

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



'22 JUL 11 P 6 :12

SENATE

S. No. 268

RECEIVED BY: _____

Introduced by Senator Manuel "Lito" M. Lapid

**AN ACT
PROVIDING FOR A COMPREHENSIVE WATER RESOURCES MANAGEMENT
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Water scarcity is a paradox in our modern lives. While around 71% of our planet is water, four billion people — almost two thirds of the world's population — experience severe water scarcity for at least one month each year. Over two billion people live in countries where water supply is inadequate. Half of the world's population could be living in areas facing water scarcity by as early as 2025. Some 700 million people could be displaced by intense water scarcity by 2030.¹

Philippines is no exception. Warm climate, development, and growing population have caused our potable water supply to dwindle at an alarming rate. Water supplies in parts of the Philippines are frequently scarce and, as a consequence, supplies are frequently shut down to preserve capacity. Six to eight months of the year are largely dry: during these months, acute water shortages occur and people rely on drinking water sources that may not be safe. They may also lack sufficient water for washing to maintain basic hygiene to prevent infection from disease. Such

¹ UNICEF. Water scarcity. Addressing the growing lack of available water to meet children's needs. Retrieved from: <https://www.unicef.org/wash/water-scarcity> . Accessed on 4 July 2022.

inadequate and intermittent water supply in parts of the country present serious consequences to health.²

As such, we need to adopt a more aggressive policy to manage our water resources.

This proposed measure seeks to create the Water Resources Authority of the Philippines (WRAP) to address the various problems encountered by the water sector in the county. This measure seeks to rationalize the activities of numerous national and local government agencies that are concerned with water extraction and water distribution. This measure seeks to adapt an integrated approach to water resources development for a more efficient and sustainable policy-making and implementation.

As proposed in this measure, the WRAP shall absorb the functions of the National Water Resources Board (NWRB) and assume its policy making duties. Furthermore, the Local Water Utilities Administration (LWUA) shall handle the licensing of local water districts subject to regulation by the WRAP. The Water Resources Adjudication Board shall act as a quasi-judicial body to settle disputes between WRAP and anybody it regulates such as the Metropolitan Water Works and Sewerage Systems (MWSS).

The Philippines needs to adopt a long-term policy vis-a-vis the management of water resource. The creation of the Water Resources Authority of the Philippines is a long-term solution to a problem that requires our immediate attention.

In view of this, early passage of this bill is sought.


MANUEL "LITO" M. LAPID
Senator

² Barkwith, Andrew. Improving water security in the Philippines. British Geological Survey (6 October 2021). Retrieved from: <https://www.bgs.ac.uk/news/improving-water-security-in-the-philippines/>



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1 **AN ACT**
2 **PROVIDING FOR A COMPREHENSIVE WATER RESOURCES MANAGEMENT**
3 **AND FOR OTHER PURPOSES**

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

4 Section 1. *Short Title.* – This Act shall be known as the "Water Resources
5 Management Act".

6 Sec. 2. *Declaration of Policy.* – The State shall adopt urgent and effective
7 measures to address the national water crisis as well as measures for the long-term
8 sustainable management of scarce water resources. To achieve this purpose, the
9 utilization and development of water resources must be rationalized and optimized
10 through an integrated water management system. All agencies involved in water
11 resources management shall be streamlined, rationalized and strengthened.

12 Sec. 3. *Basic Principles.* -- Sustainable management of water resources shall
13 take into consideration the following principles:

14 a) Water is a limited resource and is indispensable for life and to all socio-
15 economic sectors.

16 b) Water has an economic value in all its competing uses and shall be treated
17 as a social and economic product.

18 c) Water resources management shall be decentralized, participatory and
19 community-based and conducted at the lowest appropriate level.

1 d) Women play a central role in water resources management and shall be
2 represented in decision-making processes.

3 e) Private sector and civil society participation shall be encouraged in all levels
4 of water resources management, utilization and development.

5 f) Licensing shall be the mechanism to ensure that public interest is protected
6 in the provision of drinking water, sanitation, irrigation or other water services by
7 monopoly suppliers.

