



Republic of the Philippines
HOUSE OF REPRESENTATIVES



SIXTEENTH (16TH) CONGRESS
First (1st) Regular Session

House Bill No. **1658**

Introduced by **HON. VICENTE F. BELMONTE, JR.**

EXPLANATORY NOTE

The proposed measure seeks to create the Iligan City River Basin Management and Development Authority (ICRBMDA) with the stalwart objective of preserving, protecting and developing all river systems and natural waterways in the City of Iligan including those river systems and natural waterways situated in adjacent and surrounding provinces and cities tributary to the City's three (3) main river systems: Agus River, Iligan River and Mandulog River.

Iligan City is indeed blessed by the Divine Providence with natural beauty and ecological abundance. From the great river sources in the highland Provinces of Lanao del Sur and Bukidnon comes magnificent array of waterfalls in the downslopes of Iligan City making it known as the country's "City of Majestic Waterfalls."

However, with the advent of economic progress and industrial development in this part of the country, river systems and natural waterways such as the aforementioned river systems in Iligan City are not spared from the threats of severe exploitation, industrial pollution and thus, eventual environmental collapse. Indiscriminate disposal of industrial wastes, soil erosion, forest denudation and obstinate and excessive logging have been observed in recent past which unnecessarily and unfortunately led the City of

Iligan and its people to the most adverse "Sendong tragedy" in December of 2011 wherein over a thousand of lives were lost due to flash floods and tumbling timbers that raged from mountain slopes.

Iligan City's river systems such as the Agus, Mandulog and Iligan Rivers, including other minor river systems and natural waterways, are the City's lifelines. From being major sources of livelihood and tourism, these rivers constitute major sources of energy through hydroelectric plants supplying in most parts of northern and central Mindanao. Inadequate enforcement of laws, state policies, rules and regulations governing the preservation and development of our vast river systems and natural waterways around the country have been prevailing over the recent times and most unfortunately, in the City of Iligan.

Thus, creating and institutionalizing the ICRBMDA is as important as the enactment of laws, state policies, rules and regulations in the preservation and development of our river systems and natural waterways. The ICRBMDA shall be the government's thrust in the effective implementation of these laws including penalizing violators thereof as well as machinery in the development of a master plan organized to implement the proper and controlled exploitation of and to conduct supervision over the river systems and natural waterways in the City of Iligan and the adjacent Provinces of Lanao del Sur and Bukidnon including the cities and municipalities situated therein whose rivers and waterways are tributaries to the aforementioned Agus, Iligan and Mandulog River Systems.

In light of the foregoing, immediate approval of this Bill is herein earnestly sought.


REP. VICENTE F. BELMONTE, JR.



Republic of the Philippines
HOUSE OF REPRESENTATIVES

SIXTEENTH (16TH) CONGRESS

First (1st) Regular Session

House Bill No. **1658**

Introduced by **HON. VICENTE F. BELMONTE, JR.**

AN ACT
CREATING THE ILIGAN CITY RIVER BASIN
MANAGEMENT AND DEVELOPMENT AUTHORITY
(ICRBMDA), DEFINING ITS POWERS AND FUNCTIONS
AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. ***The Authority.*** There is hereby created a body corporate to be known as the Iligan City River Basin Management and Development Authority, herein also referred to as "ICRBMDA," which shall be responsible for the preservation, protection, management and development of river systems and natural waterways in the City of Iligan including its adjacent and surrounding cities and municipalities in the Provinces of Lanao del Sur and Bukidnon. This Act shall therefore be known as the "*Iligan City River Basin Management and Development Authority Act of 2013.*"

The ICRBMDA shall be under the direct supervision of the Office of the President. Organized within a period of one hundred (100) days from the effectivity of this Act, all policies and programs, orders, rules

and regulations promulgated, all appointments made and all transactions entered by ICRBMDA shall be subject to the approval of the President of the Republic of the Philippines.

SEC. 2. **Mandate.** The ICRBMDA shall exercise the following mandate:

a) Prepare a master plan to preserve, protect and develop the river systems and natural waterways in Iligan City, namely; Agus, Iligan and Mandulog Rivers including its major tributaries in the adjacent and surrounding cities and municipalities in the Provinces of Lanao del Sur and Bukidnon. The river systems, natural waterways and their tributaries in the area covering the City of Iligan and the abovementioned provinces shall comprise the jurisdiction of the ICRBMDA.

