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REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES
H. No. 2175

Introduced by **Representative Raul C. Tupas**

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

Water is a basic human need and access to safe water is a universal human right as declared by the United Nations.

With global warming, water security is a growing problem worldwide, and it calls for long term planning and responses. In the case of the Philippines, although an archipelagic country blessed with an abundant source of water, severe water shortage is being experienced due to the impact of rapid population growth, urbanization, pollution, excessive and inefficient use of water, and climate change. This is further aggravated by the lack of a holistic program for water resources management.

One of the Sustainable Development Goals (SDGs) adopted by all United Nations Member States in 2015 is to ensure availability and sustainable management of water and sanitation for all by 2030.¹ Despite progress, billions of people still lack safe water, sanitation and handwashing facilities. Data suggests that achieving universal access to even basic sanitation service by 2030 would require doubling the current annual rate of progress.

At present, management of water resources in the country is lodged with different units or agencies of the government such as National Water Resources Board (NWRB), Local Water Utilities Administration (LWUA), Metropolitan Waterworks and Sewerage System (MWSS), and the National Irrigation Administration (NIA) thereby resulting to duplication of functions, lack of coordination or even conflicts in the implementation of the national policies and plans on water, sewage, sanitation, and irrigation thereby resulting to backlog in the provision of water supply and sanitation services to the public.

¹ <https://sustainabledevelopment.un.org/sdg6>

This bill seeks to ensure and accelerate universal access to water supply and sanitation services and to encourage responsible private sector participation, fostering and prioritizing infrastructure and public works that adopt innovative solutions and international best practices to address the challenges of climate change.

The key provisions include the following:

- Creates, establishes, and mandates the Department of Water Resources to be the primary agency responsible for the comprehensive and integrated identification and mapping of all water resources, planning, policy formulation, and management of the ownership, appropriation, utilization, exploitation, development, sustainability and protection of water resources in the Philippines except fisheries or aquaculture;
- Declares all water and water treatment infrastructure projects as projects imbued with national interest;
- Adopts the Integrated Water Resource Management (IWRM) as the strategic framework for national water management, policymaking and planning;
- Empowers the Department on policy making, planning, management and regulation of water resources; and to develop institutional arrangements with public water organizations and ensure coordination with all stakeholders for all water resource development, integration and management activities, including sanitation, flood control, flood risk management and drought risk management;
- Empowers the Department to create when necessary, water resource subsidiaries, instrumentalities and entities to engage in water transmission, water distribution, waste water treatment and management, and sanitation in accordance with existing relevant laws;
- Allows the Department to enter into contracts, joint venture agreements or understanding, public-private partnerships, and memorandum of agreements or understanding, either domestic or foreign relating to investment and financing water-related projects, under such terms and conditions as the Department may deem proper and reasonable subject to existing laws;
- Authorizes the Secretary of the Department to act as the Chairperson of the governing board of the agencies that are attached to the Department;
- Attaches agencies to the Department as follows: 1. The Local Water Utilities Administration (LWUA); 2. The Metropolitan Waterworks and Sewerage System (MWSS); 3. The National Irrigation Administration (NIA); 4. The Laguna Lake Development Authority (LLDA), whose mandate, powers and functions are defined under Republic Act No. 4850;
- Subsumes the offices, functions and personnel of the following agencies to the Department, namely: 1. The National Water Resources Board (NWRB); 2. The River Basin Control Office (RBCO) of the DENR; 3. The

Manila Bay Coordinating Office (MBCO) of the DENR; 4. The Water Resources Management Division of the Bureau of Soils and Water Management of the Department of Agriculture (DA); 5. The Water Supply and Sanitation Unit of the DILG; 5. The Water Quality Management Section of the EMB of the DENR; and 6. The Water Quality Management Section of the Environmental Management Bureau (EMB) of the DENR;

- Transfers to the Department the functions of the following agencies, bureaus, and units:
 - (1) The conduct of hydrological surveys and groundwater mapping of the Mines and Geosciences Bureau (MGB) of the DENR.
 - (2) The conduct of hydrological surveys monitoring of stream flow and other water data collection function of the Bureau of Design and Bureau of Research and Standards of the DPWH.
 - (3) The protection and conservation of natural wetlands such as lakes, marshes, swamps of the Biodiversity Management Bureau of the DENR.
 - (4) The Planning, programming, administration, monitoring, management of the National Sewerage and Septage Management Program (NSSMP) by the DPWH.
 - (5) The flood management planning and sediment management function of the Flood Control Management Cluster of the DPWH.
 - (6) The Water Resource Management Division and the water research functions of the Soils and Water Research Division of the Bureau of Soils and Water Management under the DA.
- Creates the Water Pollution Adjudication Board to assume the powers and functions of the National Pollution Control Commission with respect to the adjudication of water pollution cases;
- Establishes interface and institutional arrangements with other agencies such as the Department of Health (DOH), Department of Environment and Natural Resources (DENR), Department of Energy (DOE), National Power Corporation (NPC), Department of Agriculture (DA), Department of Public Works and Highways (DPWH), National Disaster Risk Reduction Management Council (NDRRMC), the Climate Change Commission (CCC), PAGASA, NAMRIA, Department of Tourism (DOT), Philippine Reclamation Authority and economic zone authorities and other relevant government agencies, including Local Government Units (LGUs);
- Creates the National Water Sector Policy Board to approve the National Water Resources Management Framework Plan, provide overall policy direction and recommend policies on water resources requiring Presidential decision, advise the President on the status of water management and supply, recommend to the President the declaration of a state calamity in areas affected by water supply, and submit proposals to restore normalcy in the affected areas and ensure a multi-stakeholder participation in the development, updating, and sharing of information system as policy, planning and decision-making tools consistent with the IWRM;

- Subrogates all rights and assumes all obligations of the government agencies and units whose powers and functions have been subsumed, absorbed, transferred or attached to the Department;
- Creates the Water Regulatory Commission which will assume the economic regulatory units and functions of the MWSS, NWRB, LWUA, SBMA, PEZA, and TIEZA, specifically, empowering the Regulatory Units of the WRC to:
 - (1) Issue licenses authorizing the operation of water supply and/or sanitation services;
 - (2) Impose fines, charges and other penalties;
 - (3) Review, determine, fix, and approve, proposed water and sewerage tariffs, rates and charges that licensees may impose upon their customers/consumers;
 - (4) Enforce technical, financial and other performance standards set by the Commission for licensees/utilities;
 - (5) Respond to consumer complaints and investigate motu proprio price manipulation and anti-competitive behavior; Require the review and/or approval of contracts or agreements that may impact on the tariff and rates of service provision entered into by Service Providers;
 - (6) Require the submission of reports, plans and other documents that define the performance targets of the licensees or utilities, and regular accomplishment reports;
 - (7) Amend, modify, suspend or revoke any License issued by them, after due notice and hearing;
 - (8) Appoint an interim management committee to ensure continuity of service in case a licensee fails to meet the conditions of the license;
- Provides quasi-judicial functions to the Commission for the purpose of any investigation, inquiry or proceeding;
- Requires the registration and licensing of all water supply and/or sanitation services;
- Creates the Water Trust Fund in the Bureau of Treasury to be utilized for water development, water sanitation and waste water treatment and management, and water sustainability programs and projects authorized under this Act

In view of the foregoing, the immediate passage of this bill is earnestly sought.



RAUL "BOBOY" C. TUPAS

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

CHAPTER I

GENERAL PROVISIONS

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

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

It is hereby declared the policy of the State to ensure the provision of safe,
adequate, affordable, and sustainable water supply and improved sanitation
services, while maintaining the protection, preservation, and revival of the
quality of the country’s water resources and ecological balance.

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

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

- a. *Bulk water supplier* refers to any entity, natural or juridical, whether public
or private, supplying or intending to supply large quantities of raw or
treated water to buyers who will use these for their own consumption,
such as industrial companies, or for retail distribution to consumers such

as water service providers or real estate developers managing their own distribution network.

