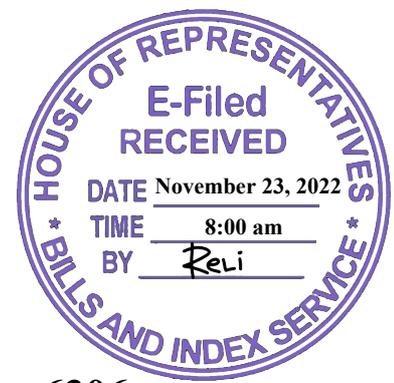




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
NINETEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 6306

Introduced by

HON. CHRISTOPHERSON “COCO” M. YAP

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, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

This measure aims to ensure and speed up universal access to water supply and sanitation services by giving priority to infrastructure and public works that can stand up to the effects of climate change and by making it easier for the private sector to get involved. It does this by creating the Department of Water Resources, the Water Pollution Adjudication Board, the National Water Sector Policy Board, and the Water Regulatory Commission. These four groups will take over the powers and functions related to water that are now handled by about 30 different government agencies and bodies. This will make doing business easier.

The Department of Water Resources will be the main agency in charge of mapping all water resources, planning, making policies, and taking care of their ownership, use, exploitation, development, protection, and sustainability.

Aside from approving the National Water Resources Management Framework Plan, the National Water Policy Board, shall act as a policy advisory body to the President on all things relating to water management and supply, including the declaration of a state of calamity in areas affected by water supply.

The Water Regulatory Commission will inherit the economic regulatory functions of the MWSS, NWRB, LWUA, SBMA, PEZA, and TIEZA and exercise quasi-judicial functions to properly carry out the mandates of their office.

On July 28, 2010, the United Nations General Assembly declared access to safe and clean drinking water and sanitation to be a human right.

With global warming, pollution, and a rising population, posing a major threat to this right, the need to adopt Integrated Water Resource Management as a national framework for planning, policymaking, and management of our water resources is paramount.

In light of the foregoing, ug sa ngalan sa Serbisyong Tinuoray, the undersigned urges the immediate approval of this bill.



CHRISTOPHERSON "COCO" M. YAP

Representative, Second District of Southern Leyte



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**AN ACT ESTABLISHING THE NATIONAL FRAMEWORK FOR WATER
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WATER RESOURCES AND THE WATER REGULATORY COMMISSION,
DEFINING THEIR MANDATES, POWERS AND FUNCTIONS, AND
APPROPRIATING FUNDS THEREFOR**

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

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

2 **SEC. 2. *Declaration of Policy.*** — Access to water is a basic human right. All water
3 belongs to the State which shall govern its development and utilization for the
4 people.

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

13 **SEC. 3. *Definition of Terms.*** — As used in this Act:

14 (a) *Bulk water supplier* refers to any entity, natural or juridical,
15 whether public or private, supplying or intending to supply large
16 quantities of raw or treated water to buyers who will use these for

17 their own consumption, such as industrial companies, or for retail
18 distribution to consumers such as water service providers or real
19 estate developers managing their own distribution network.

20 (b) *Environmental services* refer to qualitative functions of natural non-
21 produced assets of land, water, and air, including related
22 ecosystems, and their biota, and which may be categorized into
23 three basic types:

24 (1) disposal services which reflect the functions of the
25 natural environment as an absorptive sink for residuals;

26 (2) productive services which reflect the economic
27 functions of providing natural resource inputs and
28 space for production and consumption, and

29 (3) consumer or consumption services which provide for
30 physiological as well as recreational and related needs
31 of human beings.

32 (c) *Flood Control* refers to methods, acts, and protocols to be observed
33 in order to prevent and reduce the detrimental and catastrophic
34 effects of flood waters which include sediment-laden or turbid
35 flows, and hyper- concentrated flows or debris flows.

36 (d) *Flood Risk Management (FRM)* refers to such acts of defining and
37 determining the appropriate methods, acts, and protocols aimed at
38 preventing and reducing the risk of incurring loss of both life and
39 property due to flood waters. Flood risk management consists of a
40 cycle of prevention, mitigation, adaptation, preparedness and early
41 warning, and response and recovery. The elements of FRM include:
42 integrating land-use planning and coastal zone management into
43 water management; adopting a holistic approach so that FRM is
44 part of wider risk or multi- hazard management of earthquakes,
45 landslides, and storm surges; managing risk and uncertainty as a
46 whole so it not only mitigates hydrological uncertainties but also
47 social, economic and political uncertainties on account of human
48 behavior and the cultural dimensions of FRM.

49 (e) *Gender Equality* refers to the principle asserting the equality of men
50 and women and their right to enjoy equal conditions realizing their
51 full human potentials to contribute to and benefit from the results
52 of development, and with the State recognizing that all human
53 beings are free and equal in dignity and rights.

54 (f) *Infrastructure and public works* refer only to wholly or primarily
55 water- related projects and does not include projects that do not fall
56 within the purview of the objectives, power and duties of the
57 Department of Water Resources created under this Act.

58 (g) *Integrated Water Resource Management (IWRM)* refers to a
59 systematic, collaborative, and multi-stakeholder process which
60 promotes the coordinated development and management of water,
61 land, and related resources within geophysical boundaries in order
62 to maximize the resultant economic and social welfare in an
63 equitable manner, and without compromising the sustainability of
64 vital ecosystems.

65 (h) *Levels of Water supply* refer to communal sources of water
66 described according to location and size of the recipient human
67 settlement as follows:

68 (1) Level I or the point source is a protected well or a
69 developed spring with an outlet but without any
70 distribution system, generally adaptable to rural and
71 upland areas where houses are thinly scattered, and is
72 a facility which usually serves an average of 15
73 households.

74 (2) Level II or the communal faucet system or stand posts
75 is a system composed of a water source, a reservoir, a
76 piped distribution network, and communal faucets
77 where one faucet serves 4 to 6 households and is
78 generally suitable for rural and urban fringe areas
79 where houses are clustered densely to justify a simple
80 piped system.

81 (3) Level III or the waterworks system or individual house
82 connections is a system with a water source, a reservoir,
83 a piped distribution network and household taps,
84 suitable for densely populated urban areas.

85 (i) *License* refers to the Water Supply and/or Sanitation Services
86 Operating License that the Water Regulatory Commission is
87 authorized to grant and issue to service providers.

88 (j) *Licensee* refers to a service provider to whom a license is granted or
89 issued by the Water Regulatory Commission.

90 (k) *Missionary Water Services* refer to water supply or services to areas
91 that have no existing safe water supply and services due to
92 geographic limitation or absence of economic and market viability.

93 (l) *National Resources Management Plan (NWRMP)* refers to a policy
94 document that contains a framework to guide the development and
95 management of all the water resources in the Philippines, the general
96 strategies and work to be pursued to ensure the sustainability of the
97 resource towards water security, and top-level direction on the
98 utilization of existing water resources in line with national
99 development plans, policies, and programs in accordance with the
100 IWRM framework. The NWRMP shall also include a water
101 infrastructure development program or all waters of the country as
102 well as provide general guidance on how this shall be supported
103 within an integrated financing framework that can draw from
104 public, private, and international development funding sources.

105 (m) *Net Waste Load* refers to the difference of the initial waste load of
106 the abstracted water and the waste load of the final effluent
107 discharge of an industry.

108 (n) *Regulatory Units* refer to the offices established under Section 20 of
109 this Act which issue licenses authorizing the operation of Water
110 Supply and Sanitation Services, and provide, review, determine, fix,
111 and approve water and sewerage tariffs, rates, and charges that
112 licensees may impose.

- 113 (o) *River basin* refers to an area of land drained by a stream or body of
114 fixed water and its tributaries which have a common outlet for
115 surface run-off.
- 116 (p) *River Basin Organization (RBO)* refers to multi-stakeholder
117 organizations which plan, coordinate, and monitor activities within
118 a river basin cluster.
- 119 (q) *Sanitation* refers to the provision of facilities and services for the
120 safe management of human excreta, from toilet to containment, and
121 storage and treatment onsite or conveyance, treatment and eventual
122 safe end use or disposal, and includes the safe management of solid
123 waste and animal waste.
- 124 (r) *Sediment management* refers to control of sediment erosion and
125 deposition in rivers, reservoirs, and coastal zones through non-
126 structural and structural measures and control works.
- 127 (s) *Sustainable Development Goals (SDGs) also known as the 17*
128 *Global Goals* refer to the universal call to action to end poverty,
129 protect the planet and ensure that all people enjoy peace and
130 prosperity by 2030 adopted by all United Nations Member States
131 in 2015.
- 132 (t) *Septage* is the liquid and solid material pumped from a septic tank,
133 cesspool, or other primary treatment source.
- 134 (u) *Septage Management* refers to the provision of proper collection,
135 treatment, and disposal of septage.\
- 136 (v) *Service Area* refers to the area covered by the water distribution
137 system, sewerage, and lor septage management services.
- 138 (w) *Service Provider* refers to any entity, natural or juridical, whether
139 private or public, providing or intending to provide levels II L III
140 water supply, including bulk water suppliers, sewerage, septage
141 treatment, and disposal services for domestic, residential, industrial,
142 or commercial use.

- 143 (x) *Sewage* refers to water borne human or animal wastes, excluding oil
144 or oil waste, removed from residences, buildings, institutions, and
145 industrial and commercial establishments together with such
146 groundwater, surface water and storm waters as may be present
147 including such waste from vessels, offshore structures, other
148 receptacles intended to receive or retain waste or other places or the
149 combination thereof.
- 150 (y) *Sewerage* refers to any system or network of pipelines, ditches,
151 channels or conduits including pumping stations, lift stations and
152 force mains, service connections including other infrastructure,
153 devices, or appliances appurtenant thereto, which include the
154 collection, transport, pumping and treatment of sewage to a point
155 of disposal.
- 156 (z) *Sewers* refer to pipes or such other works or structures which are
157 built and constructed to carry, transport, and dispose sewage.
- 158 (aa) *Social inclusion* refers to the process of improving the terms for
159 disadvantaged individuals and groups to take part in society.
- 160 (bb) *Tariffs* refer to such amounts which may be charged by licensees for
161 their water supply and sanitation services based on principles,
162 standards, and guidelines established by the Department of Water
163 Resources.
- 164 (cc) *Water Demand Management (WDM)* refers to any method,
165 whether technical, economic, administrative, financial, or social
166 that will accomplish one or more of the following:
- 167 (1) Reduce the quantity or quality of water required to
168 accomplish a specific task;
- 169 (2) Adjust the nature of the task or the way it is undertaken so
170 that it can be accomplished with less water or with lower
171 quality water;
- 172 (3) Reduce the loss in quantity or quality of water as it flows
173 from source, through use, to disposal;

- 174 (4) Shift the timing of use from peak to off-peak periods; and
175 (5) Increase the ability of the water system to continue to serve
176 society during times when water is in short supply.

177 (dd) *Water Districts* refer to government-owned and controlled
178 corporations organized under Presidential Decree No. 198, as
179 amended, created primarily to acquire, install, operate, maintain,
180 and improve water supply and distribution systems for domestic,
181 industrial and municipal uses of residents and to provide, maintain
182 and operate waste water collection, treatment and disposal facilities
183 within the boundaries of the district.

184 (ee) *Water pollution* refers to any alteration of the physical, chemical,
185 biological, or radiological properties of a body of water resulting in
186 the impairment of its purity or quality.

187 (ff) *Water Resource* refers to water under the ground or groundwater,
188 water above the ground such as surface water, run-offs, floods,
189 stormwater and urban drainage, treated wastewater, water in the
190 atmosphere or rain water, and the waters of the sea within the
191 territorial jurisdiction of the Philippines.

192 (gg) *Water Resources Region* refer to the contiguous clusters of river
193 basins which are grouped together according to the hydrological
194 boundaries, physiographic features, and homogeneity in climate,
195 whether or not they straddle different local government units, for
196 administrative purposes under the Department of Water Resources.

197 (hh) *Water Service Provider (WSP)* refers to the water district, any Local
198 Government Unit (LGU) - run water utility, Barangay Waterworks
199 and Sanitation Association (BWSA), Rural Waterworks Sanitation
200 Association (RWSA), cooperative and private sector entity that
201 provides water supply services to any given area.