b) Conducts engineering surveys of the major river systems, waterways, assesses and monitors water quality, pinpoint pollution sources and identify the rivers that need to be developed for controlled exploitation or rehabilitation;

c) Plans, programs, finances and undertakes infrastructure projects such as river, flood and tidal control, waste and sewerage system, water supply, roads, port, irrigation, housing and related public works which are required within the context of its development plans and programs, including the readjustment, relocation or resettlement of

population as may be deemed necessary and beneficial by the ICRBMDA;

d) Initiate and facilitate planning, implementation, monitoring and evaluation of pertinent projects with positive impact on environment and development, including dredging, widening and deepening of river channels and improvement of river alignments, revetments, construction of dams and reforestation;

e) Prioritize rivers positively identified for development and rehabilitation and prepare a river-specific plan of operation for the development, rehabilitation and general improvement of environmentally degraded rivers;

f) Initiate funding arrangements with local and foreign donors, including fund-raising, to finance priority development projects and provide direct funding of minor initiatives expected to create a positive impact on the environment in the projected area;

g) Recommend to the proper agencies offering financial support, technical and physical assistance about the level of priority to be accorded to river systems development and rehabilitation projects;

h) Coordinate and integrate such projects or operations of local governments, government agencies, public corporations and, where clearly necessary and feasible, those of private entities, as will bear directly upon the plans and activities of the ICRBMDA so as to make

possible the accelerated and intensive development and rehabilitation of the rivers and river systems within the context of the master plan and to set up a compact and well-trained staff for effective liaison and consultation or joint planning and implementation with such government and private entities;

i) Investigate, identify natural washes and gullies, study the lay of the land, improve, construct and administer all flood control and drainage systems in the areas covered;

j) Investigate and identify available and possible water resources for the purpose of utilizing the same and implement the acquisition thereof;

k) Set the minimum depth and slope and standard of flood control and drainage systems so that water will reach their natural outfalls; and

l) Plans, designs, constructs the necessary flood control and drainage systems for the next twenty (20) years following the approval of this Act.

SEC. 3. *Powers and Functions.* The ICRBMDA shall exercise the following powers and functions:

a) Causes, oversees, coordinates and monitors the implementation of and periodically update the master plan to preserve, protect, develop and exploit the physical and natural resources of the

Iligan City Rivers and its major tributaries and contiguous areas along such rivers and tributaries;

b) Exercises supervision, control and regulation over the implementation of the infrastructure projects such as river, flood and tidal control, waste water and sewerage system, water supply, roads, port, irrigation, housing and related public works within its master plans and programs;

c) Exercises the right of eminent domain whenever the ICRBMDA deems it necessary to attain its mandate under this Act;

d) Enter into contracts of any kind and description to enable it to carry its mandate and functions;

e) Acquire, buy, purchase, hold or lease, such personal and real property as it deems necessary or convenient in the transaction of the business or in carrying out its mandate and to lease, mortgage, sell, alienate or otherwise encumber or dispose of any personal and real property held by the ICRBMDA;

f) Sues and be sued in its corporate name;

g) Borrows fund from any local or foreign financial institutions, independent of the bonds it may issue or may continue to issue to carry out the purposes of the ICRBMDA under this Act;

h) Collects from the users of drainage system such fees as may be necessary to finance the continuous operation and reimburse within a

period of not less than twenty-five (25) years the cost of construction thereof;

i) Reports annually to the President and the Congress of the Philippines of its activities including those made in collaboration with the various government and private entities engaged in the implementation of the projects and programs. The report shall include, among others, a comparison of the developmental and rehabilitation targets as set for the year ending, the extent to which actual accomplishments measure up to such targets and the appropriate administrative and legislative recommendations; and

j) Performs such other functions as may be necessary to carry out the provisions of this Act.

SEC. 4. ***Principal Office.*** The ICRBMDA shall have its principal office in Iligan City but it may have branch offices in such other places within the territorial jurisdiction of the ICRBMDA as are necessary for the proper conduct of its business.

SEC. 5. ***Territorial Jurisdiction.*** The territorial jurisdiction of the ICRBMDA shall include the cities and municipalities in the Provinces of Lanao del Sur and Bukidnon.

SEC. 6. ***Board of Directors.*** The duties and functions of the ICRBMDA shall be directed, its properties managed and preserved and

its corporate powers exercised, unless otherwise provided in this Act, by a Board of Directors which shall be composed of the following:

- a) Secretary of Public Works and Highways;
- b) Director-General of the National Economic Development Authority;
- c) Secretary of Environment and Natural Resources;
- d) Secretary of Agriculture;
- e) Secretary of the Interior and Local Government;
- f) Secretary of Finance;
- g) Secretary of Tourism;
- h) Administrator of the National Irrigation Administration; and
- i) Representative from the private sector.

The Board of Directors shall elect from among themselves a chairman and a vice-chairman.

The representative of the private sector shall be appointed by the President of the Philippines from among the list of recommendees to be submitted by the private sector.

