

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL -7 P2:31

SENATE
S. No. 102

RECEIVED BY:

Introduced by Senator Grace Poe

AN ACT
ESTABLISHING THE NATIONAL FRAMEWORK FOR WATER RESOURCE
MANAGEMENT AND CREATING THE DEPARTMENT OF WATER RESOURCES
AND THE WATER REGULATORY COMMISSION, DEFINING THEIR
MANDATE, POWERS AND FUNCTIONS, APPROPRIATING FUNDS
THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines is a water rich country. The Philippines has total annual renewable water resources of 479 billion cubic meters (m³). This is equivalent to an annual per capacity availability of 6,100 m³, which is twice that of the rest of Asia and six (6) times the global scarcity threshold of 1,000 m³.

However, many Filipinos experience deprivation of affordable, safe drinking water and a working sanitation system despite our abundant freshwater sources. The Department of Environment and Natural Resources once stated that the government "...still scrambles to avert a water crisis during the summer season or when the country experiences the El Niño phenomenon." This was most recently seen in the water crises of March 2018, which caused shortages throughout the east zone of Metro Manila, and of March 2019, which cut off the water supply for about ten thousand households across Metro Manila.

The Philippines also lacks a strong liquid in-liquid out system. This means that even if households are serviced with clean drinking water, a minute number receive adequate sanitation and sewerage services. This leads to severe cases of

leptospirosis, dengue, typhoid, and related tropical and water-borne illnesses. About 31% of illnesses in the country are water-related due to a lack of clean drinking water supply and efficient sanitary facilities.

This perennial problem has seriously affected the lives of our citizens in terms of health, sanitation, food security, and livelihood, in addition to negatively impacting the environment. This particularly impacts the poor, who not only have the worst access to water but are also usually compelled to pay more for it.

The lack of sufficient, safe, acceptable, accessible, affordable drinking water and sanitation is not unique to the Philippines. However, as the World Water Council has repeatedly stated, it is incumbent on each country to push for strong standards within its government and contribute to global governance on the issues of water and sanitation.

There are many water-related laws in the Philippines. However, their enforcement is weak and the water sector is beset with problems including poor database and weak cooperation among water agencies, regulatory bodies and local government units (LGUs). There are currently four (4) major economic regulatory agencies for water: the National Water Resources Board (NWRB), the Local Water Utilities Administration (LWUA), LGUs, and national agencies which include Industrial Zones and the Metropolitan Waterworks and Sewerage System (MWSS).

The regulatory framework for water has many overlaps, and economic regulations are provided under a number of different arrangements which result in the framework's instability and fragmentation. Such fragmentation has had significant implications in the effective and adequate delivery of water and sanitation services in the country. Because there is no lead agency in the water resource sector, the different coordination systems, functions and jurisdictions of the various agencies have made it impossibly hard for water and sanitation to be collectively managed. Thus, the establishment of a unified agency that would focus on water, sewerage and sanitation is certainly very important.

This bill seeks to rationalize the economic as well as administrative regulation of water utilities through an independent, quasi-judicial body called the Water Regulatory Commission. Among its functions are to set the policy for water supply, sewerage and septage management; issue licenses; set, review and approve rates; review and suspend contracts; initiate investigations on erring officials through its quasi-judicial nature; review and revoke issuances, memoranda and the like, that are not in accordance with the spirit of the Commission, and ensure that the welfare of consumers are prioritized.

Similarly, the bill creates a new government agency called, the Department of Water Resources which shall be the primary policy, planning, coordinating, implementing, monitoring, and administrative entity of the executive branch of the government. It shall also be responsible for the comprehensive and integrated development and management of the water resources of the Philippines, and their optimal allocation among competing uses, towards achieving universal access to safe, adequate, and affordable water supply, sanitation, and septage services.

To live in a community that is clean, free from human waste, and abundant with safe and affordable drinking water is an utmost human right, so much so that the United Nations General Assembly explicitly recognized the Right to Water and Sanitation through UN Resolution 64/292 in 2010. To ensure Filipinos the benefit of this most fundamental human right, the urgent approval of this bill is earnestly sought.



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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

CHAPTER I
INTRODUCTORY AND GENERAL PROVISIONS

- 1 Section 1. *Short Title.*- This Act shall be known as the "National Water
2 Resource Management Act"
- 3 Sec. 2. *Declaration of Policy.*-
- 4 a. The State recognizes that water is fundamental to individual life, health, and
5 dignity, and that every person has a right to access safe and clean water for
6 personal and domestic use;
- 7 b. The State affirms that the right of all Filipinos to safe and clean drinking water
8 and sanitation is essential to the full enjoyment of life and all human rights
9 and hence, the attainment of a nationwide water supply and sanitation
10 services at reasonable rates must be pursued in an orderly, rational, efficient,
11 and dynamic manner;
- 12 c. The State emphasizes that water is a public good essential subject to
13 conflicting forms of economic, agricultural, and industrial activities, and is

1 thus a scarce resource whose use must be carefully regulated to prevent
2 resource depletion and to ensure its availability to future generations;

3 d. The State also maintains that water is indispensable to the existence and
4 sustainability of natural ecosystems, and as such its use must neither
5 endanger the balance and health of the environment nor compromise the
6 rhythm and harmony of nature;

7 e. The State further maintains that water resources are interconnected with
8 climate, soil condition, land use and land cover, forest cover, and other
9 natural resources. As such, the management of water will require inter-
10 sectoral and inter-agency collaboration as well as harmonization of laws,
11 policies, institutions and stakeholders; and

12 f. Finally, while the State maintains that all water resources remain under its full
13 ownership, control, and supervision, it emphasizes that it may enter into
14 arrangements with the private sector, as well as with civil society and
15 community-based organization, on the basis of beneficial use, to ensure the
16 efficient and affordable delivery of water supply, sanitation, and septage
17 services to end-users.

18 In accordance with these precepts, it is hereby declared the policy of the
19 State to provide for the rational, evidence-based, and integrated management of all
20 water resources in the country to ensure universal access to safe, adequate, and
21 affordable water supply, sanitation, and septage services, through a policy and
22 regulatory regime that encourages innovation and responsible private sector
23 participation, while ensuring ecological preservation and environmental
24 sustainability.

25 Sec. 3. *Definition of Terms.*- The following terms are hereby defined as
26 follows:

27 a. *Bulk water supplier* – refers to any entity, natural or juridical, whether public
28 or private, supplying or intending to supply large quantities of raw or treated
29 water to buyers who will use it for own consumption, such as industrial
30 companies, or for retail distribution to consumers such as Water Districts or
31 subdivisions managing their own distribution network;

- 1 b. *Flood Control* – refers to methods, acts, and protocols to be observed in order
2 to prevent and reduce the detrimental and catastrophic effects of flood waters
3 which include sediment-laden or turbid flows, and hyper-concentrated flows
4 or debris flows;
- 5 c. *Flood Risk Management* or *FRM* – refers to such acts of defining and
6 determining the appropriate methods, acts and protocols aimed at preventing
7 and reducing the risk of incurring loss of both life and property due to flood
8 waters. Flood risk management consists of a cycle of prevention, mitigation,
9 adaptation, preparedness, and early warning, and, response and recovery.
10 The elements of FRM include: integrating land-use planning and coastal zone
11 management into water management; adopting a holistic approach so that
12 FRM is part of wider risk or multi-hazard management of earthquakes,
13 landslides, and storm surges; managing risk and uncertainty as a whole so it
14 is not only hydrological uncertainties but also social, economic, and political
15 uncertainties in view of the human behavior and cultural dimensions of FRM;
- 16 d. *Gender Equality* – refers to the principle of asserting the equality of men and
17 women and their right to enjoy equal conditions realizing their full human
18 potentials to contribute to and benefit from the results of development, and
19 with the State recognizing that all human beings are free and equal in dignity
20 and rights;
- 21 e. *Infrastructure and public works* – refer only to wholly or primarily water-
22 related projects and shall not incorporate projects that do not otherwise fall
23 within the purview of the objectives, powers, and duties of the Department of
24 Water Resources (DWR);
- 25 f. *Integrated Water Resource Management* or *IWRM* – refers to a systematic,
26 collaborative and multi-stakeholder process which promotes the coordinated
27 development and management of water, land, and related resources within
28 geophysical boundaries in order to maximize the resultant economic and
29 social welfare in an equitable manner and without compromising the
30 sustainability of vital ecosystems;
- 31 g. *Levels of water supply* – refer to the following:

- 1 1. Level I or the point source is a protected well or a developed spring
2 with an outlet but without any distribution system, generally adaptable
3 for rural and upland areas where the houses are thinly scattered and is
4 a facility which usually serves an average of 15 households.
- 5 2. Level II or the communal faucet system or stand posts is a system
6 composed of a water source, a reservoir, a piped distribution network,
7 and communal faucets where one faucet serves 4 to 6 households and
8 is generally suitable for rural and urban fringe areas where houses are
9 clustered densely to justify a simple piped system.
- 10 3. Level III or the waterworks system or individual house connections is a
11 system with a water source, a reservoir, a piped distribution network
12 and household taps, suitable for densely populated urban areas.
- 13 h. *License* – refers to the Water Supply and/or Sanitation Services Operating
14 License that the Water Regulatory Commission (WRC) is authorized to grant
15 and issue to Service Providers;
- 16 i. *Licensee* – refers to the Service Provider to whom a License is granted or
17 issued by the WRC;
- 18 j. *Missionary Water* – refers to water supply or services to areas that have no
19 existing safe water supply and services due to geographic limitation or
20 absence of economic and market viability;
- 21 k. *National Water Resources Management Framework Plan* or *NWRMFP* – refers
22 to a policy document that incorporates a framework to guide the development
23 and management of all the country's water resources in the Philippines; the
24 general strategies to be pursued to ensure the sustainability of the resource
25 and work towards the water security; and provides top-level direction on the
26 utilization of existing water resources in line with national development plans,
27 policies, and programs. The plan shall also include a water infrastructure
28 roadmap for all waters of the country as well as provide general guidance on
29 how these shall be financed within an integrated financing framework that
30 can draw on public, private and international development finance. The plan
31 shall be reviewed at the start of every new presidential administration to
32 ensure its alignment with changing times;

- 1 l. *Regulatory Units* – refer to the regulatory offices established under this Act to
2 issue Licenses authorizing the operation of Water Supply and Sanitation
3 Services, and provide, review, determine, fix, and approve water and
4 sewerage tariffs, rates and charges that Licensees may impose;
- 5 m. *River basin* – refers to an area of land drained by a stream or body of fixed
6 water and its tributaries having a common outlet for surface run-off;
- 7 n. *River Basin Organization* or *RBO* – refers to multi-stakeholder organizations
8 which plan, coordinate, and monitor activities within a river basin cluster;
- 9 o. *Sanitation* – refers to the provision of facilities and services for the safe
10 management of human excreta from the toilet to containment and storage
11 and treatment onsite or conveyance, treatment and eventual safe end use or
12 disposal, and includes the safe management of solid waste and animal waste;
- 13 p. *Sediment management* – refers to control of sediment erosion and deposition
14 in rivers, reservoirs, and coastal zones through non-structural and structural
15 measures and control works;
- 16 q. *Sustainable Development Goals* or *SDGs* refer to the universal call to action to
17 end poverty, protect the planet, and ensure that all people enjoy peace and
18 prosperity by 2030 adopted by all United Nations Member States in 2015;
- 19 r. *Septage* – refers to sludge produced on individual onsite wastewater disposal
20 systems, principally septic tanks and cesspools;
- 21 s. *Septage Management* – refers to the provision of proper collection, treatment,
22 and disposal of septage;
- 23 t. *Service Area* – refers to the area covered by the water distribution system,
24 sewerage, and septage management services;
- 25 u. *Service Provider* – refers to any entity, natural or juridical, whether private or
26 public, providing or intending to provide levels II & III water supply, including
27 bulk water suppliers, sewerage, septage treatment, and disposal services for
28 domestic, residential, industrial, or commercial use;
- 29 v. *Sewage* – refers to water-carried waste in solution or suspension including
30 sanitary waste (waste products of normal living), commercial waste, industrial
31 waste, agricultural waste, and surface runoff conveyed by a sewerage system

1 for treatment or disposal. For the purposes of this Act, the definition of
2 septage shall be included in the use of sewage;

3 w. *Sewerage* – refers to any system or network of sanitary pipelines, ditches,
4 channels or conduits including pumping stations, lift stations and force mains,
5 service connections including other constructions, devices or appliances
6 appurtenant thereof, which includes the collection, sanitary piping transport,
7 pumping and treatment of water-borne human or animal waste removed from
8 residences, buildings, institutions and industrial and commercial
9 establishments to point of sewage treatment plant disposal;

10 x. *Sewers* – refer to pipes or such other works or structures which are built and
11 constructed to carry, transport, and dispose sewage;

12 y. *Social inclusion* – refers to the process of improving the terms for
13 disadvantaged individuals and groups to take part in society;

14 z. *Tariffs* – refer to such amounts which may be charged by licensees of water
15 supply and/or sanitation services for their services based on principles,
16 standards, and guidelines established by the DWR;

17 aa. *Water Demand Management* or *WDM* – refers to any method whether
18 technical, economic, administrative, financial, or social that will accomplish
19 one or more of the following:

- 20 1. Reduce the quantity or quality of water required to accomplish a
21 specific task;
- 22 2. Adjust the nature of the task or the way it is undertaken so that it can
23 be accomplished with less water or with lower quality water;
- 24 3. Reduce the loss in quantity or quality of water as it flows from source,
25 through use, to disposal;
- 26 4. Shift the timing of use from peak to off-peak periods; and
- 27 5. Increase the ability of the water system to continue to serve society
28 during times when water is in short supply.

