

Customer-Perceived Service Performance of Private Utility Partners under NEDA-Guided Joint Venture Agreements with Water Districts

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Abstract- Joint Venture Agreements (JVAs) between water districts and private partners have become common in the Philippines to improve water service delivery in the recent years. However, public complaints and pre-termination of contracts raise questions about whether these partnerships achieve their intended objectives. This study evaluates service performance of private partners in JVA-operated water districts through customer perceptions and regulatory compliance assessment under the 2023 NEDA Guidelines. Using the SERVPERF model, data were collected from 264 customers across 19 provinces through snowball sampling. The questionnaire measured five service dimensions: tangibles, reliability, responsiveness, assurance, and empathy on a seven-point likert scale. Pearson correlation and multiple regression analysis examined relationships between SERVPERF dimensions and customer satisfaction. Commission on Audit (COA) reports from six water districts were analyzed to assess alignment with NEDA Guidelines and integrated with survey data. Results reveal all five SERVPERF dimensions scored below moderate levels. Reliability received the lowest rating ($M = 2.98$), followed by Tangibles ($M = 3.28$) and Empathy ($M = 3.32$). Regression analysis showed all dimensions significantly predict satisfaction ($R^2 = 0.861$), with Empathy ($\beta = 0.407$) and Reliability ($\beta = 0.288$) as strongest predictors. COA findings revealed systemic violations: failure to submit mandatory reports, failure to install water service connection, water quality violations, high non-revenue water rate, unverifiable capital expenditures, and chronic operational deficiencies since 2019. Integration of survey and audit data demonstrates that operational failures directly correspond to poor customer perceptions. The findings indicate significant discrepancy between NEDA Guidelines and actual JVA implementation. Weak monitoring and inadequate enforcement allow poor performance to persist. Current JVA arrangements fail to improve water service delivery, with the most important dimensions to customers (Empathy and Reliability) being areas where private partners perform worst. Systemic reforms in enforcement of projects, clearer penalties and financial transparency are necessary to ensure these partnerships serve public welfare rather than private interests.

Index Terms- Joint Venture Agreements, SERVPERF, water districts, service performance, public-private partnerships, NEDA Guidelines, customer satisfaction, regulatory compliance

I. INTRODUCTION

A. Background of the Study

Water shortage is a global problem that affects both developed and developing countries. Improved water supply significantly influences a country's economic growth (De Leon et al., 2025). In the Philippine context, not only the rural areas suffer from inadequate and intermittent water supply but also the urban areas. Around 8.91% of Filipinos do not have access to clean and safe water (Palanca-Tan, 2020). Hence, the water districts (WD) were established.

These entities are mandated to install, operate and maintain water supply and distribution systems for domestic, industrial, municipal, and agricultural uses (PD 198 of 1973). A water district is a quasi-public corporation formed through the Provincial Water Utilities Act (PD 198) and recognized through a Certificate of Conditional Conformance issued by the Local Water Utilities Administration or LWUA (Velasco et al., 2021). Water districts serve around 62% of the Philippine population's water requirements (Torio & Manlangit, 2024). While WDs still need to improve to provide efficient water services, many have encountered operational and financial issues such as debts, aged infrastructure, and insufficient finances for upgrades and service expansion.

The National Economic and Development Authority (NEDA) has been advocating public-private partnerships (PPPs) as a means to address these issues. PPP is a management tool in which the government teams up with a private partner to deliver public service. It may take the form of shared responsibility and contributions, outsourcing or a joint venture, as either jointly agreed or as specified

in the contract (Obosi, 2017). However, Hodge and Greve (2009) argue that the government uses the term “partnership” to mask the politically sensitive term of “privatization”.

In the water sector, these partnerships take the form of Joint Venture Agreements (JVAs). As evident in the recent years, there has been an upward trend of WDs entering JVAs in the mid-2010s (Espino, 2020), to pool resources and expertise between government and private entities as an efficient and practical alternative in pursuing development goals of the Government.

