

MEETING OF REPRESENTATIVES OF THE OBSERVATORY--COMMUNITIES--INTERAGUA

Minutes of May 12 and 13, 2009

At the request of the Observatorio Ciudadano de Servicios Públicos [Public Services Citizen Observatory] (OCSP), and representatives of the Water Users Assembly, and with the consent of the INTERAGUA corporation, there was a working meeting facilitated by the office of the CAO-Ombudsman, in the city of Guayaquil, on May 12 and 13, 2009.

The participants accredited by the above-mentioned organizations were:

- OBSERVATORY: Cesar Cárdenas, Augusto Parada, and Tania Crespin
- USERS ASSEMBLY: Eduardo Chulli, Raúl Quinancela, and Teresa Riascos
- INTERAGUA: Óscar García, Marcos Landiva, and Pilar Murillo.
- CAO Team: Antonio Bernales, Independent facilitator; Kate Kopischke, CAO Ombudsman, and Susana Rodríguez, CAO research analyst.

The aim of the meeting was:

- To discuss the status of 3,500 individual cases that were presented to INTERAGUA by the OCSP, which INTERAGUA has been reviewing, and to seek definitive settlement of these cases;
- To discuss topics unrelated to the 3,500 individual cases, including questions about compliance with the concession contract.

Based on the parties' discussions, these minutes were approved on May 13, 2009:

1. Cases of High Billing

SUMMARY OF THE DISCUSSION

Meters for the 382 cases of high billing should be tested by an accredited and independent third party. The Escuela Politécnica del Litoral [ESPOL/Polytechnic School of the Coast] would be acceptable as an option for all parties, provided that its laboratory for meters is accredited.

The accredited laboratory of INTERAGUA is an option if the parties provide mechanisms that satisfy the criteria of technical independence.

The EMPAQ Service Laboratory in Quito is available, and is accredited. According to the regulations, accreditation of laboratories must be ensured. Cost and speed of analysis are important.

ESPOL, not being accredited, could work as the third independent fact-checker in the INTERAGUA laboratory.

Possible actions:

- A technical committee could advise users and the Observatory
- Familiarization visits and oversight of the laboratory.

MEETING OF REPRESENTATIVES OF THE OBSERVATORY--COMMUNITIES--INTERAGUA

Minutes of May 12 and 13, 2009. Facilitation. CAO-Ombudsman

AGREEMENTS

INTERAGUA will send letters to ESPOL and EMAPQ to confirm accreditation and to request those companies' terms for providing this service. It will send copies of the letters and replies to the Observatory.

The Observatory and users representatives will seek the technical assistance required for the process.

Familiarization visits to the INTERAGUA laboratory and installations are welcome. As many as needed will be scheduled.

Deadline for decision on the laboratory selected, who will finance it, and how it will be financed: June 10.

Meeting place: June 10 in the INTERAGUA installations of the Polideportivo (sports facility).
Time: 9 a.m.

2. Scope of the legal benefit to persons in extreme poverty

SUMMARY OF DISCUSSION

The company is willing to explore options to forgive the users' cumulative debt and return their accounts to current status, in order to create a culture of payment, after verifying that they are not eligible for the benefit of the list prepared by the MIDUVI-MCDS ministries.

One option would be conditional forgiveness of debt subject to regular payment of bills, one by one. The interest and fines would be waived. The cutoff date would be October 20, 2008.

The company reports that its pilot program for conditional forgiveness of debt is based on 50% of the cumulative arrears of greater than one year, and total forgiveness of interest and penalties, as of the date of signing the payment agreement.

AGREEMENTS

The validity of the agreements that the OBSERVATORY and INTERAGUA signed previously is extended to August 30, 2009, so that the list of beneficiaries of debt forgiveness of the MIDUVI-MCDS ministries can be applied.

INTERAGUA will give the Observatory to sign an extension of the agreement with the new agreed-upon date no later than Friday, May 15, 2009.

The request from the Observatory and community representatives that all cases submitted (3530) for forgiveness by the Observatory (1:1) shall be referred to the INTERAGUA Board of Directors. The reply will be presented to the dialog table on Wednesday, July 1.