- b. *Environmental services* refer to qualitative functions of natural non-produced assets of land, water, and air, including related ecosystems, and their biota, and which may be categorized into three basic types: (1) disposal services which reflect the functions of the natural environment as an absorptive sink for residuals; (2) productive services which reflect the economic functions of providing natural resource inputs and space for production and consumption, and (3) consumer or consumption services which provide for physiological as well as recreational and related needs of human beings.
- c. *Flood Control* refers to methods, acts, and protocols to be observed in order to prevent and reduce the detrimental and catastrophic effects of flood waters which include sediment-laden or turbid flows, and hyper-concentrated flows or debris flows.
- d. *Flood Risk Management (FRM)* refers to such acts of defining and determining the appropriate methods, acts, and protocols aimed at preventing and reducing the risk of incurring loss of both life and property due to flood waters. Flood risk management consists of a cycle of prevention, mitigation, adaptation, preparedness and early warning, and response and recovery. The elements of FRM include: (i) integrating land-use planning and coastal zone management into water management; (ii) adopting a holistic approach so that FRM is part of wider risk or multi-hazard management of earthquakes, landslides, and storm surges; (iii) managing risk and uncertainty as a whole so it not only mitigates hydrological uncertainties but also social, economic and political uncertainties on account of human behavior and the cultural dimensions of FRM.
- e. *Gender Equality* refers to the principle asserting the equality of men and women and their right to enjoy equal conditions realizing their full human potentials to contribute to and benefit from the results of development, and with the State recognizing that all human beings are free and equal in dignity and rights.
- f. *Infrastructure and public works* refer only to wholly or primarily water-related projects and does not include projects that do not fall within the purview of the objectives, power and duties of the Department of Water Resources created under this Act.
- g. *Integrated Water Resource Management (IWRM)* refers to a systematic, collaborative, and multi-stakeholder process which promotes the coordinated development and management of water, land, and related resources within geophysical boundaries in order to maximize the resultant economic and social welfare in an equitable manner, and without compromising the sustainability of vital ecosystems.
- h. *Levels of water supply* refer to communal sources of water described according to location and size of the recipient human settlement as follows:

- 1
- 2 1) Level I or the point source is a protected well or a developed spring
- 3 with an outlet but without any distribution system, generally
- 4 adaptable to rural and upland areas where houses are thinly
- 5 scattered, and is a facility which usually serves an average of 15
- 6 households.
- 7
- 8 2) Level II or the communal faucet system or stand posts is a system
- 9 composed of a water source, a reservoir, a piped distribution
- 10 network, and communal faucets where one faucet serves 4 to 6
- 11 households and is generally suitable for rural and urban fringe
- 12 areas where houses are clustered densely to justify a simple piped
- 13 system.
- 14
- 15 3) Level III or the waterworks system or individual house connections
- 16 is a system with a water source, a reservoir, a piped distribution
- 17 network and household taps, suitable for densely populated urban
- 18 areas.
- 19
- 20 i. *License* refers to the Water Supply and/or Sanitation Services Operating
- 21 License that the Water Regulatory Commission is authorized to grant and
- 22 issue to service providers.
- 23
- 24 j. *Licensee* refers to a service provider to whom a license is granted or
- 25 issued by the Water Regulatory Commission.
- 26
- 27 k. *Missionary Water Services* refer to water supply or services to areas that
- 28 have no existing safe water supply and services due to geographic
- 29 limitation or absence of economic and market viability.
- 30
- 31 l. *National Water Resources Management Plan (NWRMP)* refers to a policy
- 32 document that contains a framework to guide the development and
- 33 management of all the water resources in the Philippines, the general
- 34 strategies and work to be pursued to ensure the sustainability of the
- 35 resource towards water security, and top-level direction on the utilization
- 36 of existing water resources in line with national development plans,
- 37 policies, and programs in accordance with the IWRM framework. The
- 38 NWRMP shall also include a water infrastructure development program
- 39 or all waters of the country as well as provide general guidance on how
- 40 this shall be supported within an integrated financing framework that can
- 41 draw from public, private, and international development funding sources.
- 42
- 43 m. *Net Waste Load* refers to the difference of the initial waste load of the
- 44 abstracted water and the waste load of the final effluent discharge of an
- 45 industry
- 46
- 47 n. *Regulatory Units* refer to the offices established under Section 20 of this
- 48 Act which issue licenses authorizing the operation of Water Supply and
- 49 Sanitation Services, and provide, review, determine, fix, and approve
- 50 water and sewerage tariffs, rates, and charges that licensees may
- 51 impose.
- 52

- 1 o. *River basin* refers to an area of land drained by a stream or body of fixed
2 water and its tributaries which have a common outlet for surface run-off.
3
- 4 p. *River Basin Organization (RBO)* refers to multi-stakeholder organizations
5 which plan, coordinate, and monitor activities within a river basin cluster.
6
- 7 q. *Sanitation* refers to the provision of facilities and services for the safe
8 management of human excreta, from toilet to containment, and storage
9 and treatment onsite or conveyance, treatment and eventual safe end use
10 or disposal, and includes the safe management of solid waste and animal
11 waste.
12
- 13 r. *Sediment management* refers to control of sediment erosion and
14 deposition in rivers, reservoirs, and coastal zones through non-structural
15 and structural measures and control works.
16
- 17 s. *Sustainable Development Goals (SDGs)* also known as the 17 Global
18 Goals refer to the universal call to action to end poverty, protect the planet
19 and ensure that all people enjoy peace and prosperity by 2030 adopted
20 by all United Nations Member States in 2015.
21
- 22 t. *Septage* is the liquid and solid material pumped from a septic tank,
23 cesspool, or other primary treatment source.
24
- 25 u. *Septage Management* refers to the provision of proper collection,
26 treatment, and disposal of septage.
27
- 28 v. *Service Area* refers to the area covered by the water distribution system,
29 sewerage, and /or septage management services.
30
- 31 w. *Service Provider* refers to any entity, natural or juridical, whether private
32 or public, providing or intending to provide levels II & III water supply,
33 including bulk water suppliers, sewerage, septage treatment, and
34 disposal services for domestic, residential, industrial, or commercial use.
35
- 36 x. *Sewage* refers to water borne human or animal wastes, excluding oil or
37 oil waste, removed from residences, buildings, institutions, and industrial
38 and commercial establishments together with such groundwater, surface
39 water and storm waters as may be present including such waste from
40 vessels, offshore structures, other receptacles intended to receive or
41 retain waste or other places or the combination thereof.
42
- 43 y. *Sewerage* refers to any system or network of pipelines, ditches, channels
44 or conduits including pumping stations, lift stations and force mains,
45 service connections including other infrastructure, devices, or appliances
46 appurtenant thereto, which include the collection, transport, pumping and
47 treatment of sewage to a point of disposal.
48
- 49 z. *Sewers* refer to pipes or such other works or structures which are built
50 and constructed to carry, transport, and dispose sewage.
51
- 52 aa. *Social inclusion* refers to the process of improving the terms for
53 disadvantaged individuals and groups to take part in society.