202 (ii) *Water supply service* refers to any activity comprising Levels I, II
203 and III water supply including bulk suppliers, suppliers to
204 subdivisions, and other water service providers.

205

CHAPTER II

206

THE DEPARTMENT OF WATER RESOURCES

207 SEC. 4. *The Department of Water Resources.* — There is hereby created and
208 established the Department of Water Resources, hereinafter referred to as the
209 Department.

210 SEC. 5. *Mandate of the Department.* — The Department shall be the primary agency
211 responsible for the comprehensive and integrated identification and mapping
212 of all water resources, planning, policy formulation, and management of the
213 ownership, appropriation, utilization, exploitation, development, and
214 protection of water resources in the Philippines to ensure the optimal use
215 thereof for domestic and municipal water supply, sanitation, irrigation,
216 hydropower, industry, navigation, flood management, and recreation except
217 fisheries or aquaculture.

218 The Department shall also be the primary agency responsible for the planning
219 and policy formulation towards the attainment of universal access to safe,
220 adequate, affordable, and sustainable water supply, and improved sanitation
221 services for all Filipinos.

222 The Department shall be the primary national agency to enforce Presidential
223 Decree No. 1067 otherwise known as *The Water Code of the Philippines* and
224 Republic Act No. 9275, otherwise known as the *Philippine Clean Water Act*
225 *of 2004*.

226 The Department shall exercise the powers and functions of the defunct Pasig
227 River Rehabilitation Commission created under Executive Order No. 54 Series
228 of 1999 and abolished under Executive Order No. 93 Series of 2019,
229 specifically the following roles that were transferred to the Manila Bay Task
230 Force and DENR through the latter EO:

231 I. Update and take the lead in the overall implementation of the Pasig
232 River Rehabilitation Master Plan, which shall harness the Pasig River's
233 potential for transportation, recreation and tourism purposes while
234 undertaking the rehabilitation and restoration of its maritime life; and

235 II. Ensure that the easements provided for in the Civil Code and other
236 relevant laws are enforced, especially in all the esteros and waterways
237 that drain into the Pasig River as well as abate the dumping of untreated
238 industrial wastewater and sewerage into the river, including all acts and
239 omissions in violation of Presidential Decree (PD) No. 984, s. 1976, as
240 amended entitled, *Providing For The Revision Of Republic Act No.*
241 *3931, Commonly Known As The Pollution Control Law, And For*
242 *Other Purposes*, PD No. 274, s. 1973 entitled, *Pertaining To The*
243 *Preservation, Beautification, Improvement And Gainful Utilization Of*
244 *The Pasig River, Providing For The Regulation And Control Of*
245 *Pollution Of The River And Its Banks In Order To Enhance Its*
246 *Development, Thereby Maximizing Its Utilization For Socio-*
247 *Economic Purposes*, and other related laws.

248 **SEC. 6. Guiding Principles.** — In the pursuit of its mandate, the Department shall be
249 guided by the following key principles:

250 (a) The concept of good water governance for water security and
251 sufficiency shall be adopted across all levels of governance by
252 stakeholders such as the national government, local government, non-
253 government organizations, private organizations, individuals, even
254 global societal actors, and in various sectors such as water supply,
255 irrigation, fisheries, hydropower, navigation, ecosystem services, flood
256 management, climate change, and recreation. It shall entail publicly
257 transparent, socially accountable, and multi-stakeholder participatory
258 water policy planning, management, and decision-making processes.

259 (b) Access to safe water supply and improved sanitation is a human right
260 that needs to be fulfilled and protected.

261 (c) Integrated Water Resource Management (IWRM) shall be adopted as
262 the basic framework which is the coordinated development and
263 management of water, land, and related resources within hydrological
264 boundaries to optimize economic and social welfare without
265 compromising the sustainability of vital ecosystems. The IWRM
266 Framework shall include an enabling environment that utilizes proper
267 policies, legal instruments, and institutional frameworks for effective

268 implementation, participatory and collaborative water policy and
269 management decisions, and management instruments for efficient use
270 of updated and accurate data, science-based decision support systems,
271 proper information, education, communication (IEC) programs,
272 assessment and allocation tools, or regulatory functions. It shall observe
273 the mutual accountability mechanism among stakeholders at the
274 national, regional, and global levels reinforcing multi-stakeholder
275 decision-making following a framework with specific, measurable,
276 attainable, relevant, and timely actions.

277 (d) Each river basin has its unique characteristics relating to the physical,
278 socio cultural, and other aspects, and water management shall be
279 performed at river-basin level, involving all the stakeholders at that
280 particular river basin.

281 (e) Integrated and accurate data collection and analysis and the use of
282 scientific decision support systems shall be undertaken in water
283 resources management including flood modeling and warning systems
284 that are essential for an effective, efficient, and sustainable water
285 resources management system.

286 (f) The development of water resources shall include strategies for the
287 mitigation of water-related hazards and climate change adaptation.

288 (g) Water resources and services should be provided where they are
289 intended and most needed so that water is fairly and sustainably
290 managed.

291 (h) The proper operation and maintenance of waterworks systems resulting
292 in the uninterrupted and adequate supply and distribution of potable
293 water for domestic and other purposes, and the proper operation and
294 maintenance of sewerage systems which are essential services to public
295 health and safety, are to be ensured at all times. The State shall therefore
296 supervise and control the establishment, operation, and maintenance of
297 such systems.

298 **SEC. 7. *Objectives of the Department.*** — The Department shall:

- 299 (a) Promote and adopt water demand management as a national policy to
300 ensure that water is optimized, that water efficiency and conservation
301 become a way of life, that the recycling and reuse of water and treated
302 wastewater are widely practiced, that water is properly priced to
303 encourage efficient use and conservation and that rainwater, flood
304 waters, and run-offs are captured or harvested, stored and treated for
305 future use;
- 306 (b) Prioritize and seek the immediate attainment of universal access to safe,
307 adequate, affordable and sustainable water supply and improved
308 sanitation services for all Filipinos in a manner consistent with the
309 protection, preservation, and revival of the quality of the country's
310 water resources, and to adopt all needed measures to advance the right
311 of the people to a balanced and healthful ecology in accord with the
312 rhythm and harmony of nature.
- 313 (c) Strengthen and coordinate integrated water resources management
314 planning and policy making to ensure sustainable and fair allocation
315 and efficient use of water resources among competing uses and users;
- 316 (d) Ensure that integrated water resources management is strongly
317 coordinated with land use and coastal and multi-hazard planning and
318 management;
- 319 (e) Develop sustainably, and manage water sources and water resources
320 toward water security, taking into consideration water, land, and
321 related resources aimed at increasing water dependability for different
322 uses, optimizing economic benefits and social welfare without
323 compromising the sustainability of vital environmental systems;
- 324 (f) Strengthen and coordinate policy making and planning towards
325 ensuring the availability of water for food security and energy security,
326 as well as towards the protection of communities and environments
327 against flood and other water induced hazards including sediment
328 hazards;

- 329 (g) Ensure that the strategy for water resources development and
330 conservation is participatory, and that planners, policymakers and
331 users including community members are involved at all levels;
- 332 (h) Develop a standardized pricing framework for water use that accounts
333 for environmental externalities; and
- 334 (i) Ensure that all sources of water, including surface water, groundwater,
335 rainwater and floodwater are identified, mapped, monitored,
336 conserved and managed for productive use and the resulting
337 wastewater is managed properly, reused, and responsibly disposed of
338 following approved environmental standards.

339 **SEC. 8. *Powers and Functions of the Department.*** — The Department shall have the
340 following powers and functions:

341 I. Policymaking and Planning

- 342 a. Ensure that Integrated Water Resources Management (IWRM)
343 is adopted as the strategic framework for water management
344 policymaking and planning in the country and coordinate the
345 implementation, promotion, revision and enhancement of
346 IWRM plans;
- 347 b. Formulate policies, strategies, and targets in coordination with
348 other relevant entities to meet the goals and objectives for water
349 supply and sanitation, water quality, irrigation, hydropower,
350 flood control, stormwater utilization, and urban drainage. Such
351 policies shall, among other guidelines, integrate the issues of
352 water and sanitation, food security, energy, environment and
353 flood control, and climate change;
- 354 c. Formulate and develop policies to promote universal access to
355 safe, adequate, affordable, and sustainable water supply, and
356 improved sanitation services for all Filipinos;
- 357 d. Regularly update, every five years or as deemed necessary by the
358 Department, and in consultation with other agencies and

359 stakeholders, the NWRMP following the IWRM framework
360 and integrate therein a national land use plan;

361 e. Undertake river basin survey, inventory and appraisal of water
362 and related resources, and develop comprehensive basin-wide
363 plans of storage, retardation, and control to maximize
364 conservation and multipurpose use of water in the basin;

365 f. Conduct continuing hydrological and hydrometeorological
366 surveys and studies of the country's renewable water supply, and
367 establish, operate, and maintain observation station networks
368 with a view towards formulating long-term policies to balance
369 the sustainability and optimal multiple use of water resources,
370 defining the hydrologic boundaries of basins of the existing
371 water supply sources and developing or updating and
372 implementing countrywide comprehensive basin-wide master
373 plans;

374 g. Strengthen and coordinate policy making and planning for flood
375 management, integrated with stormwater or urban drainage and
376 appropriate retention or retarding basins in order to harvest and
377 reuse water, and to plan against, prevent, and minimize the
378 detrimental and catastrophic effects of flooding;

379 h. Assist and provide the National Economic and Development
380 Authority (NEDA) with the required data and input from the
381 water sector in the formulation of the country's short-term and
382 long-term strategic development plans and actions, and
383 recommend to the NEDA Board the adoption of general policies
384 and guidelines for water resources development;

385 i. Review, approve, and provide oversight over all water-related
386 development plans and programs of any agency within the
387 context of the NWRMP, and overall national plans and
388 programs;

389 j. Develop and implement, in coordination with other relevant
390 agencies, effective codes, standards, benchmarks, and
391 reasonable guidelines to ensure the safety of all public and

392 private water structures in the country, and assure efficiency and
393 proper quality in the construction of water, sanitation,
394 irrigation, hydropower, flood control and drainage
395 infrastructure;

396 k. Ensure that gender equality, social inclusion, environmental
397 protection, climate resiliency, and disaster risk reduction are
398 integrated into any water resource management planning, policy
399 making, and the design and construction of water infrastructure;

400 l. Ensure that the planning and design of water infrastructure
401 considers the highest efficiency and most appropriate
402 technology and quality, in accordance with national
403 development objectives;

404 m. Review existing guidelines appropriate for private sector
405 participation in the water sector and submit recommendations
406 to the Public-Private Partnership (PPP) Center of NEDA and
407 other concerned agencies to promote and enable more PPPs in
408 the sector;

409 n. Build a central repository of water data and effect inter-sectoral,
410 inter- agency, and inter-departmental coordination on all
411 aspects of data gathering and management for water resources
412 development planning and compel the submission of statistics
413 and data on water utilization with the aim of operationalizing
414 the integrated approach to water resources management;

415 o. Ensure the effective implementation of all the provisions of
416 Republic Act No. 9275, Presidential Decree No. 1067, and
417 Sections 9, 10, 11, 12 L 13, Chapter II of Presidential Decree
418 No. 856, otherwise known as the *Code on Sanitation of the*
419 *Philippines*;

420 p. Promote Philippine participation in information sharing and
421 education on best practices in support of international efforts to
422 achieve universal access to safe water and improved sanitation;
423 and the integration of water, energy, environment and food
424 security; and

425 q. Issue and promulgate rules, regulations and guidelines as may
426 be necessary to implement and enforce its powers and functions
427 under this Act.

