



2012 ANNUAL REPORT



**SAN JOSE DEL MONTE CITY
WATER DISTRICT**

City of San Jose Del Monte, Bulacan

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TO OUR stakeholders

We take pride in announcing that the year 2012 proved to be a productive and strong year for San Jose Del Monte City Water District.

By the end of the year, we posted a total number of households served to 78,660, maintaining our position as one of the largest water districts in the country in terms of number of service connections. We also moved closer to our vision of bringing safe and potable water to every San Joseño as we draw plans for the lone barangay not yet served by our system.

As we pursued service expansion, we also took measures to improve our water quality. We successfully concluded a twinning agreement with Korean Water Resources Corporation (K-Water) for a joint work plan development to address our existing water quality issues, foremost of which is the high manganese content of our raw water during El Niño conditions.

Our partnership with K-Water resulted to more efficient coagulation in San Jose Water's treatment plant, improvement in the sludge treatment, better water quality monitoring system, and better algae control.

With almost 100% of the city served with safe and potable water, we started to give attention to an equally pressing need - septage management. We successfully campaigned for the passage of a local ordinance to enable us to actively pursue our plans of implementing a comprehensive septage management program for the city together with the city government.

The septage management program is in compliance with various laws, foremost of which

Figure 1. Service connection Growth

We were able to increase our service connections to 74,279 households, equivalent to a population of 409,000, or 60% of the city's population.

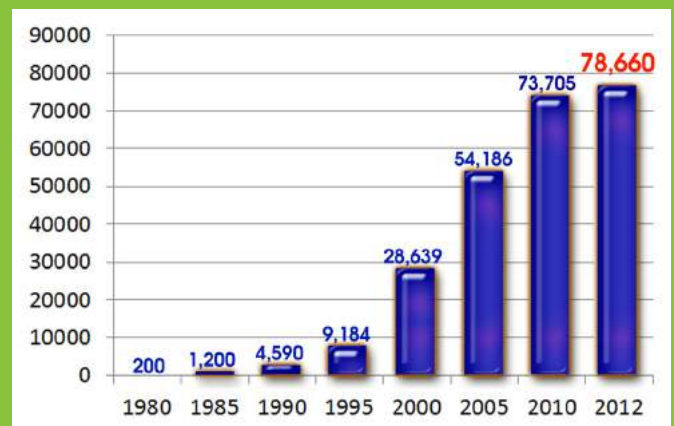
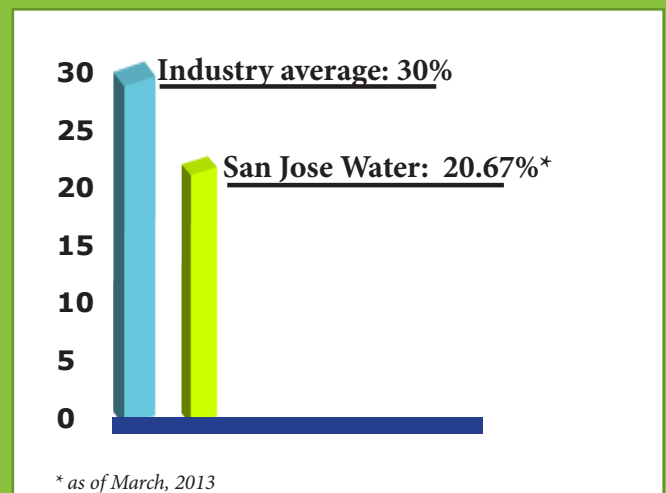


Figure 2. Non revenue water reduction.

We processed a total of 19,522,954 cum of raw water from both surface and groundwater sources. Of this volume, only 20.67%* is unaccounted for, down from 2011's 24.73% and way below the 30% industry average.

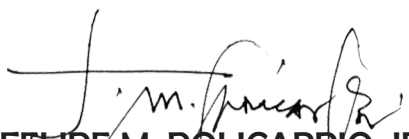


**“ With almost
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is RA 9275 or the Clean Water Act of 2004 which mandates local government units to enact an ordinance imposing a service fee system to meet the necessary expenses for the operation and maintenance of sewerage/septage management facility within their territorial jurisdiction. The said law also defines the role of water districts, pursuant to PD 198, or the Provincial Water Utilities Act of 1973, and other laws.

We significantly reduced our non-revenue water in 2012 to 23.36% from its 2011 level of 24.73%, and further reduced it to 20.67% in the first quarter of 2013. With our NRW Reduction Program, we purchased leak detection equipment, and embarked on district metering to identify which section of the main water lines has leakage and thus enable us to monitor the area and effectively address NRW.

Communication and public relations remained to play a vital role in connecting San Jose Water to its internal and external customers. We continued to publish our corporate publications, Tubig San Joseño, and Tubig San Joseño Isyu para sa Konsesyonaryo. These publications were recognized in the 2012 Convention of the Philippine Association of Water Districts, Inc. (PAWD) as one of the best publications in their respective categories.


FELIPE M. POLICARPIO, JR.
Chairman of the Board

To properly inform our new concessionaires about our policies and procedures, we updated our video presentation and we continued to distribute brochures about our services to service applicants. We also vigorously issued news releases to water sector publications. We continued to involve the youth in environmental awareness campaigns through oratorical and poster-making contests, as well as guided tour to our water treatment plant.

Meanwhile, at the social responsibility front, four public schools benefited from our Tubig para sa Batang San Joseño Project for the year. The water stations, a four-faucet structure, cost at least P40,000.00 each. Nineteen public schools with more than 40,000 students are estimated to be benefiting from the project since it started in 2004.

Also, we expanded the coverage of our Summer Job Program to include children of selected qualified concessionaires for a two-month work experience with San Jose Water.

In sum, the year 2012 gave San Jose Water steady increase in service connection growth and service coverage, true to its mission of providing safe and potable water to every San Joseño.

We look forward to better years to come.


LORETO G. LIMCOLIOC
General Manager

AT THE **helm**

BOARD OF DIRECTORS

FELIPE M. POLICARPIO, JR.

Representing Civic Sector

Chairman

ROMEO A. DE JESUS

Representing Professional Sector

Vice Chairman

GUILLERMA S. REYES

Representing Women Sector

Secretary

NIDA B. NICOLAS

Representing Business Sector

Member

REYNALDO A. VILLANO

Representing Education Sector

Member

The members of the Board of Directors are the people who shape the policies of San Jose Water.

The Board members come from different sectors of society - the academe, professional, women, business, and civic sectors - who are appointed by the local chief executive to a renewable six-year term from the list of nominees submitted by the concerned sector organizations.

The variety of expertise, experience, and background in the Board of Directors provides San Jose Water a broader perspective in charting the development of water supply for the City of San Jose Del Monte.



Seated from left to right: GM Loreto G. Limcolioc, and Board Chairman Felipe M. Policarpio, Jr. Standing from left to right: Dir. Nida B. Nicolas, Vice Chairman Romeo A. De Jesus, Ms. Teresita D. Casas (Secretary to the Board), Dir. Reynaldo A. Villano, and Dir. Guillerma S. Reyes.

MANAGEMENT TEAM

ENGR. LORETO G. LIMCOLIOC

General Manager

ENGR. EXEQUIEL P. AGAPITO

Manager, Production Department

ENGR. VICTOR G. CANITA, JR.

Manager, Engineering Department

MR. DANIEL G. CONTRERAS

OIC, Commercial Department

MRS. VIRGINIA S. DE SILVA

Manager, Admin. and Finance Department

Implementing the policies crafted by the Board is the Management Team headed by the General Manager, who in turn is supported by four department managers, each heading a staff complement of dedicated professionals and skilled workers.

IN A capsule

WHAT IT IS

San Jose Del Monte City Water District (San Jose Water) is one of more than 600 water districts in the country. It is a government-owned and controlled corporation established on July 22, 1980 by virtue of PD 198, as amended, otherwise known as the Provincial Water Utilities Act of 1973. It is classified by the Local Water Utilities Administration as a Category A Water District.

WHAT IT DOES

San Jose Water gets raw water from Angat River through an MWSS aqueduct that passes right through the City of San Jose Del Monte, and from selected underground water sources. It brings the surface water to its two water treatment plants, transforms this raw water into safe and potable drinking water, makes the water flow through its 526-kilometer pipeline, and distributes the treated water to almost half a million residents of the City of San Jose Del Monte in Bulacan.

At present, it is setting its sight towards the implementation of the Comprehensive Water Supply System Improvement Project – Phase III as a response to the long-term and short-term water requirements of the city.

