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**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**THIRTEENTH CONGRESS
First Regular Session**

HOUSE BILL NO. 2512

Introduced by: **Eduardo V. Roquero, M.D.**

EXPLANATORY NOTE

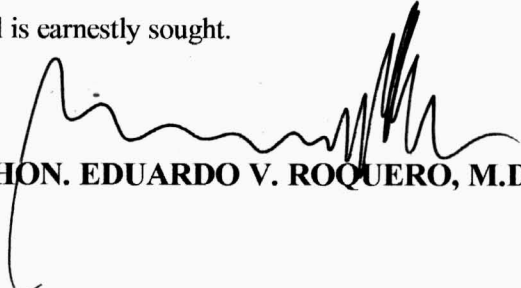
This Bill seeks the creation of the San Jose del Monte-Sta. Maria River Basin Development Authority (SJDMSMRBDA) as the management body of the Sta. Maria River. The SJDMSMRBDA is envisioned to be the principal institution to promote, attain, sustain, and conserve the San Jose del Monte-Sta. Maria River Basin.

Despite its great potentials for sustainable development, the San Jose del Monte-Sta. Maria River Basin is not properly managed. The current institutional arrangements for managing the San Jose del Monte-Sta. Maria Basin are fragmented, chaotic, and ineffective. There is no master planning exercise. Contributory to the problem is the combined increasing pace of development within the area, which is taking its toll on the river basin's resources. The rapid population growth, increasing urbanization and industrialization of the locality poses a great threat on the environment and natural resources of the river basin. The escalating environmental degradation within the San Jose del Monte-Sta. Maria River Basin, if not properly managed, may reach unprecedented proportions.

To prevent the occurrence of a major economic and environmental crisis, both the government and non-government organizations must join hands in enhancing the ecological balance of the river. Thus the need for the establishment of the SJDMSMRDA which is an institutional model of an ecosystem-based development planning and management to ensure the participation of all stakeholders in synchronizing and harmonizing development initiatives towards a more sustainable resource management and equitable distribution of benefits.

The creation of the SJDMSMRBDA is also meant to achieve participatory water resources management in the conservation of the Basin. There is a need to educate and raise the awareness of the key stakeholders and the populace in the Basin area on the concept of River Basin Management as well as integrated Water Resource Management.

Accordingly, the approval of this Bill is earnestly sought.


HON. EDUARDO V. ROQUERO, M.D.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress

First Regular Session

HOUSE BILL NO. 2512

Introduced by Honorable Eduardo V. Roquero, M.D.

AN ACT
CREATING THE SAN JOSE DEL MONTE-STA. MARIA RIVER
BASIN DEVELOPMENT AUTHORITY, DEFINING ITS POWERS,
FUNCTIONS AND RESPONSIBILITIES, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES.

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

CHAPTER I
DECLARATION OF POLICY AND CREATION OF AUTHORITY

Section 1. *Title.* This Act shall be known as the "SAN JOSE DEL MONTE-STA. MARIA RIVER BASIN DEVELOPMENT AUTHORITY (SJDMSMRBDA)".

Sec. 2. *Declaration of Policy.* It is the policy of this Authority to be the main institutional agent for promoting and attaining sustainable development of the San Jose del Monte-Sta. Maria River Basin for the long-term benefit of its community and the country.

Sec. 3. *Definition of Terms.* For purposes of this Act, the following terms are hereby defined:

- a). *Act* – shall refer to the enabling Act creating the San Jose del Monte-Sta. Maria River Basin Development Authority;
- b). *Authority* – shall mean the San Jose del Monte-Sta. Maria River Basin Development Authority;
- c). *Board* – shall refer to the Board of Directors of the San Jose del Monte