- 1
2 bb. *Tariffs* refer to such amounts which may be charged by licensees
3 for their water supply and sanitation services based on principles,
4 standards, and guidelines established by the Department of Water
5 Resources.
6
- 7 cc. *Water Demand Management (WDM)* refers to any method, whether
8 technical, economic, administrative, financial, or social that will
9 accomplish one or more of the following:
10
- 11 (1) Reduce the quantity or quality of water required to accomplish a
12 specific task;
13 (2) adjust the nature of the task or the way it is undertaken so that it can
14 be accomplished with less water or with lower quality water;
15 (3) Reduce the loss in quantity or quality of water as it flows from source,
16 through use, to disposal;
17 (4) Shift the timing of use from peak to off-peak periods; and
18 (5) Increase the ability of the water system to continue to serve society
19 during times when water is in short supply.
20
- 21 dd. *Water Districts* refer to government-owned and controlled
22 corporations organized under Presidential Decree No. 198, as amended,
23 created primarily to acquire, install, operate, maintain, and improve water
24 supply and distribution systems for domestic, industrial and municipal
25 uses of residents and to provide, maintain and operate waste water
26 collection, treatment and disposal facilities within the boundaries of the
27 district.
28
- 29 ee. *Water pollution* refers to any alteration of the physical, chemical,
30 biological, or radiological properties of a body of water resulting in the
31 impairment of its purity or quality.
32
- 33 ff. *Water Resource* refers to water under the ground or groundwater, water
34 above the ground such as surface water, run-offs, floods, storm water and
35 urban drainage, treated wastewater, water in the atmosphere or rain
36 water, and the waters of the sea within the territorial jurisdiction of the
37 Philippines.
38
- 39 gg. *Water Resources Regions* refer to the contiguous clusters of river basins
40 which are grouped together according to the hydrological boundaries,
41 physiographic features, and homogeneity in climate, whether or not they
42 straddle different local government units, for administrative purposes
43 under the Department of Water Resources.
44
- 45 hh. *Water Service Provider (WSP)* refers to the water district, any Local
46 Government Unit (LGU) run water utility, Barangay Waterworks and
47 Sanitation Association (BWSA), Rural Waterworks Sanitation Association
48 (RWSA), cooperative and private sector entity that provides water supply
49 services to any given area.
50
- 51 ii. *Water supply service* refers to any activity comprising Levels I, II and III
52 water supply including bulk suppliers, suppliers to subdivisions, and other
53 water service providers.

CHAPTER II

THE DEPARTMENT OF WATER RESOURCES

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

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

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

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

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

- (a) Update and take the lead in the overall implementation of the Pasig River Rehabilitation Master Plan, which shall harness the Pasig River's potential for transportation, recreation and tourism purposes while undertaking the rehabilitation and restoration of its maritime life; and
- (b) Ensure that the easements provided for in the Civil Code and other relevant laws are enforced, especially in all the *esteros* and waterways that drain into the Pasig River as well as abate the dumping of untreated industrial wastewater and sewerage into the river, including all acts and omissions in violation of Presidential Decree (PD) No. 984, s. 1976, as amended entitled, Providing For The Revision Of Republic Act No. 3931, Commonly Known As The Pollution Control Law, And For Other Purposes, PD No. 274, s. 1973 entitled, Pertaining To The Preservation, Beautification, Improvement And Gainful Utilization Of The Pasig River, Providing For The Regulation And Control Of Pollution Of The River And Its Banks In Order To Enhance Its Development, Thereby Maximizing Its Utilization For Socio-Economic Purposes, and other related laws.

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

- 3
- 4 (a) The concept of good water governance for water security and
5 sufficiency shall be adopted across all levels of governance by
6 stakeholders such as the national government, local government, non-
7 government organizations, private organizations, individuals, even
8 global societal actors, and in various sectors such as water supply,
9 irrigation, fisheries, hydropower, navigation, ecosystem services, flood
10 management, climate change, and recreation. It shall entail publicly
11 transparent, socially accountable, and multi-stakeholder participatory
12 water policy planning, management, and decision-making processes.
- 13
- 14 (b) Access to safe water supply and improved sanitation is a human right
15 that needs to be fulfilled and protected.
- 16
- 17 (c) Integrated Water Resource Management (IWRM) shall be adopted as
18 the basic framework which is the coordinated development and
19 management of water, land, and related resources within hydrological
20 boundaries to optimize economic and social welfare without
21 compromising the sustainability of vital ecosystems. The IWRM
22 Framework shall include an enabling environment that utilizes proper
23 policies, legal instruments, and institutional frameworks for effective
24 implementation, participatory and collaborative water policy and
25 management decisions, and management instruments for efficient use
26 of updated and accurate data, science-based decision support
27 systems, proper information, education, communication (IEC)
28 programs, assessment and allocation tools, or regulatory functions. It
29 shall observe the mutual accountability mechanism among
30 stakeholders at the national, regional, and global levels reinforcing
31 multi-stakeholder decision-making following a framework with specific,
32 measurable, attainable, relevant, and timely actions.
- 33
- 34 (d) Each river basin has its unique characteristics relating to the physical,
35 socio cultural, and other aspects, and water management shall be
36 performed at river-basin level, involving all the stakeholders at that
37 particular river basin.
- 38
- 39 (e) Integrated and accurate data collection and analysis and the use of
40 scientific decision support systems shall be undertaken in water
41 resources management including flood modeling and warning systems
42 that are essential for an effective, efficient, and sustainable water
43 resources management system.
- 44
- 45 (f) The development of water resources shall include strategies for the
46 mitigation of water-related hazards and climate change adaptation.
- 47
- 48 (g) Water resources and services should be provided where they are
49 intended and most needed so that water is fairly and sustainably
50 managed.
- 51
- 52 (h) The proper operation and maintenance of waterworks systems resulting
53 in the uninterrupted and adequate supply and distribution of potable

1 water for domestic and other purposes, and the proper operation and
2 maintenance of sewerage systems which are essential services to public
3 health and safety, are to be ensured at all times. The State shall therefore
4 supervise and control the establishment, operation, and maintenance of
5 such systems.

6
7 **SEC 7. Objectives of the Department.** – The Department shall:
8

- 9 (a) Promote and adopt water demand management as a national policy to
10 ensure that water is optimized, that water efficiency and conservation
11 become a way of life, that the recycling and reuse of water and treated
12 wastewater are widely practiced, that water is properly priced to
13 encourage efficient use and conservation and that rainwater, flood waters,
14 and run-offs are captured or harvested, stored and treated for future use;
15
16 (b) Prioritize and seek the immediate attainment of universal access to safe,
17 adequate, affordable and sustainable water supply and improved
18 sanitation services for all Filipinos in a manner consistent with the
19 protection, preservation, and revival of the quality of the country's water
20 resources, and to adopt all needed measures to advance the right of the
21 people to a balanced and healthful ecology in accord with the rhythm and
22 harmony of nature.
23
24 (c) Strengthen and coordinate integrated water resources management
25 planning and policy making to ensure sustainable and fair allocation and
26 efficient use of water resources among competing uses and users;
27
28 (d) Ensure that integrated water resources management is strongly
29 coordinated with land use and coastal and multi-hazard planning and
30 management;
31
32 (e) Develop sustainably, and manage water sources and water resources
33 toward water security, taking into consideration water, land, and related
34 resources aimed at increasing water dependability for different uses,
35 optimizing economic benefits and social welfare without compromising
36 the sustainability of vital environmental systems;
37
38 (f) Strengthen and coordinate policy making and planning towards ensuring
39 the availability of water for food security and energy security, as well as
40 towards the protection of communities and environments against flood
41 and other water induced hazards including sediment hazards;
42
43 (g) Ensure that the strategy for water resources development and
44 conservation is participatory, and that planners, policymakers and users
45 including community members are involved at all levels;
46
47 (h) Develop a standardized pricing framework for water use that accounts for
48 environmental externalities; and
49
50 (i) Ensure that all sources of water, including surface water, groundwater,
51 rainwater and floodwater are identified, mapped, monitored, conserved
52 and managed for productive use and the resulting wastewater is managed

properly, reused, and responsibly disposed of following approved environmental standards.

