



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

23 MAR 15 P2:50

RECEIVED BY: _____

SENATE

S.B. No. 2013

Introduced by **SENATOR JOEL VILLANUEVA**

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

EXPLANATORY NOTE

The Philippine Constitution provides that the State shall protect and promote the right to health of the people and instill health consciousness among them (Article 2, Section 15). Meanwhile, the United Nations General Assembly explicitly recognized the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights (Resolution 64/292, adopted on July 28, 2010).

Despite being an archipelagic country that is abundant with natural water resources, the Philippines is facing a water and sanitation crisis. According to the records of the UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene and the World Health Organization, only 47.46% of the Philippine population had access to safely managed drinking water in 2020. Meanwhile, only 60.64% of the population had access to safely managed sanitation facilities during the same year.

While there are many laws and regulatory agencies on the preservation, management, and utilization of water, both law enforcement and agency cooperation are weak. A sole government body focusing on water resources and management will not only strengthen the implementation of water-related laws, but will do away with ineffective coordination among regulatory bodies.

This bill seeks to create the Department of Water Resources, a new government agency that will be primarily responsible for the formulation, recommendation, and implementation of national policies, plans, programs for a systematic and efficient water management, and ensure the availability of water for specific purposes in the country. More specifically, this bill mandates the Department to formulate and implement a National Water Resources Management Plan that adheres to an integrated water resources management framework, and includes a water infrastructure development program. In addition, this bill mandates the creation of a Water Regulatory Commission that shall absorb the regulatory functions of local water districts, the regulatory offices of the Metropolitan Waterworks and Sewerage System (MWSS), among others.

As one of the priority measures of President Marcos, the immediate passage of this bill is earnestly sought.



SENATOR JOEL VILLANUEVA

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

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CHAPTER I

GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known as the “National Water Act.”

SEC. 2. Declaration of Policy. – Access to water is a basic human right. All water belongs to the State which shall govern its development and utilization for the people. It is hereby declared the policy of the State to ensure the provision of safe, adequate, affordable, and sustainable water supply and improved sanitation services, while maintaining the protection, preservation, and revival of the quality of the country’s water resources and ecological balance.

In pursuit of this policy, this Act shall have the principal objective of ensuring and accelerating universal access to water supply and sanitation services, in a regulatory regime that encourages responsible private sector participation, and shall foster and prioritize the establishment of infrastructure and public works that adopt innovative solutions and international best practices to address the challenges of climate change. Further, all water and water treatment infrastructure projects are hereby declared as projects imbued with

1 national interest.

2
3 **SEC. 3. Definition of Terms.** – As used in this Act:
4

5 (a) **Bulk water supplier** refers to any entity, natural or juridical, whether
6 public or private, supplying or intending to supply large quantities of raw or
7 treated water to buyers who will use these for their own consumption, such as
8 industrial companies, or for retail distribution to consumers, such as water
9 service providers or real estate developers managing their own distribution
10 network;

11
12 (b) **Environmental services** refer to qualitative functions of natural non-
13 produced assets of land, water, and air, including related ecosystems, and their
14 biota, and which may be categorized into three (3) basic types: (1) disposal
15 services which reflect the functions of the natural environment as an absorptive
16 sink for residuals; (2) productive services which reflect the economic functions
17 of providing natural resource inputs and space for production and consumption;
18 and (3) consumer or consumption services which provide for physiological as
19 well as recreational and related needs of human beings;

20
21 (c) **Flood Control** refers to methods, acts, and protocols to be observed
22 in order to prevent and reduce the detrimental and catastrophic effects of flood
23 waters which include sediment-laden or turbid flows, and hyper-concentrated
24 flows or debris flows;

25
26 (d) **Flood Risk Management (FRM)** refers to such acts of defining and
27 determining the appropriate methods, acts, and protocols aimed at preventing
28 and reducing the risk of incurring loss of both life and property due to flood
29 waters. Flood risk management consists of a cycle of prevention, mitigation,
30 adaptation, preparedness and early warning, and response and recovery. The
31 elements of FRM include: integrating land-use planning, coastal zone
32 management, and indigenous people's rights into water management; adopting
33 a holistic approach so that FRM is part of a wider risk or multi-hazard
34 management of earthquakes, landslides, and storm surges; managing risk and
35 uncertainty as a whole so it not only mitigates hydrological uncertainties but
36 also social, economic and political uncertainties on account of human behavior
37 and the cultural dimension of FRM;

38
39 (e) **Gender Equality** refers to the principle asserting the equality of men
40 and women and their right to enjoy equal conditions realizing their full human
41 potential to contribute to and benefit from the results of development, and with
42 the State recognizing that all human beings are free and equal in dignity and
43 rights;

44
45 (f) **Infrastructure and public works** refer only to wholly or primarily
46 water-related projects and does not include projects that do not fall within the
47 purview of the objectives, power and duties of the Department of Water
48 Resources created under this Act;

49
50 (g) **Integrated Water Resource Management (IWRM)** refers to a

1 systematic, collaborative, and multi-stakeholder process which promotes the
2 coordinated development and management of water, land, and related
3 resources within geophysical boundaries in order to maximize the resultant
4 economic and social welfare in an equitable manner, and without compromising
5 the sustainability of vital ecosystems;

6
7 (h) **License** refers to the Water Supply and/or Sanitation Services
8 Operating License that the Water Regulatory Commission is authorized to grant
9 and issue to service providers;

10
11 (i) **Licensee** refers to a service provider to whom a license is granted or
12 issued by the Water Regulatory Commission;

13
14 (j) **Missionary Water Services** refer to water supply or services to areas
15 that have no existing safe water supply and services due to geographic
16 limitation or absence of economic and market viability;

17
18 (k) **National Water Resources Management Plan (NWRMP)** refers to a
19 policy document that contains a framework to guide the development and
20 management of all the water resources in the Philippines, the general
21 strategies and work to be pursued to ensure the sustainability of the resource
22 towards water security, and top level direction on the utilization of existing water
23 resources in line with national development plans, policies, and programs, in
24 accordance with the IWRM framework. The NWRMP shall also include a water
25 infrastructure development program for all waters of the country as well as
26 provide general guidance on how this shall be supported within an integrated
27 financing framework that can draw from public, private, and international
28 development funding sources;

29
30 (l) **Net Waste Load** refers to the difference of the initial waste load of the
31 abstracted water and the waste load of the final effluent discharge of an
32 industry;

33
34 (m) **Regulatory Units** refer to the offices established under Section 21 of
35 this Act which issue licenses authorizing the operation of Water Supply and
36 Sanitation Services, and provide, review, determine, fix, and approve water and
37 sewerage tariffs, rates, and charges that licensees may impose;

38
39 (n) **River basin** refers to an area of land drained by a stream or body of
40 fixed water and its tributaries which have a common outlet for surface run-off;

41
42 (o) **River Basin Organization (RBO)** refers to multi-stakeholder
43 organizations which plan, coordinate, and monitor activities within a river basin
44 cluster;

45
46 (p) **Sanitation** refers to the provision of facilities and services for the safe
47 management of sewage and septage;

48
49 (q) **Sediment management** refers to control of sediment erosion and
50 deposition in rivers, reservoirs, and coastal zones through non-structural and

1 structural measures and control works;

2
3 (r) **Sustainable Development Goals (SDGs) also known as the 17**
4 **Global Goals** refer to the universal call to action to end poverty, protect the
5 planet and ensure that all people enjoy peace and prosperity by 2030 adopted
6 by all United Nations Members States in 2015;

7
8 (s) **Septage** is the liquid and solid material pumped from a septic tank,
9 cesspool, or other primary treatment source;

10
11 (t) **Septage Management** refers to the provision of proper collection,
12 treatment, and disposal of septage;

13
14 (u) **Service Area** refers to the area covered by the water distribution
15 system, sewerage, and/or septage management services;

16
17 (v) **Service Provider** refers to any entity, natural or juridical, whether
18 private or public, providing or intending to provide water supply services,
19 including bulk water suppliers, sewerage, septage treatment, and disposal
20 services for domestic, residential, industrial, or commercial use;

21
22 (w) **Sewage** refers to water borne human or animal wastes, excluding oil
23 or oil waste, removed from residences, buildings, institutions, and industrial and
24 commercial establishments together with such groundwater, surface water and
25 stormwaters as may be present including such waste from vessels, offshore
26 structures, other receptacles intended to receive or retain waste or other places
27 or the combination thereof;

28
29 (x) **Sewerage** refers to any system or network of pipelines, ditches,
30 channels or conduits including pumping stations, lift stations and force mains,
31 service connections including other infrastructure, devices, or appliances
32 appurtenant thereto, which include the collection, transport, pumping and
33 treatment of sewage to a point of disposal;

34
35 (y) **Sewers** refers to pipes or such other works or structures which are
36 built and constructed to carry, transport, and dispose of sewage;

37
38 (z) **Social inclusion** refers to the process of improving the terms for
39 marginalized and disadvantaged individuals, indigenous peoples, and similar
40 groups to take part in society;

41
42 (aa) **Tariffs** refers to such amounts which may be charged by licensees
43 for their water supply and sanitation services based on principles, standards,
44 and guidelines established by the Water Regulatory Commission;

45
46 (bb) **Water Demand Management (WDM)** refers to any method, whether
47 technical, economic, administrative, financial, or social that will accomplish one
48 or more of the following:

49
50 (1) Reduce the quantity or quality of water required to accomplish a

1 specific task;

2
3 (2) Adjust the nature of the task or the way it is undertaken so that it
4 can be accomplished with less water or with lower quality water;

5
6 (3) Reduce the loss in quantity or quality of water as it flows from
7 source, through use, to disposal;

8
9 (4) Shift the timing of use from peak to off-peak periods; and

10
11 (5) Increase the ability of the water system to continue to serve
12 society during times when water is in short supply;

13
14 (cc) **Water Districts** refer to government-owned and controlled
15 corporations organized under Presidential Decree No. 198, as amended,
16 entitled "Declaring a National Policy Favoring Local Operation and Control of
17 Water Systems; Authorizing the Formation of Local Water Districts and
18 Providing for the Government and Administration of such Districts; Chartering
19 a National Administration to Facilitate Improvement of Local Water Utilities;
20 Granting said Administration such Powers as are Necessary to Optimize Public
21 Service from Water Utility Operations, and For Other Purposes," which are
22 created primarily to acquire, install, operate, maintain, and improve water
23 supply and distribution systems for domestic, industrial and municipal uses of
24 residents and to provide, maintain and operate wastewater collection, treatment
25 and disposal facilities within the boundaries of the district;

26
27 (dd) **Water pollution** refers to any alteration of the physical, chemical,
28 biological, or radiological properties of a body of water resulting in the
29 impairment of its purity or quality;

30
31 (ee) **Water Resource** refers to water under the ground or groundwater,
32 water above the ground such as surface water, run-offs, floods, stormwater,
33 and urban drainage, treated wastewater, water in the atmosphere or rain water,
34 and the waters of the sea within the territorial jurisdiction of the Philippines;

35
36 (ff) **Water resource allocation** is the process of sharing the limited water
37 resources between competing users. This consists of (i) determining water
38 availability, and (ii) determining how the water should be shared between
39 competing users. For the purposes of this Act, **resource allocation** shall also
40 mean **water resources allocation**.