8 *Sec. 4. The Water Resources Authority of the Philippines.* - To carry out the
9 above-declared policy, there is hereby created the Water Resources Authority of the
10 Philippines, hereinafter referred to as the Authority.

11 The Authority shall be an attached agency to the Office of the President. The
12 Authority shall, in addition to the powers and functions herein provided, exercise the
13 powers and functions of the National Water Resources Board provided under
14 Presidential Decree No. 424 and Presidential Decree No. 1067.

15
16 *Sec. 5. Powers and Functions.* – The Authority shall have the following powers
17 and functions:

18 a) Formulate, within one (1) year from the effectivity of this Act, a national
19 framework for integrated and sustainable water resources development,
20 management and planning, taking into consideration the following:

- 21 1) provisions of supply of water of appropriate quantity and quality to
22 all users in a manner which reflects national, regional and community
23 priorities;
- 24 2) efficient use of water through demand-side management and other
25 programs;
- 26 3) expansion and improvement of water and sewerage systems
27 especially in low-income areas by providing an environment
28 conducive to the adequate financing of public and private water
29 services;

1 4) provision of an environment conducive to private sector participation
2 in the water sector through economic incentives, efficient and
3 effective regulatory mechanisms, and promotion of competition in
4 the supply of water and sewerage services; and efficient delivery of
5 water sewerage services.

6 b) Formulate within one (1) year from the effectivity of this Act, in
7 coordination with concerned agencies, a framework for a water data collection, and
8 rationalize existing data collection activities undertaken by various public and private
9 entities;

10 c) Formulate, within one (1) year from the effectivity of this Act, a national
11 water resources development management plan, which shall be intergovernmental,
12 multi-sectoral, decentralized, community-based and participatory. The plan shall
13 include, among others:

- 14 1) The integration of all plans of the water sector in accordance with
15 the principle of sustainable and integrated management of the water
16 resources;
17 2) Formulation and Adoption of measures to ensure the upgrading of
18 the classification of inland waters based on their potential uses; and
19 3) Adoption of other measures in pursuant of the integrated water
20 resources management and development.

21 d) Delineate catchment areas, within one (1) year from the effectivity of
22 this Act, and, whenever appropriate, establish sub-regional offices at the catchment
23 level for the management of the local water resources within the national framework
24 formulated pursuant to this act.

25 e) Issue, upon consultation with the public and private entities affected,
26 water permits for abstractions, diversions or appropriations of inland water;

27 f) Impose fees

28
29 *Sec. 6. Protected Areas and Ancestral Domains.* –Where there are protected areas
30 and ancestral domains within the river basin or watershed, the Protected Areas
31 Management Board (PAMB) and the indigenous people, respectively, shall continue to
32 manage the water resources in their areas, in coordination with the Authority. For

1 purposes of this Act, watershed shall mean land area drained by stream or a fixed
2 body of water and its tributaries having a common outlet for surface run off.

3
4 *Sec. 7. Prohibited Acts.* -- The following developmental undertakings on
5 watersheds shall be prohibited:

6 a) road construction, except access roads necessary for the efficient
7 surveillance of the watershed area, and farm to market roads which provide lifeline
8 support to the people in the community;

9 b) establishment of residential, commercial, industrial subdivisions and golf
10 courses;

11 c) logging;

12 d) farming utilizing inorganic fertilizers; and

13 e) all other land and resources uses/infrastructure projects which are found to
14 be incompatible with uses of the area as a watershed.

15 *Sec. 8. Organizational Structure.* - The Authority shall consist of the Office of
16 the Director-General, the staff offices, and the field offices. Subject to the power of
17 the Director-General to reorganize, restructure, and redefine the functions of the
18 offices and services for the effective discharge of the powers and functions of the
19 Authority under this Act, the Authority shall have the following Offices: Field Offices
20 in each of the water resources zones of the country; sub-regional offices; the Water
21 Regulatory Services; the Statistics and Information System, Administration and
22 Finance Office; and the Office for Legal Services.