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

I. Policymaking and Planning

- (a) Ensure that Integrated Water Resources Management (IWRM) is adopted as the strategic framework for water management policymaking and planning in the country and coordinate the implementation, promotion, revision and enhancement of IWRM plans;
- (b) Formulate policies, strategies, and targets in coordination with other relevant entities to meet the goals and objectives for water supply and sanitation, water quality, irrigation, hydropower, flood control, storm water utilization, and urban drainage. Such policies shall, among other guidelines, integrate the issues of water and sanitation, food security, energy, environment and flood control, and climate change;
- (c) Formulate and develop policies to promote universal access to safe, adequate, affordable, and sustainable water supply, and improved sanitation services for all Filipinos;
- (d) Regularly update, every five years or as deemed necessary by the Department, and in consultation with other agencies and stakeholders, the NWRMP following the IWRM framework and integrate therein a national land use plan;
- (e) Undertake river basin survey, inventory and appraisal of water and related resources, and develop comprehensive basin-wide plans of storage, retardation, and control to maximize conservation and multipurpose use of water in the basin;
- (f) Conduct continuing hydrological and hydrometeorological surveys and studies of the country's renewable water supply, and establish, operate, and maintain observation station networks with a view towards formulating long-term policies to balance the sustainability and optimal multiple use of water resources, defining the hydrologic boundaries of basins of the existing water supply sources and developing or updating and implementing countrywide comprehensive basin-wide master plans;
- (g) Strengthen and coordinate policy making and planning for flood management, integrated with storm water or urban drainage and appropriate retention or retarding basins in order to harvest and reuse water, and to plan against, prevent, and minimize the detrimental and catastrophic effects of flooding;
- (h) Assist and provide the National Economic and Development Authority (NEDA) with the required data and input from the water sector in the formulation of the country's short-term and long-term strategic development plans and actions, and recommend to the NEDA Board the

1 adoption of general policies and guidelines for water resources
2 development;

- 3
- 4 (i) Review, approve, and provide oversight over all water-related
5 development plans and programs of any agency within the context of the
6 NWRMP, and overall national plans and programs;
- 7
- 8 (j) Develop and implement, in coordination with other relevant agencies,
9 effective codes, standards, benchmarks, and reasonable guidelines to
10 ensure the safety of all public and private water structures in the country,
11 and assure efficiency and proper quality in the construction of water,
12 sanitation, irrigation, hydropower, flood control and drainage
13 infrastructure;
- 14
- 15 (k) Ensure that gender equality, social inclusion, environmental protection,
16 climate resiliency, and disaster risk reduction are integrated into any water
17 resource management planning, policy making, and the design and
18 construction of water infrastructure;
- 19
- 20 (l) Ensure that the planning and design of water infrastructure considers the
21 highest efficiency and most appropriate technology and quality, in
22 accordance with national development objectives;
- 23
- 24 (m) Review existing guidelines appropriate for private sector participation in
25 the water sector and submit recommendations to the Public-Private
26 Partnership (PPP) Center of NEDA and other concerned agencies to
27 promote and enable more PPPs in the sector;
- 28
- 29 (n) Build a central repository of water data and effect inter-sectoral, inter-
30 agency, and interdepartmental coordination on all aspects of data
31 gathering and management for water resources development planning
32 and compel the submission of statistics and data on water utilization with
33 the aim of operationalizing the integrated approach to water resources
34 management;
- 35
- 36 (o) Ensure the effective implementation of all the provisions of Republic Act
37 No. 9275, Presidential Decree No. 1067, and Sections 9, 10, 11, 12 & 13,
38 Chapter II of Presidential Decree No. 856, otherwise known as the Code
39 on Sanitation of the Philippines;
- 40
- 41 (p) Promote Philippine participation in information sharing and education on
42 best practices in support of international efforts to achieve universal
43 access to safe water and improved sanitation; and the integration of
44 water, energy, environment and food security; and
- 45
- 46 (q) Issue and promulgate rules, regulations and guidelines as may be
47 necessary to implement and enforce its powers and functions under this
48 Act.
- 49

50 **II. Resource Regulation**

- 51
- 52 (a) Manage and conserve the country's water resources to ensure the
53 optimal use thereof for domestic water supply, sanitation, irrigation,

1 hydropower, navigation, flood control, and recreation purposes, and
2 enhance and maintain water quality, conserve watersheds, control
3 water pollution, and restore the environment, without compromising the
4 natural ecosystem functions and services;

5
6 (b) Regulate and control the utilization, abstraction, diversion and
7 development of water resources, taking in consideration their equitable
8 distribution among competing demands and determine the standards of
9 beneficial and priority uses of water in times of crisis and national
10 emergencies;

11
12 (c) Formulate, promulgate, and enforce rules and regulations for the
13 development and optimum use of water resources and its
14 administration and management, including coherent water protocols,
15 operating rules of all existing and future water infrastructure; general
16 criteria, methods and standards for basic data collection and project
17 identification, formulation and planning, and appropriate sanctions to be
18 imposed for non-compliance;

19
20 (d) Regularly review regulations prescribed by any government agency
21 pertaining to water use, exploitation, development, and conservation or
22 protection of waters, water resources, and watershed or basin areas
23 with respect to this Act;

24
25 (e) Impose fees or charges, as may be deemed necessary for water
26 resources conservation and protection, such as:

27 a. Polluter's Fee, which shall be based on the net waste load
28 depending on the wastewater charge formula pursuant to
29 Republic Act No. 9275;

30 b. Raw water price, which shall take into account, among others,
31 the scarcity of water; and

32 c. Appropriate payment structures for environmental services

33
34 (f) Deputize LGUs to collect the national fees or charges for resource
35 regulation within their respective jurisdictions;

36
37 (g) Collect, regularly update, monitor, and analyze water resources data
38 including climatology, hydrological and other water-related data and
39 ensure that such data is easily accessible by relevant and authorized
40 users;

41
42 (h) Establish, operate, and maintain observation station networks and a
43 centralized water resources data center for the scientific survey and
44 appraisal of surface and groundwater potentials of the country, and
45 determine the annual renewable water available per water resources
46 region;

47
48 (i) Maintain a database that will contain updated relevant information on
49 water data which will be accessible by relevant and authorized users;

50
51 (j) Develop and continuously update a computerized decision support
52 system that incorporates data management systems relating to
53 acquisition and database, model base in terms of physical design,

1 planning and decision models, and user-friendly interface concerning
2 graphical and visualization tools;

3
4 (k) Conduct and promote special studies and research on water economics
5 and other water resources development and management issues and
6 concerns such as climate change, weather modification, flood
7 monitoring and modeling, environmental quality, and desalination; and

8
9 (l) Raise public awareness through information, education and
10 communications programs, and build capacities for informed
11 participation in water resources management at the national and river-
12 basin level.

13 14 **III. Institutional Arrangement with Public Water Organizations**

15
16 (a) Develop guidelines including rules of partnership, between and among
17 the Department, field offices of national government agencies, LGUs
18 and other stakeholders in water resource management, and facilitate
19 the establishment of multi-stakeholder river basin organizations (RBOs)
20 per river basin, and strengthen and support existing RBOs and monitor
21 their activities;

22
23 (b) Develop materials for capacity building and training of prospective
24 RBOs;

25
26 (c) Authorize its representatives or any deputized agent to enter any
27 property of public dominion with or without prior notice and consent, any
28 private land, building or enclave, whether inhabited or not, for the
29 purpose of conducting hydrologic surveys and investigations, including
30 assessing and evaluating the conditions of water facilities installed, and
31 determining compliance with water laws and standards;

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

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

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

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

47 48 **IV. Coordination**

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

- (b) Coordinate with other government agencies, universities, academe and private professional groups in all aspects of data gathering, the conduct of special studies and research on all related aspects of water resources management and development such as climate change, environmental quality, desalination, and the development of operating strategies, procedures, and protocols and accompanying computerized decision tools for major water facilities;
- (c) Coordinate with the concerned and relevant agencies engaged in flood control, flood risk management, and drought risk management; and
- (d) Coordinate proactively with LGUs to ensure the integration of water resources development plans into their comprehensive land use plans (CLUPs), Comprehensive Development Plans (CDPs) or Provincial Physical Framework and Development Plan (PPFDP).

V. Other Functions

- (a) Create when necessary, water resource subsidiaries, instrumentalities, and entities to engage in water transmission, water distribution, waste water treatment and management, and sanitation in accordance with existing relevant laws.
- (b) Enter into contracts, joint venture agreements or understanding, public-private partnerships, and memorandum of agreements or understanding, either domestic or foreign, relating to investment and financing water-related projects, under such terms and conditions as the Department may deem proper and reasonable subject to existing laws.
- (c) Exercise such other powers and functions necessary or incidental to the effective administration and management of the country's water resources.

