



REPUBLIC OF THE PHILIPPINES  
**CAGAYAN DE ORO CITY WATER DISTRICT**  
Corrales Avenue, Cagayan de Oro City

January 4, 2019

**THE BOARD OF DIRECTORS**  
This District

Thru: **EDUARDO ANTONIO R. MONTALVAN**  
Chairman

Sirs / Mesdames:

The Management of the Cagayan de Oro City Water District is respectfully submitting for your approval the Proposed COWD Budget for the Calendar Year 2019. The main features of the budget are the following:

1. The Proposed Utility Operating Revenue for CY 2019 is One Billion, Two Hundred Eighty Four Million Two Hundred Twenty Two Thousand Nine Hundred Forty Seven Pesos (Php 1,284,222,947.00). This is 6% higher than our projected revenues for CY 2018, which was One Billion Two Hundred Eleven Million Two Hundred Seventy One Thousand Nine Hundred Thirty Six Pesos (Php 1,211, 271,936.00). Our actual revenues for CY 2018 amounted to only One Billion Eighty Five Million Nine Hundred Sixty Six Thousand Eight Hundred Thirty Three Pesos (Php 1,085,966,833.00). However, we are confident that with the additional water supply we have put into the system from our Joint Venture partner, Cagayan de Oro Bulk Water, Inc. (COBI), we will be able to attain our projected income for CY 2019. The additional supply from COBI now is at 40 MLD, bringing the total Bulk Water Supply to 80 MLD (60 MLD in the West area and 20 MLD in the East area).
2. The Operating and Maintenance Expenses for CY 2019 is projected to amount to One Billion One Hundred Forty Eight Million Two Hundred Thirty Nine Thousand One Hundred Fifty Two Pesos (Php 1,148,239,152.00). This is 43% higher than the CY 2018 Actual Utility Operating and Maintenance Expenses of Php 802,495,626.52. The Increase is due to the additional Bulk Supply from COBI which now is at 80 MLD.
3. The Debt Service for CY 2019 is expected to be One Hundred Sixty Four Million Seven Hundred Nine Thousand Seven Hundred Thirty Two Pesos (Php 164,709,732.00) broken down as follows:

i. LWUA	Php 13,146,276.00
ii. DBP	149,163,456.00
iii. Additional Loan	2,400,000.00
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<b>Total</b>	<b>Php 164,709,732.00</b>
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4. The Capital Improvement Fund for CY 2019 is projected to be Six Hundred Two Million One Hundred Six Thousand Three Hundred Thirty Seven Pesos (Php 602,106,337) broken down according to the following sources:

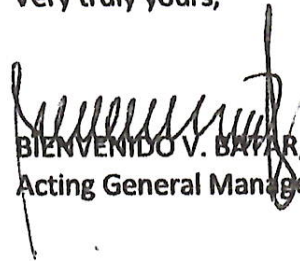
i. CY 2019 Revenues	Php 61,140,211.00
ii. CAPEX Fund	180,563,126.00
iii. DBP NRW Loan Phase 2	254,613,000.00
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Total	Php 496,316,337.00
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5. Reserves and Contingency for CY 2019 are each allocated a budget of Ten Million Pesos.

Attached are the details of the Proposed Budget for your reference.

We hope that you will find everything in order.

