



PH HAIYAN ADVOCACY INC.

“An Advocacy Group on Climate Change Adaptation and Mitigation”
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16 February 2026

HON. BOBBY MUÑOZ

Chairman
Board of Directors
Leyte Metropolitan Water District
Tacloban City

Thru: HON. RONNIE CORNICO
General Manager

Subject: Request for Clarification on PrimeWater Concession Arrangement, Reported Change in Ownership, and Regulatory Compliance — In Relation to PH Haiyan’s Water Governance and Consumer Protection Initiative

Dear Chairman Muñoz,

Good day!

PH Haiyan Advocacy, Inc. respectfully writes to seek clarification in light of recent media reports confirming that PrimeWater Infrastructure Corporation has been acquired by the Lucio Co Group.

As PrimeWater operates in partnership with Leyte Metropolitan Water District (LMWD) under a Concession / Joint Venture Agreement, the reported ownership change raises important questions regarding contractual continuity, regulatory compliance, financial implications, environmental obligations, and consumer protection.

For transparency, I wish to state that I am personally a customer-subscriber of LMWD, and a copy of my current monthly billing statement is attached. As a paying consumer, I have a direct and legitimate interest in decisions affecting service delivery, infrastructure investments, wastewater management, rates, and the long-term reliability of our water system.

This inquiry is made in good faith and in the spirit of consumer awareness and protection through transparency and accountability, and with the objective of ensuring

that developments concerning the concession arrangement ultimately serve what is fair, lawful, and in the best interest of LMWD consumers.

In this regard, we respectfully request clarification on the following:

- a. Has LMWD been formally notified of the acquisition of PrimeWater by the Lucio Co Group?
- b. Prior to the execution of the sale transaction, did PrimeWater formally notify LMWD of its intention or plan to sell or transfer ownership of the company?
- c. Does the Concession / Joint Venture Agreement require prior notice, consent, or approval by LMWD in the event of a change in ownership or control of the concessionaire?
- d. If consent or approval was required, was such consent formally granted by the LMWD Board through a duly adopted Resolution?
- e. Were any Board Resolutions adopted acknowledging, approving, or reviewing the ownership transition?
- f. Prior to or in connection with this reported acquisition, did LMWD conduct a performance and compliance audit of PrimeWater under the Concession Agreement?
- g. During the term of the concession, were Annual Performance Audits conducted in accordance with the Concession Agreement and applicable regulatory standards?
- h. Were contractual obligations relating to capital expenditures, service expansion, wastewater management, water quality standards, and service reliability substantially complied with?
- i. If any deficiencies were identified in any audit or evaluation, what corrective measures were required, and were such measures fully implemented?

In fairness and for completeness of public understanding, we respectfully request that LMWD cite the accomplishments, completed projects, and measurable performance improvements delivered by PrimeWater pursuant to the concession agreement. **For each cited project or improvement, kindly indicate the corresponding cost, the specific funding source whether through rate adjustments charged to consumers, loans or borrowings, internal reserves, or other financing mechanisms and provide supporting documents, including project reports, certifications of completion, and relevant financial records.**

Further, may we clarify the following:

- a. Was the water rate per cubic meter in effect prior to the signing of the concession agreement retained throughout PrimeWater's engagement?
- b. If adjustments were made, were such rate changes supported by duly adopted Board Resolution(s)?

c. Was an application for rate adjustment filed with the Local Water Utilities Administration (LWUA) and duly approved in accordance with applicable regulations?

If rate adjustments were implemented, we respectfully request copies of the corresponding Board Resolution(s) and LWUA approval documents.

Furthermore, **Section 5 of Presidential Decree No. 198 mandates that local water districts provide not only water supply but also wastewater collection, treatment, and disposal facilities.**

In this context:

- a. Had LMWD implemented wastewater or sewerage facilities prior to the concession agreement?
- b. Were such obligations incorporated into the concession commitments?
- c. Have these been substantially implemented to date?
- d. If not, what is LMWD's present plan and timeline for compliance with this statutory mandate?

We likewise respectfully request clarification on compliance with Republic Act No. 9275 (Clean Water Act of 2004):

- a. Does the Concession / Joint Venture Agreement include specific and measurable commitments for wastewater collection, treatment, septage management, and effluent discharge compliance?
- b. Has LMWD and/or its concessionaire secured the necessary discharge permits from the Department of Environment and Natural Resources (DENR)?
- c. Are wastewater treatment and septage management facilities currently operational within LMWD's service area?
- d. Have periodic compliance monitoring reports been submitted to the appropriate regulatory agencies?

Given that any material change in concession ownership may affect operations, financial structure, capital commitments, or service delivery, kindly clarify whether any public consultation or stakeholder engagement was conducted or is planned.

If no consultation has yet been undertaken and material implications exist, we respectfully submit that public consultation should be conducted prior to implementation to strengthen transparency, accountability, and public trust.

While LMWD may enter into concession or joint venture arrangements, such contractual structures do not relieve the District of its statutory mandate and legal responsibilities. Delegation of operations does not constitute delegation of responsibility.

As the public corporation and statutory franchise holder within its service area, LMWD remains ultimately accountable for ensuring compliance with water supply obligations, wastewater mandates, environmental laws, financial prudence, and the protection of consumer interests.

In light of the foregoing, we respectfully emphasize that concession or joint venture arrangements are contractual in nature and do not diminish the statutory mandate of LMWD under Presidential Decree No. 198 nor its obligations under environmental and regulatory laws.

Should transparent review, performance audits, and compliance evaluations demonstrate that the concession arrangement has not materially advanced service reliability, wastewater implementation, environmental compliance, financial prudence, or consumer protection, we respectfully submit that the Board has both the authority and the responsibility to reassess the continued necessity of such arrangement and, **if warranted, to exercise its contractual remedies including termination and the reversion of operations to direct public management in order to safeguard the public interest.**

For purposes of transparency and public understanding, we respectfully request copies of:

- a. Board Resolution(s) relating to acknowledgment or approval of the reported change in ownership of PrimeWater;
- b. Annual Performance Audit reports and compliance review documents conducted during the concession period;
- c. Board Resolution(s) and LWUA approval documents relating to any rate adjustments implemented during the concession period.

As a public corporation created under Presidential Decree No. 198 and as the statutory franchisee responsible for providing water and wastewater services within its service area, the Board and officers of Leyte Metropolitan Water District exercise a public trust.

Thus, we respectfully expect a written response within fifteen (15) working days pursuant to Section 5(a) of Republic Act No. 6713.

We trust that the Board will view this inquiry not as adversarial, but as an opportunity to reinforce public confidence through transparency, accountability, and sound governance.

Thank you for your attention.

Very truly yours,

PETRONILO “Pete” L. ILAGAN
Chairman and CEO

Attachment:

-Copy of Monthly LMWD Billing Statement

Copy furnished:

Hon. Joy Salonga, Administrator LWUA

Hon. Arturo N. Salazar, OIC RED DENR VIII

Hon. Alfred S. Romualdez, City Mayor of Tacloban

Hon. Raymund Romualdez, Vice Mayor of Tacloban

All City Councilors of Tacloban