San Jose Water is also keen in implementing a comprehensive septage management system after the city government approved an ordinance establishing a septage management program for the city and authorizing San Jose Water to collect, treat and dispose septage in accordance with prevailing environmental standards.



Residents of Sitio Complex, Bgy. Sto. Cristo welcome the Tawid-Uhaw Project, a communal metered faucet, installed by San Jose Water for their community to temporarily address their need for affordable, safe and potable water.

THE PEOPLE IT SERVES

As of December 31, 2012, San Jose Water brings safe and potable water to 78,660 households or approximately 526,000 people in the City of San Jose Del Monte. The figure represents 60% of the city's total population.

Of the city's 59 barangays, San Jose Water serves 58 barangays, with the remaining barangay expected to be served within 2013. A large part of its service subscribers belongs to the low-income group, the city being host to low-cost urban housing projects of the national government.

THE PEOPLE WHO HELP IT SERVE

A multisectoral five-member Board of Directors and 249 employees, including the management team, steer San Jose Water to further growth. Also, the city and the provincial governments as well as the national government through the Local Water Utilities Administration continue to support San Jose Water in pursuing its mission of bringing safe and potable water to 100% of city's population.

OUR core values

WE BELIEVE that water is source of life and our employment with San Jose Water is an affirmation of our desire to preserve and serve this source of life

WE BELIEVE that San Jose Water exists and prospers because of the customers. Thus, we will strive to address their needs and expectations to the best of our ability with utmost efficiency, courtesy, and speed.

WE BELIEVE that quality in everything we do will make our customers and stakeholders happy and thus, we will choose the best people, employ the best practices, and always challenge ourselves to improve through innovation and strategic planning. In delivering our service and in the performance of our duties, we will have no room for mistakes and will do it "First Time Right".

WE BELIEVE in the dignity of public service and we acknowledge our accountability as public servants. Thus, we will do what we say we will, employ the highest ethical standards in delivering our service, and demonstrate honesty and fairness in every action that we take. In everything we do, we will always do what is right.

WE BELIEVE that teamwork is necessary to realize our vision and achieve our mission. Thus, we will promote and support a diverse yet unified team. We will work together with enthusiasm to meet our common goals. We will respect differences in opinion and make the differences work for the betterment of service.

WE BELIEVE that the well-being and governance of the community and the stewardship of water resources are a shared responsibility among community members. Thus, we will be actively present in our community and create a positive influence. We will support efforts and implement programs that will promote a healthy and vibrant neighborhood, enhance environmental awareness, and protect our water resources.



OUR VISION

Safe and potable water flowing twenty-four hours a day from the tap of every home in the City of San Jose Del Monte.

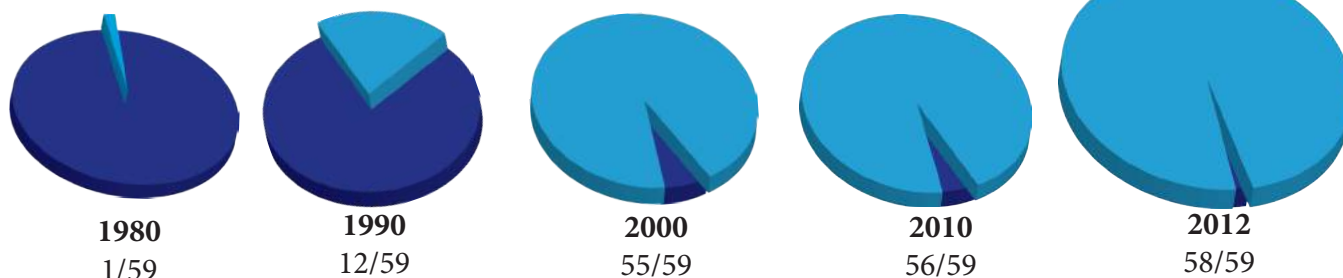
OUR MISSION

To serve the residents of the City of San Jose Del Monte with equitable, reliable, and immediate access to safe and potable water twenty-four hours a day at the least possible cost.

AT A glance

2012 PERFORMANCE

We now cover 58 out of the city's 59 barangays.

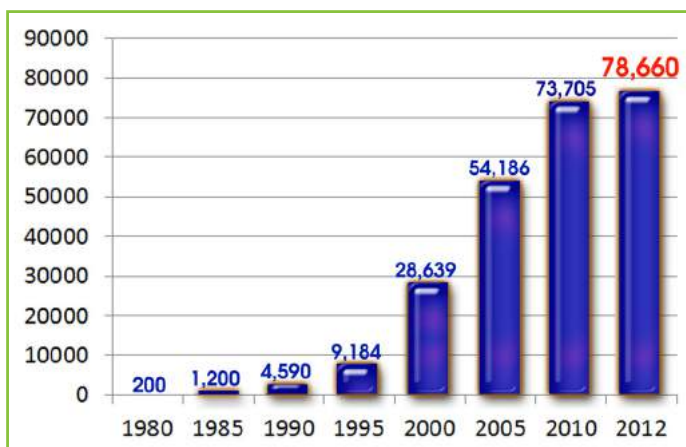


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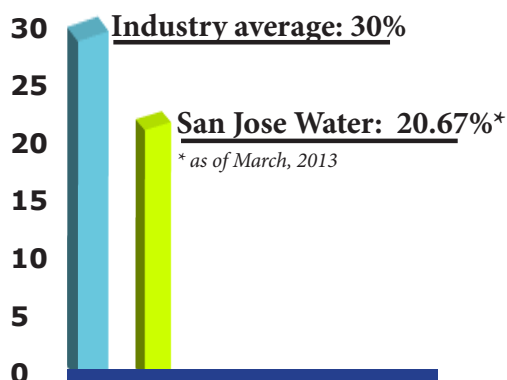
targetting to reach

80% of the city's population

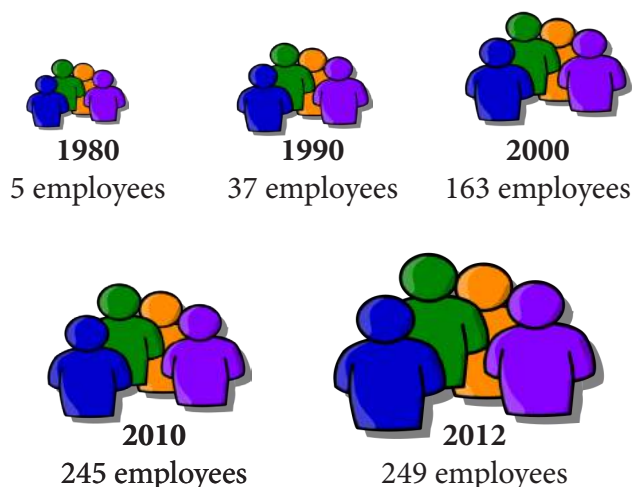
by 2015



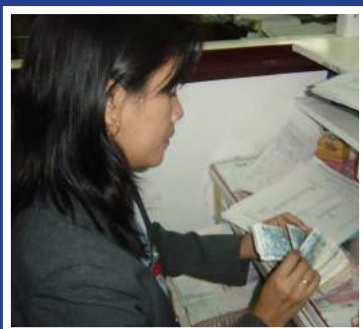
We processed a total of 19,522,954 cum of raw water from both surface and groundwater sources. Of this volume, only 20.67%* is unaccounted for, way below the 30% industry average.



We have grown from 5 employees in 1980 to 249 in 2012, while maintaining efficiency at 1:270 employee to service connection ratio.



Key Result Areas



Water Production

WATER SOURCES

Eighty percent (80%) of water for the City of San Jose Del Monte is sourced from Angat River through Aqueduct No. 6 of the Metropolitan Waterworks and Sewerage System (MWSS). The aqueduct passes through the City before reaching Metropolitan Manila. Everyday, 43,500 cubic meters of raw is conveyed by the aqueduct to San Jose Water's two water treatment plants situated in Bgy. Minuyan.

Surface water from Angat River is supplemented by 13 groundwater stations situated in strategic locations.

The surface water and groundwater sources of San Jose Water produced a total of 19,522,954 cubic meters of water for the year 2012.

WATER TREATMENT PLANTS

Surface water from Angat River goes straight to San Jose Water's two water treatment plants in Bgy. Minuyan for processing before it is distributed to the concessionaires.