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

- (a) Advise the President on the promulgation of executive or administrative orders, regulations, proclamations and other issuances relative to matters under the jurisdiction of the Department;
- (b) Establish the policies and standards for the operation of the Department pursuant to the President's guidelines;
- (c) Promulgate rules and regulations necessary to carry out the objectives, policies, and functions of the Department;
- (d) Exercise supervision and control over all bureaus and offices under the Department;

- (e) Supervise all attached agencies and corporations in accordance with law;
- (f) Represent the Department in contracts, awards, and other similar agreements;
- (g) Delegate authority for the performance of any power or function, as defined herein to officials and employees under his direction as deemed appropriate;
- (h) Act as the Chairperson of the governing board of the attached agencies of the Department;
- (i) Designate and appoint officers and employees of the Department, excluding the Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional Directors, in accordance with the civil service laws, rules and regulations; and
- (j) Perform such other duties and responsibilities as may be provided by law.

SEC. 10. Office of the Secretary. – The Office of the Secretary shall be composed of the Secretary, Undersecretary, Assistant Secretary and the Secretary’s immediate staff.

SEC. 11. Undersecretaries. – The Secretary shall be assisted by not more than five (5) Undersecretaries, who shall be appointed by the President upon the recommendation of the Secretary namely: (1) Undersecretary for Resource Regulation and Governance; (2) Undersecretary for Inland Waters and Water for Agriculture; (3) Undersecretary for Resource Development; (4) Undersecretary for Planning and Policy and (5) Undersecretary for Missionary Water, Indigenous People, and Special Concerns.

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

- (a) Advise and assist the Secretary in the formulation and implementation of the policies, plans, programs and projects of the Department;
- (b) Supervise all the operational activities of the assigned units for which the Undersecretary is responsible to the Secretary; and
- (c) Perform such other functions deemed necessary as may be assigned or delegated by the Secretary to promote efficiency and effectiveness in the delivery of public services or as may be required by law: Provided, That the Undersecretary for Planning and Policy shall, in coordination with the Planning and Policy Service, be primarily responsible for advancing current efforts in attaining the ultimate goal

1 of universal access to water supply and sanitation systems, and
2 sustainable management of water resources under the SDGs, and the
3 integration of water, energy, environment and food security.
4

5 **SEC. 12. Assistant Secretaries.** – The Secretary shall be assisted by
6 six (6) Assistant Secretaries to be appointed by the President of the Philippines
7 upon the recommendation of the Secretary: one each for Planning and Policy
8 Service, Decision Support System Service, Resource Regulatory Service,
9 Comptrollership and Financial Management Service, Legal and Legislative
10 Service, and Administrative and Human Resources Management Service.
11

12 No person shall be appointed Secretary, Undersecretary and Assistant
13 Secretary of the Department unless the person is a citizen and resident of
14 the Philippines, of good moral character, of proven integrity, competence and
15 expertise in water resource management: Provided, That at least one (1) of
16 the Undersecretaries and at least two (2) of the Assistant Secretaries shall
17 be career officers.
18

19 **SEC. 13. Organizational Structure.** – The Department shall be
20 composed of the following organizational units:
21

22 (a) Department Proper. – The Department shall consist of the Office of the
23 Secretary, the Offices of the Undersecretaries and Assistant Secretaries,
24 the Internal Audit Office, the Public Affairs Office, the Water Pollution
25 Adjudication Board, the Planning and Policy Service, Decision Support
26 System Service, Administrative and Human Resources Service, Legal
27 and Legislative Service, Comptrollership and Financial Management
28 Service, Resource Regulation Service, and the Water Resources
29 Regional Offices.
30

31 (b) Attached agencies. - The Department shall exercise administrative
32 supervision over the following agencies for purposes of policy and
33 program coordination, monitoring, and evaluation:
34

35 1) The Local Water Utilities Administration (LWUA), whose
36 mandate, powers, and functions are defined in Presidential
37 Decree No. 198, otherwise known as the Public Water Utilities
38 Act of 1973, as amended, shall be transferred from the
39 Department of Public Works and Highways and attached to the
40 Department. It shall continue to primarily function as a
41 specialized lending institution for the promotion, development,
42 and financing of local water utilities. In the implementation of its
43 functions, the LWUA shall:
44

- 45 i. prescribe minimum standards and regulations in order to
46 assure acceptable standards of construction materials and
47 supplies, maintenance, operation, personnel training,
48 accounting and fiscal practices for local water utilities;
- 49 ii. furnish technical assistance and personnel training
50 programs for local water utilities;
- 51 iii. monitor and evaluate local water standards; and
- 52 iv. effect system integration, joint investment and operation,
53 district annexation and de-annexation whenever

1 economically warranted as amended by Sec. 22,
2 Presidential Decree No. 768.

3
4 2) The Metropolitan Waterworks and Sewerage System (MWSS),
5 whose mandate, powers, and functions are defined under
6 Republic Act No. 6234, as amended entitled, An Act Creating
7 The Metropolitan Waterworks And Sewerage System And
8 Dissolving The National Waterworks And Sewerage Authority
9 And For Other Purposes, shall be transferred from the DPWH
10 and attached to the Department: Provided, That the MWSS
11 shall continue to facilitate the exercise by the concessionaires
12 of their responsibility; carry out accounting and notification
13 functions; monitor, report, and administer loans; perform
14 related functions in connection with existing projects; manage
15 and dispose its retained assets; and manage and operate the
16 Umiray-Angat Transbasin Project.

17
18 3) The National Irrigation Administration (NIA), whose mandate,
19 powers, and functions are defined under Republic Act No. 3601
20 as amended by Presidential Decree No. 552 and Presidential
21 Decree No. 1702;

22
23 4) The Laguna Lake Development Authority (LLDA), whose
24 mandate, powers and functions are defined under Republic Act
25 No. 4850, as amended entitled, An Act Creating The Laguna
26 Lake Development Authority, Prescribing Its Powers, Functions
27 And Duties, Providing Funds Therefor, And For Other Purposes
28 shall be transferred from the DENR and attached to the
29 Department.

30
31 The LLDA shall continue to serve as the lake management and
32 development authority similar to a multi-stakeholder river basin
33 organization and shall ensure the implementation of the Laguna
34 Lake Master Plan which shall be updated by the Department to
35 ensure alignment with the NWRMP. Any other agency
36 performing water resources management, conservation and
37 protection functions may be transferred to the Department as
38 the President deems necessary.

39
40 (c) Offices, Functions and Personnel to be Completely Subsumed under
41 the Department. – The following offices with their powers, functions,
42 personnel, applicable funds and appropriations, records, equipment
43 and property shall be subsumed under the Department:

- 44
45 i. The National Water Resources Board (NWRB) with all its
46 divisions and sections, whose mandate, powers and functions
47 are provided in Presidential Decree No. 424, as amended;
48 ii. The River Basin Control Office (RBCO) of the DENR whose
49 mandate, powers and functions are provided in Executive Order
50 No. 510 and Executive Order No. 816, as amended;
51 iii. The Manila Bay Coordinating Office (MBCO) of the DENR which
52 was strengthened by virtue of DENR Administrative Order
53 (DAO) 2011-01 to coordinate the efforts of the fourteen (14)

- 1 national agencies covered by the Mandamus Order of the
2 Supreme Court to rehabilitate Manila Bay;
- 3 iv. The Water Resources Management Division of the Bureau of
4 Soils and Water Management of the Department of Agriculture
5 (DA);
- 6 v. The Water Supply and Sanitation Unit of the Department of the
7 Interior and Local Government (DILG); and
- 8 vi. The Water Quality Management Section of the Environmental
9 Management Bureau (EMB) of the DENR.