- d). *Basin* – shall mean the San Jose del Monte-Sta. Maria River Basin;
- e). *River* – shall mean the Sta. Maria River;
- f). *Government Instrumentalities or Agencies or Entities* – whenever used in this Act shall mean Instrument, Agency, Entity, Bureau, of the national or local government vested with powers to accomplish a definite government aim or purpose;
- g). *Municipal Corporation* – whenever used in this Act shall mean one that is organized for political purposes with political powers exercised for public good and public interest, subject to legislative control and with the officers of the government as its members to administer or discharge public duties;
- h). *Government Corporation* – whenever used shall refer to corporations engaged in performing functions impressed with public interest;
- i). *Investor* – shall include public and private investors, whether foreign or local, private individuals or juridical persons;
- j). *Subsidiary Corporation* – a corporation that is organized or a corporation already in existence wherein at least fifty one percent (51) of its shares of stocks is owned and controlled by the organizing or subscribing Authority, in this case, the San Jose del Monte-Sta. Maria River Basin Development Authority, to carry out or accomplish its purposes;

Sec. 4. *Purposes and Objectives.* It is the purpose, intent and objective of this Act to:

- a). Establish the legal framework and mechanisms for the creation of the San Jose del Monte-Sta. Maria River Basin Development Authority;
- b). Consolidate and harmonize all development initiatives within the river basin under the over-all framework of a unified river basin management and development approach;
- c). Maximize the participation of all stakeholders in the area, establishing the most effective approach to cause an active and sustainable collaboration among stakeholders from government agencies, non-government agencies, peoples organizations and private sectors;
- d). Promote of equitable sharing of costs and benefits from the basins natural resources across sectors, groups, communities, space and time; and
- e). Negotiate local and external investment in the area, thereby increasing the livelihood opportunities for the people within the basin.

Sec. 5. *Creation of the San Jose del Monte-Sta. Maria River Basin Development Authority.* There is hereby created a body corporate to be known as the San Jose del Monte-Sta. Maria River Basin Authority, which shall be organized within one hundred twenty (120) days after the approval of this Act. The Authority shall execute the powers and functions herein vested and conferred upon it in a manner as will, in its judgment, aid to the fullest possible extent in carrying out the aims and purposes set forth below.

Sec. 6. *Location of Principal Office.* The Authority shall maintain its principal office in the City of San Jose del Monte, Bulacan, but it may have branch offices in other places as are necessary for the proper conduct of its business.

Sec. 7. *Jurisdiction.* The Authority shall have jurisdiction over all the areas within the riverbanks of the San Jose del Monte-Sta. Maria River from its point of origin up to its exit route including all the tributaries and easement of the river.

Sec. 8. *Establishment of the San Jose del Monte-Sta. Maria River Basin Zone.* For the purposes of this Act, there is hereby established the San Jose del Monte-Sta. Maria River Basin Zone (SJDMSMRBZ). The particular metes and bounds of the SJDMSMRB Zone shall be defined in a Presidential Proclamation that shall be issued for this purpose, in accordance with sections 5 and 6 of Republic Act 7916, otherwise known as the "Philippine Economic Zone Authority (PEZA) Law".

CHAPTER II

SPECIAL FUNCTIONS OF THE SAN JOSE DEL MONTE-STA. MARIA RIVER BASIN DEVELOPMENT AUTHORITY

Sec. 9. *Functions.* The Authority shall have the following functions:

- a). To make a comprehensive survey of the physical and natural resources and/or potentialities of the area, more particularly the development of the San Jose del Monte-Sta. Maria River Basin resources including its social conditions, hydrological studies, power potentials, development of scenic tourist spots, timber and mineral resources, and such other natural potentials as are identifiable, and on the basis thereof, to draft a basin-wide comprehensive, integrated and detailed plan design to managing the sustainable development of the basin appropriate to the ecosystem and communities, and to implement such integrated management plan;
- b). To provide machinery for extending the necessary planning, management and technical assistance to existing and prospective investors in the basin;
- c). To provide the machinery for extending the necessary technical assistance to local government units, line agencies, public corporations, private sectors and affected indigenous cultural communities/indigenous people in planning for the utilization and management of resources within the basin;