Given this growing dependence on private participation, it is necessary to evaluate how these partnerships perform in practice and whether they fulfill their intended goals.

B. Statement of the Problem

Despite the increasing adoption of joint venture agreements to improve the water service delivery in the Philippines, these arrangements face critics and public complaints that points out the serious performance issues from private partners. Districts like San Jose del Monte (Bulacan), Dasmariñas (Cavite), and Lucena (Quezon) applied for pre-termination of their JVAs due to customer complaints for poor service delivery. Similar cases in other provinces raise questions about the reliability of JVA operations (Bisenio, 2025).

As of 2024, there are about 118 water-related Joint Venture Agreements (JVAs) in the Philippines (Public-Private Partnership Center, 2024). Most follow a 25-year renewable term. Under such agreements, the private partner will operate and manage the district's water facilities and assets. In exchange, the private partner will place a fixed amount of investment in the contract. Under revenue sharing, the private partner would need to remit a fixed percentage of its earnings to the district (Espino, 2020). Although JVAs aim to improve service performance, evidence evaluating their effectiveness based on consumers' perceptions remains scarce. The newly released NEDA Revised Guidelines of 2023 promote transparency and accountability, although previous JVAs under the 2013 framework have yet to be fully evaluated.

This study addresses this gap assessing the customers' perceptions on service performance of

water districts running under JVAs. Using the SERVPERF model (Cronin & Taylor, 1992), the study analyzes the 5 service dimensions: tangibles, reliability, responsiveness, assurance, and empathy. The goal is to determine whether JVAs deliver the goals they were designed to, i.e. the objectives of improving water service delivery or for the purposes of only advancing private interest.

C. Objective of the Study

General objective:

This study aims to evaluate the service performance of private partners engaged in Joint Venture Agreements (JVAs) with water districts in the Philippines through the SERVPERF model and relevant legal frameworks

Specific Objectives:

1. Assess consumers' perceptions of service performance in JVA operated water districts using the five SERVPERF dimensions: tangibles, reliability, responsiveness, assurance, and empathy.
2. Determine the relationship between SERVPERF dimensions and overall customer satisfaction of consumers by JVA-operated water districts.
3. Assess the alignment between JVA implementation and NEDA Guidelines by examining COA audit findings and their relationship to customer-perceived service performance.

D. Significance of the Study

The water sector in the Philippines continues to face challenges even after some of the WDs entered into JVAs. This paper examines the effectiveness of JVA and whether they hold a strong value for water utilities, government, and consumers in the Philippines.

For regulators, the findings provide evidence to guide amendments to public-private partnership (PPP) frameworks to ensure that these arrangements promote public welfare.

For water districts and private partners, the study offers performance insights on the SERVPERF dimensions to identify operational gaps and improve customer satisfaction.

For consumers, this research represents their collective perception of water service quality, contributing to a participatory approach in evaluating privatized utility management.

For future researchers, the study bridges legal frameworks and service performance assessment, serving as a reference for further studies on PPPs in other public service sectors.

II. METHODOLOGY

A. Research Design

The study will use both quantitative and qualitative methods to measure the customer perception of private partners' service performance in JVAs. The quantitative side will measure performance using the SERVPERF dimensions (tangibles, reliability, responsiveness, assurance, empathy) and overall customer satisfaction, while qualitative will study Commission on Audit (COA) reports and the 2023 NEDA JVA Guidelines to gauge operational and regulatory alignment. It seeks to show a complete picture of whether these JVAs are effective by combining customer experience data and documentary insights on regulatory performance.

B. Population and Sample of the Study

The target population included all customers served by water districts with active joint venture operations. Due to data protection restrictions preventing access to customer databases, probability sampling was not possible. Hence, snowball sampling was used as a method, along with some purposive selection from the Facebook community pages, and 264 valid participants responded. Although a non-probability approach may implore generalization, this agrees well with a recent Philippines-based study regarding water and utility customer satisfaction experience that struggled with similar access constraints (Ong et al., 2023).

