

WATER AND SEWERAGE CORPORATION

STATEMENT OF CORPORATE INTENT (SCI)

Prepared Pursuant to the Public Finance Management Act, 2023

Twelfth Schedule – Section 114

1. INTRODUCTION

This Statement of Corporate Intent (SCI) is prepared by the Corporation pursuant to Sections 113 and 114 of the Public Finance Management Act, 2023 of the Commonwealth of The Bahamas. The Statement of intent outlines the strategic objectives, operational priorities, financial directions, governance commitments and performance expectations of the Corporation over the medium-term planning horizon.

The document is intended to provide transparency and accountability regarding the Corporation's operational and financial management while simultaneously aligning the Corporations' activities with national development priorities, public health protections, climate resilience objectives, infrastructure modernization and sustainable water and wastewater management.

The Statement of Intent for the Water and Sewerage Corporation should be read in conjunction with:

- The Corporate Business Plan 2023-2028
- The Corporations' Annual Plan May 2026
- Donor- Funded Programmes Updates
- Applicable Legislation and Regulatory Frameworks for the Sector
- Approved Government Budgets

1.1 CORPORATE OVERVIEW

Establishment and Mandate

The Water and Sewerage Corporation is a Government-owned utility responsible for the provision, management, operation and maintenance of potable water supply and wastewater services throughout The Bahamas.

1.2 OBJECTIVES OF THE CORPORATION

The primary objectives of the Water and Sewerage Corporation are to:

1. Ensure reliable and equitable access to potable water and wastewater services.
2. Improve operational efficiency and financial sustainability.

3. Reduce non-revenue water and improve revenue collection.
4. Modernize water resource related infrastructure and operational systems.
5. Strengthen climate resilience and environmental sustainability.
6. Enhance customer service delivery and stakeholder engagement.
7. Improve governance, accountability, and institutional performance.
8. Support national development and public health priorities.
9. Expand digital transformation and operational modernization.
10. Strengthen disaster preparedness and operational continuity.

These objectives align with Government policy priorities by supporting national water security, environmental sustainability, public health protection and resilient infrastructure development across The Bahamas. They contribute collectively to strengthening economic resilience, improving quality of life, and supporting national growth and disaster preparedness initiatives.

2. NATURE AND SCOPE OF ACTIVITIES UNDERTAKEN

The Corporation undertakes a wide range of operational, technical, financial and administrative activities for the benefit of the population of The Bahamas. This involves responsibility for the safe supply and transport of potable drinking water to customers and the efficient management, collection and conveyance of sanitary sewerage throughout New Providence and several family Islands.

The activities of the Corporation specifically includes:

Water Supply Operations

- Water treatment and quality monitoring
- Water resources protection, abstraction and production
- Distribution system management
- Leak Detection and pressure management
- Reverse osmosis operations

Waste Water Operations

- Wastewater collection and treatment systems
- Environmental compliance activities

Infrastructure Development

- Pipeline rehabilitation and expansion
- System modernization projects through technology
- Climate resilience infrastructure investments

Engineering and Planning

- Planning, design, project implementation
- Technical oversight for systems , hydraulic capacity, non-revenue water
- Capital Investment programs
- Project procurement and contractor management

Customer Services

- Meter installation and maintenance
- Billing and collections
- Customer support services
- Digital customer engagement platforms

Corporate Support Functions

- Financial management
- Procurement and contract administration
- Human resources management
- Information technology services
- Strategic planning and monitoring

Family Islands Operations

The Corporation provides water and sewerage coordination activities in the following communities:

North, Central & South Andros, Eleuthera, Abaco, Acklins, Bimini & The Berry Islands, Inagua, Long Island, Long Cay, Cat Island, Rugged Island , Mayaguana, Exuma, San Salvador and Rum Cay.

STRATEGIC PRIORITIES (Current and Planned Activities for the reporting Period)

The Corporation's strategic priorities are aligned with national policy objectives and institutional modernization goals.

