the minimum charge (MC) and the commodity charges (CC).

*a. Minimum Charge (MC).* This is also known as the service charge or the demand charge. Minimum charge is fixed depending on the size and the classification of service connection (customer class) and should cover the first 10 cu.m. of water consumption. The MC is established to cover fixed costs required to carry on vital water supply functions not directly connected with production and distribution.

The MC is set in accordance with the following criteria:

(1) The MC should be within the ability to pay of the low income users. It is established that a 10 cu.m. is enough to supply the domestic water need of low income users.

(2) The MC varies in proportion to the size of the meter such that the bigger the size of the meter, the higher the MC. This is accomplished through the application of capacity factor, also known as equivalent meter and service ratio, a way of reflecting the cost of providing the facilities to meet the demands of the consumers.

*b. Commodity Charge (CC).* Commodity charge is the amount charged per cu.m in excess of the minimum charge (first 10 cu.m) and computed to cover expenses related to production, distribution, and all other costs not recovered from the MC.

The CC is set in accordance with the following criteria:

(1) Volume after the first 10 cu.m should be divided into quantity blocks of 10 cu.m. with number of blocks of not less than three.

(2) The unit price (cost per cu.m.) per block should increase as consumption increases. The unit price per block within a schedule (according to size and classification of connections) should be ascending order, i.e., ascending quantity block rate structure.

(3) The incremental increase between blocks could either be at a uniform, increasing or decreasing trend depending on how the market will react, the cost of alternate water supply, and the relative affluence of large consumers. An irregular or inconsistent incremental increase between quantity blocks should be avoided.

(4) The CC should be uniform per classification of service connection (customer class) regardless of the meter size.

Water service connections are classified into three customers classes. Based on this classification, conversion factors are assigned and used in arriving at the corresponding water rates. The conversion factors are to be multiplied to the residential rates, both to the minimum and commodity charges.



# CLASSIFICATION OF SERVICE CONNECTION

The commercial class was deemed in classification and the district found it difficult to deal with various concessionaires regarding consistency in implementation. This led to the sub-classifications of commercial with assigned lower conversion factors.

Classification	Conversion Factor
Residential / Government	1.0
Commercial / Industrial	2.0 (of Residential)
Commercial - A	1.75
Commercial - B	1.50
Commercial - C	1.25
Bulk / Wholesale	3.0 (of Residential)

## SUBCLASSIFICATION OF COMMERCIAL CLASS

Classification	Conversion Factor	Definition
Commercial / Industrial A-1	2.0	<ul style="list-style-type: none"> <li>- Rest houses</li> <li>- Hotels, lodges and the likes</li> <li>- Hospitals, whether private or public</li> <li>- Cafeterias managed by cooperatives, corps. etc</li> <li>- Ice cream parlors</li> <li>- Restaurants</li> <li>- Beer houses, Bars, night clubs and disco pads.</li> <li>- Gasoline stations</li> <li>- Bus stations and/or terminals</li> </ul>

Classification	Conversion Factor	Definition
Commercial / Industrial A-1		<ul style="list-style-type: none"> <li>- CHB and concrete products manufacturers</li> <li>- Theaters</li> <li>- Carinderias</li> <li>- Confectionaries and bakeries</li> <li>- Ice Plant</li> <li>- Private schools</li> <li>- Boarding houses</li> <li>- Billiard halls and other games &amp; entertainment places</li> <li>- Any residential user who sells or supplies water to others</li> </ul>
Commercial / Industrial A - 2	1.75	<ul style="list-style-type: none"> <li>- Photo services</li> <li>- Dental and medical clinics</li> <li>- Warehouses</li> <li>- Groceries</li> <li>- Gift shops</li> <li>- Drugstore</li> <li>- Offices, including government</li> <li>- Wholesale and retail outlets</li> <li>- Furniture shops</li> <li>- Fish and meat stalls in public markets with individual water meters</li> </ul>
Commercial / Industrial - B	1.50	<ul style="list-style-type: none"> <li>- Sari-sari stores</li> <li>- Vulcanizing and repair shops</li> <li>- Other premises utilized for selling foods or services including premises used for</li> </ul>
Commercial / Industrial - C	1.25	<ul style="list-style-type: none"> <li>- Apartments whose owners assume payment of water bills using one central meter</li> </ul>



**CITY OF ILAGAN WATER DISTRICT**  
**CCC 090**  
 Maharlika Highway, Brgy. Osmeña  
 City of Ilagan, Isabela

### WATER SERVICE APPLICATION AND INSTALLATION FORM

Name:

Address:

Contact No.:

I hereby apply for a water service connection for \_\_ diameter size, classified as \_\_\_\_\_;

I understand that the installation shall not be made until it is approved and all charges are paid including the appropriate cost of service connection materials (water meter, pipes, fittings & appurtenances);

And that I shall be equally responsible for safeguarding the service connection line, water meter, fittings and appurtenances provided for.

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#### Location of Proposed Water Service Connection

Barangay:

Zone:

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#### REGISTRATION

RESIDENTIAL	GOVERNMENT	COMMERCIAL / INDUSTRIAL A1	COMMERCIAL A2	COMMERCIAL B	COMMERCIAL C
<input type="checkbox"/> P 1,800.00 (1/2" – 1" dia.)	<input type="checkbox"/> P 2,200.00 (1/2" – 1" dia.)	<input type="checkbox"/> P 4,400.00 (1/2" – 1" dia.)	<input type="checkbox"/> P 3,800.00 (1/2" – 1" dia.)	<input type="checkbox"/> P 3,300.00 (1/2" – 1" dia.)	<input type="checkbox"/> P 2,700.00 (1/2" – 1" dia.)
	<input type="checkbox"/> P 2,420.00 (2" dia.)	<input type="checkbox"/> P 4,850.00 (2" dia.)	<input type="checkbox"/> P 4,200.00 (2" dia.)	<input type="checkbox"/> P 3,630.00 (2" dia.)	<input type="checkbox"/> P 2,970.00 (2" dia.)
	<input type="checkbox"/> P 2,660.00 (3" dia.)	<input type="checkbox"/> P 5,350.00 (3" dia.)	<input type="checkbox"/> P 4,600.00 (3" dia.)	<input type="checkbox"/> P 4,000.00 (3" dia.)	<input type="checkbox"/> P 3,270.00 (3" dia.)
	<input type="checkbox"/> P 2,930.00 (4" dia.)	<input type="checkbox"/> P 5,900.00 (4" dia.)	<input type="checkbox"/> P 5,100.00 (4" dia.)	<input type="checkbox"/> P 4,400.00 (4" dia.)	<input type="checkbox"/> P 3,600.00 (4" dia.)



**CITY OF ILAGAN WATER DISTRICT**

**CCC 090**

Maharlika Highway, Brgy. Osmeña  
City of Ilagan, Isabela

**(WATER SERVICE CONNECTION CONTRACT)**

This AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_ at the City of Ilagan, Province of Isabela, Philippines.

The City of Ilagan Water District (CIWD), a Government Owned and Controlled Corporation with postal address at Brgy. Osmeña, City of Ilagan, Province of Isabela represented by its General Manager, JOSE MARI G. CLARAVALL, hereinafter referred to as "**CIWD**";

-and-

\_\_\_\_\_ with postal address at \_\_\_\_\_, hereinafter referred to as the "**CONSUMER**";

**-WITNESSETH-**

WHEREAS, CIWD shall provide safe water supply for domestic uses to the CONSUMER referred herein upon payment of corresponding Registration Fee and appropriate cost of service connection materials as assessed;

WHEREAS, CIWD shall charge the consumer a Service Connection/Water Meter Maintenance Fee corresponding to the size of water meter installed as stipulated in the CIWD Board Resolution No. 15, series of 2015 for purposes of maintenance, repair and material replacement of service connection line, fittings, including water meters;

WHEREAS, CIWD shall impose necessary adjustment fees due to abrupt increases in power, fuel and labor cost incurred not covered by the Approved Current Water Rates;

WHEREAS, CIWD shall apply the Averaging Policy in determining the consumer's billing consumption in situations warranting appropriate actions required in the event where water meter is ineligible, defective and damaged;

WHEREAS, CIWD reserves the right to DISCONTINUE the supply of water of a consumer upon violation of CIWD policies, rules and regulations on service connection or any of the provisions stipulated in PD 198 and RA 8041 (Water Crisis Act) or commit any of the following:

- 1) Non-payment of water bills after due date;
- 2) Stealing water in any manner or sub-connecting water supply to any person or dwelling;
- 3) Tampering of water meter in any form or manner;
- 4) Refuses to repair defective interior plumbing system and replace intentionally damaged water meter; and
- 5) Refuses to pay issued promissory note or other assessment as maybe demanded by CIWD;

WHEREAS, the Consumer referred herein agrees and obliges to the following:

- 1) Shall pay the appropriate registration fee and cost of service connection materials (as assessed);
- 2) Pay water bills ON OR BEFORE DUE DATE at CIWD office or to an official Field Collector and at Authorized Bill Payment Centers;
- 3) Pay surcharge/penalty imposed by CIWD for late payments;



A graphic with a blue border containing the title 'WATER RATE STRATEGY' in bold black text. The background features abstract blue and white geometric shapes, including a stylized globe on the left and a bar chart on the right.

# WATER RATE STRATEGY

Water rates could be arbitrary, i.e., determined without serious study and planning. Arbitrary rates may prove to be very low and will not make the district self supporting or they may be too high as to defeat the purpose of serving the majority of water user, hence, the need for a good rate strategy. The general should go about determining a rate structure that is fair and acceptable to the majority of water users and when to apply it is termed water rate strategy.

In its operation, the district must consider two basic premises.

- a) All water drawn from the water system must be accounted and paid for.
- b) Rates must be high enough to meet the financial requirements of the district (for self-sufficiency), but low enough to be within the ability to pay the majority of users (for public service).

A good rate strategy should consider the following factors:

- a) Ability to pay of the users - socio economic condition in the district.
- b) Cash requirements of the district - operational expenses and capital investment.
- c) Enforceability of the rates - can be justified and made acceptable to the public.
- d) Availability of reliable data - basis of realistic computations.

A good rate structure should combine the following chief characteristics:

- a) Revenue oriented, which gives primary consideration to financial requirements.
- b) Service oriented, which is primarily designed to favor the low income group.

## **REVENUE UNIT METHOD (RUM)**

This makes use of an arbitrary term called Revenue Units (RU) into which water consumption, paid at different rates is converted to obtain a common reference to simplify computation. This method is revenue oriented, with a higher Minimum Charge (MC) and a uniform Commodity Charge (CC) regardless of consumption.

- a) Most applicable to newly formed water district.
- b) More applicable to districts with lesser concessionaires and with abundant water supply.
- c) Applies the cross - customer subsidy in the first 10 cu.m of consumption in the form of minimum charge, based on the size of connection.
- d) Applies a low uniform commodity charge regardless of consumption rate.
- e) The effective cost of water tends to decrease as consumption increases.

## **QUANTITY BLOCK METHOD (QBM)**

This is based on the basic principle that high levels of consumption would have higher costs. It is less revenue oriented and more public - service oriented than RUM. This method makes use of quantity block (QB), 10 cu.m per block, in which consumers pay uniform unit price per block per customer class and where the rates per block increase on the basis of assigned increment factors.

- a) Most applicable to establish and already going concern water districts.
- b) More applicable to districts with relatively limited sources and where average consumption is relatively higher.
- c) The commodity charges increase as consumption increases in proportion to consumption rate.
- d) The effective cost of water tends to increase as consumption increases.

## **OPTIONAL METHOD WITHOUT CUSTOMER CLASSIFICATION**

This method is characterized by the following main features:

- a) Disregard customer classification
- b) Combines the Revenue Unit and Quantity block methods in the computation of the water rates but does not apply the Cross-Customer subsidy, i.e., commercial / industrial users and bulk / wholesale users are charged 2x and 3x the rate of residential, respectively, in the structuring of the rates.
- c) The rate structure consists of a Minimum Charge (MC) also known metering services charge and Commodity Charge (CC) also known as usage / volume charge defined as follows:
  - (1) Minimum charge - for the convenience of having a large meter, thus the bigger the meter size, the higher the MC.
  - (2) Commodity charges - on the volume of usage, thus as Consumption increases, the CC also increase.



The cash flow projection is a basis reference in the establishment and review of water rates. The cash flow indicates the sufficiency of existing and proposed rates; determines the need for any rate increase; serves as basis for monitoring the district's operations; determines the ability of the district to make forecasts; and presents the district's financial picture for a given period as a consequence of the rates.

### **PERIOD OF PROJECTION**

Apart from the existing water rates of a district, new rates are established for the following reasons:

- a) Purely, to meet increasing O & M expenses.
- b) To make feasible arrears restructuring.
- c) To make feasible restructuring of outstanding loans.
- d) To make feasible grant of new loans.

Depending upon the purpose whereby the rates are established, the recommended period of projection may be as follows:

- a) For meeting increased O & M expenses - the remaining quarters of the current year and the whole of the succeeding year.
- b) For arrears restructuring, restructuring of existing loans, and grant of new loans - eight (8) years to include the current year.
- c) However, for solely arrears restructuring - four (4) years or less to include the current year.

## **CONTENTS OF CASH FLOW**

To serve its purpose, cash flow projection should contain the following basic information:

### **A. *General Data.***

(1) *Production.* The volume of water needed to be supplied by the district taking into account the water demand as influenced by service growth. The water source should be capable of providing the required volume to be generated.

(2) *Billed Water.* The volume of water sold and paid for the concessionaires, known also as the revenue - producing water. This is obtained by multiplying the average consumption by the number of concessionaire billed.

(3) *Unaccounted Water (UAW)*. The Difference between the production and the billed water expressed as percentage of the former. This represents losses in the system largely due to leaks and consumption of illegal connections.

(4) *Market Growth*. The increase in the number of concessionaires being served by the district. Granting that the supply is sufficient, the district is encouraged to maximize in this aspect in order to generate more than enough revenues from water sales.

(5) *Average Consumption*. The ratio of the volume of water billed to the number of connections billed. The average consumption per connection is an important reference both for anticipating the water demand as well as projecting the water sales.

(6) *Effective Water Rate (EWR)*. The ratio of the peso value of Billed water to its volume. In practice, the EWR is used for computing Projected water sales to simplify the computation process.

(7) *Collection Efficiency (CE)*. The ratio of the actual collections to the collection target. It is a measure of the performance of the district in collection enforcement.

B. *Receipts*. The total amount of cash collections of the water district and consist of the following:

- (1) *Water Sales*. The revenues from the billed water.
- (2) *Other Receipts*. The cash collections from all other possible sources of funds.

C. *Disbursement*. The total amount allocated for expenditures and compromise the following:

- (1) *Operation and Maintenance Expenses (O & M)*. For payment of salaries and wages, chemicals for water treatment, power and fuel for production, and other expenses for administrative, operational & maintenance purposes.

(2) *Debt Service*. For payment of amortization for the loans availed from LWUA and other creditors comprising of current billings and settlement of arrears.

(3) *Capital Expenditures (Capex)*. For capital outlay to finance the cost of new service connections to be generated after project completion and in some cases small improvement and expansion programs, source development, electro-mechanical equipment, water treatment and pumping facilities, acquisition of lot properties, vehicles, supplies including tools, corporate buildings and offices.

(4) *Reserves*. A standard entry in the cash low projection, the amount to be disposed of according to particular priorities, usually 3% to 10% of total receipts.

(5) *Other Requirements*. Cash disbursement not specifically mentioned above are classed in this group.

D. *Cash Balance*. Represents the free and inappropriate cash available for operations at the beginning of the period. In case of deficit, restructured cash funds (e.g. trust fund) may be utilized under certain limitation.

E. *Schedule of water Rates*. Assists the evaluator in determining whether the periodic rate levels are sufficient to support the cash requirements. Care should be taken to ensure that the rate scheduled are placed under the appropriate columns within the period of projection.

F. *5% of LIG Average Income*. For comparison, shows whether the rates (minimum charge) are within the capability of the low - income group (LIG) to pay.

G. *Justification of Assumption*. Indicates the explanations relative to the data and information utilized in the projection. In making assumptions, reference should be made to the district's past data and experiences in at least two years of prior operations, except in instances where the district is newly organized or where no data are available. In this case, reference could made to appropriate industry averages.

# ADJUSTMENT OF WATER RATES

## POWER COST ADJUSTMENT

This formula is applied when water is pumped using electricity.

$$PCA = (PCa - PCb) (Bb/Aa)$$

Where:	PCA	=	Power - Cost Adjustment in P/cu.m
	PCa	=	Current Power Cost per cu.m
	PCb	=	Base Power cost per cu.m
	Ba	=	Total Water Currently Billed in cu.m
	Bb	=	Total Water Produced in cu.m

*Revised Formula (September 11, 2011)*

$$PCA = ((PCa / 1+EF)-PCb)(Ba-Bb)$$

Where:	PCA	=	Power - Cost Adjustment in P/cu.m
	PCa	=	Current Power Cost per cu.m
	PCb	=	Base Power cost per cu.m
	Ba	=	Total Water Currently Billed in cu.m
	Bb	=	Total Water Produced in cu.m
	EF	=	Escalation Factor (inflation rate as provided by NEDA per LWUA BOT Res. No. 105 series 1998)

## FUEL COST ADJUSTMENT

This formula is applied when water pumped using fuel.

$$FCA = (FCa - FCb) (Bb/Ba)$$

Where:	FCA	=	Fuel - Cost Adjustment in P/cu.m.
	FCa	=	Current Fuel Cost per cu.m.
	FCb	=	Base Fuel Cost per cu.m.
	Ba	=	Total Water Currently Billed in cu.m.
	Bb	=	Total Water Produced in cu.m.

*Revised Formula (September 11, 2011)*

$$FCA = ((FCa / 1 + EF) - FCb) (Ba / Bb)$$

Where:	FCA	=	Fuel - Cost Adjustment in P/cu.m
	PCa	=	Current Fuel Cost per cu.m
	PCb	=	Base Fuel cost per cu.m
	Ba	=	Total Water Currently Billed in cu.m
	Bb	=	Total Water Produced in cu.m
	EF	=	Escalation Factor (inflation rate as provided by NEDA per LWUA BOT)

**LABOR COST ADJUSTMENT**

This formula is applied in the instance of mandatory wage increases imposed either through wage orders release by the National Labor Relations Commission (NLRC) or Congressional action.

	LCA	=	ALC - ELC
Where:	LCA	=	Labor - Cost Adjustment in P/cu.m
	ALC	=	Adjusted Labor Cost in P/cu.m.
		=	$\frac{\text{New Salary}}{\text{Revenues}} \times \text{Official Rate}$
	ELC	=	Existing Labor Cost in P/cu.m.
		=	$\frac{\text{New Salary}}{\text{Revenues}} \times \text{Official Rate}$

**FOREIGN EXCHANGE COST ADJUSTMENT**

This formula is applied when the costs of the materials being used by the district which are imported are affected by the fluctuation of the foreign exchange.

	FEA	=	(OER) ER - ER
Where:	FEA	=	Foreign Exchange - Cost adjustment in P/cu.m
	OER	=	Official Exchange Ratio, P/US\$(Using CB figure)
		=	$\frac{\text{Current Exchange Rate (Using CB figure)}}{\text{Previous Exchange Rate (Using CB figure)}}$
	ER	=	Effective Rate
		=	$\frac{\text{Total Sales, P}}{\text{Total Billing, cu.m.}}$

# PUBLIC HEARING FOR WATER RATE INCREASE

## LEGAL BASIS

*Sec. 63 of PD 198*, as amended. “The rates or charges established by such local district, after hearing shall have been conducted for the purpose, shall be subjected to review by the Administration to establish compliance with the above stated provisions.”

*Sec. 5 of LOI 700*. “The water district concerned shall conduct public hearings prior to any proposed increase in water rates.”

*Sec. 3 of LOI 744*. “The Local Water Utilities Administration and each water districts shall prepare a public education program which shall concentrate on the need and methods for water conservation, water rates, water facilities requirements and need for financing, other related aspects of water district operations. They shall, in addition, prepare a comprehensive program and system of public consultation, both formally in hearings and informally through an education program, when considering increases in water rates, particularly at the time when water districts initiate operation.”

## INTRODUCTION

A public hearing in the context of this subject means a forum or a medium of public discussion or consultation between the water district and its constituency, the primary purpose of which is to inform the latter about a proposed water - rate increase and the appertaining justifications.

For the concessionaires and the general public, this undertaking serves as a venue for airing their opinions, criticisms and counter suggestions to the issues at hand.

A public hearing for any proposed water - rate increase may be conducted in the following instances:

- A) Presentation of initial metered rates, with or without project.

- B) Presentation of subsequent rate increase in connection with proposed project implementation, and/or for reason of increase in operational costs.
- C) Presentation of a series of committed rate increases brought about by loan restructuring agreements with LWUA.
- D) For special cases, which includes the presentation of cost adjustment rate formulas.

The activities required in the conduct of public hearing are grouped into three stages, namely: pre - public hearing stage, public hearing stage, and post public hearing stage.

#### **PRE - PUBLIC HEARING STAGE**

All proposals for rate increase are to be coordinated first with LWUA for advice and/or consultation. If a proposal is found to be in conformance with existing policies and legal requirements, the district may proceed with the necessary preparations.

Prior to the public hearing, the district must undertake an intensive public information program in the areas directly affected. Broadcast media may be harnessed to ensure wide dissemination of the districts programs and to enlist public support for the rate increase. The print media may likewise be harnessed in cities or urbanized towns where there are local newspapers. The appropriate dialogues with local leaders, through barangayan or community assembly, may also be undertaken.

*Public information programs.* It is recommended that public information projects proceed on the basis of four steps:

- A) Research. To determine attitudes and opinions that public information questionnaires, personal and telephone interviews, focus groups, and other methods.

B) Planning. To identify target audiences as well as decide the messages to be conveyed and the media through which to deliver them. The target audiences include customers and other governmental units. The messages include:

- (1) The reasons for the project.
- (2) Description of how the improvements would benefit customers.
- (3) Comparison with water rates in other communities.
- (4) Comparison with other commodities.
- (5) Comparison with other utilities.
- (6) What the increase will mean to the average customer.

The media include:

- (1) News - print and electronic.
- (2) Direct mail.
- (3) Presentations.
- (4) Public meetings.

C) Implementation. Carrying out the plan.

D) Evaluation. Throughout the program so that adjustments can be made. The public also provide the ultimate evaluation of the districts efforts.

The issuance of notices for public hearing must conform with the following requirements:

A) Notices are to be disseminated to the existing and prospective concessionaires, opinion ledgers, and local officials at least 15 days prior to the schedule. Each notice contains the following information:

- (1) Purpose of the hearing;
- (2) Schedule of proposed rates increases as adopted by the CIWD Board;
- (3) Place, date and time.

B) Notices are to be posted in conspicuous public places, at least seven (7) days before the hearing if the district covers two or more municipalities/cities.

## **PUBLIC HEARING STAGE**

The district is responsible for the conduct of the public hearing program. The time and venue may be such to ensure the best attendance of concessionaires. The program must allocate sufficient time for the presentation of justifications of the rate increase and accommodate comments and counter proposals, if any.

In all public hearings, at least LWUA representative must be present to provide factual information, closely observe the proceedings, and assess whether the public generally accepted the water rates proposal. The members of the district Board may also be present to answer possible questions appertaining to their functions.

Where the district comprises just one city/municipality but covering several barangays; where the service area covers a wide territorial jurisdiction; or when the magnitude of increase is significant, the district may resort to multiple presentation through different barangays.

Where the district service area covers more than one city/municipality, public hearings must be conducted in each city/municipality covered.

## **POST PUBLIC HEARING STAGE**

After the conduct of the public hearing, all documents necessary to support approval of the water - rate increase are to be submitted as soon as possible to facilitate the processing thereof within a reasonable time.

The following documents are to be submitted by the water district to LWUA:

- A) Copy of the Notice of public hearing duly circulated and received;
- B) Minutes in public hearing;
- D) Pictures taken during hearing (optional);
- E) Details of community dialogues conducted (barangayan).

The LWUA representative must submit to the Administrator a report containing the following information:

- A) The date, time, and place of the public hearing.
- B) Summary of attendance, i.e., officials, district and LWUA representatives, concessionaires, media representatives, etc.
- C) An assessment of the public acceptance of the water rate increase.

### **OPPOSITION TO NEW RATES**

In some cases, advocates against water rate increase resort to court action, seeking court injunctions to stop the enforcement to new rates. In such event, the district is well advised to be knowledgeable of administrative requirements for rates implementation which consist of the following:

- A) Public hearing for the purpose.
- B) Board Resolution adopting rates.
- C) Review, approval and confirmation of the rates by LWUA.
- D) Observe of the effectivity period of implementation.

After LWUA's confirmation, the new rates are deemed effective and enforceable seven (7) days after public posting in the district. Should any complaints against these rates arise, such complaints should be filed within three (3) days after posting with the National Water Resources Board (NWRB). Said office is given thirty (30) days within which to take action, which action if unacceptable to complainants may be elevated to the Office of the President.

In case, therefore, of any court proceeding, the district must consider the following aspects:

- A) Exhaustion of all administrative remedies.
- B) Other consideration besides the legal aspects.

The chance of the district in winning court cases is greater provided it has taken all the proper steps in the formulation and adoption of its water rates.

### **VALIDITY OF PUBLIC HEARING**

Public hearing remains valid if the level of rates presented in such hearing is the same as that being submitted to LWUA for review and approval. Otherwise, another public hearing must be conducted if the level rates is higher than what was originally presented in said hearing.

# REVIEW OF WATER RATES

## LEGAL BASIS

It has often been the misconception that once water rates are presented and accepted in a public hearing, the process is already enough to warrant implementation, provides that the rates and changes established by the Local Water Utility, after hearing is conducted for the purpose, are subject to review by the Administration to establish compliance with the above-stated provisions.

It should be understood that the review of rates includes approval by the Administrator and subsequent confirmation by the LWUA Board of Trustees.

## DOCUMENTARY REQUIREMENTS

In order for the rates to be reviewed, the following documents are needed to be submitted by the water district:

- A. *District Board Resolution*, adopting the water rates. The resolution must indicate the rate schedule/s and the expected date/s of implementation.
- B. *Minutes of Public Hearing*, integrating the proceeding involved in the conduct of the hearing and indicating the rate schedule/s and the expected date/s of Implementation. A copy of the attendance and where applicable, photographs taken during the conduct of the hearing may, likewise be included.
- C. *Cash flow Projection*, covering the period within which the rate schedule/s are to be effective. This is prepared using a prescribed format.

D. *Consumption Patterns*, covering the preceding six-month period separately for the residential and commercial usage. These are presented in prescribed charts.

E. *Water District Profile*, serves as a window to the water district operations. This is prepared in a prescribed form.

## **EFFECTIVITY**

Water rates, once confirmed, are executory and enforceable after the lapses of seven (7) calendar days from posting in a public place in the locality of the water district, without prejudice to an appeal being undertaken by the water concessionaire to the National Water Resources Board (NWRB) whose decision is appealable to the Office of the President. An appeal to the NWRB must be perfected within 30 (thirty days) days after the expiration of the seven-day period of posting. The board will decide on the appeal within thirty (30) days from perfection.

For practical intents and purposes, the start of implementation is deemed as the consumption month following the seven-day posting period.

## **PROVISIONAL IMPLEMENTATION**

In instances where there is inconceivable urgency for the district to implement the established water rates and when such could not wait for the final review by the Administration, a district may be authorized provisional implementation of the rates, subject to the following conditions:

A. The rate increase is in conformity with the provisions of Section 63 PD 19 (as amended), LOI 700 and other applicable policies and guidelines.

B. A majority of the consumers and the local government officials do not object to the new rates as certified by the hearing officer.

C. There is urgency to implement the increase within thirty (3) days immediately following the month of public hearing under the following conditions:

(1) The district has an existing negative cash flow.

(2) The provisional implementation of the rates is necessary to avert an imminent negative cash flow.

D. The provisional implementation of the rates is executory and enforceable after the lapse of seven(7) calendar days from posting and will remain effective for a period of ninety(90) calendar days from the date of approval of the provisional implementation.

E. The provisional implementation is without prejudice to an exception being taken by water concessionaires to LWUA within (30) calendar days from said implementation. LWUA must make decision within (30) calendar days from the time of receipt of the exception to the provisional implementation.

F. The rates must be elevated to the LWUA Board for confirmation within sixty (60) calendar days from the date of approval of the provisional implementation.

Notwithstanding the above - stated conditions, the provisional implementation may only be granted when all documentary requirements for the review of the rates are submitted.

# OPERATION & MAINTENANCE POLICY 2015



Republic of the Philippines  
PROVINCE OF ISABELA  
**CITY OF ILAGAN WATER DISTRICT**  
Maharlika Highway, Brgy. Osmeña  
City of Ilagan, Isabela

## RESOLUTION NO. 15 Series of 2015

**A RESOLUTION APPROVING THE IMPOSITION OF THE SERVICE CONNECTION AND WATER METER MAINTENANCE FEE TO BE CHARGED THE CITY OF ILAGAN WATER DISTRICT CONSUMERS PURPOSELY FOR THE PLANNED AND TIMELY MAINTENANCE AND REPAIR OF ALL SERVICE CONNECTIONS AND WATER METERS ENHANCING THE ASSURANCE OF QUALITY, SAFE AND CONTINUOUS DISTRIBUTION OF WATER.**

WHEREAS, the City of Ilagan Water District (CIWD), a duly registered and operating Government Owned and Controlled Corporation (GOCC) with mandate of providing Level III potable water supply services in the City of Ilagan, province of Isabela;

WHEREAS, CIWD policies and regulations on service connections, as well as its water service contract with the consumers, provides charges for the installation cost for all new service connections from the distribution main to the water meter, all to be located in the public Right-Of-Way (ROW) where it would be interconnected with the consumers in-house plumbing;

WHEREAS, CIWD requires the installation of standard materials, water meters and appropriate connections to assure water supply against contamination, prevent water losses and undue damages to the system;

WHEREAS, these service connections and water meters are exposed to various elements, natural wear and tear, changes in the environment causing deterioration and damages that may lead to degradation of water quality, stoppage of water service, inaccuracy in billing registration and water losses, where affected consumer/s may not have the capability and ready resources to implement such repairs;

WHEREAS, **Presidential Decree (PD) 198**, as amended, provides **Section 37, Rates and Charges – Water** – A district may sell water under its control, under schedules of rates and charges as maybe determined by the Board, to any and all water users within the district. Said schedule may provide for the differential rates for different categories of use and different quantity blocks. **The district, as far as practicable, shall fix such rates to provide funds for the maintenance and repairs of service connections and water meters:**

WHEREAS, to prevent and minimize such deterioration in the service connection and water meters, likewise restore interrupted water service to the least inconvenience and conservation of would-be water losses, planned maintenance and quick response programs shall be instituted;

WHEREAS, above situation, if not appropriately attended to would cause the occurrence of water contamination, costlier repairs, service interruptions and inaccuracy of water meter, increase in Non-Revenue Water (NRW), will ultimately redound to increase in tariffs and charges;

WHEREAS, to preempt and cushion increases of future water tariff, there is a need to generate fund to institutionalize the service connection and water meter maintenance;

WHEREFORE, on motion and duly seconded, be it--

RESOLVED, as it is hereby resolved approving imposition of Service Connection and Water Meter Maintenance Fee to be charged to the City of Ilagan Water District (CIWD) consumers exclusive of the current schedule of water rates and other fee, to be billed and collected together with the monthly water billing in the schedule the following schedule:

<u>METER SIZE</u>		<u>MONTHLY FEE</u>
(1/2") 15 mm	P	10.00/month
(3/4")		15.00/month
(1")		20.00/month
(1-1/2")		25.00/month
(2")		30.00/month
(3") and above		40.00/month

RESOLVED FURTHER, that a separate and independent account shall be kept for the Service Connection and Water Meter Maintenance Fee, where only programs and works related to service connection and water meter maintenance shall be charged, provided that such program shall have the prior approval of the CIWD Management;

RESOLVED FURTHERMORE, that no amount shall be collected from the consumers for the maintenance of their service connections and water meters, repairs and replacement, provided that the same shall have been included in the approved program and/or were certified to have been damaged or lost beyond the consumer's responsibility as stipulated in the water service contract;

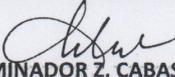
RESOLVED FURTHERMORE, that all consumers shall be duly informed, this resolution appropriately posted in conspicuous places and furnish the Local Water District Administration - Quezon City, LGU-Ilagan and the Barangay Captains in the covered area of operation for their information and ready reference;

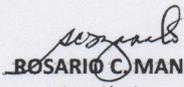
RESOLVED FINALLY, that this resolution shall take effect immediately where the maintenance fee shall be billed and collected in January 2016 Billing;

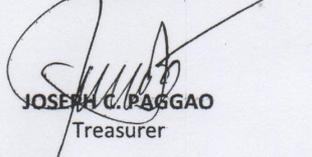
APPROVED UNANIMOUSLY by all members of the Board this 10<sup>th</sup> day of December, 2015 at the City of Ilagan Water District Office, Osmeña, City of Ilagan, Isabela.