Table 1
 The demographic of the respondents (n=264).

| Characteristics | Category | n | % |
|-----------------|-------------------|-----|-------|
| Location | Nueva Ecija | 31 | 11.7% |
| | Bulacan | 22 | 8.3% |
| | Pangasinan | 14 | 5.3% |
| | Quezon | 20 | 7.6% |
| | Cavite | 40 | 15.2% |
| | Pampanga | 14 | 5.3% |
| | Sorsogon | 15 | 5.7% |
| | Mindoro | 5 | 1.9% |
| | Albay | 11 | 4.2% |
| | Batangas | 14 | 5.3% |
| | Leyte | 4 | 1.5% |
| | La Union | 17 | 6.4% |
| | Bataan | 6 | 2.3% |
| | Iriga | 4 | 1.5% |
| | Laguna | 24 | 9.1% |
| | Zambales | 9 | 3.4% |
| | Camarines Norte | 1 | 0.4% |
| | Tarlac | 11 | 4.2% |
| | Negros Occidental | 2 | 0.8% |
| Gender | Male | 93 | 35.2% |
| | Female | 164 | 62.1% |
| | Prefer not to say | 7 | 2.7% |
| Age | 18-25 | 42 | 15.9% |
| | 26-30 | 72 | 27.3% |
| | 31-35 | 49 | 18.6% |
| | 36-40 | 38 | 14.4% |
| | 41-45 | 29 | 11.0% |
| | 46-50 | 26 | 9.8% |
| | 51 and Above | 8 | 3.0% |

C. Research Instruments

A structured questionnaire is adapted from the SERVPERF model developed by Cronin and Taylor (1992), which focuses on five dimensions of service performance: tangibles, reliability, responsiveness, assurance, and empathy. Each indicator is rated based on a seven-point Likert scale from 1 (Strongly Disagree) to 7 (Strongly Agree). It was validated by experts and pilot-tested internally for reliability and internal consistency of the instrument.

Operational concerns, compliance gaps, and service performance patterns were looked into in the qualitative component based on COA reports and the JVA guidelines. These findings complement survey results, enabling a comparison between consumer perceptions and actual operational or regulatory performance

Table 2
 SERVPERF Questionnaire Items

| Dimension | Item Code | Statement |
|----------------------|-----------|--|
| Tangibles | Tan1 | The private partner of the water district has up-to-date equipment. |
| | Tan2 | The private partner's physical facilities are visually appealing. |
| | Tan3 | The private partner's employees are well dressed and appear neat. |
| | Tan4 | The appearance of the private partner's physical facilities is in keeping with the type of service provided. |
| Reliability | Rel1 | When the private partner promises to do something by a certain time, it does. |
| | Rel2 | When you have problems, the private partner is sympathetic and reassuring. |
| | Rel3 | The private partner is dependable. |
| | Rel4 | The private partner provides its services at the time it promises to do. |
| | Rel5 | The private partner keeps its records accurately. |
| Responsiveness | Res1 | The private partner does not tell its customers exactly when services will be performed. |
| | Res2 | You do not receive prompt service from the private partner's employees. |
| | Res3 | Employees of the private partner are not always willing to help customers. |
| | Res4 | Employees of the private partner are too busy to respond to customer requests promptly. |
| Assurance | Ass1 | You can trust employees of the private partner. |
| | Ass2 | You can feel safe in your transactions with the private partner's employees. |
| | Ass3 | Employees of the private partner are polite. |
| | Ass4 | Employees get adequate support from the private partner to do their jobs well. |
| Empathy | Emp1 | The private partner does not give you individual attention. |
| | Emp2 | Employees of the private partner do not give you personal attention. |
| | Emp3 | Employees of the private partner do not know what your needs are. |
| | Emp4 | The private partner does not have your best interests at heart. |
| | Emp5 | The private partner does not have operating hours convenient to all their customers. |
| Overall Satisfaction | Satis | Overall, I am satisfied with the service provided by the private partner of the water district. |

D. Statistical Treatment

The collected data in this study will be analyzed using SPSS to determine customer perceptions of service performance from JVA-operated water districts. Survey data of five SERVPERF dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy) will be summarized with descriptive statistics, including mean, standard deviation, and weighted mean in order to provide an overall summary of survey response. Weighted means will indicate strengths and weaknesses of service output.