41
42 (gg) **Water Resources Regions** refer to the contiguous clusters of river
43 basins which are grouped together according to the hydrological boundaries,
44 physiographic features, and homogeneity in climate, whether or not they
45 straddle different local government units (LGUs), for administrative purposes
46 under the Department of Water Resources;

47
48 (hh) **Water Service Provider (WSP)** refers to the water district, any LGU-
49 run water utility, Barangay Waterworks and Sanitation Association (BWSA),
50 Rural Waterworks Sanitation Association (RWSA), cooperatives engaged in

1 water service provision, and private sector entity that provides water supply
2 services to any given area; and

3
4 (ii) **Water supply service** refers to any activity pertaining to the provision
5 of water supply including bulk suppliers, suppliers to subdivisions, and other
6 water service providers.

7 8 CHAPTER II

9 10 THE DEPARTMENT OF WATER RESOURCES

11
12 **SEC. 4. *The Department of Water Resources.*** – There is hereby created and
13 established the Department of Water Resources, hereinafter referred to as the
14 Department.

15
16 **SEC. 5. *Mandate of the Department.*** – The Department shall be the primary
17 agency responsible for the comprehensive and integrated identification and
18 mapping of all water resources, planning, policy formulation, and management
19 of the ownership, appropriation, utilization, exploitation, development and
20 protection of water resources in the Philippines to ensure the optimal use
21 thereof for domestic and municipal water supply, sanitation, irrigation,
22 hydropower, industry, navigation, and recreation except fisheries or
23 aquaculture. The Department shall also be the primary agency responsible for
24 the planning and policy formulation towards the attainment of universal access
25 to safe, adequate, affordable, and sustainable water supply, and improved
26 sanitation services for all Filipinos. The Department shall be the primary
27 national agency to enforce Presidential Decree No. 1067, otherwise known as
28 “The Water Code of the Philippines”.

29
30 **SEC. 6. *Guiding Principles.*** – In the pursuit of its mandate, the Department
31 shall be guided by the following key principles:

32
33 (a) The concept of good water governance for water security and
34 sufficiency shall be adopted across all levels of governance by stakeholders
35 such as the national government, local government, non-government
36 organizations, private organizations, individuals, even global societal actors,
37 and in various sectors such as water supply, irrigation, fisheries, hydropower,
38 navigation, ecosystem services, flood management, climate change, and
39 recreation. It shall entail publicly transparent, socially accountable, and multi-
40 stakeholder participatory water policy planning, management, and decision-
41 making processes;

42
43 (b) Access to safe water supply and improved sanitation is a human right
44 that needs to be fulfilled and protected;

45
46 (c) Integrated Water Resource Management (IWRM) shall be adopted as
47 the basic framework, which shall include an enabling environment that utilizes
48 proper policies, legal instruments, and institutional frameworks for effective
49 implementation, participatory and collaborative water policy and management
50 decisions, and management instruments for efficient use of updated and

1 accurate data, science-based decision support systems, proper information,
2 education, communication (IEC) programs, assessment and allocation tools, or
3 regulatory functions. It shall observe the mutual accountability mechanism
4 among stakeholders at the national, regional, and global levels reinforcing
5 multi-stakeholder decision-making following a framework with specific,
6 measurable, attainable, relevant, and timely actions;

7
8 (d) Each river basin has its unique characteristics relating to the physical,
9 socio-cultural, and other aspects; thus, water management shall be performed
10 at river-basin level, involving all the stakeholders at that particular river basin;

11
12 (e) Integrated and accurate data collection and analysis and the use of
13 scientific decision support systems shall be undertaken in water resources
14 management including flood modeling and warning systems that are essential
15 for an effective, efficient, and sustainable water resources management
16 system;

17
18 (f) The development of water resources shall include strategies for the
19 mitigation of water-related hazards and climate change adaptation;

20
21 (g) Water resources shall be fairly and sustainably managed, and water
22 services shall be provided where they are intended and most needed; and

23
24 (h) The proper operation and maintenance of waterworks systems
25 resulting in the uninterrupted and adequate supply and distribution of potable
26 water for domestic and other purposes, and the proper operation and
27 maintenance of sewerage systems which are essential services to public health
28 and safety, shall be ensured at all times.

29
30 **SEC. 7. Objectives of the Department.** – The Department shall:

31
32 (a) Promote and adopt water demand management as a national policy to
33 ensure that water is optimized, that water efficiency and conservation become
34 a way of life, that the recycling and reuse of water and treated wastewater are
35 widely practiced, that water is properly priced to encourage efficient use and
36 conservation and that rainwater, flood waters, and run-offs are captured or
37 harvested, stored and treated for future use;

38
39 (b) Prioritize and seek the immediate attainment of universal access to
40 safe, adequate, affordable and sustainable water supply and improved
41 sanitation services for all Filipinos in a manner consistent with the protection,
42 preservation, and revival of the quality of the country's water resources, and to
43 adopt all needed measures to advance the right of the people to a balanced
44 and healthful ecology in accord with the rhythm and harmony of nature;

45
46 (c) Strengthen and coordinate IWRM planning and policy making to
47 ensure sustainable and fair allocation and efficient use of water resources
48 among competing uses and users;

49
50 (d) Ensure that integrated water resources management is strongly

1 coordinated with land use and coastal and multi-hazard planning and
2 management;

3
4 (e) Develop sustainably, and manage water resources toward water
5 security, taking into consideration water, land, and related resources aimed at
6 increasing water dependability for different uses, optimizing economic benefits
7 and social welfare without compromising the sustainability of vital
8 environmental systems;

9
10 (f) Strengthen and coordinate policy making and planning towards
11 ensuring the availability of water for food security and energy security, as well
12 as towards the protection of communities and environments against flood and
13 other water induced hazards including sediment hazards;

14
15 (g) Ensure that the strategy for water resources development and
16 conservation is participatory, and that planners, policymakers, and other
17 stakeholders, including water users, community members, indigenous and
18 marginalized peoples, are involved at all levels;

19
20 (h) Develop a standardized pricing framework for water use that accounts
21 for environmental externalities; and

22
23 (i) Ensure that all sources of water, including surface water, groundwater,
24 rainwater, and floodwater are identified, mapped, monitored, conserved and
25 managed for productive use and the resulting wastewater is managed properly,
26 reused, and responsibly disposed of following approved environmental
27 standards.

28
29 **SEC. 8. Powers and Functions of the Department.** – The Department shall
30 have the following powers and functions:

31
32 I. Policymaking and Planning

33
34 (a) Ensure that IWRM is adopted as the strategic framework for water
35 management policymaking and planning in the country and coordinate the
36 implementation, promotion, revision and enhancement of IWRM plans;

37
38 (b) Formulate policies, strategies, and targets in coordination with other
39 relevant entities to meet the goals and objectives for water supply and
40 sanitation, water quality, irrigation, hydropower, flood control, stormwater
41 utilization, and urban drainage. Such policies shall, among other guidelines,
42 integrate the issues of water and sanitation, food security, energy, environment
43 and flood control, and climate change;

44
45 (c) Formulate and develop policies to promote universal access to safe,
46 adequate, affordable, and sustainable water supply, and improved sanitation
47 services for all Filipinos;

48
49 (d) Prepare the NWRMP in consultation with other agencies and
50 stakeholders, following the IWRM framework and integrating therein a national

1 land use plan, submit the NWRMP to the National Economic and Development
2 Authority (NEDA) Board for approval and eventual adoption, and regularly
3 update, every five years or as deemed necessary by the Department, in order
4 to ensure its relevance;

5
6 (e) Undertake river basin survey, inventory and appraisal of water and
7 related resources, and develop comprehensive basin-wide plans of storage,
8 retardation, and control to maximize conservation and multipurpose use of
9 water in the basin;

10
11 (f) Conduct continuing hydrological and hydrometeorological surveys and
12 studies of the country's renewable water supply, and establish, operate and
13 maintain observation station networks;

14
15 (g) Formulate long-term policies to balance the sustainability and optimal
16 multiple use of water resources, define the hydrologic boundaries of basins of
17 the existing water supply sources, and develop and/or update existing River
18 Basin Master or Comprehensive Plans, which shall include all aspects of water
19 management and development, such as water supply and sanitation, irrigation,
20 flood control and stormwater or urban drainage, drought risk management,
21 water resource development systems and other public water works projects,
22 including phasing of implementation;

23
24 (h) Identify, based on the river basin master plans, priority packages for
25 water infrastructure development per river basin, including water supply,
26 sanitation, irrigation, flood control and stormwater or urban drainage, drought
27 risk management, water resource development systems and other public works
28 projects;

29
30 (i) Evaluate and appraise all regional and inter-regional infrastructure
31 water development plans and programs as to their feasibility and consistency
32 with approved strategies and medium and long-term plans;

33
34 (j) Formulate policy, strategies, master plans and programs on flood risk
35 management in the context of integrated flood management (IFM) which
36 incorporates water, land, coastal zone and multi-hazard management. In
37 integrating land use planning and water management, the Department shall
38 harmonize and synthesize plans to enable the sharing of information between
39 land-use planning and water management authorities. In this regard, a holistic
40 approach shall be adopted by making the IFM a part of a wider risk or multi-
41 hazard management system that includes earthquakes, landslides, fires,
42 tsunami, and other calamities of the same gravity or nature;

43
44 (k) Strengthen and coordinate policy making and planning for flood
45 management, integrated with stormwater or urban drainage and appropriate
46 retention or retarding basins in order to harvest and reuse water, and to plan
47 against, prevent, and minimize the detrimental and catastrophic effects of
48 flooding;