Very truly yours,

  
BIENVENIDO V. BAYAR, JR.  
Acting General Manager

**CAGAYAN DE ORO CITY WATER DISTRICT  
PROJECTION OF UTILITY OPERATING EXPENSES  
CALENDAR YEAR 2019**

	Approved Budget 2018	Total Actual 2018	Proposed Budget 2019	Actual vs Budget Increase (Decrease)	% of Increase (Decrease)
<b>A DEPARTMENT OPERATING &amp; MAINTENANCE EXPENSES</b>					
I PRODUCTION DEPARTMENT	532,340,968.00	488,401,348.44	768,651,924.00	280,250,575.56	57%
II ENGINEERING DEPARTMENT	45,193,152.00	33,255,811.54	44,320,740.00	11,064,928.46	33%
III REPAIR AND MAINTENANCE DEPARTMENT	62,558,724.00	50,286,971.92	73,227,240.00	22,940,268.08	46%
IV COMMERCIAL SERVICES DEPARTMENT	72,298,512.00	59,488,495.68	70,429,836.00	10,941,340.32	18%
V ADMINISTRATIVE DEPARTMENT	116,178,660.00	87,400,383.57	112,283,856.00	24,883,472.43	28%
VI FINANCE DEPARTMENT	43,409,052.00	39,052,830.61	37,915,236.00	(1,137,594.61)	-3%
VII MANAGEMENT DEPARTMENT	17,384,700.00	13,481,372.58	22,094,076.00	8,612,703.42	64%
VIII OFFICE OF THE GENERAL MANAGER	14,563,008.00	7,652,390.22	14,451,660.00	6,799,269.78	89%
IX OFFICE OF THE BOARD OF DIRECTORS	4,935,180.00	3,780,992.45	4,864,584.00	1,083,591.55	29%
X OFFICE OF THE AGM - ADM/FIN/COM'L SERVICES	5,635,680.00	3,868,547.14	-	(3,868,547.14)	-100%
XI OFFICE OF THE AGM - TECH'L SERVICES	21,267,864.00	15,826,482.34	-	(15,826,482.34)	-100%
<b>TOTAL UTILITY OPERATING &amp; MAINTENANCE EXPENSES</b>	<b>935,765,500.00</b>	<b>802,495,626.52</b>	<b>1,148,239,152.00</b>	<b>345,743,525.48</b>	<b>43%</b>
<b>B DEBT SERVICE</b>					
I EXISTING					
LWUA	13,146,256.00	13,146,276.00	13,146,276.00	-	0%
DBP	151,489,776.00	120,036,754.17	149,163,456.00	29,126,701.83	24%
TOTAL EXISTING	164,636,032.00	133,183,030.17	162,309,732.00	29,126,701.83	22%
II PROPOSED	2,400,000.00	-	2,400,000.00	2,400,000.00	#DIV/0!
TOTAL DEBT SERVICE	167,036,032.00	133,183,030.17	164,709,732.00	31,526,701.83	24%
<b>C CAPITAL IMPROVEMENT</b>	584,643,765.00	137,310,944.22	61,140,211.00	(76,170,733.22)	-55%
<b>D RESERVE</b>	28,608,250.00	-	10,000,000.00	10,000,000.00	#DIV/0!
<b>E CONTINGENCY</b>	51,638,004.00	-	10,000,000.00	10,000,000.00	#DIV/0!
<b>TOTAL UTILITY OPERATING EXPENSES</b>	<b>1,767,691,551.00</b>	<b>1,072,989,600.91</b>	<b>1,394,089,095.00</b>	<b>321,099,494.09</b>	<b>30%</b>



**CAGAYAN DE ORO CITY WATER DISTRICT**

Corrales Avenue, Cagayan de Oro City

**PROJECTION OF UTILITY OPERATING REVENUE**

CALENDAR YEAR 2019

	Approved Budget 2018	Total Actual 2018	Proposed Budget 2019	Increase (Decrease)	% of Increase (Decrease)
<b>UTILITY OPERATING INCOME</b>					
<b>Business Income</b>					
<b>Waterworks System Fees</b>					
Metered Sales	1,120,914,288.00	953,231,239.00	1,183,544,521.00	62,630,233.00	6%
Unmetered Sales					
Sales to Irrigation Customers					
Private Fire Protection Service					
Public Fire Protection Service					
Sales to Other Water Utilities for Resale					
Sales to Government Agencies by Contract	8,253,600.00	10,776,899.00	11,854,589.00	3,600,989.00	44%
Other Waterworks System Fees	3,986,160.00	4,789,767.00	4,789,767.00	803,607.00	20%
<b>Total Water Sales</b>	<b>1,133,154,048.00</b>	<b>968,797,905.00</b>	<b>1,200,188,877.00</b>	<b>67,034,829.00</b>	<b>6%</b>
<b>Other Business and Service Income</b>					
Seminar/Training Fees					
Interest Income	4,200,000.00	6,984,667.00	6,984,667.00	2,784,667.00	66%
Fines and Penalties	56,045,712.00	38,878,185.00	59,177,227.00	3,131,515.00	6%
Other Business Income	10,532,940.00	6,258,579.00	10,532,940.00	-	0%
<b>Total Other Business and Service Income</b>	<b>70,778,652.00</b>	<b>52,121,431.00</b>	<b>76,694,834.00</b>	<b>5,916,182.00</b>	<b>8%</b>
<b>Assistance and Subsidy</b>					
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Subsidy from National Government		61,258,254.00			
<b>Other Non-Operating Income</b>					
<b>Sale of Assets</b>					
Sale of Unserviceable Property					
<b>Miscellaneous Income</b>					
Miscellaneous Income	7,339,236.00	3,789,243.00	7,339,236.00		0%
<b>Total Non-Operating Income</b>	<b>7,339,236.00</b>	<b>65,047,497.00</b>	<b>7,339,236.00</b>	<b>-</b>	<b>0%</b>
<b>TOTAL UTILITY OPERATING REVENUES</b>	<b>1,211,271,936.00</b>	<b>1,085,966,833.00</b>	<b>1,284,222,947.00</b>	<b>72,951,011.00</b>	<b>6%</b>