29 bb. *Water District* – refers to government-owned and controlled corporations
30 organized under Presidential Decree No. 198, as amended, created primarily
31 to acquire, install, operate, maintain and improve water supply and
32 distribution systems for domestic, industrial, and municipal uses of residents

- 1 and to provide, maintain, and operate waste water collection, treatment and
2 disposal facilities within the boundaries of the district;
- 3 cc. *Water pollution* – refers to any alteration of the physical, chemical, biological,
4 or radiological properties of a water body resulting in the impairment of its
5 purity or quality;
- 6 dd. *Water Resource* – refers to water under the ground or groundwater, water
7 above the ground such as surface water, run-offs, floods, stormwater and
8 urban drainage, and treated wastewater, water in the atmosphere or rain
9 water, and the waters of the sea within the territorial jurisdiction of the
10 Philippines;
- 11 ee. *Water Resources Regions* – refer to the contiguous clusters of river basins
12 which are grouped together according to the hydrological boundaries,
13 physiographic features, and homogeneity in climate, whether or not
14 straddling different local government units, for administrative purposes under
15 the DWR;
- 16 ff. *Water Resources Regional Offices* or WRROs refer to the field office of the
17 Department which are to be established in accordance with the identified
18 water resources regions in the country;
- 19 gg. *Water Service Providers* or WSPs – refer to the water districts, any Local
20 Government Unit (LGU)-run water utility, Barangay Waterworks and
21 Sanitation Association (BWSA), Rural Waterworks and Sanitation Association
22 (RWSA), cooperatives and private sector who provides water supply services
23 to any given area;
- 24 hh. *Water supply service* – refers to any activity comprising Levels I, II and III
25 water supply including bulk suppliers, suppliers to subdivisions and other
26 water service providers.

27 **CHAPTER II**

28 **THE DEPARTMENT OF WATER RESOURCES**

29 Sec. 4. *Establishment.* – To carry out the policy and objectives declared under
30 this Act, there is hereby established the Department of Water Resources, hereafter
31 referred to as “the Department”, which shall be established within one hundred
32 twenty (120) days after the effectivity of this Act.

1 Sec. 5. *Mandate and Objectives.* – The Department shall be the primary
2 policy, planning, coordinating, implementing, monitoring, and administrative entity of
3 the Executive Branch of the government responsible for the comprehensive and
4 integrated development and management of the water resources of the Philippines,
5 and their optimal allocation among competing uses, towards achieving universal
6 access to safe, adequate, and affordable water supply, sanitation, and septage
7 services.

8 Sec. 6. *Powers and Functions.* – The Department shall exercise the following
9 powers and functions:

10 I. Policy Making And Planning

- 11 a) Ensure that Integrated Water Resources Management (IWRM) is
12 adopted as the strategic framework for water management
13 policymaking and planning in the country and coordinate the
14 implementation, promotion, revision and enhancement of IWRM plans;
15 b) Formulate policies, strategies, and targets in coordination with other
16 relevant agencies and stakeholders to meet the goals and objectives
17 for water resource sustainability and protection, water allocation and
18 management, water supply and sanitation, water quality, irrigation,
19 hydropower, flood control, stormwater, and urban drainage;
20 c) Formulate and develop policies and strategies to promote universal
21 access to safe, adequate, affordable, and sustainable water supply,
22 and improved sanitation services for all Filipinos;
23 d) Establish guidelines and standards for quality drinking water and
24 sanitation;
25 e) Develop and regularly update a comprehensive and integrated National
26 Water Resources Management Framework Plan (NWRFP) and ensure
27 its integration into existing land use plans, within the context of a
28 National Physical Framework Plan, to ensure the harmonization of
29 planning of water, land, subsurface, and air resources;
30 f) Review, approve, and provide oversight over all water-related
31 development plans and programs of any agency or local government

- 1 unit (LGU) within the context of the National Water Resource
2 Management Framework Plan, and overall national plans and program;
- 3 g) Assist and provide the National Economic and Development Authority
4 (NEDA) with the required data and input from and for the water sector
5 in the formulation of the country's short-term and long-term strategic
6 development plans and actions, and recommend the adoption of
7 general policies and guidelines for water resources development by the
8 NEDA Board;
- 9 h) Strengthen and coordinate policy making and planning for flood
10 management, integrated with stormwater or urban drainage and
11 appropriate retention or retarding basins in order to harvest and reuse
12 water, and to plan against, prevent, and minimize the detrimental and
13 catastrophic effects of flooding;
- 14 i) Develop and implement, in coordination with other relevant agencies
15 and stakeholders, effective codes, standards, benchmarks, and
16 reasonable guidelines to ensure the safety of all public, and private
17 water structures in the country, and assure efficiency and proper
18 quality in the construction of water, sanitation, irrigation, hydropower,
19 flood control and drainage infrastructure;
- 20 j) Ensure that the planning and design of water infrastructure considers
21 the highest efficiency and most appropriate technology and quality, in
22 accordance with national development objectives;
- 23 k) Ensure that gender equality, social inclusion, environmental protection,
24 climate resiliency and disaster risk reduction are integrated into any
25 water resources management planning, policy making, and the design
26 and construction of water infrastructure;
- 27 l) Act as the lead agency in ensuring the effective implementation of all
28 laws and implementing rules and regulations on water resources,
29 including but not limited to the following:
- 30 i. Republic Act No. 9275, otherwise known as the "*Philippine Clean*
31 *Water Act of 2004*";

1 ii. Presidential Decree No. 1067, otherwise known as "*The Water*
2 *Code of the Philippines*";

3 iii. Sections 9, 10, 11, 12 & 13, Chapter 11 of Presidential Decree
4 No. 856, otherwise known as the "*Code on Sanitation of the*
5 *Philippines*";

6 m) Review all water laws and implementing rules and regulations in the
7 preceding section, and to propose amendments thereof to Congress;

8 n) Enter any property of public dominion or any private land, building or
9 enclave, whether inhabited or not, or authorize a representative
10 thereof, for the purpose of conducting hydrologic surveys and
11 investigations, including assessing and evaluating the conditions of
12 water facilities installed, and determining compliance with water laws
13 and standards, evaluating the conditions of water facilities installed,
14 and determining compliance with the NWRMFP, LWRMP, and other
15 laws and regulations on water resource management as defined by this
16 Act; and

17 o) Issue and promote rules and regulations as may be necessary to
18 implement and enforce its powers and functions under this Act;

19 II. Data Collection and Evidence Gathering

20 a) Establish, operate, and maintain a centralized water resources data
21 center necessary for the scientific survey and appraisal of surface and
22 ground water potentials of the country and determine the annual
23 renewable water available per available water resources region;

24 b) Effect inter-sectoral, inter-agency and inter-departmental coordination
25 on all aspects of data gathering for water resources development
26 planning and compel submissions of statistics and data on water
27 management with the aim of operationalizing the IWRM framework;

28 c) Undertake river basin survey, inventory and appraisal of water and
29 related resources and develop comprehensive basin-wide plans of
30 storage, retardation, and control to maximize conservation and
31 multipurpose use of water in the basin;

- 1 d) Collect, regularly update, monitor, and analyze water resources data
2 including climatology, and hydrologic and other water-related data;
3 e) Conduct continuing hydrologic and hydrometeorological surveys and
4 studies of the country's renewable water supply, and establish,
5 operate, and maintain observation station networks with a view
6 towards formulating long-term policies to balance the
7 sustainability and optimal multiple use of water resources, defining
8 the hydrologic boundaries of basins of the existing water supply
9 sources and developing or updating and implementing countrywide
10 comprehensive basin-wide master plans;
11 f) Establish, operate, and maintain observation station networks and a
12 centralized water resources data center for the scientific survey and
13 appraisal of surface and groundwater potentials of the country, and
14 determine the annual renewable water available per water resources
15 region;
16 g) Develop and continuously update a computerized decision support
17 system that incorporates data management system relating to
18 acquisition and database, model base in terms of physical design,
19 planning and decision models, and user-friendly interface concerning
20 graphical and visualization tools; and
21 h) Promote Philippine participation in information sharing and education
22 around best practices in the international movements to achieve
23 universal access to safe water and improved sanitation and the
24 integration of water, energy, food security and environment.

25 III. Water Resource Management and Allocation

- 26 a) Issue and enforce guidelines and rules and regulations on the
27 following:
28 i. Abstraction, diversion, and development of the country's water
29 resources;
30 ii. Equitable and optimal allocation of the country's water resources
31 for domestic and municipal water supply, irrigation, sanitation,

- 1 irrigation, hydropower, navigation, fisheries, livestock raising,
2 industrial, recreational, and other purposes;
- 3 iii. Determination and granting of water rights, including
4 adjudication in cases of conflicting uses, amending for this
5 purpose, Act No. 2152, otherwise known as "The Irrigation Act",
6 and other laws relating to the appropriation and utilization of
7 surface and groundwater: *Provided*, that the adjudication of
8 conflicting water rights shall be exercised by the Water
9 Adjudication Board;
- 10 iv. Such other coherent water protocols as may be necessary,
11 including the operating rules of all existing and future water
12 infrastructure, legal and technical mechanisms for intra-sectoral
13 transfers and the standards of beneficial and priority uses of
14 water in times of crisis and national emergencies;
- 15 v. Guidelines for the determination of costs and fees of all water
16 rights, tariffs, permits, and licenses through a science-based
17 method which will accurately reflect the current or future
18 projected state of the water resource to be allocated: *Provided*,
19 that the actual methodology for setting rates and tariffs shall be
20 the exclusive power of the Water Regulatory Commission;
- 21 vi. Methods and standards for basic data collection and project
22 identification, formulation and planning, and appropriate
23 sanctions to be imposed for non-compliance;
- 24 vii. Standards for water quality, in particular drinking water, as well
25 as sanitation, septage, and water pollution; and
- 26 viii. Treatment and utilization of flood control, rain-water run-off,
27 stormwater, and urban drainage;
- 28 b) Exercise original jurisdiction over all disputes relating to appropriation,
29 utilization, exploitation, development, control, conservation and
30 protection of all water resources, the adjudication of which shall be
31 enforced by the Water Adjudication Board;

- 1 c) Regularly review regulations prescribed by any government agency
2 pertaining to water use, exploitation, development, and conservation
3 or protection of waters, water resources, and watershed or basin areas
4 with respect to this Act;
- 5 d) Impose fees or charges, as may be deemed necessary for water
6 resources conservation and protection, such as:
- 7 i. Polluter's Fee, which shall be based on the net waste load
8 depending on the wastewater charge formula pursuant to
9 Republic Act No. 9275;
- 10 ii. Raw water price, which shall take into account, among others,
11 the scarcity of water; and
- 12 iii. Appropriate structures for payment of environmental services;
- 13 e) Deputize LGUs to collect the national fees or charges for resource
14 regulation within their respective jurisdictions;
- 15 f) Conduct and/or promote special studies and research on water
16 economics and other water resources development and management
17 issues and concerns such as climate change, weather modification,
18 flood monitoring and modeling, environmental quality, and
19 desalination; and
- 20 g) Raise public awareness through information, education, and
21 communications programs, and build capacities for informed
22 participation in water resources management at the national and river-
23 basin level.

24 IV. Administration and Management

- 25 a) Develop guidelines including rules of partnership among the
26 Department, field offices of national government agencies, LGUs, and
27 other stakeholders, and facilitate the establishment of multi-
28 stakeholder river basin organizations (RBOs) per river basin, and
29 strengthen and support existing RBOs and monitor their activities;
- 30 b) Develop materials for capacity building and training on RBO
31 development and conduct training and workshops for prospective
32 RBOs;

- 1 c) Provide technical assistance to water users including farmers,
2 communities, and LGUs and other water service providers (WSP)
3 whether directly or in coordination with other agencies on all aspects of
4 integrated water resources management;
- 5 d) Conduct a performance audit of all water-related agencies and
6 institutions, including but not limited to The Local Water Utilities
7 Administration (LWUA) and water districts, MWSS, MWSS-RO and its
8 concessionaires, LGU-run utilities, Tourism Infrastructure and
9 Enterprise Zone Authority, Philippine Economic Zone Authority, Bases
10 Conversion and Development Authority, Subic Bay Metropolitan
11 Authority, DILG, and NIA, shall be conducted by the Department;
- 12 e) Respond to consumer complaints, and ensure the adequate promotion
13 of consumer interests;
- 14 f) Deputize agents, whether from the public or private sector, to assist in
15 the performance of any of the powers and functions of the
16 Department;
- 17 g) Appoint, hire and maintain adequate staff and personnel, advisers
18 and/or consultants with suitable qualifications and experience, as
19 necessary, and in accordance with the Government Procurement Law.

