

## MEETING OF OBSERVATORIO REPRESENTATIVES – REPRESENTATIVES OF THE USERS ASSEMBLY AND INTERAGUA

Minute dated July 2, 2009

The dialogue table meeting between INTERAGUA and members of the OBSERVATORIO CIUDADANO DE SERVICIOS PUBLICOS, signatory of the complaint before the CAO and representatives of the Users Assembly, took place at the offices of the OBSERVATORIO on July 1 and 2.

The participants accredited by the above-mentioned organizations were:

OBSERVATORIO: Magali Huacón, Vice-President in charge of the Presidency, Augusto Parada, and Tania Crespín.

USERS ASSEMBLY: Eduardo Chulli, Raúl Quinancela and Teresa Riascos

INTERAGUA: Oscar García, Marcos Landivar, Pilar Murillo, María Antonieta Puyol and Sara Mazuera.

Antonio Bernales was in charge of the facilitation on behalf of the CAO.

At the beginning, the OBSERVATORIO presented the letter from Dr. Mark Carey from the History Department of Washington and Lee University, requesting that the Latin American student Elliot O'Brien be received as an observer. The parties agreed to welcome Mr. O'Brien, reminding him of the confidentiality commitment which governs the Table, and he accepted to comply.

The meeting was held with the purpose of addressing the following issues:

- I. Improvements on the service to Users and Community Engagement
- II. Agreement proposal for the cases submitted by the OBSERVATORIO
- III. Process of study contracting
- IV. Catastrophic illnesses cases
- V. Testing of meters

- I. Improvements on the Service to Users and Community Engagement

INTERAGUA reported on its new approach and improvements regarding customer service and community management. Policy and improvements are oriented to work hand in hand with the community and to apply participatory processes to design the strategy for the extension and quality of the services in such a way that it responds to the needs and characteristics of the user groups.

It was agreed that on July 15, INTERAGUA will share with the Table the presentation made during the session, as well as information regarding the Master and Operational Plan, in such a way that the OBSERVATORIO and community leaders can better inform and orient the users who seek their advice and assistance to resolve their problems.

## II Proposed agreement for the cases submitted by the OBSERVATORIO

INTERAGUA presented a resolution proposal for the debt problem of the group of cases presented through the OBSERVATORIO, using simulation models to explain its benefits.

Said proposal will be analyzed in depth by the Board of the OBSERVATORIO and community representatives, with the purpose of resolving what INTERAGUA has proposed.

In order to facilitate the understanding of the proposal the OBSERVATORIO will be able to invite INTERAGUA representatives to make a presentation before the Board and community leaders.

The OBSERVATORIO will communicate to INTERAGUA its resolutions about this item within the next 15 calendar days.

The parties agree to meet in order to resolve this issue on August 3.

## III Process of contracting the study

After reviewing the process followed by the OBSERVATORIO, it was agreed that INTERAGUA will present its proposal for improving the Terms of Reference and will forward them to the OBSERVATORIO and Representatives of the Users Assembly at the Table within the next 15 calendar days. The study seeks to understand the causes for users' non-compliance with their obligations agreed upon between the OBSERVATORIO and INTERAGUA last November.

## IV Catastrophic illnesses cases

Interagua informs that, within its policy of Corporate Social Responsibility, it will present for Board approval an evaluation and attention procedure for the cases that could arise from all its users. A special fund for CSR activities will be created by the company, which will cover any subsidy implied by this benefit over the consumption of that household.

The cases presented until approval of the procedure will have a personalized attention in the offices designated for it at Torres Atlas.

## V. Testing of meters

Given the disposition of the Service Provision Regulations which provides for verifying and eventually changing meters, process that has not been interrupted, Interagua will present to the Table the list of meters subject to verification, indicating those that were reviewed or changed until the date [.....] Table on July 8.

The OBSERVATORIO and the Users Assembly representatives will propose to INTERAGUA, not later than 15 days after July 8, their reformulation of the issue.

The parties will meet on August 3 at the INTERAGUA facilities in San Eduardo at 9 a.m. to address the set agenda.

The following persons sign in the City of Guayaquil on July 2, 2009, as a symbol of conformity:

Tania Crespín  
Magali Huacón  
Augusto Parada  
Eduardo Chulli  
Raúl Quinancela  
Teresa Riascos  
Oscar García  
Marcos Landivar  
Pilar Murillo  
Sarita Mazuera  
María Antonieta Puyol  
Antonio Bernales

MAY 2009

TO WHOM IT MAY CONCERN:

Through this letter I am please to present Elliot O'Brien, Peruvian history researcher and a student of Latin American History at Washington and Lee University. Mr. O'Brien is in South America (Ecuador, Peru and Colombia) to advance his thesis research on water in history; he holds a research fellowship at our university.