=====

WE HEREBY CERTIFY to the correctness of the foregoing administrative policy.

  
**DOMINADOR Z. CABASAL**  
 Chairman

  
**ROSARIO C. MANALO**  
 Vice-Chairman

  
**JOSEPH C. PAGGAO**  
 Treasurer

  
**MA. KAREN B. ESTAVILLO**  
 Secretary

  
**MARIO B. UGTO**  
 Member

# OPERATION & MAINTENANCE POLICY 2016



Republic of the Philippines  
PROVINCE OF ISABELA  
**CITY OF ILAGAN WATER DISTRICT**  
CCC 090  
Maharlika Highway, Brgy. Osmeña  
City of Ilagan, Isabela

## **RESOLUTION NO. 11 s. of 2016**

A RESOLUTION AUTHORIZING THE CITY OF ILAGAN WATER DISTRICT (CIWD) TO IMPLEMENT THE VARIOUS CHARGES ON REGISTRATION, RECONNECTION, TRANSFER FEE, BULK WATER SUPPLY, CONSUMER'S DEPOSIT, PENALTY CHARGES AND RENTAL FEES.

**WHEREAS**, the City of Ilagan Water District (CIWD) is a self-subsidized Government Owned and Controlled Corporation (GOCC) formed, duly organized and existing under and by virtue of PD 198, as amended;

**WHEREAS**, CIWD has been currently implementing various charges that were duly approved per Operation and Maintenance Policy No's. 01 and 02, series of 2010 and 2011, respectively;

**WHEREAS**, CIWD management, conforming with the review and re-assessment of said current charges for at least every three (3) years or as the need arises subject to price escalation, work upgrading processes and other prevailing circumstances;

**WHEREAS**, CIWD management prudently and diligently reviewed, evaluated and assessed the current charges and come up with the following proposals:

- a) **THAT** Registration Fee is to cover incidental expenses in the conduct of ocular inspection, assessment, evaluation, tapping, installation and notarization of legal documents required. It shall be computed at 10% increment every 3 years multiplied by the prescribed conversion factor as provided in the LWUA Manual on Water Rates and Related Practices. Other charges subject to new service connection application are to cover the cost of water meters, service connection materials and fittings to include excavation works in various site conditions in excess of 6.0 meters, pro-rated at P15.00/m for natural ground and P30.00/m for concreted/paved areas;
- b) **THAT** Transfer Fee is to cover incidental expenses for relocating an active service connection to a new site as requested by the consumer. Cost of materials and excavation works in excess of 6,0m reference to the transfer shall also be charged to the consumer as provided herewith;
- c) **THAT** Re-connection Fee is to cover the incidental expenses for the re-activation of disconnected water services subject to various cases where Case I, defined as Enforced Disconnection of water services due to arrears for more than 2 months; Case II, defined as Conditional Voluntary Disconnected Water Service Connection with arrears less than 2 months; and Case III, defined as Conditional Voluntary Water Service Disconnection with no arrears. A pro-rated charges according to size and classification shall be computed at 50% of the corresponding registration fee. Cost of materials required in addition to the arrearages shall also be paid by the consumer on top of the re-connection fee;
- d) **THAT** Consumer's Deposit shall be required upon application for new service connection, equivalent to 2 months prevailing minimum charge conforming to the service connection size and classification, with the exemption of government classification;
- e) **THAT** Temporary Water Service Connection shall be charged half the rate of prevailing registration fee per classification and size plus a bond of P15,000.00 to

be refunded upon final settlement of current billing charges, or may be used to offset the due current billing charges if the bond amount is more than enough to cover the required billing. Materials and labor installation shall be provided by CIWD at the cost of the consumer;

- f) **THAT** Service Connection Extension of an active member living within the same compound shall be allowed provided however that:
- A waiver should be secured from the active member;
  - A bigger size of service connection including water meter shall be upgraded;
  - all cost of materials and labor shall be shouldered by the concerned applicant; and
  - conform to the minimum charge according to the classification, service connection and meter size to be provided;
- g) **THAT** Bulk water supply, maybe metered or unmetered are seasonal provision of water as the need arises during sports, socio-cultural activities and to include water requirements for construction, rehabilitation, Accounted For Water (AFW) and repair works that resulted from damages in the water supply lines. Rates shall be determined conforming to the provisions of the LWUA-MOWRARP size and classification of the service connection;
- h) **THAT** Penalty Charges in violation of the Water Crisis Act as provided in PD 198 and RA 8041 and shall be as follows:
- 1<sup>st</sup> offense: P4,000.00;
  - 2<sup>nd</sup> offense: 6,000.00;
  - 3<sup>rd</sup> offense: permanent disconnection and/or imprisonment or both; and
  - Connivance of CIWD employee shall be dealt with in accordance to the provisions of said law;
- i) **THAT** charges for OTHER FEES and RENTAL FEES shall be:

• **Issuance of Certification –**

- Certificate of employment (for former CIWD employees): P 100.00;
- Certification of payment/of NO outstanding balance/with outstanding balance & other minor issuances: P 100.00;
- Certification of water provision: P 500.00;
- Certification of water potability: P 1,000.00;

• **Change of registered name:** P 100.00;

- **Xerox:** P1.00 per page (short)  
1.50 per page (long);

• **Equipment & Facilities Rental:**

➢ **Air Compressor w/Jack Hammer:**

Mobilization:

- 1<sup>st</sup> 5km: 1,100.00;
- 6 – 50m: 2,200.00;
- 51-100m: 3,300.00;
- Rate per hour: 1,100.00/hour

**Note:** Fuel to be replenished by renter or P385.00/hour  
Equipment Operator will be provided by CIWD

➢ **Concrete cutter:**

- 1<sup>st</sup> 5km: 550.00;
- 6 – 50m: 825.00
- 51-100m: 1,650.00
- Rate per hour: 275.00/hour

**Note:** Fuel to be replenished by renter or P110.00/hour  
Equipment Operator will be provided by CIWD

- **Roof deck rental** (for all occasions : 4hrs – 1 day): P 3,000.00;



**WHEREFORE**, on collective motion, be it ---

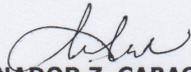
**RESOLVED, AS IT IS HEREBY RESOLVED** to authorize the City of Ilagan Water District (CIWD) to implement the various charges on registration, reconnection, transfer fee, bulk water supply, consumer's deposit, penalty charges and rental fees;

**RESOLVED FURTHER** that the Operation & Maintenance Policy shall take effect July 1, 2016 as per attached table schedule of various sizes ("Annex A");

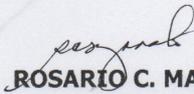
**RESOLVED FURTHERMORE** that this Resolution be furnished the Commission on Audit (COA) and the Local Water Utilities Administration (LWUA) for their information and ready reference;

**APPROVED UNANIMOUSLY** by all members of the Board this 12<sup>th</sup> day of May, 2016 at the City of Ilagan Water District Office, City of Ilagan, Isabela.

**WE HEREBY CERTIFY** to the correctness of the foregoing resolution.



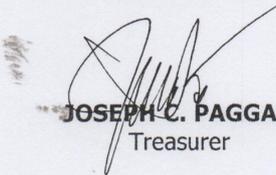
**DOMINADOR Z. CABASAL**  
Chairman



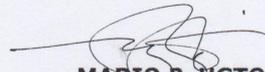
**ROSARIO C. MANALO**  
Vice Chairman



**MA. KAREN B. ESTAVILLO**  
Secretary



**JOSEPH C. PAGDAO**  
Treasurer



**MARIO B. UGTO**  
Member

City of Ilagan Water District  
REGISTRATION - RECONNECTION - TRANSFER FEE SCHEDULE  
PER BOARD RESOLUTION NO. 11, s. 2016

SERVICE CONNECTION CLASSIFICATION	REGISTRATION FEE	RECONNECTION FEE			TRANSFER FEE	CONSUMER'S DEPOSIT	TEMPORARY SERVICE CONNECTION FEE
		CASE 1	CASE 2	CASE 3			
RESIDENTIAL (½" - 1" Ø)	1,800.00	900 + AR	769 + AR	690.00	900.00	2-mo's. prevailing min. charge	1,100.00
GOVERNMENT (½" - 1" Ø)	2,200.00	1,100 + AR	935 + AR	840.00	1,100.00	2-mo's. prevailing min. charge	1,100.00
2" Ø	2,420.00	1,200 + AR	1,030 + AR	925.00	1,210.00	2-mo's. prevailing min. charge	12,670.00
3" Ø	2,660.00	1,330 + AR	1,130 + AR	1,020.00	1,330.00	2-mo's. prevailing min. charge	19,425.00
4" Ø	2,930.00	1,465 + AR	1,245 + AR	1,120.00	1,465.00	2-mo's. prevailing min. charge	31,615.00
COMMERCIAL "C" (½" - 1" Ø)	2,700.00	1,250 + AR	1,060 + AR	960.00	1,250.00	2-mo's. prevailing min. charge	1,100.00
2" Ø	2,970.00	1,375 + AR	1,170 + AR	1,050.00	1,375.00	2-mo's. prevailing min. charge	12,670.00
3" Ø	3,270.00	1,510 + AR	1,280 + AR	1,155.00	1,510.00	2-mo's. prevailing min. charge	19,425.00
4" Ø	3,600.00	1,670 + AR	1,420 + AR	1,280.00	1,670.00	2-mo's. prevailing min. charge	31,615.00
COMMERCIAL "B" (½" - 1" Ø)	3,300.00	1,650 + AR	1,400 + AR	1,260.00	1,650.00	2-mo's. prevailing min. charge	1,100.00
2" Ø	3,630.00	1,815 + AR	1,540 + AR	1,390.00	1,815.00	2-mo's. prevailing min. charge	12,670.00
3" Ø	4,000.00	2,000 + AR	1,700 + AR	1,530.00	2,000.00	2-mo's. prevailing min. charge	19,425.00
4" Ø	4,400.00	2,200 + AR	1,870 + AR	1,680.00	2,200.00	2-mo's. prevailing min. charge	31,615.00
COMMERCIAL "A <sub>2</sub> " (½" - 1" Ø)	3,800.00	1,900 + AR	1,615 + AR	1,450.00	1,900.00	2-mo's. prevailing min. charge	1,100.00
2" Ø	4,200.00	2,100 + AR	1,785 + AR	1,610.00	2,100.00	2-mo's. prevailing min. charge	12,670.00
3" Ø	4,600.00	2,300 + AR	1,955 + AR	1,760.00	2,300.00	2-mo's. prevailing min. charge	19,425.00
4" Ø	5,100.00	2,550 + AR	2,170 + AR	1,950.00	2,500.00	2-mo's. prevailing min. charge	31,615.00
INDUSTRIAL (COMM'L. A <sub>1</sub> )							
(½" - 1" Ø)	4,400.00	2,200 + AR	1,870 + AR	1,680.00	2,200.00	2-mo's. prevailing min. charge	1,100.00
2" Ø	4,850.00	2,425 + AR	2,060 + AR	1,855.00	2,425.00	2-mo's. prevailing min. charge	12,670.00
3" Ø	9,350.00	2,675 + AR	2,275 + AR	2,050.00	2,675.00	2-mo's. prevailing min. charge	19,425.00
4" Ø	5,900.00	2,950 + AR	2,500 + AR	2,260.00	2,950.00	2-mo's. prevailing min. charge	31,615.00

**BULK WATER SUPPLY**

Bulk water supply, maybe metered or unmetered is a seasonal provision of water as the need arises during sports and socio-cultural activities, including water requirements during construction, rehabilitation, Accounted For Water (AFW) & repair works that resulted from damages in the water supply lines.

PIPE/METER SIZE	CHARGES
1" Ø - 6" Ø	prevailing minimum charge conforming to the provision of the LWUA-MOWRARP.

## **BILLING ADJUSTMENT POLICY**

In accordance to the billing adjustment policy resolved by the Board of Directors of City of Ilagan Water District during its regular meeting held in April 3, 2009 at the Ilagan Water District Office, the following policies are hereby provided for management of City of Ilagan Water District to adopt.

### **BILLING ADJUSTMENT POLICY (BAP) No. 01 Series 2009**

#### **Waving of Penalties and surcharges derived from late payment:**

- Case 1: May apply to establishment and government agencies whose funding for such are sourced out from their respective Central offices.
- Case 2: May apply to City Government-Ilagan, Provincial Government of Isabela and their subsidiaries.
- Case 3: May apply to consumers whose billing are under protest and are subject to billing adjustment and verification.

### **BILLING ADJUSTMENT POLICY (BAP) No. 02 Series 2009**

#### **Interior Leak:**

Water loss is located after the water meter and within the in-house plumbing system.

- For minimum consumption (1 - 10 cu.m) - no adjustment required, apply regular water rates.
- For billing exceeding the minimum consumption.

$BAP \#02 = ABC + BA (CRW)$

Where ABC = Average Billing (normal) consumption of last 3 months.

BA = difference of average last 3 months (normal) consumption and current month consumption (cu.m).

CRW = Cost of Raw Water (in pesos per cu.m)

Where:  $CRW = \frac{\text{Power Cost} + \text{Depreciation Cost}}{\text{Production (cu.m)}}$

**BILLING ADJUSTMENT POLICY (BAP) No. 03**  
**Series 2009**

**Turbid Water:**

Where water physical properties exceed the Philippine National Standards for Drinking Water (PNSDW) parameters as to color and high presence of sediment formation is visible.

- For minimum consumption (1 - 10 cu.m): No adjustment required, apply regular water rates.
- For billing exceeding the minimum consumption

$$BAP \#03 = ABC + BA (CRW)$$

Where ABC = Average Billing (normal) consumption of last 3 months.

BA = difference of average last 3 months (normal) consumption and current month consumption (cu.m).

CRW = Cost of Raw Water (in pesos per cu.m)

Where:  $CRW = \frac{\text{Power Cost} + \text{Depreciation Cost}}{\text{Production (cu.m)}}$

**BILLING ADJUSTMENT POLICY (BAP) No. 04**  
**Series 2009**

**Excessive Air Pressure**

Presence of excessive air within the distribution system causing abnormal flow of water and water meter registry.

- For minimum consumption (1 - 10 cu.m): No adjustment required, apply regular water rates.
- For billing exceeding the minimum consumption

$$BAP \#04 = ABC + BA (CRW)$$

Where ABC = Average Billing (normal) consumption of last 3 months.

BA = difference of average last 3 months (normal) consumption and current month consumption (cu.m).  
CRW = Cost of Raw Water (in pesos per cu.m)

Where:  $CRW = \frac{\text{Power Cost}}{\text{Production}}$

**BILLING ADJUSTMENT POLICY (BAP) No. 05  
Series 2009**

**On fast, slow and stuck - up water meters including reverse (back flow) cases:**

- For minimum consumption (1 - 10 cu.m): No adjustment required, apply regular water rates. However, water meters shall be dismantled for cleaning, restoration and calibration.
- For billing exceeding the minimum 10 cu.m consumption: Determine ratio and get percentage of water meter readings between consumer's water meter and Testing Kit - water meter. Adjust billing in consideration according to the percentage as computed.
- In cases of stuck - up and back flow, the average last 3 months consumption is determined for billing consideration.

**Policy Effectivity:**

This policy takes effect immediately.

All policies, rule and regulations inconsistent herewith are hereby deemed superseded or amended, accordingly.

Approved unanimously : April 3, 2009 at Ilagan, Isabela.

# LOCAL WATER UTILITIES (LWUA) APPROVED WATER RATES FOR CITY OF ILAGAN WATER DISTRICT

## 1st Step Water Rates (2008)

 Republic of the Philippines  
Province of Isabela  
**ILAGAN WATER DISTRICT**  
2nd Floor Ilagan Public Market  
Ilagan, Isabela  
Tel. # (078) 624-2083

EXCERPTS FROM THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE ILAGAN WATER DISTRICT HELD IN JUNE 04, 2008 3:00 PM AT THE ILAGAN WATER DISTRICT OFFICE 2<sup>ND</sup> FLR. ILAGAN PUBLIC MARKET, ILAGAN, ISABELA.

RESOLUTION NO. 10, S 2008

RESOLUTION APPROVING THE IMPLEMENTATION OF THE LOCAL WATER UTILITIES ADMINISTRATION (LWUA) APPROVED SCHEDULE OF WATER RATES INCREASE FOR THE ILAGAN WATER DISTRICT EFFECTIVE MONTH CONSUMPTION OF JUNE 2008 AND TO BE BILLED NEXT BILLING MONTH (JULY 2008).

WHEREAS, the Ilagan Water District (ILA-WD) in coming with the escalating operation and maintenance cost, statutory obligations and to sustain financial viability has sought to increase it's schedule of water rates;

WHEREAS, the proposed schedule of water rates submitted to the Local Water Utilities Administration (LWUA) for review and evaluation was found to be in accordance with policies in water rates adjustment;

WHEREAS, the proposed water rates were presented in a Public Hearing conducted in March 13, 2008 at MARJS Hotel Function Hall Gangan St. Ilagan, Isabela with documentation and reports submitted to LWUA for approval;

WHEREAS, LWUA Board of Trustees has approved the schedule of water rates for ILA-WD in May 20, 2008 through LWUA-BOT Resolution No. 69, S 2008 with the full schedule of water rates attached hereto and made integral part of this Resolution;

WHEREAS, on unanimous accord of this august body, be it resolved as it is hereby

RESOLVED, to approve the implementation of the LWUA approved schedule of water rates as hereto attached. To take effect on consumption month of June 2008 and to be billed in billing month of July 2008.

RESOLVED FURTHER, that continuance posting in conspicuous places and dissemination in other form of information to the consumers and potential consumers of the ILA-WD the NOTICE OF IMPLEMENTATION of the LWUA approved water rates be made accordingly.

RESOLVED FINALLY, to furnish copy of this Resolution the Local Water Utilities Administration (LWUA) for their information and guidance.

APPROVED: June 04, 2008

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I HEREBY CERTIFY to the correctness of the foregoing Resolution.

  
MA. KAREN B. ESTAVILLO  
Secretary – Protem

Attested by:

  
TOMAS A. BELTRAN  
Chairman

**NOTICE OF IMPLEMENTATION  
OF THE  
APPROVED WATER RATES ADJUSTMENT**

**TO: OUR VALUED CONSUMERS**

**IN COMPLIANCE AND PURSUANT TO SECTION 63 OF PD 198 AS AMENDED, NOTICE IS HEREBY SERVED TO THE PUBLIC THE IMPLEMENTATION OF THE APPROVED WATER RATES ADJUSTMENT AS PER LOCAL WATER UTILITIES ADMINISTRATION (LWUA) BOARD OF TRUSTEES RESOLUTION NO. 69 SERIES OF 2008 DATED MAY 20, 2008 APPROVING THE ILAGAN WATER DISTRICT SCHEDULE OF APPROVED WATER RATES AS PRESENTED IN THE PUBLIC HEARING HELD IN MARCH 13, 2008 AT THE MARJ'S HOTEL FUNCTION HALL, GANGAN ST., ILAGAN, ISABELA. THE APPROVED WATER RATES FOR IMPLEMENTATION EFFECTIVE JULY 2008 BILLING (JUNE 2008 CONSUMPTION) ARE AS FOLLOWS:**

Classification	Size	Minimum Charge	Commodity Charge			
		0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m	41-Up cu.m
RESIDENTIAL / GOVERNMENT	1/2"	290.00	30.25	34.55	40.15	45.60
	3/4"	464.00	30.25	34.55	40.15	45.60
	1"	928.00	30.25	34.55	40.15	45.60
	1 1/2"	2,320.00	30.25	34.55	40.15	45.60
	2"	5,800.00	30.25	34.55	40.15	45.60
	3"	10,440.00	30.25	34.55	40.15	45.60
	4"	20,880.00	30.25	34.55	40.15	45.60
COMMERCIAL / INDUSTRIAL	1/2"	580.00	60.50	69.10	80.30	91.20
	3/4"	928.00	60.50	69.10	80.30	91.20
	1"	1,856.00	60.50	69.10	80.30	91.20
	1 1/2"	4,640.00	60.50	69.10	80.30	91.20
	2"	11,600.00	60.50	69.10	80.30	91.20
	3"	20,880.00	60.50	69.10	80.30	91.20
	4"	41,760.00	60.50	69.10	80.30	91.20

Classification	Size	Minimum	Commodity Charge			
		0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m	41-Up cu.m
COMMERCIAL A	1/2"	507.50	52.90	60.45	70.25	79.80
	3/4"	812.00	52.90	60.45	70.25	79.80
	1"	1,624.00	52.90	60.45	70.25	79.80
	1 1/2"	4,060.00	52.90	60.45	70.25	79.80
	2"	10,150.00	52.90	60.45	70.25	79.80
	3"	18,270.00	52.90	60.45	70.25	79.80
	4"	36,540.00	52.90	60.45	70.25	79.80
COMMERCIAL B	1/2"	435.00	45.35	51.80	60.20	68.40
	3/4"	696.00	45.35	51.80	60.20	68.40
	1"	1,392.00	45.35	51.80	60.20	68.40
	1 1/2"	3,480.00	45.35	51.80	60.20	68.40
	2"	8,700.00	45.35	51.80	60.20	68.40
	3"	15,660.00	45.35	51.80	60.20	68.40
	4"	31,320.00	45.35	51.80	60.20	68.40
COMMERCIAL C	1/2"	362.50	37.80	43.15	50.15	57.00
	3/4"	580.00	37.80	43.15	50.15	57.00
	1"	1,160.00	37.80	43.15	50.15	57.00
	1 1/2"	2,900.00	37.80	43.15	50.15	57.00
	2"	7,250.00	37.80	43.15	50.15	57.00
	3"	13,050.00	37.80	43.15	50.15	57.00
	4"	26,100.00	37.80	43.15	50.15	57.00
BULK / WHOLESALE	1/2"	870.00	90.75	103.65	120.45	136.80
	3/4"	1,392.00	90.75	103.65	120.45	136.80
	1"	2,784.00	90.75	103.65	120.45	136.80
	1 1/2"	6,960.00	90.75	103.65	120.45	136.80
	2"	17,400.00	90.75	103.65	120.45	136.80
	3"	31,320.00	90.75	103.65	120.45	136.80
	4"	62,640.00	90.75	103.65	120.45	136.80

## 2nd Step Water Rates (2012)



Republic of the Philippines  
Province of Isabela  
**ILAGAN WATER DISTRICT**  
2<sup>nd</sup> Floor Ilagan Public Market  
Ilagan, Isabela

EXCERPTS FROM THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE ILAGAN WATER DISTRICT HELD ON NOVEMBER 10, 2011 AT THE ILAGAN WATER DISTRICT OFFICE, 2<sup>ND</sup> FLOOR ILAGAN PUBLIC MARKET, ILAGAN, ISABELA.

### RESOLUTION NO. 10 Series of 2011

A RESOLUTION AUTHORIZING THE MANAGEMENT THRU THE GENERAL MANAGER JOSE MARI G. CLARAVALL TO PROCEED WITH THE PUBLICATION OF THE INCREASE OF 2<sup>ND</sup> STEP IN THE WATER RATES EFFECTIVE JANUARY 2012.

WHEREAS, last March 13, 2008 a public hearing was made to present the existing and the proposed increase in water rates for the year 2008 to 2014;

WHEREAS, said proposals were approved May 20, 2008 per LWUA Board of Trustees Resolution No. 69, s. 2008;

WHEREAS, because of increases in operational expenses, there is a deep need to implement the 2<sup>nd</sup> Step increase in water rates;

WHEREAS, said publication should be made at least 30 days before the date of implementation;

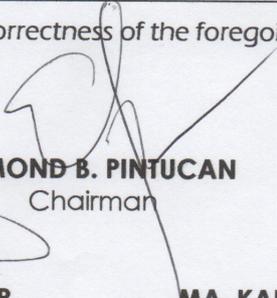
WHEREFORE, by unanimous accord of the members of the Ilagan Water District Board of Directors, it is hereby—

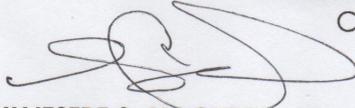
RESOLVED, to authorize the management thru the General Manager JOSE MARI G. CLARAVALL to proceed in the publication of the 2<sup>nd</sup>-step increase in water rates effective January 2012.

APPROVED UNANIMOUSLY, by all members of the Ilagan Water District Board of Directors on November 10, 2011.

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WE HEREBY CERTIFY to the correctness of the foregoing resolution.

  
**EDMOND B. PINTUCAN**  
Chairman

  
**SILVESTRE S. MACUTAY, JR.**  
Vice-Chairman

  
**MA. KAREN B. ESTAVILLO**  
Secretary

  
**ROSARIO C. MANALO**  
Treasurer

  
**DOMINADOR Z. CABASAL**  
Member

**NOTICE OF IMPLEMENTATION  
OF THE  
LWUA APPROVED 2nd STEP WATER RATES**

**TO: OUR VALUED CONSUMERS**

**IN COMPLIANCE AND PURSUANT TO SECTION 63 OF PD 198 AS AMENDED, NOTICE IS HEREBY SERVED TO THE PUBLIC THE IMPLEMENTATION OF THE APPROVED WATER RATES ADJUSTMENT AS PER LOCAL WATER UTILITIES ADMINISTRATION (LWUA) BOARD OF TRUSTEES RESOLUTION NO. 69 SERIES OF 2008 DATED MAY 20, 2008 APPROVING THE ILAGAN WATER DISTRICT SCHEDULE OF APPROVED WATER RATES AS PRESENTED IN THE PUBLIC HEARING HELD IN MARCH 13, 2008 AT THE MARJ'S HOTEL FUNCTION HALL, GANGAN ST., ILAGAN, ISABELA. THE APPROVED 2nd STEP WATER RATES FOR IMPLEMENTATION EFFECTIVE JANUARY 2012 BILLING (DECEMBER 2011 CONSUMPTION) ARE AS FOLLOWS:**

Classification	Size	Minimum Charge	Commodity Charge			
		0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m	41-Up cu.m
RESIDENTIAL / GOVERNMENT	1/2"	320.00	33.35	38.10	44.30	50.30
	3/4"	512.00	33.35	38.10	44.30	50.30
	1"	1,024.00	33.35	38.10	44.30	50.30
	1 1/2"	2,560.00	33.35	38.10	44.30	50.30
	2"	6,400.00	33.35	38.10	44.30	50.30
	3"	11,520.00	33.35	38.10	44.30	50.30
	4"	23,040.00	33.35	38.10	44.30	50.30
COMMERCIAL / INDUSTRIAL	1/2"	640.00	66.70	76.20	88.60	100.60
	3/4"	1,024.00	66.70	76.20	88.60	100.60
	1"	2,048.00	66.70	76.20	88.60	100.60
	1 1/2"	5,120.00	66.70	76.20	88.60	100.60
	2"	12,800.00	66.70	76.20	88.60	100.60
	3"	23,040.00	66.70	76.20	88.60	100.60
	4"	46,080.00	66.70	76.20	88.60	100.60

Classification	Size	Minimum	Commodity Charge			
		0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m	41-Up cu.m
COMMERCIAL A	1/2"	560.00	58.35	66.65	77.50	88.00
	3/4"	896.00	58.35	66.65	77.50	88.00
	1"	1,792.00	58.35	66.65	77.50	88.00
	1 1/2"	4,480.00	58.35	66.65	77.50	88.00
	2"	11,200.00	58.35	66.65	77.50	88.00
	3"	20,160.00	58.35	66.65	77.50	88.00
	4"	40,320.00	58.35	66.65	77.50	88.00
COMMERCIAL B	1/2"	480.00	50.00	57.15	66.45	75.45
	3/4"	768.00	50.00	57.15	66.45	75.45
	1"	1,536.00	50.00	57.15	66.45	75.45
	1 1/2"	3,840.00	50.00	57.15	66.45	75.45
	2"	9,600.00	50.00	57.15	66.45	75.45
	3"	17,280.00	50.00	57.15	66.45	75.45
	4"	34,560.00	50.00	57.15	66.45	75.45
COMMERCIAL C	1/2"	400.00	41.65	47.60	55.35	62.85
	3/4"	640.00	41.65	47.60	55.35	62.85
	1"	1,280.00	41.65	47.60	55.35	62.85
	1 1/2"	3,200.00	41.65	47.60	55.35	62.85
	2"	8,000.00	41.65	47.60	55.35	62.85
	3"	14,400.00	41.65	47.60	55.35	62.85
	4"	28,800.00	41.65	47.60	55.35	62.85
BULK / WHOLESALE	1/2"	960.00	100.05	114.30	132.90	150.90
	3/4"	1,536.00	100.05	114.30	132.90	150.90
	1"	3,072.00	100.05	114.30	132.90	150.90
	1 1/2"	7,680.00	100.05	114.30	132.90	150.90
	2"	19,200.00	100.05	114.30	132.90	150.90
	3"	34,560.00	100.05	114.30	132.90	150.90
	4"	69,120.00	100.05	114.30	132.90	150.90

### 3rd Step Water Rates (2017)



**CITY OF ILAGAN WATER DISTRICT**  
CCC 090  
Maharlika Highway, Brgy. Osmeña  
City of Ilagan, Isabela

**RESOLUTION NO. 2**  
s. of 2017

A RESOLUTION AUTHORIZING THE ADOPTION OF THE LOCAL WATER UTILITIES ADMINISTRATION (LWUA) APPROVED PROVISIONAL IMPLEMENTATION OF THE (3<sup>RD</sup> STEP) ESTABLISHED WATER RATE SCHEDULE FOR THE CITY OF ILAGAN WATER DISTRICT (CIWD) WITHOUT PREJUDICE TO THE EARLIER PROVISIONAL IMPLEMENTATION AS PROVIDED IN THE CIWD BOARD RESOLUTION NO.19, SERIES OF 2016.

