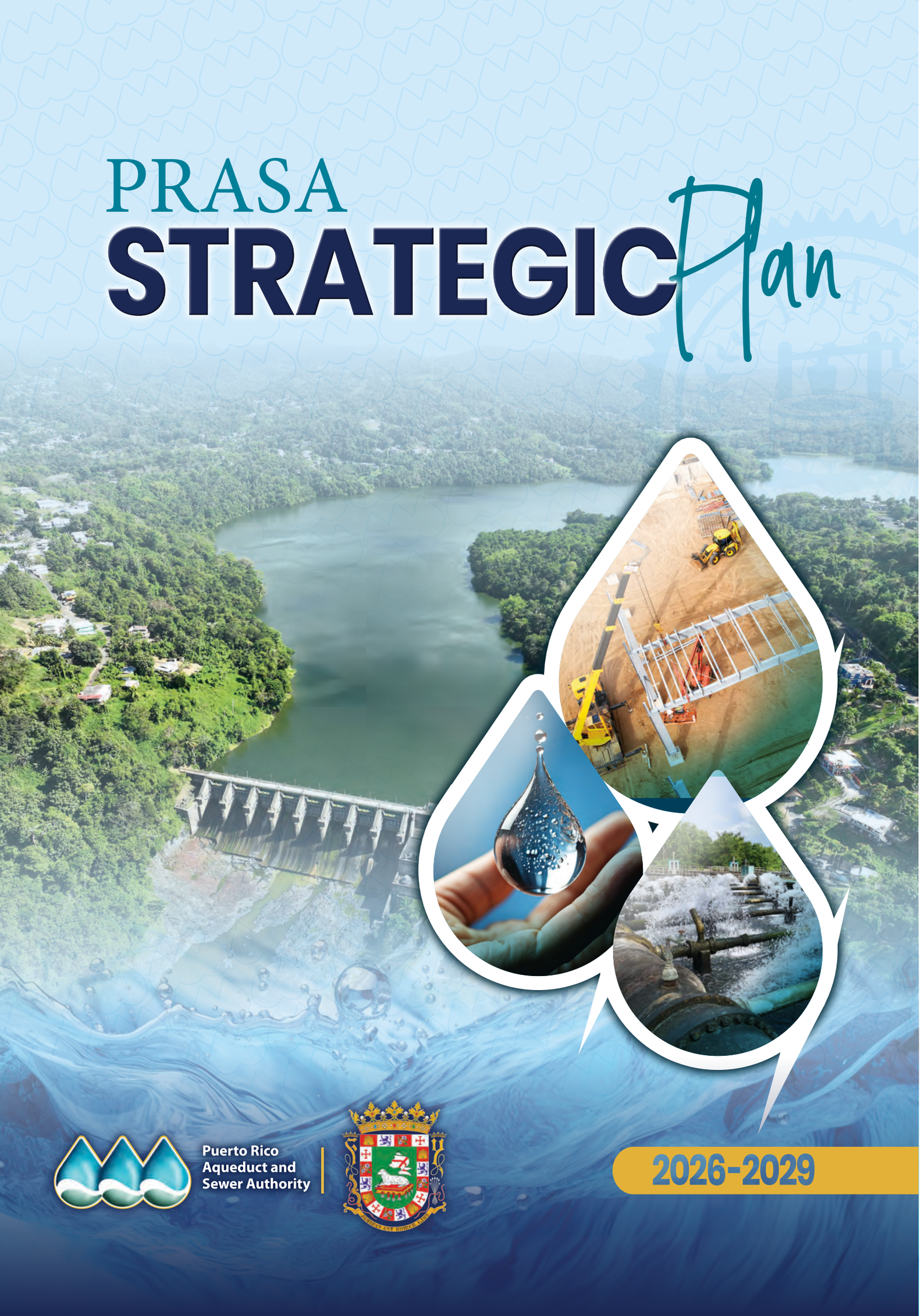
PRASA
STRATEGIC Plan



Puerto Rico
Aqueduct and
Sewer Authority

2026-2029

PRASA STRATEGIC Plan

2026 – 2029

TABLE OF CONTENTS

PRASA
STRATEGIC Plan
2026–2029

TABLE OF CONTENTS

MESSAGE FROM THE EXECUTIVE PRESIDENT

MESSAGE FROM THE EXECUTIVE PRESIDENT

Since its establishment in 1945, the Puerto Rico Aqueduct and Sewer Authority (PRASA) has played a vital role as the Island's sole provider of safe, reliable drinking water and wastewater services. Over its 80-year history, many have had the honor and responsibility of leading this essential public utility, and now that opportunity has been bestowed to us.

Serving as Executive President is both an honor and a unique opportunity. My years at PRASA have provided the knowledge and experience necessary to guide the corporation forward. With humility, pride, and together with a dedicated team of professionals, we will continue surpassing the historical and significant challenges to ensure providing dependable services to the people of Puerto Rico.

PRASA has the once-in-a-lifetime opportunity to improve our facilities to actual industry's standards. The planned projects include improvements in most of our facilities, including raw water intakes, potable water and wastewater facilities, pump stations, distribution systems, and collection pipelines. We are committed to expediting these initiatives as well as our customer centricity initiative to improve service delivery to our customers and strengthen operational resiliency.

Guided by faith and supported by the commitment of our workforce, we are determined to elevate PRASA to new levels of resiliency, reliability, empathy, and excellence in service.

As these proposed projects become reality, we will continue working diligently to maintain uninterrupted potable water and wastewater services, confidently building a promising future for our customers and our island.

We look forward to sharing PRASA's vision for the future with you.

Luis Reinaldo González Delgado, PE
Executive President

PRASA TODAY

POPULATION SERVED
3.2 MILLION

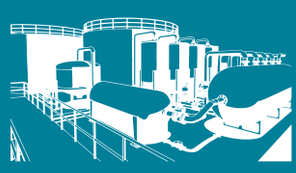
80 ANIVERSARY

1945 • 2025

Since its inception 80 years ago, PRASA has been more than a public service institution;

it has been a living organism, composed of men and women committed to water, that common good essential to all life and development.

112
WATER FILTRATION PLANTS

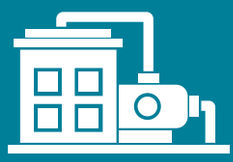


50
WASTEWATER TREATMENT PLANTS

249
WELLS

8
DAMS

+1,500
WATER STORAGE TANKS



+1,900
PUMP STATION FACILITIES

- Service area 3,535 square miles
- Producing approximately 500 MGD
- Over 20,000 miles of pipeline
- Treating approximately 200 MGD

INTRODUCTION

In 2025, the Puerto Rico Aqueduct and Sewer Authority (PRASA) proudly celebrated its 80th anniversary. As the sole utility provider on the Island, PRASA serves more than 1.2 million active customers, encompassing a diverse mix of **residential, commercial, industrial,** and **governmental** clients, each presenting unique challenges and needs.

PRASA oversees a highly complex infrastructure, producing an average of over 500 million gallons of drinking water per day (MGDs) and collecting and treating approximately 200 million gallons of daily wastewater (FY2025 figures). Serving the entire Island, which extends roughly 3,535 square miles, PRASA manages **eight (8) dams, 112 water treatment plants (WTPs), 50 wastewater treatment plants (WWTPs),** and **approximately 3,800 auxiliary facilities** — including 1,560 tanks, 1,977 pump stations, and 249 water wells. The extensive network also features more than 20,000 miles of distribution and collection pipelines, ensuring reliable water and wastewater services across Puerto Rico.

Responsibility for managing the organization rests with a dedicated executive leadership team, headed by an Executive President and supported by three (3) Vice Presidents overseeing Operations, Administration, and Strategy & Corporate Planning. Additionally, PRASA benefits from an Executive Infrastructure Director, who ensures environmental and regulatory compliance and addresses both current and future infrastructure needs. Five (5) Executive Regional Directors—representing the North, South, East, West, and Metro regions—coordinate day-to-day operations across the island, ensuring efficient service delivery and effective local management.

PRASA's most recent Strategic Plan 2021–2025 was developed with an awareness of the significant challenges facing Puerto Rico at the time, including the COVID-19 pandemic, a sequence of earthquakes, and periods of drought. The plan also prioritized the ongoing, island-wide recovery efforts needed by the devastating impacts of Hurricanes Irma and María in 2017.

Looking ahead, PRASA's upcoming Strategic Plan 2026–2029 (outlined in this document) anticipates a new set of emerging challenges such as global threats, an evolving political landscape, the effects of climate change, and the potential declining population, among others. This forward-looking approach ensures that the Authority remains resilient and adaptable in meeting the developing needs of the island and its residents.

Since its establishment in 1945, PRASA's dedication and commitment to delivering quality services remain as strong as ever. This enduring passion is clearly reflected in its renewed **mission statement**, which reads:

> **PRASA is committed to providing high-quality reliable potable water and wastewater services, while maintaining affordable service cost to our clients**

Looking to the future, PRASA's **vision statement** continues to embody the same fundamental principles that have guided throughout history:

> **Become a leading, innovative, trusted and resilient water utility, delivering exceptional potable water and wastewater services to our clients, while empowering communities and protecting the Island's resources and environment**

Furthermore, the **core values** empower employees each day, promoting a strong commitment and reinforcing PRASA's organizational culture.

For the Strategic Plan 2026–2029, PRASA has established four (4) **Strategic Driver**s to effectively guide all the **Strategies** and ensure the accomplishment of goals aligned with each **Key Performance Indicator (KPI)** derived from the Authority's **strategic objectives**.

As such, the mission and vision statements serve as the guiding compass for shaping the PRASA's direction through the following Strategic Drivers:

1. **The Sustainable Operations**
2. **The Human Capital**
3. **The Financial Stewardship**
4. **The Customer Centricity**

Through its new strategic plan, PRASA will graph a **comprehensive roadmap** for the next four (4) years, defining actionable steps to achieve its organizational goals. The plan thoughtfully addresses both current and anticipated challenges, while integrating guidance from key documents such as the **2025 Fiscal Plan** developed for the Financial Oversight and Management Board (FOMB) to ensure long-term financial sustainability—and the **Master Plan (2024)**, which outlines an organized approach for infrastructure investments in the near and distant future.