23 *Sec. 9. The Director-General.* – The Authority shall be headed by the Director-
24 General who shall be appointed by the President. The Director-General shall carry the
25 rank and have the powers of a Secretary and shall be a member of the Cabinet.

26 No person shall be appointed Director-General, Deputy Director-General or
27 Assistant Director General unless he or she is a citizen and resident of the Philippines,
28 of good moral character, and of proven competence in any of the following fields: (a)
29 water or utility economics; (b) public administration; (c) physical or engineering
30 services; (d) management; (e) hydrology and other related sciences; or (f) law.

1 The Director-General shall have the following powers and functions:

2 a) establish policies and standards for the effective and efficient operation of
3 the Authority;

4 b) create sub-regional offices at the catchment level and such other service
5 units as may be necessary;

6 c) recommend to Congress the creation of catchment authorities for the optimal
7 management of the water resources in the area;

8 d) coordinate programs and initiatives of public and private entities and
9 communities relating to water resources data collection, research and planning, as
10 well as implementation of water development projects within the National Water
11 Resources Management and Development Plan;

12 e) reorganize the Authority as necessary for the efficient and effective
13 implementation of this Act; and

14 f) perform such other functions as may be necessary and proper to attain the
15 objectives of this Act.

16 *Sec. 10. Deputy Director-General and Assistant Director-General.* –The Deputy
17 Director-General and the Assistant Director-General shall comply with the
18 requirements for Career Executive Service Officers under the Civil Service Law and
19 other related laws, rules and regulations.

20 *Sec. 11. Water Resources Adjudication Board.* - There is hereby created a Water
21 Resources Adjudication Board, hereinafter referred to as the Board, under the Office
22 of the Director-General. The Board shall be composed of the Director-General as
23 Chairperson, and two other permanent and independent members to be appointed by
24 the Director-General. The Director of the Office for Legal Services shall serve as
25 counsel to the Board.

26 The Water Resources Adjudication Board shall have the following powers:

27 a. exercise appellate jurisdiction over decisions of the water adjudicatory
28 officers in cases involving the exercise of the Authority's regulatory function, including
29 but not limited to the following:

- 1) disputes on raw water fees;
- 2) disputes on tariffs collected by monopoly suppliers of water and/or sewerage services and irrigation services;
- 3) disputes involving water permits, administrative allocation of water resources and transfer of water rights;
- 4) enforcement of contracts for privatized monopoly suppliers of water and/or sewerage services including contracts with the concessionaires of the Metropolitan Water Works and Sewerage Systems;
- 5) disputes over hydropower projects;
- 6) disputes involving monopoly suppliers of water and/or sewerage services and irrigation services;
- 7) complaints regarding the quality of service of suppliers of water and/or sewerage services and of irrigation services, and
- 8) such other cases specified under Presidential Decree No. 424 and Presidential Decree No. 1067.

All decisions of the Board shall be final and executory fifteen (15) days after notice of the decision unless appealed to the Supreme Court. The decision of the Board with regard to tariffs and irrigation fees shall be immediately executory and enforcement thereof may be suspended only upon filing of a bond, in an amount fixed by the Board to answer for damages occasioned by the suspension or stay of execution. No injunction may be issued by any court to restrain any proceeding before the Water Resources Adjudication Board except on the basis of question of law by the Supreme Court on certiorari.

b. Promulgate rules of procedure;

c. Administer oaths and compel the attendance of witnesses and presentation of documents by *subpoena* and *subpoena duces tecum*;

d. Declare a person in contempt for non-compliance or violation of its Orders and in the same manner as indirect contempt of a regional trial court upon application by the Board or the aggrieved party herein; and

e. Exercise such other powers as may be necessary to carry out its duties and responsibilities under this law.

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Sec. 12. *Water Resources Consultative Council.* - Every field office, and each catchment office, shall have a Water Resources Consultative Council which shall serve as its permanent advisory council. It shall be intergovernmental and multi-sectoral. Pursuant to Section 5 of this Act, the Council may submit water resources management plans to the Authority for approval. The Council shall also provide a venue for alternative dispute management for conflicts within their jurisdiction.