- d). To make recommendations to proper agencies on the financing, technical support, physical assistance, and generally, the level of priority to be accorded on agriculture, industrial and commercial projects, soliciting or requiring direct help from or through the government or any of its instrumentalities;
- e). To pass upon and approve or disapprove all plans, programs and projects proposed by the local government units/agencies within the area, public corporations, and private persons or entities, where such plans, programs and/or projects are related to the development of the basin as envisioned in this Act. For purposes of effectively regulating and monitoring activities within the basin, the Authority shall have exclusive jurisdiction to issue permits for the use of the basin for any projects or activities affecting the same; *provided*, that the Authority shall issue the necessary permit/clearance for the approved proposal of plans, programs, and projects within thirty (30) days from submission thereof, unless the proposals are inconsistent with the purposes and objective of this Act; *provided further*, that the programs, plans, proposals and activities are not limited to navigation, construction, industrial and commercial enterprises;
- f). To engage in agriculture, industry, commerce, or other activities within the basin which may be necessary or directly contributory to the socio-economic development of the area, for this purpose, whether by itself or in cooperation with private persons or entities, to organize, finance, invest in, and operate subsidiary corporations; *Provided*, that the authority shall engage only, unless public interest shall require otherwise, in those activities as are in the nature of new ventures or are clearly beyond the scope, capacity, or interest of private enterprises due to consideration of geography, technical or capital requirements, returns on investments, and risk;
- g). To plan, program and/or undertake the readjustment, relocation, or resettlement of population within the area and/or undertake the infrastructure projects such as river, floods, waste water and sewerage works, water supply, roads, irrigation, housing and related works when so required within the context of its development plans and programs, as may be deemed necessary and beneficial by the Authority;
- h). To reclaim, or cause to reclaim, the portions of the Basin or undertake reclamations projects therein, which may be necessary to accomplish the purpose and objective of the Authority; *provided*, that the land so reclaimed shall become the property of the Authority;
- i). To exercise water rights over public waters, whether ground or surface water, within the basin whenever necessary to carry out the purposes and objective of the Authority;

- j). Undertake studies on the improvement and maintenance of the desirable water quality of the basin, and in pursuance thereof, prepare a water quality management program on a continuing basis;
- k). To implement environmental laws, criteria, and standards within the area; *provided*, that the Authority may impose standards that may be higher and stricter than the national standards in order to protect the ecological integrity of the basin and its surrounding areas;
- l). To require the cities and municipalities embraced within the region to pass appropriate zoning ordinances and other regulatory measures necessary to carry out the objectives of the Authority and enforce the same with the assistance of the Authority;
- m). To lend or facilitate the extension of financial assistance and/or act as a surety or guarantor to significant agricultural, industrial and commercial enterprises;
- n). To render an Annual Report to the stockholders regarding the operation of the Authority, more particularly to the statement of its financial condition, activities undertaken, progress of projects and programs and course of action for the incoming year; *provided, however*, that majority of the stockholders may require the Authority to submit reports other than the annual report herein required, which report must be submitted within a period of thirty (30) days from notice hereof;
- o). To establish a functional basin information and database system, including computer-generated planning tools such as GIS to be used by planners, managers, technical personnel and the general public in collaboration with other GIS/MIS systems to encourage the mutually beneficial sharing of data;
- p). To receive grants, donations and other forms of development assistance in the discharge of its duties;
- q). To provide assistance on arbitration for the resolution of water disputes;
- r). To call upon any government agency, office, or bureau for assistance in the discharge of its functions and responsibilities;
- s). To create/exercise such other powers and functions as may be necessary, proper or incidental in the attainment of its mandate.