Current State

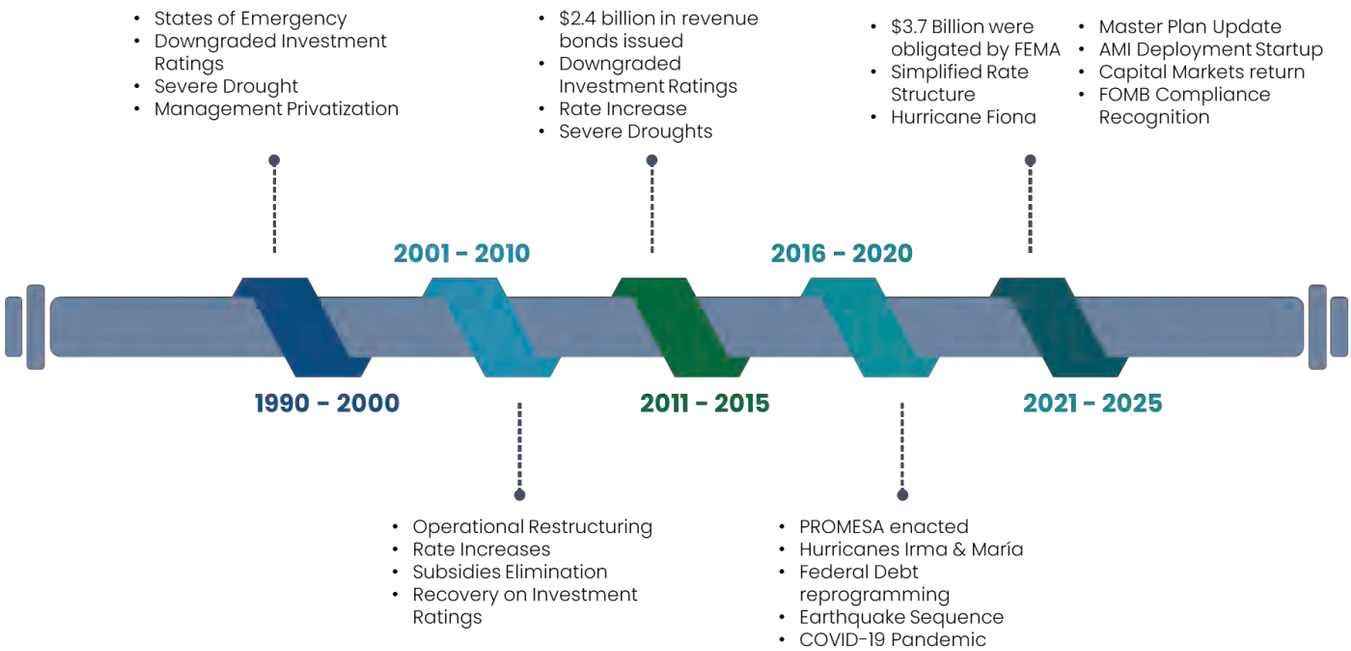
PRASA has recently confronted certain operational and infrastructure challenges, including the impact of atmospheric events in the system and water affordability constraints in Puerto Rico, as well as the continuing deterioration of a vast infrastructure. Despite these ongoing challenges, PRASA remains committed to providing essential water and wastewater services to Puerto Rico's 3.2 million residents.

PRASA is actively advancing efforts to modernize its infrastructure, strengthen emergency response capabilities, reduce water losses, and enhance overall system resilience. The process is a long-term one but system improvements are already underway and being reflected in our infrastructure.

Background:

PRASA was created by Act 40 of 1945, as amended, with the purpose of owning and operating the Government's public water supply and wastewater systems.

The image below represents the important key events throughout PRASA's recent historical background:



Trends Shaping Water Services

PRASA is making significant progress in implementing a suite of initiatives, strategies, and plans designed to strengthen both operational and financial sustainability. The Authority has received recognition from the Financial Oversight Management Board (FOMB) for its compliance efforts, distinguishing it as one of the few government agencies to achieve this level of accountability. PRASA's renewed access to the capital markets proven by its successful and recent debt refunding are a recognition of PRASA's efforts.

Despite these achievements, PRASA continues to face historical and ongoing challenges that affect its operational performance—from aging infrastructure and funding limitations to complex regulatory requirements and environmental concerns. Furthermore, global trends and local developments contribute to a dynamic and demanding management environment, requiring continued adaptation and innovation to safeguard water services for the island.

PRASA operates in an environment defined by global threats, an evolving political landscape, the effects of climate change, and a potential declining population, among other influential factors.

Global Threats

Water utilities worldwide are facing increasingly complex risks from cyber-attacks, supply chain vulnerabilities, and geopolitical shifts that may impact resource availability and infrastructure investments. PRASA proactively addresses these risks by investing in resilience, security, and contingency to maintain dependable water service for the island.

Political Landscape

Evolving political dynamics—locally and globally—affect regulation, funding, and the prioritization of water infrastructure projects. PRASA collaborates with the Government of Puerto Rico, regulatory agencies, Federal Emergency Management Agency (FEMA), and Financial Oversight Management Board (FOMB) to secure funding, comply with new regulations, and ensure policy alignment that sustains water availability and service quality for all residents.

Climate Change Impact

Rising temperatures (heatwaves), shifting rainfall patterns, hurricanes, and increased frequency of extreme weather events are directly affecting water sources, reservoir levels, and water quality in Puerto Rico. PRASA tackles these challenges by implementing real-time monitoring and adaptive management of reservoirs, investing in climate-resilient infrastructure, and deploying technologies that safeguard water supplies.

Declining Population

Puerto Rico has experienced ongoing population decline and decreased water consumption—a trend that poses financial and operational challenges for PRASA. Maintaining complex infrastructure across the island with fewer customers necessitates continued efficiency improvements, right-sizing of assets, and innovative approaches to optimize customer service and resource management.

Non-Revenue Water Management

High levels of non-revenue water (NRW) continue to pose significant operational and financial challenges for PRASA, driving up production costs and reducing overall system efficiency. To address this, PRASA has completed the installation of master meters at most treatment facilities, allowing for accurate measurement of water production and improved performance tracking. The Authority is focused on reducing commercial losses by enhancing meter accuracy and preventing water theft, while simultaneously advancing initiatives to tackle physical losses caused by leaks and overflows. Dedicated leak detection teams and a robust pressure management program work in cycle to identify, prioritize, and repair leaks, supporting PRASA's goal of minimizing water loss.

Additional Trends

Digital Transformation: Digitalization, Artificial Intelligence (AI), and Internet of Things (IoT) adoption enable to connect and exchange data among various devices and systems driving the transformation of water management, and helping PRASA to predict consumption, detect leaks, and automate maintenance.

Aging Infrastructure and Funding: Modernizing aging water systems and securing capital for large-scale improvements remain top priorities, with projects focused on increasing resilience and service reliability.

PRASA's strategic planning acknowledges these trends, guiding efforts to secure water resources, improve operational efficiency, and align with the expectations of the people and Government of Puerto Rico. Through technology adoption, infrastructure renewal, and adaptive management, PRASA is committed to delivering safe, reliable, and resilient water services in the face of ongoing challenges.

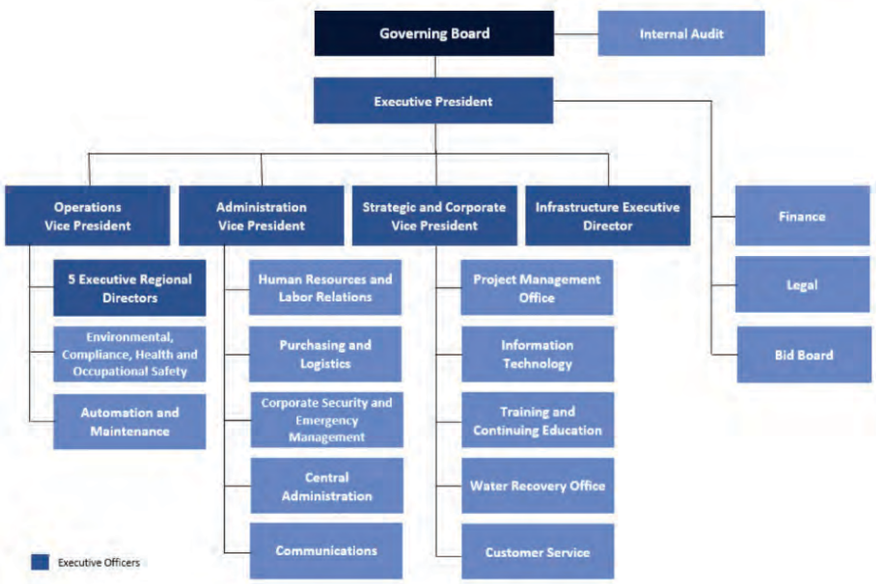
OUR ORGANIZATION

PRASA is a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, tasked with managing, operating, and maintaining the island's public water supply and wastewater systems. It serves as the sole public provider of water and wastewater services for Puerto Rico. The Authority oversees a complex infrastructure network that includes water filtration plants, wastewater treatment facilities, pumping stations, tanks, and pipelines distributed across the island's varied geography.

PRASA's core mission is to deliver safe, reliable, and high-quality water and sewer services efficiently and at affordable costs possible to residents and visitors of Puerto Rico. The agency aims to protect public health, safeguard environmental standards, and promote social sustainability through ongoing modernization, rigorous compliance with local and federal regulations, and investment in critical infrastructure upgrades.

With its headquarters offices located in San Juan and a workforce of 4,148 active employees as registered in PRASA SAP/R3 Human Resource system as of month-end closing of September 2025, PRASA's effective operations are essential to Puerto Rico's health, environmental quality, and economic prosperity.

PRASA's Organizational Chart as of April 30, 2025, is represented below:



The following section provides a brief overview of PRASA's organizational structure:

Governing Board:

PRASA has an experienced Governing Board that is independent from direct political influence and could effectively carry out its duties. Existing law allows the Governing Board members to serve their entire term – rather than being replaced with changes arisen in Government administrations – which is essential to maintaining consistency and institutional knowledge in decision-making.

Pursuant to Act. No. 68-2016, which sets requirements for a diversified and professional board, PRASA's Governing Board was restructured to include seven (7) members, consisting of four (4) Independent Directors appointed by the Governor (with advice and consent from the Senate), two (2) ex officio members, and one (1) Consumer Representative, with the following qualifications:

- One Professional Engineer licensed to practice in Puerto Rico with at least 10 years of experience
- One Attorney with at least 10 years of experience in Puerto Rico and licensed to practice in the Commonwealth of Puerto Rico
- One Corporate Finance Specialist with vast knowledge and experience in the field
- One Professional with expertise in any field related to PRASA's functions
- The Executive Director of the Mayor's Association (ex officio member)
- The Executive Director of the Mayor's Federation (ex officio member)
- One Consumer Representative, a private citizen representing the Authority's customers

Additionally, a representative from the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF, for its Spanish acronym) will sit on the Governing Board while the Authority is a covered territorial instrumentality under the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), thus temporarily increasing the size of the Governing Board to eight (8) members as required by Act 2 of 2017.

Responsibilities of the Governing Board:

PRASA's Governing Board is responsible for making and approving all major decisions taken by the Authority, including decisions related to overall institutional policies, strategies and programs, operational budget and capital improvement programs, executive and key management recruitment and terminations, approval of collective bargaining agreements, major procurements and professional services and other contracts that exceed the materiality limits for Executive President approval.

OUR ORGANIZATION

Executive Officers:

The Executive Officers are appointed by the Governing Board. Having an independent and experienced Governing Board selecting the Authority's Executive Leadership further protects PRASA from political influence and ensures only the most qualified individuals are selected for these roles.