428 II. Resource Regulation

429 a. Manage and conserve the country's water resources to ensure
430 the optimal use thereof for domestic water supply, sanitation,
431 irrigation, hydropower, navigation, flood control, and
432 recreation purposes, and enhance and maintain water quality,
433 conserve watersheds, control water pollution, and restore the
434 environment, without compromising the natural ecosystem
435 functions and services;

436 b. Regulate and control the utilization, abstraction, diversion and
437 development of water resources, taking in consideration their
438 equitable distribution among competing demands and
439 determine the standards of beneficial and priority uses of water
440 in times of crisis and national emergencies;

441 c. Formulate, promulgate, and enforce rules and regulations for
442 the development and optimum use of water resources and its
443 administration and management, including coherent water
444 protocols, operating rules of all existing and future water
445 infrastructure; general criteria, methods and standards for basic
446 data collection and project identification, formulation and
447 planning, and appropriate sanctions to be imposed for non-
448 compliance;

449 d. Regularly review regulations prescribed by any government
450 agency pertaining to water use, exploitation, development, and
451 conservation or protection of waters, water resources, and
452 watershed or basin areas with respect to this Act;

453 e. Impose fees or charges, as may be deemed necessary for water
454 resources conservation and protection, such as:

455 1. Polluter's Fee, which shall be based on the net waste
456 load depending on the wastewater charge formula
457 pursuant to Republic Act No. 9275;

- 458 2. Raw water price, which shall take into account, among
459 others, the scarcity of water; and
- 460 3. Appropriate payment structures for environmental
461 services.
- 462 f. Deputize LGUs to collect the national fees or charges for
463 resource regulation within their respective jurisdictions;
- 464 g. Collect, regularly update, monitor, and analyze water resources
465 data including climatology, hydrological and other water-
466 related data and ensure that such data is easily accessible by
467 relevant and authorized users;
- 468 h. Establish, operate, and maintain observation station networks
469 and a centralized water resources data center for the scientific
470 survey and appraisal of surface and groundwater potentials of
471 the country, and determine the annual renewable water
472 available per water resources region;
- 473 i. Maintain a database that will contain updated relevant
474 information on water data which will be accessible by relevant
475 and authorized users;
- 476 j. Develop and continuously update a computerized decision
477 support system that incorporates data management systems
478 relating to acquisition and database, model base in terms of
479 physical design, planning and decision models, and user-friendly
480 interface concerning graphical and visualization tools;
- 481 k. Conduct and promote special studies and research on water
482 economics and other water resources development and
483 management issues and concerns such as climate change,
484 weather modification, flood monitoring and modeling,
485 environmental quality, and desalination; and
- 486 l. Raise public awareness through information, education and
487 communications programs, and build capacities for informed

488 participation in water resources management at the national and
489 river-basin level.

490 III. Institutional Arrangement with Public Water Organizations

491 a. Develop guidelines including rules of partnership, between and
492 among the Department, field offices of national government
493 agencies, LGUs and other stakeholders in water resource
494 management, and facilitate the establishment of multi-
495 stakeholder river basin organizations (RBOs) per river basin,
496 and strengthen and support existing RBOs and monitor their
497 activities;

498 b. Develop materials for capacity building and training of
499 prospective RBOs;

500 c. Authorize its representatives or any deputized agent to enter any
501 property of public dominion with or without prior notice and
502 consent, any private land, building or enclave, whether
503 inhabited or not, for the purpose of conducting hydrologic
504 surveys and investigations, including assessing and evaluating
505 the conditions of water facilities installed, and determining
506 compliance with water laws and standards;

507 d. Provide technical assistance to water users including farmers,
508 communities, and LGUs and other water service providers
509 (WSP) whether directly or in coordination with other agencies
510 on all aspects of integrated water resources management;

511 e. Respond to consumer complaints, and ensure the adequate
512 promotion of consumer interests;

513 f. Deputize agents, whether from the public or private sector, to
514 assist in the performance of any of the powers and functions of
515 the Department;

516 g. Appoint, hire, and maintain adequate staff and personnel,
517 advisers or consultants with suitable qualifications and

518 experience, as necessary, subject to existing rules and
519 regulations.

520 IV. Coordination

521 a. Coordinate and integrate water resources development activities
522 of the country within the context of national plans and policies
523 for social and economic development;

524 b. Coordinate with other government agencies, universities,
525 academe and private professional groups in all aspects of data
526 gathering, the conduct of special studies and research on all
527 related aspects of water resources management and development
528 such as climate change, environmental quality, desalination, and
529 the development of operating strategies, procedures, and
530 protocols and accompanying computerized decision tools for
531 major water facilities;

532 c. Coordinate with the concerned and relevant agencies engaged in
533 flood control, flood risk management, and drought risk
534 management; and

535 d. Coordinate proactively with LGUs to ensure the integration of
536 water resources development plans into their comprehensive
537 land use plans (CLUPs), Comprehensive Development Plans
538 (CDPs) or Provincial Physical Framework and Development
539 Plan (PPFDP).

540 V. Other Functions\

541 a. Create when necessary, water resource subsidiaries,
542 instrumentalities, and entities to engage in water transmission,
543 water distribution, waste water treatment and management, and
544 sanitation in accordance with existing relevant laws.

545 b. Enter into contracts, joint venture agreements or understanding,
546 public private partnerships, and memorandum of agreements or
547 understanding, either domestic or foreign, relating to investment
548 and financing water- related projects, under such terms and

549 conditions as the Department may deem proper and reasonable
550 subject to existing laws.

551 c. Exercise such other powers and functions necessary or incidental
552 to the effective administration and management of the country's
553 water resources.

554 **SEC. 9. *Secretary of the Department of Water Resources.*** — The authority and
555 responsibility for the exercise of the mandate of the Department and for the
556 discharge of its powers and functions shall be vested in the Secretary of the
557 Department, hereinafter referred to as the Secretary, who shall:

558 (a) Advise the President on the promulgation of executive or administrative
559 orders, regulations, proclamations, and other issuances relative to
560 matters under the jurisdiction of the Department;

561 (b) Establish the policies and standards for the operation of the Department
562 pursuant to the President's guidelines;

563 (c) Promulgate rules and regulations necessary to carry out the objectives,
564 policies, and functions of the Department;\

565 (d) Exercise supervision and control over all bureaus and offices under the
566 Department;

567 (e) Supervise all attached agencies and corporations in accordance with
568 law;

569 (f) Represent the Department in contracts, awards, and other similar
570 agreements;

571 (g) Delegate authority for the performance of any power or function, as
572 defined herein to officials and employees under his direction as deemed
573 appropriate;

574 (h) Act as the Chairperson of the governing board of the attached agencies
575 of the Department;

576 (i) Designate and appoint officers and employees of the Department,
577 excluding the Undersecretaries, Assistant Secretaries, and Regional and
578 Assistant Regional Directors, in accordance with the civil service laws,
579 rules and regulations; and

580 (j) Perform such other duties and responsibilities as may be provided by
581 law.

582 **SEC. 10. *Office of the Secretary.*** — The Office of the Secretary shall be composed of
583 the Secretary, Undersecretary, Assistant Secretary, and the Secretary's
584 immediate staff.

585 **SEC. 11. *Undersecretaries.*** — The Secretary shall be assisted by not more than five (5)
586 Undersecretaries, who shall be appointed by the President upon the
587 recommendation of the Secretary namely: Undersecretary for Resource
588 Regulation and Governance, Undersecretary for Inland Waters and Water for
589 Agriculture, Undersecretary for Resource Development, Undersecretary for
590 Planning and Policy and Undersecretary for Missionary Water, Indigenous
591 People, and Special Concerns.

592 The Secretary is hereby authorized to delineate and assign the respective
593 functional areas of responsibility of the Undersecretaries in accordance with
594 the mandate and objectives of the Department: *Provided*, That no
595 Undersecretary shall be assigned purely to administrative responsibilities.
596 Within their respective functional areas of responsibility, the Undersecretaries
597 shall:

598 (a) Advise and assist the Secretary in the formulation and implementation
599 of the policies, plans, programs and projects of the Department;

600 (b) Supervise all the operational activities of the assigned units for which
601 the Undersecretary is responsible to the Secretary; and

602 (c) Perform such other functions deemed necessary as may be assigned or
603 delegated by the Secretary to promote efficiency and effectiveness in the
604 delivery of public services or as may be required by law: *Provided*,
605 That the Undersecretary for Planning and Policy shall, in coordination

606 with the Planning and Policy Service, be primarily responsible for
607 advancing current efforts in attaining the ultimate goal of universal
608 access to water supply and sanitation systems, and sustainable
609 management of water resources under the SDGs, and the integration of
610 water, energy, environment and food security.

611 **SEC. 12. *Assistant Secretaries.*** — The Secretary shall be assisted by six (6) Assistant
612 Secretaries to be appointed by the President of the Philippines upon the
613 recommendation of the Secretary: one each for Planning and Policy Service,
614 Decision Support System Service, Resource Regulatory Service,
615 Comptrollership and Financial Management Service, Legal and Legislative
616 Service, and Administrative and Human Resources Management Service.

617 No person shall be appointed Secretary, Undersecretary and Assistant
618 Secretary of the Department unless the person is a citizen and resident of the
619 Philippines, of good moral character, of proven integrity, competence and
620 expertise in water resource management: *Provided,* That at least one (1) of
621 the Undersecretaries and at least two (2) of the Assistant Secretaries shall be
622 career officers.

623 **SEC. 13. *Organizational Structure.*** — The Department shall be composed of the
624 following organizational units:

625 (a) *Department Proper.* — The Department shall consist of the Office of
626 the Secretary, the Offices of the Undersecretaries and Assistant
627 Secretaries, the Internal Audit Office, the Public Affairs Office, the
628 Water Pollution Adjudication Board, the Planning and Policy Service,
629 Decision Support System Service, Administrative and Human
630 Resources Service, Legal and Legislative Service, Comptrollership and
631 Financial Management Service, Resource Regulation Service, and the
632 Water Resources Regional Offices.

633 (b) *Attached agencies.* — The Department shall exercise administrative
634 supervision over the following agencies for purposes of policy and
635 program coordination, monitoring, and evaluation:

636 (1) The Local Water Utilities Administration (LWUA), whose
637 mandate, powers, and functions are defined in Presidential
638 Decree No. 198, otherwise known as the *Public Water Utilities*
639 *Act of 1973, as amended*, shall be transferred from the
640 Department of Public Works and Highways and attached to the
641 Department. It shall continue to primarily function as a
642 specialized lending institution for the promotion, development,
643 and financing of local water utilities. In the implementation of
644 its functions, the LWUA shall:

- 645 i. Prescribe minimum standards and regulations in order to
646 assure acceptable standards of construction materials and
647 supplies, maintenance, operation, personnel training,
648 accounting and fiscal practices for local water utilities;
- 649 ii. Furnish technical assistance and personnel training programs
650 for local water utilities;
- 651 iii. Monitor and evaluate local water standards; and
- 652 iv. Effect system integration, joint investment and operation,
653 district annexation and de-annexation whenever
654 economically warranted as amended by Sec. 22, Presidential
655 Decree No. 768.

656 (2) The Metropolitan Waterworks and Sewerage System (MWSS),
657 whose mandate, powers, and functions are defined under
658 Republic Act No. 6234, as amended entitled, *An Act Creating*
659 *The Metropolitan Waterworks And Sewerage System And*
660 *Dissolving The National Waterworks And Sewerage Authority;*
661 *And For And For Other Purposes*, shall be transferred from the
662 DPWH and attached to the Department: *Provided*, That the
663 MWSS shall continue to facilitate the exercise by the
664 concessionaires of their responsibility; carry out accounting and
665 notification functions; monitor, report, and administer loans;
666 perform related functions in connection with existing projects;
667 manage and dispose its retained assets; and manage and operate
668 the Umiray-Angat Transbasin Project.

669 (3) The National Irrigation Administration (NIA), whose mandate,
670 powers, and functions are defined under Republic Act No. 3601
671 as amended by Presidential Decree No. 552 and Presidential
672 Decree No. 1702;

673 (4) The Laguna Lake Development Authority (LLDA), whose
674 mandate, powers and functions are defined under Republic Act
675 No. 4850, as amended entitled, *An Act Creating The Laguna*
676 *Lake Development Authority, Prescribing Its Powers, Functions*
677 *And Duties, Providing Funds Therefor, And For Other Purposes*
678 shall be transferred from the DENR and attached to the
679 Department.