49
50 (l) Assist and provide the NEDA with the required data and input from the

1 water sector in the formulation of the country's short-term and long-term
2 strategic development plans and actions, and recommend to the NEDA Board
3 the adoption of general policies and guidelines for water resources
4 development;

5
6 (m) Review, approve, and provide oversight over all water-related
7 development plans and programs of any agency within the context of the
8 NWRMP, and overall national plans and programs;

9
10 (n) Develop and implement, in coordination with other relevant agencies,
11 effective codes, standards, benchmarks, and reasonable guidelines on project
12 investigation, formulation and planning of water resources infrastructure, to
13 ensure the safety of all public and private water structures in the country, and
14 assure efficiency and proper quality in the construction of water, sanitation,
15 irrigation, hydropower, flood control and drainage infrastructure;

16
17 (o) Ensure that gender equality, social inclusion, environmental protection,
18 climate resiliency, disaster risk reduction, and indigenous knowledge systems
19 and practices are integrated into any water resource management planning,
20 policy making, and the design and construction of water infrastructure;

21
22 (p) Ensure that the planning of water infrastructure considers the highest
23 efficiency and most appropriate technology and quality, in accordance with
24 national development objectives;

25
26 (q) Review existing guidelines appropriate for private sector participation
27 in the water sector and submit recommendations to the Public-Private
28 Partnership (PPP) Center and other concerned agencies to promote and
29 enable more PPPs in the sector;

30
31 (r) Gather, analyze, and organize needed statistical data and information;
32 for those water-related data generated by other concerned agencies, establish,
33 in coordination with these agencies, the guidelines, standards, methodologies,
34 and protocols for data collection that will be officially recognized by the
35 Department, and institute mechanisms for coordination with other agencies as
36 regards their submission and certification of submitted water-related data to the
37 Department;

38
39 (s) In case of gaps in data collection by other agencies, under item (r)
40 above, the Department may be authorized to collect the said data in accordance
41 with the established guidelines, standards, methodologies and protocols, and
42 in coordination with the respective agencies, provided that both agencies
43 ensure that duplication of roles in data collection is prevented, and where
44 sensitive personal information is involved, the provisions of Republic Act No.
45 10173 or the "Data Privacy Act of 2012" shall, at all times, be adhered to;

46
47 (t) Build a central repository of water data and effect inter-sectoral, inter-
48 agency, and inter-departmental coordination on all aspects of data gathering
49 and management for water resources development planning and compel the
50 submission of statistics and data on water utilization with the aim of

1 operationalizing the integrated approach to water resources management;

2
3 (u) Ensure the effective implementation of the “Water Code of the
4 Philippines;”

5
6 (v) Promote Philippine participation in information sharing and education
7 on best practices in support of international efforts to achieve universal access
8 to safe water and improved sanitation, and the integration of water, energy,
9 environment, and food security;

10
11 (w) Ensure that the easements provided for in Title VII, Chapter 2, Section
12 2 of Republic Act No. 386, otherwise known as the “Civil Code of the
13 Philippines” and other relevant laws are enforced, especially in all the *esteros*
14 and waterways, as well as abate the dumping of untreated wastewater and
15 sewage into water bodies, including all acts and omissions in violation of
16 Presidential Decree No. 984, otherwise known as the “National Pollution
17 Control Decree of 1976,” as amended, and other related laws; and

18
19 (x) Issue and promulgate rules, regulations and guidelines as may be
20 necessary to implement and enforce its powers and functions under this Act.

21
22 II. Resource Allocation and Regulation

23
24 (a) Manage and conserve the country’s water resources to ensure the
25 optimal use thereof for domestic water supply, sanitation, irrigation,
26 hydropower, navigation, flood control, and recreation purposes, and enhance
27 and maintain water quality, conserve watersheds, control water pollution, and
28 restore the environment, without compromising the natural ecosystem functions
29 and services;

30
31 (b) Regulate and control the utilization, abstraction, diversion, and
32 development of water resources, taking in consideration their equitable
33 distribution among competing demands and determine the standards of
34 beneficial and priority uses of water in times of crisis and national emergencies;

35
36 (c) Formulate, promulgate, and enforce rules and regulations for the
37 development and optimum use of water resources and its administration and
38 management, including coherent water protocols, operating rules of all existing
39 and future water infrastructure; general criteria, methods and standards for
40 basic data collection and project identification, formulation and planning, and
41 appropriate sanctions to be imposed for non-compliance;

42
43 (d) Regularly review regulations prescribed by any government agency
44 pertaining to water use, exploitation, development, and conservation or
45 protection of waters, water resources, and watershed or basin areas with
46 respect to this Act;

47
48 (e) Impose fees or charges, as may be deemed necessary for water
49 resources conservation and protection, such as:

1 (1) Polluter's Fee, which shall be based on the net waste load
2 depending on the wastewater charge formula pursuant to Republic Act
3 No. 9275, otherwise known as the "Clean Water Act of 2004;"
4

5 (2) Raw water price, which shall take into account, among others,
6 the scarcity of water; and
7

8 (3) Appropriate payment structures for environmental services;
9

10 (f) Deputize LGUs to collect the national fees or charges for resource
11 regulation within their respective jurisdictions;
12

13 (g) Collect, regularly update, monitor, and analyze water resources data
14 including climatology, hydrological and other water-related data and ensure that
15 such data is easily accessible by relevant and authorized users;
16

17 (h) Establish, operate, and maintain observation station networks and a
18 centralized water resources data center for the scientific survey and appraisal
19 of surface and groundwater potentials of the country, and determine the annual
20 renewable water available per water resources region;
21

22 (i) Maintain a database that will contain updated relevant information on
23 water data which will be accessible to relevant and authorized users;
24

25 (j) Develop and continuously update a computerized decision support
26 system that incorporates data management systems relating to acquisition and
27 database, model base in terms of physical design, planning and decision
28 models, and user-friendly interface concerning graphical and visualization
29 tools;
30

31 (k) Conduct and promote special studies and research on water
32 economics and other aspects of water resources development and
33 management as may be needed to support the policy and plan proposals of the
34 Department, such as, but not limited to, impacts of climate change, weather
35 modification, flood monitoring and modeling, environmental quality, and
36 desalination; and
37

38 (l) Raise public awareness through information, education, and
39 communications programs, and build capacities for informed participation in
40 water resources management at the national and river-basin level.
41

42 III. Institutional Arrangement with Public Water Agencies and Organizations 43

44 (a) Develop guidelines, including rules of partnership, between and
45 among the Department, field offices of national government agencies, LGUs
46 and other stakeholders in water resource management, and facilitate the
47 establishment of multi-stakeholder river basin organizations (RBOs) per river
48 basin, and strengthen and support existing RBOs and monitor their activities;
49

50 (b) Coordinate the planned and ongoing river basin initiatives of

1 government agencies and Government-Owned and Controlled Corporations
2 (GOCCs), to which the Department shall review and endorse approval and
3 funding from the national budget, as may be provided under existing laws, rules
4 and regulations;

5
6 (c) Harmonize all relevant national river basin policies and formulate new
7 policies and create enabling policy environment that shall allow effective and
8 efficient management and governance of the country's river basins. To this end,
9 all national government agencies, instrumentalities and GOCCs shall consult
10 with the Department in such planning and implementation;

11
12 (d) Serve as the national policy coordination office for LGUs and non-
13 governmental organizations (NGOs) in the development and sustainability of
14 all river and catchment basins;

15
16 (e) Serve as the government's central river basin database management
17 agency, to which all government agencies and existing river basin organizations
18 with relevant mandates and developmental initiatives within the river basins are
19 required to cooperate and regularly submit their updated databases for
20 integration and consolidation;

21
22 (f) Develop materials for capacity building and training of prospective
23 RBOs, as well as other concerned units of the Department and other water-
24 related agencies, LGUs, and water service providers particularly in the areas of
25 IWRM and river basin master planning;

26
27 (g) Authorize its representatives or any deputized agent to enter any
28 property of public dominion and any private land, building or enclave, whether
29 inhabited or not, for the purpose of conducting hydrologic surveys and
30 investigations, including assessing and evaluating the conditions of water
31 facilities installed, and determining compliance with water laws and standards;

32
33 (h) Provide technical assistance to water users including farmers,
34 communities, and LGUs and other water service providers (WSP), whether
35 directly or in coordination with other agencies on all aspects of IWRM;

36
37 (i) Respond to consumer complaints, and ensure the adequate promotion
38 of consumer interests;

39
40 (j) Deputize agents, whether from the public or private sector, to assist in
41 the performance of any of the powers and functions of the Department; and

42
43 (k) Appoint, hire, and maintain adequate staff and personnel, advisers or
44 consultants with suitable qualifications and experience, as necessary, subject
45 to existing rules and regulations.

46 47 IV. Coordination

48
49 (a) Coordinate and integrate water resources development activities of the
50 country within the context of national plans and policies for social and economic

1 development;

2
3 (b) Coordinate with other government agencies, universities, academe
4 and private professional groups in all aspects of data gathering, the conduct of
5 special studies and research on all related aspects of water resources
6 management and development, such as climate change, environmental quality,
7 desalination, and the development of operating strategies, procedures, and
8 protocols and accompanying computerized decision tools for major water
9 facilities;

10
11 (c) Coordinate with the concerned agencies engaged in flood control, flood
12 risk management, and drought risk management; and

13
14 (d) Coordinate proactively with LGUs to ensure the integration of water
15 resources development plans into their comprehensive land use plans
16 (CLUPs), Comprehensive Development Plans (CDPs) or Provincial Physical
17 Framework and Development Plan (PPFDP).

18
19 V. Other Functions

20
21 (a) Create, when necessary, water resource subsidiaries,
22 instrumentalities, and entities to engage in water transmission, water
23 distribution, waste water treatment and management, and sanitation in
24 accordance with existing laws;

25
26 (b) Enter into contracts, joint venture agreements or understanding,
27 public-private partnerships, and memorandum of agreements or
28 understanding, either domestic or foreign, relating to investment and financing
29 water-related projects, under such terms and conditions as the Department may
30 deem proper and reasonable subject to existing laws; and

31
32 (c) Exercise such other powers and functions necessary or incidental to
33 the effective administration and management of the country's water resources.