CHAPTER III CORPORATE POWERS

Sec. 10. *Powers of the Authority.* The Authority shall have the following powers and functions:

- a). To succeed in its corporate name;
- b). To sue and be sued in such corporate name;
- c). To adopt, alter, and use a corporate seal;
- d). To adopt, amend, and repeal its by-laws;
- e). To enter into contracts of any kind and description, to enable to carry out its purpose and functions under this Act;
- f). To acquire, buy, purchase, personal and real property as it deems necessary or convenient in the operation of its business and/or in relation in carrying out of its purposes and functions under this Act, and to lease, mortgage, sell, alienate, and encumber, any personal and real property of the Authority;
- g). To exercise the right of eminent domain wherever the Authority deems it necessary for the attainment of the objectives of the Authority under this Act;
- h). To borrow funds from any local or foreign financial institutions independent of the bonds as it may continue to issue, to carry out the purposes of this Authority under this Act;
- i). To purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of capital stocks of, or any bond, securities, or other evidence of indebtedness created by any other corporation, partnership, or government agencies or instrumentalities; and while the owner of the said stock, to exercise all the rights of ownership, including the right to vote thereon;
- j). For carrying out its business, or for the purpose of attaining or furthering any of its objectives, or natural person is authorized to perform under the laws now existing or which may be enacted hereafter.

CHAPTER IV

CAPITALIZATION AND FINANCING

Sec. 11. *Capitalization and Financing.* The Authority shall have an authorized capital of One Hundred Million Pesos (P100,000,000.00) of which the amount of Twenty Million Pesos (P20,000,000.00) shall be subscribed by the stockholders, of the subscribed capital, the amount of five Million Pesos (P5,000,000.00) shall be fully paid.

The authorized capital stock of One Hundred Million Pesos (P100,000,000.00) shall be divided into one million (1,000,000) shares of stocks with a par value of One Hundred Pesos (P100.00) per share.

The shares of stocks shall be divided into:

- a). 700,000 common shares (voting)
- b). 300,000 preferred shares (non-voting)

Of the subscribed common shares of 200,000, which shall be subscribed equally at 50,000 common shares each by the City Government of San Jose del Monte, Municipal Government of Sta. Maria, Municipal Government of Norzagaray, and Municipal Government of Bocaue, of which subscription, 25% shall be fully paid. The remaining common shares shall be open for subscription to cities, municipalities, provinces, and government corporations.

The preferred shares of stock of 300,000 shall be available for subscription to cities, municipalities, provinces, and government corporations and to private investors.

Sec. 12. *Powers of Municipal Corporations to Subscribe.* Pursuant of attaining the purposes of this Authority, municipalities, cities, and provinces are hereby authorized to subscribe, own, buy or hold shares of stock of this Authority.

Sec. 13. *Operating Expenses.* For the operating expenses of the Authority, the sum of Eight Hundred Thousand (P800,000.00) is hereby authorized to be appropriated annually for two (2) years from the general fund of the National Government not otherwise appropriated.

Thereafter, the Board of Directors may appropriate out of the funds of the Authority such sums as may be needed or necessary for its operating expenses.

Sec. 14. *Power to Issue Bonds.* Whenever the Board of Directors may deem it necessary for the Authority to incur indebtedness or issue bonds to carry out the provisions of this Act, it shall be through a resolution, so declared and state the purpose for which the proposed debt is to be incurred. The resolution shall be confirmed by the affirmative vote of the stockholders representing a majority of the subscribed capital stock outstanding and entitled to vote.

Sec. 15. *Bond Limit.* The bonds shall be issued in such amounts as will be needed at any one time, taking into account the rate at which said bonds may be absorbed by the buying public and the fund requirements of projects ready for execution, and considering further a proper balanced productive and non-productive projects so that inflation shall be held in the minimum.

Sec. 16. *Form, Rate of Interest, etc. of Bonds.* The Board of directors shall prescribe the form, the rates of interest, the denominations, maturities, negotiability, convertibility, call and redemption features, and all other terms and conditions of issuance, placement, sale, servicing, redemption, and payment of all bonds issued by the authority under this Act.

The bonds issued by virtue of this Act may be made payable both as to principal and interest in Philippine currency or any readily foreign currency. Said

bonds shall be receivable as security in any transaction with the government in which such security is required.