680 The LLDA shall continue to serve as the lake management and
681 development authority similar to a multi-stakeholder river basin
682 organization and shall ensure the implementation of the Laguna
683 Lake Master Plan which shall be updated by the Department to
684 ensure alignment with the NWRMP.

685 Any other agency performing water resources management,
686 conservation and protection functions may be transferred to the
687 Department as the President deems necessary.

688 (c) *Offices, Functions and Personnel to be Completely Subsumed under the*
689 *Department.* — The following offices with their powers, functions,
690 personnel, applicable funds and appropriations, records, equipment
691 and property shall be subsumed under the Department:

692 (1) The National Water Resources Board (NWRB) with all its
693 divisions and sections, whose mandate, powers and functions
694 are provided in Presidential Decree No. 424, as amended;

695 (2) The River Basin Control Office (RBCO) of the DENR whose
696 mandate, powers and functions are provided in Executive Order
697 No. 510 and Executive Order No. 816, as amended;

698 (3) The Manila Bay Coordinating Office (MBCO) of the DENR
699 which was strengthened by virtue of DENR Administrative
700 Order (DAO) 2011-01 to coordinate the efforts of the fourteen

- 701 (14) national agencies covered by the Mandamus Order of the
702 Supreme Court to rehabilitate Manila Bay;
- 703 (4) The Water Resources Management Division of the Bureau of
704 Soils and Water Management of the Department of Agriculture
705 (DA);
- 706 (5) The Water Supply and Sanitation Unit of the Department of the
707 Interior and Local Government (DILG); and
- 708 (6) The Water Quality Management Section of the Environmental
709 Management Bureau (EMB) of the DENR.\

710 (d) *Functions to be Transferred to the Department.* — The following
711 functions of the respective agencies, bureaus, and units shall be
712 transferred to the Department:

- 713 (1) The hydrological surveys and groundwater mapping function of
714 the Mines and Geosciences Bureau (MGB) of the DENR;
- 715 (2) The hydrological surveys monitoring of stream flow and water
716 data collection function of the Bureau of Design and Bureau of
717 Research and Standards of the DPWH;
- 718 (3) The protection and conservation of natural wetlands such as
719 lakes, marshes, swamps of the Biodiversity Management Bureau
720 of the DENR;
- 721 (4) The planning, programming, administration, monitoring,
722 management of the National Sewerage and Septage
723 Management Program (NSSMP) by the DPWH.
- 724 (5) The flood management planning and sediment management
725 function of the Flood Control Management Cluster of the
726 DPWH;
- 727 (6) The Water Resource Management Division and the water
728 research functions of the Soils and Water Research Division of
729 the Bureau of Soils and Water Management under the DA. All
730 soil-related functions shall be retained under the Bureau which
731 shall be renamed as the Bureau of Soils.

732 (e) *Support Services*. — The Department shall create the following support
733 services:

734 (1) The *Planning and Policy Service* shall provide the Department
735 with the capability to undertake water infrastructure
736 development planning and programming, and shall exercise the
737 following functions:

738 i. Advise the Secretary on all matters relating to water
739 resources planning;

740 ii. Assist the Undersecretary for Planning and Policy on all
741 matters related to the specific functions of the position;

742 iii. Formulate strategies and priorities for water resources
743 management and development consistent with national
744 development objectives, and initiate or undertake relevant
745 surveys for development planning;

746 iv. Develop and regularly update a comprehensive and
747 integrated National Water Resources Management Plan and
748 ensure its integration into existing land use plans;

749 v. Coordinate river-basin planning following the integrated
750 water resources management framework and the river-basin
751 approach;

752 vi. Formulate or update existing River Basin Master or
753 Comprehensive Plans which includes all aspects of water
754 management and development such as water supply and
755 sanitation, irrigation, flood control and stormwater or
756 urban drainage, drought risk management, water resource
757 development systems and other public water works projects,
758 including phasing of implementation;

759 vii. Identify, based on the river basin master plan, priority
760 packages for water infrastructure development per river
761 basin, including water supply, sanitation, irrigation, flood
762 control and stormwater or urban drainage, drought risk
763 management, water resource development systems and
764 other public works projects, package project proposals for

765 funding and prioritize project implementation and the
766 allocation of funds and other resources and undertake or
767 supervise and evaluate the conduct of feasibility studies and
768 project preparation thereof;

769 viii. Evaluate and appraise all regional and inter-regional
770 infrastructure water development plans and programs as to
771 their feasibility and consistency with approved strategies
772 and medium and long -term plans;

773 ix. Gather, analyze, and organize needed statistical data and
774 information;

775 x. Provide technical assistance related to its functions to the
776 other services, bureaus and the regional offices as needed;

777 xi. Conduct hydrological and hydraulic surveys and
778 assessments of surface waters;

779 xii. Develop general criteria and standards on project
780 investigation, formulation, planning;

781 xiii. Develop guidelines and standards on social inclusion in
782 water resources management and ensure policies, programs
783 and plans are compliant with the gender and development
784 framework of the government;

785 xiv. Coordinate closely with PAGASA for rainfall and other
786 climate data which shall be considered in the planning for
787 water resources development and management and for
788 various water infrastructure; and

789 xv. Perform such functions and activities, as may be mandated
790 by law, which are necessary for the effective attainment of
791 the abovementioned objectives.

792 (2) The *Decision Support System Service* shall provide the
793 Department with water resource management tools and
794 computerized decision support system that incorporates a data
795 management system relating to acquisition and database and
796 model base in terms of physical design, planning and decision

797 models including services related to networking, data
798 management, and information and knowledge or learning
799 management systems for administrative and non-technical
800 support It shall provide the Secretary timely reports on the status
801 of various Department projects and activities. For this purpose,
802 it shall exercise the following functions:

803 i. Provide the Secretary the necessary data and processed
804 information to aid in policy and management decisions
805 under the mandate of the Department;

806 ii. Publish available real-time raw water data as well as verified
807 or validated water data in print or electronic form using
808 latest internet technology;

809 iii. Conduct and publish in print and/or electronic form,
810 standard data analysis such as basic statistical analysis,
811 trend analysis, analysis of runs, and cluster analysis;

812 iv. Develop and continuously update water resource
813 management, computerized decision support systems (DSS)
814 that incorporate data management systems relating to
815 acquisition and database, model base in terms of physical,
816 design, planning and decision models, and userfriendly
817 interface such as graphical and visualization tools. The DSS
818 is composed of:

819 a. a measurement or data acquisition system;

820 b. information or database management system;

821 c. analytical and numerical models for design,
822 planning, decision, or evaluation purposes, and

823 d. a user-friendly interface which includes graphical
824 interface or visualization tools.

825 v. Develop and maintain specific models to include the
826 following:

827 a. long-term climatologic and weather forecasting
828 model;

- 829 b. watershed models and river-flood plain models;
- 830 c. groundwater models and coupled to surface water
- 831 models;
- 832 d. flood forecasting model for major rivers;
- 833 e. optimization-simulation management models for
- 834 watershed conservation, conjunctive surface and
- 835 groundwater use, irrigation scheduling, normal and
- 836 emergency operations of multi-purpose reservoirs;
- 837 and
- 838 f. water quality and ecological models.
- 839 vi. Develop and administer the management information
- 840 system and knowledge systems of the Department to:
- 841 a. Retrieve, process, and monitor information on all
- 842 projects and activities in the web portal;
- 843 b. Conduct and apply systems and process engineering,
- 844 software development, software configuration
- 845 management;
- 846 c. Develop and manage its corporate database, unified
- 847 database for water industry, data warehouse, other
- 848 water information resources, library services and
- 849 document management and archiving services;
- 850 d. Develop and manage its Information and
- 851 Communications Technology (ICT) infrastructure
- 852 and ICT related-services including computer
- 853 networking and voice communications services and
- 854 data exchange, and
- 855 e. Manage the literacy and training services of the
- 856 Department on various ICT and, Knowledge
- 857 Management (KM) tools and applications, including
- 858 information and knowledge management.

859 vii. Perform such other related functions and activities which
860 are necessary for the effective administration of the
861 management information and knowledge systems of the
862 Department.

863 (3) The *Administrative and Human Resource Service* shall provide
864 the Department with services relating to human resources
865 development, personnel records, facilities maintenance, medical
866 and dental, security, property and procurement services, and
867 shall exercise the following functions:

868 i. Advise the Secretary on all matters relating to internal
869 administration and human resources management;

870 ii. Prepare and implement an integrated personnel
871 development plan that shall include provisions for merit
872 promotions, performance evaluation, job rotation, incentive
873 awards systems, and health and welfare services;

874 iii. Provide services related to human resource training,
875 education and development including manpower, career
876 planning and forecasting, and development of indigenous
877 training materials;

878 iv. Develop, establish, and maintain an efficient and cost-
879 effective property procurement system and facilities and
880 coordinate or otherwise interface with relevant agencies,
881 whether government or private, for the purpose of
882 developing or upgrading the system;

883 v. Develop, establish, and maintain an efficient and effective
884 security system covering, among others, personnel, physical
885 installations, facilities, equipment, documents and materials
886 including the conduct of security investigations;

887 vi. Coordinate with the appropriate government agencies for a
888 more efficient conduct of administrative processes;

889 vii. Develop, establish, and maintain an efficient records system;

890 viii. Provide assistance in its area of specialization to the
891 Department Proper, bureaus and regional and water district
892 offices and, when requested, to the government agencies and
893 corporations attached to the Department; and Perform such
894 other related functions and activities which are necessary for
895 the effective management of the resources of the
896 Department, including its human resources.

897 (4) The *Legal and Legislative Research Service* shall provide the
898 Department with services on such legal affairs as contract letting
899 and litigation, legal and legislative research, complaints and
900 investigation, legal counselling and other matters of law, and
901 shall exercise the following functions:

902 i. Advise the Secretary on all matters relating to legal and
903 legislative affairs;

904 ii. Prepare Department contracts and legal instruments, review
905 and interpret all contracts and agreements entered into by
906 the Department and evaluate all legal proposals;

907 iii. Conduct administrative investigation and the review of
908 administrative charges against officers and employees of the
909 Department;

910 iv. Exercise functional jurisdiction over the legal staffs of
911 Regional Offices;

912 v. Provide legal assistance to the Department Proper, the
913 bureaus and regional offices and when requested, the
914 attached corporations;

915 vi. Develop and prepare the Department's Legislative Agenda,
916 recommend presidential certification of the urgency of
917 priority water bills, and other water-related legislation;

918 vii. Coordinate and maintain linkages between and among the
919 various offices, bureaus, regional offices and attached
920 agencies to the Department along with other government
921 agencies on policy matters affecting the Department's
922 mandate in relation to legislation;

956 vi. Perform such other related functions and activities which
957 are necessary for the effective financial management of the
958 Department.

959 (6) The *Resource Regulation Services* shall provide the Department
960 with services for the effective regulation of all water-related
961 services and activities and shall exercise the following functions:

962 i. Advise the Secretary on all matters relating to resource
963 regulations;

964 ii. Determine, grant and regulate water rights for the
965 appropriate, optimal and sustainable use of surface and
966 ground water;

967 iii. Determine and evaluate waterworks and sewerage licenses,
968 and submit evaluation results to the Water Regulatory
969 Commission for the latter's consideration in granting of
970 licenses;

971 iv. Investigate violations of the water rights and the Water
972 Code, and impose the appropriate sanctions in accordance
973 with existing laws, rules and regulations as well as future
974 rules and regulations which the Department shall
975 promulgate;

976 v. Adjudicate water use conflicts; and

977 vi. Perform such other related functions and activities which
978 are necessary for the effective regulation of water-related
979 services.

980 (7) The *Infernal Audit Service* shall regularly conduct a
981 comprehensive audit of various Department activities and shall
982 exercise the following functions:

983 i. Advise the Secretary on all matters relating to management
984 control and operations audit;

985 ii. Conduct a performance audit of the management and
986 operations of the Department, its activities, the performance
987 of all units, and determine the degree of compliance of all

- 988 operating units with established objectives, policies,
989 standards, methods and procedures, government
990 regulations and contractual obligations of the Department;
- 991 iii. Review and appraise systems and procedures,
992 organizational structure, assets management practices,
993 accounting and other records, and performance standards
994 such as budgets and standard costs of the Department
995 Proper, bureaus and regional offices;
- 996 iv. Analyze and evaluate management deficiencies and
997 recommend realistic courses of action; and
- 998 v. Perform such functions and activities, as may be mandated
999 by law, which are necessary for the effective performance of
1000 the abovementioned objectives.