In advance I appreciate that you facilitate the relevant files and libraries.

Sincerely,  
Dr. Mark Carey  
History Department Professor  
[careym@wlu.edu](mailto:careym@wlu.edu)  
(540) 458-8772

## CONSIDERATIONS:

- Presented with a customer's complaint of service cut due to debt, the company commits to reconnecting the service and maintaining it as not subject to cuts until a study of the user's particular situation is conducted.
- The presentation of these cases will take place in any of the offices during the usual business hours. Specialized attention will be assigned on Thursdays and Fridays at the Northern Room. For the presentation of the request to be considered as user belonging to the Catastrophic Illnesses Group the user must submit the required documentation for the reception of his/her petition.
- The company will identify the parameters that determine the considerations to classify an illness as catastrophic (types of illnesses, income, documents needed to be submitted), according to what is established by the Ministry of Public Health.
- The company will conduct a visit verifying the property (house materials, analysis of the socio-economic situation, etc.) on an individual basis. This report constitutes an integral part of the user's file.
- The Company will set-up a Special Committee, which will meet on a monthly basis, integrated by:
  - General Director
  - Commercial Director
  - Customer Service Assistant Manager
  - Interagua Social Worker
  - Interagua Medical Department representative

The committee will decide the acceptance or not of the user's condition as belonging to the Catastrophic Illnesses Group, depending on the user's condition and the progress of his/her illness according to what is established by the Ministry of Public Health.

- With prior approval by the Board, the company will assign a budget category for Corporate Social Responsibility to be used by the benefits granted by this benefit.
- When the user is classified as having a catastrophic illness, the benefit granted will be given for a 6 month period, at the end of which the corresponding documentation must be renewed.

## DOCUMENTS NECESSARY FOR THE APPLICATION OR RENEWAL OF BENEFITS DUE TO CATASTROPHIC ILLNESS

- Certified copy of the medical history which states the user's illness
- The illness has to be considered as catastrophic by the Ministry of Public Health
- Permanent disability certificate
- Survival certificate
- I.D.
- Copy of property value certificate stating that the user is the owner
- Copy of the certificate stating that the user has a valid rental contract
- Copy of the signed resolution stating the commitment to renew the information bi-annually
- Signed pay agreement
- Bi-annual home visit by a social worker

## GRANTED BENEFIT

- 50% discount on the rate of the monthly invoice up to the first 20 m<sup>3</sup>
- 50% discount on the capital prior to 12 months
- 90% discount on fines and interest
- Financing up to 24 months
- Minimum down payment of 10% of balance owed

ADMINISTRATIVE RESOLUTION No. XXXX 2009  
Gradual Debt Cancellation Policy

The General Management of the company INTERNATIONAL WATER SERVICES (Guayaquil) INTERAGUA C. Ltda.- in use of its legal faculties, granted in the signed concession contract, and

CONSIDERING:

That the Political Constitution of the Republic, in its Transitory Disposition No. XXVI establishes the cancellation of potable water debts to the users who are in an extreme poverty situation;

That there are 3.312 users - identified by the OBSERVATORIO CIUDADANO and presented in the conflict resolution table, with the endorsement of CAO-Ombudsman – Banco Mundial -, who cannot benefit from this cancellation because they are not in an extreme poverty situation according to the SELBEN categories established by the Ministry of Economic and Social Inclusion;

That the 3.312 users identified wish to cancel their debts or reach payment agreements, reason why they request a decrease or special consideration to their debts.

RESOLVES

**FIRST:** Gradual cancellation of the owed value per capital: With the intention of regularizing the outstanding debt payments, the Company is willing to do a gradual cancellation of 50% of the greater than 12 months owed values, for capital category.

**SECOND:** Cancellation of Penalties and Interests: The company is willing to cancel up to 90% of the owed values for categories of penalties and interests up to date.

**THIRD:** Pay Agreements: The company could grant pay agreements over the balance owed (not eligible for cancellation). Once the agreed payment is made, corresponding to the down payment over the balance owed (minimum 10% of the debt not eligible for cancellation), the company will apply the concerning credits to the cancellation of penalties and interests contained in the second article and to the bearing of the condonable debt, according to the first article.

**FOURTH:** Condition to guarantee the benefit of the gradual cancellation: The company will guarantee the compliance with the benefits granted in the first and second articles, under the following conditions:

- ❖ The customer must cancel the value of the monthly fee for the financed balance through agreement and the periodic invoice issued by the Company. In case of non-compliance, the cancelable debt balance will be required.

FIFTH: Restrictions: This benefit is aimed exclusively at the users specified in the second paragraph of Considerations.

SIXTH: Validity: This disposition rules from the date of emission and has validity until September 2009.