Pearson correlation and multiple regression analysis will evaluate the relationship between SERVPERF dimensions and overall customer satisfaction, and which dimensions are most significantly related to customer satisfaction.

Qualitative data from Commission on Audit (COA) reports and the 2023 NEDA Joint Venture Guidelines will undergo comparative analysis to seek operational issues, compliance gaps, and patterns reflecting or contending with consumer perceptions.

The combining of quantitative and qualitative findings yields a comprehensive assessment of service delivery and regulatory alignment for water districts operated by JVA.

III. RESULTS AND DISCUSSION

This chapter provides the findings from the data collected to assess customer perceptions of service performance in Joint Venture Agreement (JVA) operated water districts in the Philippines. The findings are examined in three core parts: a.) descriptive analysis of SERVPERF dimensions, b.) the relation between SERVPERF dimensions and overall customer satisfaction and c.) the JVA operations' alignment with NEDA guidelines.

Prior to analysis, the SERVPERF questionnaire was tested for reliability using Cronbach's alpha, and all dimensions demonstrated acceptable internal consistency ($\alpha \geq 0.70$).

Table 3
 Reliability Analysis of SERVPERF Dimensions

| Dimensions | Cronbach's Alpha | N of Items |
|----------------|------------------|------------|
| Tangibles | 0.860 | 4 |
| Reliability | 0.895 | 5 |
| Responsiveness | 0.888 | 4 |
| Assurance | 0.756 | 4 |
| Empathy | 0.878 | 5 |
| Overall | 0.896 | 22 |

A. Descriptive Analysis of Service Performance

The descriptive statistics for the five SERVPERF dimensions are summarized in Table 4 showing customer perceptions of service performance in JVA-operated water districts. Mean and standard deviation values highlight areas perceived as stronger or weaker by respondents.

Table 4
 Descriptive Statistics of SERVPERF Dimensions in JVA-Operated Water Districts (n=264).

| Dimensions | Mean | Std. Deviation |
|----------------|-------|----------------|
| Tangibles | 3.277 | 1.231 |
| Reliability | 2.984 | 1.195 |
| Responsiveness | 3.767 | 1.621 |
| Assurance | 3.881 | 1.285 |
| Empathy | 3.323 | 1.441 |

Assurance ($M = 3.88$, $SD = 1.29$) and Responsiveness ($M = 3.77$, $SD = 1.62$) received the highest scores. On the 7-point Likert scale, these scores are below the midpoint of 4.0 indicating that even these "highest" dimensions fall short of what

could be considered satisfactory service. This suggest that customers perceive employees are willing to help, but this cannot cover the failure in deliverables.

Tangibles ($M = 3.28$, $SD = 1.23$) and Empathy ($M = 3.32$, $SD = 1.44$) were rated lower. The low Tangibles score is very alarming for water utilities, where visible infrastructure conditions directly affect service reliability. When customers see unsightly facilities, they lose trust in their ability in providing consistent service.

For a utility service where water supply is a necessity, Reliability ($M = 2.98$, $SD = 1.20$) received the lowest score thus revealing deficiencies: connections not installed when promised, service interruptions without notice, water quality issues, and billing inaccuracies.

The relatively high standard deviations among dimensions that ranges from 1.20 to 1.62 indicates variation in customer experiences. Meaning that service performance is inconsistent suggesting that some customers may receive adequate service while others in the same district faces problems.

Overall, service performance is below moderate and needs improvement, particularly in Reliability and Tangibles, to enhance overall customer satisfaction. More troubling is that no dimension reaches even moderate performance levels, indicating that JVAs are failing across the board rather than struggling with one weakness.