1001 (8) The Public Affairs Service shall enhance relations with all
1002 stakeholders including the media, for the effective dissemination
1003 of information relating to water-related issues, including
1004 important announcements on policies and activities of the
1005 department that is of interest to the general public. It shall
1006 ensure that women, men, elderly, and people with disabilities
1007 shall be consulted, organized and take active part in all aspects
1008 of water resources development and management activities. It
1009 shall also lead the planning and organizing of special events, and
1010 shall exercise the following functions:

- 1011 i. Public Awareness
- 1012 a. Advise the Secretary on matters pertaining to public
1013 affairs;
- 1014 b. Develop and supervise the implementation of
1015 comprehensible communications programs on
1016 relevant policies, programs and plans of the
1017 Department;
- 1018 c. Produce and supervise the dissemination of
1019 communication materials in line with the priorities

- 1020 of the Department and national government public
1021 information programs;
- 1022 d. Conduct public opinion and attitude surveys to
1023 identify the interests and concerns of the
1024 stakeholders of the Department;
- 1025 e. Establish policies on the presentation and
1026 publication of the content of the communication
1027 materials for dissemination to print and broadcast
1028 media;
- 1029 f. Establish and maintain linkages with the tri-media
1030 and a presence in social media;
- 1031 g. Coordinate the conduct of interviews and news
1032 conferences;
- 1033 h. Make public announcements on matters relating to
1034 the work and activities of the Department through
1035 the print and broadcast media, either through press
1036 releases or live interviews;
- 1037 i. Coordinate with various Department units,
1038 concerned government agencies, tri-media and other
1039 stakeholders on matters related to the above-
1040 enumerated functions; and
- 1041 j. Coordinate with the appropriate national
1042 government agencies involved in public information
1043 affairs.
- 1044 ii. Promote Participation
- 1045 a. Conduct public consultations and discussions;
- 1046 b. Develop and disseminate relevant and appropriate
1047 materials and programs for public information and
1048 education, as well as advocacy campaign;
- 1049 c. Conduct seminars and workshops involving the
1050 LGUs and the general public on current water issues
1051 and problems; and

1052 d. Conduct capability building seminars of various
1053 stakeholders to promote meaningful participation in
1054 the Department's policy making, planning,
1055 development and implementation of various
1056 programs and projects.

1057 iii. Special Events

1058 a. Coordinate the organization and promotion of
1059 special events and water exhibits;

1060 b. Act as the focal office for all water related events;
1061 and

1062 c. Perform such functions and activities, as may be
1063 mandated by law, which are necessary for the
1064 effective performance of the abovementioned
1065 objectives.

1066 (f) *Bureaus.* — The Department shall create bureaus which shall each be
1067 headed by a Bureau Director. The Bureau Director shall be responsible
1068 for the efficient and effective discharge of the functions of the Bureau
1069 concerned. The Bureau Director shall be assisted by one (1) Assistant
1070 Director.

1071 (1) *Bureau of Flood Control and Drainage* shall plan and design
1072 flood control and drainage structures and facilities in
1073 accordance with technical standards, guidelines and manuals.
1074 For this purpose, it shall have the following duties and
1075 responsibilities:

1076 i. Formulate policy, strategies and programs on flood risk
1077 management in the context of integrated flood management
1078 (IFM) which integrates water, land, coastal zone and multi-
1079 hazard management. In integrating land use planning and
1080 water management, the Department shall harmonize and
1081 synthesize plans to enable the sharing of information
1082 between land-use planning and water management
1083 authorities. In this regard, a holistic approach shall be

1084 adopted by making the IFM a part of a wider risk or multi-
1085 hazard management system that includes earthquakes,
1086 landslides, fires, tsunami, and other calamities of the same
1087 gravity or nature;

1088 ii. Integrate climate change and disaster risk reduction and
1089 management in policies and plans;

1090 iii. Prepare master plans of flood management and drainage in
1091 river basins in coordination with the concerned water
1092 resources region and river basin organizations; Prepare
1093 master plans for urban drainage in cities and municipalities;

1094 iv. Prepare feasibility studies of recommended measures in the
1095 master plans;

1096 v. Plan and design structural measures for flood control and
1097 drainage; Implement and collaborate with concerned
1098 agencies on the formulation and adoption of non-structural
1099 measures for flood control and drainage;

1100 vi. Patrol and investigate rivers, and monitor stream flows;
1101 Conduct post-disaster investigation and evaluation and
1102 damage assessment of flood infrastructures after extreme
1103 events;

1104 vii. Conduct research and development on water and sediment-
1105 related disasters;

1106 viii. Develop design guidelines, criteria, and standards on flood
1107 control and drainage structures;

1108 ix. Provide technical assistance to other agencies, LGUs, and
1109 other stakeholders;

1110 x. Advise the Secretary on declaring flood control areas and
1111 recommend guidelines for flood plain management plans in
1112 these areas; and

1113 xi. Perform such related activities which are necessary for the
1114 effective performance of its functions.

1115 (2) *Bureau of Water Quality Management* shall supervise and
1116 exercise control over all aspects of water quality management to
1117 ensure the sustainability of the country's water resources and the
1118 protection of the environment. It should take into account
1119 proper and integrated treatment of freshwater and wastewater
1120 within the whole process. For this purpose, the Bureau shall
1121 exercise the following functions:

1122 i. Establish water quality guidelines for freshwater and coastal
1123 or marine waters as basis for classifying water bodies in the
1124 country. Specifically, develop water quality indices or
1125 composite metrics to measure the quality status and health
1126 of natural water bodies in relation to ecological integrity
1127 and function;

1128 ii. Establish effluent standards for point discharges to receiving
1129 bodies of water;

1130 iii. Establish internationally accepted procedures for sampling
1131 and analysis;

1132 iv. Prepare an integrated water quality management
1133 framework;

1134 v. Prepare the ten-year water quality management plans for
1135 each water quality management area as part of the River
1136 Basin Master Plans and in support of the NWRMP;

1137 vi. Classify groundwater sources and prepare a national
1138 groundwater vulnerability map;

1139 vii. Classify or reclassify all water bodies according to their
1140 beneficial usages using the established water quality
1141 guidelines established;

1142 viii. Issue permits, clearances, and similar instruments pursuant
1143 to the Clean Water Act of 9 2004;

1144 ix. Collect the wastewater discharge fees for all permittees;

1145 x. Monitor the compliance of water discharge permittees with
1146 the effluent standards;

- 1147 xi. Regularly monitor the water quality of major water bodies
1148 in the country and analyze the data to identify possible
1149 sources of pollution;
- 1150 xii. Issue notices of violations and/or cease and desist orders for
1151 those found in violation;
- 1152 xiii. File the needed cases against violators with the Water
1153 Pollution Adjudication Board (WPAB);
- 1154 xiv. Serve as secretariat of the WPAB; and
- 1155 xv. Perform such functions and activities, as may be mandated
1156 by law, which are necessary for the effective performance of
1157 the abovementioned objectives.

1158 (3) A *Water Resources Regional Office (WRRO)* shall be organized
1159 per water resources region and shall be responsible for
1160 implementing the mandates, powers and duties of the
1161 Department at the field level, except for policymaking which
1162 will be vested solely in the Department. The formulation of the
1163 master plan for the nearby river basins such as the Pasig-
1164 Marikina-Laguna Lake-Cavite, shall be the responsibility of the
1165 Department. Each WRRO shall perform the following duties
1166 and responsibilities:

- 1167 i. Formulate or update and coordinate the river basin master
1168 plans for river basins within its jurisdictions ensuring
1169 consistency with the National Water Resources
1170 Management Framework Plan;
- 1171 ii. Advocate and strongly support the creation and functioning
1172 of multistakeholder river basin organizations (RBOs) and
1173 serve as the secretariat of the said RBOs;
- 1174 iii. Undertake and evaluate the planning, design, and work
1175 supervision functions of the Department for the water
1176 infrastructures within the region;
- 1177 iv. Ensure the implementation of laws, policies, programs, rules
1178 and regulations regarding the abovementioned

- 1179 infrastructure as well as public and private physical
1180 structures;
- 1181 v. Provide technical assistance related to the water-related
1182 functions of other agencies within the region especially the
1183 local government;
- 1184 vi. Coordinate with other departments, agencies, institutions
1185 and organizations, especially local government units within
1186 the region in the planning and implementation of the river
1187 basin master plans;
- 1188 vii. Conduct consultations with the local communities, take
1189 appropriate measures to ensure that the services of the
1190 Department are responsive, and recommend such
1191 appropriate actions as may be necessary; and
- 1192 viii. Perform such functions and activities, as may be mandated
1193 by law, which are necessary for the effective performance of
1194 the abovementioned objectives.

1195 The Department shall retain existing Project Management Offices as may be
1196 required, which shall be under the supervision and control of the appropriate
1197 Water Resources Regional Office unless otherwise determined by the Secretary
1198 for reasons of supra-regional scope, magnitude and multi-functional coverage.

1199 Each Water Resources Regional Office shall be headed by a Water Resources
1200 Regional Director who shall be responsible for efficiently and effectively
1201 carrying out the duties and responsibilities of the Office. Towards this end, the
1202 Water Resources Regional Director shall exercise functional and
1203 administrative supervision over all units within the region and is authorized to
1204 commit resources and assign personnel to integrated regional water resources
1205 management, water supply and sanitation management, and flood control and
1206 flood risk management initiatives. The Water Resources Regional Director
1207 shall also perform such other related duties and responsibilities as may be
1208 assigned or delegated by the Secretary or as may be required by law.

1209 The Water Resources Regional Director shall be assisted by two (2) Assistant
1210 Water Resources Regional Office Directors who shall exercise supervision

1211 over (1) the planning, project design and evaluation function and (2) technical
1212 assistance to the River Basin Organizations within the water resources region.

1213 **SEC. 14. *Water Pollution Adjudication Board.*** — There is hereby created a Water
1214 Pollution Adjudication Board under the Office of the Secretary. The Board
1215 shall be composed of the Secretary as Chairperson, two (2) Undersecretaries
1216 as may be designated by the Secretary, the Director of Water Quality
1217 Management Bureau, and three (3) other representatives from other
1218 stakeholders to be designated by the Secretary as members.

1219 The Board shall assume the powers and functions of the National Pollution
1220 Control Commission with respect to the adjudication of water pollution cases
1221 under Republic Act No. 3931 entitled, *An Act Creating The National Water
1222 And Air Pollution Control Commission*, Presidential Decree 984 entitled
1223 *Providing For The Revision Of Republic Act No. 3931, Commonly Known
1224 as the Pollution Control Law, And For Other Purposes*, particularly with
1225 respect to Section 6 letters e, f, g, j, k and Republic Act No. 9275. The Bureau
1226 of Water Quality Management shall serve as the Secretariat of the Board.
1227 These powers and functions may be delegated to the field officers of the
1228 Department in accordance with rules and regulations to be promulgated by
1229 the Board.