34
35 **SEC. 9. Composition.** – The Department shall be composed of the Office of
36 the Secretary, and the various bureaus, services and regional offices. The
37 Office of the Secretary shall be composed of the Office of the Department
38 Secretary, the Offices of the Undersecretaries, the Offices of the Assistant
39 Secretaries, and their immediate support staff.

40
41 **SEC. 10. Secretary of the Department of Water Resources.** – The authority
42 and responsibility for the exercise of the mandate of the Department and for the
43 discharge of its powers and functions shall be vested in the Secretary of the
44 Department, who shall:

45
46 (a) Submit to the NEDA Board the Department's recommendations on
47 policies on water resources requiring Presidential decision, and advise the
48 President on the promulgation of executive or administrative orders,
49 regulations, proclamations and other issuances relative to matters under the
50 jurisdiction of the Department;

1
2 (b) Establish the policies and standards for the operation of the
3 Department pursuant to the President's guidelines;

4
5 (c) Advise the President on the status of water management and supply,
6 recommend to the President the declaration of a state calamity in areas affected
7 by water supply, and submit proposals to restore normalcy in the affected
8 areas;

9
10 (d) Promulgate rules and regulations necessary to carry out the objectives,
11 policies, and functions of the Department;

12
13 (e) Exercise supervision and control over all bureaus and offices under
14 the Department;

15
16 (f) Supervise all attached agencies and corporations in accordance with
17 law;

18
19 (g) Represent the Department in contracts, awards, and other similar
20 agreements;

21
22 (h) Delegate authority for the performance of any power or function, as
23 defined herein to officials and employees under his/her direction as deemed
24 appropriate;

25
26 (i) Act as the Chairperson of the governing board of the attached agencies
27 of the Department;

28
29 (j) Designate and appoint officers and employees of the Department,
30 excluding the Undersecretaries, Assistant Secretaries, and Regional and
31 Assistant Regional Directors, in accordance with civil service laws, rules and
32 regulations; and

33
34 (k) Perform such other duties and responsibilities as may be provided by
35 law.

36
37 The Secretary shall also serve as a voting member of the National
38 Economic and Development Authority (NEDA) Board, the Governing Boards of
39 the Climate Change Commission (CCC), the National Disaster Risk Reduction
40 and Management Council (NDRRMC), and the National Land Use Committee
41 (NLUC).

42
43 **SEC. 11. Undersecretaries and Assistant Secretaries.** – The Secretary shall
44 be assisted by not more than three (3) Undersecretaries and three (3) Assistant
45 Secretaries, all of which shall be appointed by the President upon the
46 recommendation of the Secretary: *Provided*, that at least one (1)
47 Undersecretary and one (1) Assistant Secretary shall be career officers.

48
49 The Secretary shall be authorized to delineate and assign the respective
50 functional areas of responsibility of the Undersecretaries and Assistant

1 Secretaries in accordance with the mandate and objectives of the Department.
2 Within their respective functional areas of responsibility, the Undersecretaries
3 and Assistant Secretaries shall have the powers and functions as provided for
4 in Chapter 2, Book IV of the Administrative Code of 1987.

5
6 **SEC. 12. *Qualifications and Appointment.*** – No person shall be appointed
7 Secretary, Undersecretary, and Assistant Secretary of the Department unless
8 the person is a citizen and resident of the Philippines, of good moral character,
9 of proven integrity, competence, and expertise in water resource management.

10
11 **SEC. 13. *Department Bureaus, Services, and Regional Offices.*** – The
12 Department shall establish, operate, and maintain the Bureaus and Services
13 under it such as, but not limited to:

- 14
15 (a) Policy and Planning Bureau;
16
17 (b) Decision Support System Bureau;
18
19 (c) Bureau of Technical Services;
20
21 (d) Legal and Legislative Research Service;
22
23 (e) Internal Audit Service;
24
25 (f) Public Affairs Service;
26
27 (g) Administrative and Human Resources Service; and
28
29 (h) Comptrollership and Financial Management Service.

30
31 A Water Resources Regional Office (WRRO) shall be organized per water
32 resources region and shall be responsible for implementing the mandates,
33 powers, and duties of the Department at the field level, except for policymaking
34 which will be vested solely in the Department.

35
36 The Bureaus, Services and Regional Offices shall each be headed by a
37 Director, who shall be responsible for the efficient and effective discharge of the
38 functions of the Bureau, Service, or Office concerned. The Bureau Director and
39 Regional Director shall be assisted by one (1) Assistant Director.

40
41 The Department shall retain existing Project Management Offices as may
42 be required, which shall be under the supervision and control of the appropriate
43 Water Resources Regional Office unless otherwise determined by the
44 Secretary for reasons of supra-regional scope, magnitude and multi-functional
45 coverage.

46
47 **SEC. 14. *Attached Agencies.*** – The following agencies shall be attached to
48 the Department for purposes of policy and program coordination, monitoring,
49 and evaluation:

1 (a) The Local Water Utilities Administration (LWUA), whose mandate,
2 powers, and functions are defined in Presidential Decree No. 198, otherwise
3 known as the "Public Water Utilities Act of 1973," as amended, shall be
4 transferred from the Department of Public Works and Highways (DPWH) and
5 attached to the Department. It shall continue to function as a specialized lending
6 institution for the promotion, development, and financing of local water utilities:
7 *Provided*, that its economic regulatory functions over local water districts shall
8 be fully absorbed by the Water Regulatory Commission created under this Act.
9 In the implementation of its functions, the LWUA shall:

10
11 (1) prescribe minimum standards and regulations in order to assure
12 acceptable standards of construction materials and supplies,
13 maintenance, operation, personnel training, accounting, and fiscal
14 practices for local water utilities;

15
16 (2) furnish technical assistance and personnel training programs for
17 local water utilities;

18
19 (3) monitor and evaluate local water standards; and

20
21 (4) effect system integration, joint investment and operation, district
22 annexation and de-annexation whenever economically warranted, in
23 accordance with Section 49 of the Public Water Utilities Act of 1973, as
24 amended by Section 22 of Presidential Decree No. 768;

25
26 (b) The Metropolitan Waterworks and Sewerage System (MWSS), whose
27 mandate, powers, and functions are defined under Republic Act No. 6234, as
28 amended, otherwise known as "An Act Creating the Metropolitan Waterworks
29 and Sewerage System and Dissolving the National Waterworks and Sewerage
30 Authority; and For Other Purposes," shall be transferred from the DPWH and
31 attached to the Department: *Provided*, That the MWSS shall continue to
32 facilitate the exercise by the concessionaires of their responsibility; carry out
33 accounting and notification functions; monitor, report and administer loans;
34 perform related functions in connection with existing projects; manage, operate,
35 and dispose its retained assets: *Provided further*, that its regulatory arm, the
36 MWSS-Regulatory Office, shall be absorbed by the Water Regulatory
37 Commission created under this Act;

38
39 (c) The National Irrigation Administration (NIA), whose mandate, powers,
40 and functions are defined under Republic Act No. 3601, otherwise known as
41 "An Act Granting the National Irrigation Administration," as amended by
42 Presidential Decree No. 552 and Presidential Decree No. 1702; and

43
44 (d) The Laguna Lake Development Authority (LLDA), whose mandate,
45 powers and functions are defined under Republic Act No. 4850, as amended,
46 otherwise known as "An Act Creating the Laguna Lake Development Authority,
47 Prescribing Its Powers, Functions and Duties, Providing Funds Therefor, and
48 For Other Purposes," shall be transferred from the DENR and attached to the
49 Department. The LLDA shall continue to serve as the lake management and
50 development authority similar to a multi-stakeholder river basin organization

1 and shall ensure the implementation of the Laguna Lake Master Plan which
2 shall be updated by the Department to ensure alignment with the NWRMP.

3
4 The Secretary shall be the Chairperson of the Governing Boards of the
5 foregoing GOCCs attached to the Department. In all cases, the Secretary shall
6 serve as Co-Chairperson of these GOCCs.

7
8 Any other agency performing water resources management, conservation
9 and protection functions may be transferred to the Department as the President
10 deems necessary.

11
12 **SEC. 15. Offices, Functions and Personnel to be Completely Subsumed**
13 **under the Department.** – The following offices with their powers, functions,
14 personnel, applicable funds and appropriations, records, equipment, and
15 property shall be subsumed under the Department:

16
17 (a) The National Water Resources Board (NWRB) with its divisions and
18 sections, whose mandate, powers and functions are provided in Presidential
19 Decree No. 424 creating the National Water Resources Council, now NWRB,
20 as amended; *Provided*, that its water utility regulation units and functions vested
21 under Commonwealth Act No. 146, otherwise known as the “Public Service
22 Act,” as amended, shall be absorbed by the Water Regulatory Commission
23 created under this Act; *Provided further*, that its resource allocation/regulation
24 units vested under the Water Code of the Philippines, shall be absorbed by the
25 National Water Resources Allocation Board and the Resource Allocation Office,
26 also created under this Act;

27
28 (b) The River Basin Control Office (RBCO) of the DENR whose mandate,
29 powers and functions are provided in Executive Order No. 510, series of 2006
30 entitled “Creating the River Basin Control Office,” and Executive Order No. 816,
31 series of 2009, as amended, entitled “Declaring the River Basin Control Office
32 under the Department of Environment and Natural Resources as the Lead
33 Government Agency for the Integrated Planning, Management, Rehabilitation
34 and Development of the Country’s River Basins;” *Provided*, that its function
35 pertaining to watershed reforestation activities shall be transferred to the DENR
36 – Forest Management Bureau, provided that the targeting of priority watershed
37 areas shall be coordinated with the Department;

38
39 (c) The Manila Bay Coordinating Office (MBCO) of the DENR which was
40 strengthened by virtue of DENR Administrative Order (DAO) No. 2011-01
41 entitled “Strengthening the Manila Bay Coordinating Office” to coordinate the
42 efforts of the fourteen (14) national agencies covered by the Mandamus Order
43 of the Supreme Court to rehabilitate Manila Bay; and

44
45 (d) The Water Supply and Sanitation Unit of the Department of the Interior
46 and Local Government (DILG).