B. Relationship Between SERVPERF Dimensions and Customer Satisfaction

To determine how each SERVPERF dimension influences overall customer satisfaction, both correlation and multiple regression analysis were performed. These analyses provide insight into which aspects of service performance are most critical for improving satisfaction among consumers of JVA-operated water districts.

Pearson correlation was used to examine the bivariate relationship between each SERVPERF dimension and overall satisfaction. The results are summarized in Table 5.

Table 5
 Correlation Between SERVPERF Dimensions and Overall Customer Satisfaction

| Dimensions | Overall Satisfaction | |
|----------------|----------------------|-----------------|
| | Pearson r | Sig. (2-tailed) |
| Tangibles | 0.624 | 0.000 |
| Reliability | 0.729 | 0.000 |
| Responsiveness | 0.548 | 0.000 |
| Assurance | 0.478 | 0.000 |
| Empathy | 0.743 | 0.000 |

Note: All correlations are significant at the 0.01 level (2-tailed).

All five SERVPERF dimensions are correlated with overall satisfaction ($p < 0.01$). the strongest correlations are Empathy ($r = 0.743$) and Reliability ($r = 0.729$), meaning customers place high value on attention and dependable service. Tangibles ($r = 0.624$) also exhibit a strong correlation, while Responsiveness ($r = 0.548$) and Assurance ($r = 0.478$) are moderately correlated. To improve satisfaction, the private partner needs to improve across all dimensions.

The correlations also reveal something important about customer priorities. When water service fails, they care about whether anyone seems to care about their problem. The high correlation with Empathy suggests that customers feel ignored. In contrast, the moderate correlation with Assurance suggests that polite employees cannot overcome systemic operational failures. Customers may trust individual employees but not the system itself.

To determine the predictive power of SERVPERF dimensions on overall satisfaction, a multiple regression analysis was conducted. This analysis identifies which dimensions most strongly influence customer satisfaction when considered together.

Table 6
 Regression Coefficients for SERVPERF Dimensions Predicting Satisfaction

| Dimensions | Beta | t | Sig. |
|----------------|-------|--------|-------|
| Tangibles | 0.219 | 6.009 | 0.000 |
| Reliability | 0.288 | 7.591 | 0.000 |
| Responsiveness | 0.200 | 6.706 | 0.000 |
| Assurance | 0.214 | 8.581 | 0.000 |
| Empathy | 0.407 | 12.852 | 0.000 |

Model Summary: $R = 0.928$, $R^2 = 0.861$, Adjusted $R^2 = 0.858$, $F(5,258) = 319.395$, $p < 0.001$

Regression analysis confirms that all dimensions significantly predict overall satisfaction. The model explains 86.1% of the variance in customer satisfaction, indicating that these five dimensions capture nearly all the factors driving customer evaluations of JVA-operated water services.

However, there's this irony: The two dimensions most relevant to satisfaction, Empathy and Reliability are the very dimensions JVA operators rank lowest in score ($M = 3.32$ and $M = 2.98$ respectively). This drives a satisfaction gap with customer preferences and operational execution going towards opposite ends. Private partners seem to be delivering modest performance on the dimensions that customers care about the least (Assurance, Responsiveness) but failing on the dimensions that customers care about most (Empathy, Reliability)..

C. Alignment of JVA Operations with NEDA Guidelines

1. Integration of Audit Findings with Customer-Perceived Service Performance

To assess the alignment of JVA implementation with NEDA Guidelines, the study examines relevant findings from Commission on Audit (COA) reports of six water districts operating under JVAs. Analysis of these reports show violations that directly correspond to poor customer perceptions measured through SERVPERF dimensions. Table 7 maps specific audit findings to service quality dimensions.