1230 CHAPTER III

1231 INTERDEPARTMENTAL RELATIONS

1232 AND INSTITUTIONAL ARRANGEMENTS OF THE DEPARTMENT

1233 **SEC. 15. *Interface and Institutional Arrangements with Other Agencies.***

1234 (a) The Department of Health (DOH) shall continue to have primary
1235 authority and responsibility for setting and enforcing drinking water
1236 quality standards. The Department shall coordinate with the DOH in
1237 this aspect, and shall ensure consistency of standards and targets, as
1238 well as the compliance of permittees with mandated standards;

- 1239 (b) The Department of Environment and Natural Resources (DENR) shall
1240 continue to have primary authority and responsibility for protecting the
1241 environment and managing the country's watersheds;
- 1242 (c) The Department of Energy (DOE) and the National Power Corporation
1243 (NPC) shall continue to have primary authority and responsibility for
1244 establishing and operating hydropower plants, but shall ensure that
1245 hydropower plant development plans are consistent with the National
1246 Water Development and Management Plan;
- 1247 (d) The Department shall coordinate with the DA to ensure agricultural
1248 development that reduces long-term pollution for surface water and
1249 groundwater, and agricultural and industrial economic development
1250 that employs water efficiency, water recycling or reuse, and the
1251 appropriate treatment of wastewater;
- 1252 (e) The Department shall coordinate with the National Disaster Risk
1253 Reduction Management Council (NDRRMC) to ensure that its plans
1254 and designs for flood control, flood risk management and drought risk
1255 management are aligned with the objectives and plans of the
1256 Department;
- 1257 (f) The Department shall coordinate with Climate Change Commission
1258 (CCC), Philippine Atmospheric, Geophysical and Astronomical
1259 Services Administration (PAGASA), and National Mapping and
1260 Resource Information Authority (NAMRIA) for scientific studies,
1261 integrated surveys, mapping, charting, and decision support systems;
- 1262 (g) The Department shall coordinate with the Department of Tourism
1263 (DOT) on recreational use of water resources;
- 1264 (h) The Department shall coordinate with the Philippine Reclamation
1265 Authority and economic zone authorities on water resources
1266 development and water requirements within reclamation areas and
1267 economic zones, respectively; and
- 1268 (i) The Department shall coordinate with relevant government agencies,
1269 including local government units (LGUs), with respect to development

1270 projects and shall ensure cross-cutting collaboration between and
1271 among all water subsectors and facilitate inter-agency subsector
1272 coordination, strategic development, planning, monitoring and
1273 provision of technical, institutional and financial capacity building
1274 support to their different stakeholders at the water subsector level.

1275 **SEC. 16. *National Water Sector Policy Board.*** — The National Water Sector Policy
1276 Board (NWSPB) shall be created and shall be headed by the Secretary of the
1277 Department of Water Resources with the Secretary of the National Economic
1278 and Development Authority as the Vice-Chairperson, and the Secretaries of
1279 the DOH, DILG, DOE, DA, Department of Social Welfare and Development;
1280 DPWH; Department of Budget and Management (DBM); Office of the
1281 President, and DENR, and National Commission on Indigenous Peoples as
1282 members. The Department shall provide personnel to serve as Secretariat to
1283 the Board.

1284 **SEC. 17. *Powers and Functions of the National Water Sector Policy Board.*** — *The*
1285 NWSPB shall perform policymaking, coordination, integration, supervision,
1286 monitoring and evaluation functions, and shall have the following
1287 responsibilities:

1288 (a) Approve the NWRMP which shall serve as a principal guide to water
1289 management efforts in the country and shall be reviewed every five (5)-
1290 years interval, or as may be deemed necessary, in order to ensure its
1291 relevance to the times;

1292 (b) Provide overall policy direction and recommend policies on water
1293 resources requiring Presidential decision;

1294 (c) Advise the President on the status of water management and supply,
1295 recommend to the President the declaration of a state calamity in areas
1296 affected by water supply, and submit proposals to restore normalcy in
1297 the affected areas;

1298 (d) Ensure a multi-stakeholder participation in the development, updating,
1299 and sharing of information system as policy, planning and decision-
1300 making tools consistent with IWRM.

1301 SEC. 18. *Transfer of Rights and Obligations.* — The Department shall, by virtue of
1302 this Act, be subrogated to all the rights and assume all the obligations of the
1303 government agencies and units whose powers and functions have been
1304 subsumed, absorbed, transferred or attached to the Department in accordance
1305 with the rules and regulations of the Commission on Audit, and the Civil
1306 Service Commission, and other applicable laws. The transfer of powers and
1307 functions as herein provided shall take effect within six (6) months of the
1308 effectivity of this Act. As such, all affected agencies, offices, units shall
1309 continue to function under their present mandates.

1310 CHAPTER IV

1311 WATER REGULATORY COMMISSION

1312 SEC. 19. *Water Regulatory Commission.* — There is hereby created and established as
1313 an independent, quasi-judicial regulatory body to be known as the Water
1314 Regulatory Commission, hereinafter referred to as the Commission, which
1315 shall be organized within one hundred twenty (120) days after the effectivity
1316 of this Act.

1317 The Commission shall be placed under the administrative supervision of the
1318 Department as an attached agency.

1319 The Commission shall have a Board of Commissioners, and shall be vested
1320 with powers and functions, as conferred and set forth hereunder.

1321 SEC. 20. *The Regulatory Units.* — The regulatory units of the Commission shall be
1322 composed of the central regulatory unit and the regional regulatory units.

1323 The economic regulatory units and functions of the MWSS, NWRB, LWUA,
1324 SBMA, PEZA, and TIEZA are hereby transferred to the Commission, and shall
1325 collectively comprise its central regulatory unit for water supply and sanitation
1326 services that: (a) provide services to more than one province; and (b) are
1327 owned, operated and/or maintained by special economic zones and Metro
1328 Manila concessionaires.

1329 The regional regulatory units shall be established by the Commission in
1330 accordance with this Act and the rules, regulations, guidelines, and standards
1331 that the Commission shall issue.

1332 **SEC. 21. *Powers and Functions of the Commission.*** — The overall authority and
1333 powers of the Commission shall cover and apply to all service providers,
1334 whether private or public, providing or intending to provide levels II & III
1335 water supply, including suppliers to subdivisions and/or other service
1336 providers, sewerage, and/or septage treatment and disposal services for
1337 domestic, residential, institutional, industrial or commercial use.

1338 The Commission shall exercise the following powers and functions:

1339 (a) Issue and promulgate rules, regulations and guidelines as may be
1340 necessary to implement and enforce its powers and functions under this
1341 Act;

1342 (b) Promulgate and enforce just and reasonable technical standards,
1343 classifications and measurements of service;

1344 (c) Establish rules and regulations to monitor, avoid, and provide remedies
1345 for any market power abuse or anti-competitive or discriminatory act
1346 or behavior by or against any participant in the water supply and
1347 sanitation sector. Upon finding that a market participant has engaged
1348 in, or has fallen victim to such act or behavior, the Commission shall
1349 act to stop or redress the same. Such remedies may, without limitation,
1350 include the imposition of price controls, issuance of injunctions,
1351 requirement of divestment or disgorgement of excess profits,
1352 invalidation of contracts and imposition of fines and penalties pursuant
1353 to this Act.

1354 (d) Adopt and require that books, records, and accounts be kept and
1355 maintained in accordance with the prescribed uniform accounting
1356 system;

1357 (e) Fix and determine proper and adequate rates of depreciation of
1358 properties and equipment used in water supply and sanitation services;

- 1359 (f) Impose and collect annual levies determined as a percentage of gross
1360 revenue accruing in relation to the licensed activities, and reasonable
1361 fees and surcharges as may be necessary for achieving the purposes,
1362 powers and functions of the Commission;
- 1363 (g) Require the submission reports of finances and operations, verified
1364 under oaths by the owner or president and secretary of the board of the
1365 licensee;
- 1366 (h) Determine and require the monitoring and submission of such data,
1367 statistics and other information from the regulatory units and any or
1368 all licensees as may be necessary for the effective and efficient exercise
1369 of its duties, functions, powers and responsibilities.
- 1370 (i) Investigate, *motu proprio* or upon a written complaint, any matter
1371 concerning the operation of the service and issues on price
1372 manipulation and anticompetitive behavior;
- 1373 (j) Impose penalties and fines against any licensee or against its owners,
1374 directors, officers, agents or representatives for any violation of this Act
1375 or of the license, order, rule regulation or requirement issued by the
1376 Commission;
- 1377 (k) Require any licensee to pay the actual expenses incurred by the
1378 Commission in any investigation if it shall be found that a licensee
1379 violated any provision of this Act or of the license, order, rule
1380 regulation or requirement issued by the Commission;
- 1381 (l) Advise, apprise and coordinate with other relevant agencies of the
1382 national or local government on any matter relating to water supply
1383 and sanitation services;
- 1384 (m) Deputize agents, whether from the public or private sector, to assist in
1385 the performance of any of the powers and functions of the Commission;
- 1386 (n) Appoint an interim or temporary management committee upon appeal
1387 and after due hearing, to ensure continuity of service in case a licensee
1388 fails to meet conditions of the license and the concerned Regulatory

1389 Unit fails or refuses to appoint an interim management committee as
1390 provided in the following section.

1391 (o) Appoint, hire and maintain adequate staff and personnel, advisers, or
1392 consultants, with suitable qualifications and experience, as necessary;

1393 (p) Exercise original and exclusive jurisdiction over all cases contesting
1394 rates, fees, fines and penalties imposed by the regulatory units in the
1395 exercise of their powers, functions and responsibilities, as provided
1396 under this Act, and over all cases involving disputes between and
1397 among participants or stakeholders in the water supply and sanitation
1398 services; and

1399 (q) Such other incidental powers and functions as may be necessary to
1400 attain the objectives of this Act.

1401 **SEC. 22. Powers and Functions of the Regulatory Units.** — The regulatory units of the
1402 Commission shall have the following powers and functions:

1403 (a) Issue licenses authorizing the operation of water supply and sanitation
1404 services in any specified area or areas within the Philippines.

1405 (b) Impose fines, charges and other penalties upon any provider and/or its
1406 officers and stockholders who shall fail or refuse to register or obtain a
1407 license prior to operation or commencement of business, as provided
1408 hereunder.

1409 (c) Review, determine, fix, and approve, consistent with the rules,
1410 guidelines, procedures and methodologies which the Commission shall
1411 provide, proposed water and sewerage and septage management tariffs,
1412 rates and charges that licensees may impose upon their consumers;

1413 (d) Appraise and value property and equipment used by licensees in
1414 providing water supply and sanitation services.

1415 (e) Enforce technical, financial, and other performance standards set by the
1416 Commission for licensees or utilities;

- 1417 (f) Respond to consumer complaints and ensure the adequate promotion
1418 of consumer interests and investigate *motu proprio* price manipulation
1419 and anticompetitive behavior;
- 1420 (g) Investigate accidents directly or indirectly arising from or connected
1421 with the maintenance or operation of the service, and make such order
1422 or recommendation as the public interest may warrant;
- 1423 (h) Require the review and/or approval of contracts or agreements that may
1424 impact on the tariff and rates of service provision entered into by service
1425 providers upon petition or *motu proprio* where in its determination
1426 public interest so dictates;
- 1427 (i) Require the submission of reports, plans, and other documents that
1428 define the performance targets of the licensees or utilities, and regular
1429 accomplishment reports;
- 1430 (j) Impose and collect annual levies determined as a percentage of gross
1431 revenue accruing in relation to the licensed activities, and reasonable
1432 fees and surcharges as may be necessary for achieving the purposes,
1433 powers, and functions of the regulator;
- 1434 (k) Conduct benchmarking and monitor the performance of licensees or
1435 utilities under their jurisdiction, and publish reports detailing the results
1436 thereof, as may be necessary or required by the Commission;
- 1437 (l) Amend, modify, suspend, or revoke any license issued by them, after
1438 due notice and hearing, on any of the following grounds:
- 1439 (1) when the facts and circumstances on the strength of which the
1440 license was issued have been materially misrepresented or have
1441 materially changed;
- 1442 (2) where the licensee has failed to meet or comply with terms,
1443 conditions, and performance targets, including but not limited
1444 to service expansion, that may have been set in the license;
- 1445 (3) where the licensee is found to be manifestly inefficient in the
1446 operation of or provision of water supply and sanitation services
1447 in its area; or

1448 (4) when the licensee thereof has violated or willfully refused to
1449 comply with any order, rule or regulation of the Commission or
1450 any provision of this Act;

1451 (m) Appoint an interim management committee to ensure continuity of
1452 service in case a licensee fails to meet the conditions of the license; and

1453 (n) Submit performance plans and reports as required by the Commission.