10
11 (d) Functions to be Transferred to the Department. – The following functions
12 of the respective agencies, bureaus, and units shall be transferred to the
13 Department:

- 14
- 15 1. The hydrological surveys and groundwater mapping function of the
16 Mines and Geosciences Bureau (MGB) of the DENR;
 - 17 2. The hydrological surveys monitoring of stream flow and water data
18 collection function of the Bureau of Design and Bureau of Research
19 and Standards of the DPWH;
 - 20 3. The protection and conservation of natural wetlands such as lakes,
21 marshes, swamps of the Biodiversity Management Bureau of the
22 DENR; and
 - 23 4. The planning, programming, administration, monitoring,
24 management of the National Sewerage and Septage Management
25 Program (NSSMP) by the DPWH.
 - 26 5. The flood management planning and sediment management
27 function of the Flood Control Management Cluster of the DPWH;
 - 28 6. The Water Resource Management Division and the water research
29 functions of the Soils and Water Research Division of the Bureau of
30 Soils and Water Management under the DA. All soil-related
31 functions shall be retained under the Bureau which shall be renamed
32 as the Bureau of Soils.
- 33

34 (e) Support Services - The Department shall create the following support
35 services:

36
37 1. The Planning and Policy Service shall provide the Department with the
38 capability to undertake water infrastructure development planning and
39 programming, and shall exercise the following functions:

- 40
- 41 i. Advise the Secretary on all matters relating to water resources
42 planning;
 - 43 ii. Assist the Undersecretary for Planning and Policy on all
44 matters related to the specific functions of the position;
 - 45 iii. Formulate strategies and priorities for water resources
46 management and development consistent with national
47 development objectives, and initiate or undertake relevant
48 surveys for development planning;
 - 49 iv. Develop and regularly update a comprehensive and integrated
50 National Water Resources Management Plan and ensure its
51 integration into existing land use plans;

- v. Coordinate river-basin planning following the integrated water resources management framework and the river-basin approach;
- vi. Formulate or update existing River Basin Master or Comprehensive Plans which includes all aspects of water management and development such as water supply and sanitation, irrigation, flood control and storm water or urban drainage, drought risk management, water resource development systems and other public water works projects, including phasing of implementation;
- vii. Identify, based on the river basin master plan, priority packages for water infrastructure development per river basin, including water supply, sanitation, irrigation, flood control and storm water or urban drainage, drought risk management, water resource development systems and other public works projects, package project proposals for funding and prioritize project implementation and the allocation of funds and other resources and undertake or supervise and evaluate the conduct of feasibility studies and project preparation thereof;
- viii. Evaluate and appraise all regional and inter-regional infrastructure water development plans and programs as to their feasibility and consistency with approved strategies and medium and long -term plans;
- ix. Gather, analyze, and organize needed statistical data and information;
- x. Provide technical assistance related to its functions to the other services, bureaus and the regional offices as needed;
- xi. Conduct hydrological and hydraulic surveys and assessments of surface waters;
- xii. Develop general criteria and standards on project investigation, formulation, planning;
- xiii. Develop guidelines and standards on social inclusion in water resources management and ensure policies, programs and plans are compliant with the gender and development framework of the government;
- xiv. Coordinate closely with PAGASA for rainfall and other climate data which shall be considered in the planning for water resources development and management and for various water infrastructure; and
- xv. Perform such functions and activities, as may be mandated by law, which are necessary for the effective attainment of the abovementioned objectives.

2. The Decision Support System Service shall provide the Department with water resource management tools and computerized decision support system that incorporates a data management system relating to acquisition and database and model base in terms of physical design, planning and decision models including services related to networking, data management, and information and knowledge or learning management systems for administrative and non-technical support. It shall provide the Secretary timely reports on the status of various Department projects and activities. For this purpose, it shall exercise the following functions:

- (i) Provide the Secretary the necessary data and processed information to aid in policy and management decisions under the mandate of the Department;
- (ii) Publish available real-time raw water data as well as verified or validated water data in print or electronic form using latest internet technology;
- (iii) Conduct and publish in print and/or electronic form, standard data analysis such as basic statistical analysis, trend analysis, analysis of runs, and cluster analysis;
- (iv) Develop and continuously update water resource management, computerized decision support systems (DSS) that incorporate data management systems relating to acquisition and database, model base in terms of physical, design, planning and decision models, and user-friendly interface such as graphical and visualization tools. The DSS is composed of: 1) a measurement or data acquisition system; 2) information or database management system; 3) analytical and numerical models for design, planning, decision or evaluation purposes, and 4) a user-friendly interface which includes graphical interface or visualization tools.
- (v) Develop and maintain specific models to include the following:
- a) long-term climatologic and weather forecasting model;
 - b) watershed models and river-flood plain models;
 - c) groundwater models and coupled to surface water models;
 - d) flood forecasting model for major rivers;
 - e) optimization-simulation management models for watershed conservation, conjunctive surface and groundwater use, irrigation scheduling, normal and emergency operations of multi-purpose reservoirs; and
 - f) water quality and ecological models.
- (vi) Develop and administer the management information system and knowledge systems of the Department to:
- a) Retrieve, process, and monitor information on all projects and activities in the web portal;
 - b) Conduct and apply systems and process engineering, software development, software configuration management;
 - c) Develop and manage its corporate database, unified database for water industry, data warehouse, other water information resources, library services and document management and archiving services;
 - d) Develop and manage its Information and Communications Technology (ICT) infrastructure and ICT related-services including computer networking and voice communications services and data exchange, and
 - e) Manage the literacy and training services of the Department on various ICT and, Knowledge Management (KM) tools and applications, including information and knowledge management.
- (vii) Perform such other related functions and activities which are necessary for the effective administration of the management information and knowledge systems of the Department.

1 3. The Administrative and Human Resource Service shall provide the
2 Department with services relating to human resources development,
3 personnel, records, facilities maintenance, medical and dental, security,
4 property and procurement services, and shall exercise the following
5 functions:

- 6
- 7 (i) Advise the Secretary on all matters relating to internal administration
8 and human resources management;
 - 9 (ii) Prepare and implement an integrated personnel development plan
10 that shall include provisions for merit promotions, performance
11 evaluation, job rotation, incentive awards systems, and health and
12 welfare services;
 - 13 (iii) Provide services related to human resource-training, education and
14 development including manpower, career planning and forecasting,
15 and development of indigenous training materials;
 - 16 (iv) Develop, establish, and maintain an efficient and cost-effective
17 property procurement system and facilities and coordinate or
18 otherwise interface with relevant agencies, whether government or
19 private, for the purpose of developing or upgrading the system;
 - 20 (v) Develop, establish, and maintain an efficient and effective security
21 system covering, among others, personnel, physical installations,
22 facilities, equipment, documents and materials including the conduct
23 of security investigations;
 - 24 (vi) Coordinate with the appropriate government agencies for a more
25 efficient conduct of administrative processes;
 - 26 (vii) Develop, establish, and maintain an efficient records system;
 - 27 (viii) Provide assistance in its area of specialization to the Department
28 Proper, bureaus and regional and water district offices and, when
29 requested, to the government agencies and corporations attached to
30 the Department; and
 - 31 (ix) Perform such other related functions and activities which are
32 necessary for the effective management of the resources of the
33 Department, including its human resources.
- 34

35 4. The Legal and Legislative Research Service shall provide the
36 Department with services on such legal affairs as contract letting and
37 litigation, legal and legislative research, complaints and investigation,
38 legal counselling and other matters of law, and shall exercise the
39 following functions:

- 40
- 41 i. Advise the Secretary on all matters relating to legal and legislative
42 affairs;
 - 43 ii. Prepare Department contracts and legal instruments, review and
44 interpret all contracts and agreements entered into by the Department
45 and evaluate all legal proposals;
 - 46 iii. Conduct administrative investigation and the review of administrative
47 charges against officers and employees of the Department;
 - 48 iv. Exercise functional jurisdiction over the legal staffs of Regional
49 Offices;
 - 50 v. Provide legal assistance to the Department Proper, the bureaus and
51 regional offices and when requested, the attached corporations;