Table 7: Alignment of COA Audit Findings with Customer-Perceived Service Performance Dimensions

| Water District | COA Finding | Affected SERVPERF Dimension | Survey Score | Connection |
|------------------------------------|---|--|--|---|
| Dumaguete City Water District | Failed to prepare and submit annual report on JVA implementation status to monitoring government agencies | Assurance | $M = 3.88$ | Non-accountability to regulators undermines customer trust in partner's commitment and transparency |
| Angeles City Water District | Failed to install service connections for 63 out of 66 new applicants due to lack of resources. Water quality tests showed one pumping station consistently failed Manganese parameters and two exceeded Iron levels in CY 2023 | Reliability, Empathy, Tangibles, Assurance | $M = 2.98$, $M = 3.32$, $M = 3.28$, $M = 3.88$ | Broken promises on service delivery; ignoring individual customer needs for new connections. Poor facility maintenance and outdated equipment; unsafe water quality undermines customer trust |
| Quezon Metropolitan Water District | Failed to strictly monitor PrimeWater's NRW Reduction Program, resulting in non-implementation of projects | Responsiveness, Assurance | $M = 3.77$, $M = 3.88$ | Lack of proactive oversight and problem-solving; creates uncertainty about management capability |
| Bacolod City Water District | Could not determine expected capital expenditure of ₱405.65 million for year 4 due to non-disclosure of total project costs in Annual Service Obligation Report | Tangibles, Assurance | $M = 3.28$, $M = 3.88$ | Questionable infrastructure investment; lack of financial transparency undermines trust |
| Camarines Norte Water District | Unable to reduce NRW to acceptable 20% rate since JVA commencement; currently at 39.53%, resulting in estimated foregone sales of ₱59.8 million in CY 2023 | Reliability | $M = 2.98$ | Excessive water loss causes pressure problems and supply interruptions experienced by customers |
| San Jose Water District | Chronic deficiencies since 2019: inadequate planning and reporting, unmet service objectives, lack of performance metrics, insufficient performance bond, neglect in asset management | Tangibles, Reliability, Assurance | $M = 3.28$, $M = 2.98$, $M = 3.88$ | Persistent operational failures across multiple areas reflect systemic inability to deliver quality service |

Dumaguete City and San Jose Water Districts failed to submit mandatory annual reports on JVA status to NEDA as required under Section 10 of the Guidelines. Without these reports, monitoring agencies cannot track implementation progress or intervene when problems emerge. This reporting failure reflects an organizational culture that disregards accountability, manifesting in low Empathy scores ($M = 3.32$) as customers perceive the private partner does not have their best interests at heart or provide individualized attention.

Service delivery deficiencies undermined efficient water provision. Angeles City Water District could not install service connections for 63 out of 66 new applicants due to the private partner's material shortages. Water quality standards also failed as three pumping stations consistently exceeded iron and manganese limit thresholds throughout 2023. These failures contradict the fundamental purpose of JVAs and directly explain the lowest SERVPERF dimension: Reliability ($M = 2.98$). When the private partner cannot fulfill basic commitments like installing promised connections or maintaining safe water quality, customers experience unreliable, undependable service.

Non-Revenue Water Management emerged as a critical failure. Camarines Norte Water District's NRW rate of 39.53%, nearly double the 20% standard, caused ₱59.8 million in lost revenue during 2023. Quezon Metropolitan Water District failed to monitor the private partner's NRW reduction program, with planned projects remaining unimplemented. These excessive water losses cause frequent water pressure problems, intermittent supply, and service interruptions as massive volumes of treated water leak through deteriorating infrastructure. The persistent infrastructure neglect underlying high NRW rates contributes to low Tangibles scores ($M = 3.28$), as customers observe and experience consequences of aging, poorly maintained distribution systems.

Financial Transparency Issues compromised accountability. Bacolod City Water District could not verify the private partner's ₱405.65 million capital expenditure for year four because total project costs were not disclosed in reports. This opacity raises questions about whether promised infrastructure improvements are materializing despite contractual obligations, undermining Assurance ($M = 3.88$) as

customers cannot trust the private partner operates transparently.