Sec. 17. *Exemption from tax.* The Authority shall be exempt from all taxes, licenses, fees, and duties, incidental to its operations. This exemption shall extend to its subsidiary corporations, *provided*, that its subsidiary corporations shall be subject to all said taxes in such manner; licenses, fees, and duties, five (5) years after their establishment under a graduated scale as follows: twenty (20) percent of all said taxes during the sixth year, forty (40) percent of all said taxes during the seventh year, sixty (60) percent of all said taxes during the eighth year, eighty (80) percent of all said taxes during the ninth year, and one hundred (100) percent of the said taxes during the tenth year and to all succeeding years, after the said establishment. Such exemption shall include any tax or fee imposed by the government on the sale, purchase or transfer of foreign exchange. All notes, bonds, debentures and other obligations issued by the Authority shall be exempt from all taxes both as to principal and interest, except inheritance and gift taxes.

Sec. 18. *Sinking Fund.* A sinking fund shall be established in such manner, the total annual contribution thereto accrued at such rate of interest as may be determined by the Board as confirmed by the stock holders representing a majority of the subscribed capital stock, outstanding and entitled to vote, shall be sufficient to redeem at maturity the bonds issued under this Act.

Such fund shall be under the custody of the treasurer of the Authority who shall invest the same in such manner as the Board may direct; charge all expenses of investment of said sinking fund, and credit the same with interest on investment and other income belonging to it.

Sec. 19. *Guarantee by the Government.* The republic of the Philippines hereby guarantees the payment of the Authority of both the principal and the interest of the bonds, debentures, collaterals, notes, or such other obligations issued by the Authority by virtue of this Act, and shall pay such principal and interest in the event that the Authority fails to do so. In case the Authority shall be unable to pay the said principal and interest, the Secretary of Finance shall pay the amount thereof which is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, and thereupon, to the extent of the amount so paid, the Government of the Republic of the Philippines shall succeed to all the rights of the holders of such funds, debentures, collaterals, notes or other obligations, unless the sum so paid by the Republic of the Philippines shall be refunded by the Authority within a reasonable time.

CHAPTER V MANAGEMENT AND PERSONNEL

Sec. 20. *Incorporation.* The Authority shall have a Board of Directors who shall elect among themselves a Chairman, a Vice-Chairman, and a Secretary who may not be a member of the Board. The Board shall be supported by a fully staffed management office.

Sec. 21. *Board of Directors; composition.* The corporate powers of the Authority shall be vested in and exercised by a Board of Directors which shall be composed of the following:

- (a) Two (2) representatives each from the Local Government Unit of the City of San Jose del Monte, Sta. Maria, Norzagaray, and Bocaue;
- (b) Secretary of the Department of Environment and Natural Resources;
- (c) Secretary of the Department on Public Works and High-ways;
- (d) Secretary of the Department of Trade and Industries;
- (e) Director General of the National Economic and Development Authority;
- (f) Administrator of the National Irrigation Administration;
- (g) Secretary of the Department of Tourism;
- (h) Secretary of the Department of Agriculture.

Sec. 22. *Appointment of the Board.* The President of the Republic of the Philippines shall appoint all of the members of the Board; *provided*, that the Local Government Unit shall nominate five candidates from their respective unit wherein the President of the Republic of the Philippines shall select two (2) representatives; *provided further*, that the Non-Government Organizations existing in the municipalities aforementioned shall nominate three (3) candidates wherein the President of the Republic of the Philippines shall select one (1) representative; *furthermore*, that the business sector shall nominate three(3) candidates wherein the President of the Republic of the Philippines shall select one (1) representative; *moreover*, all of the *ex-officio members* shall automatically become members of the Board and shall remain as such by virtue of their office.

