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"An Advocacy Group on Climate Change Adaptation and Mitigation"
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18 February 2026

HON. ALFRED S. ROMUALDEZ

City Mayor
Tacloban City

**Subject: Governance Oversight Over LMWD in Light of PrimeWater
Ownership Transition and Consumer Protection Concerns**

Dear Mayor Romualdez,

Good day!

We respectfully write to you in your capacity as City Mayor of Tacloban and pursuant to Section 3(b) of Presidential Decree No. 198 (Provincial Water Utilities Act of 1973), as the appointing authority of the Board of Directors of the Leyte Metropolitan Water District (LMWD), considering that more than seventy-five percent (75%) of its active water service connections are located within Tacloban City.

For transparency, I respectfully state that I am a resident of Tacloban City and a customer-subscriber of LMWD. As a local resident and paying consumer directly affected by service quality, rate structures, wastewater management, and governance decisions, I have a legitimate and substantial interest in matters concerning the administration of our local water utility.

Recent media reports confirm that PrimeWater Infrastructure Corporation the concessionaire operating in partnership with LMWD has been acquired by the Lucio Co Group. This development raises significant governance, contractual, financial, environmental, and consumer protection considerations affecting the residents of Tacloban.

For your reference and context, we are attaching a copy of our formal letter addressed to the Board of Directors of LMWD, wherein we sought clarification on matters relating to the reported ownership transition, performance compliance, rate governance, wastewater implementation, environmental obligations, and audit transparency.

While operational management may be delegated through a concession agreement, the statutory mandate and public accountability of LMWD remain intact under Presidential Decree No. 198. The Board of Directors appointed by the mayor exercises policy oversight over a monopoly public utility entrusted not only with water supply but also wastewater collection, treatment, and disposal responsibilities.

For many years, consumers of LMWD have endured service interruptions, water quality concerns, limited transparency, and rate increases that were not always clearly explained or publicly understood. Water service is not optional. It is an essential public utility. When service becomes inefficient or when rates are perceived as unreasonable without adequate disclosure and justification, it is consumers who ultimately bear the burden.

The concerns we raise today are not political they are rooted in governance, accountability, and consumer protection.

When a statutory monopoly utility enters into a concession arrangement, and when that concessionaire itself is later transferred through corporate acquisition, legitimate questions arise as to:

- a. Whether service delivery materially improved;
- b. Whether wastewater mandates under Presidential Decree No. 198 were fulfilled;
- c. Whether environmental compliance obligations were strictly observed;
- d. Whether rate adjustments were fully justified and lawfully approved;
- e. Whether performance audits were conducted rigorously and transparently; and
- f. Whether the findings of such audits and evaluations were properly disclosed to LMWD consumers to ensure informed public understanding and accountability.

In this regard, we respectfully request clarification and copies of the following, if available:

1. Has the LMWD Board formally informed your Office of the reported ownership transition of PrimeWater? If so, may we be furnished a copy of the written communication, report, or documentation transmitted to your Office.
2. Was the Mayor's Office consulted or formally apprised prior to or in connection with any acknowledgment or approval of such transition? If so, may we be furnished copies of any records, minutes, memoranda, or written communications relating to such consultation.
3. Have performance audits and compliance evaluations of PrimeWater been conducted and reviewed by the LMWD Board or transmitted to your Office? If so, may we be furnished copies of the relevant audit reports and compliance review documents.

4. Has the Board documented that the concession arrangement has materially advanced service reliability, wastewater implementation, environmental compliance, financial prudence, and consumer protection? If so, may we be furnished copies of any reports, studies, or evaluations supporting such findings.
5. Were the results of any audits or evaluations disclosed to the public, particularly to LMWD customers? If so, may we be furnished copies of the disclosures, public notices, or published reports.

As appointing authority under Presidential Decree No. 198, the Mayor plays a crucial governance role. While operational decisions rest with the Board, the responsibility to ensure that competent, independent, and accountable directors are appointed and, where necessary, reviewed or replaced for cause remains a continuing public trust.

In light of current developments, we respectfully submit that strengthening governance safeguards is essential to better serve consumer interests. These safeguards may include:

1. Mandatory publication of Annual Performance Audit reports;
2. Transparent disclosure of capital expenditure commitments and funding sources;
3. Clear documentation of rate adjustment approvals and regulatory compliance;
4. Public reporting on wastewater and environmental compliance status;
5. Structured public consultation prior to any material contractual or ownership transition;
6. Periodic governance review of Board performance as a policy-making body.

Should transparent review demonstrate that the concession arrangement has not materially strengthened service reliability, environmental compliance, financial prudence, and consumer protection, we respectfully submit that corrective governance measures must be seriously evaluated in order to safeguard the public interest. Water service is a public trust not a tradable commodity. Delegation of operations does not eliminate accountability.

The people of Tacloban deserve reliable and efficient water service; Lawful, transparent, and justified rates; full compliance with statutory wastewater and environmental mandates; competent and accountable governance oversight.

We respectfully urge your Office to exercise its oversight role to ensure that LMWD governance is aligned with consumer protection, statutory compliance, and long-term sustainability.

We look forward to your guidance and response.

Thank you for your continued leadership.

Very truly yours,

PETRONILO L. ILAGAN

Chairman and CEO

Attachments:

- Copy of Letter to the Board of Directors, Leyte Metropolitan Water District
- Copy of Monthly LMWD Billing Statement

Copy furnished:

Hon. Visitacion V. Giva, CESE, City Director-DILG, Tacloban City
Hon. Arturo N. Salazar, RED DENR VIII
Hon. Raymund Romualdez, Vice Mayor, Tacloban City
Hon. Councilors, Tacloban City
LMWD Consumers