The Executive Officers include:

- **Executive President** – this is the Authority's Chief Executive Officer, selected based solely on experience, ability, and other qualities that especially enables to lead the Authority, achieving its strategic mission and vision.
- **Three Vice Presidents**:
  - VP Operations - Oversees day-to-day operational activities across all regions and facilities
  - VP Administration - Manages administrative functions, human resources, and support services
  - VP Strategic & Corporate Planning - Directs strategic planning initiatives, project management office functions, and corporate development activities
- **Infrastructure Executive Director** – this is a Licensed Professional Engineer with experience in activities related to the development and management of infrastructure projects.
- **Finance Executive Director** – plays a central role in managing the financial integrity, stability, and advising PRASA's Executive President and Board of Directors on financial strategies and risk management to maintain long-term fiscal sustainability.
- **Five Regional Executive Director**s – one for each region of the island: Metro, North, South, East and West.

Directorates and Functional Areas:

PRASA's organizational structure consists of a comprehensive directorate system designed to manage the complexity of operating Puerto Rico's water and wastewater utility service provider. The organization is structured around both central headquarters functions and regional operational divisions to effectively serve over 3.2 million residents across the island.

Central Office Directorates and Functional Areas

The Central Office (Headquarters) oversees administrative and support departments that provide organization-wide services and coordination. Key functional areas include:

Infrastructure and Engineering:

- **Infrastructure Management**: Responsible for the oversight of treatment plants, distribution systems, and collection networks.
- **Engineering Services**: Manages design, construction oversight, and technical standards implementation.
- **Capital Improvement Program Management**: Oversees planning and execution of infrastructure investments.

Operations:

- **Water Quality Management**: Ensures compliance with drinking water standards and regulatory requirements.
- **Environmental Compliance**: Coordinates regulatory compliance activities and environmental protection initiatives.
- **Regional Operations**: each managed by the Executive Regional Directors specified above. Each region includes a Sub-Director and Managers for specialized functions within their respective service areas.

Finance and Administration:

- **Financial Management**: Oversees budgeting, financial planning, and fiscal control functions.
- **Procurement and Contracts**: Manages vendor relationships, contract administration, and purchasing activities.
- **Human Resources**: Coordinates workforce management, training programs, and employee development.

OUR ORGANIZATION

Strategic Planning and Development:

- **Strategic Planning**: Develops and monitors implementation of strategic objectives and initiatives.
- **Project Management Office (PMO)**: Coordinates major capital projects and organizational transformation initiatives.
- **Information Technology**: Provides technology infrastructure, systems management, and digital transformation support.
- **Training and Continuous Education**: serves in developing and maintaining the technical competencies, professional skills, and regulatory knowledge of the Authority's workforce.

Specialized Functional Units:

PRASA maintains several specialized units that support organization-wide objectives:

Asset Management Organization:

PRASA is developing an Internal Asset Management Organization building upon its current Steering Team structure to implement comprehensive asset management best practices across all infrastructure components.

Maintenance and Operations:

- **Preventive Maintenance Programs**: Coordinates system-wide maintenance activities and asset lifecycle management.
- **Corporate Security and Emergency Management**: Manages crisis response capabilities and system resilience initiatives.
- **Customer Service**: Provides customer support, billing services, and public communication.

Water Recovery Office (WRO):

Designs and implements strategies to reduce the physical water losses. Specifically, it oversees the development and execution of initiatives that mitigate the real or physical loss portion of the Water Balance Audit.

Regulatory and Legal Affairs:

The Legal Department ensures the Authority's operational and regulatory compliance. It safeguards the Authority's interests by managing judicial and administrative proceedings before courts and government agencies and provides expert legal representation through internal and external counsel.

Also, the Department leads the response to claims of high-water consumption, water theft, and employee disputes, coordinating these efforts through the Secretariat of Administrative Hearings. It also directs the legal processes associated with service contracts and formal agreements with public sector entities, ensuring all engagements are compliant and reflect best practices.

Integral to the Authority's governance, the Legal Department delivers comprehensive legal advice on legislative and regulatory matters, supporting informed and strategic decision-making across all Directorates

STRATEGIC JOURNEY

The preparation of the Strategic Plan 2026 - 2029 *reflects the collaborative efforts of more than fifty PRASA colleagues from various Directorates and Functional Areas. To develop this plan, a series of workshops, interviews, and plenary sessions were conducted during the months of June 2025 through August 2025, fostering broad collaboration and organizational commitment across PRASA to prepare the same.*

Outlined below are the key steps undertaken throughout this enriching and collaborative journey to develop the Strategic Plan 2026–2029

Preparing for the Process

This was the first step taken in May 2025 upon the request from PRASA Leadership to develop the new Strategic Plan 2026 – 2029.

This initial step consisted in gathering all the existing organizational documents available, among them: PRASA Strategic Plan 2021 – 2025, PRASA Fiscal Plan 2024 – 2038, PRASA Master Plan 2024 – 2038, and current Government Program of Puerto Rico.

Subsequently, the leadership of PRASA appointed selected employees from various Directorates and Functional Areas to serve on the Strategic Plan Development Team (SPDT). These team members were granted access to a secure collaborative platform created to store all the organizational documents collected leading to encourage all the resources to review the documents in preparation for the upcoming workshops scheduled to begin in June 2025.

This comprehensive review of these documents provided essential context, preventing the duplication of efforts regarding strategies already underway as well as those planned for completion in the future, ensuring alignment with PRASA's organizational goals and facilitating informed decision-making.

STRATEGIC
JOURNEY

Assessment of the Current State

The second step involved facilitating a series of workshops with cross-functional SPDT members, aimed at discussing and evaluating the current state of each Functional Area. This enabled a thorough discussion and analysis of each unit's strengths, weaknesses, key opportunities, and performance metrics, providing a comprehensive view of current performance and identifying the actions needed to effectively align with the organizational goals.

Revision of Vision and Mission Statements

Aware of today's rapidly evolving public utility landscape, PRASA remains focused on continuously adapting to meet emerging challenges, stakeholder expectations, and technological advancements. One of the most impactful ways to align the organization with its evolving environment was to revisit and revise its **vision and mission statements**.

During August 2025, PRASA Leadership completed the revision of the vision and mission statements. These foundational elements served as guiding principles for strategic planning as subsequent workshops were conducted in collaboration with the SPDT. By sharing and discussing the revised statements with the SPDT, the team gained greater clarity on long-term plans, performance metrics, and resource allocation strategies, all of which needed to be anchored in a relevant and forward-looking framework. This process enabled the effective definition of goals and priorities, as well as the evaluation of ongoing and proposed strategies.

The revision of PRASA's vision and mission statements was not merely a symbolic exercise - it was recognized as a strategic imperative. These statements reflect the organization's current realities and future aspirations, allowing PRASA to strengthen its operational effectiveness, long-term impact, and its stakeholder relationships — including employees, customers, government agencies, and community partners.

As PRASA continues to serve the people of Puerto Rico, the revised vision and mission statements will serve as a powerful compass to guide them in their journey toward excellence, sustainability, and resilience. This is especially critical for a public utility that plays a vital role in public health and environmental stewardship.

Setting Strategic Goals and Initiatives

During August and September 2025, a series of interviews, workshops, and a plenary session were conducted with the cross-functional SPDT to review the strategies currently in progress. This revision was essential to assess the effectiveness, alignment, and relevance of each initiative considering the updated vision and mission statements, as well as the organization's evolving goals. Through this assessment, SPDT were able to determine which initiatives should continue, which required adjustments, and which should be discontinued due to limited impact or changing circumstances. This approach ensured that organizational resources were protected and utilized efficiently, while safeguarding continuity were beneficial.

Following the evaluation of the existing initiatives, the SPDT began defining new strategies aimed at making significant improvements and operational efficiencies across the organization. This process included brainstorming potential initiatives, engaging stakeholders for input, and aligning each proposal with PRASA's strategic drivers. The new strategies proposed were defined to address performance gaps identified during the initial current state assessment and to position the organization to capitalize on emerging opportunities.

Subsequently, the strategies were grouped under the four (4) defined Strategic Drivers:

1. The Sustainable Operations
2. The Human Capital
3. The Financial Stewardship
4. The Customer Centricity

STRATEGIC JOURNEY

Selection and Prioritization of Strategies

Recognizing that PRASA operates within the constraints of finite resources, the team undertook a comprehensive analysis of the strategies that had been identified and deliberated. This process led to the consolidation of interrelated initiatives and the selection of those with the greatest potential to deliver meaningful impact. The selection was accomplished by developing a prioritization model that incorporated both quantitative and qualitative scoring criteria to rank initiatives based on their alignment with the revised vision and mission, feasibility, project complexity, implementation urgency, and expected impact relative to each Strategic Driver. This structured approach ensured that the selected initiatives were not only aspirational but also realistic, strategically aligned with PRASA's core values, and positioned to drive growth, operational efficiency, and long-term success.

During September 2025, meetings were convened between PRASA Executive Leadership and the Strategic Plan Development Team to discuss, analyze and prioritize the strategies within the four Strategic Drivers leading to determine which would be included in the Strategic Plan 2026 – 2029. This process facilitated progress into the subsequent phase, culminating in the preparation of the draft Strategic Plan for review and feedback by PRASA Executive Leadership.

Plan Refinement and Endorsement Phase

The final phase of the Strategic Plan Journey involved the review and feedback of the draft document by PRASA Executive Leadership. This collaborative process enabled refinement of the plan, addressing any outstanding issues and incorporating stakeholder input, which led to preparation of the final version. Upon completion, the Strategic Plan document was submitted for formal approval by PRASA's Executive Officers.

THE SUSTAINABLE OPERATIONS

The strategic driver refers to the corporation's commitment to delivering reliable, efficient, and environmentally responsible water and wastewater services while securing the long-term resilience and financial health of its operations.

This Driver:

- Ensures the continuous delivery of high-quality water and wastewater services to the people of Puerto Rico, even in the face of environmental threats, infrastructure aging, and fiscal constraints.
- Promote the responsible stewardship of water resources and safeguard public health and the island's environment through regulatory compliance and innovative management practices.
- Achieve operational efficiency and infrastructure reliability by optimizing processes, investing in modern technology, and maintaining assets for future generations.

The Key Benefits:

By implementing this strategy and its key objectives, the following significant benefits will be realized:

- **Resilience and Reliability**: Protects vital infrastructure against natural disasters, climate change, and other disruptions, ensuring continuity of essential services during emergencies.
- **Environmental Protection:** Enables PRASA to minimize its environmental footprint, comply with state and federal regulations (such as the Clean Water Act), and return properly treated water to nature, enhancing community health.
- **Financial Stability:** Fosters prudent investment, cost control, and improved resource management, supporting PRASA's capacity to self-fund capital projects and reduce reliance on external debt.
- **Customer Trust and Satisfaction:** Improves customer experience through consistent, high-quality service delivery and transparent communication about sustainability and operational initiatives.
- **Long-Term Viability:** Positions PRASA to adapt to changing conditions, address new threats, and meet future water demand responsibly, ensuring the utility's strategic goals are realized over time.

By maintaining sustainable operations, PRASA strengthens its core mission, supports Puerto Rico's economic and social development, and ensures the well-being of its customers and communities for years to come.