1454 **SEC. 23. *Composition of the Water Regulatory Commission.***

1455 (a) The Commission shall be a collegial body composed of five (5) full-time
1456 members consisting of a Chairperson and four (4) members, who shall
1457 all be appointed by the President of the Philippines. All members of the
1458 Commission must be citizens and residents of the Philippines, at least
1459 thirty five (35) years of age, and of good moral character, of recognized
1460 integrity and competence in the field of law, business, commerce,
1461 finance, accounting or public administration, water or utility
1462 economics, management, physical or engineering services, hydrology
1463 and other related services, with at least three (3) years of actual and
1464 distinguished experience in their respective fields of expertise:
1465 *Provided*, That out of the four (4) members of the Commission, at least
1466 one (1) shall be a member of the Philippine Bar with at least ten (10)
1467 years of experience in the active practice of law, and at least one (1)
1468 shall be a certified public accountant with at least ten (10) years of
1469 experience in active practice.

1470 (b) The term of office of each member of the Commission shall be seven (7)
1471 years: *Provided*, That among the members first appointed, the
1472 Chairperson shall serve for a period of seven (7) years, *two* (2)
1473 members shall serve for five (5) years and the other *two* (2) members
1474 shall serve for three (3) years: *Provided further*, That any member
1475 whose term has expired as specified herein shall serve as such until a
1476 successor shall have been appointed and qualified: *Provided*
1477 *furthermore*, That any appointment to fill a vacancy in the
1478 Commission arising from death, removal, retirement or resignation
1479 shall be made only for the unexpired term: *Provided, finally*, That in

1480 no case shall any member serve for more than seven (7) years in the
1481 Commission.

1482 (c) The Commission shall meet as often as may be necessary on such day
1483 or days as the Chairperson may fix. The presence of at least three (3)
1484 members of the Commission shall constitute a quorum, which shall be
1485 necessary for the transaction of any business. The affirmative vote of
1486 majority of the members of the Commission where a quorum is present
1487 shall be necessary for the adoption of any order, resolution, decisions,
1488 or other act of the Commission in the exercise of its quasi-judicial
1489 functions: *Provided*, That in promulgating rules, regulations,
1490 guidelines and in exercising its quasi-legislative functions, an
1491 affirmative vote of three (3) members shall be required.

1492 (d) The Chairperson of the Commission shall exercise general executive
1493 control and supervision over the Commission and its members, staff
1494 and personnel, agents and representatives. Within three (3) months
1495 from the creation of the Commission and the appointment of all
1496 Members of the Commission, the Chairperson shall determine and
1497 establish the organizational structure and *plantilla* positions necessary
1498 to carry out the powers and functions of the Commission, including
1499 those of the central and provincial regulatory units subject to the review
1500 and approval of the DBM.

1501 (e) The *plantilla* positions of the Commission shall be filled by regular
1502 appointments in accordance with Civil Service laws, rules, and
1503 regulations. Members of the Commission shall enjoy security of tenure
1504 and shall not be suspended or removed from office except for just cause
1505 as specified by law.

1506 (f) The Chairperson and members of the Commission or any of their
1507 relatives within the fourth civil degree of consanguinity or affinity,
1508 legitimate or common law, shall be prohibited from holding any
1509 interest whatsoever, either as investor, stockholder, officer or director,
1510 in any company or entity engaged in provision of water supply and
1511 distribution, septage management and sewerage services and must,

1512 therefore, divest through sale or legal disposition of any and all interests
1513 in the water sector upon assumption to office.

1514 **SEC. 24. *Secretariat of the Commission.*** — The Commission shall establish
1515 a Secretariat which shall provide the Commission with technical and support
1516 services including the following:

1517 (a) Provide the necessary technical inputs and secretariat support to the
1518 Commission to facilitate the conduct of its functions;

1519 (b) Coordinate with Regulatory Units to ensure proper implementation of
1520 the rules, regulations and guidelines promulgated by the Commission;

1521 (c) Monitor and assess activities of the Regulatory Units vis-a-vis their
1522 respective annual performance plans and targets;

1523 (d) Maintain a database on the water supply and sanitation subsector; and

1524 (e) Coordinate with other relevant agencies of the national or local
1525 government on any matter relating to water supply and sanitation.

1526 **SEC. 25. *Executive Director.*** — The Commission shall appoint an Executive Director
1527 who shall head the Commission Secretariat, keep and maintain the official
1528 records of the Commission, render a report on the proceedings of the
1529 Commission, and administer oaths in all matters falling within the jurisdiction
1530 of the Commission.

1531 The Executive Director shall be responsible for the effective implementation
1532 of the policies, plans, programs, rules, regulations and directives of the
1533 Commission; coordinate and supervise the activities of the different operating
1534 units under the Commission; and perform such functions as may be assigned
1535 by the Chairperson and/or other members of the Commission.

1536 **SEC. 26. *Compensation and Other Emoluments.*** — The compensation of the members
1537 of the Commission and its staff shall conform to provisions of Republic Act
1538 No. 6758 as amended, otherwise known as the Compensation and Position
1539 Classification Act of 1989.

1540 CHAPTER V

1541 REGISTRATION AND LICENSING

1542 SEC. 27. *Registration and Licensing of All Water Supply and Sanitation Services.* —

1543 All water supply and sanitation service providers, including bulk water
1544 suppliers and those providing services to subdivisions and other service
1545 providers, shall register with the Commission and, subject to such rules,
1546 guidelines, procedures and other issuances of the Commission, obtain a license
1547 to operate from the appropriate regulatory units.

1548 The Commission shall ensure that the grant and revocation of licenses are
1549 carried out fairly, transparently, and without discrimination. Issuances of the
1550 Commission shall specify, among others, the qualifications, requirements, and
1551 procedure for the grant and revocation of licenses including the standards and
1552 performance targets that shall continuously be complied with to keep the
1553 licenses valid.

1554 Unless otherwise provided in this Act or by the Commission, no public water
1555 supply and sanitation service provider shall commence or conduct the business
1556 of providing water supply and sanitation services without first obtaining a
1557 license.

1558 Concession agreements and other contracts for water supply provision and
1559 water sanitation and treatment services currently existing shall remain valid
1560 and enforceable unless otherwise terminated, after due notice and hearing for
1561 reasons provided in the existing terms and conditions under the concession or
1562 service agreement or contract, or when invalidated by the Commission, after
1563 due notice and hearing, where national security, national emergency or public
1564 interest so dictates.

1565 SEC. 28. *Conditions of License.* — The Commission or the concerned regulatory unit,
1566 may impose such conditions on the licensee as it may deem necessary, such as:

1567 (a) Tariffs, rates and charges that may be imposed from its customers or
1568 consumers.

1569 (b) Term fixing the duration of the privilege.

- 1570 (c) Grounds for modification, suspension or cancellation of the License.
- 1571 (d) Minimum technical performance and service level standards.
- 1572 (e) Expansion targets and service level improvements over time.
- 1573 (f) Restrictions or conditions for transferability of the business or
1574 controlling interest in the business.
- 1575 (g) Reportorial requirements and obligations of the grantee.
- 1576 (h) Submission to annual performance audit by the Commission or its duly
1577 authorized representative(s).

1578 The Commission shall specify the requirements and procedure for existing
1579 holders of A Certificate of Public Convenience (CPC), Certificates of Public
1580 Convenience and Necessity (CPCN) issued by NWRB, or Certificate of
1581 Conformance (CoC) issued by LWUA, to convert their existing certificates
1582 into licenses to operate in accordance with Sec. 27 herein.

1583

1584 All existing providers of water supply and sanitation services without a legal
1585 and valid Certificate of Public Convenience, Certificate of Public Convenience
1586 and Necessity, or Certificate of Conformance shall register with the
1587 Commission and apply for a license within six (6) months from the effectivity
1588 of this Act.

1589 **SEC. 29. *Rights and Duties of Licensees.* –**

- 1590 (a) Any person granted a license under this Act shall have the obligation to
1591 ensure that licensed activities are conducted to further public interest
1592 and, in particular:
- 1593 (1) Foster the maintenance and development of efficient,
1594 coordinated, and viable operation of their licensed activities;
- 1595 (2) Ensure that their water supply and sanitation services are
1596 provided in a diligent, conscientious and workman like manner,
1597 in accordance with applicable laws rules and regulations issued

1598 by the Commission and the generally accepted standards and
1599 practices of the water supply and sanitation industry; and

1600 (3) Comply with drinking water quality requirements and standards
1601 that may be established by the Commission.

1602 (b) Any person granted a license under this Act shall, to the extent allowed
1603 by law and specified in the license, has the right to acquire or lease land,
1604 lay or repair water or sanitation main lines and other relevant facilities
1605 in public ways to fulfill the terms and conditions under the license.

1606 (c) Subject to any condition or limitation laid down in the license, a licensee
1607 may discontinue water supply and sanitation services to a customer if
1608 such customer defaults in the payment of fees due to the licensee for the
1609 water supplied or sanitation services provided, or for acts of pilferage
1610 pursuant to Sections 8, 9, 10, and 11 of Republic Act No. 8041,
1611 otherwise known as the *Wafer Crisis Act of 1995*.

1612 (d) Any license issued under this Act shall contain provisions designed to
1613 sure that licensees:

1614 (1) Publish the Tariff and other charges approved by and the terms
1615 and conditions imposed by the Commission for the provision of
1616 water supply and sanitation services.

1617 (2) Prepare, within three (3) months from the issuance of a license,
1618 in consultation with its customers, a Customer Service Code
1619 specifying the manner and procedure for: (a) metering, billing,
1620 and collection of the licensee's approved tariff and other
1621 charges, (b) disconnection or suspension of service in case of
1622 non-payment of tariffs and/or other charges, or acts of pilferage,
1623 and (c) recommendation and recovery of arrears in tariffs and
1624 other charges;

1625 (3) Maintain financial accounts in accordance with the manner and
1626 procedure specified in the license and as may be required by the
1627 Commission; and 4. Maintain and upon request by anyone
1628 during regular office hours, promptly make available for

1629 scrutiny and inspection such data, statistics and other
1630 information, as may be required by the Commission.

1631 **SEC. 30. *Setting Tariffs, Rates, and Other Charges.*** — Regulatory units shall establish
1632 tariffs, rates and other charges which are fair and reasonable, and ensure
1633 economic viability and a fair return on investments.

1634 Tariffs, rates and charges shall be based on and consistent with a rate-setting
1635 methodology that the Commission shall, after due consultation, define and
1636 publish, taking into account the following, among others:

- 1637 a. Reasonable and prudent capital and recurrent costs of providing
1638 the service including a reasonable rate of return on capital;
- 1639 b. Efficiency of the service;
- 1640 c. Incentives for enhancement of efficiency;
- 1641 d. Willingness to pay of the customers/consumers;
- 1642 e. Equity considerations; and
- 1643 f. Administrative simplicity.

1644 Tariffs, rates, and charges set by the regulatory units shall be presumed valid
1645 and reasonable unless a protest or contest is filed with the Commission.

1646 **SEC. 31. *Direct Access.*** — Fifty-one (51) percent of the registered water consumers in
1647 a municipality, city or province may petition for direct access to water from
1648 any water service provider subject to concurrence by the service provider and
1649 approval by the Commission. The Commission shall promulgate rules and
1650 procedures for this mode of service.

1651 **SEC. 32. *Innovative Schemes to Improve Efficiency and Management of Systems.*** —
1652 The Commission shall promote innovative schemes such as the consolidation
1653 or integration of water supply and sanitation services, or providers in the same
1654 service area, where it shall result in improved efficiency, service expansion and
1655 lower costs.

1656 To this end, the Commission shall establish and issue such rules and guidelines
1657 as may be necessary to (a) create incentives to encourage efficiency and service

1658 expansion; (b) establish the standards and targets that service providers are
1659 required to meet; and (c) define the fines and penalties that shall be imposed
1660 for failure to meet such standards and targets.

1661 CHAPTER VI

1662 QUASIJUDICIAL FUNCTIONS OF THE COMMISSION

1663 **SEC. 33. *Proceedings Before the Commission.*** — For the purpose of any investigation,
1664 inquiry or proceeding, the Commission shall:

1665 (a) Issue *subpoena duces tecum* and *subpoena ad testificandum*;

1666 (b) Appoint hearing officers to hear and receive evidence on behalf of the
1667 Commission;

1668 (c) Cite any person or party for contempt for refusal to appear, testify, or
1669 comply with an order of the Commission on any matter that is the
1670 subject of investigation, inquiry or proceeding before the Commission.