Water Treatment Plant No. 1 (WTP1) was constructed in 1997 under the Comprehensive Water System Improvement Project Phase I, a project funded by the French and the Philippine Governments. It has a maximum production capacity of 20,000 cubic meters per day (cumd).

Meanwhile, WTP2 was completed in 2007 under the Phase II Project which was funded by the Japan Bank for International Cooperation and the Local Water Utilities Administration (LWUA). It has a maximum production capacity of 30,000 cumd.

At WTP1, surface water passes through five water conventional treatment stages: prechlorination, flash mixing/coagulation, flocculation/clarification, sand filtration, and post-chlorination. At WTP 2, water passes similar stages except that the plant uses counter-current dissolved air flotation technology (CoCoDAFF). With CoCoDAFF, flocs do not settle at the bottom of the chamber after coagulation. Instead, they rise to the surface.



RESERVOIRS AND TANKS

Water processed at the treatment plants are stored in San Jose Water's 11 concrete reservoirs and 55 steel tanks located in strategic elevated areas. Water is then fed to the pipelines and distributed to concessionaires through gravity.

SOURCE DEVELOPMENT

With the continued rise in the number of real estate developments in the City of San Jose Del Monte comes an increase in the demand for water service. The present 50,000 cumd allocation from the Angat Dam through the MWSS aqueduct is no longer sufficient and can no longer accommodate requests for water service from new subdivisions.

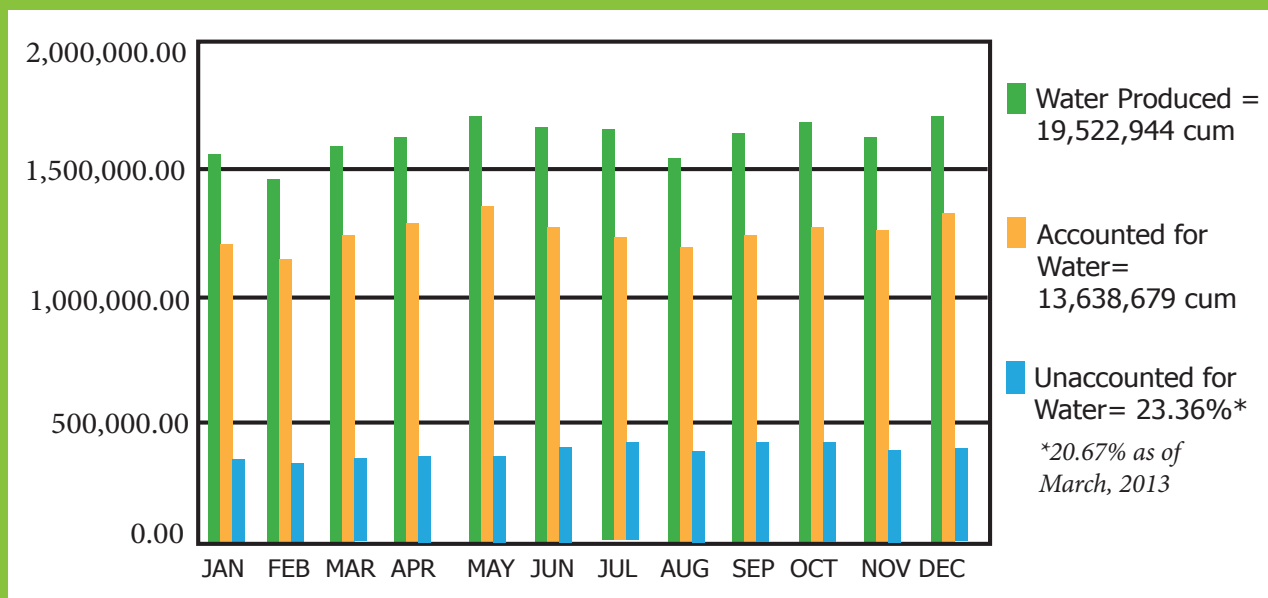
In 2009, San Jose Water requested for additional 30,000 cumd from MWSS. The said request was endorsed by the City's Liga ng Barangay, the City and Provincial Councils, and the National Housing Authority.

Pending approval of its request for additional 30,000 cumd of water from MWSS, San Jose Water has decided to directly tap Angat River for 15,000 cumd of raw water to augment existing supply for San Jose Water's existing 25,000 concessionaires.

Feasibility studies for the Bulk Water Project which started in 2010 showed results confirming availability of water supply and viability of the project. Thus, on November 2012, San Jose Water started earthmoving works and laying of pipelines for the Project, after the requisite bidding for government projects.

The Project costs PhP254M and is expected to be completed by 2013. It consists of laying of approximately 16.8 kilometers of pipelines with a diameter of 400mm, construction of three pumping stations, and two pressure reducing tanks. The pipelaying will cross several bridges and creeks.

Figure 3. Water produced, 2012



Ensuring water quality

San Jose Water continues to ensure that only water quality of the highest possible quality flows from the tap of its concessionaires. Thus, it strictly adheres to the standards set by the Philippine National Standards for Drinking Water.

Raw water from Angat Dam is made safe and potable before it is distributed to the concessionaires.

San Jose Water has two water treatment plants (WTP), both of which are equipped with online monitoring equipment to ensure that chlorine levels remain at recommended dose vis-a-vis the water quality. The treatment plants are also manned by personnel 24 hours a day to monitor both quality and sufficient water production.

Roving operators collect water samples from randomly selected households to ensure that right dosage of chlorine and level of turbidity flows from the tap. Regular flushing of water lines were also done to ensure the cleanliness of water.

Also, water samples from the distribution system were taken monthly to a laboratory accredited by the Department of Health (DOH). Twice in 2012, as in previous years, water from the source was subjected to chemical and physical analysis. Thus far, San Jose Water has not failed to meet the Philippine National Standards for Drinking Water set by the DOH.

TOWARDS BETTER WATER QUALITY: TWINNING PARTNERSHIP WITH KOREAN WATER RESOURCES CORPORATION

To address existing water quality issues foremost of which is the high manganese content of its raw water during El Niño conditions and further improve its water quality, San Jose Water entered into a twinning partnership with Korean Water Resources Corporation (K-Water), South Korea's leading water service provider.

The partnership of the two water agencies was facilitated by ECO-ASIA through WaterLinks, a regional network that promotes water operator partnerships to support the transfer of good practices, expertise and technology through peer-to-peer exchanges where a utility (recipient twin) that seeks to improve its performance and service delivery pairs with a stronger utility (mentor twin) to learn from.

The partnership between San Jose Water and K-Water commenced on April 8, 2011 when the two water utilities signed the Memorandum of Understanding (MOU) at K-Water's principal office in Daejeon, Republic of Korea. The MOU was signed by GM Loreto Limcolioc and Board Chairman Felipe M. Policarpio, Jr. for San Jose Water, Mr. Kyungil Lee, Director General of K-Water Academy and and Mr. Arie Istandar, ECO-Asia's Water and Sanitation Team Leader.



A laboratory technician checking chlorine residual at the San Jose Water laboratory



Signing of the Memorandum of Agreement between K-Water and San Jose Water at the Daejeon, South Korea. Seated from left to right - Ch. Felipe M. Policarpio, Jr. at GM Lory Limcolioc of San Jose Water, Mark Nichol of ECO-Asia, Kyungil Lee, Director General ng K-water Academy. Standing from left to right - Deakchun Han (Senior Manager of International Training section), Seungyeol Suh (Manager of Public Official's Training section), Prof. Kwansoo Seok, Engr. Exequiel P. Agapito (San Jose Water), Dir. Kihang Koo (K-Water Training Team), Prof. Hyunsik Hwang, Eunbyoung Kim (Manager, Water Resource Training Section), Heejung Son (Program Coordinator, International Training section), and Yongkwan Moon (Director, Human Resources Training Team)

The MOU included four visits by K-Water to the Philippines and two visits by San Jose Water to South Korea. K-Water's last visit took place in the first quarter of 2012 but the system improvements for water quality upgrading at San Jose Water will be an ongoing program.

The partnership resulted to a more efficient coagulation in San Jose Water's treatment plants as the technical team from both San Jose Water and K-Water revised the coagulant dosing line at the raw water intake facility to uniformly distribute coagulant across the channel in arrival basin. The team also modified and upgraded the sludge lagoon which serves San Jose Water's two treatment plants to improve sludge treatment. A middle chlorination on top of pre and post chlorination was also added to improve disinfection and help algae control.