Strategic Objectives

Objective: Reduce Physical Water Loss Volume
Objective: Increase Unreported Leaks Pinpoint Success Rate
Objective: Decrease Meantime to repair unreported leaks
Objective: Increase Authorized Billed Consumption (AMI)
Objective: Reduce Water Produced
Objective: Increase Level of Cybersecurity Preparedness (Benchmark)
Objective: Increase System Inspection percentage (Benchmark)
Objective: Maintain the level of days in Regulatory Compliance at 100% (Benchmark)
Objective: Increase the number of facilities monitored in SCADA
Objective: Increase the Emergency Response Plan level (Benchmark)
Objective: Increase Asset Management Program Maturity Level (Benchmark)
Objective: Achieve Improvements/ digitalization of via Departmental Processes
Objective: Increase the percentage of water production facilities measured
Objective: Improve Total planned maintenance ratio (Benchmark)

THE SUSTAINABLE OPERATIONS

Strategy: Non-Revenue Water Management

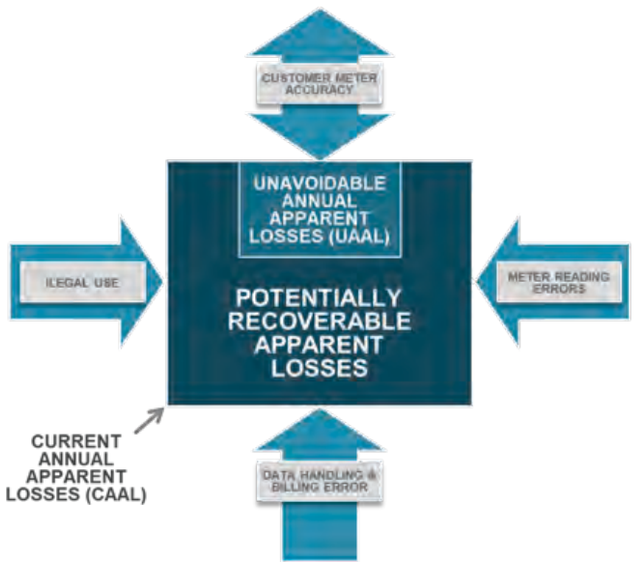
PRASA takes Non-Revenue Water (NRW) issues seriously. Every year, our team works to establish innovative initiatives to reduce NRW volume. In simple terms, NRW is water produced that doesn't reach the customer.

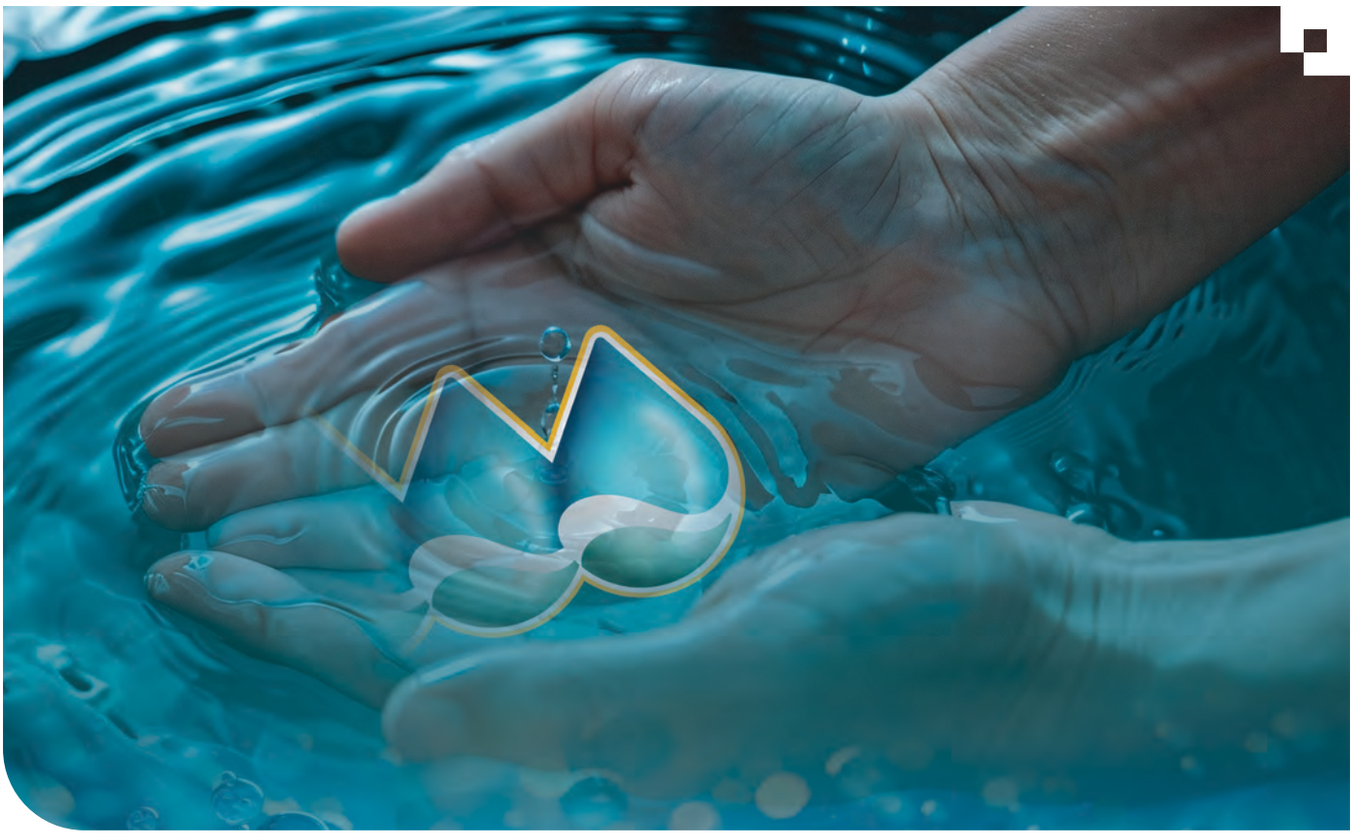
To track water through the system and determine PRASA's NRW, the methodology and terminology used has been developed by the International Water Association (IWA) and the American Water Works Association (AWWA). The results of this exercise are compiled annually and presented in a report known as Water Balance.

The Water Balance is an audit that consists of identifying water usage from its source until it reaches the customer's delivery point. This process includes evaluating all the components from the distribution network infrastructure and gathering the necessary data for the analysis.

The water balance contains a total of 12 components; however, the focus of the strategies is directed at two (2) key components:

- **Apparent Loss**
- **Real Loss**





PRASA follows the four (4) pillars established by the AWWA for managing apparent losses:

- Customer Meter Accuracy
- Meter Reading Errors
- Data Handling and Billing Error
- Illegal Use

Similarly, the four (4) pillars established for managing real loss are adopted:

- Pressure Management
- Active Leak Detection Control
- Infrastructure Management
- Speed & Quality of Repairs

Using these eight (8) pillars, PRASA designs relevant strategies that result in NRW reduction. In the case of apparent loss, we investigate:

- Customer accounts irregularities
- Customer Meter replacement that are over 10 years old or defective
- Validation of customer usage classification
- Zero consumption in active accounts

This allows for proactive approach in finding potential theft in customer accounts, as well as identifying meter inefficiencies and degradation mainly due to their age. In addition, PRASA is working on implementing **Advanced Metering Infrastructure (AMI)** with the main purpose of replacing customer flow meters with advanced metering technology. This strategy will be discussed later in the document.

THE SUSTAINABLE OPERATIONS

Furthermore, to proactively mitigate real loss levels, PRASA's **Water Recovery Office (WRO)** in response to the established pillars, designed and is executing the following programs:

- Pressure Management
- Leak Detection

Leaks are the system's natural way of controlling pressure. Therefore, the **Pressure Management** program seeks to adequately control the pressure in our systems to reduce the frequency of unreported leaks. This program includes a series of projects mainly focused on servicing valves in our distribution system and facilities. These projects are:

- Automatic Control Valves (ACVs)
- Top 10 Regional Valves
- Water Tank Overflows
- Special configuration valves
- Visualization and Hydraulic Control Center (VHCC)

The **ACV** and **Top 10 Regional Valves** projects seek the implementation of measure points on different valves throughout our system. The difference between the two is that Top 10 focuses on region's priority valves. The approach is to install sensors to measure outlet pressure, visualize it, and eventually control it within the VHCC. The purpose is to identify opportunities for pressure reduction that result in water recovery.

On the other hand, the **Water Tank Overflows** project focuses on monitoring level valves by identifying pressure or flow variations that cause overflow. In addition, the project focuses on reconditioning these valves and implementing sensors for visualization within the VHCC.

The **Special Configuration Valves** project aims to install or recondition water hammer anticipators in pump stations with history of breakage in its immediate distribution lines. It also aims to create an inventory of parts to convert typical valves to ones that measure, control, and transmit pressure and flow values, also known as Intelligent Valves. This will facilitate the creation of District Metered Areas (DMAs) across the island. The DMAs are hydraulic isolated zones within a water distribution network where all water entering and leaving is measured and monitored.

Lastly, the **VHCC** project aims to establish virtual District Metered Areas (DMAs) where three (3) variables are monitored: **flow, pressure**, and **level**. The goal is to have all systems visualized and eventually have hydraulic control allowing for the forecast of possible system failures based on computer prediction models and artificial intelligence. In addition, the VHCC will allow leaks simulation and how customer demand is affected for selected periods. By analyzing all the variables, WRO seeks to establish a predictive factor for adjusting production by system according to the water recovered resulting from leak repairs, pressure optimization, changes in demand, or infrastructure replacement.

Initially, the VHCC is working in a pilot area that will result in an implementation model for the rest of the Island. The project has several objectives that address different WRO variables. These are:

- Establish a **Production Reduction Factor** for each potable water system
- Optimize measures of hydraulic components: **pressure, flow**, and **level** (tanks)
- Manage and control pressure remotely
- Study trends to establish better leakage control
- Develop virtual modeling to predict system failures

As a result of these projects, over the past four (4) years, NRW volume has been in a downward trend, demonstrating that the strategies being implemented to mitigate apparent losses and real losses are yielding favorable results. NRW levels are expected to continue declining over the next four (4) years, particularly because of innovative projects such as VHCC and the implementation of AMI around the Island.

Strategy: Production Efficiency & Quality

In fiscal year 2020, only 58% of the island's production was being measured. This was mainly due to calibration issues, telemetry failures, or obsolete equipment. By the end of that year, led by WRO, the Master Meters program was established with the purpose of improving production measurement to determining actual operating costs, and measuring water losses level more efficiently. The goal was to validate, calibrate, or replace the Master Meters to improve the measurement percentage.

By measuring facilities, PRASA has achieved greater production efficiency. Thus, PRASA is currently expanding the program to measure interregional water transfer flow points.

The overall purpose is to seek operational efficiency to strategically reduce water production volume without compromising service quality or regulatory compliance. This objective focuses on optimizing system performance, optimizing energy and chemical use, and aligning production levels with current demand through data-driven forecasting, infrastructure upgrades, and process adjustments.

Furthermore, PRASA pledged to provide high-quality and safe drinking water for Puerto Rico. To provide quality potable water, the use of chemicals within the facilities is optimized and proper parameters are in place to ensure water quality.