Sec. 23. *Powers and Functions of the Board.* The Board shall have the following powers, functions and duties:

- (a) To prepare and approve a ten (10) year and a five (5) year development plan, review and expedite the execution of these plans when necessary;
- (b) To assume all the powers, functions and authority of all government agencies, commissions, bureaus, and instrumentalities whose powers, functions and authorities are relevant to river control, mangroves, fishponds, irrigation, tourism and other functions and purposes of the Authority, which affects the development of the Basin;
- (c) To design, approve and execute specific policies and programs for the collection of arrester fees, permit fees, and any other fees, which shall be treated as a trust fund which will be plowed back to the infrastructure and development of the Basin;

- (d) To prepare, promulgate and approve guidelines, standards, rules and regulations in order to stimulate the growth and development within the area of operation of the Authority;
- (e) To approve contracts, leases, and agreements, as long as it will promote the progress of the Authority and be deemed beneficial to the development of the Basin;
- (f) To receive local or foreign aid and donations as well as to engage in any form of fund raising for the purpose of gathering development funds for the projects within the Basin;
- (g) To approve an efficient organizational structure and budget for the Authority;
- (h) To appoint and discipline all of the employees of the authority, *provided*, that they be given due process in accordance with existing laws, and in tune with the rules and regulations of the Civil Service Commission;
- (i) To elect from among the members of the Board the following offices: 1) Chairman of the Board, 2) Vice-Chairman of the Board, 3) Secretary; *provided*, that the secretary may not be a member of the Board;
- (j) To screen and approve the appointment of the following: 1) General Manager, 2) Assistant General Manager, 3) Corporate Treasurer, 4) Corporate Counsel, 5) Administrative Officer, 6) Planning and Management Officer, 7) Budget and Finance Officer, 8) Project Management Officer, 9) Engineering and Construction Officer;
- (k) To adopt a seal and flag; determine the exact location of the office preferably near its area of operation, and adopt its own rules and proceedings in meetings and general assemblies in accordance with the standards of transparency and democratic parliamentary procedures;
- (l) To exercise such powers and perform such functions which are proper and necessary to implement the objectives of the Authority and to carry out the provisions of this Act.

Sec. 24. *Election and Tenure.* The Chairman, Vice-Chairman, and Secretary should be nominated and elected by the Board *provided*, that the Secretary may not be a member of the Board, and shall serve a term of six (6) year from the date of their election. The regular members of the Board shall serve a term of six (6) years from the date of their appointment.

Sec. 25. *Acting Chairman.* In case of vacancy in the position of Chairman, or in the absence of or temporary incapacity of the Chairman, the Vice-Chairman shall act in behalf of the Chairman, and shall continue to act as such until the Chairman comes back to office, or if the latter case shall be, until the Board has elected a new Chairman.

Sec. 26. *Vacancy before expiration of term.* Any member elected to fill any vacancy in the position of Chairman, Vice-Chairman, and Secretary prior to the expiration of the term, shall serve only for the unexpired period.

Sec. 23. *Effect of vacancies; quorum.* Vacancies in the Board, as long as there shall be four (4) members in office, shall not impair the powers of the Board to execute the functions of the Authority. The affirmative vote of four (4) members of the Board shall be necessary at all times to pass or approve any act or resolution.

Sec. 24. *Qualification of the Board.* All members of the Board shall be a natural born citizen of the Philippines. They shall have demonstrated executive competence and experience in the field of public administration, economic planning, resource management, or in the establishment and management of large agricultural, industrial or commercial enterprises. No person shall be nominated as member of the Board unless he be of unquestioned integrity and competence.

Management experts and technical personnel employed in government agencies shall not be barred from serving as members of the Board and receiving *per diems* thereof; *provided*, that the appointment of government personnel is made with the consent of their respective chief of their office.

Sec. 25. *Prohibition against "conflict of interest".* No member of the Board shall be financially interested, directly or indirectly, in any contract entered by the Authority or in any special privileges granted by the Authority during his term of office. All contracts entered into in violation of this provision shall automatically be deemed null and void. Any member of the Board be found in violation of this provision, by virtue of a two-thirds (2/3) vote of the Board, shall be disqualified from serving his unexpired term and be perpetually disqualified for membership in the said Board.