20 V. Coordination

- 21 a) Coordinate and integrate water resources development activities of the
22 country within the context of national plans and policies for social and
23 economic development;
- 24 b) Coordinate with other government agencies, universities, academe,
25 and private professional groups in all aspects of data gathering, the
26 conduct of special studies and research on all related aspects of water
27 resources management and development such as climate change,
28 environmental quality, desalination, and the development of operating
29 strategies, procedures, and protocols with accompanying computerized
30 decision tools for major water facilities;
- 31 c) Coordinate with the concerned and relevant agencies engaged in flood
32 control, flood risk management, and drought risk management; and;

1 d) Coordinate proactively with local government units to ensure the
2 integration of water resources development plans into their
3 comprehensive land use plans (CLUPs), Comprehensive Development
4 Plans (CDPs) or Provincial Physical Framework and Development Plan
5 (PPFDP): *Provided*, That no zoning and land use plan shall become
6 effective and enforceable unless and until a certification of the
7 integration of a water, sewage, and sanitation resource management
8 plan has been issued by the Department. Should the Department have
9 serious concerns affecting conservation and sustainability of water
10 supply, such concerns must first be resolved by the Department and
11 the concerned LGU and/or national agency: *Provided further*, that in
12 the absence of such concerns, the concerned LGU and/or government
13 agency may, ninety (90) days from the submission of its zoning and
14 land use plan and after submitting to the Department a written notice
15 of compliance with the provision, proceed with the implementation of
16 its zoning and land use plan without prejudice to later integration of
17 the water resource management plan for the locality.

18 VI. Other Functions

- 19 a) Create, when necessary, water resource subsidiaries, instrumentalities,
20 and entities to engage in water transmission, water distribution, waste
21 water treatment and management, and sanitation in accordance with
22 existing relevant laws, with the exception of the formation of new
23 water district which shall remain under the Local Water Utilities
24 Administration;
- 25 b) Enter into contracts, joint venture agreements or understanding,
26 public-private partnerships, and memorandum of agreements or
27 understanding, either domestic or foreign relating to investment and
28 financing water-related projects, under such terms and conditions as
29 the Department may deem proper and reasonable subject to existing
30 laws;
- 31 c) Review existing guidelines appropriate for private sector participation
32 in the water sector and make needed recommendations to the Public-

1 Private Partnership (PPP) Center of NEDA and other concerned
2 agencies to promote and enable more PPPs in the sector; and

- 3 d) Exercise such other powers and functions necessary or incidental to
4 the effective administration and management of the country's water
5 resources.

6 *Sec. 7. Offices, Functions, and Personnel to be Completely Absorbed by the*
7 *Department.* – In addition to the powers and functions enumerated above, the
8 following offices are hereby abolished, and their respective powers and functions,
9 and the corresponding personnel, funds and appropriations, records, equipment, and
10 property shall be absorbed by the Department:

- 11 a) The National Water Resources Board, whose mandate, powers, and functions
12 are provided in Presidential Decree No. 424, with the exception of its water
13 utility regulation units and functions, which shall be absorbed by the Water
14 Regulatory Commission created under Chapter VI of this Act;
- 15 b) The River Basin Control Office (RBCO) of the DENR whose mandate, powers
16 and functions are found in Executive Order No. 510 and Executive Order No.
17 816, as amended: *Provided*, that the Department of Environment and Natural
18 Resources (DENR) shall continue to have primary authority and responsibility
19 for protecting the environment and managing the country's watersheds;
- 20 c) The Manila Bay Task Force created under Administrative Order No. 16, s.
21 2019, and the Manila Bay Coordinating Office (MBCO) of the DENR which was
22 created by virtue of DENR Special Order 2011-01, which were created to
23 implement the *Writ of Continuing Mandamus* issued by the Supreme Court in
24 the case of *Metro Manila Development Authority, et.al., v. Concerned*
25 *Residents of Manila Bay* (G.R. Nos. 171947-48, 18 December 2008 and 15
26 December 2011);
- 27 d) The Flood Control Management Cluster of the DPWH;
- 28 e) The Water Supply and Sanitation Unit of the DILG;
- 29 f) The Water Quality Management Section of the Environmental Management
30 Bureau of the DENR;

31 *Sec. 8. Powers and Functions to be Transferred to the Department.* – The
32 powers and functions of the following agencies, bureaus, and units and the

1 corresponding personnel, funds and appropriations, records, equipment, and
2 property are also hereby transferred to the Department:

- 3 a) The powers and functions of the National Pollution Control Commission with
4 respect to the adjudication of water pollution cases under Republic Act No.
5 3931 entitled, *An Act Creating the National Water and Air Pollution Control*
6 *Commission*, Presidential Decree 984 entitled *Providing for the Revision of*
7 *Republic Act No. 3931, Commonly Known as the Pollution Control Law, and*
8 *for Other Purposes*, particularly with respect to Section 6 letters (e),(f), (g),
9 (j), (k) and Republic Act No. 9275, which shall be exercised by the Water
10 Adjudication Board;
- 11 b) The powers and functions of the Mines and Geosciences Bureau (MGB) of the
12 DENR to conduct hydrological surveys and groundwater mapping;
- 13 c) The powers and functions of the Bureau of Design and Bureau of Research
14 and Standards of the DPWH with regard to conduct of hydrological surveys
15 monitoring of stream flow and other water data collection;
- 16 d) The powers and functions of the DPWH with regard to the planning,
17 programming, administration, monitoring, and management of the National
18 Sewerage and Septage Management Program (NSSMP);
- 19 e) The powers and functions of the DPWH with regard to the construction of
20 water wells, rainwater collectors and springs under Republic Act No. 6716,
21 otherwise known as "*An Act Providing for the Construction Of Water Wells,*
22 *Rainwater Collectors, Development of Springs and Rehabilitation of Existing*
23 *Water Wells in All Barangays in the Philippines*";
- 24 f) The powers and functions of the DOH with regard to drinking water quality, in
25 particular the Philippine National Standards for Drinking Water of 2017 under
26 DOH-Administrative Order No. 2017-0010;
- 27 g) The powers and functions of the Bureau of Soils and Water Management
28 concerned with the utilization and management of water including rain-
29 making projects;
- 30 h) The powers and functions of the Tourism Infrastructure and Enterprise Zone
31 Authority, under Section 5(c)(1) of Presidential Decree No. 564, s. 1974,
32 otherwise known as the *Philippine Tourism Authority Charter*, Chapter IV,

1 Subchapter IV-A, Section 69 (f) of Republic Act No. 9593, otherwise known
2 as the "*Tourism Act of 2009*", with regard to the construction, acquisition,
3 owning, lease, operation, and/or maintenance of dams, reservoirs, water
4 distribution systems, and sewerage systems: *Provided*, that the power to set
5 rates, tariffs, and charges shall be transferred to the Water Regulatory
6 Commission;

7 i) The powers and functions of the Bureau of Fisheries and Aquatic Resources of
8 the Department of Agriculture (DA) with regard to the formulation of plans for
9 the proper management, development and utilization of aquatic resources of
10 the country; and

11 j) The powers and functions of the Biodiversity Management Bureau of the
12 DENR, with regard to the protection and conservation of natural wetlands
13 such as lakes, marshes, swamps.

14 *Sec. 9. Organization.* – The Department shall be comprised of the following:

15 a) The Department Proper, which shall consist of the Office of the Secretary; the
16 Offices of the Undersecretaries and the Assistant Secretaries; the Water
17 Adjudication Board, the Bureaus; the Department Services; the Regional
18 Water Resource Offices; and

19 b) The attached agencies.

20 *Sec. 10. Secretary of the Department of Water Resources.* – The authority
21 and responsibility for the exercise of the mandate of the Department and for the
22 discharge of its powers and functions shall be vested in the Secretary of the
23 Department, hereinafter referred to as the Secretary, who shall be appointed by the
24 President, subject to confirmation by the Commission on Appointments. The
25 Secretary shall:

26 a) Advise the President on the promulgation of executive or administrative
27 orders, regulations, proclamations and other issuances relative to matters
28 under the jurisdiction of the Department;

29 b) Establish the policies and standards for the effective, efficient, and economical
30 operation of the Department pursuant to the President's guidelines;

31 c) Advise the President on the status of water management and supply,
32 recommend to the President the declaration of a state calamity in areas

- 1 affected by water supply, and submit proposals to restore normalcy in the
2 affected areas;
- 3 d) Promulgate rules and regulations necessary to carry out the objectives,
4 policies and functions of the Department;
- 5 e) Exercise supervision and control over all bureaus and offices under the
6 Department as well as its officers and personnel;
- 7 f) Supervise all attached agencies and corporations in accordance with law;
- 8 g) Create regional offices and such other service units, bureaus, and divisions as
9 may be necessary;
- 10 h) Call upon and deputize any official, agent, employee, agency, or
11 instrumentality of the national and local government for any assistance that it
12 may deem necessary to carry out the purposes of this Chapter, subject to
13 existing laws;
- 14 i) Represent the Department in contracts, awards, and the like;
- 15 j) Delegate authority for the performance of any power or function, as defined
16 herein to officials and employees under his direction as deemed appropriate;
- 17 k) Participate in meetings of the National Economic and Development Authority
18 (NEDA), of which he shall be a member;
- 19 l) Act as the Chairperson of the governing board of the agencies that were
20 attached to the Department; and
- 21 m) Perform such other duties and responsibilities as may be provided by law.

22 *Sec. 11. Office of the Secretary.* – The Office of the Secretary shall be
23 composed of the Secretary and his/her immediate staff.

24 *Sec. 12. The Offices of the Undersecretaries.* – The Secretary shall be assisted
25 by not more than five (5) Undersecretaries, who shall be appointed by the President
26 upon the recommendation of the Secretary. The Offices of the Undersecretaries shall
27 be comprised of the Undersecretaries and their immediate staff.

28 The Secretary is hereby authorized to delineate and assign the respective
29 functional areas of responsibility of the Undersecretaries: *Provided*, that such
30 responsibility shall be with respect to the mandate and objectives of the
31 Department: *Provided further*, that no Undersecretary shall be assigned primarily to
32 administrative responsibilities.

1 Within his/her functional area of responsibility, the Undersecretary shall:

- 2 a) Advise and assist the Secretary in the formulation and implementation of the
- 3 policies, plans, programs, and projects of the Department;
- 4 b) Supervise all the operational activities of the assigned units for which the
- 5 Undersecretary is responsible to the Secretary; and
- 6 c) Perform such other functions deemed necessary as may be assigned or
- 7 delegated by the Secretary to promote efficiency and effectiveness in the
- 8 delivery of public services or as may be required by law;

9 *Sec. 13. Assistant Secretaries.* – The Secretary shall be assisted by six (6)

10 Assistant Secretaries to be appointed by the President of the Philippines upon the

11 recommendation of the Secretary: one each for Planning and Policy Service, Decision

12 Support System Service, Comptrollership and Financial Management Service, Legal

13 and Legislative Service, and Administrative and Human Resources Management

14 Service.

15 *Sec. 14. Qualifications of the Department Secretary, Undersecretaries, and*

16 *Assistant Secretaries.* –

- 17 a) No person shall be appointed Secretary, Undersecretary, or Assistant
- 18 Secretary unless he/she possesses extensive knowledge of public
- 19 administration and has a minimum of seven (7) years of experience in the
- 20 administration of water, sanitation, irrigation, flood control, and drainage
- 21 programs, preferably in a public agency;
- 22 b) At least one (1) of the Undersecretaries and at least two (2) of the Assistant
- 23 Secretaries shall be career officers;
- 24 c) No officer, external auditor, accountant or legal counsel of any private
- 25 company or enterprises primarily engaged in the water industry shall be
- 26 eligible for appointment as Secretary, Undersecretary, or Assistance Secretary
- 27 within two (2) years from his/her retirement, resignation, or separation
- 28 therefrom.

29 *Sec. 15. The Water Resources Adjudication Board.* – There is hereby created

30 a Water Resources Adjudication Board, hereafter referred to as “the Board” under

31 the Office of the Secretary. The Board shall exercise quasi-judicial powers granted to

32 it under this Act.

1 Sec. 16. *Jurisdiction.* – The Board shall exercise original jurisdiction over the
2 following:

- 3 a) All disputes relating to the appropriation, utilization, exploitation,
4 development, control, conservation and protection of waters; and the
5 compliance of water service provider with the rules and regulations set forth
6 by the Department;
- 7 b) Enforcement of agreements between water service providers;
- 8 c) All cases concerning of water pollution under the following laws:

9 1. Republic Act No. 3931 entitled, *An Act Creating The National Water*
10 *And Air Pollution Control Commission*, Presidential Decree 984 entitled
11 *Providing For The Revision Of Republic Act No. 3931, Commonly*
12 *Known as the Pollution Control Law, And For Other Purposes*,
13 particularly with respect to Section 6 letters (e),(f), (g), (j), (k); and

14 2. Republic Act No. 9275;

15 Sec. 17. *Composition.* – The Board shall be composed of the Secretary as the
16 Chairperson, two (2) Undersecretaries as may be designated by the Secretary, and
17 three (3) other representatives from other stakeholders to be designated by the
18 Secretary as members.