**WHEREAS**, the City of Ilagan Water District (CIWD) is in receipt of a Local Water Utilities Administration (LWUA) approved Notice for Implementation for the City of Ilagan Water District (CIWD) provisional implementation of the (3<sup>rd</sup> Step) Water Rate Schedule, copy herein attached forming an integral part of this Resolution;

**WHEREAS**, the said Notice for Implementation has been approved January 23, 2017 and shall be re-posted seven (7) days to rectify what was previously posted, specifically on residential and government rates which should be the same;

**WHEREAS**, the effectivity of the approved provisional implementation of the 3<sup>rd</sup> step water rate adjustments shall be effective and executory for a period of ninety (90) calendar days from date of approval;

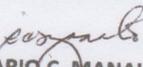
**WHEREFORE**, on unanimous accord of this body, be it ---

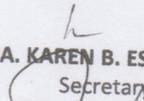
**RESOLVED, AS IT IS HEREBY RESOLVED**, to authorize the adoption of the Local Water Utilities Administration (LWUA) Approved Provisional Implementation of the (3<sup>rd</sup> step) Established Water Rate Schedule for the City of Ilagan Water District (CIWD) without prejudice to the earlier provisional implementation as provided in the CIWD Board Resolution No.19, series of 2016.

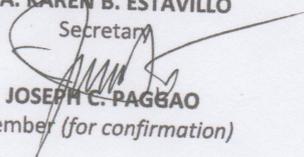
**RESOLVED FURTHER** to furnish copy of this resolution the Local Water Utilities Administration (LWUA), the Department of Budget and Management (DBM) and the Commission on Audit (COA) for their information and ready reference;

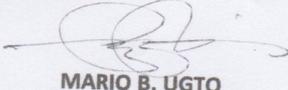
**APPROVED UNANIMOUSLY** by all members of the Board this 8<sup>th</sup> day of February 2017 at the City of Ilagan Water District Office, City of Ilagan, Province of Isabela.

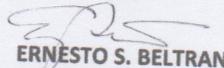
**WE HEREBY CERTIFY** to the correctness of the foregoing resolution.

  
**ROSARIO C. MANALO**  
Vice-Chairman

  
**MA. KAREN B. ESTAVILLO**  
Secretary

  
**JOSEPH C. PAGEAO**  
Member (for confirmation)

  
**MARIO B. UGTO**  
Member

  
**ERNESTO S. BELTRAN**  
Member (for confirmation)

Page 1 of 1

## NOTICE OF IMPLEMENTATION

### SCHEDULE OF WATER RATES APPROVED FOR PROVISIONAL IMPLEMENTATION JANUARY 23, 2017

Classification	Size	Minimum Charge	Commodity Charge			
		0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m	41-Up cu.m
RESIDENTIAL / GOVERNMENT	1/2"	350.00	36.45	41.65	48.45	55.00
	3/4"	560.00	36.45	41.65	48.45	55.00
	1"	1,120.00	36.45	41.65	48.45	55.00
	1 1/2"	2,800.00	36.45	41.65	48.45	55.00
	2"	7,000.00	36.45	41.65	48.45	55.00
	3"	12,600.00	36.45	41.65	48.45	55.00
	4"	25,200.00	36.45	41.65	48.45	55.00
	6"	42,000.00	36.45	41.65	48.45	55.00
	8"	67,200.00	36.45	41.65	48.45	55.00
	10"	96,600.00	36.45	41.65	48.45	55.00
COMMERCIAL / INDUSTRIAL	1/2"	700.00	72.90	83.30	96.90	110.00
	3/4"	1,120.00	72.90	83.30	96.90	110.00
	1"	2,240.00	72.90	83.30	96.90	110.00
	1 1/2"	5,600.00	72.90	83.30	96.90	110.00
	2"	14,000.00	72.90	83.30	96.90	110.00
	3"	25,200.00	72.90	83.30	96.90	110.00
	4"	50,400.00	72.90	83.30	96.90	110.00
	6"	84,000.00	72.90	83.30	96.90	110.00
	8"	134,400.00	72.90	83.30	96.90	110.00
	10"	193,200.00	72.90	83.30	96.90	110.00

Classification	Size	Minimum Charge	Commodity Charge			
		0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m	41-Up cu.m
COMMERCIAL A	1/2"	612.50	63.75	72.85	84.75	96.25
	3/4"	980.00	63.75	72.85	84.75	96.25
	1"	1,960.00	63.75	72.85	84.75	96.25
	1 1/2"	4,900.00	63.75	72.85	84.75	96.25
	2"	12,250.00	63.75	72.85	84.75	96.25
	3"	22,050.00	63.75	72.85	84.75	96.25
	4"	44,100.00	63.75	72.85	84.75	96.25
	6"	73,500.00	63.75	72.85	84.75	96.25
	8"	117,600.00	63.75	72.85	84.75	96.25
	10"	169,050.00	63.75	72.85	84.75	96.25
COMMERCIAL B	1/2"	525.00	54.65	62.45	72.65	82.50
	3/4"	840.00	54.65	62.45	72.65	82.50
	1"	1,680.00	54.65	62.45	72.65	82.50
	1 1/2"	4,200.00	54.65	62.45	72.65	82.50
	2"	10,500.00	54.65	62.45	72.65	82.50
	3"	18,900.00	54.65	62.45	72.65	82.50
	4"	37,800.00	54.65	62.45	72.65	82.50
	6"	63,000.00	54.65	62.45	72.65	82.50
	8"	100,800.00	54.65	62.45	72.65	82.50
	10"	144,900.00	54.65	62.45	72.65	82.50
COMMERCIAL C	1/2"	437.50	45.55	52.05	60.55	68.75
	3/4"	700.00	45.55	52.05	60.55	68.75
	1"	1,400.00	45.55	52.05	60.55	68.75
	1 1/2"	3,500.00	45.55	52.05	60.55	68.75
	2"	8,750.00	45.55	52.05	60.55	68.75
	3"	15,750.00	45.55	52.05	60.55	68.75
	4"	31,500.00	45.55	52.05	60.55	68.75
	6"	52,500.00	45.55	52.05	60.55	68.75
	8"	84,000.00	45.55	52.05	60.55	68.75
	10"	120,750.00	45.55	52.05	60.55	68.75

Classification	Size	Minimum Charge	Commodity Charge			
		0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m	41-Up cu.m
BULK / WHOLESALE	1/2"	1,050.00	109.35	124.95	145.35	165.00
	3/4"	1,680.00	109.35	124.95	145.35	165.00
	1"	3,360.00	109.35	124.95	145.35	165.00
	1 1/2"	8,400.00	109.35	124.95	145.35	165.00
	2"	21,000.00	109.35	124.95	145.35	165.00
	3"	37,800.00	109.35	124.95	145.35	165.00
	4"	75,600.00	109.35	124.95	145.35	165.00
	6"	126,000.00	109.35	124.95	145.35	165.00
	8"	201,600.00	109.35	124.95	145.35	165.00
	10"	289,800.00	109.35	124.95	145.35	165.00

# COLLECTION AGREEMENT

## SM Mart, Inc. (SMI) Agreement

### COLLECTION AGREEMENT

This Agreement entered into by and between :

**SM Mart, Inc.**, duly organized and existing under the laws of the Republic of the Philippines, with office located at J.W. Diokno Blvd. Mall of Asia Complex, Pasay City, represented in this act by its SVP-Controller, RICKY A. LIM, Authorized for this purpose hereinafter referred to as "**SM**".

- and -

**Ilagan Water District (ILA-WD)**, a self-subsidized **Government Owned and Controlled Corporation (GOCC)** duly organized and existing under and by virtue of PD 198 as amended to provide water supply, with office located at 2<sup>nd</sup> Floor Ilagan Public Market, Centro, Ilagan, Isabela represented by its General Manager JOSE MARI G. CLARAVALL hereinafter referred to as "**THE PRINCIPAL**".

### - WITNESSETH - That :

WHEREAS, The PRINCIPAL desires to appoint SM as its collecting agent using Over-the-Counter facilities, and SM has represented that it has the capability to provide such services ;

NOW, THEREFORE, for and in consideration of the foregoing, the parties have agreed as follows :

1. **TERM OF AGREEMENT** - This Agreement shall be effective for a term of one (1) year commencing on the date of signing hereof by the parties and shall be automatically considered renewed from year to year, unless revoked by either party by serving written notice thereof to the other, at least thirty (30) days prior to termination of the agreement, or unless this Agreement is preterminated pursuant to the provisions provided herein.

2. **COVERAGE OF IMPLEMENTATION** - Implementation of this Agreement in SM branch/es shall be covered by a written notice of SM and clearance of the PRINCIPAL, which requires assignment of Teller Code, acceptance by the PRINCIPAL of all systems used for this Agreement, and furnishing the PRINCIPAL with the following information regarding the SM branch/es : branch name, address, telephone numbers, fax number and name of account officer/branch manager.

### 3. PAYMENT ACCEPTANCE POLICIES

3.1. SM shall accept payment from the PRINCIPAL's subscriber if it is accompanied by payment stub from the PRINCIPAL's Statement of Account, from 10:00 a.m. to 8:00 p.m. Acknowledgment Receipt (AR) shall be generated by SM which will serve as proof of payment by the PRINCIPAL's subscriber.

3.2 Acceptable payments from the PRINCIPAL's subscribers shall be in the form of :

3.2.1 Cash

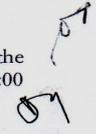
3.2.2 The following items are not acceptable as payments :

- US Dollar cash or other foreign currency
- US Dollar checks or other foreign checks
- Second endorsed checks
- Post-dated checks
- Stale checks

### 4. REPORTING PROCEDURE

4.1 SM shall deposit to the Principal's Depository Account with PHILIPPINE NATIONAL BANK, on or before 12:00 p.m. of the next banking day after receipt of payments and submit a scanned copy of the deposit slip on day two and validated copy of the deposit slip on day three .

4.2 SM shall electronically transmit the Payment Transaction File to the PRINCIPAL's Email address: waterdistrict\_ilagan@yahoo.com on or before 12:00 p.m. of the next business day.



/page 2

4.3 In case of electronic transmission failure, SM shall call the PRINCIPAL to determine cause of transmission failure. The PRINCIPAL may require SM to send by messenger the Payment Transaction File by diskette and send a hard copy of the Abstract of Payment Transaction through fax on or before 9:00 a.m. the next business day to -

Division	<u>COMMERCIAL DIVISION</u>
Reference	<u>MARIA ANA M. TORIBIO</u>
Address	<u>Ilagan, Isabela</u>
Tel. No.	<u>(078) 624-2083</u>
Fax No.	<u>(078) 624-2083</u>

#### 5. OTHER TERMS AND CONDITIONS

5.1 In case of disputes on the PRINCIPAL's subscriber payment/s, SM shall assist the PRINCIPAL in account reconciliation and shall answer queries in writing within three (3) days from receipt. SM shall be liable for the amount being disputed in case of its failure to answer.

5.2 SM shall keep all payment stubs and deposit slips for a period of three (3) months. Thereafter, these documents must be disposed of in such manner that no third party will gain access thereto. In case of reported dispute, SM shall keep related transaction slips and payment stubs until dispute has been settled.

5.3 SM shall, from time to time during business hours, permit the PRINCIPAL's authorized representatives, (i) to examine and make copies of the Daily Transaction Reports ; (ii) to visit the offices of SM for the purpose of examining records and observing conduct of receiving and processing payments; and (iii) to discuss matters relating to the Agreement.

#### 6. LIABILITY OF SM

6.1 SM shall be liable to the PRINCIPAL for failing to deposit the daily collections from the Principal's subscribers if the same is done in bad faith, deliberately or willful misconduct.

6.2 SM shall be liable for all claims or damages arising from the disconnection of service of the PRINCIPAL's subscriber by reason of SM's failure to report payment as agreed upon herein or failure to correct errors as per Section 4.2. In this connection, the PRINCIPAL shall give its subscriber grace period of ten (10) days from notice of disconnection.

#### 7. COMPENSATION AND CHARGES

7.1 SM shall be entitled to service of five (Php 5.00) pesos for every payment transaction processed by SM, which shall be passed on to the PRINCIPAL's clients. The latter shall be issued Tape Receipts as proof of payment. SM shall pay national and local taxes incidental to this Agreement.

7.2 The cost of program modification and installation amounting to five thousand (Php 5,000.00) pesos shall be waived to the PRINCIPAL.

8. TERMINATION - Any party may terminate this Agreement due to insolvency, or bankruptcy, or breach of contract by the other party if the latter fails to remedy the breach within thirty (30) days from receipt of written notice from the aggrieved party.

9. AMENDMENT - Amendment of any provision of this Agreement shall be in writing and signed by both parties.

*Handwritten signature: Maria Ana M. Toribio*

*Handwritten initials: ST*

/page 3

10. ASSIGNMENT - The parties may not assign or delegate any of its undertakings/obligations hereunder without the prior written consent of all the other parties.

11. CONFIDENTIALITY - The parties shall maintain strict confidentiality regarding information on the PRINCIPAL's subscribers and shall not be used for any direct marketing campaign. Any party shall notify the other of any violation of this confidentiality agreement within five (5) days from knowledge of the same.

12. JURISDICTION - Any suit arising from this agreement shall be instituted exclusively in the proper courts of Pasay City.

IN WITNESS WHEREOF, the parties have affixed their signatures on the \_\_\_ day of \_\_\_\_\_ 2012.

SM DEPARTMENT STORES

By :

MR. RICKY A. LIM  
SVP-Controller

SIGNED IN THE PRESENCE OF:

Mr. Dennis L. Yaw  
AVP - Business Center Operations

PRINCIPAL

By:

ENGR. JOSE MARI G. CLARAVALL  
ILA-WD General Manager

Ms. Maria Ana M. Toribio  
ILA-WD Division Manager C Commercial

REPUBLIC OF THE PHILIPPINES )  
METRO MANILA ) S.S.

ACKNOWLEDGMENT

BEFORE ME, this \_\_\_ day of MAR 30 2012 personally appeared:

NAME	CTC NUMBER	DATE OF ISSUE / PLACE OF ISSUE
<u>Mr. Ricky A. Lim</u>	<u>17339266</u>	<u>February 9, 2012 Manila</u>
<u>Engr. Jose Mari G. Claravall</u>	<u>04591614</u>	<u>Ilagan, Isabela January 13, 2012</u>

All known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed as well as that of the corporations they respectively represent.

WITNESS MY HAND AND SEAL in the place and on the date first above-written.

Doc. No. 185  
Page No. 38  
Book No. VIII  
Series of 2012

ATTY. CHRISTINE DUGENHO  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2012  
PTR. NO. 10279532 1/11/12 LP  
IBP. NO. 878344 1/5/12 RSM  
ROLL NO. 40997 TIN 155393996

# Landbank of the Philippines (LBP) Agreement

## MEMORANDUM OF AGREEMENT (For LANDBANK Electronic Payment Portal) (Between LANDBANK and Merchant)

### KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (the "Agreement") made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between:

The **CITY OF ILAGAN WATER DISTRICT (CIWD)**, a government-owned and controlled corporation and existing under and by virtue of Philippine Law, with principal office address at Maharlika Highway, Barangay Osmeña, City of Ilagan, Isabela, represented herein by its General Manager, **ENGR. JOSE MARI G. CLARAVALL**, hereafter referred to as "**CIWD**"

- and -

The **LANDBANK OF THE PHILIPPINES**, a government financial institution created and existing under and by virtue of the provisions of Republic Act No. 3844, as amended under R.A. 10374 and P.D. 251, with principal office address at 1598 M. H. del Pilar cor. Dr. J. Quintos Sts., Malate, Manila, represented herein by its President and Chief Executive Officer, **MR. ALEX V. BUENAVENTURA**, through his duly authorized representative, **ODALINE B. NARAG**, Department Manager, hereinafter referred to as "**LANDBANK**"

(whenever applicable, **PARTIES** or **PARTY** shall refer to both or either **CIWD** or **LANDBANK**)

### WITNESSETH THAT:

**WHEREAS**, the **CIWD**, pursuant to the provisions of Republic Act No. 8792, otherwise known as the "Electronic Commerce Act of 2000," is currently undertaking the modernization of its facility to provide fast and efficient alternative payment collection services to its clientele;

**WHEREAS**, the **LANDBANK Electronic Payment Portal (ePP)**, designed and operated by **LANDBANK** is a web-based system that allows partner-merchants' clients to directly transact with the **LANDBANK** payment gateway or allows partner-merchants to directly interface with the **LANDBANK** payment gateway, whichever is applicable;

**WHEREAS**, under **LANDBANK ePP**, **CIWD** clients may transact business and/or pay their monetary obligations to **CIWD** via the internet using any of the ePayment models being offered by **LANDBANK**, and subject to the terms and conditions appurtenant thereto;

**WHEREAS**, **LANDBANK** has been chosen as the sole depository and financial settlement bank of **CIWD**, subject to the following conditions mutually agreed upon by the **PARTIES**;

**NOW, THEREFORE**, for and in consideration of the foregoing premises and the mutual covenants stipulated herein, the **PARTIES** hereby agree as follows:

#### 1. OBLIGATIONS OF LANDBANK

1.1 Provide the **LANDBANK ePP** to be directly transacted by the **CIWD** clients or to interface, if applicable, with **CIWD's** web application and be able to perform the following:

##### 1.1.1 Online Payment by **LANDBANK** and **CIWD** Clients –

1.1.1.1 The **LANDBANK ePP** shall be made accessible to the clients of both **CIWD** and **LANDBANK** through the web and be able to allow said clients to pay their transactional fees and charges assessed online/manually by **CIWD**;

1.1.1.2 The **LANDBANK ePP** shall be available to cardholders/clients maintaining a Philippine Peso account either with **LANDBANK** or other banks;

1.1.1.3 The **LANDBANK ePP** shall issue a Payment Confirmation Slip as proof of debit to account or an Electronic Official Receipt (eOR) as proof of payment, if available from the **CIWD**; and

1.1.1.4 The **LANDBANK ePP** shall likewise allow the clients of **CIWD** and **LANDBANK** to print copy/ies of the aforementioned slips/receipts relating to their online transactions.

##### 1.1.2 Inquiry by **CIWD** –

1.1.2.1 The **LANDBANK ePP** shall provide information on the number and total amount of transactions/collections per day in accordance with the Report Format provided in the Merchant Payment Inquiry (MPI) Module.

  
MICHAEL R. DELA CRUZ

  
ODALINE B. NARAG

  
RONALD N. LACCAY

  
JOSE MARI G. CLARAVALL

  
MICHAEL R. DELA CRUZ

  
OBALINE B. NARAG

  
RONALD N. LACCAY

  
JOSE MARI G. CLARAVALL

- 1.2 Ensure that necessary LANDBANK ePP security is in place;
- 1.3 Coordinate with the CIWD for the connectivity, user acceptance, and pilot testing, and full implementation of the LANDBANK ePP project where LANDBANK is involved;
- 1.4 Allow the CIWD to put the LANDBANK ePP URL (<https://epaymentportal.landbank.com/>) on their website;
- 1.5 Collect, in accordance with standard business practices and as agreed upon by the PARTIES, reasonable transaction fees from the CIWD clients to recover the cost of the implementation of the LANDBANK ePP and the use of other internet payment gateways; and
- 1.6 Provide the CIWD with the required reports and/or documentation as may be agreed upon by the PARTIES.

2. OBLIGATIONS OF CIWD

- 2.1 Ensure the availability of its internet facility to LANDBANK;
- 2.2 Provide relevant information, data, and/or technical support during the pre-implementation stage up to the full implementation stage of the LANDBANK ePP;
- 2.3 Undertake to define and design the look and feel of the website in accordance with its corporate communications and marketing guidelines; and
- 2.4 Commit to undertake the following:
  - 2.4.1 To designate LANDBANK as the sole depository and financial settlement bank and all of its offices under its jurisdiction; and
  - 2.4.2 Assist LANDBANK in providing information to CIWD clients the appropriate transaction fees that LANDBANK may rightfully impose on said clients' ePayment transactions.

3. TERM AND TERMINATION

- 3.1 This Agreement is in effect when signed by the PARTIES and shall end when either or both PARTIES decide to terminate this Agreement in accordance with the provisions of this Agreement; and
- 3.2 This Agreement may be terminated:
  - 3.2.1 Upon occurrence of the following events of default:
    - 3.2.1.1 The failure of either PARTY to perform any of its obligations pursuant to the terms of this Agreement due to no fault of the other;
    - 3.2.1.2 Any misrepresentation of a PARTY; and
    - 3.2.1.3 In the event of a pattern of continuing or repeated non-compliance, wilful violation, or non-performance of other terms and conditions hereof, which is hereby deemed a material breach of this Agreement.

In such cases, the non-defaulting PARTY may, after thirty (30) calendar days prior written notice, terminate this Agreement, provided, that if upon receipt of such notice, the defaulting PARTY shall promptly and with all due diligence, cure the default within the notice period, then such notice shall be of no force and effect.
  - 3.2.2 Anything in this Agreement to the contrary notwithstanding, any delay in or failure of performance by either PARTY of its obligation under this Agreement shall not constitute default or give rise to any right to terminate this Agreement if, and to the extent that, such delay or failure is caused by an occurrence beyond the reasonable control of such PARTY, including, but not limited to the following: acts of God; compliance with any order of any governmental authority; acts of war, rebellion, insurrection, riots or sabotage; breakdowns; epidemics; or any other case, whether or not of the same class or kind as those specifically described above, not within the reasonable control of the PARTY affected.

Such causes or occurrences affecting performance by either PARTY shall not relieve such PARTY of liability in the event of its concurring negligence, or in the event of its failure to use due diligence to avoid or to remedy the situation.

The PARTY encountering the circumstances referred to above shall without delay provide the other PARTY with detailed information of the events constituting the same.

Upon consultation, both PARTIES shall, decide whether to terminate this Agreement, or to exempt, defer, or suspend the performance of part of obligations of either PARTY. Such decision shall be in writing and signed by their respective representatives.
- 3.2.3 Upon modification resulting to inconsistencies to the provisions of this Agreement, revocation, or substitution with the written and mutual agreement of the PARTIES hereto.
- 3.2.4 Upon the PARTIES' mutual agreement in writing for any cause whatsoever.

4. CONFIDENTIALITY

- 4.1 The PARTIES mutually agree that it will hold any confidential information in strict confidence. Under the terms of confidentiality, the PARTIES agree that any such information will be treated with the utmost confidentiality, and that the PARTIES and their employees/representatives will use reasonable efforts to protect such information in their possession. The PARTIES agree that such information shall not be disclosed to third PARTIES without the prior written consent of the other PARTY, and that the each PARTY will exercise the same degree of care as it applies to protect its own confidential information of similar nature that it does not desire to publish, disclose, or disseminate. This obligation shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement; and
- 4.2 Any information received by either PARTY shall not be considered as confidential information if:
  - 4.2.1 It has been published or is otherwise readily available to the public other than by a breach of this Agreement;
  - 4.2.2 Which may now or hereafter come into public knowledge otherwise than as a result of a breach of an undertaking of confidentiality, or which is obtainable with no more than reasonable diligence from sources other than any of the PARTIES hereto;
  - 4.2.3 Which is required by law to be disclosed to any person who is authorized by law to receive the same;
  - 4.2.4 To a court, arbitrator or administrative tribunal, the course of proceedings before it to which the disclosing PARTY is a PARTY;
  - 4.2.5 It was known to the receiving PARTY prior to its first receipt by such PARTY, shown by files existing at the time of initial disclosure; or
  - 4.2.6 No public announcement or statement regarding the signature, performance or termination of this Agreement shall be issued or made, unless prior thereto all PARTIES have been furnished a copy thereof and have approved the same.

  
MICHAEL R. DELA CRUZ

  
ODALINE B. NARAG

5. LIMITATION OF LIABILITY

Both PARTIES shall hold each other free and harmless from any and all losses, claims, demands, payment suits, actions, recoveries, and judgments of every nature brought by their employees, agents, representatives, sub-contractors, if any, clients, or other third persons, etc., and/or by reason of non-payment of any obligation contracted by it in connection with the services or obligations to be undertaken in this Agreement.

  
RONALD N. LACCAY

6. COMMON PROVISIONS

- 6.1 The PARTIES shall jointly formulate and abide by the guidelines and procedures in the implementation of the LANDBANK ePP, which shall be supplementary to this Agreement and form an integral part hereof;
- 6.2 The PARTIES shall put in place and maintain throughout the Project a mechanism for ongoing consultation between the representative/s of both PARTIES on the progress, implementation, and other issues which may arise in connection with the LANDBANK ePP and the terms and conditions of this Agreement; and
- 6.3 All rights, determinations, discretions, or approvals that may be provided for in this Agreement shall be reasonably exercised in good faith and shall not be unreasonably withheld by any of the PARTIES.

7. GENERAL PROVISIONS

- 7.1 *Amendment.* Any amendments or additional terms and conditions to this Agreement must be in writing, signed, and acknowledged by the PARTIES.
- 7.2 *Review.* This Agreement shall be subject to a yearly review by the PARTIES for the purpose of determining necessary amendments or the continued effectivity hereof.
- 7.3 *Severability.* If any provision of this Agreement is held by competent judicial authority to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the other provisions shall be unaffected.
- 7.4 *Effect of Waiver.* An effective waiver under this Agreement must be in writing signed by the PARTY waiving its right. A waiver by either of the PARTIES of any instance of the other's non-compliance with any obligation or responsibility under this Agreement shall not be deemed a waiver and shall not affect its right to enforce any provision of this Agreement at a subsequent time. All rights and remedies existing under this Agreement are cumulative, and not exclusive of, any rights or remedies otherwise available.
- 7.5 *Settlement of Dispute.* The PARTIES shall endeavor to settle through compromise or amicable settlement any dispute on matters arising from this Agreement. In case the dispute cannot be settled amicably, the PARTIES shall submit to arbitration proceedings in accordance with the provisions of applicable laws.
- 7.6 *Assignment.* A PARTY shall not assign, transfer or encumber its right, title and/or obligation under this Agreement without the other's prior written consent, which shall not be unreasonably withheld, and no right, title, interest and/or obligation herein shall be conferred on or vested in any PARTY without said written consent. It is understood that no assignment shall release the assigning PARTY from any of its obligations hereunder.

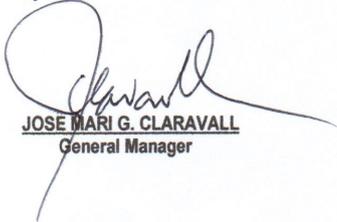
  
JOSE MARI G. CLARAVALL

IN WITNESS WHEREOF, the PARTIES, through their authorized representatives has hereunto signed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 2016 at City of Ilagan, Isabela, Philippines.

DEC 19 2016

NAME OF AGENCY/ COMPANY

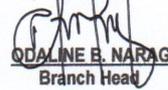
By:

  
JOSE MARI G. CLARAVALL  
General Manager

LANDBANK OF THE PHILIPPINES

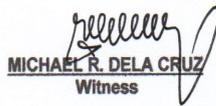
ALEX V. BUENAVENTURA  
President and CEO

Represented by:

  
ODALINE B. NARAG  
Branch Head

SIGNED IN THE PRESENCE OF:

  
RONALD N. LACCAY  
Witness

  
MICHAEL R. DELA CRUZ  
Witness

ACKNOWLEDGMENT

Republic of the Philippines)  
S.S.

CITY OF ILAGAN

BEFORE ME, a Notary Public for and in \_\_\_\_\_ personally appeared:

CITY OF ILAGAN

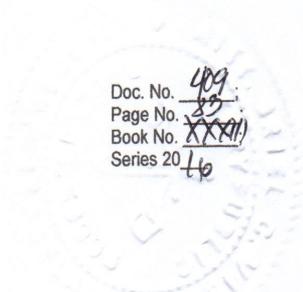
<u>NAME OF CONTRACTING PARTIES</u>	<u>COMPLETE EVIDENCE OF IDENTITY</u>	<u>DATE/PLACE ISSUED</u>
JOSE MARI G. CLARAVALL ODALINE B. NARAG	LBP ID NO. 5068	June 1988/Manila

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged that the same is the free and voluntary act and deed and those of the Agency and Bank represented.

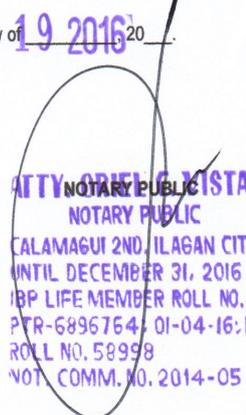
This instrument refers to a Memorandum of Agreement consisting of four (4) pages, including this page on which this Acknowledgment is written, duly signed by the authorized representatives of the PARTIES and their witnesses on each and every page hereof.

IN WITNESS WHEREOF, I hereunto set my hand and set this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

DEC 19 2016



Doc. No. 489  
Page No. 20  
Book No. XXXX  
Series 20 40

  
ATTY. ARIEL S. VISTA  
NOTARY PUBLIC  
NOTARY PUBLIC  
CALAMAGUI 2ND, ILAGAN CITY, ISABELA  
UNTIL DECEMBER 31, 2016  
IBP LIFE MEMBER ROLL NO. 09996; MANILA  
PTR-6896764; 01-04-16; ILAGAN CITY  
ROLL NO. 58998  
NOT. COMM. NO. 2014-05



## **GENERAL ACCOUNTING AND MANAGEMENT INFORMATION**

Accounting is a tool in Financial Management. Information from the accounting system shall determine the productivity and enable to evaluate the performance of the agency's operation, the results of the evaluation is a guide in determining what course of action to follow in future operation.

The accounting system must be comprehensive but flexible to ensure that information can be adhered in a way that these are understood even by those who have no technical knowledge of accountancy.

### **Commercial Practices System (CPS)**

*Commercial Practices System* comprises the prescribed systems and procedures to effectively account for all the transactions, safeguard the assets, promote operational efficiency and provide uniform management information and reporting system among water districts.

### **Benefits from the use of the CPS**

The standard systems and procedures benefit the water district in the following ways:

1. Streamlined procedures, systematic report preparation, and the appropriate distribution of workload result to a more efficient operation in terms of minimal error, if any, timely and reliable reports, savings on supplies and manpower cost and maximize utility of operating resources;
2. Timely and accurate financial and accounting reports make for improved performance evaluation and better decisions;
3. Improved working relationship between management and among the different functional units brought about by proper delineation of functions; and,
4. Improved management of assets and other resources and minimize losses through the institution of internal control measures.