Sec. 26. *Board meetings.* The Board shall meet at least twice a month, but in no case shall it meet more than once a week. The Board shall be convoked by the Chairman or upon written request signed by a majority of three-fourths (3/4) of the members.

Sec. 27. *Per diems.* The members of the Board shall receive for every meeting attended a *per diem* of Five Thousand Pesos (P5,000.00); *provided*, that in no case will the total amount received by each exceed Ten Thousand Pesos (P10,000.00) for any one month. Members of the Board shall be reimbursed by the Authority for actual expenses incurred by them in the performance of their duties in the Authority as authorized by the Board.

Sec. 28. *Appointment and qualification of General Manager.* In addition to the qualifications for Directors set forth in Section Twenty Four of this Act, no person shall be appointed as General Manager unless he be of demonstrated executive competence and experienced in the field of public administration or management of agriculture, industrial, and commercial enterprises.

Sec. 29. *Powers of the General Manager.* The General Manager shall be the chief executive of the Authority, and shall have the following powers and duties:

- (a) To prepare the agenda for the meeting of the Board and to submit for consideration thereof the policies and measures which he believes to be necessary to carry out the purposes and provisions of this Act;
- (b) Execute and administer the policies, plans, programs and projects approved by the Board;
- (c) To direct and supervise the operation and internal administration of the Authority. The General Manager may delegate certain administrative responsibilities to other officers of the Authority subject to the rules and regulations of the Board; and
- (d) To exercise such other powers as may be vested in him by the Board.

Sec. 30. *Compensation.* The General Manager shall receive a compensation of Twenty Thousand Pesos (P20,000.00) per month, subject to adjustment as may be deemed appropriate and be approved by the Board. The Board shall provide *per diem* and allowances for the General Manager.

Sec. 31. *Residence.* The General Manager shall establish his residence within the SJDMSMRB. The General Manager, shall not, during his term of office, engage in any business or profession or calling other than those connected in the performance of his official duties as General Manager of the Authority.

Sec. 32. *Activities of the Authority; key officials.* The activities of the Authority shall be carried out under the supervision of the General Manager through the following administrative officials who will be responsible directly to him:

- (a) Assistant General Manager who shall have powers, duties, and functions that may be delegated to him by the general Manager, and shall act as General Manager in the absence of or during the temporary incapacity of and/or until such time a new General Manager is duly appointed;
- (b) Corporate Treasurer, with a rank of Division Head, who shall have the custody of the funds and properties of the authority;
- (c) Corporate Counsel, with a rank of Division Head, who shall advise and represent the Authority on legal matters, procedures and actions;
- (d) Division Chief who shall head the administration;
- (e) Division Chief who shall head the planning and management;
- (f) Division Chief who shall head the budget and finance;
- (g) Division chief who shall head the project management;
- (h) Division Chief who shall head the engineering and construction; and

- (i) Such other officials as the Board may consider necessary for the efficient conduct of the activities of the Authority.

Sec. 33. *Merit System.* All officials, agents and employees of the Authority shall be selected and appointed on the basis of merit and fitness in accordance with a comprehensive and progressive merit system to be established by the Authority. Personnel, including temporary workers, shall be governed by such merit system.

Sec. 34. *Appointment by Board.* The Board upon recommendation of the General Manager shall appoint the Assistant General Manager and the Division Chiefs.

Sec. 35. *Appointment by General Manager.* Officials and employees below the rank of division chiefs shall be appointed to positions in the approved budget by the General Manager upon written recommendation of the head of the division concerned using as guide to standards set forth in the authority's merit system; *provided*, that the General Manager shall submit the quarterly report to the Board regarding personnel selection, placement, and training.

Sec. 36. *Minimum wage.* All contracts entered into by the authority, which require the employment of persons contain provisions that not less than the minimum wage fixed by law, shall be paid to such persons so employed.

Sec. 37. *Plans to be formulated within one year.* Upon its organization, the Board shall formulate and report to the stockholders with the utmost expeditious manner, but in no case longer than one-year, its plans and recommendation for the accelerated and balanced development of the Basin in accordance with the aims and purposes of this Act.