Additional parameters for water quality monitoring such as manganese, alkalinity, color, iron and trihalomethanes were also added. Consequently, San Jose Water's laboratory was upgraded to measure the additional parameters. San Jose Water's sampling point facilities were likewise standardized resulting to optimal residual chlorine at the distribution system.

San Jose Water also installed two automatic self-cleaning filters at its water treatment plants as a result of the partnership. The filters are intended to compensate the reduction in treatment capacity during turbid months and as a back-up filter unit.

The results of the partnership were shared to other water districts in workshop organized by San Jose Water in coordination with K-Water and Water Links - USAID. The workshop was held last November 24, 2011 at Pacific Waves Resort, City of San Jose Del Monte, Bulacan. Officials of San Jose Water led by GM Lory Limcolioc and Board Chairman Felipe M. Policarpio, Jr. were in full attendance. Officials from K-Water led by its Director General, Mr. Kyungil Lee, also flew in from South Korea to share learning and insights from the twinning partnership. The workshop participants came from the water districts of Puerto Princesa, Metro Carigara, Metro Iloilo, Metro Cebu, Camarines Norte, Metro Tuguegarao, Davao City, Tandag, Malaybalay, Butuan City and Isabela City.

San Jose Water is looking at the possibility of replicating the partnership with other water districts in the country, this time with San Jose Water as the mentor utility.

Non-Revenue Water Reduction

San Jose Water seriously took on its Non-Revenue Water Reduction Program three years ago when it created an operations section solely dedicated to non-revenue water reduction.

Subsequently, district metering zones were created to facilitate identification of leak-prone areas. San Jose Water also purchased modern leak detecting equipment to easily locate underground leakage. Leaks that were detected were immediately repaired.

Complementing the technical aspect of the NRW Reduction Program is customers' involvement. San Jose Water encouraged concessionaires to report sightings of water leak from the distribution lines. Token items such as umbrella, t-shirt, and mugs were given to leak reporters.

A total of 9,041 leak reports from concessionaires either through text message, email, or personal information to San Jose Water crew, were received by San Jose Water for the year 2012, all of which were immediately repaired.

Water pilferage, one of the culprits in non-revenue water, was likewise curbed. San Jose Water strictly implemented its policy regarding water theft in accordance with the provisions of RA 8041 or the Water Crisis Act of 1995. With the help of other concessionaires who report incidences of water theft, constant monitoring of water consumption patterns to detect abnormal changes in water use, and regular saturation drives, 529 concessionaires were apprehended for illegal water use for the year 2012.

As a result of the the program, San Jose Water's non-revenue water registers at only 23.36% as of December 31, 2012 and 20.67% as of March, 2013, from an NRW of 24.73% in 2011. The industry average of NRW for water districts is 30% .



Pipes and Meter Maintenance



For the year 2012, San Jose Water laid 4,639.82 LM of pipelines under various distribution line extension projects, bringing the total length of pipelines laid to 525,848 LM.

LEAK REPAIRS

A total 9,779 leak repair projects were implemented in 2012, which include repair of leaks reported by customers and leaks detected by technical crew working under the NRW program.

For emergency leak repairs beyond regular working hours, San Jose Water has formed a Quick Response Team (QRT) that may be called upon during the night or during weekends and holidays. The QRT is comprised of selected personnel from the Engineering, Production, and Administrative and Finance Departments who are available 24/7 in case of emergency.

METER MAINTENANCE

San Jose Water ensures that water meters of concessionaires are in good working condition. Every five years, water meters are pulled out under its Meter Maintenance Program, and calibrated in two calibrating centers of San Jose Water. A modest meter maintenance fee is collected every month from the concessionaires on top of the water bill. Also, meters found to have been tampered by concessionaires are also brought to the calibrating centers to ensure that the meter registers the correct water consumption.

In 2012, San Jose Water was able to calibrate 10,767 water meters, 61.75 % of which or 6,649 are under the Meter Maintenance Program, while 38.35% or 4,118 are either tampered meters or meters from disconnected service.

PROJECTS PROFILE

for the Year 2012

DESCRIPTION AND LOCATION	COST (in Pesos)	DATE COMPLETED
Pull out of Existing Distribution Line Garcia Bridge, Brgy. Poblacion	13,147.00	March 14, 2012
Painting of Elevated Steel Tank (inside & outside) Res. No. 15 Nayong Lourdes	174,000.00	April 2, 2012
Painting of Elevated Steel Tank (outside only) Res. No. 53, Highview Royale	133,000.00	May 9, 2012
Activation/Interconnection of Northwinds 6A & 6B Brgy. Kaypian, CSJDM, Bulacan	640,000.00	May 2012
Painting of Elevated Steel Tank (inside & outside) Res. No. 70, North Hills Subd.	166,000.00	May 26, 2012
Construction of Tawid Uhaw Project Sitio Complex, Bgy. Sto Cristo	148,000.00	May 30, 2012
Rehabilitation of Water Supply System Francisco Homes II, Bgy. Graceville	758,000.00	July 13, 2012
Construction of Drinking Water Station BBB Elementary School	40,000.00	July 16, 2012
Construction of Drinking Water Station Citrus High School	37,000.00	July 16, 2012
Rehabilitation of Service Connection Sampol Market	35,000.00	July 27, 2012
Temporary Line @ Garcia Bridge Brgy. Poblacion	36,000.00	August 10, 2012
Rehabilitation of 75 mm DLE Citrus Cemetery, Brgy. Citrus	40,000.00	October 12, 2012
Improvement of OGM Area Main Office	76,286.70	October 13, 2012
Abandonment of Dist. Line Ext. & Transfer of Tapping of SCs - Section 1,7,9, & 13 Pabahay 2000	700,000.00	December 5, 2012
Painting of Elevated Steel Tank (inside & outside) Res. No. 5, Area H	256,000.00	December 13, 2012
Construction of Drinking Water Station Marangal Elementary School	40,367.00	December 18, 2012
Construction of Drinking Water Station Graceville National High School	41,401.00	December 18, 2012

Service Area and Coverage

The City of San Jose Del Monte, 40 kms north of Manila and characterized by a topography of rolling plains, is largely a resettlement area of the government. Month by month, families from nearby Metro Manila's depressed areas come in droves to settle in government low-cost housing subdivisions. The Sapang Palay Resettlement Project alone has 36 barangays, more than half of the total number of barangays in the city.

As of December 31, 2012, San Jose Water has a total of 78,660 service connections, a far cry from the 200 connections when it started in 1980. This figure translates to a population of approximately 526,000.

Of the total number of service connections, 4,380 were installed in 2012.

Approximately 38,000 or 48% of the total number of San Jose Water's concessionaires are situated in government housing projects namely Sapang Palay Resettlement Area (SPRA), Pabahay 2000, Towerville Resettlement Project, and Liberty Farms Upgrading

Project comprised of Bgys. Gumaoc East, Gumaoc West, and Gumaoc Central. The other 52% are situated in privately-developed subdivisions.

Of the City's 59 barangays, San Jose Water is already serving 58 or 98%. Plans for putting up a separate water system for the lone unserved barangay is on the drawing board.

Almost all barangays are served by water processed in the water treatment plant. The only barangay served by groundwater is Bgy. Ciudad Real as distribution lines from the treatment plant cannot be interconnected with the water distribution system in the barangay due to legal and technical constraints.

Meanwhile, San Jose Water disconnected an average of 1,360 service connections per month for 2012. 97% of the disconnections were due to non-payment of water bill on due date while the remaining 3% were voluntary requests for temporary disconnection.

Figure 4. Barangays Covered

58 out of 59 or 98% of the barangays are served by San Jose Water

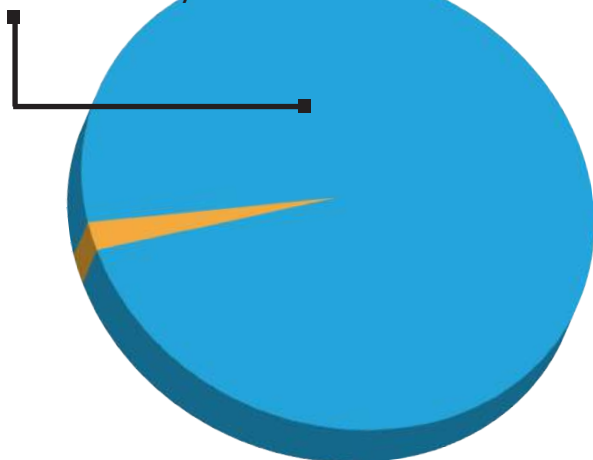
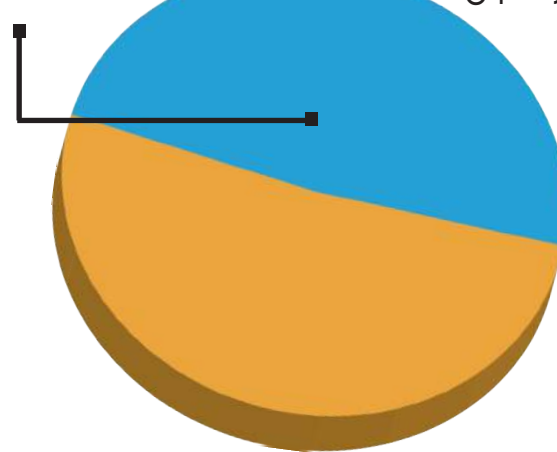


Figure 5: Concessionaires in housing projects

48% of the concessionaires live in government low-cost housing projects



Collection efficiency

San Jose Water stepped up its collection efforts and posted 91.68% collection efficiency in 2012.