Strategic Priority 1: Demonstrate Cohesiveness and Consistency in the Legal Framework

Focus Areas:

- Regulatory modernization
- Policy harmonization
- Governance strengthening
- Institutional reform

Strategic Priority 2: Demonstrate Enhanced Customer Satisfaction

Focus Areas:

- Service delivery improvement
- Complaint response systems
- Smart metering and billing modernization
- Customer communications

Strategic Priority 3: Demonstrate Improved Financial Sustainability

Focus Areas:

- Revenue enhancement and tariff reform
- Reduction of non-revenue water
- Cost containment measures
- Financial management modernization

Strategic Priority 4: Maintain Environmental Sustainability

Focus Areas:

- Climate resilience
- Water resource protection
- Wastewater management improvements
- Environmental compliance

Strategic Priority 5: Ensure National Access to Potable Water and Wastewater Services

Focus Areas:

- Service expansion
- Infrastructure rehabilitation
- Family Island water security
- Capital investment programmes

3. RATIO OF CONSOLIDATED OWNERS FUNDS TO TOTAL ASSETS

The Corporation shall maintain appropriate monitoring of the ratio of consolidated owners' funds to total assets as part of ongoing financial sustainability and solvency assessment.

WSC Consolidated Owners Funds to Total Asset is .42 as at December 31st 2025.

The Formula applied is $\text{Equity} \div \text{Total Assets}$ and includes:

- Paid-up capital
- Accumulated reserves
- Retained surpluses

- Capitalized Government Grants or subsidies (for infrastructure)

The ratio will be monitored to support:

- Financial sustainability assessment
- Debt exposure management
- Asset management planning
- Long- term infrastructure financing decisions

4. ACCOUNTING POLICIES

The Corporation prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) and applicable public sector financial reporting requirements. Detailed accounting policies adopted by the Corporation are disclosed in the notes to the audited financial statements and should be read in conjunction with this Statement of Corporate Intent.

The Corporation prepares its financial statements on an accrual basis which includes revenue recognized in the period it is earned and realizable and expense matched and reported when the liability is incurred.

5. EXPECTED MEDIUM TERM PERFORMANCE IN RELATION TO OBJECTIVES

The Corporation shall pursue measurable performance improvements over the medium term including:

Performance Area	Medium Term Objective	Expected Outcomes	Performance Measures
Potable Water Access	Expansion of access to underserved communities	Increased national access to safe and reliable potable water services and improved service equity across New Providence and Family Islands.	% population with access to potable water; number of new household/community connections; service coverage expansion rate.
Wastewater Service Coverage	Expansion and rehabilitation of wastewater systems	Improved wastewater collection, treatment capacity, environmental protection, and public health outcomes.	% population served by wastewater systems; number of wastewater infrastructure upgrades completed; reduction in service interruptions or overflows.

Non-Revenue Water Reduction	Continued reduction through leak management and system optimization	Reduced system losses, improved operational efficiency, and increased revenue recovery.	% non-revenue water; number of leaks repaired; water loss reduction volumes; district metering implementation rate.
Revenue Collection	Improved billing efficiency and collection performance	Improved financial sustainability, cash flow management, and collection efficiency.	Collection efficiency rate; accounts receivable aging; billing accuracy rate; revenue growth trends.
Smart Meter Deployment	Progressive implementation across service areas	Enhanced consumption monitoring, improved billing accuracy, and reduced manual meter-reading requirements.	Number of smart meters installed; % customer base transitioned to smart metering; reduction in estimated bills.
Infrastructure Rehabilitation	Increased replacement and rehabilitation of aging infrastructure	Improved system reliability, reduced service disruptions, and strengthened infrastructure resilience.	Length of pipelines rehabilitated/replaced; number of infrastructure projects completed; reduction in pipe failures and outages.
Digital Transformation	Expansion of automated and digital operational systems	Improved operational efficiency, data management, workflow automation, and customer service accessibility.	Number of digital systems implemented; % reduction in manual processes; online service utilization rates; operational processing times.
Customer Satisfaction	Improved response times and customer engagement	Enhanced customer experience, improved service responsiveness,	Customer satisfaction survey results; complaint resolution time; number of

		and strengthened public confidence in utility operations.	customer complaints resolved; call response times.
Climate Resilience	Integration of resilience measures into infrastructure planning	Strengthened resilience of water and wastewater systems to climate-related and disaster risks.	Number of resilience-focused projects implemented; climate adaptation measures integrated into infrastructure projects; emergency response readiness indicators.
Environmental Stewardship	Strengthen environmental sustainability practices across water and wastewater operations	Enhanced compliance with national environmental regulations and international best practices. Reduced environmental pollution and wastewater discharge risks. Improved protection and conservation of groundwater and freshwater resources.	Number of environmental monitoring and compliance reports completed annually. Number of wastewater facilities operating in compliance with environmental standards. Percentage reduction in non-revenue water losses.