Government Accounting System is defined pursuant to Section 109, PD 1445 as one which “encompasses to analyzing, recording, classifying, summarizing and communicating all transactions involving the receipt and disposition of government funds and property and interpreting the result thereof”.

### **Objectives**

1. To produce information concerning past operations and present condition;
2. To provide a basis for guidance for future operations;
3. To provide control for the acts of the public bodies and officers in the receipt, disposition and utilization of funds and property; and
4. To report on the financial position and results of operations of government agencies for the information of all persons concerned.

**Philippine Financial Reporting Standards (PFRS)** comprises a set of accounting standards developed by Philippine Accounting Standards Board, used as guidance in the preparation of general purpose financial reports.

### **PFRS Objectives**

1. Greater transparency
2. Higher degree of comparability in financial statements.
3. Quality general purpose financial reports.

### **PFRS Policies and Basic Concepts**

COA Circular No. 2015-003 date April 16, 2015 and COA Resolution No. 2015-040 dated December 1, 2015, respectively, provide the following policies and basic features of the PFRS.

**Accrual Accounting** - A modified accrual basis of accounting shall be used. All expenses shall be recognized when incurred and reported in the financial statements in the period to which they relate. Income shall be on accrual basis except for transactions where accrual basis is impractical or when other methods are required by law.

**One - Fund Concept** - This system adopts the One Fund Concept. Separate Fund accounting shall be done only when specifically required by law or by a donor agency, or when otherwise necessitated by circumstances subject to prior approval of the Commission on Audit.

**Asset Method of Accounting** - This method will be followed in recording disbursement when expenditures apply to more than one accounting period. The expenses shall be recorded upon utilization/consumption.

**Financial Statements and reports** - The following reports shall be prepared:

- a. Trial Balance
- b. Balance Sheet
- c. Statement of Changes in Equity
- d. Statement of Income and Expenses
- e. Cash Flow Statement (Direct Method)

Notes to the financial statement should:

- a. Present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and events:
- b. Disclose the information required by Philippine Accounting Standards (PARS) that is not presented elsewhere in the financial statements; and
- c. Provide additional information which is not presented on the face of the financial statements but that is necessary for a fair presentation.

**Two - Money Column Trial Balance** - The two-money column trial balance shall be used

**Financial Expenses** - Financial expenses shall be separately classified from Maintenance and Other Operating Expenses.

**Perpetual Inventory of Supplies and Materials** - Supplies and materials purchased for inventory shall be recorded using the Perpetual Inventory System.

**Valuation of Inventory** - Cost of issued items and ending balance of supplies and material shall be computed using the First in First Out Method.

**Construction of Assets** - For assets under construction, liability shall be recognized as bills are received. Based on the percentage of completion and/or contract. The Construction Period Theory shall be applied for costing purposes.

**Depreciation** - The straight - line method of depreciation shall be used.

**Reclassification of Assets** - Serviceable assets which are no longer used shall be reclassified to "Other Assets" account and shall not be subject to depreciation.

**Allowance for Impairment** - An allowance for doubtful accounts shall be set up for estimated uncollectible trade receivable to allow for their fair valuation.

**Recognition of Liability** - Liability shall be recognized at the time goods are accepted; services are rendered and when supplier/creditor bills are received.

**Interest Accrual** - Whenever practicable and appropriate, interest income and/or expenses shall be accrued and recognized in the book of accounts.

**Borrowings** - All borrowings secured shall be recorded crediting directly the appropriate liability accounts.

**Corollary and Negative Entries** - The use of corollary and negative journal entries shall be stopped. Acquisition/disposition of assets shall be debited/credited directly to the appropriate assets accounts. If an error is committed, a correcting entry to adjust the original entry shall be prepared.

**Petty Cash Fund** - The Petty Cash Fund shall be maintained under the Imprest System.

**Foreign Currency Adjustment** - Foreign Currency deposits and outstanding foreign loans shall be revalued at the exchange rate prescribed by the Bangko Sentral ng Pilipinas (BSP) at balance sheet data.

## **BOOKS OF ACCOUNTS**

**Books of Accounts** - Regular Agency Books - The regular agency books under the manual system of government accounting shall consist of journals and ledgers as follows:

### 1. Journals

- A. Cash Receipts and Deposits Journal
- B. Cash Disbursements Journal
- C. Check Disbursements Journal
- D. General Journal

### 2. Ledgers

- A. General Ledgers
- B. Subsidiary Ledgers - where applicable, for
  - \* Cash
  - \* Receivables
  - \* Inventories
  - \* Investments
  - \* Property, Plant and Equipment
  - \* Construction in Progress
  - \* Liabilities

## **RESPONSIBILITY ACCOUNTING**

**Responsibility Accounting Defined.** Responsibility accounting is a system that relates the financial results to a responsibility center, which provides access to cost and revenue information under the supervision of a manager having a direct responsibility for its performance. It is a system that measures the plans (budgets) and actions (actual results) of each responsibility center.

**Responsibility Center Defined.** It is part, segment, unit of function of a government agency, headed by a manager, who is accountable for a specified set of activities.

### **Objectives of Responsibility Accounting**

1. To ensure that all costs and revenues are properly charged/credited to the correct responsibility center so that deviations from the budget can be readily attributed to accountable managers.
2. To provide a basis for making decisions for future operations; and
3. To facilitate review activities, monitoring the performance of each responsibility center and evaluation of the effectiveness of agency operations.

# BUDGET 2015



Republic of the Philippines  
 PROVINCE OF ISABELA  
**ILAGAN CITY WATER DISTRICT**  
 Maharlika Highway, Brgy. Osmeña  
 City of Ilagan, Isabela

**RESOLUTION NO. 22**  
 Series of 2014

**A RESOLUTION APPROVING THE CITY OF ILAGAN WATER DISTRICT (CIWD) CALENDAR YEAR (CY) 2015 OPERATING BUDGET IN THE AMOUNT OF FORTY SIX MILLION ONE HUNDRED SIXTY EIGHT THOUSAND EIGHT HUNDRED FORTY SIX PESOS (46,168,846 PhP) DERIVED FROM WATER SALES, PREVIOUS/CURRENT YEAR(S) ARREARS COLLECTION AND VARIOUS MISCELLANEOUS SERVICE REVENUES AND APPROPRIATING THE SAME FOR PROPOSED AND PROJECTED EXPENDITURES AMOUNTING FORTY SIX MILLION ONE HUNDRED FIFTY SIX THOUSAND FOUR HUNDRED SEVENTY SEVEN PESOS (P46,156,477.00).**

**WHEREAS,** the Ilagan City Water District (ICWD) Management presented before this august body various options and versions of the proposed CY 2015 Cash Flow projections for perusal, review, deliberation and adoption for CY 2015 Operating Budget;

**WHEREAS,** options presented varies in degree and terms constituting to simply maintaining present coverage area, limiting market growth, pursue meaningful improvement and expansion projects increase appropriate market growth and conforming to the ICWD 5-year Development Program and implement LWUA approved 3<sup>rd</sup> Step Water Rate Adjustment to Three Hundred Fifty Pesos P350.00 minimum effective March 2015, collectible April, 2015;

**WHEREAS,** considering the need to water district's mandate, continued implementation of development programs, improving the delivery of services and address various requests for water supply in the waterless barangays;

**WHEREAS,** the projected receipts estimated at FORTY SIX MILLION ONE HUNDRED SIXTY EIGHT THOUSAND EIGHT HUNDRED FORTY SIX PESOS (P46,168,846.00) derived from water sales, collection of previous/current year arrears, miscellaneous service revenues and bank interest is probable, conservatively feasible and attainable;

**WHEREAS,** effective marketing programs, increase in service connections from existing coverage area and expanded areas, intensify collection efficiency, reduce Non-Revenue Water (NRW), pursue improvement and expansion projects, adhere to Staff Productivity Index (personnel ratio), strict compliance to policies, rules and regulations and further enhancing operation will ensure required revenue in the year 2015;

**WHEREAS,** after thorough and meticulous deliberation and consideration of the proposed 2015 Cash Flow, finding the sources of Revenue feasible, attainable, appropriate and collectible of which the various areas of expenditures being funded as follows:

MOOE	_____	P	25,928,201.00
DEBT SERVICE and ACCOUNTS PAYABLE	_____		15,472,276.00
CAPEX	_____		2,650,000.00
RESERVES, HOLD-ON DEPOSIT and TRUST FUND	_____		1,300,000.00
FRANCHISE TAX	_____		806,000.00
	TOTAL -----	P	46,156,477.00

**WHEREFORE,** on unanimous accord by this august body, be it –

**RESOLVED AS IT IS HEREBY RESOLVED** to approve the City of Ilagan City Water District (CIWD) Calendar Year (CY) 2015 Operating Budget with Projected Receipts amounting FORTY SIX MILLION ONE HUNDRED SIXTY EIGHT THOUSAND EIGHT HUNDRED FORTY SIX PESOS (46,168,846 PhP) derived from water sales, previous/current year(s) arrears collection and various miscellaneous service revenues sufficiently appropriating the proposed and projected expenditures amounting FORTY SIX MILLION ONE HUNDRED FIFTY SIX THOUSAND FOUR

*[Signature]*

*[Signature]*

*[Signature]*

HUNDRED SEVENTY SEVEN PESOS (P46,156,477.00) with details attached hereto forming part of this Resolution;

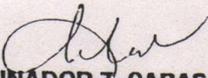
**RESOLVED FURTHER** that the CY 2015 Budget shall be adopted and implemented effective January 01, 2015;

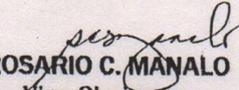
**RESOLVED FINALLY** to furnish copies of this Resolution the Local Water Utilities Administration (LWUA), Commission On Audit (COA), Department of Budget and Management (DBM), Civil Service Commission (CSC) and other concerned government agencies for their information;

**APPROVED UNANIMOUSLY** by all members of the Board this 11<sup>th</sup> day of December, 2014 at the City of Ilagan, Isabela.

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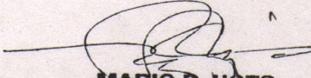
WE HEREBY CERTIFY to the correctness of the foregoing resolution.

  
**DOMINADOR Z. CABASAL**  
Chairman

  
**ROSARIO C. MANALO**  
Vice-Chairman

  
**JOSEPH C. PAGGAO**  
Treasurer

  
**MA. KAREN B. ESTAVILLO**  
Secretary

  
**MARIO B. UGTO**  
Member

  
**ROMEO M. DIAZ**  
LWUA-6<sup>th</sup> Member

LAGAN CITY WATER DISTRICT  
**SERVICE CONNECTION AND WATER CONSUMPTION**  
 FOR THE YEAR 2015

Table 1-A : SERVICE CONNECTION

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Total Projected Ave. Active Service Connection Beg.	4,359	4,383	4,417	4,444	4,495	4,534	4,588	4,639	4,671	4,690	4,714	4,742
Projected Ave. New Service Connections	28	30	34	57	57	50	40	41	41	40	41	41
Projected Ave. Reconnections	19	25	21	18	20	29	42	23	17	18	21	23
Projected Ave. Disconnections	23	21	28	24	38	25	31	32	39	34	34	30
Total Projected Ave. Active Service Connection End	4,383	4,417	4,444	4,495	4,534	4,588	4,639	4,671	4,690	4,714	4,742	4,776
BREAKDOWN (FOR BILLING)												
CLASSIFICATION												
Residential	3,363	3,393	3,427	3,484	3,541	3,591	3,631	3,672	3,713	3,753	3,794	3,835
Government	67	67	67	67	67	67	67	67	67	67	67	67
Commercial A-1	12	12	12	12	12	12	12	12	12	12	12	12
Commercial A-2	89	89	89	89	89	89	89	89	89	89	89	89
Commercial B	84	84	84	84	84	84	84	84	84	84	84	84
Commercial C	263	263	263	263	263	263	263	263	263	263	263	263
<b>Total Connection for Billing</b>	<b>3,878</b>	<b>3,908</b>	<b>3,942</b>	<b>3,999</b>	<b>4,056</b>	<b>4,106</b>	<b>4,146</b>	<b>4,187</b>	<b>4,228</b>	<b>4,268</b>	<b>4,309</b>	<b>4,350</b>

Table 1-B : AVERAGE MONTHLY WATER CONSUMPTION PER CONNECTION (in cu.m)

CLASSIFICATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Residential	18	17	17	19	19	20	20	19	19	18	18	17
Government	95	95	95	95	95	95	95	95	95	95	95	95
Commercial A-1	91	91	91	91	91	91	91	91	91	91	91	91
Commercial A-2	23	23	23	23	23	23	23	23	23	23	23	23
Commercial B	18	18	18	18	18	18	18	18	18	18	18	18
Commercial C	18	18	18	18	18	18	18	18	18	18	18	18

Table 1-C : TOTAL WATER CONSUMPTION PER CLASSIFICATION (in cu.m)

CLASSIFICATION	JAN.	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Residential	60,525	57,675	58,253	66,184	67,267	71,805	72,605	69,756	70,535	67,545	68,283	65,189
Government	6,359	6,359	6,359	6,359	6,359	6,359	6,359	6,359	6,359	6,359	6,359	6,359
Commercial A-1	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091
Commercial A-2	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091
Commercial B	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513
Commercial C	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769	4,769
<b>T O T A L S</b>	<b>76,348</b>	<b>73,498</b>	<b>74,076</b>	<b>82,007</b>	<b>83,090</b>	<b>87,628</b>	<b>88,428</b>	<b>85,579</b>	<b>86,358</b>	<b>83,368</b>	<b>84,106</b>	<b>81,012</b>

ILAGAN CITY WATER DISTRICT  
**WATER RATES SCHEDULE AND WATER SALES**  
 FOR THE YEAR 2015

Table 2-A : **WATER RATE SCHEDULE**

EXISTING WATER RATES PER LWUA BOT. RESOLUTION NO. 69 S. 2008					* APPROVED 3RD STEP WATER RATES ADJUSTMENT PER LWUA BOT. RESOLUTION NO. 69 S. 2008						
CLASSIFICATION	Minimum 1-10 cu.m	COMMODITY CHARGES				CLASSIFICATION	Minimum 1-10 cu.m	COMMODITY CHARGES			
		11-20 Cu.m.	21-30 Cu.m.	31-40 Cu.m.	41-up Cu.m.			11-20 Cu.m.	21-30 Cu.m.	31-40 Cu.m.	41-up Cu.m.
Residential	320.00	33.35	38.10	44.30	50.30	Residential	350.00	36.45	41.65	48.45	55.00
Government	560.00	58.35	66.65	77.50	88.00	Government	612.00	63.80	72.90	84.75	96.25
Commercial A-1	640.00	66.70	76.20	88.60	100.60	Commercial A-1	700.00	72.95	83.30	96.90	110.00
Commercial A-2	560.00	58.35	66.65	77.50	88.00	Commercial A-2	612.00	63.80	72.90	84.75	96.25
Commercial B	480.00	50.00	57.15	66.45	75.45	Commercial B	525.00	54.65	62.50	72.65	82.50
Commercial C	400.00	41.65	47.60	55.35	62.85	Commercial C	437.00	45.55	52.05	60.50	68.70

\* 3rd Step Water Rate Adjustment is to be implemented by MARCH 2015 - Collection on APRIL 2015

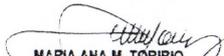
Table 2-B: **WATER SALES**

Classification	JAN.	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
Residential	1,974,196	1,878,744	1,897,561	2,363,078	2,401,727	2,566,412	2,594,992	2,490,551	2,518,352	2,408,786	2,435,092	2,321,721	27,851,212
Commercial A-1	153,536	153,536	153,536	167,938	167,938	167,938	167,938	167,938	167,938	167,938	167,938	167,938	1,972,050
Commercial A-2	165,188	165,188	165,188	180,682	180,682	180,682	180,682	180,682	180,682	180,682	180,682	180,682	2,121,702
Government	532,988	532,988	532,988	582,982	582,982	582,982	582,982	582,982	582,982	582,982	582,982	582,982	6,845,802
Commercial B	90,717	90,717	90,717	99,226	99,226	99,226	99,226	99,226	99,226	99,226	99,226	99,226	1,165,185
Commercial C	238,670	238,670	238,670	261,057	261,057	261,057	261,057	261,057	261,057	261,057	261,057	261,057	3,065,523
<b>GROSS WATER SALES</b>	<b>3,155,295</b>	<b>3,059,843</b>	<b>3,078,660</b>	<b>3,654,963</b>	<b>3,693,612</b>	<b>3,858,297</b>	<b>3,886,877</b>	<b>3,782,436</b>	<b>3,810,237</b>	<b>3,700,671</b>	<b>3,726,977</b>	<b>3,613,606</b>	<b>43,021,474</b>
LESS BILLING ADJ. MEMO (BAM)	182,000	182,000	182,000	182,000	182,000	182,000	182,000	182,000	182,000	182,000	182,000	182,000	2,184,000
SENIOR CITIZEN DISCOUNT	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	216,000
<b>TOTAL NET WATER SALES</b>	<b>2,955,295</b>	<b>2,859,843</b>	<b>2,878,660</b>	<b>3,454,963</b>	<b>3,493,612</b>	<b>3,658,297</b>	<b>3,686,877</b>	<b>3,582,436</b>	<b>3,610,237</b>	<b>3,500,671</b>	<b>3,526,977</b>	<b>3,413,606</b>	<b>40,621,474</b>

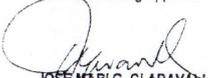
ILAGAN CITY WATER DISTRICT  
**RECEIPTS**  
FOR THE YEAR 2015

RECEIPTS :	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>COLLECTION ON WATER SALES :</b>													
CURRENT MONTH	2,305,130	2,230,678	2,245,355	2,694,871	2,725,017	2,853,472	2,875,764	2,794,300	2,815,985	2,730,523	2,751,042	2,662,613	31,684,750
CURRENT YEAR ARREARS			771,438	771,438	771,438	771,438	771,438	771,438	771,438	771,438	771,438	771,438	7,714,380
PREVIOUS YEAR ARREARS	823,119.0	823,119	51,681	51,681	51,681	51,681	51,681	51,681	51,681	51,681	51,681	51,681	2,163,048
<b>TOTAL</b>	<b>3,128,249</b>	<b>3,053,797</b>	<b>3,068,474</b>	<b>3,517,990</b>	<b>3,548,136</b>	<b>3,676,591</b>	<b>3,698,883</b>	<b>3,617,419</b>	<b>3,639,104</b>	<b>3,553,642</b>	<b>3,574,161</b>	<b>3,485,732</b>	<b>41,562,178</b>
<b>OTHER COLLECTIONS :</b>													
Penalty Charges:	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
<b>MISC. SERVICE REVENUES :</b>													
• New Service Con. Charges (Registration)	31,500	33,750	38,250	64,125	64,125	56,250	45,000	46,125	46,125	45,000	46,125	46,125	562,500
• Reconnection Fee	11,400	15,000	12,600	10,800	12,000	17,400	25,200	13,800	10,200	10,800	12,600	13,800	165,600
• Service Fees (transfer fee / re-tapping fee)	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	36,600
• Sales from Materials	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
• Revenue from Equipment Rental / Penalties from Illegal Connection & Others	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
<b>TOTAL</b>	<b>215,950</b>	<b>221,800</b>	<b>223,900</b>	<b>247,975</b>	<b>249,175</b>	<b>246,700</b>	<b>243,250</b>	<b>232,975</b>	<b>229,375</b>	<b>228,850</b>	<b>231,775</b>	<b>232,975</b>	<b>2,804,700</b>
INTEREST REVENUES (PNB)			160				160		160			160	640
INTEREST REVENUES (LBP)			114				114		114			114	456
INTEREST REVENUES (DBP)			218				218		218			218	872
<b>TOTAL RECEIPTS</b>	<b>P 3,494,199</b>	<b>3,425,597</b>	<b>3,442,866</b>	<b>3,915,965</b>	<b>3,947,311</b>	<b>4,073,783</b>	<b>4,092,133</b>	<b>4,000,394</b>	<b>4,018,971</b>	<b>3,932,492</b>	<b>3,955,936</b>	<b>3,869,199</b>	<b>46,168,846</b>

Prepared/Certified by:

  
**MARIA ANA M. TORIBIO**  
Division Mgr. - Finance & Commercial

Recommending Approval

  
**JOSE MARI G. CLARAVALL**  
General Manager

Approved by:

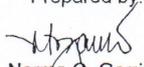
  
**DOMINADOR Z. CABASAL**  
Chairman-Board of Director

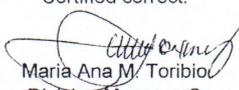
Approved as per Board Resolution No. 22 S. 2014  
December 11, 2014

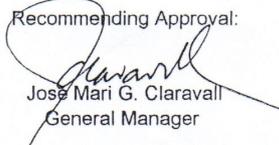
ILAGAN CITY WATER DISTRICT  
 Summary of Detailed Expenses Budget  
 Proposed Budget 2015

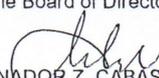
**PERSONNEL EXPENDITURE**

Account No.	Account Name		
	Salaries & wages-Regular employees	P	7,637,628.00
	Personnel Economic Relief Allo. (PERA)		603,000.00
	Additional Compensation (ACA)		201,000.00
	Representation Expense (RA)		282,000.00
	Transportation Expense (TA)		282,000.00
	Uniform/Clothing allowance		180,000.00
	13th Month Pay		611,719.00
	Rice allowance		216,000.00
	Performance Based Bonus		270,000.00
	PEI		180,000.00
	Cash gift		167,500.00
	Life & Retirement Insurance		916,521.00
	Pag-ibig Contribution		40,200.00
	Medicare (Philhealth)		88,126.00
	ECC Contribution (GSIS)		40,200.00
	Overtime & Holiday pay		500,000.00
	Other Personnel Benefits		30,000.00
	Monetization of earned leaves (VL&SL)		289,551.00
	Salaries & wages (4 Job. Order)		358,200.00
	<b>TOTAL PERSONNEL EXPENDITURE</b>	<b>P</b>	<b><u>12,893,645.00</u></b>

Prepared by:  
  
 Norma O. Garrido  
 Sr. Corporate Budget Analyst

Certified correct:  
  
 Maria Ana M. Toribio  
 Division Manager C  
 Finance & Commercial

Recommending Approval:  
  
 Jose Mari G. Claravall  
 General Manager

Approved:  
 For the Board of Directors  
  
 DOMINADOR Z. CABASAL  
 Chairman -Board of Director

Approved as per Board Resolution No. 22, S. 2014  
 December 11, 2014

**ILAGAN CITY WATER DISTRICT  
Summary of Detailed Expenses  
YEAR 2015 BUDGET**

**NON-PERSONNEL EXPENDITURES**

Account No.	Account Name		Amount
	Directors Fee & Remuneration	P	826,680.00
	Office supplies		120,000.00
	Fuel,oil & Lubricants		315,000.00
	Other supplies Expense		30,000.00
	Travel & per diem		150,000.00
	Training & seminars		145,000.00
	Light & Power		380,000.00
	Water-Admin. Bldg.		120,000.00
	Fuel-Genset Adm. Bldg		6,000.00
	Postage & Deliveries		6,000.00
	Telephone Expenses-Landline		36,000.00
	Mobile & prepaid loads		150,000.00
	Internet/wi-fi connections		45,000.00
	Cable,satelite,Telegraph		6,000.00
	Advertising,Promotions & Marketing/Printing Expense		96,000.00
	Taxes duties & Licenses		120,000.00
	Insurance Premiums		146,100.00
	Representation Expenses		15,000.00
	Rent/lease expenses		1,800,000.00
	Research Exploration & Devt. Expense		100,000.00
	Survey expense		50,000.00
	Extraordinary & Miscellaneous Expense (EME)		90,000.00
	Membership dues & contribution to organization		33,557.00
	Social Corporate Responsibility		860,000.00
	Donation		60,000.00
	Injuries & Damages		60,000.00
	Legal Services/Notarial fee		10,000.00
	Auditing Services		65,000.00
	Security Services		195,600.00
	Computer Data Processing Services		12,000.00
	Other Professional Services		35,000.00
	Other Maintenance & Operating Expenses		24,000.00
	Freight & handling		5,000.00
	Tools & shop & garage equipment		24,000.00
	Transportation		50,000.00
	Maint of office equipment		25,000.00
	Maint of watershed		240,000.00
	G.A.D.		240,000.00
	Financial charges/bank charges		6,000.00
	Customer Account supervision(Wages (3 J.O.))		309,660.00
	Meter reading expense		12,000.00
	Customer records & col expense		60,000.00
	<b>TOTAL</b>	<b>P</b>	<b><u>7,079,597.00</u></b>

Prepared by:



**Norma D. Garrido**

Senior corporate Budget Analyst

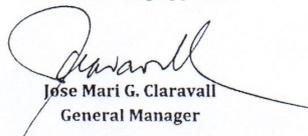
Certified correct:



**Maria Ana M. Toribio**

Division Manager Finance & Commercial

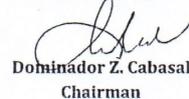
Recommending Approval



**Jose Mari G. Claravall**  
General Manager

Approved

For the Board of Directors



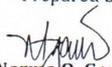
**Dominador Z. Cabasal**  
Chairman

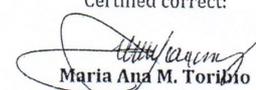
Approved as per Board Resolution No. 22, S. 2014  
December 11,2014

ILAGAN CITY WATER DISTRICT  
Summary of Detailed Expenses  
YEAR 2015 BUDGET

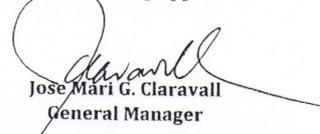
**OTHER OPERATION & MAINTENANCE EXPENSE**

Account No.	ACCOUNT NAME	Amount
<b>TRANSMISSION &amp; DISTRIBUTION EXPENSES</b>		
701-07	Trans & dist Lines Expense-Maint.Supervision(wages J.O.)	1,007,220.00
803-08	Maintenance of reservoir & tanks	40,000.00
803-09	Maint of transmission & distribution mains	240,000.00
803-11	Maintenance of services	60,000.00
803-12	Maintenance of meters	120,000.00
803-14	Maintenance of hydrant & B.O.V.	24,000.00
803-16	Maintenance of Other Plant	36,000.00
	<b>SUB-TOTAL</b>	<b>P <u>1,527,220.00</u></b>
<b>SOURCE OF SUPPLY EXPENSES</b>		
		Amount
701-01	Source of supply Operation supervision Exp.(wages J.O.)	623,100.00
792-01	Source of Supply-Miscellaneous Expenses	24,000.00
792-03	Source of Supply-Engineering Expenses	32,500.00
701-03	Source of Supply Supervision Labor	276,000.00
803-04	Maintenace of wells	234,000.00
803-05	Maintenace of source of supply mains	24,000.00
	<b>SUB-TOTAL</b>	<b>P <u>1,213,600.00</u></b>
<b>PUMPING EXPENSES</b>		
		Amount
701-04	Power Production Labor Expense	24,000.00
701-05	Pumping labor & expense	24,000.00
795-06	Pumping operation expenses	24,000.00
792-05	Fuel for Power Production (GENSET)	480,000.00
792-07	Power Purchase for pumping	5,400,000.00
	<b>SUB-TOTAL</b>	<b>P <u>5,952,000.00</u></b>
<b>BUILDING &amp; STRUCTURES &amp; OTHER MACHINERY &amp; EQPT.</b>		
		Amount
804-07	Maintenance of Structure & Impvt-Pumping plant	30,000.00
825-01	Power Production equipment	130,000.00
825-02	Pumping Equipment	150,000.00
	<b>SUB-TOTAL</b>	<b>P <u>310,000.00</u></b>
<b>WATER TREATMENT EXPENSES</b>		
		Amount
701-06	Water Treatment Operation Labor Expense	73,800.00
792-09	Chemicals filtering & Lab. Supply Expense	600,000.00
804-03	Maintenance of water treatment Structure & improvement	24,000.00
825-03	Water Treatment & Equipment	30,000.00
	<b>SUB-TOTAL</b>	<b>P <u>727,800.00</u></b>
	<b>TOTAL</b>	<b>Php <u>9,730,620.00</u></b>

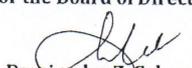
Prepared by:  
  
**Norma O. Garrido**  
Senior Corporate Budget analyst

Certified correct:  
  
**Maria Ana M. Toribio**  
Division Manager C-Finance & Commercial

**Recommending Approval**

  
**Jose Mari G. Claravall**  
General Manager

**Approved  
For the Board of Directors**

  
**Dominador Z. Cabasal**  
Chairman

Approved as per Board Resolution No. 22, S. 2014  
December 11, 2014

**ILAGAN CITY WATER DISTRICT  
CAPITAL EXPENDITURE(CAPEX) REQUIREMENTS  
2015 BUDGET**

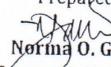
**CAPEX A ( To be funded by ICWD-ICG)**

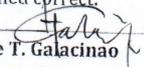
• Lot Acquisition @ Subido Farm,Brgy. Fuyo	<b>P</b>	300,000.00
• Ilagan Central Terminal Alibagu Well Drilling 10"Ø 60 m depth, pump house & site development		950,000.00
• Calamagui 1st Pumphouse and Site Development		100,000.00
• Office Supplies,Furnitures,Equipment & Tools		340,000.00
• Watershed Program		400,000.00
• 10% Equity for the P 5.6M Program of Work (POW )		<u>560,000.00</u>
<b>TOTAL</b>	<b>P</b>	<b><u>2,650,000.00</u></b>

**PIPELINE EXPANSION @ BARANGAY TANGCUL , CAPO,BANGAG  
ALINGUIGAN 3rd,SIPAY & BLISS (Purok 6)**

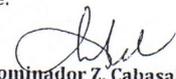
**CAPEX B (To be funded by Proposed Loan)**

• Provision of electro-mechanical equipment & generating sets for Calamagui 1st & Ilagan Central Terminal Alibagu		2,400,000.00
• Transmission/Distribution Pipelines approx. 6.0km		2,150,000.00
• Service Connection Materials		
a.) NHA Phase 2- 200 sets @ P1,500.00		300,000.00
b.) Other areas 300 sets @ P2,500.00		<u>750,000.00</u>
<b>TOTAL</b>	<b>P</b>	<b><u>5,600,000.00</u></b>

Prepared by:  
  
**Norma O. Garrido**  
Sr. Corporate Budget Analyst

Certified correct:  
  
**Jose T. Galacinao**  
Division Manager-Technical & Operation

  
**Jose Mari G. Claravall**  
General Manager

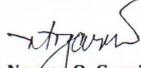
Concurrence:  
  