The offices of San Jose Water in Bgy. Minuyan, in Francisco Homes, and in Sarmiento Homes accept payment of water bills from Monday to Friday, 7:00 AM to 5:00 PM. The collection office in Bgy. Poblacion accepts payment only during designated dates.

San Jose Water has a “No lunch break policy”, both for its collection and customer service windows.

A special lane is dedicated in all offices of San Jose Water for senior citizens, pregnant, and persons with disabilities who are paying their bills. This is in compliance with the provisions of RA 9994 (Expanded Senior Citizens Act of 2010 and the Magna Carta for Disabled Persons. In the regular lanes, priority is given to concessionaires with babies or toddlers.

For added convenience of customers, the waiting area at the main office has an airconditioning unit while

several electric fans are posted at the other collection offices.

COLLECTION AGENTS

To bring its service closer to its customers, San Jose Water forged an agreement with CIS Bayad Center for collection of water bills. The agreement became effective last February, 2012.

Thus, concessionaires may now pay their current water bills before the due date at any branch of Bayad Centers nationwide. Meanwhile, Metrobank branches continue to accept payment of water bills of San Jose Water.

Both collection agents impose a minimal fee for their service.

Data for 2012 reveal that majority of the concessionaires prefer to pay in San Jose Water offices, as only around 8% opted to pay in Bayad Center and Metrobank branches.

Figure 6. Collection Efficiency

91.68% of water bills were collected in 2012

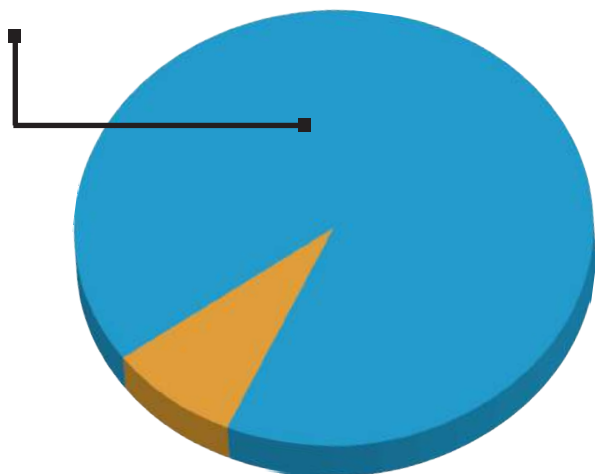
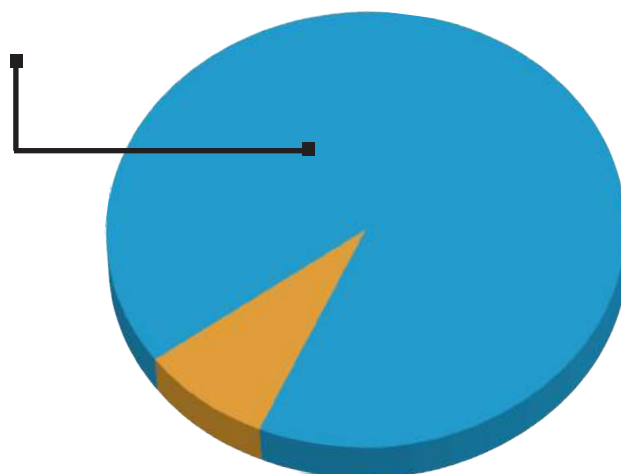


Figure 7. Payment Preference

92% of concessionaires prefer to pay in San Jose Water offices



Recategorization and CSC accreditation

RECATORIZATION TO CATEGORY A

San Jose Water was categorized in 2012 by the Local Water Utilities Administration (LWUA) to Category A following the criteria in Revised Manual for Categorization, Recategorization and Other Related Matters (LWD-Macro) prescribed by the Department of Budget and Management (DBM). It garnered 95 points in the points-system of the LWD-Macro. Category A is the highest category.

In the previous categorization manual, San Jose Water was placed under the Very Large Category.

CSC ACCREDITATION

The Civil Service Commission, through Resolution No. 040240, granted San Jose Water the authority to take final action on appointments pursuant to Section 12 (16) of the Administrative Code of 1987 empowering the CSC to delegate authority for the performance of any function to departments, agencies, or offices where such functions may be effectively performed. The authority of San Jose Water took effect on February 1, 2012.

With the grant of authority, appointments issued by San Jose Water are no longer submitted to the Commission for approval. The General Manager exercises delegated authority to take final action on appointments following the terms and conditions stipulated in the Resolution and within the limits and restrictions of Civil Service laws.

For appointments in trades and crafts positions, San Jose Water shall first submit the required documents required by the CSC for the conferment of appropriate eligibility before the appointments are signed by the appointing authority.



The San Jose Water Ehersisyaw group that participated in the 2012 CSC Ehersisyaw competition.

PARTICIPATION IN CSC ACTIVITIES

San Jose Water continued to participate in activities organized by the Civil Service Commission. It participated in the 2012 CSC Ehersisyaw competition held at SM Pampanga last September 07, 2012 where its Ehersisyaw group emerged as second place winner. It also participated in the 2012 CSC Fun Walk held last September 14, 2012.

Also, as directed by the Commission, San Jose Water conducts flag-raising ceremony every Monday within its premises. The flag-raising ceremony includes the singing of the CSC Hymn and the Panunumpa ng Lingkod Bayan to constantly remind the employees of their duties as civil servants.

San Jose Water also regularly publishes its Citizen's Charter as directed by the CSC. The Charter, which contains the services given by San Jose Water and the approximated length of time it is to be delivered, is distributed to new service concessionaires. Highlights of the Charter are likewise posted in conspicuous areas in the offices of San Jose Water.

Logistics and Personnel Support

San Jose Water has 249 employees, making San Jose Water one of the biggest employers in the City of San Jose Del Monte. Of the 249, ten were hired in 2012, and 8 are on job order basis. Nine employees were promoted for the year.

Employee to service connection ratio is 1:270. The industry average set by LWUA is 1:100.

Seventeen employees attended various training in 2012. These trainings include sewerage project implementation, industrial hygiene, hydraulic network modelling, tellering, work environment measurement, and water district categorization.

LEAVE AND BENEFITS ADMINISTRATION

San Jose Water grants each employee 15 days of vacation leave, 15 days of sick leave, and 3 days of special privilege leave every year in accordance with CSC rules. A mandatory vacation leave of five days is imposed every year upon each employee so that employees may be able to take a break from the daily grinds of work.

While vacation and sick leaves are cumulative and many employees have earned hundreds of days of leave credits, monetization is strongly discouraged and stringent evaluation is done before requests for monetization is approved.

A maternity leave of 30 days (for normal delivery) and 45 days (for Caeasian delivery) are granted to female employees while a paternity leave of 7 days is granted to male employees, subject to existing rules. A non-cumulative parental leave of not more than 7 days is granted to solo parent employees subject to conditions set by PA 8972 or the Solo Parent Act. Likewise, in adherence to RA 9710, and CSC

Resolution No. 1000432, San Jose Water grants special leave benefits of up to a maximum period of 2 months per year for female employees who undergo surgery due to gynecological disorder.

Meanwhile, a study leave is granted subject to conditions imposed by the CSC.

Social security benefits of employees are also taken care of by regular remittance of premiums to the GSIS, PhilHealth, and Pag-Ibig Fund.

TRANSPORTATION MANAGEMENT

San Jose Water reduced its vehicle maintenance expenses by opting to rent service vehicles to transport staff and crew to different project sites and offices. Of the 20 SUVs, only 6 are company owned. It also rents 11 tricycles, usually utilized by its engineering crew.