19 Sec. 18. *Powers and Functions.* – The Board shall have the following powers:

- 20 a) Investigate and decide on complaints involving violations of this Act;
- 21 b) Issue *subpoena duces tecum* and *subpoena ad testificandum*;
- 22 c) Cite any person or party in contempt for refusal to appear, testify or comply
23 with the lawful orders of the Adjudicatory Board in relation to any matter
24 subject to its investigation;
- 25 d) Hear, receive evidence, and decide on cases falling within its jurisdiction;
- 26 e) Promulgate its own rules and procedures; and
- 27 f) Exercise such other powers as may be necessary to carry out its duties and
28 responsibilities under this Act.

29 Sec. 19. *Orders and Decisions.* – Every order or decision rendered by the
30 Adjudicatory Board shall be in writing and shall state clearly and distinctly the facts
31 and the law on which it is based. The Adjudicatory Board shall decide each case or
32 application within thirty (30) days following its formal submission for resolution. It

1 shall publish and make available for public inspection all decisions and final orders in
2 the adjudication of contested cases or applications.

3 *Sec. 20. Appeals Procedure and Prohibition Against Injunction. –*

- 4 a) The orders, rulings, and decisions of the Adjudicatory Board shall become
5 final and executory after fifteen (15) days from receipt of such order, ruling,
6 or decision, unless, prior to the lapse of this period, an appeal was made with
7 the Secretary of Water Resources;
- 8 b) All decisions where the penalty imposed is a fine shall be immediately
9 executory, except upon the filing of a bond equivalent to the fine imposed or
10 as may be fixed by the Adjudicatory Board;
- 11 c) No injunction may be issued by any court or administrative agency to restrain
12 any proceeding before the Adjudicatory Board, or the implementation or
13 execution of any order, ruling, or decision of the Adjudicatory Board, except
14 on the basis of a question of law in a petition for *certiorari* brought before the
15 Supreme Court.

16 *Sec. 21. Bureaus. –* The Department shall have the following Bureaus:

- 17 a) *The Bureau of Water Quality Management* shall exercise supervision and
18 control over all aspects of water quality management to ensure the
19 sustainability of the country's water resources and the protection of the
20 environment, taking into account proper and integrated treatment of
21 freshwater and wastewater within the whole process. For this purpose, the
22 Bureau shall exercise the following functions:
- 23 1. Establish water quality guidelines for freshwater and coastal/marine
24 waters as basis for classifying water bodies in the country. Specifically,
25 develop water quality indices or composite metrics to measure of the
26 quality status and health of natural water bodies in relation to
27 ecological integrity and function;
 - 28 2. Establish effluent standards for point sources of pollution;
 - 29 3. Establish internationally accepted procedures for sampling and
30 analysis;
 - 31 4. Prepare an integrated water quality management framework;

- 1 5. Prepare the ten-year water quality management plans for each water
2 quality management area as part of the River Basin Master Plans and
3 in support of the NWRMFP;
 - 4 6. Classify groundwater sources and prepare a national groundwater
5 vulnerability map;
 - 6 7. Classify or reclassify all water bodies according to their beneficial
7 usages using the established water quality guidelines established;
 - 8 8. Issue permits, clearances and similar instruments pursuant to the
9 Clean Water Act of 2004;
 - 10 9. Collect the wastewater discharge fees for all permittees;
 - 11 10. Monitor the compliance of water discharge permittees with the effluent
12 standards;
 - 13 11. Regularly monitor the water quality of major water bodies in the
14 country and analyze the data to identify possible sources of pollution;
 - 15 12. Issue notices of violations and/or cease and desist orders for those
16 found in violation;
 - 17 13. File the needed cases against violators with the Water Adjudication
18 Board;
 - 19 14. Perform such functions and activities, as may be mandated by law,
20 which are necessary for the effective performance of the
21 abovementioned objectives
- 22 b) *The Bureau of Flood Control and Drainage* shall plan and design flood control
23 and drainage structures and facilities in accordance with technical standards,
24 guidelines and manuals. For this purpose, it shall have the following duties
25 and responsibilities:
- 26 1. Formulate policy, strategies and programs on flood risk management in
27 the context of integrated flood management (IFM) which integrates
28 water, land, coastal zone and multi-hazard management. In integrating
29 land-use planning and water management, the Department should
30 harmonize and synthesize plans to enable the sharing of information
31 between land-use planning and water management authorities. In
32 integrating hazard management, a holistic approach should be adopted

1 so that IFM should be part of a wider risk or multi-hazard management
2 system such as earthquake, landslides, fire, tsunami, and other
3 calamities of even gravity or similar nature;

4 2. Integrate climate change and disaster risk reduction and management
5 in policies and plans;

6 3. Prepare master plans of flood management and drainage in river
7 basins in coordination with the concerned water resources region and
8 river basin organizations;

9 4. Prepare master plans of urban drainage in cities/municipalities;

10 5. Prepare feasibility studies of recommended measures in the master
11 plans;

12 6. Plan and design structural measures for flood control and drainage;

13 7. Implement and/or collaborate with concerned agencies on the non-
14 structural measures;

15 8. Patrol and investigate rivers including the monitoring of stream flows;

16 9. Conduct post-disaster investigation and evaluation and damage
17 assessment of flood infrastructures after extreme events;

18 10. Conduct research and development on water and sediment-related
19 disasters;

20 11. Develop design guidelines, criteria and standards on flood control and
21 drainage structures;

22 12. Provide technical assistance to other agencies, LGUs and other
23 stakeholders;

24 13. Advise the Secretary on declaring flood control areas and recommend
25 guidelines for flood plain management plans in these areas; and

26 14. Perform such functions and activities, as may be mandated by law,
27 which are necessary for the effective performance of the
28 abovementioned objectives.

29 *Sec. 22. The Bureau Directors.* – The Bureaus of the Department shall be
30 headed by a Bureau Director who shall be responsible for efficiently and effectively
31 carrying out the functions of the Bureau concerned. The Bureau Director shall be
32 assisted by one (1) Assistant Director.

1 Sec. 23. *The Department Services.* – The Department shall have the following
2 services:

3 a) *The Planning and Policy Service* shall provide the Department with the
4 capability to undertake water infrastructure development planning and
5 programming, and shall exercise the following functions:

- 6 1. Advise the Secretary on all matters relating to water resources
7 planning;
- 8 2. Assist the Undersecretary for Planning and Policy on all matters related
9 to the specific functions of the position;
- 10 3. Formulate strategies and priorities for water resources management
11 and development consistent with national development objectives, and
12 initiate or undertake relevant surveys for development planning;
- 13 4. Develop and regularly update a comprehensive and integrated National
14 Water Resources Management Framework Plan and ensure its
15 integration into existing land use plans, within the context of a National
16 Physical Framework Plan, to ensure the harmonization of planning of
17 water, land, subsurface, and air resources;
- 18 5. Coordinate river-basin planning following the integrated water
19 resources management framework and the river-basin approach;
- 20 6. Formulate or update existing River Basin Master or Comprehensive
21 Plans which includes all aspects of water management and
22 development such as water supply and sanitation, irrigation, flood
23 control and stormwater or urban drainage, drought risk management,
24 water resource development systems and other public water works
25 projects, including phasing of implementation;
- 26 7. Identify based on the river basin master plan; priority packages for
27 water infrastructure development per river basin including water
28 supply, sanitation, irrigation, flood control and stormwater or urban
29 drainage, drought risk management, water resource development
30 systems, and other public works projects; package project proposals
31 for funding and prioritize project implementation and the allocation of

1 funds and other resources; and undertake or supervise and evaluate
2 the conduct of feasibility studies and project preparation thereof;

3 8. Evaluate and appraise all regional and inter-regional infrastructure
4 water development plans and programs as to their feasibility and
5 consistency with approved strategies and long and medium-term plans;

6 9. Initiate regular Department-wide planning exercises and act as the
7 secretariat thereof;

8 10. Gather, analyse, and organize needed statistical data and information;

9 11. Provide technical assistance related to its functions to the other
10 services, bureaus and the regional offices as needed;

11 12. Conduct of hydrologic and hydraulic surveys and assessments of
12 surface waters;

13 13. Develop general criteria and standards on project investigation,
14 formulation, planning;

15 14. Develop guidelines and standards on social inclusion in water resources
16 management and ensure policies, programs, and plans are compliant
17 with the gender and development framework of the government;

18 15. Coordinate closely with PAGASA for rainfall and other climate data
19 which shall be considered in the planning for water resources
20 development and management and for various water infrastructure;
21 and

22 16. Perform such functions and activities, as may be mandated by law,
23 which are necessary for the effective performance of the
24 abovementioned objectives.

25 c) *The Decision Support System Service* shall provide the Department with water
26 resource management tools and computerized decision support system that
27 incorporates data management system relating to acquisition and database,
28 and model base in terms of physical, design, planning, and decision models
29 including services related to networking, data management, and information
30 and knowledge or learning management systems for administrative and non-
31 technical support for the Department. It shall provide the Secretary timely

1 reports on the status of various Department projects and activities. For this
2 purpose, it shall exercise the following functions:

- 3 1. Provide the Secretary the needed data and processed information to
4 aid in policy and management decisions under the mandate of the
5 Department;
- 6 2. Publish available real-time raw water data as well as verified or
7 validated water data in print and/or electronic form, in tabular and
8 graphical displays as time series and/or spatial data through the use of
9 the internet;
- 10 3. Conduct and publish in print and/or electronic form, standard data
11 analysis such as basic statistical analysis, trend analysis, analysis of
12 runs, and cluster analysis;
- 13 4. Develop and continuously update water resource management,
14 computerized decision support system (DSS) that incorporates data
15 management system relating to acquisition and database, model base
16 in terms of physical, design, planning and decision models, and user-
17 friendly interface such as graphical and visualization tools. The DSS is
18 composed of a measurement or data acquisition system; information or
19 database management system; analytical and numerical models for
20 design, planning, decision or evaluation purposes; and a user-friendly
21 interface which includes graphical interface or visualization tools;
- 22 5. Develop and maintain specific models to include the following: long-
23 term climatologic and weather forecasting model; watershed models
24 and river-flood plain models; groundwater models and coupled to
25 surface water models; flood forecasting model for major rivers;
26 optimization-simulation and/or management models for watershed
27 conservation, conjunctive surface and groundwater use, irrigation
28 scheduling, normal and emergency operations of multi-purpose
29 reservoirs; and water quality and ecological models;
- 30 6. Develop and manage the management information system and
31 knowledge systems of the Department including the retrieval and
32 processing of monitoring information on all projects and activities of

1 concern to the Secretary and the web portal, and conduct systems and
2 process engineering, software development, software configuration
3 management; develop and manage the Department's corporate
4 database, unified database for water industry, data warehouse, other
5 water information resources, library services and document
6 management and archiving services; develop and manage the
7 Department's ICT infrastructure and provide ICT-related services to the
8 Department including computer networking and voice communications
9 services and data exchange; manage the literacy and training services
10 of the Department on various ICTs, knowledge management tools, and
11 applications; and

12 7. Perform such functions and activities, as may be mandated by law,
13 which are necessary for the effective performance of the
14 abovementioned objectives.