**Dominador Z. Cabasal**  
Chairman -Board of Director

Approved as per Board Resolution No. 22, S. 2014  
December 11,2014

ILAGAN CITY WATER DISTRICT  
**PROJECTED INCOME STATEMENT**  
 CALENDAR YEAR 2015

Water Sales	P	43,021,474.00
Add: Others:		
Miscellaneous Service Revenue	764,700.00	
Penalty Charges	1,800,000.00	
Rental of Water Meter/Requirement	240,000.00	
Other Water Revenue/Service	2,820,000.00	5,624,700.00
Non-Operating Revenues		
Interest Revenue	1,968.00	
Other Income (Sales of Materials)	360,000.00	361,968.00
<b>TOTAL OPERATING REVENUE</b>	<b>P</b>	<b><u>49,008,142.00</u></b>
LESS: DISBURSEMENT:		
Salaries & Wages		12,893,645.00
Power/Fuel		5,880,000.00
Chemicals & Filtering		600,000.00
Other Operation & Maintenance Expense		10,330,217.00
Interest Expenses:		
DBP	1,704,872.97	
City Govt. of Ilagan	3,600,000.00	
LWUA	273,433.00	
Proposed Loan Amortization (P5M)	334,000.00	5,912,305.97
Franchise tax		806,000.00
Depreciation (P700,000 x12)		8,400,000.00
Bad Debts		200,000.00
<b>TOTAL DISBURSEMENTS</b>		<b><u>45,022,167.97</u></b>
<b>NET INCOME</b>	<b>P</b>	<b><u><u>3,985,974.03</u></u></b>

Prepared by:



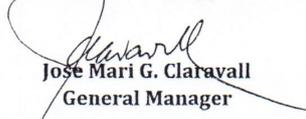
**Norma O. Garrido**  
Senior Corporate Budget Analyst

Certified correct:



**Maria Ana M. Toribio**  
Division Manager Finance & Commercial

Recommending Approval



**Jose Mari G. Claravall**  
General Manager

Approved

For the Board of Directors



**Dominador Z. Cabasal**  
Chairman

Approved as per Board Resolution No. 22, S. 2014  
December 11, 2014

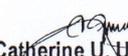
**ILAGAN CITY WATER DISTRICT  
GENDER AND DEVELOPMENT (GAD) PROGRAM  
Budget for CY 2015**

PARTICULARS	AMOUNT
<b>I. HEALTH AND WELLNESS PROGRAM</b>	<b>P 50,000.00</b>
Dental Services and Count Blood Cell (Laboratory)	
<b>II. TRAININGS</b>	<b>P 31,000.00</b>
<b>A. First Aid Training:</b>	
• Facilitators Honorarium – (Three (3) Registered Nurses @ P500.00)	P 1,500.00
• Miscellaneous Expenses (Snacks and lunch for 65 persons)	P 10,000.00
AM – Theory	
PM – Application	
<b>B. Fire and Earthquake Drill</b>	
• Facilitators Honorarium (Three (3) Fire Marshals @ P500.00)	P 1,500.00
• Miscellaneous Expenses (Snacks and lunch for 65 persons)	P 10,000.00
AM – Theory	
PM – Application	
<b>C. Livelihood Training</b>	<b>P 8,000.00</b>
• Food Processing (Meat, fruits, fish and egg)	
❖ Miscellaneous Expenses	
❖ Facilitator honorarium (One (1) @ P500.00)	
<b>III. PARTICIPATION IN GOVERNMENT PROGRAMS AND ACTIVITIES</b>	<b>P 29,000.00</b>
1. World Water Day – Snack and Lunch (ICWD Personnel)	P 7,000.00
2. Philippine National Red Cross-Volunteer Run (Registration fee for 20 personnel @ P200.00)	P 4,000.00
3. Isabela Bayani Challenge (Provincial Government Activity) – Snack and Lunch (ICWD Personnel)	P 4,000.00
4. CAVAWAD Sports Festival for Local Water Districts - Participation of 20 employees (uniform and miscellaneous expenses)	P 10,000.00
5. Women Month Celebration (Token for ICWD women employees)	P 4,000.00
<b>IV. SPIRITUAL AND MORAL RECOVERY ENHANCEMENT PROGRAM (Quarterly)</b>	<b>P 30,000.00</b>
<b>V. LAKBAY ARAL/FIELD TRIP and CHRISTMAS PROGRAM</b>	<b>P 80,000.00</b>
• Lakbay Aral/Field Trip – P 50,000.00	
• Christmas Program – P 30,000.00	

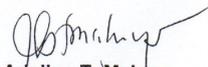
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<b>VI. ICWD PRAISE (Program for Rewards And Incentives on Service Excellence)</b>	<b>P 20,000.00</b>	
1. Best Employee Award (Cash Reward of P 2,500.00 / per employee Regular and Job Order) – Semi-Annually	P 10,000.00	
2. Best Organization Award (Plaque of Recognition for Division or Unit) – Semi-Annually	P 2,000.00	
3. Service Award for Retirees (Plaque of Recognition for Employees and BOD)	P 5,000.00	
4. Most Cooperative Employee Award (Active participation of an employee in all scheduled activities) (Plaque of recognition & Monetary Reward) Annually	P 3,000.00	
<b>TOTAL</b>		<b><u>P 240,000.00</u></b>

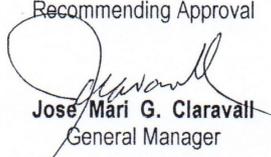
Prepared by:

  
**Catherine U. Uechi**  
 Industrial Relations Management Officer - C

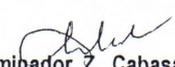
Certified correct:

  
**Adelina T. Maluyo**  
 Division Manager – C  
 Admin. & Gen. Services Division

Recommending Approval

  
**Jose Mari G. Claravall**  
 General Manager

Approved  
 For the Board of Directors

  
**Dominador Z. Cabasal**  
 Chairman

Approved as per Board Resolution No. 22, S. 2014  
 December 11, 2014

# BUDGET 2016



Republic of the Philippines  
PROVINCE OF ISABELA  
**CITY OF ILAGAN WATER DISTRICT**  
Maharlika Highway, Brgy. Osmeña  
City of Ilagan, Isabela

**RESOLUTION NO. 18**  
Series of 2015

**A RESOLUTION APPROVING AND ADOPTING THE CITY OF ILAGAN WATER DISTRICT (CIWD) CALENDAR YEAR (CY) 2016 BUDGET IN THE AMOUNT OF FIFTY ONE MILLION THREE HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED SIXTY SIX PESOS (P51,317,566.00) DERIVED FROM WATER SALES, CURRENT/PREVIOUS YEAR(S) ARREARS COLLECTION AND VARIOUS MISCELLANEOUS SERVICE REVENUES AND APPROPRIATING SUFFICIENT FUNDS FOR THE PROPOSED AND PROJECTED EXPENDITURES AMOUNTING FIFTY ONE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND FOURTY TWO PESOS(P51,275,042.00).**

**WHEREAS**, the City Ilagan Water District (CIWD) Management presented before this august body various options and versions of the proposed CY 2016 Cash Flow projections for perusal, review and deliberation;

**WHEREAS**, the proposed 2016 Budget is the base year considered in the conducted Business Planning workshop seminar initiated by the LWUA with the combined effort of the different divisions of the CIWD;

**WHEREAS**, options presented varies in degree and terms constituting simply by maintaining its present coverage area with substantial increased market growth, pursue priority improvement and programs conforming with the CIWD 5-year Development Program initiated in Year 2012;

**WHEREAS**, the projected revenue estimated at **FIFTY ONE MILLION THREE HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED SIXTY SIX PESOS (P51,317,566.00)** derived from water sales, collection of current/previous year arrears, miscellaneous service revenues and bank interest is probable, conservatively feasible, realistic and attainable;

**WHEREAS**, effective marketing programs, increase in service connections from existing coverage area, intensify collection efficiency, reduce Non-Revenue Water (NRW), pursue priority improvement programs, adhere to Staff Productivity Index (personnel ratio), strict compliance to policies, rules and regulations and further enhancing water quality and sufficient water supply will ensure required revenue in the year 2016;

**WHEREAS**, the necessary and appropriate compensation of the CIWD personnel conforming to the 2016 Salary Standardization Law including benefits, incentives, bonuses and other allowances as provided by law are sufficiently funded;

**WHEREAS**, allocation for the Board of Director's Fees and Remuneration as provided by law is sufficiently funded as well;

**WHEREAS**, necessary and appropriate funds is likewise allocated for Debt Services and other account payables, priority capital improvement programs, franchise and real property taxes, and the various committed funding requirements;

**WHEREAS**, the derived revenue will generally provide sufficient funds in fulfilling the water district's mandate to improve the efficient delivery of services, address the various request for potable water supply to the existing coverage area;

WHEREAS, after thorough and meticulous deliberation and consideration of the proposed 2016 Cash Flow, finding the sources of Revenue feasible, attainable, appropriate and collectible of which the Gross Receipt is derived to fund the various areas of expenditures as shown below:

**RECEIPTS:**

• WATER SALES .....	P 38,394,519.00
• CURRENT/PREVIOUS YEAR ARREARS COLLECTION .....	9,492,996.00
• OTHER RECEIPTS .....	3,430,051.00
GROSS RECEIPTS .....	<u>P 51,317,566.00</u>

**EXPENDITURES:**

• M.O.O.E. ....	P 31,006,532.00
• DEBT SERVICE & ACCOUNT PAYABLE .....	16,347,530.00
• CAPITAL EXPENDITURES .....	2,047,300.00
• FRANCHISE TAX .....	953,680.00
• COMMITTED FUNDS .....	920,000.00
TOTAL .....	<u>P 51,275,042.00</u>

WHEREFORE, on unanimous accord by this august body, be it –

**RESOLVED AS IT IS HEREBY RESOLVED** to approve the City of Ilagan City Water District (CIWD) Calendar Year (CY) 2016 Budget with Projected Receipts amounting FIFTY ONE MILLION THREE HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED SIXTY SIX PESOS (P51,317,566.00) derived from water sales, current/previous year(s) arrears collection and various miscellaneous service revenues and appropriating sufficient funds for the proposed and projected expenditures amounting FIFTY ONE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND FOURTY TWO PESOS (P51,275,042.00);

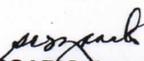
**RESOLVED FURTHER** that the CY 2016 Budget as attached hereto forming an integral part of this resolution shall be adopted for implementation effective January 01, 2016;

**RESOLVED FINALLY** to furnish copies of this Resolution the Local Water Utilities Administration (LWUA), Commission On Audit (COA), Department of Budget and Management (DBM), Civil Service Commission (CSC) and other concerned government agencies for their information;

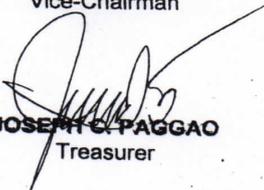
**APPROVED UNANIMOUSLY** by all members of the Board this 10<sup>th</sup> day of December, 2015 at the City of Ilagan, Isabela.

WE HEREBY CERTIFY to the correctness of the foregoing resolution.

  
**DOMINADOR Z. CABASAL**  
 Chairman

  
**ROSARIO C. MANALO**  
 Vice-Chairman

  
**MA. KAREN B. ESTAVILLO**  
 Secretary

  
**JOSEPH C. PAGGAO**  
 Treasurer

  
**MARIO B. UGTO**  
 Member

CITY OF ILAGAN WATER DISTRICT  
**SERVICE CONNECTION AND WATER CONSUMPTION**  
 FOR THE YEAR 2016

Table 1-A : SERVICE CONNECTION

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Total Projected Ave. Active Service Connection Beg.	4,803	4,824	4,842	4,855	4,868	4,874	4,890	4,917	4,927	4,933	4,945	4,958
Projected Ave. New Service Connections	22	16	16	17	17	16	16	16	16	16	16	16
Projected Ave. Reconnections	22	25	23	20	22	28	39	26	19	19	26	22
Projected Ave. Disconnections	23	23	26	24	33	28	28	32	29	23	29	29
Total Projected Ave. Active Service Connection End	4,824	4,842	4,855	4,868	4,874	4,890	4,917	4,927	4,933	4,945	4,958	4,967
BREAKDOWN (FOR BILLING)												
CLASSIFICATION												
Residential	3,850	3,868	3,881	3,894	3,900	3,916	3,943	3,953	3,959	3,971	3,984	3,993
Government	71	71	71	71	71	71	71	71	71	71	71	71
Commercial A-1	11	11	11	11	11	11	11	11	11	11	11	11
Commercial A-2	93	93	93	93	93	93	93	93	93	93	93	93
Commercial B	92	92	92	92	92	92	92	92	92	92	92	92
Commercial C	255	255	255	255	255	255	255	255	255	255	255	255
<b>Total Connection for Billing</b>	<b>4,372</b>	<b>4,390</b>	<b>4,403</b>	<b>4,416</b>	<b>4,422</b>	<b>4,438</b>	<b>4,465</b>	<b>4,475</b>	<b>4,481</b>	<b>4,493</b>	<b>4,506</b>	<b>4,515</b>

Table 1-B : AVERAGE MONTHLY WATER CONSUMPTION PER CONNECTION (in cu.m)

CLASSIFICATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Residential	19	17	17	20	19	20	21	20	20	19	19	19
Government	114	114	114	114	114	114	114	114	114	114	114	114
Commercial A-1	108	108	149	149	149	149	149	149	108	108	108	108
Commercial A-2	25	25	25	25	25	25	25	25	25	25	25	25
Commercial B	17	17	17	17	17	17	17	17	17	17	17	17
Commercial C	18	18	18	18	18	18	18	18	18	18	18	18

Table 1-C : TOTAL WATER CONSUMPTION PER CLASSIFICATION (in cu.m)

CLASSIFICATION	JAN.	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Residential	73,150	65,756	65,977	77,880	74,100	78,320	82,803	79,060	79,180	75,449	75,696	75,867
Government	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094	8,094
Commercial A-1	1,188	1,188	1,639	1,639	1,639	1,639	1,639	1,639	1,188	1,188	1,188	1,188
Commercial A-2	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325
Commercial B	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564
Commercial C	4,590	4,590	4,590	4,590	4,590	4,590	4,590	4,590	4,590	4,590	4,590	4,590
Bulk Water Supply		2,887		1,087						570		
<b>T O T A L S</b>	<b>90,911</b>	<b>86,404</b>	<b>84,189</b>	<b>97,179</b>	<b>92,312</b>	<b>96,532</b>	<b>101,015</b>	<b>97,272</b>	<b>96,941</b>	<b>93,780</b>	<b>93,457</b>	<b>93,628</b>

CITY OF ILAGAN WATER DISTRICT  
**WATER RATES SCHEDULE AND WATER SALES**  
 FOR THE YEAR 2016

Table 2-A : WATER RATE SCHEDULE

EXISTING WATER RATES					* APPROVED 3RD STEP WATER RATES ADJUSTMENT						
CLASSIFICATION	Minimum 1-10 cu.m	COMMODITY CHARGES				CLASSIFICATION	Minimum 1-10 cu.m	COMMODITY CHARGES			
		11-20 Cu.m.	21-30 Cu.m.	31-40 Cu.m.	41-up Cu.m.			11-20 Cu.m.	21-30 Cu.m.	31-40 Cu.m.	41-up Cu.m.
Residential	320.00	33.35	38.10	44.30	50.30	Residential	350.00	36.45	41.65	48.45	55.00
Government	560.00	58.35	66.65	77.50	88.00	Government	612.00	63.80	72.90	84.75	96.25
Commercial A-1	640.00	66.70	76.20	88.60	100.60	Commercial A-1	700.00	72.95	83.30	96.90	110.00
Commercial A-2	560.00	58.35	66.65	77.50	88.00	Commercial A-2	612.00	63.80	72.90	84.75	96.25
Commercial B	480.00	50.00	57.15	66.45	75.45	Commercial B	525.00	54.65	62.50	72.65	82.50
Commercial C	400.00	41.65	47.60	55.35	62.85	Commercial C	437.00	45.55	52.05	60.50	68.70

\* 3rd Step Water Rate Adjustment is to be implemented by JUNE 2016 - Collection on JULY 2016

Table 2-B: WATER SALES

Classification	JAN.	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
Residential	2,387,577	2,140,744	2,147,939	2,544,729	2,418,585	2,559,106	2,982,682	2,825,406	2,829,695	2,693,529	2,702,347	2,708,451	30,940,790
Government	694,956	694,956	694,956	694,956	694,956	694,956	760,143	760,143	760,143	760,143	760,143	760,143	8,730,594
Commercial A-1	177,632	177,632	233,314	233,314	233,314	233,314	255,198	255,198	194,293	194,293	194,293	194,293	2,576,088
Commercial A-2	186,018	186,018	186,018	186,018	186,018	186,018	203,466	203,466	203,466	203,466	203,466	203,466	2,336,904
Commercial B	94,037	94,037	94,037	94,037	94,037	94,037	102,858	102,858	102,858	102,858	102,858	102,858	1,181,370
Commercial C	224,335	224,335	224,335	224,335	224,335	224,335	245,378	245,378	245,378	245,378	245,378	245,378	2,818,278
<b>GROSS WATER SALES</b>	<b>3,764,555</b>	<b>3,517,722</b>	<b>3,580,599</b>	<b>3,977,389</b>	<b>3,851,245</b>	<b>3,991,766</b>	<b>4,549,725</b>	<b>4,392,449</b>	<b>4,335,833</b>	<b>4,199,667</b>	<b>4,208,485</b>	<b>4,214,589</b>	<b>48,584,024</b>
ADD: PENALTY CHARGES	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
LESS: BILLING ADJ. MEMO (BAM)	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	2,460,000
SENIOR CITIZEN DISCOUNT	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
<b>TOTAL NET WATER SALES</b>	<b>P 3,689,555</b>	<b>3,442,722</b>	<b>3,505,599</b>	<b>3,902,389</b>	<b>3,776,245</b>	<b>3,916,766</b>	<b>4,474,725</b>	<b>4,317,449</b>	<b>4,260,833</b>	<b>4,124,667</b>	<b>4,133,485</b>	<b>4,139,589</b>	<b>47,684,024</b>
BULK WATER SUPPLY		189,400		38,000						19,900			247,300
<b>T O T A L</b>	<b>3,689,555</b>	<b>3,632,122</b>	<b>3,505,599</b>	<b>3,940,389</b>	<b>3,776,245</b>	<b>3,916,766</b>	<b>4,474,725</b>	<b>4,317,449</b>	<b>4,260,833</b>	<b>4,144,567</b>	<b>4,133,485</b>	<b>4,139,589</b>	<b>47,931,324</b>

CITY OF ILAGAN WATER DISTRICT  
**RECEIPTS**  
 FOR THE YEAR 2016

RECEIPTS:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>COLLECTION ON WATER SALES:</b>													
CURRENT MONTH	2,951,644	2,754,178	2,804,479	3,121,911	3,020,996	3,133,413	3,579,780	3,453,969	3,408,666	3,299,734	3,306,788	3,311,671	38,147,219
CURRENT YEAR ARREARS			750,255	750,255	750,255	750,255	750,255	750,255	750,255	750,255	750,255	750,255	7,502,550
PREVIOUS YEAR ARREARS	791,083	791,083	40,828	40,828	40,828	40,828	40,828	40,828	40,828	40,828	40,828	40,828	1,990,446
BULK WATER SUPPLY		189,400		38,000						19,900			247,300
<b>TOTAL</b>	<b>P 3,742,727</b>	<b>3,734,661</b>	<b>3,595,562</b>	<b>3,950,994</b>	<b>3,812,079</b>	<b>3,924,496</b>	<b>4,370,863</b>	<b>4,245,042</b>	<b>4,199,749</b>	<b>4,110,717</b>	<b>4,097,871</b>	<b>4,102,754</b>	<b>47,887,515</b>
<b>OTHER RECEIPTS:</b>													
Power Cost Adjustment (PCA)	145,457	133,627	134,702	153,747	147,699	154,451							869,683
<b>MISC. SERVICE REVENUES:</b>													
• New Service Con. Charges (Registration)	33,000	24,000	24,000	25,500	25,500	24,000	24,000	24,000	24,000	24,000	24,000	24,000	300,000
• Reconnection Fee	13,200	15,000	13,800	12,000	13,200	16,800	23,400	15,600	11,400	11,400	15,600	13,200	174,600
• Service Fees (transfer fee / re-tapping fee)	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	36,600
• Water Meter and Service Connection Maintenance Fee	34,976	35,120	35,224	35,328	35,376	35,504	35,720	35,800	35,848	35,944	36,048	36,120	427,008
• Sales of New Service Connection Materials & Others	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,500,000
• Revenue from Equipment Rental / Penalty Fee in Violation of the Water Crisis Act & Others	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
<b>TOTAL</b>	<b>P 364,683</b>	<b>345,797</b>	<b>345,776</b>	<b>364,625</b>	<b>359,825</b>	<b>368,805</b>	<b>221,170</b>	<b>213,450</b>	<b>209,298</b>	<b>209,394</b>	<b>213,698</b>	<b>211,370</b>	<b>3,427,891</b>
INTEREST EARNINGS FROM DEPOSITORY BANK (PNB)			120			120			120			120	480
INTEREST EARNINGS FROM DEPOSITORY BANK (LBP)			150			150			150			150	600
INTEREST EARNINGS FROM DEPOSITORY BANK (DBP)			270			270			270			270	1,080
<b>TOTAL RECEIPTS</b>	<b>P 4,107,410</b>	<b>4,080,458</b>	<b>3,941,878</b>	<b>4,315,619</b>	<b>4,171,904</b>	<b>4,293,841</b>	<b>4,592,033</b>	<b>4,458,492</b>	<b>4,409,587</b>	<b>4,320,111</b>	<b>4,311,569</b>	<b>4,314,664</b>	<b>51,317,566</b>

Prepared/Certified by:

  
 MARIA ANA M. TORIBIO  
 Division Mng.-C - Finance & Commercial

Recommending Approval

  
 JOSE MARI G. CLARAVALL  
 General Manager

Approved by:

  
 DOMINADOR Z. CABASAL  
 Chairman-Board of Director

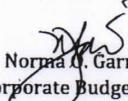
Approved as per Board Resolution No. 18 S. 2015  
 December 10, 2015

CITY OF ILAGAN WATER DISTRICT  
**Summary of Detailed Expenses**  
 Approved 2016 Budget

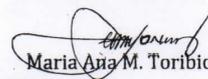
**PERSONNEL EXPENDITURE**

Account No.	Account Name	Amount
	Salaries & Wages-Regular employees	P 8,091,280.00
	Personnel Economic Relief Allo. (PERA)	606,000.00
	Additional Compensation (ACA)	202,000.00
	Representation Expense (RA)	282,000.00
	Transportation Expense (TA)	282,000.00
	Uniform/Clothing allowance	170,000.00
	13th Month Pay & Cash Gift	861,285.00
	Rice allowance	184,000.00
	Performance Based Bonus(PBB)	628,000.00
	Productivity Enhancement Incentive(PEI)	691,285.00
	Pres. Proc. Add'l PEI	170,000.00
	Life & Retirement Insurance	970,960.00
	Conversion of Premium(from SSS to GSIS)	180,000.00
	Pag-ibig Contribution	40,400.00
	Medicare (Philhealth)	87,056.00
	ECC Contribution (GSIS)	40,400.00
	Overtime & Holiday pay	720,000.00
	Other Personnel Benefits	49,000.00
	Monetization of earned leaves (VL&SL)	571,145.00
	Salaries & wages (4 Job. Order)	371,160.00
	<b>TOTAL PERSONNEL EXPENDITURE</b>	<b>P <u>15,197,971.00</u></b>

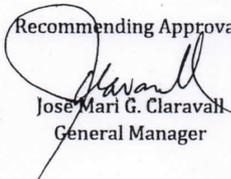
Prepared by:

  
 Norma C. Garrido  
 Sr. Corporate Budget Analyst

Certified correct:

  
 Maria Ana M. Toribio  
 Division Manager C-Finance & Commercial

Recommending Approval:

  
 Jose Mari G. Claravall  
 General Manager

Approved as per Board Resolution No.18, S. 2015  
 December 10,2015

**CITY OF ILAGAN WATER DISTRICT  
Summary of Detailed Expenses  
APPROVED 2016 BUDGET**

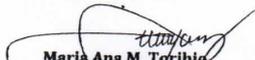
**NON-PERSONNEL EXPENDITURES**

Account No.	Account Name	Amount
	Directors Fee & Remuneration	P 940,520.00
	Office supplies	120,000.00
	Fuel,oil & Lubricants	315,000.00
	Other supplies Expense	30,000.00
	Travel & per diem	150,000.00
	Training & seminars	130,000.00
	Light & Power	418,000.00
	Water-Admin. Bldg.	120,000.00
	Fuel-Genset Adm. Bldg	6,000.00
	Postage & Deliveries	6,000.00
	Telephone Expenses-Landline	36,000.00
	Mobile & prepaid loads	150,000.00
	Internet/wi-fi connections	42,000.00
	Cable,satelite,Telegraph	6,000.00
	Printing Expenses	6,000.00
	Advertising,Promotions & Marketing	78,000.00
	Taxes duties & Licenses	180,000.00
	Insurance PremiumsRegistration	167,000.00
	Representation Expenses	30,000.00
	Rent/lease expenses	2,000,000.00
	Research Exploration & Devt. Expense	50,000.00
	Survey expense	24,000.00
	Extraordinary & Miscellaneous Expense (EME)	72,000.00
	Membership dues & contribution to organization	20,000.00
	Social Corporate Responsibility	2,450,000.00
	Donation	60,000.00
	Injuries & Damages	60,000.00
	Legal Services/Notarial fee	8,500.00
	Auditing Services	65,000.00
	Security Services	195,600.00
	Computer Data Processing Services	12,000.00
	Other Professional Services	27,000.00
	Other Maintenance & Operating Expenses	24,000.00
	Freight & Handling	5,000.00
	Tools, Shop & Garage equipment	24,000.00
	Transportation	50,000.00
	Maintenance of Office Equipment	25,000.00
	Maintenance of Watershed	120,000.00
	Gender And Development(G.A.D.)	300,000.00
	Financial charges/bank charges	6,000.00
	Customer Account supervision(Wages J.O.)	300,000.00
	Meter reading expense	12,000.00
	Customer records & collection expense	100,000.00
	<b>TOTAL</b>	<b>P <u>8,940,620.00</u></b>

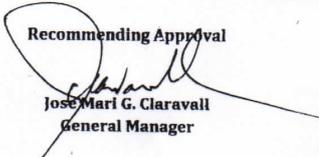
Prepared by:

  
**Norma O. Garrido**  
Sector Corporate Budget Analyst

Certified correct:

  
**Maria Ana M. Toribio**  
Division Manager Finance & Commercial

Recommending Approval

  
**Jose Mari G. Claravall**  
General Manager

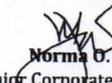
Approved as per Board Resolution No. 18, S. 2015  
December 10,2015

CITY OF ILAGAN WATER DISTRICT  
Summary of Detailed Expenses  
APPROVED 2016 BUDGET

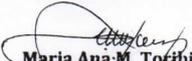
**OTHER OPERATION & MAINTENANCE EXPENSE**

Account No.	ACCOUNT NAME	Amount
<b>TRANSMISSION &amp; DISTRIBUTION EXPENSES</b>		
701-07	Trans & dist Lines Expense-Maint.Supervision(wages J.O.)	960,000.00
803-08	Maintenance of reservoir & tanks	132,500.00
803-09	Maint of transmission & distribution mains	550,000.00
803-11	Maintenance of services	30,000.00
803-12	Maintenance of meters	18,000.00
803-14	Maintenance of hydrant & B.O.V.	24,000.00
803-16	Maintenance of Other Plant	45,000.00
	<b>SUB-TOTAL</b>	<b>P <u>1,759,500.00</u></b>
<b>SOURCE OF SUPPLY EXPENSES</b>		
		Amount
701-01	Source of supply Operation supervision Exp.(wages J.O.)	520,800.00
792-01	Source of Supply-Miscellaneous Expenses	24,000.00
792-03	Source of Supply-Engineering Expenses	180,000.00
701-03	Source of Supply Supervision Labor	276,000.00
803-04	Maintenance of wells	634,000.00
803-05	Maintenance of source of supply mains	200,000.00
	<b>SUB-TOTAL</b>	<b>P <u>1,834,800.00</u></b>
<b>PUMPING EXPENSES</b>		
		Amount
701-04	Power Production Labor Expense	24,000.00
701-05	Pumping labor & expense	27,000.00
795-06	Pumping operation expenses	24,000.00
792-05	Fuel for Power Production (GENSET)	402,891.00
792-07	Power Purchase for pumping	7,200,000.00
	<b>SUB-TOTAL</b>	<b>P <u>7,677,891.00</u></b>
<b>BUILDING &amp; STRUCTURES &amp; OTHER MACHINERY &amp; EQPT.</b>		
		Amount
804-07	Maintenance of Structure & Impvt-Pumping plant	50,000.00
825-01	Power Production equipment	130,000.00
825-02	Pumping Equipment	150,000.00
	<b>SUB-TOTAL</b>	<b>P <u>330,000.00</u></b>
<b>WATER TREATMENT EXPENSES</b>		
		Amount
701-06	Water Treatment Operation Labor Expense	30,000.00
792-09	Chemicals filtering & Lab. Supply Expense	750,000.00
804-03	Maintenance of water treatment Structure & improvement	83,000.00
825-03	Water Treatment & Equipment	30,000.00
	<b>SUB-TOTAL</b>	<b>P <u>893,000.00</u></b>
	<b>TOTAL</b>	<b>Php <u>12,495,191.00</u></b>

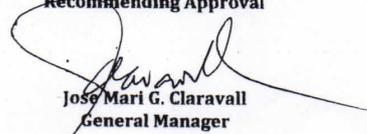
Prepared by:

  
**Norma O. Garrido**  
Senior Corporate Budget analyst

Certified correct:

  
**Maria Ana M. Tocibio**  
Division Manager - Finance & Commercial

**Recommending Approval**

  
**Jose Mari G. Claravall**  
General Manager

**Approved as per Board Resolution No. 18, S. 2015**  
December 10, 2015

**CITY OF ILAGAN WATER DISTRICT  
CAPITAL EXPENDITURES (CAPEX) REQUIREMENTS  
APPROVED 2016 BUDGET**

<b>I. NON REVENUE WATER (NRW) REDUCTION MGT. PROGRAM</b>			
•	WATER METER MAINTENANCE INCLUDING FITTINGS	320 sets	<b>P 400,000.00</b>
<b>II. OFFICE EQUIPMENTS AND TOOLS</b>			
		1 lot	200,000.00
<b>III. NEW SERVICE CONNECTION MATERIALS</b>			
•	WATER METER AND FITTINGS	200 sets	400,000.00
<b>IV. PUMPING EQUIPMENTS</b>			
•	ELECTRO-MECHANICAL PANEL CONTROL AND POWER SUP	1 lot	657,300.00
•	ALIBAGU P/S SUBMERSIBLE MOTOR 15 HP	1 lot	90,000.00
			747,300.00
<b>V. TOTAL UTILITIES BILLING SYSTEM (TUBS) SOFTWARE</b>			
		1 lot	300,000.00
<b>Total</b>			<b>P 2,047,300.00</b>

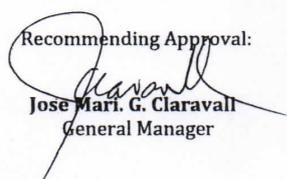
Prepared by:

  
**Norma O. Garrido**  
Sr. Corporate Budget Analyst

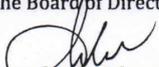
Certified Correct:

  
**Jose T. Galacinao**  
Division Manager-Technical & Operation

Recommending Approval:

  
**Jose Mari G. Claravall**  
General Manager

Approved:  
For the Board of Director

  
**Dominador Z. Cabasal**  
Chairman of the Board

Approved as per Board Resolution No. 18 S. 2015  
December 10, 2015

**CITY OF ILAGAN WATER DISTRICT  
PROJECTED INCOME STATEMENT  
CALENDAR YEAR 2016**

Water Sales	P	48,584,024.00
Less :Billing Adjustment Memo (BAM)		2,460,000.00
Senior Citizen Discount		<u>240,000.00</u>
Total Net Water Sales		45,884,024.00
Penalty Charges		<u>1,800,000.00</u>
<b>TOTAL WATER SALES</b>		<b>47,684,024.00</b>
Add: Others:		
Power Cost Adjustment (PCA)		1,087,104.00
Miscellaneous Service Revenue :		
New Registration/Re-open fee	474,600.00	
Meter & Service Connection Maint. Fee	533,760.00	
Other Water Revenue/Service	<u>403,900.00</u>	1,412,260.00
Non-Operating Revenues		
Interest Revenue	2,160.00	
Other Income (Sales of Materials)	<u>1,500,000.00</u>	<u>1,502,160.00</u>
<b>TOTAL OPERATING REVENUE</b>	<b>P</b>	<b><u>51,685,548.00</u></b>
LESS: UTILITY OPERATING & MAINTENANCE EXPENSES		
Salaries & Wages		15,197,971.00
Power/Fuel		7,602,891.00
Chemicals & Filtering		750,000.00
Other Operation & Maintenance Expense		<u>13,082,920.00</u>
<b>TOTAL UTILITY OPERATING &amp; MAINT. EXPENSE</b>		<b><u>36,633,782.00</u></b>
Interest Expenses:		
DBP	1,257,906.00	
City Govt. of Ilagan	2,400,000.00	
LWUA	<u>111,816.00</u>	3,769,722.00
Franchise tax		953,680.00
Depreciation (P725,000 x12)		<u>8,700,000.00</u>
<b>TOTAL UTILITY OPERATING EXPENSES</b>		<b><u>50,057,184.00</u></b>
<b>****NET INCOME</b>	<b>P</b>	<b><u><u>1,628,364.00</u></u></b>
****Obligated to CAPEX		

Prepared by:

  
Norma O. Garrido

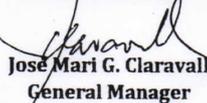
Senior Corporate Budget Analyst

Certified correct:

  
Maria Ana M. Toribio

Division Manager-Finance & Commercial

Recommending Approval

  
Jose Mari G. Claravall  
General Manager

Approved  
For the Board of Directors

  
Dominador Z. Cabasal  
Chairman

Approved as per Board Resolution No. 18 s. 2015  
December 10, 2015

**CITY OF ILAGAN WATER DISTRICT**  
**GENDER AND DEVELOPMENT (GAD) PROGRAM**  
 Approved 2016 Budget

**I - HEALTH & WELLNESS:** ₱ 50,000.00

- WOMAN** - Mamograph , Ultrasound,  
Pap smear (A test for early detection of  
cancer of the Uterus & Cervix).
- MEN** - Prostate

**II - TRAININGS:**

↓ **FIRST AID TRAINING - March 2016**

- **Facilitator Honorarium: (Doctor & Nurse)**
- Miscellaneous Expenses (Snacks  
& Lunch for 65 employees including  
speakers A.M - Theory and P.M. - Application) 10,000.00

↓ **EARTHQUAKE DRILL - April, 2016**

- **Facilitator Honorarium:**
- Three (3) Fire Marshals (3 x 500) 10,000.00
- Miscellaneous Expense (Snacks  
& Lunch for 65 employees to include  
Speakers A.M - Theory and P.M. - Application)

↓ **LIVELIHOOD TRAININGS -** 10,000.00  
 (TO INCLUDE WIFE / HUSBAND OF EMPLOYEES  
 One beneficiary / dependent for every one employee)

- Food Processing Like:
  - Boneless Bangus/Tapang Bangus/Smoke Bangus
  - Longanisa,Tapa ,Tocino Making
  - Preservative Fruits - Tangkoy/Kamias/Langka/Tamarine
  - Leche Flan,Salted egg.
  - Milk candies - Yema/Pastillas
- Miscellaneous expenses
- Facilitators Honorarium for 2 Tesda personnel

**III - CITY DISASTER & RISK REDUCTION MANAGEMENT COUNCIL** 20,000.00

**IV - PARTICIPATION IN GOVERNMENT PROGRAMS AND ACTIVITIES** 30,000.00

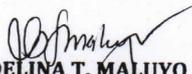
- World Water Day - CIWD Management & Staff 10,000.00
- Fun Run (Red Cross, LGU) Volunteer 5,000.00
- Mammangi Festival Activities 10,000.00
- Adapt a Tree -(Tree Planting) 5,000.00

<b>V - SPIRITUAL &amp; MORAL RECOVERY ENHANCEMENT PROGRAM</b>	40,000.00
<b>VI -LAKBAY ARAL / FIELD TRIP - (Educational Trip)</b>	} 80,000.00
<b>Christmas Program</b>	} <b>₱30,000.00</b>
<b>VII - CIWD PRAISE (Program for Rewards &amp; Incentives on Service Excellence)</b>	50,000.00

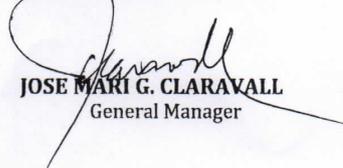
- Best Employee Award(Cash Rewards of Employee -Regular / Job Order every December during Christmas program.
- Best Organization award (Cash Reward for Performing Division or unit -every December during Christmas program
- Most cooperative Employee award(Active participation all Schedule activities of CIWD - to be awarded during Christmas Program ( Regular /Job order).
- Service award for Retirees(Plaque of Recognition & Souvenir items for employee & BOD to be given every December during Christmas program and end term of BOD (3 for retirement 2016)

**TOTAL GAD BUDGET 2016      ₱300,000.00**

Prepared by:

  
**ADELINA T. MALUYO**  
 Division Manager - C  
 Administrative & General Services

Recommending Approval:

  
**JOSE MARI G. CLARAVALL**  
 General Manager

Approved  
 For the Board of Director

  
**DOMINADOR Z. CABASAL**  
 Chairman

Approved as per Board Resolution No. 18 s. 2015  
 December 10, 2015

# BUDGET 2017



Republic of the Philippines  
 PROVINCE OF ISABELA  
**CITY OF ILAGAN WATER DISTRICT**  
 CCC 090  
 Maharlika Highway, Brgy. Osmeña  
 City of Ilagan, Isabela

**RESOLUTION NO. 29**  
 Series of 2016

**A RESOLUTION APPROVING THE ADOPTION OF THE CITY OF ILAGAN WATER DISTRICT (CIWD) CALENDAR YEAR (CY) 2017 OPERATING BUDGET AMOUNTING SEVENTY MILLION FIVE HUNDRED FOURTEEN THOUSAND SEVEN HUNDRED THIRTY FOUR PESOS (P70,514,734.00) DERIVED FROM VARIOUS COLLECTIONS ON WATER SALES, RECEIVABLES DUE FROM CURRENT/PREVIOUS YEAR ARREARS, MISCELLANEOUS SERVICE REVENUE AND FROM CALAMITY FUND ASSISTANCE OBTAINED FROM THE DEVELOPMENT BANK OF THE PHILIPPINES (DBP) THREE (3)-MONTH LOAN PAYMENT MORATORIUM THEREBY APPROPRIATING SUFFICIENT OPERATING FUNDS AMOUNTING SEVENTY MILLION THREE HUNDRED NINETY FOUR THOUSAND NINE HUNDRED THIRTY PESOS (P70,394,930.00) FOR THE VARIOUS AREA OF EXPENDITURES COVERING M.O.O.E., DEBT SERVICES, CAPITAL OUTLAY, COMMITTED FUNDS AND FRANCHISE TAX.**

**WHEREAS**, the City Ilagan Water District (CIWD) Management thru the General Manager has initially presented before the body the details of the 2017 projected Cash Flow to be considered in the CY – 2017 Operating Budget;

**WHEREAS**, the presented 2017 projected Cash Flow conforms more or less to the Joint LWUA-CIWD Business Planning Workshop and the CIWD Approved 10 year (2016-2025) Projected Cash Flow submitted to the Local Water Utilities Administration (LWUA);

**WHEREAS**, projected revenue derived from various collection on water sales, receivables due from current/previous year arrears, miscellaneous service revenue and the calamity fund assistance obtained from the DBP 3-month loan payment moratorium is realistic, conservatively feasible, highly probable and attainable;

**WHEREAS**, subsequent and sufficient funding allocation is provided to address the various area of expenditures summarized as shown below and details shown in the attached as Annexes A, B, C, D, E and F forming an integral part of this resolution;

**RECEIPTS:**

Water Sales .....	P 49,175,231.00
Current /Previous Year Arrears .....	16,604,616.00
Miscellaneous Service Revenue and other Receipts .....	3,561,887.00
3-month DBP Loan Payment Moratorium & 80%utilization of on-hold deposit .....	1,169,000.00
<b>GROSS RECEIPTS .....</b>	<b><u>P 70,514,734.00</u></b>

**DISBURSEMENTS:**

MOOE .....	P 41,143,905.00
Debt Service .....	19,483,903.00
Capital Outlay .....	6,600,000.00
Committed Funds .....	2,026,474.00
Franchise Tax .....	1,140,648.00
<b>TOTAL.....</b>	<b><u>P 70,394,930.00</u></b>

**WHEREAS**, the derivation of Receipts and Schedule of Disbursements as provided hereto conforms to the established laws, rules and regulations, various loan contract/agreements, LWUA Water Rates Policies, 2017 Salary Standardization Law (SSL), DOLE Wage Board, DBM-COA-BIR-CSC-AO25 Inter Agency Task Force (IATF) Memorandum and Circulars and the Revised LWD-MaCRO;

**WHEREAS**, effective marketing programs, proper implementation of Capital Improvement Programs in accordance to law, officers/employees commitment and dedication to the vision, mission and mandate and foremost through God's Divine providence and grace will ensure growth and sustainability to the Water District;

**WHEREFORE**, on unanimous accord by this august body, be it ---

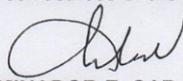
**RESOLVED AS IT IS HEREBY RESOLVED** to approve the adoption of the City of Ilagan Water District (CIWD) Calendar Year (CY) 2017 Operating Budget amounting SEVENTY MILLION FIVE HUNDRED FOURTEEN THOUSAND SEVEN HUNDRED THIRTY FOUR PESOS (P70,514,734.00) derived from various collections on water sales, receivables due from current/previous year arrears, miscellaneous service revenue and from calamity fund assistance obtained from the Development Bank of the Philippines (DBP) three (3)-month loan payment moratorium thereby appropriating sufficient operating funds amounting SEVENTY MILLION THREE HUNDRED NINETY FOUR THOUSAND NINE HUNDRED THIRTY PESOS (P70,394,930.00) for the various area of expenditures covering M.O.O.E., Debt Services, Capital Outlay, Committed Funds and Franchise Tax;

**RESOLVED FURTHER** that the CY 2017 Operating Budget provided herein shall be adopted for implementation effective January 01, 2017;

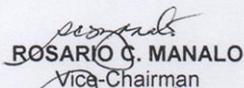
**RESOLVED FINALLY** to furnish copies of this Resolution the Local Water Utilities Administration (LWUA), Commission On Audit (COA), Department of Budget and Management (DBM), Civil Service Commission (CSC) and other concerned government agencies for their information and reference;

**APPROVED UNANIMOUSLY** by all members of the Board this 8<sup>th</sup> day of December, 2016 at the City of Ilagan, Isabela.

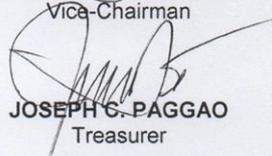
WE HEREBY CERTIFY to the correctness of the foregoing resolution.



**DOMINADOR Z. CABASAL**  
Chairman



**ROSARIO G. MANALO**  
Vice-Chairman



**JOSEPH C. PAGGAO**  
Treasurer



**MA. KAREN B. ESTAVILLO**  
Secretary



**MARIO B. UGTO**  
Member

CITY OF ILAGAN WATER DISTRICT  
**SERVICE CONNECTION AND WATER CONSUMPTION**  
 FOR THE YEAR 2017

ANNE

Table 1-A: SERVICE CONNECTION

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Total Projected Ave. Active Service Connection	5,177	5,200	5,223	5,246	5,269	5,292	5,315	5,338	5,361	5,384	5,407	5,430
Projected Ave. New Service Connections	25	25	25	25	25	25	25	25	25	25	25	25
Projected Ave. Reconnections	14	14	14	14	14	14	14	14	14	14	14	14
Projected Ave. Disconnections	16	16	16	16	16	16	16	16	16	16	16	16
Total Projected Ave. Active Service Connection End	5,200	5,223	5,246	5,269	5,292	5,315	5,338	5,361	5,384	5,407	5,430	5,453
BREAKDOWN (FOR BILLING)												
CLASSIFICATION												
Residential	4,205	4,236	4,242	4,265	4,285	4,302	4,343	4,379	4,405	4,422	4,445	4,468
Government	82	82	82	82	82	82	82	82	82	82	82	82
Commercial A-1	12	12	12	12	12	12	12	12	12	12	12	12
Commercial A-2	101	101	101	101	101	101	101	101	101	101	101	101
Commercial B	99	99	99	99	99	99	99	99	99	99	99	99
Commercial C	268	268	268	268	268	268	268	268	268	268	268	268
Total Connection for Billing	4,767	4,798	4,804	4,827	4,847	4,864	4,905	4,941	4,967	4,984	5,007	5,030

Table 1-B: AVERAGE MONTHLY WATER CONSUMPTION PER CONNECTION (in cu.m)

CLASSIFICATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Residential	20	20	20	20	20	20	20	20	20	20	20	20
Government	108	108	108	108	108	108	108	108	108	108	108	108
Commercial A-1	239	239	239	239	239	239	239	239	239	239	239	239
Commercial A-2	20	20	20	20	20	20	20	20	20	20	20	20
Commercial B	16	16	16	16	16	16	16	16	16	16	16	16
Commercial C	18	18	18	18	18	18	18	18	18	18	18	18

Table 1-C: TOTAL WATER CONSUMPTION PER CLASSIFICATION (in cu.m)

CLASSIFICATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Residential	84,100	84,720	84,840	85,300	85,700	86,040	86,860	87,580	88,100	88,440	88,900	89,360
Government	8,856	8,856	8,856	8,856	8,856	8,856	8,856	8,856	8,856	8,856	8,856	8,856
Commercial A-1	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629
Commercial A-2	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020
Commercial B	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584
Commercial C	4,824	4,824	4,824	4,824	4,824	4,824	4,824	4,824	4,824	4,824	4,824	4,824
Bulk Water Supply		412										
<b>T O T A L S</b>	<b>104,013</b>	<b>105,045</b>	<b>104,753</b>	<b>105,213</b>	<b>105,613</b>	<b>105,953</b>	<b>106,773</b>	<b>107,493</b>	<b>108,013</b>	<b>108,353</b>	<b>110,863</b>	<b>109,273</b>

CITY OF ILAGAN WATER DISTRICT  
**WATER RATES SCHEDULE & WATER SALES**  
 FOR THE YEAR 2017

ANNEX A

Table 2-A: WATER RATE SCHEDULE

EXISTING WATER RATES (3rd Step Water Rates Adjustment)					
CLASSIFICATION	MINIMUM 1-10 cu.m	COMMODITY CHARGES			
		11-20 cu.m	21-30 cu.m	31-40 cu.m	41-up cu.m
Residential	350.00	36.45	41.65	48.45	55.00
Government	612.00	63.80	72.90	84.75	96.25
Commercial A-1	700.00	72.95	83.30	96.90	110.00
Commercial A-2	612.00	63.80	72.90	84.75	96.25
Commercial B	525.00	54.65	62.50	72.65	82.50
Commercial C	437.00	45.55	52.05	60.50	68.70

Table 2-B: WATER SALES

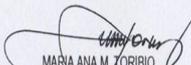
CLASSIFICATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
Residential	3,004,473.00	3,026,622.00	3,030,909.00	3,047,343.00	3,061,633.00	3,073,779.00	3,103,074.00	3,128,796.00	3,147,373.00	3,159,519.00	3,175,953.00	3,192,386.00	37,151,860.00
Government	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	810,756.00	9,729,072.00
Commercial A-1	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	363,180.00	4,358,160.00
Commercial A-2	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	171,924.00	2,063,088.00
Commercial B	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	107,214.00	1,286,568.00
Commercial C	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	273,638.00	3,283,656.00
<b>T O T A L</b>	<b>4,731,185.00</b>	<b>4,753,334.00</b>	<b>4,757,621.00</b>	<b>4,774,055.00</b>	<b>4,788,345.00</b>	<b>4,800,491.00</b>	<b>4,829,786.00</b>	<b>4,855,508.00</b>	<b>4,874,085.00</b>	<b>4,886,231.00</b>	<b>4,902,665.00</b>	<b>4,919,098.00</b>	<b>57,872,404.00</b>
ADD: METER MAINTENANCE FEE (MMF)	47,870.00	47,980.00	48,040.00	48,270.00	48,470.00	48,640.00	49,050.00	49,410.00	49,670.00	49,840.00	50,070.00	50,300.00	587,610.00
<b>GROSS WATER SALES</b>	<b>4,779,055.00</b>	<b>4,801,314.00</b>	<b>4,805,661.00</b>	<b>4,822,325.00</b>	<b>4,836,815.00</b>	<b>4,849,131.00</b>	<b>4,878,836.00</b>	<b>4,904,918.00</b>	<b>4,923,755.00</b>	<b>4,936,071.00</b>	<b>4,952,735.00</b>	<b>4,969,398.00</b>	<b>58,460,014.00</b>
ADD: PENALTY CHARGES	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	115,000.00	1,380,000.00
LESS: BILLING ADJ. MEMO (BAM)	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	1,920,000.00
SENIOR CITIZEN DISCOUNT	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	300,000.00
<b>TOTAL NET WATER SALES</b>	<b>4,709,055.00</b>	<b>4,731,314.00</b>	<b>4,735,661.00</b>	<b>4,752,325.00</b>	<b>4,766,815.00</b>	<b>4,779,131.00</b>	<b>4,808,836.00</b>	<b>4,834,918.00</b>	<b>4,853,755.00</b>	<b>4,866,071.00</b>	<b>4,882,735.00</b>	<b>4,899,398.00</b>	<b>57,620,014.00</b>
BULK WATER SUPPLY		57,466.00									69,898.00		127,364.00
<b>T O T A L</b>	<b>4,709,055.00</b>	<b>4,788,780.00</b>	<b>4,735,661.00</b>	<b>4,752,325.00</b>	<b>4,766,815.00</b>	<b>4,779,131.00</b>	<b>4,808,836.00</b>	<b>4,834,918.00</b>	<b>4,853,755.00</b>	<b>4,866,071.00</b>	<b>4,952,633.00</b>	<b>4,899,398.00</b>	<b>57,747,378.00</b>

CITY OF ILAGAN WATER DISTRICT  
**RECEIPTS**  
 FOR THE YEAR 2017

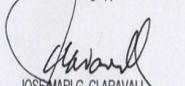
ANNEX A

RECEIPTS:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>COLLECTION ON WATER SALES:</b>													
CURRENT MONTH	4,008,619.00	4,027,667.00	4,031,354.00	4,045,487.00	4,057,777.00	4,068,222.00	4,083,416.00	4,115,537.00	4,131,513.00	4,141,959.00	4,156,092.00	4,170,224.00	49,047,867.00
CURRENT YEAR ARREARS			1,294,922.00	1,294,922.00	1,294,922.00	1,294,922.00	1,294,922.00	1,294,922.00	1,294,922.00	1,294,922.00	1,294,922.00	1,294,922.00	12,949,220.00
PREVIOUS YEAR ARREARS	1,383,718.00	1,383,718.00	88,796.00	88,796.00	88,796.00	88,796.00	88,796.00	88,796.00	88,796.00	88,796.00	88,796.00	88,796.00	3,655,386.00
BULK WATER SUPPLY		57,466.00									69,898.00		127,364.00
<b>TOTAL</b>	<b>5,392,337.00</b>	<b>5,468,851.00</b>	<b>5,415,072.00</b>	<b>5,429,205.00</b>	<b>5,441,495.00</b>	<b>5,451,940.00</b>	<b>5,477,134.00</b>	<b>5,499,255.00</b>	<b>5,515,231.00</b>	<b>5,525,677.00</b>	<b>5,609,708.00</b>	<b>5,553,942.00</b>	<b>65,779,847.00</b>
<b>OTHER RECEIPTS:</b>													
<b>MISC. SERVICE REVENUES:</b>													
New Service Con. Charges (Registration)	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	41,625.00	499,500.00
Reconnection Fee	23,400.00	19,800.00	10,800.00	18,900.00	23,400.00	21,600.00	35,100.00	32,400.00	22,500.00	18,000.00	22,500.00	22,500.00	270,900.00
Service Fees (Transfer fee / re-tapping fee/labor)	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Water Meter and Service Connection Maintenance Fee	41,168.00	41,263.00	41,314.00	41,512.00	41,684.00	41,830.00	42,183.00	42,493.00	42,716.00	42,862.00	43,060.00	43,258.00	505,343.00
Sales of New Service Connection Materials	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	1,920,000.00
Revenue from Equipment Rental / Penalty Fee in Violation of the Water Crisis Act & Others	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	27,452.00	329,424.00
<b>TOTAL</b>	<b>296,645.00</b>	<b>293,140.00</b>	<b>284,191.00</b>	<b>292,489.00</b>	<b>297,161.00</b>	<b>295,507.00</b>	<b>306,360.00</b>	<b>306,970.00</b>	<b>297,293.00</b>	<b>292,939.00</b>	<b>297,637.00</b>	<b>297,835.00</b>	<b>3,561,167.00</b>
INTEREST EARNINGS FROM DEPOSITORY BANK (PNB)			120.00			120.00			120.00			120.00	480.00
INTEREST EARNINGS FROM DEPOSITORY BANK (LBP)			160.00			160.00			160.00			160.00	640.00
INTEREST EARNINGS FROM DEPOSITORY BANK (DBP)			900.00			900.00			900.00			900.00	3,600.00
<b>TOTAL RECEIPTS</b>	<b>5,688,982.00</b>	<b>5,761,991.00</b>	<b>5,700,443.00</b>	<b>5,721,694.00</b>	<b>5,738,656.00</b>	<b>5,748,627.00</b>	<b>5,786,494.00</b>	<b>5,806,225.00</b>	<b>5,813,704.00</b>	<b>5,818,616.00</b>	<b>5,907,345.00</b>	<b>5,852,957.00</b>	<b>69,345,734.00</b>

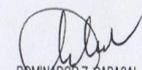
Prepared/Certified by:

  
 MARIA ANA M. TORIBIO  
 Division Mngr. C - Finance & Commercial

Recommending Approval:

  
 JOSE MARI G. CLARAVALL  
 General Manager

Approved by:

  
 DISMALADOR Z. CABASAL  
 Chairman - Board of Director

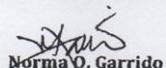
Approved as per Board Resolution No. 29 S. 2016  
 December 08, 2016

CITY OF ILAGAN WATER DISTRICT  
**Summary of Detailed Expenses**  
 Approved 2017 Budget

**PERSONNEL EXPENDITURE**

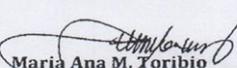
Account No.	Account Name	Amount
	Salaries & Wages-Regular employees	P 9,861,994.00
	Personnel Economic Relief Allo. (PERA)	721,500.00
	Additional Compensation (ACA)	240,500.00
	Representation Expense (RA)	282,000.00
	Transportation Expense (TA)	282,000.00
	Uniform/Clothing allowance	215,000.00
	Mid-year & Year End Bonus	1,598,860.00
	Rice allowance	192,000.00
	Performance Based Bonus(PBB)	470,618.00
	Productivity Enhancement Incentive(PEI)	215,000.00
	Cash gift	210,000.00
	Life & Retirement Insurance (GSIS)	1,183,439.00
	Conversion of Premium(from SSS to GSIS)	120,000.00
	Pag-ibig Contribution	48,100.00
	Medicare (Philhealth)	101,338.00
	ECC Contribution (GSIS)	48,100.00
	Terminal Leave Benefit(TLB)	608,000.00
	Retirement Gratuity Benefit (RGB)	585,000.00
	Overtime & Holiday pay	620,000.00
	Other Personnel Benefits	80,000.00
	Monetization of earned leaves (VL&SL)	617,310.00
	Salaries & wages (4 Job. Order)	520,990.00
	<b>TOTAL PERSONNEL EXPENDITURE</b>	<b>P <u>18,821,749.00</u></b>

Prepared by:

  
**Norma O. Garrido**

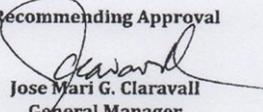
Senior Corporate Budget Analyst

Certified correct:

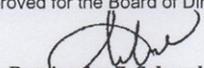
  
**Maria Ana M. Toribio**

Division Manager-Finance & Commercial

**Recommending Approval**

  
**Jose Mari G. Claravall**  
 General Manager

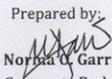
Approved for the Board of Director:

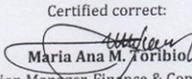
  
**Dominador Z. Cabasal**  
 Chairman

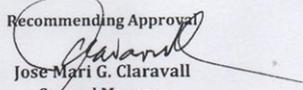
Approved as per Board Resolution No. 29, S. 2016  
 December 8, 2016

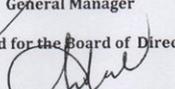
**CITY OF ILAGAN WATER DISTRICT**  
**Summary of Detailed Expenses**  
**APPROVED 2017 BUDGET**  
**NON-PERSONNEL EXPENDITURES**

Account No.	Account Name	Amount
	Directors Fee & Renumeration	P 1,132,206.00
	Office supplies	200,000.00
	Fuel,oil & Lubricants	305,000.00
	Other supplies Expense	30,000.00
	Travel & per diem	240,000.00
	Training & seminars	170,000.00
	Light & Power	420,000.00
	Water-Admin. Bldg.	120,000.00
	Fuel-Genset Adm. Bldg	6,000.00
	Postage & Deliveries	6,000.00
	Telephone Expenses-Landline	30,000.00
	Mobile & prepaid loads	150,000.00
	Internet/wi-fi connections	90,000.00
	Cable,satelite,Telegraph	6,000.00
	Printing Expenses	6,000.00
	Advertising,Promotions & Marketing	93,000.00
	Taxes duties & Licenses	180,000.00
	Insurance PremiumsRegistration	273,000.00
	Representation Expenses	36,000.00
	Rent/lease expenses	2,000,000.00
	Research Exploration & Devt. Expense	50,000.00
	Survey expense	24,000.00
	Extraordinary & Miscellaneous Expense (EME)	72,000.00
	Membership dues & contribution to organization	20,000.00
	Corporate Social Responsibility	2,450,000.00
	Donation	60,000.00
	Injuries & Damages	60,000.00
	Legal Services/Notarial fee	60,000.00
	Auditing Services	65,400.00
	Security Services	223,200.00
	Computer Data Processing Services	12,000.00
	Other Professional Services	12,000.00
	Other Maintenance & Operating Expenses	135,000.00
	Freight & Handling	5,000.00
	Tools, Shop & Garage equipment	27,000.00
	Maintenance of Transportation Expense	48,500.00
	Maintenance of Office Equipment	25,000.00
	Labor & Other Misc. Expense-Watershed	120,000.00
	Gender And Development(G.A.D.)	250,000.00
	Awards & Rewards Program	175,000.00
	Financial Charges/Bank Charges	6,000.00
	Customer Account supervision(Wages J.O.)	292,560.00
	Meter Reading Expense	12,000.00
	Customer records & collection expense	100,000.00
	<b>TOTAL</b>	<b>P 9,797,866.00</b>

Prepared by:  
  
**Norisa G. Garrido**  
 Senior Corporate Budget Analyst

Certified correct:  
  
**Maria Ana M. Toribio**  
 Division Manager-Finance & Commercial

Recommending Approval  
  
**Jose Mari G. Claravall**  
 General Manager

Approved for the Board of Directors  
  
**DOMINADOR Z. CABASAL**  
 Chairman

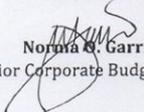
Approved as per Board Resolution No. 29 S. 2016  
 December 8,2016

CITY OF ILAGAN WATER DISTRICT  
Summary of Detailed Expenses  
APPROVED 2017 BUDGET

**OTHER OPERATION & MAINTENANCE EXPENSE**

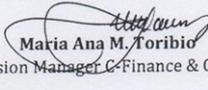
Account No.	ACCOUNT NAME	Amount
<b>TRANSMISSION &amp; DISTRIBUTION EXPENSES</b>		
701-07	Trans & dist Lines Expense-Maint. Supervision(wages J.O.)	1,463,400.00
803-08	Maintenance of reservoir & tanks	115,000.00
803-09	Maint of transmission & distribution mains	355,000.00
803-11	Maintenance of services	93,000.00
803-12	Maintenance of meters	93,000.00
803-14	Maintenance of hydrant & B.O.V.	23,000.00
803-16	Maintenance of Other Plant	115,000.00
	<b>SUB-TOTAL</b>	<b>P <u>2,257,400.00</u></b>
<b>SOURCE OF SUPPLY EXPENSES</b>		
		Amount
701-01	Source of supply Operation supervision Exp.(wages J.O.)	1,380,000.00
792-01	Source of Supply-Miscellaneous Expenses	24,000.00
792-03	Source of Supply-Engineering Expenses	300,000.00
701-03	Source of Supply Supervision Labor	180,000.00
803-04	Maintenace of wells	430,000.00
803-05	Maintenance of source of supply mains	245,000.00
	<b>SUB-TOTAL</b>	<b>P <u>2,559,000.00</u></b>
<b>PUMPING EXPENSES</b>		
		Amount
701-04	Power Production Labor Expense	24,000.00
701-05	Pumping labor & expense	27,000.00
795-06	Pumping operation expenses	24,000.00
792-05	Fuel for Power Production (GENSET)	402,891.00
792-07	Power Purchase for pumping	10,200,000.00
	<b>SUB-TOTAL</b>	<b>P <u>10,677,891.00</u></b>
<b>BUILDING &amp; STRUCTURES &amp; OTHER MACHINERY &amp; EQPT.</b>		
		Amount
804-07	Maintenance of Structure & Impvt-Pumping plant	570,000.00
825-01	Power Production equipment	125,000.00
825-02	Pumping Equipment	150,000.00
	<b>SUB-TOTAL</b>	<b>P <u>845,000.00</u></b>
<b>WATER TREATMENT EXPENSES</b>		
		Amount
701-06	Water Treatment Operation Labor Expense	30,000.00
792-09	Chemicals filtering & Lab. Supply Expense	650,000.00
804-03	Maintenance of water treatment Structure & improvement	40,000.00
825-03	Water Treatment & Equipment	35,000.00
	<b>SUB-TOTAL</b>	<b>P <u>755,000.00</u></b>
	<b>TOTAL</b>	<b>Php <u>17,094,291.00</u></b>