Apart from the SUVs, San Jose Water has 22 motorcycles which are used by its roving personnel who monitor water quality.

PROCUREMENT AND SUPPLIES MANAGEMENT

The San Jose Water Stock Room houses various office supplies, pipes and fittings, water meters and other materials and equipment for ready disposal or dispatch upon duly approved requests.

In 2012, San Jose Water processed 750 purchase requisitions and 146 repair/service requests, issued 1,352 Property Accountability Receipts and 14,786 stock requisitions, received 1,792 returned materials, and undertook bimonthly inventory of materials and supplies and annual inventory of tools, and equipment.

Disaster Preparedness

In the light of the stronger typhoons and heavier floods that occurred in recent years resulting to interruption in water supply service, San Jose Water deemed it imperative to draw up a Crisis Management Plan which would aid its actions and decisions in times of emergency.

Thus, San Jose Water conducted a three-day Seminar-Workshop on Crisis Management at Subic, Zambales which was attended by 20 employees, both from the management and rank and file with the end in view of formulating and institutionalizing a better and proactive response to disasters and other emergencies.

After the workshop, the participants came up with a draft crisis management plan which would further be refined to ensure the least possible impact on water supply and sewerage services and San Jose Water's public image in cases of emergency as well as an effective response that will contribute to preserving the health and life of the population.

The draft plan provides policies and procedures to maintain quantity and quality of service even during adverse conditions, identifies potential crisis situations and the methods for responding to these situations quickly and effectively, and defines responsibilities and roles during a crisis situation. It also establishes guidelines in addressing public relations and communications issues that may potentially arise from a crisis.

The draft plan provides for the creation of a Crisis Management Team (CMT) which shall immediately convene in the event of a crisis for the declaration of alert levels and such other instructions to cope with the crisis.

Prior to the drafting of the crisis management

plan, San Jose Water has various guidelines which address crisis situations. These include the following:

- San Jose Water has a Quick Reaction Team that is on call to repair leaks that happen beyond office hours or during weekends and holidays.
- San Jose Water is an affiliate of the AFP Reserve Command. As such, ninety percent of its employees has undergone Military Orientation Training and are reserve officers and enlisted men of AFPRESCOM.

The military training is meant to equip the employees with the necessary skills should water service be compromised or interrupted due to terrorist attacks or disaster. However, military training for every employee is only on a one-time basis.

- San Jose Water drafted a crisis communication plan in 2004 plan grounded on possible terrorist attack, drought and earthquake which would disrupt the provision of water service.

While the management approved the plan, it has not been updated since it was drafted. Also, the plan was not transformed into a manual and not disseminated to all employees. Consequently, it was relegated to the background and was soon forgotten, especially because San Jose Water did not face any major disaster/crisis until August, 2012.

- There is an Emergency Evacuation Plan where movable assets and documents are assigned colors for priority in evacuation. The plan diagram, with the emergency exits properly-marked, is printed on a bond-size paper and posted in the offices of San Jose Water.

Public Relations and Corporate Citizenship

PUBLICATIONS

San Jose Water continued to publish its two in-house publications - Tubig San Joseño, a magazine-type publication primarily for employees and select government offices, and Tubig San Joseño Isyu Para sa Konsesyonaryo, a newsletter published for distribution to concessionaires, local government officials, schools, provincial government offices, and other water districts.

The two publications were awarded Second Place in the 2012 Best Publications Award, both in the magazine and newsletter categories, by the Philippine Association of Water Districts, Inc. (PAWD).

San Jose Water publishes 500 copies of the magazine and 10,000 copies of the newsletter quarterly.

CORPORATE VIDEO

San Jose Water also updated its 17-minute corporate video for service applicants and visitors. The video narrates the history of the San Jose Water, its mission, water sources, treatment processes, and policies and procedures concerning service connections.

Several water districts who have seen the video requested a copy so that they can replicate the same in their own water district.

CORPORATE BROCHURE

As a supplement to the corporate video, the corporate brochure was likewise updated. 5000 copies of the brochure was printed for the year.

NEWS RELEASES

News on the activities and projects of San Jose Water were released to national broadsheets as well as

sector publications. Bulletin boards for concessionaires and employees in all offices of San Jose Water were also regularly updated.

ORATORICAL AND POSTER MAKING CONTEST

True to its advocacy of promoting environmental awareness among the youth, San Jose Water continued to hold its annual Oratorical and Poster Making Contest, this time with oratorical contestants delivering the piece in the Filipino language.

The contest, San Jose Water's fourteenth, aims to increase awareness among the youth regarding protection and preservation of water resources and to involve them in the effort to protect and preserve the environment, especially with the recent approval of the ordinance on septage management for the city.

PLANT VISITS

The water treatment plant of San Jose Water is open to students, government agencies and other legitimate organizations wanting to observe how raw water is transformed into safe and potable water and distributed to thousands of households.

During the plant visits, staff from the Public Information Office and the Production Department take turns in briefing the visitors about the history, mandate, and treatment processes of San Jose Water.

For the year 2012, a total of 170 visitors came to learn about the treatment process. Of the 170, 94% are engineering students from Metro Manila schools. The rest are officials and employees of water districts who visited San Jose Water to learn not only about the treatment process but also to learn from San Jose Water's best practices.

TUBIG PARA SA BATANG SAN JOSEÑO PROJECT

To help the local government provide a conducive learning environment to the students of the city's public schools and help the parents in nourishing their children, San Jose Water donates drinking water stations to public schools in the city. San Jose Water started the project, dubbed as Tubig para sa Batang Pinoy Project, in 2004 and has since then benefited 19 public schools and approximately 45,000 public school students in the city.



Drinking water station at Marangal ES

For the year 2012, there were four beneficiary public schools. The schools are Bagong Buhay B Elementary School and Citrus High School, which were given the drinking water stations last July 18, 2012 as part of the celebration of San Jose Water's 32nd Anniversary. The other two schools, Marangal Elementary School and Graceville National High School received their drinking water station last December 19, 2012. The four schools have a combined population of 7,000 students.

TAWID-UHAW PROJECT

Residents of Sitio Complex, a community of informal settlers, in Bgy. Kaypian, City of San Jose Del Monte, Bulacan are now enjoying access to safe and potable water after San Jose Water constructed for them two structures of communal metered faucets under San Jose Water's Tawid-Uhaw Project. Sitio Complex has 200 families who have been buying water at P35.00 per drum everyday from commercial water tankers for many years. The amount, the residents said, would have been enough for a kilo of rice. They also lamented that water from commercial tankers is not potable and they still had to buy water from refilling stations which costs more.



Tawid Uhaw Project at Sitio Complex

The Tawid-Uhaw Project is San Jose Water's response to the need for drinking water by communities that are either too far from the distribution lines of San Jose Water or have a problem on right of way. It started in the early 90's and has since then constructed more than 62 structures. Of these, only three are in operation as San Jose Water was already able to provide individual water connection to the other beneficiary communities.

Public Relations and Corporate Citizenship

TREE PLANTING ACTIVITY

To help groundwater resources regenerate, San Jose Water joined the Rotary Club in planting 3000 seedlings of fruit bearing trees at the foot of Mt. Balagbag in Bgy. San Isidro, City of San Jose Del Monte last August 25, 2012. More than fifty employees of San Jose Water, led by GM Lory Limcolioc and Board Chairman Jun Policarpio, braved the heat and mud for the activity. In the previous years, San Jose Water also joined the Bulacan Association of Water Districts in planting trees in Biak na Bato, San Miguel, Bulacan, and the AFP Reserve Command tree-planting drive at the Ipo Dam.



BLOOD-LETTING DRIVE

San Jose Water brings life not only by providing safe and potable water but also by donating blood. Every year since 2004, it partners with National Kidney and Transplant Institute for a bloodletting drive among employees and their relatives. Since then, San Jose Water was able to donate a total of 130,000 ml of blood to NKTi. For 2012, more than 160 bags containing 100 ml to 250 ml were donated by San Jose Water employees to NKTi while 24 employees were given Consistent Blood Donors Award for having donated at least six times.



DONATION DRIVE FOR VICTIMS OF TYPHOONS

In the spirit of fraternity, San Jose Water extended its helping hands to water districts which fell victims to typhoons and floods. It gave financial assistance to Lobo Water District which was damaged by Typhoon Ofel. San Jose Water also sent donation in kind to Obando Water District, through the Bulacan Association of Water Districts. Obando WD was severely flooded due to habagat and Typhoon Gener.