47
48 **SEC. 16. Functions to be Transferred to the Department.** – The following
49 functions of the respective agencies, bureaus, and units shall be transferred to
50 the Department:

1
2 (a) The planning, programming, administration, monitoring, and
3 management of the National Sewerage and Septage Management Program
4 (NSSMP) by the DPWH; and
5

6 (b) The following functions of the dissolved Pasig River Rehabilitation
7 Commission and transferred to the Manila Bay Task Force per Executive Order
8 No. 93 series of 2019, entitled "Disestablishment of the Pasig River
9 Rehabilitation Commission:"

10
11 (1) Updating and leading in the overall implementation of the Pasig
12 River Rehabilitation Master Plan; and
13

14 (2) Ensuring that the easements provided for in the Civil Code and
15 other relevant laws are enforced, especially in all the *esteros* and
16 waterways, as well as abate the dumping of untreated wastewater and
17 sewage into water systems, including all acts and omissions in violation
18 of Presidential Decree No. 984, otherwise known as the "National
19 Pollution Control Decree of 1976," as amended, and other related laws.
20

21 CHAPTER III

22 INTERDEPARTMENTAL RELATIONS AND 23 INSTITUTIONAL ARRANGEMENTS OF THE DEPARTMENT 24

25 **SEC. 17. *Interface and Institutional Arrangements with Other Agencies.* –** 26 27

28 (a) The DOH shall continue to have primary authority and responsibility
29 for setting and enforcing drinking water quality standards. The Department
30 shall coordinate with the DOH in this aspect, and shall ensure consistency of
31 standards and targets, as well as the compliance of permittees with mandated
32 standards;
33

34 (b) The DENR shall continue to have primary authority and responsibility
35 for protecting the environment and managing the country's watersheds. The
36 Pollution Adjudication Board (PAB) shall remain to have jurisdiction with respect
37 to adjudication of pollution cases based on exceedance of the DENR Effluent
38 Standards and other acts prohibited under Section 27 of Republic Act No. 9275,
39 otherwise known as the "Clean Water Act of 2004." The Department shall also
40 coordinate with the DENR regarding the establishment of protocols for the
41 management of all water-related data being collected by the DENR;
42

43 (c) The Department of Energy (DOE) and the National Power Corporation
44 (NPC) shall continue to have primary authority and responsibility for
45 establishing and operating hydropower plants, but shall ensure that hydropower
46 plant development plans are consistent with the National Water Development
47 and Management Plan;
48

49 (d) The Department shall coordinate with the Department of Agriculture
50 (DA) to ensure agricultural development that reduces long-term pollution for

1 surface water and groundwater, and agricultural and industrial economic
2 development that employs water efficiency, water recycling or reuse, and the
3 appropriate treatment of wastewater. The Department shall also coordinate
4 with the DA and its Bureau of Soils and Water Management (BSWM) regarding
5 the establishment of protocols for management of all water-related data
6 collected by the DA, as well as the outputs of research and studies by the
7 BSWM which may serve as input to the Department's policy formulation;

8
9 (e) The Department shall coordinate with the National Disaster Risk
10 Reduction Management Council (NDRRMC) to ensure that its plans and
11 designs for flood control, flood risk management, and drought risk management
12 are aligned with the objectives and plans of the Department;

13
14 (f) The Department shall coordinate with the Climate Change
15 Commission (CCC), Philippine Atmospheric, Geophysical and Astronomical
16 Services Administration (PAGASA), and National Mapping and Resource
17 Information Authority (NAMRIA) for scientific studies, integrated surveys,
18 mapping, charting, and decision support systems;

19
20 (g) The Department shall coordinate with the Department of Tourism
21 (DOT) on recreational use of water resources;

22
23 (h) The Department shall coordinate with the Philippine Reclamation
24 Authority (PRA), Tourism Infrastructure and Enterprise Zone Authority (TIEZA),
25 and economic zone authorities on water resources development and water
26 requirements within reclamation areas, tourism development areas, and
27 economic zones, respectively;

28
29 (i) The Department shall coordinate with the Bangsamoro Autonomous
30 Region in Muslim Mindanao (BARMM), specifically its Economic and
31 Development Council (BEDC), Disaster Risk Reduction and Management
32 Council (BDRRMC), and Ministry of Environment, Natural Resources and
33 Energy, regarding the preparation of master plans of river basins that overlap
34 with the inland waters within the BARMM's jurisdiction, and ensure the
35 alignment of these plans with the NWRMP and the Bangsamoro Development
36 Plan and other related regional plans of BARMM;

37
38 (j) The Department shall coordinate with DPWH as regards the
39 construction of water projects within the purview of DPWH. The Department
40 shall also coordinate with the DPWH regarding the establishment of protocols
41 for management of all water-related data being collected by the DPWH and its
42 Bureaus;

43
44 (k) The Department shall coordinate with LGUs that own specific areas
45 where raw water will be sourced, as regards the implementation of Section 38
46 of this Act, specifically on the sharing of the total income generated from raw
47 water pricing;

48
49 (l) The Department shall coordinate with the Department of Human
50 Settlements and Urban Development (DHSUD) in planning, monitoring and

1 enforcing integrated land use and water resources management in the
2 Comprehensive Land Use Development Plans and Zoning Ordinances of the
3 LGUs to ensure, among others, the protection of water sources and that water
4 availability is considered in proposed land use development plans and projects;
5 and

6
7 (m) The Department shall coordinate with relevant government agencies,
8 including LGUs, with respect to development projects and shall ensure cross-
9 cutting collaboration between and among all water subsectors and facilitate
10 inter-agency subsector coordination, strategic development, planning,
11 monitoring, and provision of technical, institutional, and financial capacity
12 building support to their different stakeholders at the water subsector level.

13 14 CHAPTER IV

15 16 NATIONAL WATER RESOURCES ALLOCATION BOARD 17 AND THE RESOURCE ALLOCATION OFFICE

18
19 **SEC. 18. *Reconstitution of the National Water Resources Board (NWRB)***
20 ***as the National Water Resources Allocation Board (NWRAB).*** – The NWRB
21 is hereby reconstituted and shall henceforth be known as the National Water
22 Resources Allocation Board, hereafter called the “Board.” The water resources
23 allocation and regulation function of the NWRB is hereby transferred to the
24 Board. The Board shall supervise and regulate the effective appropriation and
25 regulation of the water resources in the country in accordance with the “Water
26 Code of the Philippines.”

27
28 The Board shall be composed of the Secretary of the Department as the
29 Chairperson, with the Secretary of the DENR as the Vice-Chairperson, and the
30 Secretaries of NEDA, Department of Justice (DOJ), Department of Science and
31 Technology (DOST), and the University of the Philippines – National Hydraulic
32 Research Center (UP-NHRC) as members.

33
34 **SEC. 19. *Functions of the Board.*** – The Board shall perform the following
35 functions:

36
37 (a) Promulgate, among others, rules and regulations for the exploitation
38 and optimum utilization of water resources, in accordance with the Water Code
39 of the Philippines and other existing laws, including the imposition on water
40 appropriators of such fees or charges as may be deemed necessary;

41
42 (b) Approve the guidelines and processes pertaining to water regulation,
43 as recommended by the Secretariat;

44
45 (c) Decide on requests for permits to extract and/or utilize the country's
46 water resources upon recommendation of the Secretariat;

47
48 (d) Exercise appellate jurisdiction over decisions in cases over the
49 following:

1 (1) violations and disputes relating to the appropriation, utilization,
2 exploitation, development, control, conservation, and protection of waters;

3
4 (2) violations and disputes on raw water fees; and

5
6 (3) violations and disputes involving water permits, administrative
7 allocation of water resources and transfer of water rights;

8
9 (e) Issue *subpoena duces tecum* and *subpoena ad testificandum*;

10
11 (f) Cite any person or party in contempt for refusal to appear, testify or
12 comply with the lawful orders of the Board in relation to any matter subject to
13 its investigation;

14
15 (g) Hear, receive evidence, and decide on cases falling within its
16 jurisdiction;

17
18 (h) Impose the appropriate sanctions over violations of relevant laws, rules
19 and regulations;

20
21 (i) Review, update, and revise all fees, charges, and penalties imposed on
22 all water appropriators as stated under Chapter VII and VIII of the Water Code
23 of the Philippines, upon recommendation by the Secretariat, and based on
24 scientific and evidence-based studies;

25
26 (j) Delegate specific tasks vested on the Board that may be undertaken by
27 the Executive Director, as may be necessary;

28
29 (k) Deputize the Water Resources Regional Offices to perform the
30 Secretariat's powers and functions in the processing and issuance of water
31 permit applications, and investigation of violations of water rights. The
32 Secretariat and the Regional Offices shall establish protocols for the delineation
33 of functions for the Board's approval;

34
35 (l) Promulgate its own rules and procedures; and

36
37 (m) Exercise such other powers as may be necessary to carry out its
38 duties and responsibilities under this Act.

39
40 No injunction may be issued by any court to restrain any proceeding
41 before the Board except on the basis of a question of law by the Supreme Court
42 on *certiorari*.

43
44 Every order or decision rendered by the Board shall be in writing and shall
45 state clearly and distinctly the facts and the law on which it is based. The Board
46 shall decide each case or application within thirty (30) days following its formal
47 submission for resolution. It shall publish and make available for public
48 inspection all decisions and final orders including those in the adjudication of
49 contested cases or applications.

50

1 **SEC. 20. Resource Allocation Office.** – There is hereby created a Resource
2 Allocation Office which shall be attached to the Department. It shall serve as
3 Secretariat to the Board and shall exercise the following functions in order to
4 provide technical support to the Board towards the effective regulation of the
5 country's water resources:

6
7 (a) Advise the Board on all matters relating to resource allocation and
8 regulation;

9
10 (b) Formulate rules and regulation for the exploitation and optimum
11 utilization of surface water, groundwater, and seawater extraction and use, for
12 the approval of the Board, and for implementation of the Resource Allocation
13 Office and/or the Water Resources Regional Offices, as may be delegated by
14 the Board, including the processes for the application of water permits, in
15 accordance with the Water Code of the Philippines and other existing laws;

16
17 (c) Process applications of rights to utilize water resources for the
18 appropriate, optimal and sustainable use of surface and ground water, for the
19 approval of the Board or its Executive Director, as may be delegated by the
20 Board;

21
22 (d) Upon approval by the Board, issue water permits granted to water
23 appropriators;

24
25 (e) Monitor performance of water rights grantees including, among others,
26 ensuring that water utilization is in accordance with the terms of the permits
27 granted to them;

28
29 (f) Investigate, *motu proprio*, violations of the water rights and the Water
30 Code;

31
32 (g) In case of violations and conflicts between and among users, file the
33 necessary cases for the decision of the Board;

34
35 (h) Enforce the decisions promulgated by the Board, and as may be
36 delegated by the Board;

37
38 (i) Coordinate with other relevant units of the Department regarding the
39 generation, updating, managing, and sharing of water data relevant to the
40 performance of functions of each unit;

41
42 (j) Respond to consumer complaints, and ensure the adequate promotion
43 of consumer interests;

44
45 (k) Perform such other related functions and activities which are
46 necessary for the effective regulation of water-related services.