EPA's Safe Drinking Water Act (SDWA) requires that PRASA monitors the quality of water produced in the filtration plants, including the distribution system. Samples are determined by the population of the specific distribution system. Sampling results and analyses are then reported to the Puerto Rico Health Department and EPA. Failing to comply means violations of standards, monitoring, and reports, which could result in monetary fines.

As such, PRASA measures its compliance relative to those primary maximum contaminant levels (MCLs) and treatment techniques (TTs). These parameters are contained in the National Primary Standards (NPS). NPS establishes the adequate level of contaminants in drinking water.

Strategy: Advanced Metering Infrastructure (AMI)

As explained previously, NRW levels are measured using water production and billed consumption variables. PRASA uses flow meters at customer premises to measure consumption and uses this data to bill for water services. Currently, mechanical meters are used, many of which exceed their 10-year service life. This situation causes inaccuracies (apparent loss), directly affecting the billing of potable water services.

In response to meter inaccuracies, the **Advanced Metering Infrastructure (AMI)** strategy was developed, which, in addition to reducing NRW through commercial water loss reduction and revenue water increase, improves customer experience and satisfaction. AMI seeks to install new ultrasonic meters that implement real-time smart technology, support the identification of potential leak locations, and improve operational efficiency and customer service.

Replacing mechanical meters with ultrasonic meters provides benefits such as extending the useful life of the equipment to 20 years, the equipment is not affected by the quality of the water, and do not require a filter, among others. In addition, pressure measurement or leak detection sensors may be incorporated to help protect and manage the distribution systems. AMI technology will enable remote reading, providing water consumption real-time data. By knowing the customer demand, PRASA will continue to adjust production and achieve greater NRW efficiency.

THE SUSTAINABLE OPERATIONS

This strategy's main objectives are:

- Operational efficiency and customer service optimization
- Apparent loss reduction
- Measurement accuracy resulting in accurate billing

By transmitting data remotely, PRASA increases the efficiency of the resources that previously collected the readings by focusing them on tasks related to customer service or meter maintenance to increase their useful life. On the other hand, providing real-time data provides transparency to customers, who can monitor their consumption to create their own efficiencies.

As established, the three (3) main factors of apparent loss are: theft, meter inefficiency, and data transmission error. With AMI implementation, PRASA reduces these factors. With constant monitoring and alerts, if a person misuses the equipment, it is automatically detected by PRASA. Similarly, data transmission contributes to the reduction of possible errors in information handling. With better information and more efficient meters, the amount of water billed increases, that also results in an NRW decrease.

For the implementation of AMI, a pilot study was initially conducted to examine the different technologies and brands of meters and their respective benefits. The phased implementation of meters across the island is currently in the planning stage, with the complete replacement process projected to span approximately five to seven years.

Strategy: Information Technology Innovation

PRASA is working on a series of projects focused on technological innovation, with the Information Systems department leading the execution of these initiatives. The Information Technology Innovation strategy provides a unified framework that guides and integrates all projects aligned with these objectives, ensuring cohesive progress towards organizational goals.

Beyond strengthening internal communication systems for employees, PRASA is also upgrading its customer contact center solution to provide superior customer experience. The new platform will feature omnichannel integration, enabling customers to interact with PRASA through multiple communication channels seamlessly, such as phone, email, chat, and social media.

Furthermore, PRASA is enhancing data integration across its core information systems to optimize operational efficiency. The initiative aims to establish seamless interconnection among SCADA, SAP, and GIS platforms, enabling more efficient data collection and sharing. This improved integration is expected to advance key processes such as billing, equipment maintenance, management of distribution lines, and the timely identification of anomalies within the pipe network.

As part of the broader effort to integrate information systems, several software platforms will be upgraded to enhance functionality. For the GIS solution, new information layers will be added, detailing asset locations and characteristics to support more effective maintenance planning and execution. Meanwhile, the SCADA solution will be expanded with additional sensors installed across more facilities, resulting in increased data collection and improved oversight of the transmitted information.

By working closely with the Information Technology team, PRASA will harness business intelligence solutions and integrate artificial intelligence technologies to produce insightful analytical reports, empowering the organization to proactively detect potential issues, effectively manage challenges, and make data-driven strategic business decisions. Several key strategies amongst others that exemplify Information Technology innovation—include the Digital Resiliency Response System (DRRS), Advanced Metering Infrastructure (AMI), Assets Management Program, Chemicals Expense Stabilization, and Departmental Process Enhancements—which are either underway or identified for future evaluation and development, as described within the respective sections of this document.

THE SUSTAINABLE OPERATIONS

Protecting technological infrastructure is crucial for maintaining reliable water service operations. PRASA is launching a robust cybersecurity initiative that includes modernizing critical systems, implementing advanced security protocols, separating operational and administrative networks, and utilizing real-time monitoring to proactively identify and address potential threats.

Additionally, PRASA is committed to continually enhancing staff training in digital security practices and will implement robust incident response plans to ensure swift recovery and minimize operational disruptions. These proactive measures are designed not only to protect technological assets, but also to uphold customer trust and reinforce organizational resilience against evolving risks.

Strategy: Digital Resiliency and Response System (DRRS)

The Digital Resiliency and Response System (DRRS) serve as a sustainable and resilient digital platform designed to provide comprehensive visualization of all operational facilities and maximize the value of data for supporting incident and emergency response. By enabling business continuity **before**, **during**, and **after** catastrophic events—and by enhancing day-to-day operational efficiency—the DRRS acts as the central hub for integrating, organizing, and complementing PRASA's information assets.

Core Focus Areas:

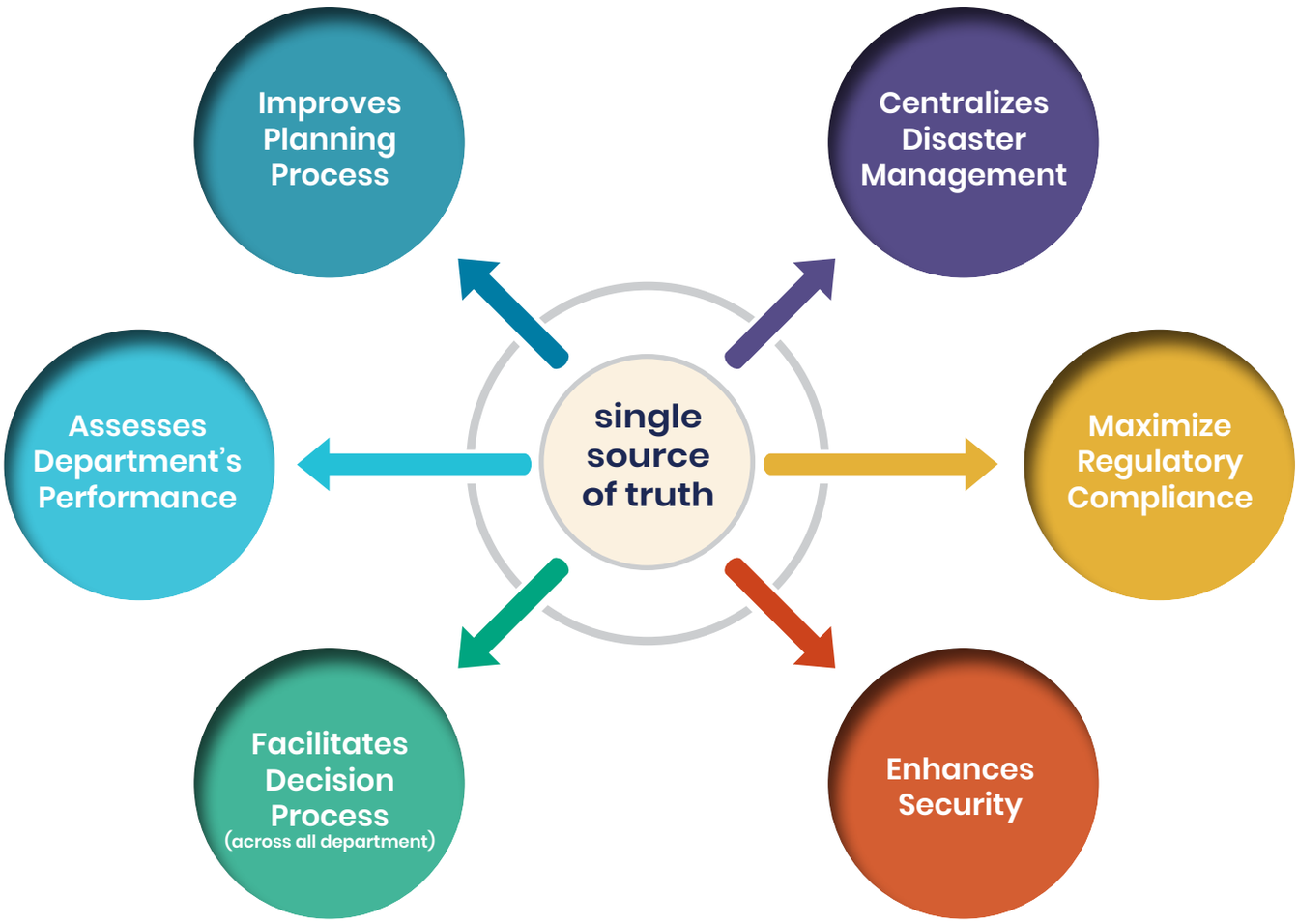
- **SCADA System Expansion:**
  The DRRS focuses on improving the resilience and reliability of the SCADA system, with a strategic effort to expand real-time monitoring across a greater number of facilities. This initiative enables quicker responses to technical issues and strengthens overall system performance.

- **Visualization and Analytics:**
  The system will develop and deploy advanced data analytics and visualization capabilities, empowering PRASA's decision makers to quickly interpret data, identify patterns, and proactively address operational challenges by leveraging timely insights.

- **Control and Command Center (C3):**
  The implementation of a centralized Command & Control Center, alongside the enhancement of existing Regional Operation Centers (ROCs, COE, CIE), will strengthen PRASA's ability to coordinate responses to emergencies and standard daily operations effectively.

- **Digital System Maintenance and Stability:**
  Enhancing the ability to efficiently operate, maintain, and sustain the SCADA system is a key priority, ensuring ongoing stability and reliability for all utility operations. Furthermore, it pro poses improvement in the physical asset proactive maintenance schedule.

With its single-source architecture, the DRRS serves as the authoritative repository for operational information, delivering benefits that extend across the entire organization. It drives improved coordination, accelerates response times, fosters data-driven decision making, and fortifies PRASA's resilience against disruptions—ultimately ensuring the sustainability, efficiency, and reliability of water services for communities served.



THE SUSTAINABLE OPERATIONS

As part of the DRRS implementation, PRASA is committed to developing an Incident Management Model (IMM) designed to enable seamless, real-time management of incidents, with a strong emphasis on maximizing operational resilience and ensuring uninterrupted service continuity. A core component of the IMM is the deployment of a dynamic dashboard system, which provides up-to-date visualizations of critical operational and administrative metrics. These dashboards are continuously refreshed with live data, ensuring decision-makers have access to relevant and accurate information at all times, thereby enhancing the organization's ability to respond proactively and effectively to emerging incidents.