1671 **SEC. 34. *Orders and Decisions of the Commission.*** — Any order, resolution, or
1672 decisions of the Commission shall be promulgated promptly, expeditiously,
1673 reasonably, and in writing, and shall state clearly and distinctly the facts and
1674 law on which it is based.

1675 The Commission shall publish and make available for public inspection, all
1676 decisions and final orders in the adjudication of contested cases or
1677 applications.

1678 **SEC. 35. *Appeals Procedure and Prohibition Against Injunction.*** –

1679 (a) The orders, rulings, and decisions of the Commission are final and
1680 executory unless appealed to the Court of Appeals within fifteen (15)
1681 days from receipt of notice of such order, ruling or decision: *Provided*,
1682 That orders, rulings, and decisions of the Commission approving
1683 tariffs, shall be immediately executory and may be suspended only
1684 upon appeal and filing of a bond, in an amount to be fixed by the

1685 Commission, to answer for damages occasioned by the suspension or
1686 stay of execution of such orders, rulings, and decisions.

1687 (b) No injunction may be issued by any court or administrative agency to
1688 restrain any proceeding before, or the implementation or execution of
1689 any order, ruling, or decision of the Commission, except on the basis
1690 of a question of law brought before the Supreme Court on *certiorari*.

1691 (c) Any act or decision of the Commission shall not be invalidated merely
1692 because of a defect or irregularity in, or in connection with, the
1693 appointment or vacancy in the Office of the Chairperson or any other
1694 member of the Commission.

1695 **CHAPTER VII**
1696 **INTERDEPARTMENTAL RELATIONS OF THE COMMISSION**

1697 **SEC. 36. *Interface with Other Sector Regulators.***

1698 (a) The DENR shall continue to exercise primary jurisdiction over
1699 programs aimed at protecting the environment and the quality of water
1700 sources from waste and pollution, and shall promulgate rules,
1701 regulations, and standards in this regard. The Department of Health
1702 (DOH) shall continue to exercise primary jurisdiction over the
1703 determination and enforcement of standards for quality drinking water
1704 and sanitation.

1705 (b) The Commission shall coordinate with the:

1706 (1) DOH to ensure that the standards and targets for quality
1707 drinking water and sanitation are consistently complied with;

1708 (2) LGUs for development projects relating to water supply and
1709 sanitation; and

1710 (3) Department of Public Works and Highways for flood control
1711 and harnessing and impounding of water.

1712 **SEC. 37. *Transfer of Rights and Obligations.*** — The Commission shall, by virtue of
1713 this Act, be subrogated to all the rights, and assume all the obligations, of the

1714 Water Utilities Division of the NWRB, the regulatory offices of MWSS and
1715 LWUA, the regulatory units of all special economic zones, and all other
1716 government agencies and units whose powers and functions have been
1717 transferred to the Commission.

1718 The transfer of powers and functions to the Department of the concerned
1719 agencies as herein provided for, shall be deemed completed within six (6)
1720 months after the effectivity of this Act. The transfer of powers and functions
1721 shall include all applicable funds, personnel, records, property and equipment,
1722 as may be necessary. The same shall apply to agencies which have been
1723 attached to the Department by virtue of this Act.

1724 All agencies transferred, subsumed and attached to the Department, shall
1725 continue to function under their present mandates until the six-month
1726 transition period mandated under this Act shall have lapsed. The heads of the
1727 affected agencies shall continue to serve until replaced.

1728
1729 All rights and obligations of the affected agencies are hereby transferred to and
1730 assumed by the Commission, and shall be acted upon in accordance with the
1731 rules and regulations of the Commission on Audit and other pertinent laws,
1732 rules, and regulations.

1733 **SEC. 38. *Absorption or Separation from Service of Employees of the Subrogated***
1734 ***Agencies.*** — The current employees of the Water Utilities Division of the
1735 NWRB, the regulatory offices of MWSS and LWUA, the regulatory units of
1736 all special economic zones, and all other government agencies and units whose
1737 powers and functions have been transferred to the Commission shall enjoy
1738 security of tenure, and shall be absorbed by the Department, in accordance
1739 with their staffing pattern and the selection process as prescribed under
1740 Republic Act No. 6656 or the Government Reorganization Law.

1741 Employees opting to be separated from the service as a consequence of the
1742 consolidation, and reconstitution under the provisions of this Act shall, within
1743 one (1) month from their separation or phase out from the service, receive
1744 separation benefits in accordance with existing laws, and those who are

1745 qualified to retire shall be allowed to retire and be entitled to all benefits under
1746 existing retirement laws.

1747 **SEC. 39. SEC. 39. *Water Trust Fund.*** — There is hereby created a Water Trust Fund
1748 in the Bureau of Treasury. All non-tax revenues, including raw water pricing,
1749 permit fees, registration fees, supervision and regulation enforcement fees,
1750 filing fees, testing fees, and other service income from the use of water
1751 resources shall be remitted to the Water Trust Fund. The trust fund shall be
1752 accounted separately from the government's general revenues and shall be
1753 automatically appropriated to the Department. Proceeds from the trust fund
1754 shall be utilized for water development, water sanitation and waste water
1755 treatment and management, and water sustainability programs and projects
1756 authorized under this Act: *Provided*, That a maximum of ten percent (10%)
1757 of the total income generated from raw water extraction shall be given as share
1758 of the concerned local government unit or indigenous peoples (IP) community
1759 who own the specific areas or land where the raw water was sourced.

1760 **CHAPTER VIII**
1761 **FINAL PROVISIONS**

1762 **SEC. 40. *Applicability of Ease of Doing Business Law.*** — The prescribed processing
1763 time provided under Section 9.b of Republic Act No. 11032, otherwise known
1764 as the *Ease of Doing Business and Efficient Government Service Delivery Act*
1765 *of 2018*, shall be applicable to all agencies and LGUs covered under this Act
1766 particularly on accessing government services.

1767 **SEC. 41. *Transitory Provisions.*** — Performance audit of all water-related agencies and
1768 institutions, including LWUA and water districts, MWSS, MWSS-RO and its
1769 concessionaires, LGU-run utilities, Tourism Infrastructure and Enterprise
1770 Zone Authority, Philippine Economic Zone Authority, Bases Conversion and
1771 Development Authority, Subic Bay Metropolitan Authority, DILG, and NIA,
1772 shall be conducted by the Department.

1773 SEC. 42. *Appropriations.* — *The* amount necessary to cover the initial implementation
1774 of this Act shall be charged against the current year's appropriations of the
1775 agencies and offices transferred and subsumed by the Department and the
1776 Commission in the General Appropriations Act. Thereafter, such sums as may
1777 be necessary for the continued implementation of the Act shall be included in
1778 the annual GAA.

1779 SEC. 43. *Implementing Rules and Regulations.* — Within one hundred eighty (180)
1780 days from the effectivity of this Act, the Department, NEDA, DBM, DENR,
1781 CSC, in consultation with concerned government agencies, the Presidential
1782 Legislative Liaison Office shall promulgate rules and regulations for the
1783 effective implementation of this Act.

1784 SEC. 44. *Separability Clause.* — If any reason, any portion or provision of this Act
1785 shall be held unconstitutional or invalid, the remaining provisions not affected
1786 thereby shall continue to be in full force and effect.

1787 SEC. 45. *Repealing Clause.* —

1788 (a) The following provisions are hereby repealed:

1789 (1) Section 3 (h) and Section 12 on the provision with respect to
1790 fixing of water rates and sanitation service fees, Section 3 (n) on
1791 the provision with respect to regulation of waterworks and deep
1792 wells, and Section 3 (p) on the provision with respect to
1793 regulation of waterworks and sanitation systems in privately
1794 owned subdivisions of Republic Act 6234 entitled, *An Act*
1795 *Creating The Metropolitan Waterworks And Sewerage System*
1796 *And Dissolving The National Waterworks And Sewerage*
1797 *Authority, And For Other Purposes*, as amended.

1798 (2) Title III on Local Water Utilities Administration Law of
1799 Presidential Decree No. 198 otherwise known as the *Provincial*
1800 *Water Utilities Act of 1973*, as amended by Letter of Instruction
1801 No. 700 - *Providing Measures To Control And Regulate*
1802 *Increase In Water Rates*, Letter of Instruction No. 744 *Relative*
1803 *To Reliable Water Supply At Reasonable Rates In The*

1804 *Countryside* on the, Executive Order No. 124, 30 January 1987
1805 *Reorganization Act of the Ministry of Public Works and*
1806 *Highways*, Executive Order No. 123, 30 January 1987 -
1807 *Reorganization Act of Ministry of Social Services and*
1808 *Development*.

1809 (3) Republic Act No. 3601 as amended by Presidential Decree No.
1810 552 and Presidential Decree No. 1702 pertaining to the creation
1811 of the National Irrigation Administration;

1812 (4) Section 1 of Executive Order No. 124-A S. 1987 Amending
1813 Executive Order No. 124, dated 30 January 1987, *Reorganizing*
1814 *the Department of Public Works and Highways, Redefining Its*
1815 *Powers and Functions, and For Other Purposes* on renaming
1816 and reorganizing the National Water Resources Council into the
1817 National Water Resources Board.

1818 (b) The following provisions are hereby amended accordingly:

1819 (1) Section 3 paragraph 3 Commonwealth Act No. 146, as
1820 amended, otherwise known as the Public Service Act pertaining
1821 to all cases involving the fixing of rates;

1822 (2) Section 154, Article V, Chapter I, Title One, Book II of Republic
1823 Act No. 7160, as amended, otherwise known as the "*Local*
1824 *Government Code of 1991*", and its implementing rules and
1825 regulations on the power of the local government units to fix the
1826 rates of water utilities owned, operated and maintained by them
1827 within their jurisdiction is hereby repealed or modified
1828 accordingly.

1829 (3) Section 13 (b) on the regulation of enterprises within the
1830 Economic Zone under Republic Act No. 7916 as amended,
1831 otherwise known as "*The Special Economic Zone Act of*
1832 *1995*";

1833 (4) Section 69 of Republic Act No. 9593 otherwise known as "*The*
1834 *Tourism Act of 2009*" and its implementing rules and
1835 regulations which mandate the Tourism Infrastructure and
1836 Enterprise Zone Authority to grant franchises, supervise the

1837 operation of public utilities, and register, monitor and regulate
1838 enterprises within Tourism Enterprise Zones, are hereby
1839 repealed or modified accordingly;

1840 (5) Sections 7 and 8 on the adjudication of water pollution cases
1841 under Republic Act No. 3931 entitled, *An Act Creating The*
1842 *National Water And Air Pollution Control Commission*,
1843 particularly with respect to Section 6 letters e, f, g, j, k
1844 Presidential Decree 984 entitled, *Providing for the Revision of*
1845 *Republic Act No. 3931, Commonly Known as the Pollution*
1846 *Control Law, and For Other Purposes*;

1847 (6) Sections 4(1) and 7 of Republic Act No. 9275, otherwise known
1848 as the "*Philippine Clean Wafer Act of 2004*";

1849 (7) Articles 3(d) and 79 of Presidential Decree No. 1067, otherwise
1850 known as "*The Wafer Code of the Philippines*";

1851 (8) Sections 9, 10, 11, 12 and 13, Chapter II of Presidential Decree
1852 No. 856, otherwise known as the "*Code on Sanitation of the*
1853 *Philippines*"; and

1854 (9) Section 3.2 (b) of Executive Order No. 149 Series of 1993
1855 transferring the Laguna Lake Development Authority from the
1856 Office of the President to the Department of Environment and
1857 Natural Resources.

1858 All other laws, presidential decrees, executive orders, presidential
1859 proclamations, rules and regulations, or parts thereof which are inconsistent
1860 with the provisions of this Act are hereby repealed or amended accordingly.

1861 **SEC. 46. Effectivity.** — This Act shall take effect fifteen (15) days after its publication
1862 in the *Official Gazette* or in a newspaper of general circulation.

1863 *Approved,*