47
48 The Office shall be headed by an Executive Director which shall have the
49 rank of an Undersecretary, and shall be assisted by one (1) Deputy Executive
50 Director which shall have the rank of an Assistant Secretary.

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CHAPTER V

WATER REGULATORY COMMISSION

SEC. 21. *Water Regulatory Commission.* – There is hereby created and established an independent, quasi-judicial regulatory body to be known as the Water Regulatory Commission, hereinafter referred to as the Commission. The Commission shall be organized within one hundred eighty (180) days after the effectivity of this Act, and shall have a Board of Commissioners vested with powers and functions as provided under this Act.

SEC. 22. *The Regulatory Units.* – The regulatory units of the Commission shall be composed of the central regulatory unit and the regional regulatory units. The economic regulatory units and functions of the MWSS, NWRB, LWUA, Subic Bay Metropolitan Authority (SBMA), Philippine Economic Zone Authority (PEZA), and TIEZA are hereby transferred to the Commission, and shall collectively comprise its central regulatory unit for water supply and sanitation services that: (a) provide services to more than one province; and (b) are owned, operated and/or maintained by special economic zones and Metro Manila concessionaires. The regional regulatory units shall be established by the Commission in accordance with this Act and the rules, regulations, guidelines, and standards that the Commission shall issue.

SEC. 23. *Powers and Functions of the Commission.* – The overall authority and powers of the Commission shall cover and apply to all service providers, whether private or public, providing or intending to provide water supply, including suppliers to subdivisions and/or other service providers, sewerage, and/or septage treatment and disposal services for domestic, residential, institutional, industrial, or commercial use.

The Commission shall exercise the following powers and functions:

(a) Issue and promulgate rules, regulations and guidelines as may be necessary to implement and enforce its powers and functions under this Act;

(b) Promulgate and enforce just and reasonable technical standards, classifications, and measurements of service;

(c) Establish rules and regulations to monitor, avoid, and provide remedies for any market power abuse or anti-competitive or discriminatory act or behavior by or against any participant in the water supply and sanitation sector. Upon finding that a market participant has engaged in, or has fallen victim to such act or behavior, the Commission shall act to stop or redress the same. Such remedies may, without limitation, include the imposition of price controls, issuance of injunctions, requirement of divestment or disgorgement of excess profits, invalidation of contracts and imposition of fines and penalties pursuant to this Act;

(d) Adopt and require that books, records, and accounts be kept and

1 maintained in accordance with the prescribed uniform accounting system;

2
3 (e) Fix and determine proper and adequate rates of depreciation of
4 properties and equipment used in water supply and sanitation services;

5
6 (f) Impose and collect annual levies and reasonable fees and surcharges
7 as may be necessary for achieving the purposes, powers, and functions of the
8 Commission;

9
10 (g) Require the submission reports of finances and operations, verified
11 under oath by the owner and/or president and secretary of the board of the
12 licensee;

13
14 (h) Determine and require the monitoring and submission of such data,
15 statistics, and other information from the regulatory units and any or all
16 licensees as may be necessary for the effective and efficient exercise of its
17 duties, functions, powers, and responsibilities;

18
19 (i) Investigate, *motu proprio* or upon a written complaint, any matter
20 concerning the operation of the service and violations of Sections 27, 28 and
21 29 of this Act;

22
23 (j) Impose penalties and fines against any licensee or against its owners,
24 directors, officers, agents, or representatives for any violation of this Act or of
25 the license, order, rule, regulation, or requirement issued by the Commission;

26
27 (k) Require any licensee to pay the actual expenses incurred by the
28 Commission in any investigation if it shall be found that a licensee violated any
29 provision of this Act or any conditions or requirements of the license, order, rule
30 regulation or requirement issued by the Commission;

31
32 (l) Advise, apprise, and coordinate with other relevant agencies of the
33 national or local government on any matter relating to water supply and
34 sanitation services;

35
36 (m) Deputize agents, whether from the public or private sector, to assist
37 in the performance of any of the powers and functions of the Commission;

38
39 (n) Appoint an interim or temporary management committee upon appeal
40 and after due hearing, to ensure continuity of service in case a licensee fails to
41 meet conditions of the license and the concerned Regulatory Unit fails or
42 refuses to appoint an interim management committee as provided in this Act;

43
44 (o) Appoint, hire and maintain adequate staff and personnel, advisers, or
45 consultants with suitable qualifications and experience, as necessary;

46
47 (p) Exercise original and exclusive jurisdiction over all cases contesting
48 rates, fees, fines and penalties imposed by the regulatory units in the exercise
49 of their powers, functions and responsibilities, as provided under this Act, and
50 over all cases involving disputes between and among participants or

1 stakeholders in the water supply and sanitation services; and

2
3 (q) Such other incidental powers and functions as may be necessary to
4 attain the objectives of this Act.

5
6 **SEC. 24. Powers and Functions of the Regulatory Units.** – The regulatory
7 units of the Commission shall have the following powers and functions:

8
9 (a) Issue licenses authorizing the operation of water supply and sanitation
10 services in any specified area or areas within the Philippines;

11
12 (b) Impose fines, charges, and other penalties upon any provider and/or
13 its officers and stockholders who shall fail or refuse to register or obtain a
14 license prior to operation or commencement of business as provided under this
15 Act;

16
17 (c) Review, determine, fix, and approve, consistent with the rules,
18 guidelines, procedures, and methodologies which the Commission shall
19 promulgate, proposed water and sewerage and septage management tariffs,
20 rates, and charges that licensees may impose upon their consumers;

21
22 (d) Appraise and value property and equipment used by licensees in
23 providing water supply and sanitation services;

24
25 (e) Enforce technical, financial, and other performance standards set by
26 the Commission for licensees or utilities;

27
28 (f) Respond to consumer complaints and ensure the adequate promotion
29 of consumer interests and investigate *motu proprio* violations of Sections 27,
30 28 and 29 of this Act;

31
32 (g) Investigate accidents directly or indirectly arising from or connected
33 with the maintenance or operation of the service, and make such order or
34 recommendation as the public interest may warrant;

35
36 (h) Require the review and/or approval of contracts or agreements that
37 may impact on the tariff and rates of service provision entered into by service
38 providers upon petition or *motu proprio* if public interest warrants;

39
40 (i) Require the submission of reports, plans, and other documents that
41 define the performance targets of the licensees or utilities, and regular
42 accomplishment reports;

43
44 (j) Impose and collect annual levies and reasonable fees and surcharges
45 as may be necessary for achieving the purposes, powers, and functions of the
46 regulator;

47
48 (k) Conduct benchmarking and monitor the performance of licensees or
49 utilities under their jurisdiction, and publish reports detailing the results thereof,
50 as may be necessary or required by the Commission;

1
2 (l) Amend, modify, suspend, or revoke any license issued by them, after
3 due notice and hearing, on any of the following grounds: (1) when the facts and
4 circumstances on the strength of which the license was issued have been
5 materially misrepresented or have materially changed; (2) where the licensee
6 has failed to meet or comply with the terms, conditions, and performance
7 targets, including, but not limited to, service expansion, that may have been set
8 in the license; (3) where the licensee is found to be manifestly inefficient in the
9 operation or provision of water supply and sanitation services in its area; or (4)
10 when the licensee has violated or willfully refused to comply with any order,
11 rule, or regulation of the Commission or any provision of this Act;
12

13 (m) Appoint an interim management committee to ensure continuity of
14 service in case a licensee fails to meet the conditions of the license; and
15

16 (n) Submit performance plans and reports as required by the Commission.
17

18 **SEC. 25. Composition of the Water Regulatory Commission. –**
19

20 (a) The Commission shall be a collegial body with five (5) full-time
21 members consisting of a Chairperson and four (4) members, who shall all be
22 appointed by the President of the Philippines. All members of the Commission
23 must be citizens and residents of the Philippines, at least thirty five (35) years
24 of age, and of good moral character, of recognized integrity and competence in
25 the field of law, business, commerce, finance, accounting or public
26 administration, water or utility economics, management, physical or
27 engineering services, hydrology and other related services, with at least three
28 (3) years of actual and distinguished experience in their respective fields of
29 expertise: *Provided*, That out of the four (4) members of the Commission, at
30 least one (1) shall be a member of the Philippine Bar with at least ten (10) years
31 of experience in the active practice of law, at least one (1) shall be a certified
32 public accountant with at least ten (10) years of experience in active practice,
33 and at least one (1) shall be a licensed engineer with experience in the water
34 sector.
35

36 (b) The term of office of each member of the Commission shall be seven
37 (7) years: *Provided*, That among the members first appointed, the Chairperson
38 shall serve for a period of seven (7) years, two (2) members shall serve for five
39 (5) years and the other two (2) members shall serve for three (3) years:
40 *Provided further*, That any member whose term has expired as specified herein
41 shall serve as such until a successor shall have been appointed and qualified:
42 *Provided furthermore*, That any appointment to fill a vacancy in the Commission
43 arising from death, removal, retirement or resignation shall be made only for
44 the unexpired term: *Provided, finally*, That in no case shall any member serve
45 for more than seven (7) years in the Commission.
46

47 (c) The Commission shall meet as often as may be necessary on such
48 day or days as the Chairperson may fix. The presence of at least three (3)
49 members of the Commission shall constitute a quorum, which shall be
50 necessary for the transaction of any business. The affirmative vote of majority

1 of the members of the Commission where a quorum is present shall be
2 necessary for the adoption of any order, resolution, decisions, or other act of
3 the Commission in the exercise of its quasi-judicial functions: *Provided*, That in
4 promulgating rules, regulations, guidelines and in exercising its quasi-
5 legislative functions, an affirmative vote of three (3) members shall be required.
6

7 (d) The Chairperson of the Commission shall exercise general executive
8 control and supervision over the Commission and its members, staff and
9 personnel, agents, and representatives. Within three (3) months from the
10 creation of the Commission and the appointment of all Members of the
11 Commission, the Chairperson shall determine and establish the organizational
12 structure and *plantilla* positions necessary to carry out the powers and functions
13 of the Commission, including those of the central and provincial regulatory
14 units, subject to the review and approval of the Department of Budget and
15 Management (DBM). The *plantilla* positions of the Commission shall be filled
16 by regular appointments in accordance with Civil Service laws, rules, and
17 regulations. Members of the Commission shall not be suspended or removed
18 from office except for just cause as specified by law.
19

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

28 **SEC. 26. Secretariat of the Commission.** – The Commission shall establish
29 a Secretariat which shall provide the Commission with technical and support
30 services including the following:
31

32 (a) Provide the necessary technical inputs and secretariat support to the
33 Commission to facilitate the conduct of its functions;
34

35 (b) Coordinate with the Regulatory Units to ensure the proper
36 implementation of the rules, regulations, and guidelines promulgated by the
37 Commission;
38

39 (c) Monitor and assess activities of the Regulatory Units vis-à-vis their
40 respective annual performance plans and targets;
41

42 (d) Maintain a database on the water supply and sanitation subsector; and
43

44 (e) Coordinate with other relevant agencies of the national or local
45 government on any matter relating to water supply and sanitation.
46

47 **SEC. 27. Executive Director.** – The Commission shall appoint an Executive
48 Director who shall head the Commission Secretariat, keep and maintain the
49 official records of the Commission, render a report on the proceedings of the
50 Commission, and administer oaths in all matters falling within the jurisdiction of

1 the Commission.