Additionally, the system will be designed to incorporate a severity level mechanism that dynamically adjusts according to predefined rules and criteria. This feature enables swift adaptation to evolving situations by prioritizing critical information and facilitating rapid response to incidents, ensuring that the most urgent matters receive immediate attention and action.

The severity level mechanism, combined with the scalability model, will establish clear guidelines for communication flows associated with dashboards and alerts across various hierarchical levels within the organization. The scalability model is designed to account for the significant interdependence among the ROCs, CIE, and C3, ensuring coordinated responses and efficient information dissemination throughout PRASA.

The DRRS strategy is actively being implemented as an ongoing, long-term initiative that extends well beyond this four-year Strategic Plan. Its sustained focus ensures continued advancement and resilience, positioning PRASA to address future operational challenges and evolving industry standards.

Strategy: Departmental Process Enhancements

PRASA's organizational leadership—comprised of an executive president, three (3) vice presidents, and an infrastructure director—shares responsibility for overseeing 15 distinct functional areas or departments, each essential for PRASA's mission, vision, and operations. Departmental Process Enhancements form a core strategy that focuses on improving efficiency, reducing waste, increasing productivity, and streamlining operations across all levels of the organization. These targeted interventions are driven by collaborative input from key departments such as:

- Legal
- Training & Continuing Education
- Human Resources
- Customer Service
- Corporate Security and Emergency Management
- Purchasing and Logistics (Procurement)
- Environmental, Compliance, Health, and Occupational Safety

Each has identified critical processes for refinement, improvement, and modernization.

THE SUSTAINABLE OPERATIONS

This strategy aims to systematically optimize processes within individual departments by digitizing workflows, automating manual procedures, and establishing best practices that boost transparency, accountability, and cross-functional collaboration. Some of the initiatives that will be initially considered include:

- **Legal**: Implement workload distribution systems to better manage legal cases, ensuring equitable allocation and expedited resolution.
- **Corporate Security and Emergency Management**: Upgrade the alerts system and automate critical security reporting forms and processes to enhance responsiveness and regulatory compliance.
- **Purchasing and Logistics (Procurement)**: Promote procurement best practices to guarantee efficient, transparent, and cost-effective acquisition of goods and services, with standardized procedures and strategic supplier management.
- **Customer Service**: Streamline contact center operations and integrate customer feedback systems to increase responsiveness and satisfaction.
- **Human Resources**: Modernize HR processes including the Employee Assistance Program (PAE), recruitment, and interim/temporary function reporting by transitioning manual entries to a centralized SAP platform and automating workflows for greater agility.

Other operational and administrative process enhancements include:

- **Inventory Management**: Review and optimize minimum and maximum inventory thresholds for chemicals and materials, improving financial planning and ensuring readiness. Enhanced training programs for warehouse staff are designed to ensure proper resource dispatch and storage.
- **Hydrant Management**: In collaboration with local fire departments across the Island, PRASA is building a centralized GIS registry to systematically manage hydrant inventories, inspections, and maintenance, reducing non-compliance risks and costs.
- **Fleet Management**: The strategy is to automatize fuel expense tracking and vehicle inspection reporting through QR/barcode-enabled solutions and integrated in SAP platform, raising the standard for fleet efficiency and asset oversight.
- **Digitization of Operational Forms**: Launching digital workflows for high-impact forms, such as emergency records, visitor and employee registries, and inspection reports, enhances data accuracy and compliance visibility while accelerating processing times.
- **Automated Compliance and Quality Documentation**: Implementation of dedicated directorates for research investigations and quality documentation will centralize oversight of incidents, environmental regulatory responses, and laboratory practices. Integration of automated sampling and reporting tools further strengthens regulatory alignment.

By embedding these process enhancements into departmental operations, PRASA targets measurable improvements in efficiency, data integrity, service delivery, and regulatory compliance. This comprehensive strategy prepares individual departments to adapt to evolving industry standards, manage risks proactively, and provide reliable, customer-focused water services across Puerto Rico.

This newly proposed strategy unifies departmental priorities surrounding process improvements and is currently in the initial stages of development and planning. Despite its early implementation phase, it stands as a critical strategy for advancing PRASA's leadership in shaping Puerto Rico's water with greater efficiency and innovation. Reflecting its long-term significance, this strategy, like others outlined herein, is designed to extend well beyond the four-year period of this Strategic Plan.

Strategy: Assets Management Program

PRASA's Assets Management Program represents a comprehensive framework for managing the extensive water and wastewater infrastructure to provide water utility services to the 3.2 million population of Puerto Rico. The program encompasses the systematic management of a vast infrastructure network that includes eight lakes/reservoirs/dams, 112 water filtration plants, 1,720 distribution tanks, 2,190 water distribution pumping stations, 249 wells, 51 wastewater treatment plants, and over 20,000 miles of distribution pipelines. Given this infrastructure scale, PRASA operates a complex water utility system requiring sophisticated management and coordination capabilities.

THE SUSTAINABLE OPERATIONS

A critical component of the program involves comprehensive infrastructure condition assessments to determine system needs and establish priorities for maintenance, rehabilitation, and replacement. PRASA expects to gradually shift to a program that emphasizes systematic, data-driven, and preventive assets maintenance to maximize asset life, reduce operating and capital expenditures, enhance security and safety, and shorten response times for maintenance and repair needs. The asset management decisions are aligned with PRASA's fiscal sustainability objectives, ensuring that infrastructure investments generate long-term operational savings and service improvements. Regular performance monitoring enables data-driven decision-making for asset replacement, rehabilitation, and operational optimization.

A third-party consultant recently completed an evaluation of PRASA's current Asset Management policies and practices, issuing a technical memorandum with findings and recommendations. A gap analysis was included in the report comparing PRASA's Asset Management competency and best industry practices.

Undertaking the Asset Management gap assessment was a crucial initial step for PRASA to identify strengths and areas for improvement. Subsequently, a roadmap for the Assets Management Program was prepared and approved by PRASA Leadership based on resources and the organization's maturity. Through the comprehensive roadmap defined, PRASA's Assets Management Program will provide the foundation for reliable service delivery, regulatory compliance, and long-term financial sustainability while addressing the unique challenges of managing critical infrastructure in Puerto Rico's complex geographical and regulatory environment.

Strategy: Chemicals Expense Stabilization Program

PRASA's Chemicals Expense Stabilization Program represents a comprehensive initiative designed to address the escalating costs of chemical treatment supplies used in water and wastewater treatment processes across Puerto Rico. This program has been identified as a critical component of PRASA's overall operational cost optimization strategy, given the substantial financial impact that chemical expenses have on the Authority's operational budget.

PRASA's chemical expenses have steadily increased in recent years, primarily due to market factors including supply and demand dynamics, and heightened compliance requirements for water quality. These external factors, which are beyond PRASA's direct control, present significant challenges in achieving cost savings in this operational area.

Despite these market constraints, PRASA remains committed to optimizing chemical consumption at its treatment facilities to achieve cost savings while ensuring water quality and environmental regulatory compliance. The Chemicals Expense Stabilization Program provides a strategic framework for systematic analysis and optimization of chemical consumption patterns across PRASA's treatment facilities. This program encompasses independent assessment of current chemical usage practices, identification of optimization opportunities, and development of remediation plans to address inefficiencies in chemical-related expenditures. This comprehensive approach ensures that chemical consumption is optimized while maintaining strict adherence to water quality standards and regulatory compliance requirements.

THE SUSTAINABLE OPERATIONS

Strategy: Water Service Efficiency

This strategy focuses on improving water services by guaranteeing reliable, high-quality water service by actively managing water availability, treatment, and distribution networks. PRASA is investing in modern infrastructure to monitor water levels and proactive maintenance to ensure water is readily available and consistently meets the highest standards.

Water levels at major reservoirs are being monitored in real time, and PRASA can make prompt operational adjustments that sustain optimal water level and conditions to minimize water rationing. The goal is to consistently keep reservoirs at 100% of their target capacity. There are strategies in place, such as Valenciano and Cayey Reservoirs, the South Region Aqueduct, and the Bauta Tunnel, which are underway to address and remedy regional water deficits through source expansion and infrastructure improvements.

PRASA's Infrastructure improvements are outlined within the Capital Improvement Program (CIP). The CIP focused on water quality, resiliency, and system recovery. It contains critical projects such as rehabilitation and expansion of water treatment plants, water storage tanks, pump stations, pipelines, and asset management programs for large-diameter pipes. Despite financial challenges, successful execution of these projects is essential for achieving operational resiliency, ensuring financial sustainability, and safeguarding water quality. In general, the CIP projects focus on:

- Well rehabilitation and construction of new wells
- Reservoir upgrades, sediment removal, and improvement of transmission systems
- Reconstruction and enhancement of intake structures across the island
- Modernization of lakes and dams, including crucial safety and stability improvements

Furthermore, service reliability is routinely measured by the frequency of service interruptions relative to active connections. To achieve water supply stability, PRASA maintains a preventive and proactive maintenance approach. This involves forecasting system needs, planning for equipment downtime, and having trained personnel ready to be available to minimize unscheduled service interruptions.

PRASA is committed to delivering high-quality and resilient water services. These efforts are fundamental to meeting present and future water demands.

THE HUMAN CAPITAL

PRASA affirms the strategic need to sustain quality service across Puerto Rico through the ongoing development of workforce competencies, updated operational practices, and resilient infrastructure. This strategic priority will be advanced through a targeted employment framework that promotes talent retention and invests in competency development across all roles.

PRASA's sustained success and its ability to fulfill its commitment to serving the diverse communities of Puerto Rico are closely tied to the skills and expertise of its people. This strategy will focus on upskilling employees in critical functions, reskilling to support organizational transitions and the integration of new methodologies, and cross-skilling key personnel to ensure continuity and adaptability amid leadership changes and evolving operational demands.

Fostering a culture of accountable leadership and enhancing the overall workforce experience are essential to advancing meaningful progress in PRASA's human capital strategy. Building on this strategic foundation, the following section outlines the core intent and focus areas of the proposed framework.

This Driver:

- Strengthening the workforce competencies required for PRASA personnel to deliver high-quality water and wastewater services to the communities of Puerto Rico.
- Increases the practical skills, technical knowledge, and professional behaviors that employees need to perform effectively in their roles and contribute to institutional goals.
- Focuses on developing technical and professional capabilities across all roles, promoting a culture of ethical accountability, and fostering collaboration within teams and with institutional stakeholders.

The Key Benefits:

The implementation of PRASA's human capital driver is expected to generate measurable improvements across key operational and institutional dimensions:

- **Improved Operational Efficiency**: Engaged, skilled, and accountable personnel contribute to safer operations, more consistent service delivery, and more effective use of resources across the organization.

- **Ongoing Process Refinement**: Structured feedback and learning system enable continuous improvement by incorporating employee insights directly from the point of execution.
- **Strengthened Public Confidence**: Consistent service quality and responsible environmental practices help build credibility with stakeholders and reinforce trust in PRASA's institutional role.
- **Enhanced Organizational Resilience**: Strong leadership, continuous skill development, and adherence to standardized procedures allow the organization to respond effectively to evolving demands and operational disruptions.
- **Sustainable Talent Continuity**: Investing in foundational competencies and employee well-being supports workforce stability and long-term operational continuity.