15 d) *The Administrative and Human Resource Service* shall provide the
16 Department with services relating to human resources development,
17 personnel, records, facilities maintenance, medical and dental, security and
18 property and procurement services, and shall exercise the following functions:

- 19 1. Advise the Secretary on all matters relating to internal administration
20 and human resources management;
- 21 2. Prepare and implement an integrated personnel development plan that
22 shall include provisions for merit promotions, performance evaluation,
23 job rotation, suggestions and incentive awards systems, and health
24 and welfare services;
- 25 3. Provide services related to human resources training, education and
26 development including manpower, career planning and forecasting,
27 and development of indigenous training materials;
- 28 4. Develop, establish and maintain an efficient and cost-effective property
29 procurement system and facilities and coordinate or otherwise
30 interface with relevant agencies, whether government or private, for
31 the purpose of developing or upgrading the system;

- 1 5. Secure and maintain necessary Department facilities, and develop,
2 establish, and maintain an efficient and effective security system
3 covering, among others, personnel, physical installations, equipment,
4 documents and materials including the conduct of security
5 investigations;
 - 6 6. Coordinate with the appropriate government agencies for a more
7 efficient conduct of administrative processes;
 - 8 7. Develop, establish, and maintain an efficient records system;
 - 9 8. Provide assistance in its area of specialization to the Department
10 Proper, bureaus and regional and water district offices and, when
11 requested, the government agencies and corporations attached to the
12 Department; and
 - 13 9. Perform such functions and activities, as may be mandated by law,
14 which are necessary for the effective performance of the
15 abovementioned objectives.
- 16 e) *The Legal and Legislative Service* shall provide the Department with services
17 on such legal affairs as contract letting and litigation, legal and legislative
18 research, complaints and investigation, legal counselling and other matters of
19 law, and shall exercise the following functions:
- 20 1. Advise the Secretary on all matters relating to legal and legislative
21 affairs;
 - 22 2. Prepare Department contracts and legal instruments, review and
23 interpret all contracts and agreements entered into by the Department
24 and evaluate all legal proposals;
 - 25 3. Conduct administrative investigation and the review of administrative
26 charges against officers and employees of the Department;
 - 27 4. Exercise functional jurisdiction over the legal staffs of Regional Offices;
 - 28 5. Provide legal assistance to the Department Proper, the bureaus and
29 regional offices and when requested, the attached corporations;
 - 30 6. Develop and prepare the Department's Legislative Agenda, recommend
31 presidential certification of the urgency of priority water bills, and other
32 water-related legislations;

- 1 7. Coordinate and maintain linkages among the various offices, bureaus,
2 regional offices and attached agencies to the DWR along with other
3 government agencies on policy matters affecting the Department's
4 mandate in relation to legislation;
 - 5 8. Maintain effective liaison with the Congress regarding congressional
6 inquiries, and enactment of water-related laws;
 - 7 9. Monitor the progress of the Department's priority or certified bills to
8 ensure their passage; and
 - 9 10. Perform such functions and activities, as may be mandated by law,
10 which are necessary for the effective performance of the
11 abovementioned objectives.
- 12 f) *The Comptrollership and Financial Management Service* shall provide the
13 Department with coordinated services relating to financial systems and
14 procedures, budget, cash, accounting and all financial housekeeping matters,
15 and shall exercise the following functions:
- 16 1. Advise the Secretary on all matters relating to the accounting of
17 government expenditures and receipts, budgeting and cash
18 management, project finances and financial systems and procedures;
 - 19 2. Prepare budget proposals and pursue formal budget authorizations,
20 undertake budget execution, and prepare and submit all appropriate
21 reports to the proper offices;
 - 22 3. Develop and maintain accounting, financial and assets management
23 systems, procedures and practices in the Department Proper, Bureaus
24 and Regional Offices;
 - 25 4. Review and appraise systems and procedures, organizational structure,
26 assets management practices, accounting, and other records, reports,
27 and performance standards such as budgets and standard costs of the
28 Department, bureaus, and regional offices;
 - 29 5. Provide assistance in its area of specialization to any unit of the
30 Department and, when requested, to government corporations and
31 councils attached to the Department; and

- 1 6. Perform such functions and activities, as may be mandated by law,
2 which are necessary for the effective performance of the
3 abovementioned objectives.
- 4 g) *The Resource Allocation Service* shall provide the Department with services on
5 resource allocation and shall exercise the following functions:
- 6 1. Advise the Secretary on all matters relating to water resource
7 allocation;
- 8 2. Determine, grant and regulate water rights for the appropriate, optimal
9 and sustainable use of surface and ground water;
- 10 3. Determine, evaluate and grant waterworks and sewerage franchises;
- 11 4. Investigate violations of the water rights and the Water Code, and
12 impose the appropriate sanctions in accordance with existing laws,
13 rules and regulations as well as future rules and regulations which the
14 Department shall promulgate;
- 15 5. Adjudicate water use conflicts; and
- 16 6. Perform such functions and activities, as may be mandated by law,
17 which are necessary for the effective performance of the
18 abovementioned objectives.
- 19 h) *The Internal Audit Service* shall regularly conduct a comprehensive audit of
20 various Department activities, and shall report directly to the Secretary, and
21 shall exercise the following powers and functions:
- 22 1. Advise the Secretary on all matters relating to management control
23 and operations audit;
- 24 2. Conduct management and operations performance audit of
25 Department activities and units, and determine as to the degree of
26 compliance with established objectives, policies, standards, methods
27 and procedures, government regulations, and contractual obligations of
28 the Department;
- 29 3. Analyze and evaluate management deficiencies and assist top
30 management to solve problems by recommending realistic courses of
31 action; and

- 1 4. Perform such functions and activities, as may be mandated by law,
2 which are necessary for the effective performance of the
3 abovementioned objectives.
- 4 i) *The Public Affairs Service* shall enhance government relations with all
5 stakeholders including the media and shall ensure that women, men, elderly,
6 and people with disabilities shall be consulted, organized and can take active
7 part in all aspects of water resources development and management
8 activities. It shall also lead the planning and organizing of the special events
9 of the Department, and shall exercise the following functions:
- 10 1. Advise the Secretary on matters pertaining to public affairs services;
 - 11 2. Develop and supervise the implementation of comprehensible
12 communications programs on relevant policies, programs, and plans of
13 the Department;
 - 14 3. Produce and supervise the dissemination of communication materials in
15 line with the priorities of the Department and the national government
16 public information programs;
 - 17 4. Conduct public opinion and attitude surveys to identify the interests
18 and concerns of the stakeholders of the Department;
 - 19 5. Establish editorial policies on print and broadcast media;
 - 20 6. Establish and maintain linkages with the tri-media and presence in
21 social media;
 - 22 7. Coordinate the conduct of interviews and news conferences;
 - 23 8. Act as spokesperson for the Department;
 - 24 9. Coordinate with various Department units, concerned government
25 agencies, tri-media and other stakeholders on matters related to the
26 above-enumerated functions;
 - 27 10. Coordinate with the appropriate national government agencies involved
28 in public information affairs.
 - 29 11. Conduct public consultations and discussions;
 - 30 12. Develop and disseminate relevant and appropriate materials and
31 programs for public information and education, as well as advocacy
32 campaign;

1 13. Conduct seminars and workshops involving the LGUs and the general
2 public on current water issues and problems;

3 14. Conduct capability building seminars of various stakeholders to
4 promote meaningful participation in the Department's policy making,
5 planning, development and implementation of various programs and
6 projects;

7 15. Coordinate the organization and promotion of special events and water
8 exhibits;

9 16. Act as the focal office for all water-related events; and

10 17. Perform such functions and activities, as may be mandated by law,
11 which are necessary for the effective performance of the
12 abovementioned objectives.

13 Sec. 24 *Attached Agencies.* – The Department shall exercise administrative
14 supervision over the following agencies for purposes of policy and program
15 coordination, monitoring, and evaluation:

16 a) The Water Regulatory Commission established under Chapter VI of this Act;

17 b) The LWUA, whose mandate, powers and functions are defined in Presidential
18 Decree No. 198, as amended otherwise known as *the Public Water Utilities*
19 *Act of 1973* shall be transferred from the Department of Public Works and
20 Highways and attached to the Department: *Provided,* that the powers and
21 functions of LWUA, and the corresponding personnel, funds and
22 appropriations, records, equipment, and property thereof, pertaining to the
23 establishment of water districts, system exclusion, integration, joint
24 investment and operation, district annexation and de-annexation, and the
25 regulation of their tariffs, rates, and charges shall be transferred to the Water
26 Regulatory Commission. The LWUA shall continue to be primarily a specialized
27 lending institution for the promotion, development, and financing of local
28 water utilities and other Service Providers. In the implementation of its
29 functions, the LWUA shall:

30 1. Prescribe minimum standards and regulations in order to assure
31 acceptable standards of construction materials and supplies,

- 1 maintenance, operation, personnel training, accounting, and fiscal
2 practices for local water utilities;
- 3 2. Furnish technical assistance and personnel training programs for local
4 water utilities;
- 5 c) The Metropolitan Waterworks and Sewerage System (MWSS), whose
6 mandates, powers, and functions are defined under Republic Act No. 6234, as
7 amended entitled, *An Act Creating the Metropolitan Waterworks And*
8 *Sewerage System and Dissolving the National Waterworks and Sewerage*
9 *Authority and for Other Purposes*, shall be transferred from the DPWH and
10 attached to the Department: *Provided*, that powers of the MWSS to
11 periodically fix water rates and sewerage service fees under Sections 2(c) and
12 3(h) of R.A. No. 6234, and the corresponding personnel, funds and
13 appropriations, records, equipment, and property thereof shall be transferred
14 to the Water Regulatory Commission. The MWSS shall continue to facilitate
15 the exercise by the concessionaires of its agency powers, carry out
16 accounting and notification functions, monitor, report, and administer loans,
17 and perform related functions in connections with existing projects, manage
18 and dispose its retained assets, and manage and operate the Umiray-Angat
19 Transbasin Project;
- 20 d) The Laguna Lake Development Authority (LLDA), whose mandate, powers
21 and functions are defined under Republic Act No. 4850, as amended entitled,
22 *An Act Creating the Laguna Lake Development Authority, Prescribing Its*
23 *Powers, Functions and Duties, Providing Funds Therefor, and for Other*
24 *Purposes* shall be transferred from DENR and attached to the Department:
25 *Provided*, that the power to set rates and fees for the use of the lake waters
26 and its tributaries for all beneficial purposes under Section 4-B, and the
27 corresponding personnel, funds and appropriations, records, equipment, and
28 property thereof shall be transferred to the Water Regulatory Commission:
29 *Provided, further:* that the rates fees set by the WRC shall no longer be
30 subject to the approval of the President of the Philippines. The LLDA shall
31 continue to serve as the lake management and development authority similar
32 to a multi-stakeholder river basin organization and shall ensure the

1 implementation of the Laguna Lake Master Plan which shall be updated by
2 the Department to ensure alignment with the NWRMFP;

- 3 e) The National Irrigation Administration (NIA), whose mandates, powers and
4 functions are defined under Republic Act No. 3601 as amended, is hereby
5 transferred from the Department of Agriculture to the Department: *Provided*,
6 that the power to set irrigation service fees for farmers with more than eight
7 (8) hectares of land, corporate farms, and plantations drawing water for
8 agricultural crop production; and fishponds and other persons, natural or
9 juridical, drawing water for non-agricultural purposes, or using the irrigation
10 systems as drainage facilities, shall be subject to the guidelines of the
11 Department; and
- 12 f) Any other agency performing water resources management, conservation,
13 and protection functions which the President deemed necessary to be
14 transferred to the Department.

15 *Sec. 25. The Water Resources Regional Offices.* – Water Resources Regional
16 Offices, which shall be organized per water resources region, shall be responsible for
17 implementing the mandates, powers, and duties of the Department at the field level,
18 except for policymaking which will be vested solely with the Central Office. The
19 master planning for the nearby river basins such as the Pasig-Marikina-Laguna Lake-
20 Cavite, shall be the responsibility of the Central Office. For this purpose, the duties
21 and responsibilities of the WRRO shall be as follows:

- 22 a) Formulate or update and coordinate the river basin master plans for river
23 basins within its jurisdictions ensuring consistency with the NWRMFP;
- 24 b) Advocate and strongly support the creation and functioning of multi-
25 stakeholder River Basin Organizations (RBOs) and serve as the secretariat of
26 the said RBOs;
- 27 c) Undertake and evaluate the planning, design, and work supervision functions
28 of the Department for the water infrastructures within the region;
- 29 d) Ensure the implementation of laws, policies, programs, rules, and regulations
30 regarding the abovementioned infrastructure as well as public and private
31 physical structures;

- 1 e) Provide technical assistance related to the water-related functions of other
2 agencies within the region especially the local government;
- 3 f) Coordinate with other departments, agencies, institutions and organizations,
4 especially local government units within the region in the planning and
5 implementation of the river basin master plans;
- 6 g) Conduct continuing consultations with the local communities, take appropriate
7 measures to make the services of the Department responsive to the Central
8 Office and recommend such appropriate actions as may be necessary; and
- 9 h) Perform such functions and activities, as may be mandated by law, which are
10 necessary for the effective performance of the abovementioned objectives.

11 The Department shall retain existing Project Management Offices as may be
12 required, which shall be under the supervision and control of the appropriate Water
13 Resources Regional Office Director, unless otherwise determined by the Secretary
14 for reasons of supra- regional scope, magnitude and multi-functional coverage.

15 *Sec. 26. The Water Office Regional Directors.* – The Water Resources
16 Regional Offices shall be headed by a Water Resources Regional Director who shall
17 be responsible for efficiently and effectively carrying out the duties and
18 responsibilities of the Office.

19 Towards this end, the Water Resources Regional Director shall, within his or
20 her defined powers exercise functional and administrative supervision over all units
21 within the region including the authority to commit their resources and personnel to
22 integrated regional water resources management, water supply and sanitation
23 management, and flood control and flood risk management initiatives.

24 The Water Resources Regional Director shall also perform such other related
25 duties and responsibilities as may be assigned or delegated by the Secretary or as
26 may be required by law.

27 The Water Resources Regional Director shall be assisted by two (2) Assistant
28 Water Resources Regional Office Directors who shall exercise supervision over: (1)
29 the planning, project design and evaluation function and (2) technical assistance to
30 the River Basin Organizations within the water resources region.