Prepared by:

  
**Norma G. Garrido**

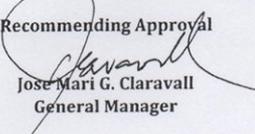
Senior Corporate Budget analyst

Certified correct:

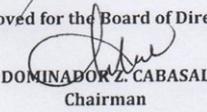
  
**Maria Ana M. Toribio**

Division Manager of Finance & Com.'l

Recommending Approval

  
**Jose Mari G. Claravall**  
General Manager

Approved for the Board of Directors:

  
**DOMINADOR Z. CABASAL**  
Chairman

Approved as per Board Resolution No. 29 S. 2016  
December 8, 2016



Republic of the Philippines  
PROVINCE OF ISABELA  
**CITY OF ILAGAN WATER DISTRICT**  
Maharlika Highway, Brgy. Osmeña  
City of Ilagan, Isabela  
Tel. No.: 624-2083/624-0097

## PROGRAM OF WORK

CAPEX 2017- ICG

ITEM	DESCRIPTION	QTY	UNIT	U/COST	COST
<b>I.</b>	<b>NEW SERVICE CONNECTION</b>				
1.0	Water Meter	300	sets	1,000.00	300,000.00
2.0	Fittings	300	sets	2,000.00	600,000.00
				Sub-Total	900,000.00
<b>II.</b>	<b>TRANSMISSION &amp; DISTRIBUTION FACILITIES</b>				
1.0	Brgy Lullutan Pipeline Expansion (1,314 meters)	1	lot		533,920.00
<b>III.</b>	<b>WATER SOURCE DEV'T &amp; PROD. FACILITIES</b>				
1.0	Brgy Lullutan P/S - 8"Ø Production Well including Electro-Mechanical Equipments	1	lot		1,470,000.00
2.0	NBI Water Pumping Station Restoration including Electro-Mechanical Equipments	1	lot		152,780.00
<b>IV.</b>	<b>GENERAL PLANT</b>				
1.0	Procurement of Desktop Computer with Complete operating system & accessories	3	units	62,500.00	187,500.00
2.0	Procurement of Meter Reading Gadget	2	units	75,900.00	151,800.00
3.0	Procurement of DPP250 Printer with Pouch	2	units	40,000.00	80,000.00
4.0	Computerization of Material & Supply Inventory	1	lot		300,000.00
5.0	Procurement of Tools, Shops & Garage Equipments	1	lot		200,000.00
6.0	Furnitures & Fixtures- 5 Shivel Chairs & 1- Table	1	lot		30,000.00
7.0	Dosing Pump	7	units	17,000.00	119,000.00
8.0	Submersible Pump & Motor (5 Hp)(Sergio P/S)	1	lot		173,000.00
9.0	Submersible Motor (5 Hp)(Spare)	1	lot		65,000.00
10.0	Submersible Motor (15 Hp) (spare)	1	lot		95,000.00
11.0	Grass Cutter Heavy Duty	1	unit		16,000.00
12.0	Metal Cut-off Saw	1	unit		14,000.00
13.0	Roofdeck Pre-painted Rib Type Roofing	1	lot		62,000.00
14.0	Alternator 105 KVA STO. TOMAS WPS GENSET	1	unit		450,000.00
15.0	Boom Lifter Equipment with 5hp Motor/Dynamo For P/S Preventive Maintenance	1	lot		50,000.00
				Sub-Total	1,993,300.00
<b>V.</b>	<b>WATER TANKER TRUCK ( Capacity 2,000 Liters )</b>				850,000.00
<b>VI.</b>	<b>LOT ACQUISITION</b>				
1.0	Brgy. Lullutan	250	SQ.M.	1,000.00	250,000.00
<b>VII.</b>	<b>NON-REVENUE WATER (NRW) REDUCTION MANAGEMENT PROGRAM</b>				
1.0	Water Meter Maintenance including Fittings	300	sets	1,500.00	450,000.00

## TOTAL COST

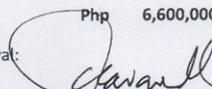
Php 6,600,000.00

Prepared By:

  
JOSE T. GALACINAO

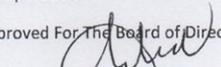
Division Manager-Technical &amp; Operation

Recommending Approval:

  
JOSE MARI G. CLARAVALL

General Manager

Approved For The Board of Directors

  
DOMINADOR Z. CABASAL

Chairman- Board of Director

Approved as per Board Resolution No. 29,S. 2016  
December 8, 2016

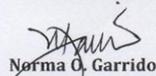
CITY OF ILAGAN WATER DISTRICT  
**PROJECTED INCOME STATEMENT**  
 CALENDAR YEAR 2017

ANNEX F

Water Sales		P	57,999,768.00
Less :Billing Adjustment Memo (BAM)			1,920,000.00
Senior Citizen Discount			300,000.00
Total Net Water Sales			<u>55,779,768.00</u>
Penalty Charges			1,380,000.00
TOTAL WATER SALES			<u>57,159,768.00</u>
Add: Others:			
Miscellaneous Service Revenue :			
New Registration/Re-open fee	770,400.00		
Meter & Service Connection Maint. Fee	587,610.00		
Other Water Revenue/Service	365,424.00		1,723,434.00
Non-Operating Revenues			
Interest Revenue	4,720.00		
Other Income (Sales of Materials)	1,500,000.00		1,504,720.00
<b>TOTAL OPERATING REVENUE</b>		<b>P</b>	<b><u>60,387,922.00</u></b>
LESS: UTILITY OPERATING & MAINTENANCE EXPENSES			
Salaries & Wages			11,443,994.00
Power/Fuel			10,602,891.00
Chemicals & Filtering			650,000.00
Other Operation & Maintenance Expense			23,017,021.00
TOTAL UTILITY OPERATING & MAINT. EXPENSE			<u>45,713,906.00</u>
Interest Expenses:			
DBP	1,100,718.00		
City Govt. of Ilagan	1,266,171.00		
LWUA	107,259.00		2,474,148.00
Franchise tax			1,140,648.00
Depreciation (P750,000 x12)			9,000,000.00
<b>TOTAL UTILITY OPERATING EXPENSES</b>			<b><u>58,328,702.00</u></b>
<b>****NET INCOME</b>		<b>P</b>	<b><u>2,059,220.00</u></b>

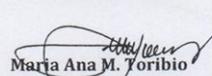
\*\*\*\*Obligated to CAPEX

Prepared by:

  
 Norma O. Garrido

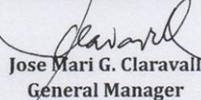
Senior Corporate Budget Analyst

Certified correct:

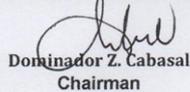
  
 Maria Ana M. Toribio

Division Manager-Finance & Commercial

Recommending Approval

  
 Jose Mari G. Claravall  
 General Manager

Approved  
 For the Board of Directors

  
 Dominador Z. Cabasal  
 Chairman

Approved as per Board Resolution No. 29, S. 2016  
 December 8, 2016

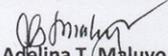
**CITY OF ILAGAN WATER DISTRICT  
GENDER AND DEVELOPMENT (GAD) PROGRAM  
Approved Budget 2017**

I – CAPABILITY TEAM BUILDING	₱ 100,000.00
II – PARTICIPATION IN GOVERNMENT PROGRAMS AND ACTIVITIES	₱ 45,000.00
• World Water Day	₱ 20,000.00
• Adopt a Tree	₱ 10,000.00
• Fun Run	₱ 5,000.00
• Job Fair	₱ 10,000.00
III – DISASTER PREPAREDNESS (Support Team)	₱ 105,000.00
• Outreach Program	
• De clogging of water ways	
• <i>Tapat ko Llinis ko</i>	
• To provide potable water supply for consumption (affected barangays)	
<b>TOTAL</b>	<b>₱ 250,000.00</b>

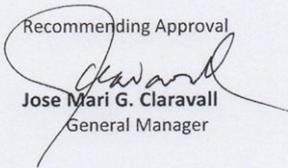
**PRAISE PROGRAM FY 2017**

I – SALO-SALO TOGETHER	₱ 50,000.00
II – PAALAM, PASASALAMAT	₱ 19,000.00
III – HEALTH, SAFETY & WELFARE INCENTIVE (2,000 X 43)	₱ 86,000.00
IV – BEST ORGANIZATION UNIT/DIVISION	₱ 20,000.00
<b>TOTAL</b>	<b>₱ 175,000.00</b>

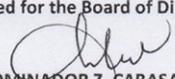
Prepared/Certified by:

  
**Adelina T. Maluyo**  
Division Manager C  
Admin. & General Services

Recommending Approval

  
**Jose Mari G. Claravall**  
General Manager

Approved for the Board of Directors

  
**DOMINADOR Z. CABASAL**  
Chairman

Approved as per Board Resolution No. 29 S. 2016  
December 8, 2016

**CITY OF ILAGAN WATER DISTRICT  
STATEMENT OF FINANCIAL POSITION**

As at December 31, 2016  
(With Comparative Figures for CY 2015)

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
<b>Cash and Cash Equivalents (Note 4)</b>		
<b>Cash on Hand</b>		
Cash- Collecting Officers	P 368,762.44	P 268,140.48
Petty Cash	10,000.00	10,000.00
<b>Cash in Bank - Local Currency</b>		
Cash in Bank- Local Currency-Current Account	31,348.18	128,502.69
Cash in Bank- Local Currency-Savings Account	1,510,675.59	1,313,858.37
<b>Total</b>	<u>1,920,786.21</u>	<u>1,720,501.54</u>
<b>Receivables (Note 5)</b>		
<b>Loans and Receivable Accounts</b>		
Accounts Receivable	7,178,360.44	6,887,660.30
Allowance for Impairment-Accounts Receivable	(282,986.78)	(280,439.56)
<b>Carrying Amount-Accounts Receivable</b>	<u>6,895,373.66</u>	<u>6,607,220.74</u>
<b>Other Receivables</b>		
Due from Officers and Employees	65,000.00	65,000.00
Other Receivables	187,675.41	139,460.03
<b>Total Other Receivables</b>	<u>252,675.41</u>	<u>204,460.03</u>
<b>Total</b>	<u>7,148,049.07</u>	<u>6,811,680.77</u>
<b>Inventories (Note 6)</b>		
<b>Inventory Held for Consumption</b>		
Accountable Forms, Plates and Stickers Inventory	53,816.60	56,987.80
Chemical and Filtering Supplies Inventory	37,368.03	23,200.00
Other Supplies and Materials Inventory	1,658,179.69	1,125,030.26
<b>Total</b>	<u>1,749,364.32</u>	<u>1,205,218.06</u>
<b>TOTAL CURRENT ASSETS</b>	<u>10,818,199.60</u>	<u>9,737,400.37</u>
<b>NON-CURRENT ASSETS</b>		
<b>Property, Plant and Equipment (Note 7)</b>		
<b>Land</b>		
Land	1,206,400.00	1,206,400.00
<b>Land Improvements</b>		
Other Land Improvements	1,070,381.50	955,813.00
Accumulated Depreciation-Other Land Improvements	(199,398.24)	(139,405.43)
<b>Carrying Amount-Other Land Improvements</b>	<u>870,983.26</u>	<u>816,407.57</u>
<b>Infrastructure Assets</b>		
Plant-Utility Plant in Service (UPIS)	83,081,699.35	81,700,794.74
Accumulated Depreciation-Plant(UPIS)	(39,366,204.45)	(35,969,637.23)
<b>Carrying Amount-Plant-Utility in Service (UPIS)</b>	<u>43,715,494.90</u>	<u>45,731,157.51</u>

<b>Buildings and Other Structures</b>		
Buildings	13,975,458.98	13,975,458.98
Accumulated Depreciation-Buildings	(934,235.16)	(668,663.52)
<b>Carrying Amount-Buildings</b>	<b>13,041,223.82</b>	<b>13,306,795.46</b>
Other Structures	8,627,878.00	8,223,002.20
Accumulated Depreciation-Other Structures	(3,491,733.40)	(3,156,919.54)
<b>Carrying Amount-Other Structures</b>	<b>5,136,144.60</b>	<b>5,066,082.66</b>
<b>Total</b>	<b>18,177,368.42</b>	<b>18,372,878.12</b>
<b>Machinery and Equipment</b>		
Machinery	42,011,487.21	37,957,715.24
Accumulated Depreciation-Machinery	(23,114,884.96)	(19,985,068.59)
<b>Carrying Amount-Machinery</b>	<b>18,896,602.25</b>	<b>17,972,646.65</b>
Office Equipment	755,593.50	609,224.00
Accumulated Depreciation-Office Equipment	(359,699.21)	(240,651.59)
<b>Carrying Amount-Office Equipment</b>	<b>395,894.29</b>	<b>368,572.41</b>
Communication Equipment	254,150.00	254,150.00
Accumulated Depreciation-Communication Equipment	(228,735.00)	(228,735.00)
<b>Carrying Amount-Communication Equipment</b>	<b>25,415.00</b>	<b>25,415.00</b>
Other Equipment	822,578.25	822,578.25
Accumulated Depreciation-Other Equipment	(621,718.18)	(540,766.12)
<b>Carrying Amount-Other Equipment</b>	<b>200,860.07</b>	<b>281,812.13</b>
<b>Total</b>	<b>19,518,771.61</b>	<b>18,648,446.19</b>
<b>Transportation Equipment</b>		
Motor Vehicles	1,030,404.28	1,030,404.28
Accumulated Depreciation-Motor Vehicles	(734,144.37)	(622,889.85)
<b>Carrying Amount-Motor Vehicles</b>	<b>296,259.91</b>	<b>407,514.43</b>
<b>Furniture, Fixtures and Books</b>		
Furniture and Fixtures	1,007,906.78	988,000.78
Accumulated Depreciation-Furniture and Fixtures	(824,037.41)	(787,627.45)
<b>Carrying Amount-Furnitures and Fixtures</b>	<b>183,869.37</b>	<b>200,373.33</b>
Books	1,998.00	1,998.00
Accumulated Depreciation-Books	(1,798.20)	(1,798.20)
<b>Carrying Amount-Books</b>	<b>199.80</b>	<b>199.80</b>
<b>Total</b>		
<b>Construction in Progress</b>		
Construction in Progress-Buildings and Other Structures	7,082.50	-
<b>Total</b>	<b>83,976,429.77</b>	<b>85,383,376.95</b>
<b>Intangible Assets (Note 8)</b>		
<b>Intangible Assets</b>		
Computer Software	373,680.00	-
Accumulated Amortization-Computer Software	(31,436.40)	-
<b>Total</b>	<b>342,243.60</b>	<b>-</b>

<b>TOTAL NON-CURRENT ASSETS</b>		<u>84,318,673.37</u>		<u>85,383,376.95</u>
<b>TOTAL ASSETS</b>	P	<u><u>95,136,872.97</u></u>	P	<u><u>95,120,777.32</u></u>
<b>LIABILITIES (Note 9)</b>				
<b>CURRENT LIABILITIES</b>				
<b>Financial Liabilities</b>				
<b>Payables</b>				
Accounts Payable	P	7,414,021.70	P	6,668,803.14
<b>Inter-Agency Payables</b>				
<b>Inter-Agency Payables</b>				
Due to BIR		832,160.08		612,001.81
Due to GSIS		149,341.20		141,603.97
Due to Pag-IBIG		86,799.29		74,093.16
Due to PhilHealth		8,875.00		9,137.50
Due to Government Corporations		121,930.96		69,564.30
Due to SSS		14,740.00		15,950.00
<b>Total</b>		<u><u>1,213,846.53</u></u>		<u><u>922,350.74</u></u>
<b>Trust Liabilities</b>				
<b>Trust Liabilities</b>				
Customers' Deposits Payable		1,402,592.37		1,141,022.37
<b>Other Payables</b>				
<b>Other Payables</b>				
Other Payables		-		749,499.60
<b>TOTAL CURRENT LIABILITIES</b>		<u><u>10,030,460.60</u></u>		<u><u>9,481,675.85</u></u>
<b>NON-CURRENT LIABILITIES</b>				
<b>Financial Liabilities (Note 11)</b>				
<b>Bills/Bonds/Loans Payable</b>				
Loans Payable-Domestic		51,798,396.43		59,292,041.59
<b>TOTAL LIABILITIES</b>		<u><u>61,828,857.03</u></u>		<u><u>68,773,717.44</u></u>
<b>EQUITY</b>				
<b>Government Equity</b>				
<b>Government Equity</b>				
Government Equity		234,000.00		234,000.00
Contributed Capital		14,517,549.15		14,517,549.15
<b>Total</b>		<u><u>14,751,549.15</u></u>		<u><u>14,751,549.15</u></u>
<b>Retained Earnings/(Deficit)</b>				
<b>Retained Earnings/(Deficit)</b>				
Retained Earnings/(Deficit)		18,556,466.79		11,595,510.73
<b>TOTAL EQUITY</b>		<u><u>33,308,015.94</u></u>		<u><u>26,347,059.88</u></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	P	<u><u>95,136,872.97</u></u>	P	<u><u>95,120,777.32</u></u>

*(See accompanying Notes to Financial Statements)*

**CITY OF ILAGAN WATER DISTRICT**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended December 31, 2016  
(With Comparative Figures for CY 2015)

	<b>2016</b>	<b>2015</b>
<b>REVENUE</b>		
<b>Service and Business Income (Note 10)</b>		
<b>Service Income</b>		
Registration Fees	P 680,250.00	P 607,050.00
Other Service Income	904,111.90	349,888.58
<b>Business Income</b>		
Waterworks System Fees	50,790,532.61	44,916,646.25
Interest Income	3,816.12	2,338.23
Fines and Penalties-Business Income	1,639,589.28	1,692,010.73
Other Business Income	347,064.01	329,222.90
<b>Total Revenue</b>	<b>54,365,363.92</b>	<b>47,897,156.69</b>
<b>LESS: CURRENT OPERATING EXPENSES</b>		
<b>Personnel Services (Note 11)</b>		
<b>Salaries and Wages</b>		
Salaries and Wages-Regular	8,161,120.73	9,601,116.17
Salaries and Wages-Casual/Contractual	620,851.82	304,851.08
<b>Total</b>	<b>8,781,972.55</b>	<b>9,905,967.25</b>
<b>Other Compensation</b>		
Personnel Economic Relief Allowance (PERA)	810,000.00	750,000.00
Representation Allowance (RA)	282,000.00	282,000.00
Transportation Allowance (TA)	282,000.00	282,000.00
Clothing/Uniform Allowance	170,000.00	155,100.00
Overtime and Night Pay	571,540.09	583,612.47
Year End Bonus	1,367,807.00	585,933.50
Cash Gift	169,500.00	-
Other Bonuses and Allowances	886,500.00	1,271,951.00
<b>Total</b>	<b>4,539,347.09</b>	<b>3,910,596.97</b>
<b>Personnel Benefit Contributions</b>		
Retirement and Life Insurance Premiums	977,002.78	864,588.36
Pag-IBIG Contributions	40,500.00	37,300.00
PhilHealth Contributions	87,687.50	80,650.00
Employees Compensation Insurance Premiums	40,609.84	37,180.00
<b>Total</b>	<b>1,145,800.12</b>	<b>1,019,718.36</b>
<b>Other Personnel Benefits</b>		

Retirement Gratuity	152,244.47	-
Terminal Leave Benefits	325,000.00	180,444.20
Other Personnel Benefits	423,870.27	389,673.17
<b>Total</b>	<b>901,114.74</b>	<b>570,117.37</b>
<b>Total Personnel Services</b>	<b>15,368,234.50</b>	<b>15,406,399.95</b>

**Maintenance and Other Operating Expenses (Note 12)**

**Traveling Expenses**

Traveling Expenses - Local	381,977.00	157,707.90
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**Training and Scholarship Expenses**

Training Expenses	97,300.00	48,600.00
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**Supplies and Materials Expenses**

Office Supplies Expenses	105,861.75	85,656.25
Accountable Forms Expenses	119,971.20	103,599.53
Medical, Dental and Laboratory Supplies Expenses	50.00	5,767.10
Fuel, Oil and Lubricants Expenses	469,681.55	171,422.76
Chemical and Filtering Supplies Expenses	295,921.97	354,885.00
Semi-Expendable Machinery and Equipment Expenses	51,596.75	-
Semi-Expendable Furniture, Fixtures and Books Expenses	17,140.00	-
Other Supplies and Materials Expenses	20,699.75	22,871.10

<b>Total</b>	<b>1,080,922.97</b>	<b>744,201.74</b>
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**Utility Expenses**

Water Expenses	166,093.17	79,744.86
Electricity Expenses	8,598,671.94	369,110.39

<b>Total</b>	<b>8,764,765.11</b>	<b>448,855.25</b>
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**Communication Expenses**

Postage and Courier Services	7,998.00	3,009.00
Telephone Expenses	168,092.94	171,543.01
Internet Subscription Expenses	78,050.67	40,227.23
Cable, Satellite, Telegraph and Radio Expenses	7,490.00	50.00

<b>Total</b>	<b>261,631.61</b>	<b>214,829.24</b>
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**Survey, Research, Exploration and Development Expenses**

Survey Expenses	12,600.00	-
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**Generation, Transmission and Distribution Expenses**

Generation, Transmission and Distribution Expenses	2,058,251.20	7,397,952.18
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**Confidential, Intelligence and Extraordinary Expenses**

Extraordinary and Miscellaneous Expenses	71,777.00	73,180.00
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**Professional Services**

Legal Services	29,308.00	15,214.00
Auditing Services	24,858.22	30,000.00

<b>Total</b>	<b>54,166.22</b>	<b>45,214.00</b>
<b>General Services</b>		
Security Services	207,800.00	195,600.00
Other General Services	17,208.00	5,720.00
<b>Total</b>	<b>225,008.00</b>	<b>201,320.00</b>
<b>Repairs and Maintenance</b>		
Repairs and Maintenance-Land Improvements	192,365.61	130,255.92
Repairs and Maintenance-Infrastructure Assets	2,857,041.82	1,618,835.42
Repairs and Maintenance-Buildings and Other Structures	160,128.01	159,167.73
Repairs and Maintenance-Machinery and Equipment	439,733.65	426,124.55
Repairs and Maintenance-Transportation Equipment	139,649.00	74,260.00
Repairs and Maintenance-Furniture and Fixtures	5,963.80	129.75
<b>Total</b>	<b>3,794,881.89</b>	<b>2,408,773.37</b>
<b>Taxes, Insurance Premiums and Other Fees</b>		
Taxes, Duties and Licenses	537,915.42	558,822.33
Fidelity Bond Premiums	16,125.00	16,125.00
Insurance Expenses	112,664.86	20,869.31
<b>Total</b>	<b>666,705.28</b>	<b>595,816.64</b>
<b>Other Maintenance and Operating Expenses</b>		
Advertising, Promotional and Marketing Expenses	45,950.00	28,440.00
Printing and Publication Expenses	14,418.00	2,040.00
Representation Expenses	34,232.20	22,085.28
Rent/Lease Expenses	1,450,867.82	1,778,663.15
Membership Dues and Contributions to Organizations	4,658.00	30,301.00
Donations	1,429,061.28	2,306,646.61
Directors and Committee Members' Fees	888,106.65	631,360.00
Other Maintenance and Operating Expenses	179,692.14	192,014.24
<b>Total</b>	<b>4,046,986.09</b>	<b>4,991,550.28</b>
<b>Total Maintenance and Other Operating Expenses</b>	<b>21,516,972.37</b>	<b>17,328,000.60</b>
<b>Financial Expenses (Note 13)</b>		
<b>Financial Expenses</b>		
Interest Expenses	2,923,203.88	1,545,232.20
Bank Charges	1,878.15	1,200.00
Other Financial Charges	27,409.28	10,000.00
<b>Total</b>	<b>2,952,491.31</b>	<b>1,556,432.20</b>
<b>Non Cash Expenses (Note 14)</b>		
<b>Depreciation</b>		
Depreciation-Land Improvements	59,992.81	58,110.72
Depreciation-Infrastructure Assets	3,396,567.22	3,913,423.80
Depreciation-Buildings and Other Structures	600,385.50	595,771.39
Depreciation-Machinery and Equipment	3,329,816.05	2,684,614.84

Depreciation-Transportation Equipment	111,254.52	168,038.48
Depreciation-Furnitures, Fixtures and Books	36,409.96	144,587.59
<b>Total</b>	<b><u>7,534,426.06</u></b>	<b><u>7,564,546.82</u></b>
<b>Amortization</b>		
Amortization-Intangible Assets	31,436.40	-
<b>Impairment Loss</b>		
Impairment Loss-Loans and Receivables	2,547.22	-
<b>Total Non Cash Expenses</b>	<b><u>7,568,409.68</u></b>	<b><u>7,564,546.82</u></b>
<b>Current Operating Expenses</b>	<b><u>47,406,107.86</u></b>	<b><u>41,855,379.57</u></b>
<b>Surplus (Deficit) from Current Operations</b>	<b><u>6,959,256.06</u></b>	<b><u>6,041,777.12</u></b>
<b>Net Surplus/(Deficit) for the period</b>	<b><u><u>₱ 6,959,256.06</u></u></b>	<b><u><u>₱ 6,041,777.12</u></u></b>

*(See accompanying Notes to Financial Statements)*

**CITY OF ILAGAN WATER DISTRICT**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2016  
(With Comparative Figures for CY 2015)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2016</u>	<u>2015</u>
<b>Cash Inflows:</b>		
Collection of Income/Revenue	P 51,924,859.45	P 45,469,583.62
Trust Receipts	262,795.00	252,300.00
Other Receipts	27,919.81	870,112.19
<b>Total Cash Inflows</b>	<u>52,215,574.26</u>	<u>46,591,995.81</u>
<b>Cash Outflows:</b>		
Payment of Operating Expenses:		
Payment of Expenses	25,693,951.64	21,781,439.05
Payment of Inventories	177,110.10	202,980.88
Grant of Cash Advances	1,014,202.40	855,762.68
Payment of Account Payables	6,915,733.88	4,975,919.57
Remittance of Personnel Benefit Cont. & Mandatory Cont.	5,976,977.62	4,727,886.99
<b>Total Cash Outflows</b>	<u>39,777,975.64</u>	<u>32,543,989.17</u>
<b>TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>12,437,598.62</u>	<u>14,048,006.64</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows:</b>	-	-
<b>Total Cash Inflows</b>	-	-
Proceeds from Short-Term Investments		
<b>Cash Outflows:</b>		
Purchase/construction of Property, Plant and Equipment	1,702,177.48	2,105,153.12
Purchase of Intangible Assets-TUBS Plus	89,000.00	-
<b>Total Cash Outflows</b>	<u>1,791,177.48</u>	<u>2,105,153.12</u>
<b>TOTAL CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(1,791,177.48)</u>	<u>(2,105,153.12)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows:</b>	-	-
Proceeds from Domestic & Foreign Loans		
<b>Total Cash Inflows</b>	-	-
<b>Cash Outflows:</b>		
Payment of Long-Term Liabilities	7,843,645.16	9,148,804.06
Payment of interest on Loans & Other Financial Charges	2,602,491.31	1,866,895.20
<b>Total Cash Outflows</b>	<u>10,446,136.47</u>	<u>11,015,699.26</u>
<b>TOTAL CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>(10,446,136.47)</u>	<u>(11,015,699.26)</u>
<b>CASH PROVIDED (USED) BY OPERATING, INVESTING AND FINANCING ACTIVITIES</b>	200,284.67	927,154.26
<b>ADD: CASH AND CASH EQUIVALENTS - BEGINNING</b>	1,720,501.54	793,347.28
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>P 1,920,786.21</u>	<u>P 1,720,501.54</u>

**CITY OF ILAGAN WATER DISTRICT**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended December 31, 2016  
(With Comparative Figures for CY 2015)

	<u>2016</u>	<u>2015</u>
<b>GOVERNMENT EQUITY, BEGINNING OF THE PERIOD</b>	P 234,000.00	P 234,000.00
Additions (Deductions)	-	-
<b>GOVERNMENT EQUITY, END OF THE PERIOD</b>	<u>234,000.00</u>	<u>234,000.00</u>
<b>CONTRIBUTED CAPITAL, BEGINNING OF THE PERIOD</b>	14,517,549.15	13,090,319.70
Additions (Deductions)	-	1,427,229.45
<b>CONTRIBUTED CAPITAL, END OF THE PERIOD</b>	<u>14,517,549.15</u>	<u>14,517,549.15</u>
<b>RETAINED EARNINGS/(DEFICIT), BEGINNING OF THE PERIOD</b>	11,595,510.73	5,499,724.29
Additions	1,700.00	54,009.32
Deductions		
Net Income for the period	<u>6,959,256.06</u>	<u>6,041,777.12</u>
<b>RETAINED EARNINGS/(DEFICIT), END OF THE PERIOD</b>	<u>18,556,466.79</u>	<u>11,595,510.73</u>
<b>TOTAL EQUITY</b>	<u>P 33,308,015.94</u>	<u>P 26,347,059.88</u>



**LOCAL WATER UTILITIES ADMINISTRATION**

P.O. BOX 34, U.P. Post Office, Katipunan Avenue, Balara, Quezon City  
Tel No.: 920-5581 to 99; 920-56-01 Fax No: (632) 922-34-34  
Administrator's Direct Line: (02) 929-61-07  
LWUA Website: www.lwua.gov.ph

June 6, 2016

**MR. JOSE MARI G. CLARAVALL**

General Manager  
City of Ilagan Water District  
City of Ilagan, Isabela

**SUBJECT: Authorization to Grant 2015 PBB for  
City of Ilagan Water District Officers and Employees**

Dear GM Claravall:

This has reference to the conditions and documentary requirements of the DBM-LWUA Joint Memorandum Circular No. 2015-01 dated August 12, 2015, as validated by AO25 TWG and LWUA as concurred by DBM.

Based on the review conducted, your water district complied with the said conditions and documentary requirements as per attached validation sheet. Accordingly, your water district is hereby **AUTHORIZED** to grant the 2015 PBB to WD officers and employees subject to strict observance of all the provisions of MC 2015-01.

For your information and guidance.