Sec. 38. *Supplies and Services other than Personnel.* All purchases of supplies or contracts for services, except for personal services, entered into by the Authority, shall be done only after the proper bidding is held. Bidding shall not be required when: 1) the amount involved is not more than Ten Thousand Pesos (P10,000.00), 2) an emergency, as certified by the General Manager, requires immediate delivery of the supplies or performance of the services; *provided*, that in comparing bids and making awards, the Authority shall consider such factors as the cost and relative quality and adaptability of the supplies or services, the bidder's financial responsibility, skill, experience, integrity, and ability to furnish repairs and maintenance services, the time of delivery and performance offered, and the compliance with the specifications desired.

Sec. 39. *Auditing.* The Board shall provide and appoint an Auditor who shall formulate the auditing system for the Authority. The Auditor shall make a semestral and/or annual report covering the financial conditions and operation of the Authority to the Board. These auditing reports shall contain a statement of the resources and liabilities, including earnings and expenses, the amount of paid-up capital stock, surplus, reserves, and profits, as well as losses, bad debts, and such other facts which under auditing rules and regulations, are considered necessary to accurately describe the financial conditions and operation of the Authority. The Auditor shall report and be directly responsible to the Board.

CHAPTER VI PROHIBITION AND PENALTY

Sec. 40. *Prohibited Acts.* It is hereby declared unlawful:

1. To dump solid and hazardous waste and untreated sewage into the Basin;
2. To dump or throw garbage into the San Jose del Monte-Sta. Maria river or its banks;
3. To squat or appropriate the San Jose del Monte-Sta. Maria river banks for private use or gain, except for such reasonable augment of public use in the interest of recreation, navigation, floatage fishing, and tourism; and
4. To fence off and/or encroach upon the Basin or any portion thereof by any means whatsoever, and converting the same into fish pens for their private and material gain, and/or have the same titled in his name.

Sec. 41. *Penal and Civil Liability Clause.* Any person who violates any of the acts herein prohibited shall be punished by imprisonment of not less than six (6) years and one day nor more than ten (10) years and eight months and one day, and a fine of not less than Fifty Thousand Pesos (P50,000.00) nor more than Two Hundred Thousand Pesos (P200,000.00); *provided however*, that in case of violation of this Act by an association, club, partnership, corporations, or any entity, the incumbent officers thereof who have knowingly participated in the violation shall be held liable; *provided further*, that if the offender is an alien, he shall be immediately deported without further proceedings in the Bureau of Immigration and barred forever from entering the country after serving his sentence and paying his fine.

The Authority is hereby authorized to pursue separate civil actions for damages resulting from infractions of the provisions of this Act, rules and regulations issued pursuant thereto and/or conditions embodied in the clearances or permits issued by the Authority.

Sec. 42. *Bar of Suit.* During the pendency of any legal action before the Authority, no court other than the Supreme Court shall take cognizance of any cause touching the same subject, without leave of the Authority.

Sec. 43. *Finality of Orders and appeals.* The orders of the Authority shall become final and executory after the lapse of fifteen (15) days from the date of receipt thereof. An appeal therefrom may be taken within the fifteen (15) day period only to the Supreme Court.

Sec. 44. *Transitory Provisions.* All concerned offices, bureaus, and agencies having existing programs and projects in the Basin that directly corresponds with the powers and functions described in Section Nine of this Act shall immediately transfer such including corresponding appropriations, funds, records, equipments,

facilities, rights, other assets and personnel to the Authority within sixty (60) days after the effectivity of this Act.

Sec. 45. *Repealing Clause.* All laws, decrees, executive issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Sec. 46. *Separability Clause.* If for any cause, any part of this Act is declared unconstitutional, the rest of the provisions not affected thereby shall remain in force and effect.

Sec. 47. *Effectivity.* This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation whichever comes earlier.

Approved,