This driver reinforces PRASA's core mission by strengthening workforce competencies, institutional accountability, and disciplined execution. Through the development of core skills and the promotion of a performance-oriented culture, the organization is positioned to improve operational outcomes, accelerate process improvements, and foster greater public confidence through consistent and credible service delivery.

THE HUMAN
CAPITAL

Strategic Objectives

Objective: Maintain an adequate level of staff by job classification (Benchmark)
Objective: Maintain the level of training per employee (hours) (Benchmark)
Objective: Maintain low levels of employee turnover (Benchmark)
Objective: Increase the level of Strategic Workforce Planning (Benchmark)
Objective: Establish a training academy program for key positions to measure training completion rate

Strategy: Job Classification and Compensation

PRASA is working to establish a fair, internally consistent, and contextually informed job architecture and compensation framework to support talent attraction, engagement, and retention across all areas of the organization.

Job architecture refers to the way roles are organized, described, and classified across the organization. It helps define what each position is responsible for, what qualifications are needed, and how roles relate to one another. Compensation refers to the system used to determine salaries and benefits based on the responsibilities and complexity of each role. Together, these elements form the foundation for fair, transparent, and consistent employment practices.

Advance the Review and Refinement of the Job Classification and Compensation Framework

A preliminary plan was developed in FY2025 and is currently under review to assess its relevance, fairness, and financial viability. The framework proposes a structured approach to classify roles based on responsibilities, qualifications, and organizational impact, with compensation levels intended to reflect job responsibilities and guided, where feasible, by available market data. While the framework outlines principles of consistency, equity, and transparency, its full implementation will depend on further validation, stakeholder input, and final approval by the Financial Oversight and Management Board of Puerto Rico (FOMBPR).

Strategy: Workforce Capability Development

Workforce capability development is a strategic process aimed at strengthening the competencies—skills, knowledge, and professional attributes—that enable employees to perform effectively and contribute to PRASA's organizational objectives. This approach goes beyond traditional training by fostering continuous learning, role clarity, and alignment with operational priorities.

PRASA has established a strategic priority to further strengthen the core competencies that support effective performance and prepare personnel to meet evolving operational demands. In this initial phase, efforts will focus primarily on two key groups: **organizational leadership** (including executives, managers, and supervisors) and **operators**, recognizing their critical role in service continuity and operational transformation. These initiatives will be guided by operational priorities, role-specific requirements, and service delivery objectives, ensuring that capability-building efforts remain aligned with PRASA's mission and the needs of the communities it serves. By aligning competencies with clearly defined functional roles, this framework responds to immediate operational needs, strengthens the internal talent pipeline, and contributes to sustained organizational effectiveness.

THE HUMAN CAPITAL

Structured Onboarding Program

Onboarding is the structured process through which new employees are introduced to the organization's mission, values, leadership, and operational expectations. More than a transfer of information, onboarding is a strategic opportunity to build early engagement, clarify mutual expectations, and foster a sense of belonging and purpose from day one.

Effective onboarding helps employees understand how their roles contribute to service goals and strategic plans, while reinforcing the organization's commitment to safety, quality, and public service. It sets the tone for long-term performance, cultural alignment, and institutional trust.

PRASA is working to implement a structured onboarding program designed to ease the integration of new employees and enhance workforce readiness across all operational areas. The proposed program includes standardized orientation, role-specific training, and accessible resources designed to support operational and safety requirements in the water and wastewater sector.

The onboarding process is being designed to follow a clear roadmap, providing new hires with defined expectations, practical tools, and hands-on guidance to support effective integration. It will also reinforce PRASA's mission, values, and leadership structure, encouraging employees to actively contribute to institutional goals and service commitments. Intended outcomes may include establishing baseline metrics for time-to-competency, reducing voluntary early turnover, and fostering a consistent foundation for service quality, organizational culture, and strategic alignment.

Establish a Center for Operational and Leadership Excellence

Organizations across sectors are establishing what are known as Centers of Excellence—dedicated spaces designed to strengthen leadership at the executive, management, and supervisory levels, enhance human performance, and reinforce operational safety. The term refers to structured programs and institutional models that promote best practices, build specialized capabilities, and support continuous learning in areas critical to performance and transformation. These centers are typically created when an organization seeks to develop strong leadership, ensure safe and effective operations, and deliver reliable, high-quality service to the communities it serves.

PRASA will establish a Center for Operational and Leadership Excellence to support leadership development, human performance, and operational safety across potable water and wastewater treatment facilities. The center will also strengthen operational decision-making and accountability, promote knowledge transfer and role clarity, and reinforce service ethics and public responsibility. As PRASA continues to evolve, the center will prepare personnel for technological transitions, foster cross-functional coordination, and contribute to a culture of continuous improvement and institutional resilience.

Operators Academy

Workforce capability is the organization's ability to ensure that its employees—across all roles and levels—have the skills, judgment, and support needed to perform their tasks safely, consistently, and responsibly. It includes not only technical knowledge, but also the ability to work well with others, make sound decisions, adapt to change, and uphold public service values. Strengthening workforce capability means investing in training that reflects real operational challenges, role-specific needs, and the standards PRASA must meet as a public utility.

To advance this priority, PRASA will establish an Operators Academy focused on water and wastewater operations. The proposed curriculum will integrate hands-on instruction with the development of essential workplace skills, operational judgment, and digital competencies tailored to specific roles. The goal is to help employees carry out their tasks safely, respond to evolving demands with clarity and accountability, and contribute to a culture of operational excellence.

As part of this effort, PRASA will implement a structured training framework that introduces foundational workplace skills, human performance awareness, and role-specific capabilities. The following components are designed to enhance safety, decision-making, and digital fluency across operational contexts, while reinforcing shared responsibility and continuous learning.

Leadership Academy

PRASA is initiating the phased development of a Leadership Academy to strengthen workforce capability across supervisory, managerial, and executive levels. This effort responds to long-standing gaps in leadership preparation, decision-making, and institutional accountability, and will serve as the foundation for a development model tailored to the realities of public service and operational complexity.

The curriculum will evolve over time, but at least four essential areas of leadership development. Together, these areas form a coherent framework for leadership development that reflects PRASA's commitment to building a capable, ethical, and future-ready workforce. As the academy evolves, these competencies will guide the design of training modules, coaching programs, and leadership tools that support operational excellence and institutional credibility.

Strategy: Employee Experience

Improving the employee experience requires a structured approach to analyzing and enhancing the employee lifecycle, spanning from talent acquisition through offboarding. The organization will implement an employee journey mapping process to identify key touchpoints, interactions, and moments that influence workforce engagement, performance, and retention.

This process includes gathering employee feedback through surveys, interviews, and focus groups; developing representative employee personas; and mapping each phase of the lifecycle to identify friction points and opportunities for improvement. Insights from this analysis will inform targeted interventions to streamline onboarding, strengthen engagement, support competency development, and strategically address voluntary turnover through data-informed workforce planning.

Strategic Workforce Planning and Staffing Optimization

The goal is to ensure that each organizational unit is staffed according to its operational requirements, workload, and service delivery goals. This strategy helps mitigate the risks of overstaffing, which can result in inflated labor costs, and understaffing, which can cause employee burnout, service delays, and a decrease in quality.

A thorough workforce capacity analysis will be conducted to identify gaps between the current staffing level (4,148 individuals as of the closing of FY2025) and the operational needs. Based on these findings, staffing adjustments will prioritize internal mobility and strategic reallocations before considering external recruitment.

Workforce Evaluation System

PRASA will establish a foundational workforce evaluation system to assess employee performance, role alignment, and development needs in a consistent and structured manner. The system will include evaluation tools, role-based performance indicators, and periodic feedback sessions to strengthen communication between supervisors and staff.

Initial planning will focus on building basic evaluation practices, identifying training needs, and supporting individual development aligned with operational priorities. As management capabilities and support systems mature, PRASA will explore the integration of competency-based tools and coaching practices to enhance workforce planning and leadership development.

This approach will improve role clarity, promote fair and constructive feedback, and lay the essential groundwork for future talent development and strategic workforce planning efforts that support service continuity and organizational effectiveness.

When implemented with consistency and support across leadership levels, these initiatives may contribute to stronger workforce engagement, improved retention, and clearer pathways for operational improvement. Periodic reviews and updates to the employee journey map will help PRASA remain responsive to evolving workforce needs and maintain alignment with organizational priorities. Together, these efforts aim to foster a more stable and supportive workplace environment, address key drivers of employee well-being, and gradually reinforce PRASA's long-term service capacity in accordance with its mission and public commitments.

Strategy: Strengthening Workplace Culture and Organizational Change Management

PRASA will adopt a structured and gradual approach to strengthening organizational culture, aligning employee behaviors with evolving strategic and operational priorities. This effort will begin with a participatory assessment of the current culture, identifying critical gaps and opportunities for improvement across both operational and administrative units.

To reinforce the role of executives, managers, and supervisors in supporting organizational transitions, PRASA will emphasize their development through the Leadership Academy. One of the core modules will focus on change management, equipping leaders with practical tools to help employees navigate organizational changes, foster resilience, and adopt new practices with more confidence.

In parallel, PRASA's Project Management Office will implement a formal culture and organizational change management methodology across strategic and corporate projects. This will enable more efficient planning, execution, and adoption of strategies, ensuring that change efforts are integrated, traceable, and responsive to operational realities.

Change management efforts will be anchored in established models that guide employees through phases of awareness, adoption, and reinforcement. Activities will include role-specific training, structured feedback mechanisms, and recognition of behaviors that reflect PRASA's service standards and organizational values.

While PRASA is investing in structured mechanisms to support organizational changes —such as the Leadership Academy and the Project Management Office — these efforts are not positioned as immediate solutions to longstanding challenges. Rather, they represent foundational steps in a gradual, multi-phase process that will require sustained effort, coordination, and commitment from current and future leaders across the organization.

The transformation of workplace culture and change readiness will not occur overnight. It will depend on the collective will to reinforce new practices, adapt to evolving operational demands, and maintain continuity across leadership transitions. These initiatives are designed to build institutional capacity over time, ensuring that progress is both meaningful and sustainable.

Some of the expected benefits are:

- Incremental improvements in openness to new practices and operational adjustments
- Strengthened trust and engagement as leadership supports employees through transitions
- Enhanced institutional capacity to plan and manage change across selected projects and units
- Establishment of foundational mechanisms for monitoring cultural progress over time

THE FINANCIAL STEWARDSHIP

This strategic driver represents PRASA's commitment to achieving financial sustainability, operational efficiency, and responsible fiscal management while delivering essential water and wastewater services to the people of Puerto Rico.

This Driver:

- Ensure compliance with the Fiscal Plan as certified by the Financial Oversight and Management Board, demonstrating fiscal responsibility and accountability to stakeholders.
- Transform PRASA into a financially self-sustaining utility that can meet its operational obligations, debt service requirements, and capital investment minimizing the need of external fundings.
- Implement prudent financial practices that optimize revenue collection, control operating costs, and allocate resources effectively to maximize service quality and system reliability.