SUMMER JOB PROGRAM

On its fourth year of implementation, the Summer Job Program (SJP) gave sixteen college students the chance to work for two months with San Jose Water. These students are either children of employees or concessionaires who passed the qualification standards set by San Jose Water.

Since it started in 2008, a total of 122 students benefited from the program.



GM Lory briefing the students under the SJP

NEWBORN SCREENING PROJECT

In response to the call for help by the Ospital ng Lungsod ng San Jose Del Monte, San Jose Water sponsored the screening of 33 newborns, one for each year of San Jose Water's existence, from indigent families at the said hospital.

The government's newborn screening program is mandated by RA 9288 or the Newborn Screening Act. The process is done by extracting blood specimen from newborn up to three days old and aims to identify the following diseases so that medical interventions may started earlier: Adrenal Hyperplasia, Phenylketonuria, Galactosemia, and Glucose-6-Phosphate Dehydrogenase Deficiency.



The newborn screening beneficiaries

Financial Highlights

CONVERSION TO NGAS

San Jose Water began shifting from the existing accounting system using the LWUA-prescribed Commercial Practices System (CPS) to the National Government Accounting System (NGAS) which is prescribed by the Commission on Audit. More than 95% had been converted to the NGAS, with full conversion expected to be completed in 2013.

INCOME

San Jose Water posted an income of PhP 529, 240,549.19 for the year 2012. Of this figure, revenue from water sales comprise 92.4% while income from other sources make up the remaining 7.6%.

Figure 8. Budget appropriation, 2012

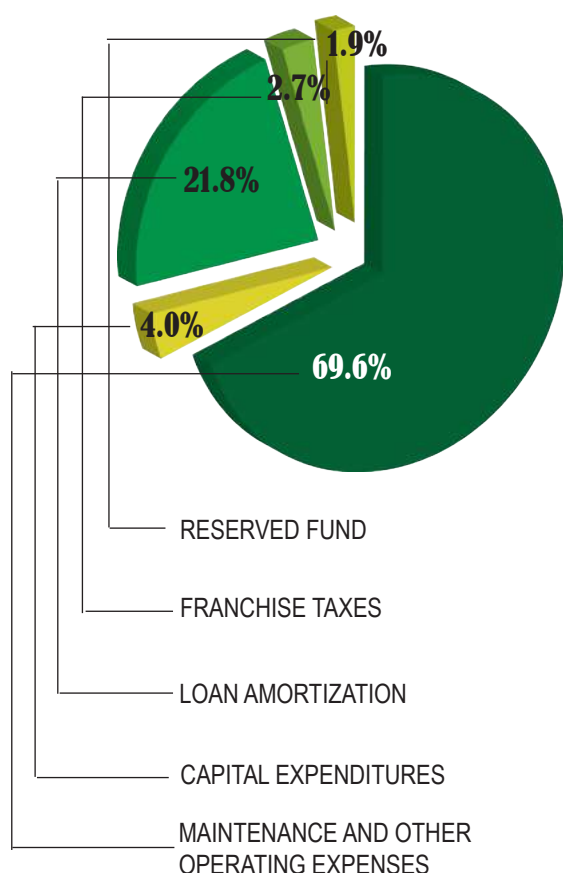
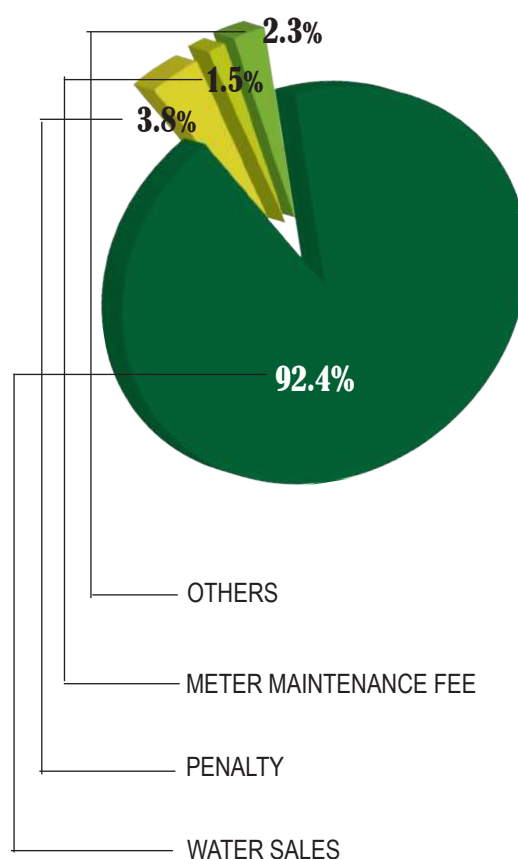


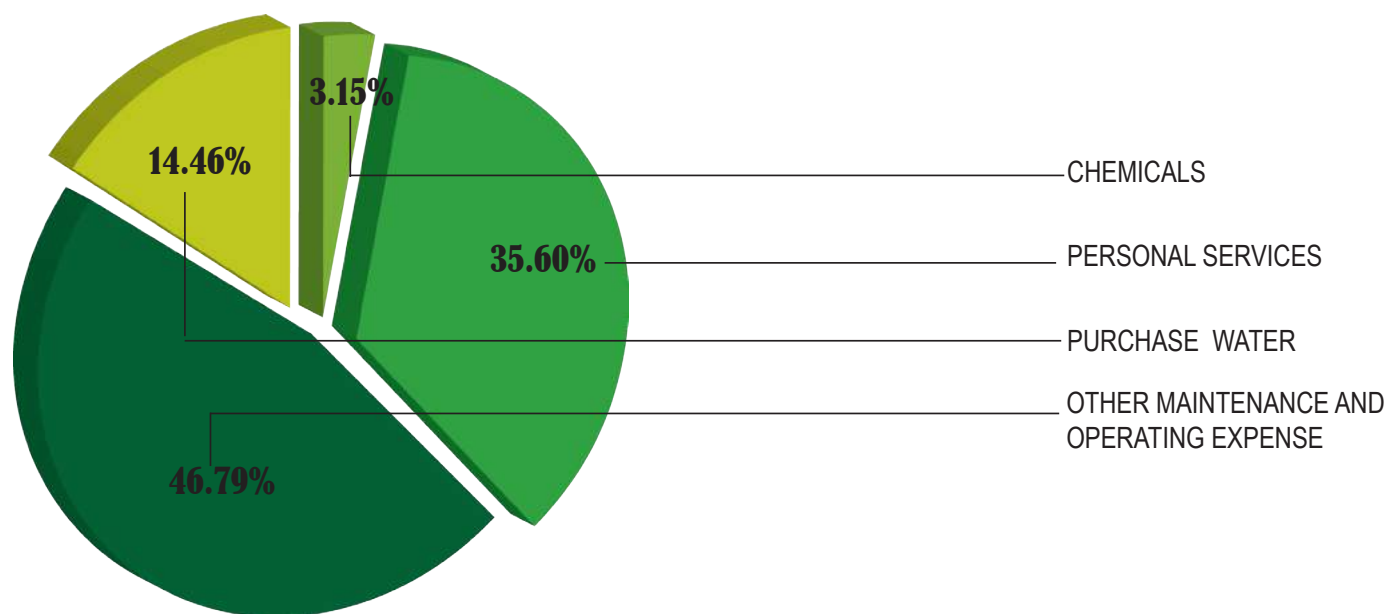
Figure 9. Components of Income



MAINTENANCE AND OPERATING EXPENSES (MOOE)

Chemicals took the smallest slice of the total maintenance and operating expenses at 3.15% of for 2012. while the biggest slice at 46.79% went to Other MOOE including power and fuel and pipeline rehabilitation expenses..

Figure 9. Components of MOOE



Organizational structure

BOARD OF DIRECTORS

The policy-making body of San Jose Water is the Board of Directors who represent various sectors. They are appointed by the local chief executive to a renewable term of six years.

OFFICE OF THE GENERAL MANAGER

The office of the General Manager is responsible for developing the short, medium and long-term plans of the agency, including fund sourcing strategies. It is where all the instructions for the implementation of policies emanate, and where the agency's operation is directed and controlled.

PRODUCTION AND DISTRIBUTION DEPT.

The Production Department is responsible for water production, storage and distribution. It also ensures water quality and conducts studies on new treatment methods to keep up with the trend of modern technology.

ENGINEERING DEPT.