Very truly yours,

**ANDRES F. IBARRA**  
Administrator

Local Water Utilities Administration  
WATER DISTRICT DEVELOPMENT DIVISION

**WATER DISTRICT 2015 PERFORMANCE BASED BONUS  
CHECKLIST AND EVALUATION**

Water District: CITY OF ILAGAN Category: C CCC No.: 90  
 Province: Isabela No. of Conn.: 4,351 Tel # (078) 624 2983  
 Office Address: CIWD Bldg, Magsaysay, City of Ilagan, Isabela Email: cityofilaganwaterdistrict@yahoo.com

I. GOOD GOVERNANCE CONDITIONS		IATF/TWG Report	Remarks
1	COMPLIANT	YES	Passed
2	NON-COMPLIANT		

II MAJOR PERFORMANCE OUTPUT & PERFORMANCE INDICATORS		2015		Accomplishment Rate	Remarks
		Targets	Actual		

A WATER FACILITIES MANAGEMENT					
1	Access to Potable Water	28%	26%	93%	Passed
2	Reliability of Service (24/7 supply)	87%	87%	100%	Passed
3	Adequacy	1.16 : 1	1.23 : 1	104%	Passed

B WATER DISTRIBUTION MANAGEMENT					
1	Non-Revenue Water	20%	15%	135%	Passed
2	Potability	0.306 ppm	0.313 ppm	100%	Passed
3	Adequacy & Reliability of Service	24hrs to response	24hrs responded	100%	Passed

C SUPPORT TO OPERATION		2015		Compliance Rate	Remarks
		Targets	Actual		
1	Staff Productivity Index	132 : 1	141 : 1	107%	Passed
2	Reasonableness of Water Rates	MCP320< 5% LIG	MCP320< 5% LIG	100%	Passed
3	Customer Satisfaction	98%	100%	100%	Passed

D GENERAL ADMINISTRATION AND SUPPORT SERVICES					
1	Collection Ratio	85%	86%	101%	Passed
2	Operating Ratio	0.86	0.81	106%	Passed
3	Current Ratio	1.2 : 1	1.17 : 1	103%	Passed
4	Monthly Data Sheet (Jan-Dec 2015)	12mo submitted	submitted	100%	Passed
5	Financial Reports (Jan-Dec 2015)	12mo submitted	submitted	100%	Passed
6	Water Quality Reports	per PNSDW	submitted	100%	Passed
7	Approved WD 2015 Budget	submitted	submitted	100%	Passed
8	Annual Report 2015	submitted	submitted	100%	Passed

III FORM A & A1, Date of Submittal : Januray 15, 2016  
 Date of Evaluation : 22-Mar-16

IV RECOMMENDATION

**ELIGIBLE FOR THE GRANT OF PBB 2015**

Evaluated By: Romeo M. Diaz Reviewed By: Romeo M. Diaz Conformed: Gregorio C. Mendoza  
 WD Assigned Advisor WDDD A1 Manager WDD Luzon Manager

Recommendation Approval: Edgardo C. Demayo  
 Acting Senior Deputy Administrator

Concurred by: Lorenzo C. Drapete  
 Director-BMB-F  
 DBM

APPROVED: Andres F. Ibarra  
 Administrator



## LOCAL WATER UTILITIES ADMINISTRATION

P.O. BOX 34, U.P. Post Office, Katipunan Avenue, Balara, Quezon City  
Tel No.: 920-5581 to 99; 920-56-01 Fax No: (632) 922-34-34  
Administrator's Direct Line: (02) 929-61-07  
LWUA Website: www.lwua.gov.ph

September 28, 2016

**ENGR. JOSEMARI G. CLARAVALL**  
General Manager  
City of Ilagan Water District  
CIWD Bldg. Brgy. Osmeña  
City of Ilagan, Isabela

**SUBJECT: Authorization to Grant 2015 PBI for  
Local Water District (LWD) Board of Directors**

Dear GM Claravall:

This has reference to the conditions and documentary requirements provided under LWUA MC Nos. 001.16 and 002.16, dated January 18, 2016, pursuant to Sec. 9 of Executive Order (EO) No. 65, s. 2012.

Based on the documents submitted and review conducted, your water district complied with the said conditions and documentary requirements. Accordingly, your water district is hereby **AUTHORIZED** to grant the 2014 PBI to eligible Board of Directors, as follows:

No.	Name of Board of Directors	Amount (PhP)
1	Dominador Z. cabasal	45,360.00
2	Rosario c. Manalo	39,600.00
3	Ma. Karren B. Estavila	43,200.00
4	Joseph C. Paggao	43,200.00
5	Mario B. Ugto	37,800.00
	Total	209,160.00

Please be reminded that the grant of PBI shall further be subject to the following conditions:

- 3) The PBI of eligible LWD Board of Directors shall be sourced from their respective corporate funds.
- 4) LWDs are prohibited to source payment of the PBI from Loans, National Government subsidy for the LWD's operation, and proceeds of the sale of the LWD's assets for the sole purpose of paying the PBI.

For your information and guidance.

Very truly yours,

  
**ANDRES F. IBARRA**  
Administrator

*Tubig sa Nayon - Alay sa Pilipinas!*



LOCAL WATER UTILITIES ADMINISTRATION  
P.O. Box 034 U.P. Post Office, Katipunan Road, Balara, Quezon City  
Tel. No.: 920-55-81 to 99; 920-56-01 Fax No.: (632) 922-34-34  
Administrator's Direct Line: (02) 929-61-07  
LWUA Website: [www.lwua.gov.ph](http://www.lwua.gov.ph)  
LWUA E-Mail Address: [lwua@mozcom.com](mailto:lwua@mozcom.com)

June 30, 2017

**MR. JOSE MARI G. CLARAVALL**

General Manager  
City of Ilagan Water District  
City of Ilagan, Isabela

**SUBJECT: Authorization to Grant 2016 PBB for  
City of Ilagan Water District Officers and Employees**

Dear GM Claravall:

This has reference to the conditions and documentary requirements of the DBM-LWUA Joint Memorandum Circular No. 2016-01 dated May 12, 2016, as validated by AO25 TWG and LWUA as concurred by DBM.

Based on the review conducted, your water district complied with the said conditions and documentary requirements as per attached validation sheet. Accordingly, your water district is hereby **AUTHORIZED** to grant the 2016 PBB to WD officers and employees subject to the following conditions:

- a) The performance bonus of eligible LWDs shall be sourced from their respective corporate funds;
- b) LWDs are prohibited from sourcing payment of the PBB from Loans, National Government subsidy for the LWD's operation; and
- c) Sale of the LWD's assets for the sole purpose of paying the PBB and is, otherwise, not in the ordinary course of business is prohibited.

For your information and guidance.

Very truly yours,

  
**JECI A. LAPUS**  
Administrator

*received  
Lapus  
7/6/2017*

*Tubig sa Nasyon - Alay sa Pilipinas!*

Local Water Utilities Administration  
**WATER DISTRICT DEVELOPMENT DIVISION**  
 (North Luzon)

**WATER DISTRICT 2016 PERFORMANCE BASED BONUS  
 CHECKLIST AND EVALUATION**

Water District: City of Ilagan Category: C CCC No.: 90  
 Province: Isabela No. of Conn.: 5167 Tel # 624-2083/624-0097  
 Office Address: Maharlika Highway, Brgy. Osmeña City of Ilagan, Isabela Email: waterdistrict\_ilagan@yahoo.com

I. GOOD GOVERNANCE CONDITIONS		IATF/TWG Report	Remarks
1	COMPLIANT	YES	as per attached RBPMS dated 2017
2	NON-COMPLIANT		

II MAJOR PERFORMANCE OUTPUT & PERFORMANCE INDICATORS		2016		Accomplishment Rate	Remarks
		Targets	Actual		

A WATER FACILITIES MANAGEMENT					
1	Access to Potable Water	29%	26%	92%	Passed
2	Reliability of Service (24/7 supply)	83%	87%	104%	Passed
3	Adequacy	2.09:1	2.01:1	96%	Passed

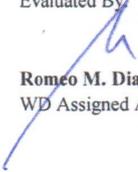
B WATER DISTRIBUTION MANAGEMENT					
1	Non-Revenue Water	20%	20%	100%	Passed
2	Potability	0.306% ppm	0.320% ppm	100%	Passed
3	Adequacy & Reliability of Service	within 24 hrs	within 24 hrs	100%	Passed

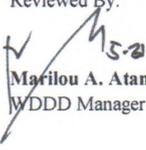
C SUPPORT TO OPERATION		2016		Compliance Rate	Remarks
		Targets	Actual		
1	Staff Productivity Index	1:314	1:140	104%	Passed
2	Reasonableness of Water Rates	P320 MC 4.83%LIG	P320 MC 4.2%LIG	100%	Passed
3	Customer Satisfaction	98%	100%	100%	Passed

D GENERAL ADMINISTRATION AND SUPPORT SERVICES					
1	Collection Ratio	85%	87%	100%	Passed
2	Operating Ratio	85%	81%	95%	Passed
3	Current Ratio	1.2:1	1.25:1	100%	Passed
4	Monthly Data Sheet (Jan-Dec 2016)	submitted	submitted	100%	Passed
5	Financial Reports (Jan-Dec 2016)	submitted	submitted	100%	Passed
6	Water Quality Reports	submitted	submitted	100%	Passed
7	Approved WD 2016 Budget	submitted	submitted	100%	Passed
8	Annual Report 2016	submitted	submitted	100%	Passed

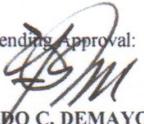
III FORM A & A1, Date of Submittal : 12-Jan-17  
 Date of Evaluation : 18-May-17

IV RECOMMENDATION	
Eligible for PBB 2016	

Evaluated By:  
  
**Romeo M. Diaz**  
 WD Assigned Advisor

Reviewed By:  
  
**Marilou A. Atanoc**  
 WDDD Manager

Conforme:  
  
**Gregorio C. Mendoza**  
 WDD Manager

Recommending Approval:  
  
**EDGARDO C. DEMAYO**  
 Acting Senior Deputy Administrator

Concurred by:  
  
**LORENZO C. DRAPETE**  
 Director-BMB-F  
 DBM

APPROVED:

  
**JECI A. LAPUS**  
 Administrator

# DOLE WAGE ORDER NO. RTWPB-II-17

Page 1 of 4



Republic of the Philippines  
Department of Labor and Employment  
**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD**  
Region No. 02  
Tuguegarao City

## WAGE ORDER NO. RTWPB-II-17

### SETTING NEW MINIMUM WAGE RATES FOR WORKERS IN THE PRIVATE SECTOR IN REGION 2

**WHEREAS** under Republic Act No. 6727 (The Wage Rationalization Act), the Regional Tripartite Wages and Productivity Boards (RTWPBs) are mandated to determine and fix minimum wage rates in their respective regions;

**WHEREAS** Wage Order No. RTWPB-II-16, increasing the wages of employees in retail/service establishments employing not more than ten (10) workers, took effect on January 4, 2014;

**WHEREAS** the Board, acting *motu proprio*, decided to review the current minimum wage rates in the region, in view of the absence of any petition for increase filed by any interested party;

**WHEREAS** pursuant to Rule III of the Rules of Procedure on Minimum Wage Fixing, the Board conducted consultations on February 16, 2016 in Cauayan City, Isabela; on February 24, 2016 in Santiago City, Isabela; and on March 15, 2016 in Bayombong, Nueva Vizcaya; and a public hearing on March 18, 2016 in Santiago City, Isabela;

**WHEREAS** as a result of the studies made on the socio-economic conditions of the region and as a consequence of the consultations/public hearing and deliberations conducted, the Regional Board decided to provide workers with immediate relief to cope with the rising cost of living without impairing the viability of business and industry;

**WHEREAS** pursuant to the principles of the two-tiered wage system as a reform introduced to the Wage Rationalization Act, the Board resolved that there is a need to simplify the minimum wage structure for all industries in the region, denominating three categories: **agricultural, non-agricultural and retail/service establishments employing not more than ten (10) workers;**

**WHEREAS** to give intent to the desired process of simplification, the Board deemed it necessary to prescribe the herein wage rates applicable in all provinces of the region.

**NOW, THEREFORE**, by virtue of the power and authority vested under Republic Act No. 6727, the REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD-Region II hereby issues this Wage Order.

**SECTION 1. NEW MINIMUM WAGE RATES.** Upon effectivity of this Wage Order, all minimum wage workers and employees of private establishments in Region II shall be paid the following minimum wage rates:

INDUSTRY/SECTOR/ PROVINCE	MINIMUM WAGE RATES UNDER W.O. No. RTWPBII- 15	AMOUNT OF INCREAS E UNDER W.O. No. RTWPBII -16	MINIMUM WAGE RATES UNDER W.O. No. RTWPBII-16	WAGE ORDER NO. RTWPB II-17	
				AMOUNT OF INCREASE	NEW MINIMUM WAGE RATE
<b>ISABELA</b>					
1. Non Agriculture	255.00		255.00	45.00	300.00
2. Agriculture	243.00		243.00	37.00	280.00
3. Retail/Service					
Employing more than 10	247.00	9.00	247.00	53.00	300.00
Employing not more than 10	220.00		229.00	31.00	260.00
<b>CAGAYAN</b>					
1. Non Agriculture	252.00		252.00	48.00	300.00
2. Agriculture	240.00		240.00	40.00	280.00
3. Retail/Service					
Employing more than 10	244.00	12.00	244.00	56.00	300.00
Employing not more than 10	217.00		229.00	31.00	260.00
<b>NUEVA VIZCAYA</b>					
1. Non Agriculture	248.00		248.00	52.00	300.00
2. Agriculture	236.00		236.00	44.00	280.00
3. Retail/Service					
Employing more than 10	240.00	16.00	240.00	60.00	300.00
Employing not more than 10	213.00		229.00	31.00	260.00
<b>QUIRINO/BATANES</b>					
1. Non Agriculture	247.00		247.00	53.00	300.00
2. Agriculture	235.00		235.00	45.00	280.00
3. Retail/Service					
Employing more than 10	239.00	17.00	239.00	61.00	300.00
Employing not more than 10	212.00		229.00	31.00	260.00

**SECTION 2. COVERAGE.** The increase prescribed under this Wage Order shall apply to all minimum wage workers and employees in the private sector in the region, regardless of their position, designation or status of employment.

Excluded from the coverage of this Wage Order are persons in the personal service of another including family drivers, and workers of registered Barangay Micro-Business Enterprises (BMBEs) with Certificates of Authority.

**SECTION 3. BASIS OF WAGE INCREASE.** The wage increase prescribed under this Wage Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

**SECTION 4. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** All private educational institutions shall implement the wage increase prescribed herein starting School Year 2016-2017, without prejudice to any existing and valid collective bargaining agreement (CBA) between the management and the employees.

**SECTION 5. WORKERS PAID BY RESULTS.** All workers paid by results, including those who are paid on piecework, "takay", "pakyaw" or task basis shall be entitled to receive not less than the prescribed minimum wage rate for eight (8) normal working hours a day, or a portion thereof for those working less than eight (8) hours.

**SECTION 6. WAGE DISTORTION.** Where the application of the wage increase prescribed in this Wage Order results in wage distortion within the establishment, it shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code, as amended.

**SECTION 7. EXEMPTIONS.** Upon application with, and as verified and determined by the Board, the following categories of establishments may be exempted from compliance with this Wage Order:

1. Distressed establishments
2. New business enterprises (NBEs)
3. Retail/Service establishments employing not more than ten (10) workers
4. Establishments adversely affected by calamities such as natural and/or human-induced disasters in accordance with NWPC Resolution No.1, series of 2014

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**SECTION 8. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject to the mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

**SECTION 9. NON-DIMINUTION OF BENEFITS.** Nothing in this Wage Order shall be construed to reduce any existing wage rate, allowance or other benefits of any form under existing laws, decrees, issuances and executive orders or under any contract or agreement between workers and employers.

**SECTION 10. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS.** In order to sustain rising levels of wages and enhance competitiveness, labor and management as partners in business are encouraged to adopt productivity improvement schemes that will improve the quality of work of employees and, in turn, enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor-management cooperation, as well as implement gainsharing programs and other performance incentive programs.

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Pursuant to the Two-Tiered Wage System, the Board issued Advisory No. RTWPB-II-01, with higher educational institutions as its target industry, notwithstanding the issuance of future advisories to guide workers and management in the formulation, adoption and implementation of programs and performance and productivity-based incentive schemes.

**SECTION 11. PROHIBITION AGAINST INJUNCTION.** No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

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**SECTION 12. FREEDOM TO BARGAIN.** This Wage Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

**SECTION 13. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Wage Order.

The filing of the appeal does not operate to stay the Wage Order unless the party appealing such Wage Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increase to employees affected by the Wage Order in the event such Wage Order is affirmed.

**SECTION 14. REPORTING REQUIREMENT.** Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the RTWPB II not later than January 31, 2017 and every year thereafter in accordance with the form prescribed by the Commission.

**SECTION 15. SEPARABILITY CLAUSE.** If, for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

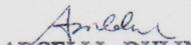
**SECTION 16. REPEALING CLAUSE.** All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

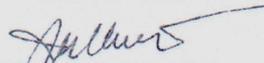
**SECTION 17. IMPLEMENTING RULES.** The Board shall prepare the implementing rules of this Wage Order subject to the approval of the Secretary of Labor and Employment.

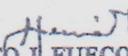
**SECTION 18. EFFECTIVITY.** This Wage Order takes effect fifteen (15) days after its publication in a newspaper of general circulation.

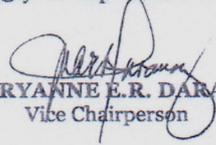
APPROVED this 22<sup>nd</sup> of April 2016 in Tuguegarao City, Cagayan,

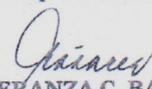
  
CECILIA LA MADRID DY  
Employers' Representative

  
ARCELI L. DULIN  
Employers' Representative

  
JOHNNY M. ALVARO  
Employees' Representative

  
ERNESTO J. FUECONCILLO  
Employees' Representative

  
MARYANNE E.R. DARAUAY  
Vice Chairperson

  
MA. ESPEKANZA C. BAÑARES  
Vice Chairperson

  
SIXTO T. RODRIGUEZ, JR.  
Chairperson

Published: Malaya newspaper, April 29, 2016  
Effectivity: May 14, 2016

## COMPENSATION FOR JOB ORDER AND EMERGENCY PERSONNEL

### General Formula:

- Entry level within six (6) months probationary period shall be 60% of equivalent to the daily wage / salary of comparable positions in government, salary grade, step 1 of 1st tranche of 2016 Salary Standardization Law (SSL).
- Re-contract after six (6) months probationary period shall be 80% of equivalent government position, salary grade, step 1 of 1st tranche of 2016 Salary Standardization Law (SSL).
- Further, the compensation derived shall in no case be lower than the prevailing Department of Labor and Employment (DOLE) Approved minimum Wage per Order No. RTWPB-II-17 duly approved in April 22, 2016.

# JOINT CSC-COA-DBM CIRCULAR NO. 1, S 2017



**CIVIL SERVICE COMMISSION  
COMMISSION ON AUDIT  
DEPARTMENT OF BUDGET AND MANAGEMENT  
JOINT CIRCULAR NO. 1, s. 2017**

June 15, 2017

**TO : ALL HEADS OF CONSTITUTIONAL BODIES, NATIONAL GOVERNMENT AGENCIES (NGAs), GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS (GOCCs) WITH ORIGINAL CHARTERS and STATE UNIVERSITIES AND COLLEGES (SUCs)**

**SUBJECT : Rules and Regulations Governing Contract of Service and Job Order Workers in the Government**

## 1.0 Background

Government agencies, including GOCCs, have been authorized in previous executive issuances and general appropriations acts to enter into contracts with government entities, private firms or individuals, and non-government organizations for services related or incidental to their respective functions and operations, whether on part-time or full-time basis.

Agencies have used this provision as basis for directly hiring individual workers on contract of service or job order to perform specific jobs or to supplement their current manpower.

Civil Service Commission (CSC) Memorandum Circular (MC) No. 40, s. 1998, prescribed the policies and guidelines regarding contracts of service (COS) and job orders (JOs) entered into by all government agencies on both individual and institutional basis. Said CSC policy clarified that workers under contract of service or job order are not covered by Civil Service law, rules, and regulations; and that services rendered thereunder are not considered as government service.

However, the proliferation of individual Job Order and Contract of Service workers in the government and their involvement even in the performance of regular agency functions have been observed.

This situation gave rise to the following issues: a) lack of social protection for the workers and inequality in benefits, and b) obscure accountability of JO/COS workers due to lack of employee-employer relationship with the hiring agency.

In view of the foregoing, there is a need to clarify the guidelines on availing of the services of COS and Job Order workers.

## 2.0 Policy Statement

Government agencies are authorized to enter into service contracts with other government agencies, private firms, non-government agencies or individuals for

services related or incidental to their respective functions and operations, whether on a part-time or full time basis.

### 3.0 Purpose

This Joint Circular is issued to prescribe the rules and regulations governing Contract of Service and Job Order workers in the government.

### 4.0 Coverage

This Joint Circular covers all National Government Agencies, Government-Owned or Controlled Corporations with original charters, State Universities and Colleges, and Constitutional bodies, which avail of the services of Contract of Service and Job Order workers.

### 5.0 Definition of Terms

5.1 Contract of Service refers to the engagement of the services of an individual, private firm, other government agency, non-governmental agency or international organization as consultant, learning service provider or technical expert to undertake special project or job within a specific period.

5.2 Contractor or Service provider refers to an individual, a government agency, private or non-government entity, duly-registered and recognized by authorized government agencies to provide consultancy services in their respective field of expertise.

5.3 Institutional contract refers to the agreement between the government agency and contractor or service provider duly-registered and recognized by authorized government agencies to provide services such as janitorial, security, consultancy, and other support services.

5.4 Job Order refers to piece work (*pakyaw*) or intermittent or emergency jobs such as clearing of debris on the roads, canals, waterways, etc. after natural/man-made disasters/occurrences and other manual/trades and crafts services such as carpentry, plumbing, electrical and the like. These jobs are of short duration and for a specific piece of work.

5.5 Support services may include janitorial, security, driving, data encoding, equipment and grounds maintenance and other services that support the day to day operations of the agency.

### 6.0 Contract of Service

#### 6.1 Institutional Contract of Service

As a general rule, government agencies may avail of outsourced services through institutional contract of service, subject to the following conditions:

6.1.1 Institutional Contract of Service covers lump sum work or services to perform janitorial, security, consultancy, and other support functions for a maximum period of one (1) year subject to the provisions of

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RA No. 9184<sup>1</sup> and pertinent budgeting, accounting and auditing rules and regulations.

The contractor or service provider should meet the following requirements:

- a) Duly registered with the Department of Labor and Employment (DOLE);
- b) Duly registered with the Bureau of Internal Revenue (BIR);
- c) For sole proprietorship, duly registered with the Department of Trade and Industry (DTI);
- d) For corporations and partnerships, duly registered with the Securities and Exchange Commission (SEC); and
- e) Must be an active employer registered with the following agencies:
  - 1) Social Security System (SSS),
  - 2) Home Development Mutual Fund (Pag-IBIG Fund), and
  - 3) Philippine Health Insurance Corporation (PhilHealth).

6.1.2 Workers hired through institutional contract of service shall remain to be employees of the contractor or service provider.

6.1.3 The discipline of workers under institutional contract of service shall be the responsibility of the contractor or service provider. The head of the procuring entity may report to the contractor or service provider any misconduct or wrongdoing of the said worker/s.

6.1.4 The contractor or service provider shall be responsible for providing the workers with compensation and benefits compliant with existing labor law<sup>2</sup> including the necessary social security and other benefits mandated by law in addition to the direct compensation as payment for their services.

## 6.2 Individual Contract of Service

Government agencies may enter into contract of service with individuals as consultants/contractors subject to the following guidelines:

6.2.1 The term of contract between the agency and the individual contractor shall be for a maximum period of one year, renewable at the option of the Head of the procuring entity, but in no case shall exceed the term of the latter<sup>3</sup>.

6.2.2 Engaging the services of individual contractor shall be subject to pertinent provisions of RA No. 9184 and its implementing guidelines,

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as applicable<sup>4</sup>, and the existing budgeting, accounting and auditing rules and regulations.

### 6.3 Job Order

Government agencies may hire job order workers subject to the following conditions:

6.3.1 The services of a job order worker is either paid according to an agreed contract amount for the piece of work or on a daily wage basis.

6.3.2 Contracting the services of job order workers shall be subject to pertinent budgeting, accounting and auditing rules and regulations.

### 7.0 Limitations

7.1 Hiring under contract of service shall be limited to consultants, learning service providers, and/or other technical experts to undertake special project or job within a specific period. The project or job is not part of the regular functions of the agency, or the expertise is not available in the agency, or it is impractical or more expensive for the government agency to directly undertake the service provided by the individual or institutional contractor.

7.2 Hiring of Job Order workers shall be limited to emergency or intermittent work, such as clearing of debris on the roads, canals, waterways, etc. after natural/man-made disasters/occurrences; other trades and crafts, and manual tasks such as carpentry, plumbing, painting, electrical, and the like which are not part of the regular functions of the agency.

7.2 Contract of service and job order workers should not, in any case, be made to perform functions which are part of the job description of the agency's existing regular employees.

7.3 Contract of service and job order workers should not be designated to positions exercising control or supervision over regular and career employees.

7.4 The services of the contract of service and job order workers are not covered by Civil Service law and rules thus, not creditable as government service. They do not enjoy the benefits enjoyed by government employees, such as leave, PERA, RATA and thirteenth month pay.

### 8.0 Payment of Services under Individual Contract of Service

Individuals hired through contract of service shall be paid the prevailing market rates, subject to the provisions of RA 9184 and its Implementing Rules and Regulations.

The payment of services shall be charged against the Maintenance and Other Operating Expenses in the approved agency budget.

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Individuals hired through contract of service have the option to enroll themselves in social benefit programs thru the SSS, PhilHealth and Pag-IBIG Fund as self-employed members.

#### **9.0 Payment of Services under Job Order**

Individuals hired through job order shall be paid wages equivalent to the daily wage/salary of comparable positions in government and a premium of up to 20% of such wage/salary.

The payment of services shall be charged against the Maintenance and Other Operating Expenses in the approved agency budget.

#### **10.0 Monitoring**

The COA shall monitor the compliance of agencies with the provisions of this Joint Circular.

#### **11.0 Transitory Provisions**

11.1 Agencies may renew the individual contracts of existing Contract of Service or Job Order workers until December 31, 2018. Thereafter, hiring of Contract of Service and Job Order workers shall be in accordance with the provisions of this Joint Circular. As far as practicable and to ensure protection of the existing Contract of Service or Job Order workers, the institutional contract to be entered into by government agencies with a contractor or service provider shall include a provision which will state that the existing qualified Contract of Service or Job Order workers hired by the agency shall be given priority in the hiring by the contractor or service provider.

11.2 Existing Contract of Service or Job Order workers shall be given priority in the appointment by the agency to its vacant positions provided that these workers meet the appropriate eligibility and other qualification requirements for the position subject to existing Civil Service law and rules.

11.3 In accordance with Section 90 of the General Provisions of the FY 2017 General Appropriations Act, government agencies shall review their functions, systems and procedures, organizational structure and staffing to determine the appropriate manpower complement for their programs/ activities/projects. Creation of permanent positions may be considered for regular functions, while hiring of casual or contractual personnel may be considered for projects and activities that are temporary in nature, subject to approval of the oversight agencies concerned<sup>5</sup> and to existing budgeting and accounting rules and regulations.

#### **12.0 Sanctions**

Heads of agencies and/or responsible officers found to violate the provisions of these rules and regulations may be charged before the proper administrative bodies (Office of the Ombudsman, Office of the President or Civil Service Commission) for violation of existing Civil Service Law and rules of serious nature or conduct prejudicial to the best interest of the service.

<sup>5</sup>Office of the President (OP), Department of Budget and Management (DBM), or the Governance Commission for GOCCs (GCG), as the case may be

**13.0 Resolution of Issues**

Issues and concerns that may arise in the implementation of these rules and regulations shall be resolved by the CSC, COA and DBM, as appropriate.

**14.0 Effectivity**

This Joint Circular shall take effect fifteen (15) days after its publication in a newspaper of nationwide circulation.

  
**ALICIA dela ROSA - BALA**  
Chairperson  
Civil Service Commission

  
**MICHAEL G. AGUINALDO**  
Chairperson  
Commission on Audit

  
**BENJAMIN E. DIOKNO**  
Secretary  
Department of Budget and Management





## GLOSSARY

**Affordability level.** This refers to minimum charge for 1/2" residential connections should not exceed 5% of the average income of the Low Income Group (LIG) service area.

**Annual operating revenue requirement.** It is the total revenues required on an annual basis adequate to meet all expenses and capital requirement of the utility.

**Capacity.** It is the ability of available water utility resources to meet the quantity, quality, peak loads, and other services needs of the various customers or classes of customers served by the utility.

**Capital expenditures.** This refers to expenditures that result in the acquisition of or addition of fixed assets.

**Commodity.** It is method of cost allocation in which the cost of service is allocated to the functional cost components of commodity, demand and customer cost. Variable costs are allocated to the commodity component, with the balance of cost being allocated to the demand and customer components.

**Commodity charge.** This refers to amount charge per cu.m in excess of the minimum charge (first 10 cu.m).

**Connection charge.** It is the charge made by the utility to recover the cost of connecting the customer's service line to the utility's facilities. This charge is often considered as a contribution of capital by the customer or other agency receiving the service.

**Cost allocation.** It refers to the procedure for classifying or assigning the costs of service to functional cost components for subsequent distribution to respective customer classes.

**Cost of service.** It has reference to the operating and capital costs incurred in meeting various aspects of providing water service, such as customer billing costs, demands related costs, and variable costs.

**Customer classification.** It is the grouping of customers into homogeneous classes. Typically, water utility customers may be classified as residential, commercial and industrial for rate-making and other purposes. For specific commercial utilities, these may be breakdown into commercial - A , commercial - B and commercial - C.

**Debt.** It is an obligation resulting from the borrowing of money of from the purchase of goods and services.

**Debt service.** This refers to expenditures for interest and principal repayment on debt instruments.

**Expenditures.** These are amounts paid or incurred for all purposes, including expenses, provision for retirement of debt and capital outlays.

**Low-income group.** It is the sector of residential consumers having the lowest capability to pay for water service.

**Maintenance expenses.** This refers to part of operating expenses, including labor, materials and other expenses incurred for preserving the operation efficiency and/or physical condition of utility plant.

**Metered rate.** It is the basis of the actual volume of the water consumed for a billing period.

**Minimum charge.** It is a fixed charge depending on the size and the classification of service connection and should cover the first 10 cu.m of water consumption.

**Operating expenses.** These refers to expenses related to maintaining day-to-day utility functions, including operation and maintenance expenses, taxes and depreciation and amortization costs, but not interest payments or dividends.

**Rate schedule.** It is the schedule of the rates and charges to the various classes and customers.

**Service connection.** This refers to that portion of the service line from the utility's water main to and including the curb stop at or adjacent to the street line or the customer's property line. It includes water meter valves, fittings, etc., that utility may require at or between the main and the curb stop, but does not include the curb box.

**Water rates.** It is the cost of providing adequate water service to customers and must reflect not only the fixed costs of the supply system, but also the operating expenses of the Water District.

**Water rate strategy.** It is the general scheme on how the district should go about determining a rate structure that is fair and acceptable to the majority of water users and to apply