- vi. Develop and prepare the Department's Legislative Agenda, recommend presidential certification of the urgency of priority water bills, and other water-related legislation;
 - vii. Coordinate and maintain linkages between and among the various offices, bureaus, regional offices and attached agencies to the Department along with other government agencies on policy matters affecting the Department's mandate in relation to legislation;
 - viii. Perform liaison and networking activities in relation to the enactment of related laws relating to water resources issues in legislative policymaking bodies such as the Senate of the Philippines, the House of Representatives, and the various Sanggunians;
 - ix. Monitor the progress of the Department's priority or certified bills to ensure their passage; and
 - x. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.
5. The Comptrollership and Financial Management Service shall provide the Department with coordinated services relating to financial systems and procedures, budget, cash, accounting and all financial housekeeping matters, and shall exercise the following functions:
- i. Advise the Secretary on all matters relating to the accounting of government expenditures and receipts, budgeting and cash management, project finances and financial systems and procedures;
 - ii. Prepare budget proposals and pursue formal budget authorizations, undertake budget execution, and prepare and submit all appropriate reports to the proper offices;
 - iii. Develop and maintain accounting, financial and assets management systems, procedures and practices in the Department Proper, Bureaus and Regional Offices;
 - iv. Review and appraise systems and procedures, organizational structure, assets management practices, accounting, and other records, reports, and performance standards such as budgets and standard costs of the Department, bureaus, and regional offices;
 - v. Provide assistance in its area of specialization to any unit of the Department and, when requested, to government corporations and councils attached to the Department; and
 - vi. Perform such other related functions and activities which are necessary for the effective financial management of the Department.
6. The Resource Regulation Service shall provide the Department with services for the effective regulation of all water-related services and activities and shall exercise the following functions:
- i. Advise the Secretary on all matters relating to resource regulations;
 - ii. Determine, grant and regulate water rights for the appropriate, optimal and sustainable use of surface and ground water;
 - iii. Determine and evaluate waterworks and sewerage licenses, and submit evaluation results to the Water Regulatory Commission for the latter's consideration in granting of licenses;

- iv. Investigate violations of the water rights and the Water Code, and impose the appropriate sanctions in accordance with existing laws, rules and regulations as well as future rules and regulations which the Department shall promulgate;
- v. Adjudicate water use conflicts; and
- vi. Perform such other related functions and activities which are necessary for the effective regulation of water-related services.

7. The Internal Audit Service shall regularly conduct a comprehensive audit of various Department activities and shall exercise the following functions:

- i. Advise the Secretary on all matters relating to management control and operations audit;
- ii. Conduct a performance audit of the management and operations of the Department, its activities, the performance of all units, and determine the degree of compliance of all operating units with established objectives, policies, standards, methods and procedures, government regulations and contractual obligations of the Department;
- iii. Review and appraise systems and procedures, organizational structure, assets management practices, accounting and other records, and performance standards such as budgets and standard costs of the Department Proper, bureaus and regional offices;
- iv. Analyze and evaluate management deficiencies and recommend realistic courses of action; and
- v. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

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

- i. Public Awareness
 - a) Advise the Secretary on matters pertaining to public affairs;
 - b) Develop and supervise the implementation of comprehensible communications programs on relevant policies, programs and plans of the Department;
 - c) Produce and supervise the dissemination of communication materials in line with the priorities of the Department and national government public information programs;
 - d) Conduct public opinion and attitude surveys to identify the interests and concerns of the stakeholders of the Department;
 - e) Establish policies on the presentation and publication of the content of the communication materials for dissemination to print and broadcast media;

- 1 f) Establish and maintain linkages with the tri-media and a presence in
2 social media;
- 3 g) Coordinate the conduct of interviews and news conferences;
- 4 h) Make public announcements on matters relating to the work and
5 activities of the Department through the print and broadcast media,
6 either through press releases or live interviews;
- 7 i) Coordinate with various Department units, concerned government
8 agencies, trimedia and other stakeholders on matters related to the
9 above-enumerated functions; and
- 10 j) Coordinate with the appropriate national government agencies
11 involved in public information affairs.
12
- 13 ii. Promote Participation
- 14 a) Conduct public consultations and discussions;
- 15 b) Develop and disseminate relevant and appropriate materials and
16 programs for public information and education, as well as advocacy
17 campaign;
- 18 c) Conduct seminars and workshops involving the LGUs and the general
19 public on current water issues and problems; and
- 20 d) Conduct capability building seminars of various stakeholders to
21 promote meaningful participation in the Department's policy making,
22 planning, development and implementation of various programs and
23 projects.
24
- 25 iii. Special Events
- 26 a) Coordinate the organization and promotion of special events and
27 water exhibits;
- 28 b) Act as the focal office for all water related events; and
- 29 c) Perform such functions and activities, as may be mandated by law,
30 which are necessary for the effective performance of the
31 abovementioned objectives.
32
- 33 (f) Bureaus. – The Department shall create bureaus which shall each be
34 headed by a Bureau Director. The Bureau Director shall be responsible for
35 the efficient and effective discharge of the functions of the Bureau
36 concerned. The Bureau Director shall be assisted by one (1) Assistant
37 Director.
38
- 39 1) Bureau of Flood Control and Drainage shall plan and design
40 flood control and drainage structures and facilities in
41 accordance with technical standards, guidelines and manuals.
42 For this purpose, it shall have the following duties and
43 responsibilities:
- 44 i. Formulate policy, strategies and programs on flood risk
45 management in the context of integrated flood management
46 (IFM) which integrates water, land, coastal zone and multi-
47 hazard management. In integrating land use planning and water
48 management, the Department shall harmonize and synthesize
49 plans to enable the sharing of information between land-use
50 planning and water management authorities. In this regard, a
51 holistic approach shall be adopted by making the IFM a part of
52 a wider risk or multi-hazard management system that includes

1 earthquakes, landslides, fires, tsunami, and other calamities of
2 the same gravity or nature;

- 3
- 4 ii. Integrate climate change and disaster risk reduction and
- 5 management in policies and plans;
- 6
- 7 iii. Prepare master plans of flood management and drainage in river
- 8 basins in coordination with the concerned water resources
- 9 region and river basin organizations;
- 10
- 11 iv. Prepare master plans for urban drainage in cities and
- 12 municipalities;
- 13
- 14 v. Prepare feasibility studies of recommended measures in the
- 15 master plans;
- 16
- 17 vi. Plan and design structural measures for flood control and
- 18 drainage;
- 19
- 20 vii. Implement and collaborate with concerned agencies on the
- 21 formulation and adoption of non-structural measures for flood
- 22 control and drainage;
- 23
- 24 viii. Patrol and investigate rivers, and monitor stream flows;
- 25
- 26 ix. Conduct post-disaster investigation and evaluation and damage
- 27 assessment of flood infrastructures after extreme events;
- 28
- 29 x. Conduct research and development on water and sediment-
- 30 related disasters;
- 31
- 32 xi. Develop design guidelines, criteria, and standards on flood
- 33 control and drainage structures;
- 34
- 35 xii. Provide technical assistance to other agencies, LGUs, and other
- 36 stakeholders;
- 37
- 38 xiii. Advise the Secretary on declaring flood control areas and
- 39 recommend guidelines for flood plain management plans in
- 40 these areas; and
- 41 xiv. Perform such related activities which are necessary for the
- 42 effective performance of its functions.
- 43

44 2) Bureau of Water Quality Management shall supervise and
45 exercise control over all aspects of water quality management to
46 ensure the sustainability of the country's water resources and
47 the protection of the environment. It should take into account
48 proper and integrated treatment of freshwater and wastewater
49 within the whole process. For this purpose, the Bureau shall
50 exercise the following functions:

- 51
- 52 i. Establish water quality guidelines for freshwater and coastal or
- 53 marine waters as basis for classifying water bodies in the country.