The Engineering Department develops, plans, recommends, and implements all construction and maintenance works. It coordinates with local governments and non-government agencies, including local and foreign consultants, as may required for project design, planning and implementation.

COMMERCIAL DEPT.

The Commercial Department is responsible for marketing the services of the agency, takes care of customer needs and complaints, and collects payment for water supply service.

ADMINISTRATIVE AND FINANCE DEPT.

The Administrative and Finance Department is responsible for the formulation, development, and implementation of policies relating to human resources, property and supply, general services, budgeting, accounting and cash management.

Standing committees

BIDDING AND AWARDS

For procurement of goods and services that exceed the P500,000.00 limit, the procurement process goes through the Bidding and Awards Committee (BAC) whose seven regular members are appointed by the General Manager.

In compliance with RA 9184 or the Government Procurement Reform Act, invitations to bid are published in general circulation papers and posted on the website of the Philippine Government Electronic Procurement System (PhilGEPS) website.

Depending on the kind of goods and services to be procured and the specifications set by the end-user, the bidding and awards process ranges from one to two months.

In 2012, the BAC processed 11 requests for procurement of various goods and services ranging from request for procurement of equipment and materials to construction of water tanks.

PERSONNEL DISCIPLINE

An Investigating Committee looks into reported cases of errant employees. For 2012, 4 employees were issued warning letters and 1 employee was reprimanded. 17 employees were suspended from work, with the length of suspension ranging from three days to three months.

PERSONNEL SELECTION

A Personnel Selection Board composed of six members, with representatives from the management and the rank and file, help the management in selecting the person best qualified for a vacant position. The

members of the PSB are elected every two years.

The PSB convened 20 times in 2012 to conduct panel interviews and draw the shortlist for vacancies and promotion.

INCENTIVES AND AWARDS SYSTEM

Acknowledging that employees are its best assets, San Jose Water continues to design programs that will motivate the employees to perform better and stay longer with the company.

Towards this end, a five-member committee is tasked to assess and improve existing incentives system in line with San Jose Water's Program on Awards and Incentives for Service Excellence (PRAISE).

In 2012, San Jose Water recognized the Outstanding Employee for the Year, Best in Attendance, and employees who won in various competitions sponsored by the Civil Service Commission, water sector organizations, and other socio-civic organizations.

EMPLOYEE'S GRIEVANCE

Employees are given the chance to air their work-related grievances to a Grievance Committee whose members are elected every two years among the department and division managers and the rank and file.

GENDER AWARENESS

San Jose Water formed its Gender Awareness and Development Committee in 2012 to recommend and implement programs that will promote better understanding between genders. Members of the Gender Awareness Committee are to be elected from the management and the rank and file every two years.



Game Plan for 2013: Septage management for better water quality

San Jose Water is keen on implementing its comprehensive septage management project for the City of San Jose Del Monte. This is after City Ordinance No. 2012-48-11 establishing a septage management program for the city was signed by Mayor Reynaldo S. San Pedro last December 4, 2012.

The passage of the ordinance is in compliance with the requirement of Clean Water Act of 2004 which requires LGUs to provide an enabling environment for septage management to preserve the integrity of water resources, ensure water quality and promote public health. The said law also directs LGUs to share the responsibility of septage management with other agencies. Meanwhile, the Provincial Water Utilities Act of 1973 or PD 198 mandates water districts to establish sewerage and septage systems within their service area.

The ordinance authorizes the San Jose Del Monte City Water District to collect and haul septage from domestic, commercial and industrial establishments in the city, construct a septage treatment facility, and collect

“We have almost 100% service coverage in terms of water service and it is high time for us to give attention to an equally imperative duty of providing sanitation services to the San Joseños. After all, water and sanitation should always go hand in hand.” - GM Lory Limcolioc

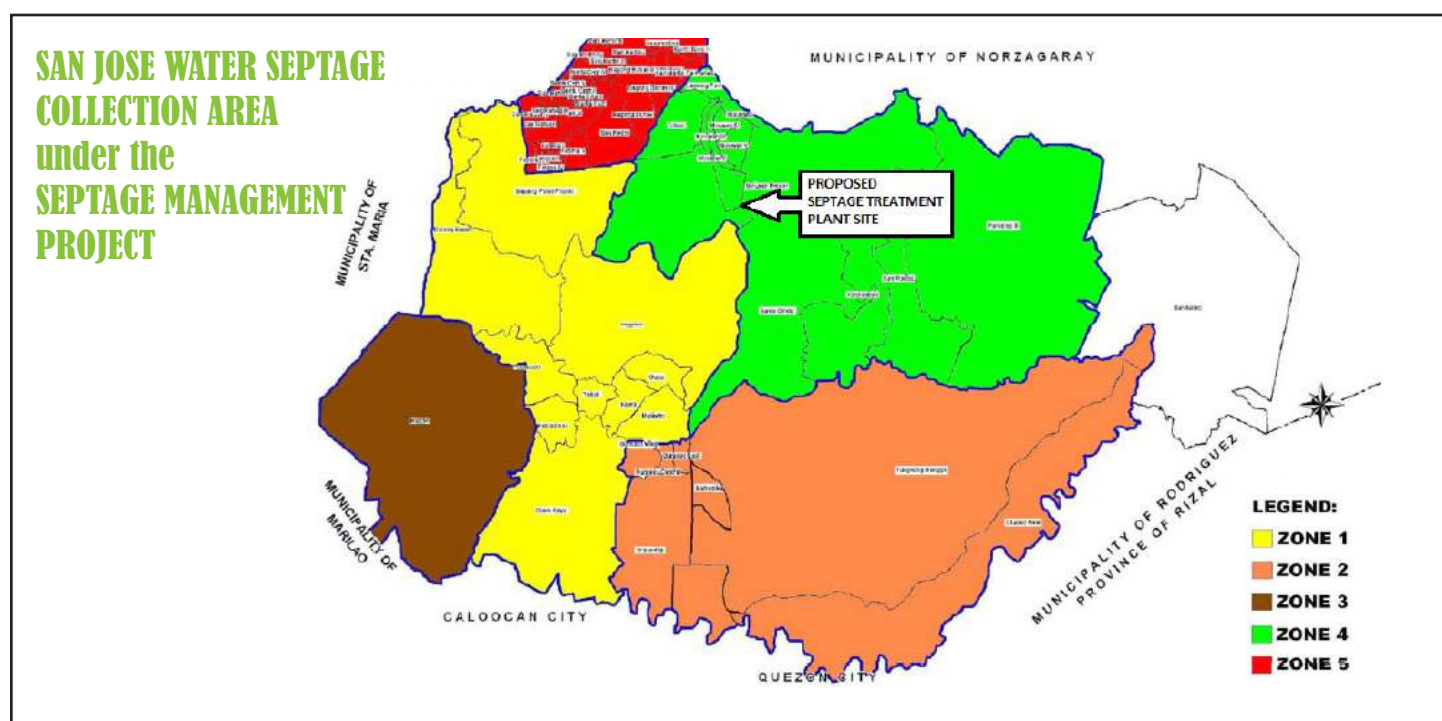
septage service fee for the desludging of septic tanks, treatment, and disposal of septage according to prevailing environmental standards.

The City ordinance also requires residents and commercial/industrial establishments to desludge their septic tanks every five years under pain of penalty. Exempted from the coverage of the ordinance are businesses that have operational onsite wastewater treatment facilities approved by the City Environment and Natural Resources Officer (CENRO).

The administration and enforcement of the ordinance for new buildings is vested in the City Engineer's Office while the CENRO shall be in-charge of regulating and monitoring wastewater discharges in identified point sources. The City Health Office shall be in charge of regulating and monitoring septage collection, transport and disposal.

Among other agencies in the city, Mayor San Pedro acknowledged that San Jose Water is the most capable to operate and manage septage collection, treatment, and disposal. Aside from its thirty-three years of experience as a water service provider that is recognized as one of the largest and most progressive in the country, its customer base of more than 78,000 households already ensures an efficient septage and environmental fee collection system necessary for the sustenance and management of the program.

San Jose Water expects to start the construction of the facility in 2013. Full operation is expected in the first quarter of 2014.



**OUR LIFE.
OUR EARTH.
BOTH ARE
IN YOUR HANDS.**

Saving water
means more than
saving water.
It means
saving life,
saving Earth.



*Do your part.
Be water smart.*

**SAN JOSE
WATER**
SAN JOSE DEL MONTE CITY
WATER DISTRICT



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