Operational Deficiencies plagued San Jose Water District since 2019: inadequate planning and reporting, unmet service objectives, lack of performance metrics, insufficient performance bonds, and neglected asset management. These chronic, multi-year deficiencies demonstrate poor JVA performance reflects fundamental structural problems rather than temporary adjustment issues. The breadth of failures—spanning planning, reporting, service delivery, and asset management—explains why all five SERVPERF dimensions scored below moderate levels.

The integrated analysis demonstrates strong convergence between objective audit evidence and subjective customer perceptions. Operational deficiencies documented by COA manifest directly in customer experiences as unreliable service, inadequate infrastructure, and lack of personalized attention. This convergence validates both data sources: customer perceptions reflect genuine operational failures, while audit findings have real consequences for service quality as experienced by end-users. The consistent pattern across geographically dispersed districts indicates that JVA underperformance represents systemic problems in how these partnerships are designed, implemented, and monitored.

2. Misalignment Between Guidelines and Implementation

The pattern for six districts suggests systemic issues. These persistent violations (like reporting voids, unmet standards, big water losses and financial opacity) illustrate the serious flaws with contract design and enforcement. The Guidelines focus on service delivery, but NRW rates are twice that and basic connections are not being met. Guidelines require accountability through reporting, but mandatory reports remain unsubmitted and capital expenditures go unverified.

As articulated by the NEDA Guidelines, JVAs are supposed to deliver "better value for money for the Government" and "efficient" service delivery to "earning potential profits for Government and the Market Player/Private Entity" (Sections 2.1 and 2.6). Yet the evidence points toward neither efficiency nor value: NRW rates of 39.53% waste almost 50% of treated water and undisclosed expenditures of ₦405

million provoke a new debate about financial responsibility.

The poor monitoring system, inadequate enforcement by NEDA, and insufficient consequences for non-compliance are some of the factors that have allowed such a discrepancy to persist. Without meaningful financial penalties to penalize non-compliance, private partners face no incentive to comply. This systemic failure of oversight makes it impossible to spot any issues in their early stages.

The integrated findings demonstrate that JVA implementation fails to align with NEDA Guidelines. The pattern suggests that current JVA arrangements may prioritize private interests over public welfare. When private partners can maintain profitability despite failing to meet service standards. The evidence raises questions whether the JVA model as currently implemented can ever achieve its stated objectives, or whether it needs structural reforms; stronger enforcement, clearer penalties, genuine transparency, and shorter contract terms. These are necessary to realign these partnerships with public interest.

IV. CONCLUSION

This study assessed whether the JVA in water districts fulfill their promise of improving service delivery. Customer perceptions and audit findings confluence shows that JVAs are systematically not doing what consumers expect and what the regulations require.

The SERVPERF analysis reveals a clear mismatch: the private partners provide some near modest performances on customers' dimensions that matter the least, while failing low in what customers value most; Empathy and Reliability. When Reliability scores the lowest, and these critical dimension account for 86% of satisfaction variance, this makes the issue even more real.

COA findings are confirms the customers' dissatisfaction are to be an operational failure. The systemic violations like unsubmitted reports, high NRW rates, uninstalled connections, chronic problems persisting for years indicates that the fault lies with the JVA model itself as currently structured, not individual district mismanagement.

These conclusions require basic restructuring. The policy around water must ensure tougher

enforcement mechanisms, more open systems that measure performance with penalties included, and regular renewals of contracts that are based on performance. Regulators need to re-channel evaluation around features that customers truly care about, so Empathy and Reliability should be at the forefront of monitoring, not at the fringes. Above all, policymakers need to understand that private sector involvement must produce true public good service.

Future research may adopt longitudinal designs to follow improvement measures over longer periods of time, integrating private partner perspectives to reveal obstructions to improvements, and analyzing the effects of specific reforms through experimental methods.

Joint Venture Agreements promised that private efficiency would transform struggling water districts. This study indicates the promise goes unmet. Long before regulatory frameworks have enforcement mechanisms in place and private profit incentives are reconciled with public service responsibilities, Philippine water consumers will continue experiencing the consequences of a model that prioritizes partnership formation over performance outcomes.

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