The officials next in rank to the above-mentioned members, except the representative from the private sector, shall serve as permanent alternate members and shall attend meetings of the Board in the absence of their principals and shall receive the corresponding per diems.

The representative of the private sector shall be a Filipino citizen, of good moral character, and with recognized competence in the field of public administration or directly related to water works management and engineering or allied services.

The members of the Board shall be reimbursed by the ICRBMDA for actual expenses, including traveling and subsistence, incurred by them in the performance of their duties.

No member of the Board shall have financial, or pecuniary interest, directly or indirectly, in any business contract or transaction entered into by the ICRBMDA or in any privilege granted by it. Neither shall a member have any interest, financial or otherwise, in any undertaking or business with an inherent conflict of interest with the ICRBMDA.

SEC. 7. *Powers and Duties of the Board of Directors.* The Board of Directors shall exercise the following powers and duties:

- a) Formulate, prescribe, amend and repeal rules and regulations to govern the conduct and operation of the ICRBMDA;
- b) Provide comprehensive policy guidance for the preservation, protection and development of the Iligan City River and its other tributaries as provided in this Act;
- c) Establish the objectives, strategies and policies to be followed by the ICRBMDA;

- d) Ensure that the ICRBMDA performs its functions in a proper, efficient and effective manner;
- e) Determine the organizational structure of the ICRBMDA, establish a human resource management system based on merit and fitness, and adopt a rational compensation and benefits scheme;
- f) Suspend, remove or otherwise discipline for just cause any staff member appointed by the Board;
- g) Approve the annual and supplementary budgets for submission to the Congress of the Philippines;
- h) Submit an annual report to the President of the Philippines; and
- i) Perform such other functions as may be necessary to carry out the purposes of this Act.

SEC. 8. ***Meetings.*** The Board shall meet regularly once a month and may hold special meetings to consider urgent matters upon call of the Chairman or any of its three (3) members. A majority of the Board shall constitute a quorum and the decisions of the Board shall require the concurrence of at least five (5) members. The internal rules of procedure in the conduct of Board meetings shall be prescribed by the Board.

SEC. 9. ***Administrator.*** The ICRBMDA shall be headed by an Administrator who shall be the chief executive officer (CEO) of the ICRBMDA and shall be responsible for the general administration and

management of the agency. The Administrator must be a natural born citizen of the Philippines, at least forty-five (45) years of age, with at least ten (10) years experience in the field of public administration or the management of agricultural, industrial or commercial enterprises and a recognized authority on flood control and drainage or related fields.

The Administrator shall be appointed by the President of the Philippines upon the recommendation of the Board for a term of three (3) years unless earlier removed for cause by the President.

For purposes of law enforcement functions, the Administrator is deemed a person in authority. All subordinate officials and personnel are deemed agents of persons in authority.

SEC. 10. *Powers and Functions of the Administrator.* The Administrator shall exercise the following powers and functions:

- a) Execute, administer and implement the objectives, policies and programs of the ICRBMDA and enforce decisions, orders, rules and regulations approved or prescribed by the Board of Directors;
- b) Prepare the agenda for the meeting of the Board and submit for consideration thereof the policies and measures which he believes necessary to carry out the provisions of this Act;
- c) Direct and supervise the operation and internal administration of the ICRBMDA. The Administrator may delegate

certain administrative responsibilities to other officers of the ICRBMDA subject to the rules and regulations of the Board; and

- d) Exercise such other powers as may be directed by the Board.

SEC. 11. **Compensation.** The Administrator shall receive a compensation to be determined by the Board which shall be charged against the annual appropriation of the ICRBMDA. The Board of Directors shall provide the per diems and allowances for the Administrator.

SEC. 12. **Residence.** The Administrator shall establish his residence within the territorial jurisdiction of the ICRBMDA. The Administrator shall not, during his term of office, engage in any business or profession other than those connected in the performance of his official duties as Administrator.

SEC. 13. **Administrative Staff.** The activities of the ICRBMDA shall be carried under the supervision and control of the Administrator through the following administrative officials:

- a) An Assistant Administrator who shall be appointed by the President of the Philippines upon the recommendation of the Board. He shall exercise such powers, duties and functions that may be delegated by the Administrator and shall act as Administrator in the absence of, or during the temporary incapacity of the Administrator, or until such time a new Administrator is duly appointed and qualified;

b) An Administrative Officer who shall be responsible for providing services related to personnel, training, information, records, supplies, general services, equipment and security;

c) A Planning and Management Development Officer who shall be responsible for providing services to planning, programming, statistics and project development;

d) A Budget and Finance Officer who shall be responsible for providing staff advice and assistance on budgetary matters and safekeeping of corporate assets;

e) A Legal Officer who shall represent the ICRBMDA in legal actions and proceedings;

f) An Engineering and Construction Officer who shall be responsible for providing services related to detailed engineering plans and construction and maintenance of projects facilities; and

g) An Information Officer who shall take charge of re-orientation and education of personnel and the communities living along the river banks.