31 **CHAPTER III**

32 **THE NATIONAL WATER SECTOR POLICY COUNCIL**

1 *Sec. 27. Creation of the National Water Sector Policy Council.* – There is
2 hereby established a National Water Sector Policy Council (NWSPC) which shall
3 exercise policymaking, coordination, harmonization, integration, supervision,
4 monitoring and evaluation functions with regard to water, land, subsurface, air, and
5 other natural resources. The Council shall be composed of the following members:

- 6 a) The Secretary of the Department of Water Resources as Chairperson;
- 7 b) The Director-General of the National Economic and Development Authority as
8 the Vice-Chairperson;
- 9 c) The Secretary of the Department of Health (DOH);
- 10 d) The Secretary of the Department of the Interior and Local Government
11 (DILG);
- 12 e) The Secretary of the Department of Energy (DOE);
- 13 f) The Secretary of the Department of Agriculture (DA),
- 14 g) The Secretary of the Department of Social Welfare and Development
15 (DSWD);
- 16 h) The Secretary of the Department of Public Works and Highways (DPWH);
- 17 i) The Secretary of the Department of Budget and Management (DBM);
- 18 j) The Secretary of the Department of Environment and Natural Resources
19 (DENR);
- 20 k) A Representative from the Office of the President (OP); and
- 21 l) The Chairperson of National Commission on Indigenous Peoples (NCIP) as
22 members.

23 The Staff of the Department shall serve as Secretariat to the Board.

24 *Sec. 28. Powers and Functions.* – The powers and functions of the Board shall
25 be as follows:

- 26 a) Approve the National Water Resources Management Framework Plan
27 (NWRMFP), and to ensure its consistency with the National Physical
28 Framework Plan, which shall serve as a principal guide to water management
29 efforts in the country and shall be reviewed on a five (5)-year interval, or as
30 may be deemed necessary, in order to ensure its relevance to the times;
- 31 b) Ensure harmonization of all policies involving water, land, subsurface, air and
32 other resources which are connected to the water sector;

1 c) Ensure a multi-stakeholder participation in the development, updating, and
2 sharing of information system as policy, planning and decision-making tools;
3 The powers and functions and the corresponding personnel, funds and
4 appropriations, records, equipment, and property of the NEDA Infrastructure
5 Committee-Subcommittee on Water Resources, as established under NEDA-
6 Infrastructure Committee (INFRACOM) Resolution No. 2, s. 2008, shall also be
7 absorbed by the Department.

8 **CHAPTER IV**

9 **INTERDEPARTMENTAL RELATIONS**

10 **AND INSTITUTIONAL ARRANGEMENTS OF THE DWR**

11 *Sec. 29. Interface And Institutional Arrangements With Other Agencies. –*

- 12 a) The Department of Environment and Natural Resources (DENR) shall continue
13 to have primary authority and responsibility for protecting the environment
14 and managing the country's watersheds;
- 15 b) The Department of Energy (DOE) and the National Power Corporation (NPC)
16 shall continue to have primary authority and responsibility for setting up and
17 running hydropower plants, but shall ensure that any hydropower plant
18 development plans are consistent with the National Water Development and
19 Management Plan;
- 20 c) The Department shall coordinate with the Department of Agriculture (DA to
21 ensure agricultural development that reduces sources of long-term pollution
22 for surface water and groundwater, and agricultural and industrial economic
23 development that employs water efficiency, water recycling or reuse and the
24 appropriate treatment of wastewater;
- 25 d) The Department shall coordinate with the National Disaster Risk Reduction
26 Management Council (NDRRMC) to ensure that its plans and designs for flood
27 control, flood risk management and drought risk management are aligned
28 with the objectives and plans of the said Department;
- 29 e) The Department shall coordinate with Climate Change Commission (CCC),
30 PAGASA, and NAMRIA for scientific studies, integrated surveys, mapping,
31 charting and decision support systems;

- 1 f) The Department shall coordinate with the Department of Tourism (DOT) on
2 recreational use of water resources;
- 3 g) The Department shall coordinate with the Philippine Reclamation Authority
4 and economic zone authorities on water resources development and water
5 requirements within reclamation areas and economic zones, respectively; and
- 6 h) The Department shall coordinate with relevant government agencies,
7 including Local Government Units (LGUs) for development projects and to
8 ensure cross-cutting collaboration between and among all water subsectors
9 and facilitate inter-agency subsector coordination, strategic development,
10 planning, monitoring and provision of technical, institutional and financial
11 capacity building support to their different stakeholders at the water
12 subsector level.

13 **CHAPTER V**

14 **LOCAL GOVERNMENT PLANNING INTEGRATION**

15 Sec. 30. *Local Water Resource Management Council.* – There is hereby
16 created and established in every LGU a Local Water Resource Management Council,
17 hereinafter referred to as the “LWRMC”.

18 Sec. 31. *LWRMC Composition.* – The LWRMC shall be composed of, but not
19 limited to, the following:

- 20 a) The Local Chief Executives, Chairperson;
- 21 b) The Local Planning and Development Officer, member;
- 22 c) The Head of the LWRMO, member;
- 23 d) The Head of the Local Disaster Risk Reduction Management Office, member;
- 24 e) The Head of the Local Social Welfare and Development Office, member;
- 25 f) The Head of the Local Health Office, member;
- 26 g) The Head of the Local Sanitation Office, member;
- 27 h) The Head of the Local Solid Waste Management Office, member;
- 28 i) The Head of the Local Environment Office, member
- 29 j) The Head of the Local Agriculture Office, member;
- 30 k) The Head of the Local Engineering Office, member;
- 31 l) The Head of the Local Budget Office, member;

- 1 m) The Provincial Director/City/Municipal Chief of the Philippine National Police
- 2 (PNP), member;
- 3 n) The President of the Association of Barangay Captains (ABC), member
- 4 o) One (1) member of the Board of Directors from an LWD within the province,
- 5 city, or municipality;
- 6 p) One (1) Civil Society Organization (CSO) representative, member; and
- 7 q) One (1) private sector representative, member.

8 *Sec. 32. LWRMC Functions.* – The LWRMCs shall have the following functions:

- 9 a) Formulate and implement a comprehensive and integrated Local Water
- 10 Resource Management Plan (LWRMP) which shall serve as the principal guide
- 11 to water management efforts within the territorial jurisdiction of the LGU
- 12 following the policies and framework of the NWRM. The LWRMP shall be
- 13 reviewed on a five (5)-year interval, or as may be deemed necessary, in order
- 14 to ensure its relevance to the times;
- 15 b) Submit the LWRMP and progress reports on the LWRMP to the WRRO;
- 16 c) Monitor and evaluate the implementation of the LWRMPs and regularly review
- 17 and test the plan consistent with the policy of the NWSPC;
- 18 d) Ensure the integration of water resource management into local development
- 19 plans, programs, and budgets as a strategy in sustainable development of
- 20 water supply; and
- 21 e) Convene once every three (3) months or as necessary.

22 *Sec. 33. Local Water Resource Management Office (LWRMO).* – There shall

23 be established an LWRMC in every province, city and municipality, which shall be

24 responsible for setting the implementation and coordination of LWRMPs within their

25 territorial jurisdiction. The LWRMO shall be under the office of the governor, city or

26 municipal mayor. The LWRMOs shall be initially organized and composed of a Head

27 Officer to be assisted by three (3) staff responsible for: (1) administration and

28 training; (2) research and planning; and (3) operations. The LWRMO shall perform

29 the following functions:

- 30 a) Design, program, and implement activities consistent with the LWRMP;
- 31 b) Facilitate communications between the LGU and the WRRO;
- 32 c) Serve as secretariat and arm of the LWRMC;

- 1 d) Facilitate trainings and seminars between the LWRMC and the WRRO on
2 water resource management;
- 3 e) Prepare and submit to the local Sanggunian through the LWRMC and the
4 annual LWRMP and budget, and the enactment of local ordinances consistent
5 with the LWRMP and the requirements of this Act;
- 6 f) Facilitate joint programs and activities between the LGU and the WRRO;
- 7 g) Gather, record, and consolidate information relating to water resource
8 management in its respective territorial jurisdiction, and transmit the
9 information to the WRRO;
- 10 h) Present the consolidated information on water resource management in the
11 LWRMC meetings;
- 12 i) Establish linkages and networks with other LGUs for water resource
13 management as required by the LWRMP;
- 14 j) Disseminate information and raise public awareness about water resource
15 management;
- 16 k) Submit progress reports on the implementation of the LWRMP to the LWRMC;
- 17 l) Mobilize resources and personnel necessary to implement the LWRMP;
- 18 m) Develop, strengthen and operationalize mechanisms for partnership or
19 networking with LWDs, local communities, and the private sector;
- 20 n) Coordinate other water resource management activities; and
- 21 o) Act on other matters that may be authorized by the LWRMC.

22 *Sec. 34. Exemption of Local Government Units within Metro Manila.* – Local
23 Government Units within Metro Manila shall be under the Central Regulatory Unit of
24 the Commission, and are hereby exempted from the provisions of this Chapter.

25 *Sec. 35. Penalties for Non-Compliance.* – Failure of the LWRMC and LWRMO
26 to perform its respective functions under this Chapter shall subject the responsible
27 members or employees to the appropriate civil, administrative, and criminal liabilities
28 provided in this Act and under existing laws.

29 **CHAPTER VI**

30 **THE WATER REGULATORY COMMISSION**

31 *Sec. 36. Establishment.* – There is hereby created and established an
32 independent, quasi-judicial regulatory body to be known as the Water Regulatory

1 Commission, hereinafter referred to as "the Commission", which shall be organized
2 within one hundred twenty (120) days after the effectivity of this Act. The
3 Commission shall have a Board of Commissioners, and shall be vested with powers
4 and functions, as conferred and set forth hereunder.

5 The Commission shall be placed under the administrative supervision of the
6 Department of Water Resources (DWR) as an attached agency.

7 *Sec. 37. The Regulatory Units.* – The Regulatory Units of the Commission
8 shall be composed of the Regional Regulatory Units and the Central Regulatory Unit.
9 The Regional Regulatory Units shall be established by the Commission in accordance
10 with the rules, regulations, guidelines, and standards that the Commission shall
11 issue, and as provided in this Act.

12 The economic regulatory units and functions of the MWSS, NWRB,
13 LWUA, SBMA, PEZA, and TIEZA are hereby transferred to the Commission, and shall
14 collectively comprise its Central Regulatory Unit for Water Supply and Sanitation
15 Services that: (a) provide services to more than one province; and (b) are owned,
16 operated and/or maintained by special economic zones and Metro Manila
17 concessionaires.

18 *Sec. 38. Powers and Functions of the Commission.* – The overall authority and
19 powers of the Commission shall cover and apply to all Service Providers, whether
20 private or public, providing or intending to provide levels II & III water supply,
21 including suppliers to subdivisions and/or other Service Providers, sewerage, and/or
22 septage treatment and disposal services for domestic, residential, institutional,
23 industrial or commercial use. The Commission shall exercise the following powers
24 and functions:

- 25 a) Issue and promulgate rules, regulations and guidelines as may be necessary
26 to implement and enforce its powers and functions under this Act;
27 b) Promulgate and enforce just and reasonable technical standards,
28 classifications and measurements of service;
29 c) Appoint the central and regional regulators;
30 d) Establish rules and regulations to monitor, avoid, and provide remedies for,
31 any market power abuse or anti-competitive or discriminatory act or behavior
32 by or against any participant in the water supply and sanitation sector. Upon

- 1 finding that a market participant has engaged in, or fell victim to such act or
2 behavior, the Commission shall act to stop and/or redress the same. Such
3 remedies may, without limitation, include the imposition of price controls,
4 issuance of injunctions, requirement of divestment or disgorgement of excess
5 profits, invalidation of contracts and imposition of fines and penalties
6 pursuant to this Act.
- 7 e) Adopt and require that books, records, and accounts be kept and maintained
8 in accordance with the prescribed uniform accounting system;
- 9 f) Fix and determine proper and adequate rates of depreciation of properties
10 and equipment used in Water Supply and Sanitation Service/s;
- 11 g) Impose and collect annual levies determined as a percentage of gross
12 revenue accruing in relation to the licensed activities, and reasonable fees and
13 surcharges as may be necessary for achieving the purposes, powers, and
14 functions of the Commission;
- 15 h) Require the submission reports of finances and operations, verified under
16 oaths by the owner or president and secretary of the Licensee;
- 17 i) Determine and require the monitoring and submission of such data, statistics
18 and other information from the Regulatory Units and any or all licensees as
19 may be necessary for the effective and efficient exercise of its duties,
20 functions, powers and responsibilities: *Provided*, that such data, statistics, and
21 other information shall also be submitted to the Department for integration in
22 the centralized database on water resources.
- 23 j) Investigate, *motu proprio* or upon complaint in writing, any matter concerning
24 the operation of the service and issues on price manipulation and anti-
25 competitive behavior;
- 26 k) Impose penalties and fines against any Licensee or against its owners,
27 directors, officers, agents or representatives for any violation of this Act or of
28 the license, order, rule regulation or requirement issued by the Commission;
- 29 l) Require any Licensee to pay the actual expenses incurred by the Commission
30 in any investigation if it shall be found that a Licensee violated any provision
31 of this Act or of the license, order, rule regulation or requirement issued by
32 the Commission;

- 1 m) Advise, apprise, and coordinate with the Department of Water, the National
2 Water Policy Council, and other relevant agencies of the national or local
3 government on any matter relating to Water Supply and/or Sanitation
4 Services;
- 5 n) Deputize agents, whether from the public or private sector, to assist in the
6 performance of any of the powers and functions of the Commission;
- 7 o) Appoint an interim or temporary management committee upon appeal and
8 after due hearing, to ensure continuity of service in cases a Licensee fails to
9 meet conditions of the license and the concerned Regulatory Unit fails or
10 refuses to appoint an interim management committee as provided in the
11 following section;
- 12 p) Appoint, hire and maintain adequate staff and personnel, advisers, and/or
13 consultants, with suitable qualifications and experience, as necessary;
- 14 q) Exercise original and exclusive jurisdiction over all cases contesting rates,
15 fees, fines and penalties imposed by the Regulatory Units in the exercise of
16 their powers, functions and responsibilities, as provided under this Act, and
17 over all cases involving disputes between and among participants or
18 stakeholders in the Water Supply and/or Sanitation Services; and
- 19 r) Such other incidental powers and functions as may be necessary to attain the
20 objectives of this Act.

