OPTIMIZING PRASA’S METERING SYSTEM
AND CUSTOMER EXPERIENCE

April 20, 2017
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Overview and Key Facts

95% of Customers

PRASA’S CUSTOMER BASE

1,236,084 ACCOUNTS

Residential & Non-Profits: 1,122,449

Commercial: 50,511

Government: 10,191

Industrial: 823

Public Housing: 52,110

Over $1 billion in Revenues

98% Water, 59% Sewer

FY 2016 Billing Distribution

Residential: 63%

Commercial: 20%

Industrial: 5%

Government: 12%
Overview and Key Facts

North Region: 1 Office
South Region: 2 Offices
East Region: 4 Offices
West Region: 2 Offices
Metro Region: 3 Offices

*Data as of June 30, 2016*
Overview and Key Facts

CUSTOMER PAYMENT METHODS

- Payment Stations: 4%
- Bank Branch: 21%
- Commercial Office: 30%
- Electronic Transfer: 4%
- Virtual Bank: 11%
- Lockbox: 7%
- Call Center: 14%
- Web / Mobile App: 9%

55% OF CUSTOMERS MAKE PAYMENTS IN PERSON AT PHYSICAL LOCATIONS

- 174,850 CUSTOMER SERVICE CLAIMS IN 2016
- 36,128 MONTHLY AVERAGE SERVICE ORDERS
- 2.7 DAYS AVERAGE SERVICE ORDER RESOLUTION TIME
- 20 MIN AVERAGE CUSTOMER WAIT TIME IN COMMERCIAL OFFICES (EXCLUDES SERVICE TIME)

*Data as of June 30, 2016
P3 Project Drivers

**Significant Non-Revenue Water**

PRASA has made progress in reducing its non-revenue water ("NRW"); however, physical and commercial water losses continue to negatively impact the utility’s revenues and expenses.

**Need for Efficiency and Customer Experience Optimization**

PRASA has identified several opportunities in its Customer Services that could help capture a good portion of the lost revenue and improve customer experience and engagement.

**Need of Funds for Meter Replacement**

PRASA also has an urgent need to improve metering accuracy and replace meters, but currently has no capital to do so.

**P3 Potential**

PRASA seeks to enter a P3 agreement to leverage private sector capabilities and capital, to optimize its metering system and overall customer experience and engagement.
# P3 Project Opportunities

## Need of Funds for Meter Replacement

<table>
<thead>
<tr>
<th>Actual Issue</th>
<th>Identified Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many meters have reached their useful life; no capital available</td>
<td>Replace aged meters with more accurate ones</td>
</tr>
</tbody>
</table>

## Significant Non-Revenue Water

<table>
<thead>
<tr>
<th>Actual Issue</th>
<th>Identified Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant illegal service connections and unregistered customers</td>
<td>Reduce NRW to improve revenues and reduce costs and physically locate all customer accounts</td>
</tr>
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</table>

## Need for Efficiency and Customer Service Optimization

<table>
<thead>
<tr>
<th>Actual Issue</th>
<th>Identified Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collecting 94% of billings</td>
<td>Implement proactive collection practices</td>
</tr>
<tr>
<td>2 staff perform meter readings</td>
<td>Leverage new processes and technology</td>
</tr>
<tr>
<td>Large # of back orders and claims</td>
<td>Achieve customer satisfaction by reducing wait time and resolving claims and service orders more efficiently</td>
</tr>
<tr>
<td>Reading only 83% of all customers</td>
<td></td>
</tr>
</tbody>
</table>
Proposed P3 Project Scope

Notes:
- R = Reservoir H2O
- WFP = Water Filtration Plant
- TL = Transmission Lines
- W = Wells H2O
- PS = Pump Stations
- WT = Water Tanks
- DL = Distribution Lines
- E = Other Systems
Proposed P3 Project Scope

**CUSTOMER SERVICES**
Ensure a high level of efficiency and customer satisfaction

**BILLINGS AND COLLECTIONS**
Maximize cash revenue generation

**METER REPLACEMENT & MAINTENANCE**
Develop and implement customer meter replacement and maintenance program according to PRASA’s new performance specs and requirements

**NON-REVENUE WATER (NRW)**
Manage and implement all efforts directed towards reducing NRW
#1: Customer Services

- Reading of all customer meters
- O&M of all commercial offices and service centers
- Staff commercial offices
- Manage customer service fleet
- Handle and resolve all customer service claims
- Execute all service connections and disconnections
- Unearth buried meters and replace meter boxes and lids
- Manage and staff second level call center
- Handle existing and backlog of claims
- Optimize meter reading routes and billings
- Execute field investigations upon request
- Meet PRASA's performance metrics
#2: Billings and Collections

- Handle backlog of aged collections
- Manage consumption reading database and data transfers to PRASA accurately and at desired frequency
- Communicate all service fees rendered to customers
- Own and manage reading equipment
- Manage and execute a proactive collection protocol
- Reconcile collection database daily
- Meet PRASA’s performance metrics
#3: Meter Replacement

- Develop an annual customer meter replacement program
- Replace meters with more efficient/accurate ones
- Repair water leaks inside meter boxes
- Perform maintenance and repairs
- Finance meter purchases and installations
- Perform all meter testing and protocol
- Meet PRASA's performance metrics
Meter Related Activities

**PRASA DISTRIBUTION SYSTEM**

- **PRASA Operations**

**CUSTOMER’S METER BOX**

- **P3 Contractor**

- **CUSTOMER PROPERTY**

**RESPONSIBLE FOR THE INSTALLATION AND REPAIRS OF THE WATER DISTRIBUTION SYSTEM BEFORE THE CUSTOMER’S METER BOX**

- **REPLACE METER BOXES AND LIDS**
- **REPAIR WATER LEAKS INSIDE METER BOXES**
- **PERFORM MAINTENANCE AND REPAIRS OF ALL NEW METERS**
- **EXECUTE ALL SERVICE CONNECTIONS (INCLUDING NEW) AND DISCONNECTIONS**

- **RESPONSIBLE FOR ANY LEAKS AND REPAIRS AFTER THE CUSTOMER’S METER BOX**

- **PRASA Customer**
#4: Non-Revenue Water (NRW)

- Manage the NRW Office
- Develop a NRW Plan to reduce commercial losses
- Update and maintain PRASA’s customer geodatabase
- Identify, process, and add missing/unregistered customers
- Document and report any water leaks outside meter boxes and/or wastewater overflows to PRASA Operations
- Support PRASA’s annual water loss audit process
- Meet PRASA’s performance metrics
P3 Project Benefits and Initiatives

Project Benefits

1. Revenue Recovery/Increase
2. Reduction of NRW
3. Financing for Capital Investments
4. Higher Efficiency at Lower Operational Cost
5. Higher Customer Satisfaction and Improving Experience

Project Main Initiatives

- Meter Replacement
- Theft
- Missing Customers
- Derivations
- Wastewater Phase 3
- Proactive Collections
What Do We Need?

DEVELOP
Customer service centers, equipment, and meter replacement

BUILD
Customer services and metering system

OPERATE
Existing facilities, new customer service centers, and meters

MAINTAIN
All capital investments

FINANCE
Next Steps

1. Obtain agreement from P3 Authority on project concept to continue development process.

2. Determine the project timeline and assign responsibilities.

3. Develop a detailed proposed scope of work and update all financial assumptions accordingly.


5. Create Project multi agency working team with team members belonging to: PRASA, P3 Authority, Technical/Financial/Legal Consultants.
Thank You

For more information, please contact the Public Private Partnerships Authority
Tel. #: 787-722-2525
Email: apppr@bgfpr.com