Sec. 13. *Monopoly Suppliers of Water and/or Sewerage Services and Irrigation Services.* – All public and private monopoly suppliers of water and/or sewerage services including, but not limited to local government units and local water districts, shall be required to procure a Water and/or Sewerage Services Operating License from the Authority as a pre-requisite to its operation. All public and private monopoly suppliers of irrigation services, shall likewise be required to procure an Irrigation License from the Authority: *Provided,* That all local government units involved in the supply of irrigation services shall register with the Authority; *Provided, further,* That when any such irrigation activity or project(s) of the local government units are privatized, they shall be required to procure a license under this provision.

The license shall include, but shall not be limited to provisions on: (a) exclusive right to supply water and/or sewerage services in the franchise area subject to the right of other legal service providers already operating in the area; (b) standards on the quality of drinking water, sewage discharge, and service efficiency; (c) the nature of services to be provided; (d) duration of the license; (e) tariffs to be charged; (f) the basis for variance of the tariffs, if any; (g) reporting requirements; and (h) sanctions for failure to comply with the standards set. Water supply shall as much as possible be integrated with sewerage services.

The Authority shall promote and approve the consolidation of drinking water, sewerage, irrigation and other water utility services to improve efficiency and cost of service, as well as to promote investments. Licensees must have technical, financial, and managerial capability to provide the services. All holders of the Operating License

1 shall be subject to a periodic performance audit by the Authority or its designated
2 agents.

3 All existing holders of Certificates of Conformance issued by the Local Water
4 Utilities Administration (LWUA) shall be automatically granted an operating license.
5 Water districts shall continue to have their franchise areas granted under Presidential
6 Decree 198 subject to the guidelines set by the Authority on the rights and obligations
7 of an operating license holder. LWUA shall continue to issue Certificates of
8 Conformance to water districts to ensure compliance with its standards and
9 procedures established. The Authority shall regulate the rates set by local water
10 districts as approved by the LWUA.

11 For the purpose of this section, monopoly supply of water, sewerage and/or
12 irrigation services refer to the situation where an entity operating a piped water
13 network and/or piped sewerage services from any water source can influence or
14 dictate the price of water and exclude competition. The term monopoly shall include,
15 but shall not be limited to piped water network of service coming from surface water,
16 ground water, and desalinated water.

17 *Sec. 14. Non-Monopoly Water Supply and/or Sewerage and Irrigation Service*
18 *Provider.* – All wells for domestic use and all Rural Waterworks and Sanitation
19 Associations and Barangay Waterworks and Sanitation Associations shall be registered
20 with the Authority. All local government units, associations; and other entities engaged
21 in water supply and sanitation services, and irrigation services not amounting to a
22 monopoly shall register their operations with the Authority.

23 *Sec. 15. Incentives for the Use of Clean and Water Saving Technology.* - In
24 order to encourage the sustainable utilization of water resources, the Authority shall
25 recommend to the Board of Investments the grant to public and private entities of
26 incentives such as:

27 a) exemption from custom and tariff duties for the importation of "clean and
28 water-saving technology" as defined by the Authority; and

1 b) tax rebate of up to fifty percent of the actual cost of the "clean" equipment
2 or technology to be imported or purchased.

3 Sec. 16. *Environmental Impact Assessment for Large Scale Abstraction or*
4 *Diversion of Water.* – All large-scale water abstraction, diversion, and appropriation
5 activities shall be considered as environmentally critical projects and shall be covered
6 by Presidential Decree No. 1586, its implementing rules and other related laws, rules
7 and regulations.

8 Sec. 17. *Integration of Water Resource Management Plan to Zoning and Land*
9 *Use Plans.* - All national and local zoning or land use plans shall integrate water
10 resource management plans.

11 Sec. 18. *Visitorial Power and Access to Records.* -- The Authority may authorize
12 its representatives or any deputized agent to enter any public or private property,
13 buildings or enclaves, whether inhabited or not, for the purpose of conducting
14 hydrologic surveys, and investigations on conditions of installed water facilities and
15 compliance with water laws and standards and the Authority's rules and regulations.
16 The Authority or its authorized agents may at any time have access to any record and
17 photocopy the same for the above declared purposes.