SEC. 14. *Structure, Staffing and Pay Scale.* The Board of Directors of ICRBMDA shall determine the organizational structure and staffing pattern of ICRBMDA and pay scales of the officers and employees thereof conforming to that of existing government-owned or controlled corporations and subject to the evaluation or screening by the

Civil Service Commission and of the Organization Position Classification and Compensation Bureau of the Department of Budget and Management. The Board may reorganize said structure, modify such pattern, or alter the same scale and create or abolish division, sections or units and any of its subsidiaries.

SEC. 15. *Merit System.* All officials, agents and employees of the ICRBMDA 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 ICRBMDA immediately upon its organization. The recruitment, transfer, promotion and dismissal of all its personnel including temporary workers shall be governed by such merit system.

SEC. 16. *Appointment by the Board.* The administrative officers and employees shall be appointed by the Board upon the recommendation of the Administrator.

SEC. 17. *Authorized Capital Stock.* The authorized capital stock of ICRBMDA shall be Five Hundred Million Pesos (P500,000,000.00) divided into Two Million Five Hundred Thousand (2,500,000.00) par value shares of Two hundred pesos (P200.00) each: *Provided*, That fifty percent (50%) of the authorized capital shall be fully subscribed by the National Government to be appropriated out of any funds in the National Treasury not otherwise appropriated of which at least twenty-five percent (25%) shall have been fully paid: *Provided*, That twenty-five percent

(25%) thereof shall be subscribed and paid for equally by the Provinces of Lanao del Sur and Bukidnon: and *Provided, finally*, That the remaining twenty-five percent (25%) shall be subscribed and paid by the private sector until the entire authorized capital stock of the ICRBMDA shall have been fully subscribed and paid.

SEC. 18. ***Operating Expenses.*** For the operating expenses of the ICRBMDA, the sum of Fifty Million Pesos (P50,000,000.00) is hereby authorized to be appropriated annually for two (2) years. Thereafter, the Board of Directors shall appropriate out of the funds of the ICRBMDA such sums as may be needed for its operating expenses.

SEC. 19. ***Tax Exemption.*** ICRBMDA shall be exempt from the payment of income taxes, franchise taxes, realty taxes and all kinds of taxes and licenses of the National Government, its provinces, cities, municipalities and other government agencies and instrumentalities: *Provided*, That its subsidiary corporations shall be subject to all said taxes five (5) years after their establishment. Such exemption shall include any tax or fee imposed by the government on the sale, purchase or transfer of foreign exchange and all notes, bonds and debentures, and other obligations issued by ICRBMDA both as to principal and interests.

The importation of machinery, equipment, materials, and supplies by ICRBMDA paid from the proceeds of any loan, credit or indebtedness incurred under this Act shall be exempt from all taxes, fees, imposts,

other charges and restrictions imposed by the government of the Republic of the Philippines or any of its agencies and political subdivisions.

SEC. 20. *Audit.* The Chairman of the Commission on Audit shall appoint a representative who shall be the resident auditor of the ICRBMDA. He shall likewise appoint the necessary personnel to assist said representative in the performance of his duties. The salaries of the auditor and his staff shall be fixed by the Chairman of the Commission on Audit. The salaries and other expenses for the auditor's office shall be included in the budget of the Commission on Audit. The auditor of the ICRBMDA and personnel under him may be removed only for cause by the Chairman of the Commission on Audit.

SEC. 21. *Annual Audit Report.* An annual audit report shall be submitted by the Commission on Audit to the Board of Directors of the ICRBMDA and copies thereof shall be furnished to the President of the Philippines. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit; a statement and surplus or deficit analysis; statement of income and expenses; a statement of sources and application of funds; and such comments and information as may be necessary, together with such recommendations with respect thereto as may be advisable, including a report of any impairment of capital noted in the audit. The report shall also show specifically any program, expenditures or other financial

transaction or undertaking observed in the course of audit, which in the opinion of the auditor, has been carried out or made without authority of law.

SEC. 22. *Applicability of the Corporation Code.* The provisions of the Corporation Code, as amended, insofar as they are not inconsistent with this Act, shall be applicable to ICRBMDA.

SEC. 23. *Repealing Clause.* All laws, decrees, executive orders, rules and regulations and other issuances, or parts thereof, inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 24. *Separability Clause.* If any part or provision of this Act is declared unconstitutional, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 25. *Effectivity.* This Act shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

APPROVED,