

CORPORATE OBJECTIVES, PRIORITIES AND TARGETS FOR 2012

(Preliminary)

CORPORATE OBJECTIVES

1. Expand Coverage and Reliable Water Service at affordable Rates

- Generate 470,000 additional population served with level III systems in WD areas to attain a cumulative total of 18 Million population directly served
- Increase by at least 20 the number of existing operational WDs with 24/7 water service 1/
- Reduce average WD NRW from 29% to 28%

2. Serve more customers

- Implement/undertake 190 water supply projects in WD areas nationwide, with priority in 55 waterless areas

3. Institutionalize financial reforms that will ensure adequate return on capital and judicious use of resources

- Increase gross revenues by 30% from previous year
- Utilize P 163 M LWUA funds (i.e. refinancing) for financing of projects
- Cash collection of P1.597 B at 75% collection ratio 2/
- Reduction in operating costs from previous year

4. Implementation of the following good governance practices

- Formulation of the Code of Corporate Governance that will govern exemplary conduct of the Board of Trustees and Management
- Fostering Transparency
 - Regular posting of the following in the LWUA website
 1. Financial Statements
 2. COA Audit Report
 3. Project Bidding
- Full Implementation of LWUA Citizen's Charter (subject to CSC approval)
- Board approval of the LWUA Roadmap/Strategy Map

1/ This figure (20) will bring the total number of existing operational WDs with 24/7 service to 343, from 333 in 2011. This (343) represents 68% of 502 operational WDs (i.e., with operational water systems). For the next four years, the target will increase to reach the total number of 500 WDs having 24/7 service, by year-end 2016.

2/ Net of non-performing loans (NPL) and other deductions

5. Achieve Organizational Development

- Adoption of a LWUA Balanced Scorecard System as a corporate performance planning and assessment instrument
- Implementaion of a rationalization plan including an early retirement package

Corporate Priorities for the Budget Year

1. Expand coverage and reliable water service through Level III water supply infrastructure and water district institutional development programs
2. Prioritize waterless areas covered by water districts in the implementation of water supply infrastructure projects.
3. Implement Good Governance Program, including financial reforms
4. Enhance organizational development programs