18 Sec. 19. *Contingency Powers.* - In times of critically low water levels and when
19 there is immediate danger to the major sources of water supply, as determined by the
20 Authority, the Authority shall have the power to convene an intergovernmental
21 emergency committee to protect water resources through: (a) designation of critical
22 watersheds; (b) imposition of land use controls; (c) promulgation of measures to
23 recover costs from responsible parties; and (d) undertaking of such other emergency
24 actions as it deems necessary to protect the water sources.

25 Where there is *prima facie* evidence that the water level is critically low or
26 where there is immediate danger to the major sources of water supply, the Authority
27 may issue *ex-parte* temporary cease and desist orders provided that such case is
28 subsequently endorsed to the appropriate government agency for proper action. The
29 agency concerned shall act within fifteen (15) days from such endorsement.

1 Sec. 20. *Transfer of Powers and Functions and Assets.* - The powers and
2 functions of the National Water Resources Board (NWRB) under Presidential Decree
3 Nos. 424 and 1067 and other laws, are hereby transferred to the Authority. The
4 transfer of powers and functions shall include the transfer of all funds and
5 appropriations including records, equipment, property, personnel and unexpended
6 appropriations *and/or* allocations of the NWRB to the Authority. The same shall apply
7 to government agencies which have not been abolished but whose functions have
8 been effectively transferred to the Authority. Officers and employees of said offices,
9 agencies and government units shall continue in a hold-over capacity until such time
10 as the new officers and employees of the Authority shall have been duly appointed
11 pursuant to the provisions of this Act.

12 Sec. 21. *Transfer of Rights and Liabilities.* – The Authority shall be subrogated
13 to all the rights and assume the liabilities of the NWRB, and other government
14 agencies and units whose functions and powers have been transferred to the Authority
15 and shall be acted upon in accordance with the rules and regulations of the
16 Commission on Audit and other pertinent laws, rules and regulations.

17 Sec. 22. *Staffing.* – The positions herein created shall be filled by regular
18 appointments in accordance with a staffing plan prepared by the Director-General.
19 The personnel of the NWRB shall be given preference in the positions herein created
20 in accordance with Civil Service Rules and Regulations; *Provided,* however, that such
21 personnel shall comply anew with the qualification standards set by the Authority
22 and/or the Civil Service Commission for the positions for which they may apply.

23 There shall be an early retirement incentive for employees who shall be
24 separated from the service.

25 Sec. 23. *Transitory Management Plan.* - The Authority shall formulate a
26 transitory management plan for the phase-in of its operations. The Authority shall be
27 fully operational within one year from the effectivity of this Act.

28 The Authority shall phase-in the effectivity of the new schedule of fees for the
29 appropriation of raw water within three years from the approval' of this act. The new

1 raw water fee shall be implemented in the irrigation sector within a period of five (5)
2 years from the approval of this Act.

3 Sec. 24. *Penalties-*

4 a) Any person, natural or juridical, found violating the provisions of this Act
5 and its Implementing Rules and Regulations shall be liable to pay a fine not exceeding
6 Five Million Pesos (Php 5,000,000.00) or imprisonment from six (6) months to six (6)
7 years, or both, at the discretion of the Court. If the offense is committed by a
8 corporation, partnership, association or any other juridical person, the penalty shall
9 be imposed against the officer/s, member/s and/or employee/s who took part in the
10 commission of the offense, who consented thereto or who is/are otherwise
11 responsible. This is without prejudice to the filing of civil and administrative action
12 against said corporation, partnership, association or other juridical person;

13 b) Any person or entity who shall refuse, obstruct or hamper the entry of
14 the duly authorized representatives of the Authority into any property of the public
15 domain or private property pursuant to its visitorial powers, shall be liable to pay a
16 fine not exceeding ten thousand pesos (Php 10,000.00) or imprisonment not
17 exceeding one (1) month, or both, at the discretion of the Court.