MEETING OF REPRESENTATIVES OF THE OBSERVATORY--COMMUNITIES--INTERAGUA

Minutes of May 12 and 13, 2009. Facilitation. CAO-Ombudsman

3. Senior citizens

SUMMARY OF THE DISCUSSION

As established in the Law for the Elderly, INTERAGUA will conduct an awareness campaign to let senior citizens know that they are eligible for a 50% discount of the first 20 m³ of water used. There will be a progress report on this at the meeting on July 1.

Consideration will be given as to how the company can address special and humanitarian cases within its policy of corporate social responsibility.

The company will explore creation of a consumer protection unit within the system, distinct from the customer relations service.

It is necessary to reflect the spirit of Article 35 of Ecuador's Constitution, concerning the rights of persons and groups to receive priority attention.

AGREEMENT

INTERAGUA will report progress on these topics at the meeting on July 1, 2009.

4. Community participation

SUMMARY OF THE DISCUSSION

Technical processes discussed:

Meter readings

- i. There is progress in using specialized technical equipment for the process.
- ii. The reader does not know the prior consumption.

Repairs and drains

Inconclusive work on meter boxes

Possible actions:

- Collective work in areas where people will do it
- Office for service to the local population--community relations.

AGREEMENT

At the meeting on July 1, 2009, INTERAGUA will report on progress in the change-over process and improvements in community participation.

MEETING OF REPRESENTATIVES OF THE OBSERVATORY--COMMUNITIES--INTERAGUA

Minutes of May 12 and 13, 2009. Facilitation. CAO-Ombudsman

5. Water cutoffs

SUMMARY OF THE DISCUSSION

Discussion focused on prior agreements between Observatory and social organizations, which would ensure provision of service if the customer made payments for October 2008 to present.

INTERAGUA's analysis of compliance showed the following results thus far:

- i. Of the 3500 cases, 1410 have not been paying on time as provided in the agreement of November 13, 2008. This must be investigated, and for that purpose the Observatory will be given a CD with supporting data so that it can evaluate the motives for noncompliance.
- ii. The lists and sectors indicated in the agreement of November 13 will be reviewed to ensure that INTERAGUA does not cut off service to those that are complying with the terms of the agreement.
- iii. The OBSERVATORY has notified the users that as of this date there is no information on possible double forgiveness, i.e., one prior to October 2008.

AGREEMENTS

The OBSERVATORY will study compliance with the agreement in the 1419 cases reported at today's meeting and will present the results at the meeting on July 1, 2009.

INTERAGUA will not cut off the accounts of the 1410 cases until it analyzes the results of the study entrusted to the OBSERVATORY.

The OBSERVATORY will design the methodology and share it with INTERAGUA on May 22, 2009.

RECOMMENDATIONS

The OBSERVATORY and community representatives recommend that INTERAGUA study alternatives to restrict service instead of cutting it off.

6. Interagua's Customer Service

SUMMARY OF THE DISCUSSION

Complaints about dissatisfaction with the work of contractors require a clear mechanism for attention.

Facilitate the second level of service in units.

Activate mailboxes and formats for quality care.

Establish mechanisms to measure customer satisfaction.

Make improvements in the call center.

Establish a mechanism between users and the company to personalize customer service.

Explore FERUM as a reference.

Facilitate dissemination of the Regulations for Provision of Service.

MEETING OF REPRESENTATIVES OF THE OBSERVATORY--COMMUNITIES--INTERAGUA

Minutes of May 12 and 13, 2009. Facilitation. CAO-Ombudsman

AGREEMENT

At the meeting on July 1 INTERAGUA will present its vision of change and improvements in comprehensive customer service.

Facilitation is requested from the CAO-Ombudsman.

The parties agree to ask the CAO to continue providing facilitative services for the meetings agreed upon in these minutes.

Signed in the City of Guayaquil on May 13, 2009 and certified by the following persons:

Cesar Cárdenas

Augusto Parada

Eduardo Chulli

Raúl Quinancela

Teresa Riascos

Óscar García

Marcos Landivar

Pilar Murillo

Antonio Bernales

Kate Kopischke

CAO - OMBUDSMAN

MEETING OF REPRESENTATIVES OF THE OBSERVATORY--COMMUNITIES--INTERAGUA

Minutes of May 12 and 13, 2009. Facilitation. CAO-Ombudsman