21 *Sec. 39. Powers and Functions of the Regulatory Units.* – The Regulatory
22 Units of the Commission shall have the following powers and functions:

- 23 a) Issue Licenses authorizing the operation of Water Supply and/or Sanitation
24 Services in any specified area or areas within the Philippines;
- 25 b) Impose fines, charges, and other penalties upon any Provider and/or its
26 officers and stockholders who shall fail or refuse to register and/or obtain a
27 License prior to operation or commencement of business, as provided
28 hereunder;
- 29 c) Review, determine, fix, and approve, consistent with the rules, guidelines,
30 procedures and methodologies which the Commission shall provide, proposed
31 water and sewerage tariffs, rates and charges that Licensees may impose
32 upon their customers/consumers;

- 1 d) Appraise and value property and equipment used by Licensees in providing
2 water supply and sanitation service/s;
- 3 e) Enforce technical, financial, and other performance standards set by the
4 Commission for licensees/utilities;
- 5 f) Respond to consumer complaints and ensure the adequate promotion of
6 consumer interests and investigate motu proprio price manipulation and anti-
7 competitive behavior;
- 8 g) Investigate accidents directly or indirectly arising from or connected with the
9 maintenance or operation of the service, and make such order or
10 recommendation as the public interest may warrant;
- 11 h) Upon petition or *motu proprio*, where its determination public interest so
12 dictates, require the review and/or approval of contracts or agreements that
13 may impact on the tariff and rates of service provision entered into by Service
14 Providers;
- 15 i) Require the submission of reports, plans, and other documents that define
16 the performance targets of the licensees or utilities, and regular
17 accomplishment reports;
- 18 j) Impose and collect annual levies determined as a percentage of gross
19 revenue accruing in relation to the licensed activities, and reasonable fees and
20 surcharges as may be necessary for achieving the purposes, powers and
21 functions of the regulator;
- 22 k) Conduct benchmarking and monitor the performance of licensees or utilities
23 under their jurisdiction, and publish reports detailing the results thereof, as
24 may be necessary or required by the Commission;
- 25 l) Amend, modify, suspend or revoke any License issued by them, after due
26 notice and hearing, on any of the following grounds:
- 27 1. When the facts and circumstances on the strength of which the license
28 was issued have been materially misrepresented or has materially
29 changed;
- 30 2. Where the Licensee has failed to meet or comply with terms,
31 conditions and performance targets, including but not limited to service
32 expansion, that may have been set in the license;

1 3. Where the Licensee is found to be manifestly inefficient in the
2 operation of or provision of Water Supply and Sanitation services in its
3 area; or

4 4. When the Licensee thereof has violated or willfully refused to comply
5 with any order, rule or regulation of the Commission or any provision
6 of this Act;

7 m) Appoint an interim management committee to ensure continuity of service in
8 case a Licensee fails to meet the conditions of the license; and

9 n) Submit performance plans and reports as required by the Commission.

10 Sec. 40. *Composition of the Water Regulatory Commission.* –

11 a) The Commission shall be a collegial body composed of five (5) full-time
12 members consisting of a Chairperson and four (4) members, who shall all be
13 appointed by the President of the Philippines. All members of the Commission
14 must be citizens and residents of the Philippines, at least thirty five (35) years
15 of age, and of good moral character, recognized integrity and competence in
16 the field of law, business, commerce, finance, accounting or public
17 administration, water or utility economics, management, physical or
18 engineering services, hydrology and other related services, with at least three
19 (3) years actual and distinguished experience in their respective fields of
20 expertise: *Provided*, that out of the four members of the Commission, at least
21 one (1) shall be a member of the Philippine Bar with at least ten years of
22 experience in the active practice of law, and at least one (1) shall be a
23 certified public accountant with at least ten years of experience in active
24 practice;

25 b) The term of office of each member of the Commission shall be seven (7)
26 years: *Provided*, that among the members first appointed, the Chairperson
27 shall serve for a period of seven (7) years, two (2) members shall serve for
28 five (5) years and the other two (2) members shall serve for three (3) years:
29 *Provided further*, that any member whose term has expired as specified
30 herein shall serve as such until his successor shall have been appointed and
31 qualified: *Provided furthermore*, that any appointment to fill a vacancy in the
32 Commission arising from death, removal, retirement or resignation shall be

1 made only for the unexpired term: *Provided, finally*, that in no case shall any
2 member serve for more than seven (7) years in the Commission.

3 c) The Commission shall meet as often as may be necessary on such day or
4 days as the Chairperson may fix. The presence of at least three (3) members
5 of the Commission shall constitute a quorum, which shall be necessary for the
6 transaction of any business. The affirmative vote of majority of the members
7 of the Commission where a quorum is present shall be necessary for the
8 adoption of any order, resolution, decisions, or other act of the Commission in
9 the exercise of its quasi-judicial functions: *Provided*, That in promulgating
10 rules, regulations, guidelines and in the exercise of its quasi-legislative
11 functions, an affirmative vote of three (3) members shall be required.

12 d) The Chairman of the Commission shall exercise general executive control and
13 supervision of the Commission and its members, staff and personnel, agents,
14 and representatives. Within three (3) months from the creation of the
15 Commission and the appointment of all Members of the Commission, the
16 Chairman shall submit for the approval by the President of the Philippines the
17 new organizational structure and plantilla positions necessary to carry out the
18 powers and functions of the Commission, including those of the Central and
19 Provincial Regulatory Units. The staff and personnel positions of the
20 Commission shall be filled by regular appointments in accordance with a
21 staffing plan to be prepared by the Commission.

22 e) Members of the Commission shall enjoy security of tenure and shall not be
23 suspended or removed from office except for just cause as specified by law.

24 f) The Chairman and members of the Commission or any of their relatives within
25 the fourth civil degree of consanguinity or affinity, legitimate or common law,
26 shall be prohibited from holding any interest whatsoever, either as investor,
27 stockholder, officer or director, in any company or entity engaged in provision
28 of water supply and distribution, septage management and sewerage services
29 and must, therefore, divest through sale or legal disposition of any and all
30 interests in the water sector upon assumption of office.

1 Sec. 41. *Secretariat of the Commission.* – The Commission shall establish a
2 Secretariat which shall provide the Commission with technical and support services
3 such as:

- 4 a) Provide the necessary technical inputs and secretariat support to the
5 Commission to facilitate the conduct of its functions;
- 6 b) Coordinate with Regulatory Units to ensure proper implementation of the
7 rules, regulations, and guidelines promulgated by the Commission;
- 8 c) Monitor and assess activities of the Regulatory Units vis-à-vis their respective
9 annual performance plans and targets;
- 10 d) Maintain a database on the water supply and sanitation subsector; and
- 11 e) Coordinate with other relevant agencies of the national or local government
12 on any matter relating to water supply and sanitation.

13 Sec. 42. *The Executive Director.* – The Commission shall appoint an Executive
14 Director who shall head the Commission Secretariat, keep and maintain the official
15 records, and report of the proceedings of the Commission, and administer oaths in
16 all matters falling within the jurisdiction of the Commission.

17 The Executive Director shall be responsible for the effective implementation of
18 the policies, plans, programs, rules, regulations, and directives of the Commission;
19 coordinate and supervise the activities of the different operating units under the
20 Commission; and perform such functions as may be assigned by the Chairperson
21 and/or other members of the Commission.

22 Sec. 43. *Enhancement of Technical Competence.* – The Commission shall
23 establish rigorous training programs for its staff for the purpose of enhancing the
24 technical competence of the Commission in the following areas: evaluation of
25 technical performance and monitoring compliance with service and performance
26 standards, performance-based rate-setting reform, environmental standards and
27 such other areas as will enable the Commission to adequately perform its duties and
28 functions.

29 Sec. 44. *Composition and Other Emoluments.* – The compensation of the
30 members of the Commission and its staff shall be exempted from the coverage of
31 Republic Act. No. 6758, otherwise known as the Salary Standardization Act:
32 *Provided,* that the salaries of the Commission and its staff shall conform as closely as

1 possible to the principles of R.A. 6758. For this purpose, the schedule of
2 compensation of the Commission and its Regulatory Units and staff shall be
3 submitted for approval of the President of the Philippines. The compensation
4 schedule of the Commission and its Regulatory Units and staff shall be implemented
5 within six (6) months from the effectivity of this Act and maybe upgraded by the
6 President of the Philippines as the need arises: *Provided further*, that in no case shall
7 the compensation of the Commission and its staff be upgraded more than once a
8 year. Pertinent civil service laws, rules, and regulations of the Philippines shall be
9 applicable to the Commission.

10 The Chairman and members of the Commission shall initially be entitled to the
11 same salaries, allowances and benefits as those of the Presiding Justice and
12 Associate Justices of the Supreme Court, respectively.

13 **CHAPTER VII**

14 **REGISTRATION AND LICENSING**

15 *Sec. 45. Registration and Licensing of All Water Supply and/or Sanitation*
16 *Services.* – All Water Supply and/or Sanitation Service Providers, including but not
17 limited to Bulk Water Suppliers, operators of privately-owned water supply systems,
18 local government managed utilities, barangay waterworks associations, water
19 districts, cooperatives, those providing services to subdivisions and/or other Service
20 Providers, shall register with the Commission and, subject to such rules, guidelines,
21 procedures and other issuances of the Commission, obtain a License to operate from
22 the appropriate Regulatory Units.

23 The Commission shall also ensure that the grant and revocation of licenses
24 are carried out fairly, transparently, and without discrimination. Issuances of the
25 Commission shall specify, among others, the qualifications, requirements and
26 procedure for the grant and revocation of Licenses including the standards and
27 performance targets that shall continuously be complied with to keep the licenses
28 valid.

29 The Commission shall specify the requirements and procedure for existing
30 holders of Certificate of Public Convenience, Certificates of Public Convenience and
31 Necessity issued by NWRB, and/or Conformance issued by LWUA, to convert their
32 existing certificates into Licenses issued by the Commission. All existing providers of

1 Water Supply and/or Sanitation Services without a legal and valid Certificate of
2 Public Convenience/Certificate of Public Convenience and Necessity or Certificate of
3 Conformance shall register with the Commission and apply for a License within six
4 (6) months from the effectivity of this Act.

5 Unless otherwise provided in this Act or by the Commission, no public water
6 supply and/or sanitation service provider shall commence or conduct the business of
7 providing water supply and sanitation services without first obtaining a license.

8 Concession agreements and other contracts for water supply provision and/or
9 water sanitation and treatment services currently existing shall remain valid and
10 enforceable unless otherwise terminated, after due notice and hearing for reasons
11 provided in the existing terms and conditions under the concession or service
12 agreement or contract, or invalidated by the Commission, after due notice and
13 hearing, where national security, national emergency, or public interest so dictates.

14 *Sec. 46. No Exclusivity on Grants for Water Supply and/or Sanitation Services.*
15 – Except for Service Areas with respect to which exclusive rights to provide Water
16 Supply and/or Sanitation Services are granted under existing laws, licensees do not
17 have the exclusive right to provide Water Supply and/or Sanitation Services within a
18 Service Area and consequently, the Regulatory Board may issue one or more
19 licenses for operator within any existing or proposed Service Areas, as decided by
20 the Supreme Court in *Metropolitan Cebu Water District vs. Margarita A. Adala* (G.R.
21 No. 168914, 04 July 2007).

22 *Sec. 47. Conditions of License.* – The Commission and/or the concerned
23 Regulatory Unit, may impose such conditions in the issued License, as it may deem
24 necessary, such as but not limited to:

- 25 a) Tariffs, rates, and charges that may be imposed from its
26 customers/consumers;
- 27 b) Term fixing the duration of the privilege;
- 28 c) Grounds for modification, suspension, or cancellation of the License;
- 29 d) Minimum technical performance and service level standards, such as but not
30 limited to: (1) water pressure; (2) minimum flow rates; (3) connections; (4)
31 sewerage discharge, billing, and metering requirements, and sanctions for
32 failure to comply with the standards set;

- 1 e) Expansion targets and service level improvements over time;
2 f) Restrictions or conditions for transferability of the business or controlling
3 interest in the business;
4 g) Reportorial requirements and obligations of the grantee;
5 h) Submission to annual performance audit by the Commission or its duly
6 authorized representative(s).