18 Sec. 25. *Fees, Administrative Fines and Sanctions. –*

19 a) The Authority may suspend or revoke any water permit or license issued
20 to any person or entity who shall violate any of the terms and conditions therein set
21 forth and/or any rules and regulations promulgated by the Authority.

22 b) The Authority may issue a cease and desist order against any person or
23 entity found to be violating any of the provisions of this Act, the Water Code, its
24 implementing rules and regulations or any order or decision of the Authority.

25 c) The Authority shall declare a person in contempt for non-compliance
26 with or violation of its orders. The person so declared in contempt shall be punished
27 in the same manner as indirect contempt of a Regional Trial Court, *motu proprio* or
28 upon application by any aggrieved party herein.

1 d) The Authority shall promulgate rules and regulations for the imposition
2 of administrative fines and sanctions for failure to comply with any order, decision,
3 rule and regulation of the authority.

4 e) Fees and revenues collected shall be retained by the Authority forming
5 a trust fund which shall be allocated among the (1) share of the local government unit
6 in the exploration of the natural resources within its territory in accordance with the
7 Local Government Code of 1991 as amended; (2) administrative costs of operation of
8 the Authority and its deputized agents; (3) awareness building for sustainable water
9 resources utilization, development and management; (4) community-based water
10 resources planning efforts; (5) financial grants for data collection, water impoundment
11 and development projects, research activities for the development of technology
12 which advances the sustainable utilization of water resources; (6) subsidies for water
13 supply and sewerage projects to low-income communities; (7) subsidies from the
14 Water Resources Development Fund for the import or purchase of "clean" equipment
15 or technology; (8) compensation for payment of water rights; (9) capability building
16 or community-based water resources management; (10) other areas priority as
17 determined by the Director-General.

18 Sec. 26. *Compensation for Damages.* – Compensation for damages to water
19 sources, due to pollution from identified sources, salt water intrusion of aquifers by
20 reason of unauthorized abstraction of underground water, and other damages
21 resulting from violations of the Water Code, its rules and regulations, and wrongful
22 acts punishable by law, which result in the deterioration of the quality of water supply
23 sources, shall be collected by the Authority.

24 SEC. 27. *Appropriations* – Such sums necessary for the implementation of this
25 Act shall be taken from the current fiscal year appropriation of the National Water
26 Resources Board and such amounts as the President of the Philippines may allocate
27 from other sources in accordance with law. Thereafter, the amount needed for the
28 operation and maintenance of the Authority shall be included in the annual General
29 Appropriations Act. The funds collected or which otherwise come into the possession
30 of the Authority and its Offices from fees, surcharges, fines and penalties which the

1 Authority may impose and collect under its Act shall be disbursed for expenses
2 necessary for the effective discharge of the powers and functions of the Authority.

3 SEC. 28. Rules and Regulations. – The Authority, in coordination with the
4 DENR, shall, promulgate such rules and regulations for the proper implementation of
5 this Act.

6 SEC. 29. Repealing Clause. – Section 4(b) of Presidential Decree No. 66, as
7 amended, Presidential Decree No. 424, Section 45 (a) and 62(A) of Presidential Decree
8 No. 198, as amended and NWRB Resolution No. 1444, Series of 1980, as amended,
9 are hereby repealed. Republic Acts Nos. 3601, 4850, 6234, 7227, 7916 and 7922;
10 Presidential Decrees Nos. 66, 198, 926, 1556, 1067 and 1586, and Executive Orders
11 No. 124, 192 and 230 are hereby modified accordingly. All laws, decrees, executive
12 orders, memorandum orders, memorandum Circulars, administrative orders,
13 ordinances or any part thereof, inconsistent herewith are hereby deemed repealed or
14 modified accordingly.

15 Sec. 30. *Separability Clause.* -- In the event that any provision of this Act is
16 declared unconstitutional, the validity of the remainder shall not be affected thereby.

17 Sec. 31. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its
18 complete publication in the Official Gazette or in at least two (2) newspapers of general
19 circulation.

20 *Approved,*