2
3 The Executive Director shall be responsible for the effective
4 implementation of the policies, plans, programs, rules, regulations, and
5 directives of the Commission; coordinate and supervise the activities of the
6 different operating units under the Commission; and perform such functions as
7 may be assigned by the Chairperson and/or other members of the Commission.

8
9 **SEC. 28. Compensation and Other Emoluments.** – The compensation of the
10 members of the Commission and its staff shall conform to the provisions of
11 Republic Act No. 6758 as amended, otherwise known as the “Compensation
12 and Position Classification Act of 1989.”

13 14 CHAPTER VI

15 16 REGISTRATION AND LICENSING

17
18 **SEC. 29. Registration and Licensing of All Water Supply and Sanitation**
19 **Services.** – All water supply and sanitation service providers, including bulk
20 water suppliers and those providing services to subdivisions and other service
21 providers, shall register with the Commission and, subject to such rules,
22 guidelines, procedures, and other issuances of the Commission, obtain a
23 license to operate from the appropriate regulatory units.

24
25 The Commission shall ensure that the grant and revocation of licenses
26 are carried out fairly, transparently, and without discrimination. Issuances of the
27 Commission shall specify, among others, the qualifications, requirements, and
28 procedure for the grant and revocation of licenses including the standards and
29 performance targets that shall continuously be complied with to keep the
30 licenses valid. Unless otherwise provided in this Act or by the Commission, no
31 public water supply and sanitation service provider shall commence or conduct
32 the business of providing water supply and sanitation services without first
33 obtaining a license.

34
35 Concession agreements and other contracts for water supply provision
36 and water sanitation and treatment services currently existing shall remain valid
37 and enforceable unless otherwise terminated, after due notice and hearing for
38 reasons provided in the existing terms and conditions under the concession or
39 service agreement or contract, or when invalidated by the Commission, after
40 due notice and hearing, where national security, national emergency, or public
41 interest so dictates.

42
43 **SEC 30. Conditions of License.** – The Commission or the concerned
44 Regulatory Unit, may impose such conditions on the licensee as it may deem
45 necessary, such as:

46
47 (a) Tariffs, rates, and charges that may be imposed from its customers or
48 consumers;

49
50 (b) Term fixing the duration of the privilege;

- 1
2 (c) Grounds for modification, suspension, or cancellation of the License;
3
4 (d) Minimum technical performance and service level standards;
5
6 (e) Expansion targets and service level improvements over time;
7
8 (f) Restrictions or conditions for transferability of the business or
9 controlling interest in the business;
10
11 (g) Reportorial requirements and obligations of the grantee;
12
13 (h) Submission to annual performance audit by the Commission or its duly
14 authorized representative(s). The Commission shall specify the requirements
15 and procedure for existing holders of a Certificate of Public Convenience
16 (CPC), Certificates of Public Convenience and Necessity (CPCN) issued by
17 NWRB, or Certificate of Conformance (CoC) issued by LWUA, to convert their
18 existing certificates into licenses to operate in accordance with Section 29 of
19 this Act.
20

21 All existing providers of water supply and sanitation services without a
22 legal and valid CPC, CPCN, or CoC shall register with the Commission and
23 apply for a license within six (6) months from the effectivity of this Act.
24

25 **SEC. 31. *Rights and Duties of Licensees.* –**
26

27 (a) Any person granted a license under this Act shall have the obligation
28 to ensure that licensed activities are conducted to further public interest, and in
29 particular:
30

31 (1) Foster the maintenance and development of efficient,
32 coordinated, and viable operation of their licensed activities;
33

34 (2) Ensure that their water supply and sanitation services are
35 provided in a diligent, conscientious, and workmanlike manner, in
36 accordance with applicable laws, rules, and regulations issued by the
37 Commission and the generally accepted standards and practices of the
38 water supply and sanitation industry; and
39

40 (3) Comply with drinking water quality requirements and standards
41 that may be established by the DOH;
42

43 (b) Any person granted a license under this Act shall, to the extent allowed
44 by law and specified in the license, have the right to acquire or lease land, lay
45 or repair water or sanitation main lines and other relevant facilities in public
46 ways to fulfill the terms and conditions provided under the license;
47

48 (c) Subject to any condition or limitation laid down in the license, a licensee
49 may discontinue water supply and sanitation services to a customer if such
50 customer defaults in the payment of fees due to the licensee for the water

1 supplied or sanitation services provided, or for acts of pilferage pursuant to
2 Sections 8, 9, 10, and 11 of Republic Act No. 8041, otherwise known as the
3 “Water Crisis Act of 1995;” and

4
5 (d) Any license issued under this Act shall contain provisions designed to
6 ensure that licensees:

7
8 (1) Publish the tariff and other charges approved by and the terms
9 and conditions imposed by the Commission for the provision of water
10 supply and sanitation services;

11
12 (2) Prepare, within three (3) months from the issuance of a license,
13 in consultation with its customers, a Customer Service Code specifying
14 the manner and procedure for: (a) metering, billing, and collection of the
15 licensee’s approved tariff and other charges, (b) disconnection or
16 suspension of service in case of non-payment of tariffs and/or other
17 charges, or acts of pilferage, and (c) recommendation and recovery of
18 arrears in tariffs and other charges;

19
20 (3) Maintain financial accounts in accordance with the manner and
21 procedure specified in the license and as may be required by the
22 Commission; and

23
24 (4) Maintain and upon request by anyone during regular office hours,
25 promptly make available for scrutiny and inspection such data, statistics,
26 and other information, as may be required by the Commission.

27
28 **SEC. 32. Setting Tariffs, Rates, and Other Charges.** – Regulatory Units shall
29 establish tariffs, rates, and other charges which are fair and reasonable, and
30 ensure economic viability and a fair return on investments. Tariffs, rates, and
31 charges shall be based on and consistent with a rate-setting methodology that
32 the Commission shall, after due consultation, define and publish, taking into
33 account the following, among others:

34
35 (a) Reasonable and prudent capital and recurrent costs of providing the
36 service including a reasonable rate of return on capital;

37
38 (b) Efficiency of the service;

39
40 (c) Incentives for enhancement of efficiency;

41
42 (d) Willingness to pay of the customers/consumers;

43
44 (e) Equity considerations;

45
46 (f) Administrative simplicity;

47
48 (g) In cases involving valid and subsisting concession agreements prior to
49 the enactment of this Act, the methodology provided under the Concession
50 Agreement; and

1
2 (h) Compliance with obligations as set out under pertinent laws,
3 jurisprudence, and, in cases involving valid and subsisting concession
4 agreements prior to the enactment of this Act, the provisions of the Concession
5 Agreement.

6
7 Tariffs, rates, and charges set by the Regulatory Units shall be presumed
8 valid and reasonable unless a protest or contest is filed with the Commission.
9

10 **SEC. 33. Direct Access.** – Fifty-one percent (51%) of the registered water
11 consumers in a municipality, city, or province may petition for direct access to
12 water from any water service provider subject to concurrence by the service
13 provider and approval by the Commission. For this purpose, the Commission
14 shall promulgate the rules and procedures for this mode of service.
15

16 **SEC. 34. Innovative Schemes to Improve Efficiency and Management of**
17 **Systems.** – The Commission shall promote innovative schemes such as the
18 consolidation or integration of water supply and sanitation services, or providers
19 in the same service area, where it shall result in improved efficiency, service
20 expansion and lower costs. To this end, the Commission shall establish and
21 issue such rules and guidelines as may be necessary to (a) create incentives
22 to encourage efficiency and service expansion; (b) establish the standards and
23 targets that service providers are required to meet; and (c) define the fines and
24 penalties that shall be imposed for failure to meet such standards and targets.
25

26 CHAPTER VII

27 QUASI-JUDICIAL FUNCTIONS OF THE COMMISSION

28
29
30 **SEC. 35. Proceedings Before the Commission.** – For the purpose of any
31 investigation, inquiry or proceeding, the Commission shall:
32

33 (a) Issue *subpoena duces tecum* and *subpoena ad testificandum*;

34
35 (b) Appoint hearing officers to hear and receive evidence on behalf of the
36 Commission; and
37

38 (c) Cite any person or party for contempt for refusal to appear, testify, or
39 comply with an order of the Commission on any matter that is the subject of
40 investigation, inquiry, or proceeding before the Commission.
41

42 **SEC. 36. Orders and Decisions of the Commission.** – Any order, resolution,
43 or decision of the Commission shall be promulgated promptly, expeditiously,
44 reasonably, and in writing, and shall state clearly and distinctly the facts and
45 law on which it is based. The Commission shall publish and make available for
46 public inspection, all decisions and final orders in the adjudication of contested
47 cases or applications.
48

49 **SEC. 37. Appeals Procedure and Prohibition Against Injunction.** –
50

1 (a) The orders, rulings, and decisions of the Commission are final and
2 executory unless appealed to the Court of Appeals within fifteen (15) days from
3 receipt of notice of such order, ruling or decision: *Provided*, That orders, rulings,
4 and decisions of the Commission approving tariffs shall be immediately
5 executory and may be suspended only upon appeal and filing of a bond in an
6 amount to be fixed by the Commission to answer for damages occasioned by
7 the suspension or stay of execution of such orders, rulings, and decisions.