7 *Sec. 48. Rights and Duties of Licensees. –*

- 8 a) Any person granted a License under this Act shall have the obligation to
9 ensure that licensed activities are conducted to further public interest and, in
10 particular:

- 11 1. Foster the maintenance and development of efficient, coordinated, and
12 viable operation of their licensed activities;
13 2. Ensure that their water supply and/or sanitation services are provided
14 in a diligent, conscientious and workman like manner, in accordance
15 with applicable laws rules and regulations issued by the Commission
16 and the generally accepted standards and practices in the water supply
17 and sanitation industry;
18 3. Comply with drinking water quality requirements and standards that
19 may be established by the Commission; and
20 4. Ensure that provision of services shall not be discontinued without
21 notice to, and approval by, the Commission.

- 22 b) Any person granted a License under this Act shall, to the extent allowed by
23 law and specified in the License, has the right to acquire or lease land, lay or
24 repair water or sanitation mains, and other relevant facilities in public ways to
25 fulfill their obligations;

- 26 c) Subject to any condition or limitation laid down in the License, a licensee may
27 disconnect water supply and/or sanitation services to a customer if such
28 customer defaults in the payment of fees due to the licensee for the water
29 supplied or sanitation services provided, or for acts of pilferage pursuant to
30 Sections 8, 9, 10, and 11 of Republic Act No. 8041, otherwise known as the
31 Water Crisis Act of 1995;

1 d) Any License issued under this Act shall contain provisions designed to ensure
2 that Licensees:

- 3 1. Publish the Tariff and other charges approved by and the terms and
4 conditions imposed by the Commission for the provision of water
5 supply and/or sanitation services;
- 6 2. Prepare, within three (3) months from the issuance of a License, in
7 consultation with its customers, a customer service code specifying the
8 manner and procedure for:
 - 9 i. Metering, billing, and collection of the Licensee's approved tariff
10 and other charges;
 - 11 ii. Disconnection or suspension of service in case of non-payment
12 of tariffs and/or other charges, or acts of pilferage; and
 - 13 iii. Recommendation and recovery of arrears in tariffs and other
14 charges.
- 15 3. Maintain financial accounts in accordance with the manner and
16 procedure specified in the License and as may be required by the
17 Commission; and
- 18 4. Maintain and, upon request by anyone during regular office hours,
19 promptly make available for scrutiny and inspection such data,
20 statistics and other information, as may be required by the
21 Commission.

22 *Sec. 49. Setting Tariffs, Rates and Other Charges.* – Regulatory Units shall
23 establish tariffs, rates and other charges which are fair and reasonable, and ensure
24 environmental sustainability, economic viability, and a fair return on investments
25 considering the prevailing cost of capital in the domestic and international markets.
26 Tariffs, rates, and charges shall be based on, and consistent with, a scientific and
27 evidence-based rate-setting methodology that the Commission shall, after due
28 consultation with the Department, define and publish, taking into account the
29 following, among others:

- 30 a) Reasonable and prudent capital and recurrent costs of providing the service
31 including a reasonable rate of return on capital;
- 32 b) Efficiency of the service;

- 1 c) Incentives for enhancement of efficiency;
- 2 d) Willingness to pay of the customers/consumers;
- 3 e) Equity considerations;
- 4 f) Environmental sustainability; and
- 5 g) Administrative simplicity.

6 Tariffs, rates, and charges set by the Regulatory Units shall be presumed valid
7 and reasonable unless a protest or contest is filed with the Commission.

8 Sec. 50. *Direct Access.* – Fifty-one (51) percent of the registered water
9 consumers in a municipality, city or province may petition for direct access to water
10 from any water service provider subject to concurrence by the service provider and
11 approval by the Commission. The Commission shall promulgate the implementing
12 rules and procedures for this mode of service or direct access water service.

13 Sec. 51. *Promotion of Innovative Schemes to Improve Efficiency and*
14 *Management of Systems.* – The Commission shall promote innovative schemes such
15 as the consolidation and/or integration of water supply and/or sanitation services,
16 and/or providers in the same service area, where it shall result in improved
17 efficiency, service expansion, and/or lower costs.

18 To this end, the Commission shall establish and issue such rules and
19 guidelines as may be necessary to (a) create incentives to encourage efficiency and
20 service expansion; (b) establish the standards and targets that service providers are
21 required to meet; and (c) define the fines and penalties that shall be imposed for
22 failure to meet such standards and targets.

23 **CHAPTER VIII**

24 **PROCEEDINGS BEFORE THE COMMISSION**

25 Sec. 52. *Proceedings Before the Commission.* – For the purpose of any
26 investigation, inquiry or proceeding, the Commission shall:

- 27 a) Issue *subpoena duces tecum* and *subpoena ad testificandum*;
- 28 b) Appoint hearing officers to hear and receive evidence on behalf of the
29 Commission;
- 30 c) Cite any person or party for contempt for refusal to appear, testify or comply
31 with an order of the Commission on any matter that is the subject of
32 investigation, inquiry or proceeding before the Commission.

1 all the obligations, of the Water Utilities Division of the NWRB, the Regulatory Offices
2 of MWSS and LWUA, the Regulatory Units of all special economic zones, and all
3 other government agencies and units whose powers and functions have been
4 transferred to them.

5 The transfer of powers and functions to the Department and the Commission,
6 as herein provided for, shall take effect within six (6) months after the effectivity of
7 this Act. The foregoing transfer of powers and functions shall include all applicable
8 funds, personnel, records, property and equipment, as may be necessary. The same
9 shall apply to agencies which have been attached to the Department by virtue of this
10 Act.

11 All agencies transferred, subsumed and attached to the Department or the
12 Commission, shall continue to function under their present mandates until transition
13 is effected under this Act, and the heads of the affected agencies shall continue to
14 serve until replaced.

15 All rights and obligations of the affected agencies are hereby transferred to
16 and assumed by the Department or the Commission, and shall be acted upon in
17 accordance with the rules and regulations of the Commission on Audit and other
18 pertinent laws, rules, and regulations.

19 *Sec. 56. Absorption or Separation from Service of Employees of the*
20 *Subrogated Agencies.* – The existing employees of the Water Utilities Division of the
21 NWRB, the Regulatory Offices of MWSS and LWUA, the Regulatory Units of all
22 special economic zones, and all other government agencies and units whose powers
23 and functions have been transferred to the Commission shall enjoy the security of
24 tenure, and shall be absorbed by the Department, in accordance with their staffing
25 pattern and the selection process as prescribed under Republic Act No. 6656 or the
26 Government Reorganization Law.

27 Employees opting to be separated from the service as a consequence of the
28 consolidation and reconstitution under the provisions of this Act, shall within one (1)
29 month from their separation or phase out from the service, receive separation
30 benefits in accordance with existing laws and those who are qualified to retire shall
31 be allowed to retire and be entitled to all benefits under any of the existing
32 retirement laws.

1 *Sec. 57. Applicability of Ease of Doing Business Law.* – The prescribed
2 processing time provided under Section 9.b of Republic Act No. 11032 otherwise
3 known as the Ease of Doing Business and Efficient Government Service Delivery Act
4 of 2018, shall be applicable to all agencies and LGUs covered under this Act
5 particularly on accessing government services.

6 *Sec. 58. Funding for the Commission.* – The sum of Three Hundred Million
7 (P300,000,000.00) pesos shall be allocated from any available funds of the National
8 Treasury, and appropriated and authorized to be released, for the organization and
9 initial operations of the Commission.

10 Thereafter, funds sufficient to fully carry out the objectives, powers, and
11 functions of the Commission and its Regulatory Units shall be appropriated every
12 fiscal year in the General Appropriations Act, in an amount that shall not be less than
13 the amount appropriated for it the previous year.

14 The Commission shall submit its annual budget, which shall include, among
15 others, detailed information on the compensation and benefits received by their
16 employees, to the Department for approval.

17 Subject to existing rules and regulations of the Department of Budget and
18 Management (DBM), all funds and monies collected by the Commission from fees,
19 charges, surcharges and penalties, which the Commission may impose and collect
20 under this Act, shall accrue directly and automatically to the Commission and shall
21 be utilized solely for its operations. The guidelines for the collection and
22 disbursement of these proceeds shall be defined in the implementing rules and
23 regulations of this Act.

24 A proportion of the abovementioned amounts shall be used for training and
25 capacity building purposes, including the upgrade and procurement of equipment
26 and software as may be necessary for the efficient and effective exercise of its
27 power, subject to existing laws on procurement, accounting and auditing rules and
28 regulations.

29 The amount of funds and monies collected, and the costs and purposes for
30 which such were expended, shall be made publicly available upon request, as well as
31 on an official website that the Commission shall establish.

1 Sec. 59. *Water Trust Fund.* – There is hereby created a Water Trust Fund in
2 the Bureau of Treasury. All non-tax revenues, including raw water pricing, permit
3 fees, registration fees, supervision and regulation enforcement fees, filing fees,
4 testing fees, and other service income from the use of water resources shall be
5 remitted to the Water Trust Fund. The trust fund shall be accounted separately from
6 the government’s general revenues and shall be automatically appropriated to the
7 Department. Proceeds from the trust fund shall be utilized for water development,
8 water sanitation and waste water treatment and management, and water
9 sustainability programs and projects authorized under this Act: *Provided,* That a
10 maximum of ten percent (10%) of the total income generated from raw water
11 extraction shall be given as share of the concerned local government unit or
12 indigenous people (IP) who owned the specific areas or land where the raw water
13 was sourced.

14 Sec. 60. *Appropriations.* – The sum of two billion pesos (P2,000,000,000.00)
15 shall be set aside from available funds of the National Treasury and is hereby
16 appropriated and authorized to be released for the organization of the Department
17 and the current year’s appropriations of the NWRB, RCBO, NIA, MCBO and the
18 Water Quality Management Section of the EMB of the DENR, the Flood Management
19 Cluster of the DPWH, the Water Supply and Sanitation Unit of the DILG shall be used
20 for its initial operations. Thereafter, such sums as may be necessary for the
21 continued implementation of this Act shall be included in the General Appropriations
22 Act. The Department shall include in its proposed budget the necessary amount to
23 enable it to achieve its mandate and to carry out its powers and functions.

24 Sec. 61. *Implementing Rules and Regulations.* – Within one hundred eighty
25 (180) days from the effectivity of this Act, the Department, in consultation with
26 concerned government agencies, the Senate Committee on Public Services, and the
27 Committee on Civil Service, Professional Regulation, and Government
28 Reorganization, and the House of Representatives Committee on Government
29 Reorganization, shall promulgate the necessary implementing rules and regulations
30 for the implementation of this Act: *Provided,* that the revised implementing rules and
31 regulations shall take effect fifteen (15) days following its publication in two (2)
32 newspapers of general circulation.

1 *Sec. 62. Separability Clause.* – If any reason, any portion or provision of this
2 Act shall be held unconstitutional or invalid, the remaining provisions not affected
3 thereby shall continue to be in full force and effect.

4 *Sec. 63. Repealing Clause.* –

5 a) The following provisions are hereby repealed:

6 i. The provision with respect to fixing of water rates and sanitation
7 service fees of Section 3 (h) and Section 12, and regulation of
8 waterworks and deep wells of Section 3 (n), regulation of waterworks
9 and sanitation systems in privately owned subdivisions of Section 3 (p)
10 of Republic Act 6234;

11 ii. Section 62 on regulation and Section 63 on rate review of Presidential
12 Decree No. 198 otherwise known as the “Provincial Water Utilities Act
13 of 1973”, as amended by Letter of Instruction No. 700 – “Providing
14 Measures To Control And Regulate Increase In Water Rates”, Letter of
15 Instruction No. 744 – “Relative To Reliable Water Supply At Reasonable
16 Rates In The Countryside”, Executive Order No. 124, 30 January 1987
17 - “Reorganization Act of the Ministry of Public Works and Highways”,
18 and Executive Order No. 123, 30 January 1987 - “Reorganization Act
19 of Ministry of Social Services and Development”, is hereby repealed or
20 modified accordingly.

21 b) The following provisions are hereby amended accordingly:

22 i. Section 154, Article V, Chapter I, Title One, Book II of Republic Act No.
23 7160 otherwise known as the “Local Government Code of 1991”, and
24 its implementing rules and regulations on the power of the local
25 government units to fix the rates of water utilities owned, operated
26 and maintained by them within their jurisdiction is hereby repealed or
27 modified accordingly.

28 ii. Section 13 (b) on regulation of enterprises within the Economic Zone
29 under Republic Act No. 7916 as amended, otherwise known as the
30 Special Economic Zone Act of 1995, is hereby repealed or modified
31 accordingly; and

1 iii. Provisions under Section 69 of Republic Act No. 9593 or The Tourism
2 Act of 2009 and its Implementing Rules and Regulations which
3 mandates the Tourism Infrastructure and Enterprise Zone Authority to
4 grant franchises, supervise the operation of public utilities, and
5 register, monitor and regulate enterprises within Tourism Enterprise
6 Zones, are hereby repealed or modified accordingly.

7 c) All other laws, presidential decrees, executive orders, presidential
8 proclamations, rules and regulations, or parts thereof which are inconsistent
9 with the provisions of this Act are hereby repealed or amended accordingly.

10 Sec. 64. *Effectivity.* – This Act shall take effect thirty (30) days after its
11 publication in the Official Gazette.

Approved,