The Key Benefits:

- **PRASA's commitment** to reliable, long-term service delivery.
- Through effective financial stewardship, PRASA can fulfill its mission of providing safe, reliable, and affordable water
- **Long-term Sustainability**: Establishes a stable financial foundation that enables PRASA to continue providing essential services while building reserves for future capital needs and emergency situations.
- **Improved Creditworthiness**: Enhances PRASA's ability to access capital markets and secure favorable financing terms for infrastructure improvements and system modernization projects.
- **Operational Excellence**: Promotes efficient resource allocation and cost management, allowing PRASA to deliver higher quality services while maintaining affordability for customers.
- **Customer Confidence**: Builds public trust through transparent financial management ensuring the organization's viability for future generations.

Strategic Objectives

Objective: Increase Level of the Energy Optimization Plan (Benchmark)
Objective: Reduce the overall energy consumption (Benchmark)
Objective: Reduce operating expenses by implementing process optimization, procurement and maintenance efficiencies
Objective: Increase Federal Funds Utilization Rate (%)
Objective: Increase the billing accuracy (Benchmark)

Strategy: Optimize Financial Planning via Maximation of Federal Funds

Through effective federal fund maximization, PRASA can achieve its dual objectives of infrastructure modernization and financial sustainability, ensuring reliable water services for Puerto Rico while positioning the utility for long-term operational success.

PRASA Leadership recognizes that financial optimization encompasses comprehensive project planning that strategically aligns infrastructure needs with federal funding priorities. Projects are evaluated to maximize eligibility across multiple funding streams, thereby ensuring the simultaneous achievement of resilience improvements, regulatory compliance, and operational efficiency objectives.

THE FINANCIAL STEWARDSHIP

This coordinated approach to federal funding will enable PRASA to maintain its Capital Improvement Program at historically high levels, implementing transformational infrastructure improvements to accelerate critical infrastructure improvements across the island's water and wastewater systems. This is essential to ensure reliable service delivery, protecting public health, and building resilience against future challenges.

In summary, PRASA's commitment to this strategic imperative will directly benefit the communities it serves while securing the long-term sustainability of the island's vital water infrastructure.

Strategy: Operating Costs Optimization

The strategy is a comprehensive initiative designed to enhance the efficiency and sustainability of the organization's day-to-day operations through a structured cost management process that involves careful planning, budgeting, monitoring, and control of expenditures, supported by continuous process improvement, and effective resource allocation. This approach seeks to

reduce unnecessary expenses, improve operational effectiveness, and ensure the organization's financial stability, thereby supporting its long-term mission to provide reliable, affordable, and high-quality water and sewer services across Puerto Rico.

The primary purpose of this strategy is to identify, analyze, and implement cost-saving opportunities while maintaining service quality and safety standards. Key objectives encompass the implementation of energy efficiency programs, maintenance optimization, and operational improvements that include streamlining processes, optimizing workforce utilization, leveraging technological advancements, and enhancing procurement practices. Through these initiatives, PRASA expects to control its costs and be able to maintain balanced budgets.

Strategy: Electrical Expense Reduction

PRASA has recently updated its strategies to reduce electricity expenses with a multifaceted approach. The core strategies include deploying solar energy microgrid projects and upgrading water infrastructure for efficiency and electrical usage. Further information about these strategies is specified below:

- **Solar Energy Expansion**: PRASA is aggressively developing and expanding on-site solar generation through power purchase agreements (PPAs). As of 2025, at least 10 facilities are operating with solar systems, supplying a major share of their energy needs. Fifteen more solar projects are planned between 2024 and 2026, aiming to cut utility costs and harvest long-term savings.

- **Capital Improvement Program**: Investment in upgrading water and wastewater treatment, distribution and collection infrastructure directly reduces energy consumption by enhancing operational efficiency and reducing physical water loss.
- **Federal Funding and Rate Adjustments**: PRASA is leveraging federal funds to support upgrades, aiming for low or no-cost financing to implement these electricity-saving initiatives. Moderate but regular rate adjustments are scheduled to ensure financial sustainability while continuing investment in energy-saving projects.
- **Operational Optimization**: Other ongoing actions include maintenance planning to optimize system reliability and minimize unnecessary energy consumption related to leaks, inefficiencies, and aged equipment

Strategy: Achieve Financial Sustainability

PRASA has embarked on an ambitious journey toward financial sustainability, recognizing that long-term financial viability is essential for delivering reliable, safe, and affordable water and wastewater services to the people of Puerto Rico.

The financial sustainability for PRASA is defined as the ability to generate sufficient revenue through an affordable rate structure to provide quality and reliable service, maintain access to capital markets, and meet all financial obligations including operating expenses, debt service requirements, and a significant portion of its Capital Improvement Program.

Through coordinated implementation of revenue enhancement measures, operational efficiency improvements, strategic capital investments, and debt management initiatives, PRASA will be able to maintain long-term financial viability while delivering essential services to the people of Puerto Rico. The strategy's success depends on sustained commitment to operational transformation, disciplined financial management, and strategic utilization of available federal resources.

The successful execution of this strategy will ensure that PRASA can fulfill its mission of providing safe, reliable, and affordable water services while building the financial foundation necessary for continued service excellence and system resilience. This will allow PRASA to serve current and future generations of Puerto Ricans with the high-quality water and wastewater services essential for public health, economic development, and quality of life across the island.

THE CUSTOMER CENTRICITY

This strategic driver is rooted in PRASA's commitment to place customers at the forefront of its operations, decisions, and service delivery.

This Driver:

- Ensures that every aspect of PRASA's processes, services, and communications is designed and continually refined to meet and exceed customer needs, expectations, and experiences.
- Fosters stronger trust and satisfaction among its clients, ensuring more consistent and reliable service.
- Allows to gain deeper insights into customer needs and preferences, using this understanding to drive improvements and innovation in customer services.
- Enhances responsiveness and engagement by making data-driven decisions and leveraging client feedback.
- Strengthens community relationships to enhance the organization's reputation and public trust.

The Key Benefits:

The benefits of this approach include improved customer retention, increased confidence in potable water and wastewater services, and the establishment of PRASA as a trusted, service-oriented entity responsive to the evolving needs of Puerto Rico's communities.

Strategic Objectives

Objective: Decrease the number of Customer Service Complaints per 1,000 accounts
Objective: Reduce the average Time to Resolve Customer Claims (in hours)
Objective: Improve the Stakeholder outreach index (Benchmark)
Objective: Increase the First Contact Resolution Rate
Objective: Improve call center average waiting time (minutes) (Benchmark)

Strategy: PRASA's Image

PRASA's Image strategy is designed to continue fostering public trust, strengthening stakeholder relationships, and position PRASA as a model for transparency within the Government of Puerto Rico. This approach aligns organizational efforts across communications, technical improvements, and customer engagement to reinforce PRASA's reputation and effectiveness island wide.

This strategy's initiatives are tailored to address the needs and expectations of a broad audience including:

- Direct customers (residential, commercial, government, and industrial)
- Employees at all organizational levels
- Central and municipal governments
- Regulatory agencies such as the Health Department, Department of Natural and Environmental Resources, and Environmental Protection Agency (EPA)
- Suppliers and other external stakeholders

Furthermore, for designing the action plan, four (4) general initiatives were defined:

- Transparency through Periodic Reporting and Communication
- Balanced Media Publications
- Promote Water Conservation

THE CUSTOMER
CENTRICITY

- Technical Resource Improvements in every Region

Transparency through Periodic Reporting and Communication

PRASA implemented periodic reporting practices sharing operational, financial, and project updates based on the stakeholder's involvement level within the corporation. This open approach aims to build confidence among customers, investors, regulators, and government bodies by ensuring access to timely and accurate information.

Balanced Media Publications

This objective calls for proactive engagement in media outlets to ensure balanced, factual coverage of PRASA's initiatives, challenges, and service affected sectors among other posts. Clear communication of the milestones and infrastructure improvements will foster public understanding and support.

Promote Water Conservation

PRASA will enhance educational social media campaigns that encourage water conservation, with special focus on residential accounts. These efforts will equip customers with practical information and promote shared responsibility for sustainable water use on the island.

Technical Resource Improvements in Every Region

Investments in communication's staff training and professional development across all regions will strengthen PRASA's communication capability and deliver a centralized and unified message. By doing so, PRASA ensures uniform standards, improved responsiveness, and increased customer satisfaction throughout Puerto Rico.

By advancing transparency, facilitating open dialogue, and promoting water conservation, PRASA will enhance its image, increase stakeholder trust, and support collaborative relationships across the island. Together with ongoing technical investments in every region, these efforts ensure PRASA remains an accountable, customer-oriented, and resilient leader for the people of Puerto Rico.

Strategy: Improve Customer Service and Satisfaction

The Improve Customer Service and Satisfaction strategy's main purpose is to enhance overall experience of PRASA's customers across Puerto Rico, with a particular emphasis on delivering seamless, responsive, and accessible omnichannel communications. The focus is to strengthen customer relationships and ensure that every interaction is efficient, transparent, and supportive of customer needs.

PRASA recognizes the importance of providing high-quality services taking into consideration the experience of the customer as the center of the service. As such, this strategy focuses on timeliness, clarity, and helpfulness of every communication and transaction. Efforts will be made to simplify processes, resolve customer inquiries and complaints promptly, and actively seek feedback for continuous improvement.

Using Omnichannel Communication, PRASA will allow customers to interact through their preferred channels, including phone, email, chat, social media, and digital self-service portals. This integration ensures that customers receive consistent and personalized support, regardless of the method chosen, improving accessibility and overall satisfaction. With every interaction, a set of data will arise which will provide basis for analysis to keep improving the services and address emerging needs.

CLOSING REMARKS

As PRASA concludes the development of its 4-year Strategic Plan 2026–2029, we reaffirm our unwavering commitment to delivering modern, reliable, and sustainable water and wastewater services to the people of Puerto Rico. This plan represents a shared vision of progress, resilience, and accountability that binds our organization, our employees, and the communities we serve.

The next four years will define a transformative period in PRASA's institutional journey. Guided by the four strategic drivers of Sustainable Operations, Human Capital, Financial Stewardship and Customer Centricity, this plan channels collective efforts toward strengthening operational capacity, advancing digital transformation, and elevating the quality of service for the customers. Each strategy outlined in this plan—from infrastructure modernization and water quality improvement to smart metering and workforce development—has been designed to ensure long-term sustainability and operational excellence.

At the heart of this vision lies the belief that every improvement in our systems and operations translates directly into a better quality of life for the residents of Puerto Rico. Through rigorous planning and disciplined execution, PRASA aims to create an operational model capable of withstanding future challenges—economic, environmental, and technical—while maintaining a steadfast focus on service excellence.

Looking ahead to year 2029, this plan envisions an organization characterized by trust, innovation, community engagement, and operational integrity. Through unified effort and a clear sense of purpose, PRASA will continue to advance its mission of providing safe, reliable, and affordable water and wastewater services while promoting the sustainable development of the island's natural and economic resources.

In closing, the Strategic Plan 2026–2029 stands as a testament to PRASA's evolution into a forward-looking, accountable, and resilient public utility. It reflects not only where we are today but also where we aspire to be—a stronger, more sustainable governmental entity that serves as a referenced model of public service excellence for Puerto Rico.