8
9 (b) No injunction may be issued by any court or administrative agency to
10 restrain any proceeding before, or the implementation or execution of any order,
11 ruling, or decision of the Commission, except on the basis of a question of law
12 brought before the Supreme Court on *certiorari*.

13
14 (c) Any act or decision of the Commission shall not be invalidated merely
15 because of a defect or irregularity in, or in connection with, the appointment or
16 vacancy in the Office of the Chairperson or any other member of the
17 Commission.

18 19 CHAPTER VIII

20 21 INTERDEPARTMENTAL RELATIONS OF THE COMMISSION

22 23 **SEC. 38. *Interface with Other Agencies.* –**

24
25 (a) The DENR shall continue to exercise primary jurisdiction over
26 programs aimed at protecting the environment and the quality of water sources
27 from waste and pollution, and shall promulgate rules, regulations, and
28 standards in this regard. The DOH shall continue to exercise primary jurisdiction
29 over the determination and enforcement of standards for quality drinking water
30 and sanitation.

31
32 (b) The Commission shall coordinate with the:

33
34 (1) DOH to ensure that the standards and targets for quality drinking
35 water and sanitation are consistently complied with; and

36
37 (2) LGUs for development projects relating to water supply and
38 sanitation.

39 40 CHAPTER IX

41 42 TRANSITORY PROVISIONS

43
44 **SEC. 39. *Structure and Staffing Pattern.* –** Subject to the approval of the
45 DBM, the Secretary of the Department and the Chairperson of the Commission
46 shall (a) determine the respective organizational structure of the Department
47 and the Commission, respectively, and (b) create new divisions or units as may
48 be necessary, and appoint officers and employees of the Department and the
49 Commission, respectively, in accordance with the civil service laws, rules and
50 regulations.

1
2 Republic Act No. 6656 otherwise known as the "Government
3 Reorganization Law" shall govern the organization of the Department, and the
4 reorganization of affected agencies. The remuneration structure of the position
5 in the staffing pattern shall strictly conform to the Salary Standardization Law,
6 as amended.
7

8 **SEC. 40. Transfer of Rights and Functions.** – The Department shall, by virtue
9 of this Act, be subrogated to all the rights and assume all the functions of the
10 government agencies and units whose powers and functions have been
11 subsumed, absorbed, transferred, or attached to the Department. The
12 Commission shall also, by virtue of this Act, be subrogated to all the rights, and
13 assume all the functions, of the Water Utilities Division of the NWRB, the
14 regulatory offices of MWSS and LWUA, the regulatory units of all special
15 economic zones, and all other government agencies and units whose powers
16 and functions have been transferred to the Commission.
17

18 The transfer of powers and functions to the Department and/or the
19 Commission of the concerned agencies as provided under this Act shall be
20 deemed completed within twelve (12) months after the effectivity of this Act. All
21 agencies transferred, subsumed, and attached to the Department and/or
22 Commission shall continue to function under their present mandates until the
23 six-month transition period mandated under this Act shall have lapsed. The
24 transfer of powers and functions shall include all applicable funds, personnel,
25 records, property, and equipment, as may be necessary. The heads of the
26 affected agencies shall continue to serve until replaced.
27

28 All rights and functions of the affected agencies are hereby transferred to
29 and assumed by the Department and/or Commission.
30

31 Performance audit of all water-related agencies and institutions, including
32 LWUA and water districts, MWSS, MWSS-RO and its concessionaires, LGU-
33 run utilities, TIEZA, PEZA, Bases Conversion and Development Authority
34 (BCDA), SBMA, DILG, and NIA, shall be conducted by the Department.
35

36 **SEC. 41. Absorption or Separation from Service of Employees of the**
37 **Subrogated Agencies.** – The current employees of all government agencies
38 and units whose powers and functions have been transferred to and/or
39 absorbed by the Department or Commission shall enjoy security of tenure, in
40 accordance with their staffing pattern and the selection process as prescribed
41 under the Government Reorganization Law. Employees opting to be separated
42 from the service as a consequence of the consolidation and reconstitution
43 under the provisions of this Act shall, within one (1) month from their separation
44 or phase out from the service, receive separation benefits in accordance with
45 existing laws, and those who are qualified to retire shall be allowed to retire and
46 be entitled to all benefits under existing retirement laws.
47

48 CHAPTER X

49 FINAL PROVISIONS

50

1
2 **Sec. 42. *Applicability of Ease of Doing Business Law.*** – The prescribed
3 processing time provided under Section 9.b of Republic Act No. 11032,
4 otherwise known as the “Ease of Doing Business and Efficient Government
5 Service Delivery Act of 2018”, shall be applicable to all agencies and LGUs
6 covered under this Act particularly on accessing government services.
7

8 **SEC. 43. *Appropriations.*** – The amount necessary to cover the initial
9 implementation of this Act shall be charged against the current year’s
10 appropriations of the agencies and offices transferred and subsumed by the
11 Department and the Commission in the General Appropriations Act (GAA).
12 Thereafter, such sums as may be necessary for the continued implementation
13 of the Act shall be included in the annual GAA. The Department and the
14 Commission shall include in its proposed budget the necessary amount to
15 enable it to achieve its mandate of providing adequate and affordable housing
16 to all Filipinos.
17

18 **SEC. 44. *Implementing Rules and Regulations.*** – Within one hundred twenty
19 (120) days after the effectivity of this Act, the Department or Commission, as
20 may be applicable, as well as NEDA, DBM, DENR, the Civil Service
21 Commission (CSC), and the National Commission on Indigenous Peoples
22 (NCIP) in consultation with concerned government agencies shall:
23

24 (a) Promulgate the implementing rules and regulations of the Department
25 and Commission; and
26

27 (b) Submit to the DBM the Department’s budget for fiscal year following
28 the promulgation of its implementing rules and regulations;
29

30 **SEC. 45. *Mandatory Review of the Implementation of this Act.*** – The
31 Department and the Commission shall conduct a review of the implementation
32 of this Act at the end of the fifth (5th) year from the date of its effectivity, and
33 every three (3) years thereafter, and submit a report to Congress.
34

35 **SEC. 46. *Separability Clause.*** – If, for any reason, any portion or provision of
36 this Act shall be held unconstitutional or invalid, the remaining provisions not
37 affected thereby shall continue to be in full force and effect.
38

39 **SEC. 47. *Repealing Clause.*** –
40

41 (a) The following provisions are hereby repealed:
42

43 (1) Section 3 (h) and Section 12 on the provision with respect to fixing
44 of water rates and sanitation service fees, Section 3 (n) on the provision
45 with respect to regulation of waterworks and deep wells, and Section 3 (p)
46 on the provision with respect to regulation of waterworks and sanitation
47 systems in privately owned subdivisions of Republic Act No. 6234 entitled,
48 “An Act Creating the Metropolitan Waterworks and Sewerage System and
49 Dissolving the National Waterworks and Sewerage Authority, and for
50 Other Purposes”, as amended.

1
2 (2) Sections 62, 63, and 66 of Title III on Local Water Utilities
3 Administration Law of Presidential Decree No. 198 otherwise known as
4 the "Provincial Water Utilities Act of 1973", as amended by Letter of
5 Instruction No. 700, series of 1978, Letter of Instruction No. 744, series of
6 1978, Executive Order No. 124, series of 1987, Executive Order No. 123,
7 series of 2002, and Executive Order No. 860, series of 2010, on the
8 regulation of water districts.
9

10 (3) Section 1 of Executive Order No. 124-A series of 1987, amending
11 Executive Order No. 124, dated 30 January 1987, "Reorganizing the
12 Department of Public Works and Highways, Redefining its Powers and
13 Functions, and for Other Purposes" on reorganizing the National Water
14 Resources Council into the National Water Resources Board.
15

16 (4) Executive Order No. 510, series of 2006, creating the RBCO, and
17 Executive Order No. 516, series of 2009, declaring the RBCO under the
18 DENR as lead government agency for the integrated planning,
19 management, rehabilitation, and development of the country's river
20 basins.
21

22 (b) The following provisions are hereby amended accordingly:
23

24 (1) Section 3, Paragraph 3 of Commonwealth Act No. 146, as
25 amended, otherwise known as the "Public Service Act" pertaining to all
26 cases involving the fixing of rates;
27

28 (2) Section 154, Article V, Chapter I, Title One, Book II of Republic
29 Act No. 7160, as amended, otherwise known as the "Local Government
30 Code of 1991", and its implementing rules and regulations on the power
31 of the local government units to fix the rates of water utilities owned,
32 operated, and maintained by them within their jurisdiction is hereby
33 repealed or modified accordingly;
34

35 (3) Section 13 (b) on the regulation of enterprises within the
36 Economic Zone under Republic Act No. 7916 as amended, otherwise
37 known as "The Special Economic Zone Act of 1995";
38

39 (4) Section 69 of Republic Act No. 9593 otherwise known as "The
40 Tourism Act of 2009" and its implementing rules and regulations which
41 mandate the Tourism Infrastructure and Enterprise Zone Authority to grant
42 franchises, supervise the operation of public utilities, and register, monitor
43 and regulate enterprises within Tourism Enterprise Zones, are hereby
44 repealed or modified accordingly;
45

46 (5) Section 7 of Republic Act No. 9275, otherwise known as the
47 "Philippine Clean Water Act of 2004" transferring the administration of the
48 NSSMP from DPWH to the Department of Water Resources;
49

50 (6) Articles 3(d) and Chapters VII and VIII of Presidential Decree No.

1 1067 pertaining to the enforcement of the Water Code;
2

3 (7) Section 3.2 (b) of Executive Order No. 149, series of 1993,
4 transferring the Laguna Lake Development Authority from the Office of the
5 President to the Department of Environment and Natural Resources; and
6

7 (8) Executive Order No, 168, series of 2022, which transferred the
8 National Irrigation Administration from the Office of the President to the
9 Department of Agriculture.

10
11 All other laws, presidential decrees, executive orders, presidential
12 proclamations, rules, and regulations, or parts thereof which are inconsistent
13 with the provisions of this Act are hereby repealed or amended accordingly.
14

15 **SEC. 48. Effectivity.** – This Act shall take effect fifteen (15) days after its
16 publication in the *Official Gazette* or in a newspaper of general circulation.
17

18 *Approved,*
19
20