City of Saltillo, Coahuila México

Population: 823,000

Organising authority: Local government of the city of Saltillo.

Water operator: Aguas de Saltillo SA de CV subsidiary of Aguas de Barcelona.

Location: Saltillo, capital of the State of Coahuila, located in north-east México.

Description of the PPP

In 2001, following a public tender launched by the city of Saltillo to operate the water supply system in the city of Saltillo, Aguas de Barcelona was selected as the company to manage the water system.

Aguas de Saltillo has been the first joint undertaking in Mexico, with the participation of the city of Saltillo, as public partner (with 55% of the shares of the company) and Aguas de Barcelona as private partner, which holds the 45% remaining. The Partnership Contract is for a period of 25 years.

Context and objectives of the PPP

For decades, the city of Saltillo had a major problem of water shortages which negatively affected the socio-economic, demographic and industrial development of the city. This was mainly due to the conditions of the old system operator which was deficient in many ways, in addition to factors such as low rainfall and population growth.

Only 10% of users had water every day, there was a high level of physical leakage: more than half the volume of water injected to the network was wasted. The revenue collection was insufficient, there was a lack of financial resources to improve service in addition to the discontinuity in the management due to the change of municipal administration every three years. The water shortage in the city worsened and the problem became a permanent demand for the State and the municipal government.

In this context, Aguas de Saltillo identified the following objectives as main actions needed to take in order to rapidly improve water supply service:

- Modernizing procedures and facilities
- Forming a sustainable water system
- Being an example of management in the water sector in Mexico

Securing water safety

Aguas de Saltillo performs rigorous analysis certifying the quality and safety of drinking water supply, thus ensuring the good quality of water. In 2014, 2,740 samples of bacteriological analysis were performed together with authorities such as the Ministry of Health. All samples are in conformity with the standards. Thus water quality in Saltillo is measured, monitored and improved to ensure optimal physical and chemical parameters in the distribution network. Aguas de Saltillo also has a program of cleaning and disinfection for 100% of the storage tanks and pumping stations.

Extending access to water to un-served people

Aguas de Saltillo provides social tariffs to allow access to a water service of quality to low-income and disadvantaged people of the city. For example, aged people are benefiting from special tariffs. Families living in irregular areas, lacking basic services and in precarious conditions are benefiting from access to drinking water through a community connection. The families concerned also benefit from subsidized cost for the connection and the monthly water consumption is divided between the beneficiary families.

With this program, Aguas de Saltillo ensures access to drinking water for vulnerable families who avoid paying high costs for obtaining water from tankers or bottled water, as well as improving health and preventing diseases by using safe sources of drinking water instead of contaminated ones.

From 2001 to 2014, water losses have been reduced by 27% and commercial efficiency increased by 33%.

Aguas de Saltillo transformed the water service and resolved the water issues of the city. The water service used to be the most poorly rated by the population and is now the best rated.
Improving energy efficiency

Aguas de Saltillo manages water resources in a sustainable way by improving efficiency. Aguas de Saltillo improves every year the energy efficiency rate, resulting in a significant decrease of energy consumed and a better efficiency of electrical equipment. Aguas de Saltillo also reduces water losses and leakage in the networks. To reduce them, projects of control and optimization of the network have been implemented, notably through hydraulic and pressure control, sectorization, renewal of pipes and connections. Leak detection equipment has also been modernized.

Improvements in the network management have allowed Aguas de Saltillo to face the important increase (almost 63%) of the number of customers from 2001 to 2014 with a limited water production growth.

While a small increase in water production has been achieved, water supply has been provided to nearly 90,000 additional households.

With tariffs below the national average, the company has invested 545 million pesos (US$ 37.3 million) and spent more than 1,040 million pesos (US$ 71 million) in maintenance works on the installations since 2001.

Other significant improvement

Also, through agreements with civil society organizations, Aguas de Saltillo promotes the participation of the community in the conservation of the Sierra de Zapalinamé. More than 40,000 households make voluntary financial contributions through their water bills to the association “Profauna”, which carries out protection and conservation of the mountain. Sierra Zapalinamé is the main source of water for the city of Saltillo. The reforestation activities, planting endemic trees within the protected area of the forest is designed to restore it.

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