



MEMORANDUM CIRCULAR NO. 6, S. 2007

TO : ALL WD GENERAL MANAGERS
 FROM : THE PAWD PRESIDENT
 SUBJECT : SEARCH FOR TOP PERFORMING WATER DISTRICTS
 DATE : DECEMBER 26, 2007

Information is hereby disseminated that PAWD AWARDS is finally launched and the first awards-conferral shall be on February 7, 2008 during the 29th PAWD Convention in Cagayan de Oro City. The first awards for Top Performing Water Districts will be for the period 2006 in view of lack of material time for water districts to submit complete data for 2007 in time for the 29th PAWD Convention in February 6 – 8 next year.

To vie for the 1ST PAWD Awards, all water districts are hereby asked to post their data as of DECEMBER 2006 in either of the two modes, that is, by posting data thru our webpage at www.pawd.org.ph by clicking Awards and follow the instructions therein, or by posting data thru SMS by texting AWARDS to our PAWD SMS Server at any of the numbers **0919-612-2822** or **0927-542-0822** and follow the instructions therein.

The Criteria and Table of Values for the Awards are as follows:

| Top Performing Water Districts Score Matrix | | | | 5 | 4 | 3 | 2 | 1 | | | |
|--|----|-----------|-----|-------|-------|-------|-------|-------|-------|-------|-------|
| Criteria | % | Benchmark | | | | | | | | | |
| Financial Performance Indicator - 50% | | | | | | | | | | | |
| Current ratio | 20 | > 2 | 1 | >=2 | 1.99 | 1.67 | 1.66 | 1.34 | 1.33 | 1.01 | <=1 |
| Debt service ratio | 10 | > 4 | 1.5 | >=4 | 3.99 | 3.17 | 3.16 | 2.34 | 2.33 | 1.51 | <=1.5 |
| Debt equity ratio | 10 | < 0.3 | 0.7 | <=.3 | 0.31 | 0.43 | 0.44 | 0.56 | 0.57 | 0.69 | >=.7 |
| Operating ratio | 10 | < 0.6 | 0.8 | <=.6 | 0.61 | 0.66 | 0.67 | 0.73 | 0.74 | 0.79 | >=.8 |
| Technical Performance Indicator - 50% | | | | | | | | | | | |
| Collection ratio | 15 | > 98 | 85 | >=98 | 97.99 | 93.67 | 93.66 | 89.34 | 89.33 | 85.01 | <=85 |
| Non revenue water | 15 | < 20 | 30 | <=20 | 20.01 | 23.33 | 23.34 | 26.66 | 26.67 | 29.99 | >=30 |
| Water loss rate | 15 | < 200 | 350 | <=200 | 201 | 250 | 251 | 299 | 300 | 349 | >=350 |
| Served population | 5 | > 80 | 25 | >=80 | 79.99 | 61.67 | 61.66 | 43.34 | 43.33 | 25.01 | <=25 |

The assignment of 50-50 weight both for Financial and Technical Performance is to emphasize to the water district, particularly the General Managers, the equal importance of monitoring both financial transactions and technical operations and not just a preference of one over the other which is a propensity dictated by the GM's academic or professional discipline.

The terms used in the criteria are meant as they are commonly understood and defined in accounting parlance and in LWUA's CPS. **Operating Ratio**, however, in this Award excludes Depreciation and Interest expenses. **Water-Loss Rate (WLR)** is the theoretical volume of water lost per unit of time per connection. Used as a conjunctive expression to NRW, WLR as a criterion takes into consideration the number of service connections of the WD and the average consumption per connection per month. As used in this Award, it is the volume of NRW divided by the number of connections and the number

of days in a year expressed in liters per connection per day (lpcpd). **Served Population** on the other hand, refers to that portion of the total population in the WD's franchise area being served by the WD.

It is calculated by multiplying the number of active service connections by the average number of persons per connection or household divided by the total population in the franchise area expressed in percentage.

The high and low benchmarks used in the matrix are based upon our 2005 Benchmarking project and LWUA Industry Average but after series of extensive deliberation by our Technical Committee. Greater than sign (>) indicates that the higher the number the better while less than sign (<) indicates that the lower the number the better.

To allow enough time for the verification of the data of the nominees for the Awards, **please submit or post your data on or before January 15, 2008** thru any of the modes mentioned above.

While not all of us can be awardees at the same time, I am however enjoining you to still submit or post your data in order for PAWD to help you analyze and monitor your performance indicators from year to year with the hope of improving your operations and eventually garner an award.

You may contact GM Pablito S. Paluca of Dipolog City WD and Chair of the PAWD Technical Committee at telephone number (065) 221-4485 or at (0920) 9102767 for clarifications.

For your information and compliance.



ROMEO C. CALARA
President