Note: The Water and Sewerage Corporation current Audit Plan will be adjusted to reflect the key areas in the SCI and the metrics highlighted above.

6. PRINCIPLES FOR DETERMINING ANNUAL DIVIDEND AND ESTIMATED RETURNS TO GOVERNMENT

The Corporation does not generate sufficient profits to pay dividends. When the Corporation generates sufficient profits, the determination regarding dividends or returns to government shall be based on:

- Financial performance
- Liquidity position
- Capital Expenditure requirements

- Long-term operational sustainability

7. INFORMATION TO BE PROVIDED TO THE RESPONSIBLE MINISTER, INCLUDING IN-YEAR REPORTS

The Corporation maintains a structured reporting framework for the submission of operational and financial information to the responsible minister. Audited Financial Statements are sent to the Permanent Secretary who will forward on to the Responsible Minister for presentation in Cabinet. Other Financial information that the Minister would need would be requested through the General Manager (GM) and directed to the Chief Financial Officer (CFO).

The reporting framework in place supports:

- Transparency and Accountability
- Performance Monitoring
- Strategic Oversight
- Compliance with the Public Finance Management Act, 2023

8. ACTIVITIES FOR WHICH COMPENSATION IS SOUGHT FROM THE GOVERNMENT

The Corporation may seek financial support, subventions, guarantees, or other forms of compensation from the Government of The Bahamas for activities undertaken in the national interest that fall outside the Corporation's normal operating budget or commercial cost-recovery framework. These activities may include strategic infrastructure investments, public service obligations, climate resilience initiatives, and nationally significant water and wastewater projects.

Such activities may include, but are not limited to:

- Expansion of potable water and wastewater infrastructure to underserved and Family Island communities where full cost recovery may not be immediately achievable;
- Climate resilience and adaptation initiatives supported through international development partners and climate financing mechanisms;
- Major capital infrastructure rehabilitation and replacement programmes;
- Disaster recovery and emergency response works following hurricanes or other national emergencies;
- Water sector modernization, digital transformation, and non-revenue water reduction initiatives;
- National water security and drought mitigation projects;

The Corporation may also seek Government support in relation to projects financed through multilateral and development partners, intended to improve national water and wastewater infrastructure and sector resilience. These include:

- Inter- American Development Bank (IDB) approved programme BL1061;
- Green Climate Fund initiatives;
- CDB Phase II investments;
- Family Island water expansion
- Climate adaptation infrastructure

9. STATEMENT OF SOCIAL RESPONSIBILITY

The Corporation recognizes its responsibility to contribute to national development, public health protection, and environmental sustainability.

Key areas of social responsibility include:

- Protection of water resources
- Environmental stewardship
- Workforce development
- Stakeholder engagement
- Community awareness and education
- Customer accessibility and service equity
- Disaster preparedness and response

10. OTHER MATTERS AGREED BY THE RESPONSIBLE MINISTER AND THE BOARD

- Donor Funded Programs
- Institutional Reforms

CONCLUSION

This Statement of Corporate Intent establishes the strategic, operational, financial, and governance framework for the Water and Sewerage Corporation over the medium-term planning period. The Corporation remains committed to improving national water security, strengthening operational resilience, modernizing infrastructure and systems, enhancing customer service delivery, and supporting the sustainable development priorities of the Commonwealth of The Bahamas.

Implementation of the Corporation's objectives will require continued coordination with Government, development partners, stakeholders, and communities together with effective financial management, operational modernization, and strategic investment in resilient infrastructure and institutional strengthening.