- Specifically, develop water quality indices or composite metrics to measure the quality status and health of natural water bodies in relation to ecological integrity and function;
- ii. Establish effluent standards for point discharges to receiving bodies of water;
 - iii. Establish internationally accepted procedures for sampling and analysis;
 - iv. Prepare an integrated water quality management framework;
 - v. Prepare the ten-year water quality management plans for each water quality management area as part of the River Basin Master Plans and in support of the NWRMP;
 - vi. Classify groundwater sources and prepare a national groundwater vulnerability map;
 - vii. Classify or reclassify all water bodies according to their beneficial usages using the established water quality guidelines established;
 - viii. Issue permits, clearances, and similar instruments pursuant to the Clean Water Act of 2004;
 - ix. Collect the wastewater discharge fees for all permittees;
 - x. Monitor the compliance of water discharge permittees with the effluent standards;
 - xi. Regularly monitor the water quality of major water bodies in the country and analyze the data to identify possible sources of pollution;
 - xii. Issue notices of violations and/or cease and desist orders for those found in violation;
 - xiii. File the needed cases against violators with the Water Pollution Adjudication Board (WPAB);
 - xiv. Serve as secretariat of the WPAB; and
 - xv. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.
- 3) A Water Resources Regional Office (WRRO) shall be organized per water resources region and shall be responsible for implementing the mandates, powers and duties of the Department at the field level, except for policymaking which will be vested solely in the Department. The formulation of the master plan for the nearby river basins such as the Pasig-

1 Marikina-Laguna Lake-Cavite, shall be the responsibility of the
2 Department. Each WRRO shall perform the following duties and
3 responsibilities:

- 4
- 5 i. Formulate or update and coordinate the river basin master
6 plans for river basins within its jurisdictions ensuring
7 consistency with the National Water Resources Management
8 Framework Plan;
 - 9
 - 10 ii. Advocate and strongly support the creation and functioning of
11 multi-stakeholder river basin organizations (RBOs) and serve
12 as the secretariat of the said RBOs;
 - 13
 - 14 iii. Undertake and evaluate the planning, design, and work
15 supervision functions of the Department for the water
16 infrastructures within the region;
 - 17
 - 18 iv. Ensure the implementation of laws, policies, programs, rules
19 and regulations regarding the abovementioned infrastructure
20 as well as public and private physical structures;
 - 21
 - 22 v. Provide technical assistance related to the water-related
23 functions of other agencies within the region especially the
24 local government;
 - 25
 - 26 vi. Coordinate with other departments, agencies, institutions and
27 organizations, especially local government units within the
28 region in the planning and implementation of the river basin
29 master plans;
 - 30
 - 31 vii. Conduct consultations with the local communities, take
32 appropriate measures to ensure that the services of the
33 Department are responsive, and recommend such
34 appropriate actions as may be necessary; and
 - 35 viii. Perform such functions and activities, as may be mandated by
36 law, which are necessary for the effective performance of the
37 abovementioned objectives.
 - 38

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

43

44 Each Water Resources Regional Office shall be headed by a Water
45 Resources Regional Director who shall be responsible for efficiently and
46 effectively carrying out the duties and responsibilities of the Office. Towards this
47 end, the Water Resources Regional Director shall exercise functional and
48 administrative supervision over all units within the region and is authorized to
49 commit resources and assign personnel to integrated regional water resources
50 management, water supply and sanitation management, and flood control and
51 flood risk management initiatives. The Water Resources Regional Director shall
52 also perform such other related duties and responsibilities as may be assigned
53 or delegated by the Secretary or as may be required by law.

1
2 The Water Resources Regional Director shall be assisted by two (2)
3 Assistant Water Resources Regional Office Directors who shall exercise
4 supervision over (1) the planning, project design and evaluation function and (2)
5 technical assistance to the River Basin Organizations within the water resources
6 region.

7
8 **SEC. 14. *Water Pollution Adjudication Board.*** – There is hereby created
9 a Water Pollution Adjudication Board under the Office of the Secretary. The
10 Board shall be composed of the Secretary as Chairperson, two (2)
11 Undersecretaries as may be designated by the Secretary, the Director of Water
12 Quality Management Bureau, and three (3) other representatives from other
13 stakeholders to be designated by the Secretary as members.

14
15 The Board shall assume the powers and functions of the National Pollution
16 Control
17 Commission with respect to the adjudication of water pollution cases under
18 Republic Act No. 3931 entitled, An Act Creating The National Water And Air
19 Pollution Control Commission, Presidential Decree 984 entitled, Providing For
20 The Revision Of Republic Act No. 3931, Commonly Known as the Pollution
21 Control Law, And For Other Purposes, particularly with respect to Section 6
22 letters e, f, g, j, k and Republic Act No. 9275. The Bureau of Water Quality
23 Management shall serve as the Secretariat of the Board. These powers and
24 functions may be delegated to the field officers of the Department in accordance
25 with rules and regulations to be promulgated by the Board.

26 27 **CHAPTER III**

28 29 **INTERDEPARTMENTAL RELATIONS AND INSTITUTIONAL** 30 **ARRANGEMENTS OF THE DEPARTMENT**

31
32 **SEC. 15. *Interface and Institutional Arrangements with Other***
33 ***Agencies.*** –

- 34
35 (a) The Department of Health (DOH) shall continue to have primary authority
36 and responsibility for setting and enforcing drinking water quality
37 standards. The Department shall coordinate with the DOH in this aspect,
38 and shall ensure consistency of standards and targets, as well as the
39 compliance of permittees with mandated standards;
40
41 (b) The Department of Environment and Natural Resources (DENR) shall
42 continue to have primary authority and responsibility for protecting the
43 environment and managing the country's watersheds;
44
45 (c) The Department of Energy (DOE) and the National Power Corporation
46 (NPC) shall continue to have primary authority and responsibility for
47 establishing and operating hydropower plants, but shall ensure that
48 hydropower plant development plans are consistent with the National
49 Water Development and Management Plan;
50
51 (d) The Department shall coordinate with the DA to ensure agricultural
52 development that reduces long-term pollution for surface water and
53 groundwater, and agricultural and industrial economic development that

employs water efficiency, water recycling or reuse, and the appropriate treatment of wastewater;

- (e) The Department shall coordinate with the National Disaster Risk Reduction Management Council (NDRRMC) to ensure that its plans and designs for flood control, flood risk management and drought risk management are aligned with the objectives and plans of the Department;
- (f) The Department shall coordinate with Climate Change Commission (CCC), Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), and National Mapping and Resource Information Authority (NAMRIA) for scientific studies, integrated surveys, mapping, charting, and decision support systems ;
- (g) The Department shall coordinate with the Department of Tourism (DOT) on recreational use of water resources;
- (h) The Department shall coordinate with the Philippine Reclamation Authority and economic zone authorities on water resources development and water requirements within reclamation areas and economic zones, respectively; and
- (i) The Department shall coordinate with relevant government agencies, including local government units (LGUs), with respect to development projects and shall ensure cross-cutting collaboration between and among all water subsectors and facilitate inter-agency subsector coordination, strategic development, planning, monitoring and provision of technical, institutional and financial capacity building support to their different stakeholders at the water subsector level.

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

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

- (a) Approve the NWRMP which shall serve as a principal guide to water management efforts in the country and shall be reviewed every five (5)-years interval, or as may be deemed necessary, in order to ensure its relevance to the times;
- (b) Provide overall policy direction and recommend policies on water resources requiring Presidential decision;

- 1 (c) Advise the President on the status of water management and supply,
2 recommend to the President the declaration of a state calamity in areas
3 affected by water supply, and submit proposals to restore normalcy in the
4 affected areas;
5
6 (d) Ensure a multi-stakeholder participation in the development, updating, and
7 sharing of information system as policy, planning and decision-making
8 tools consistent with IWRM.
9

10 **SEC.18. *Transfer of Rights and Obligations.*** – The Department shall, by
11 virtue of this Act, be subrogated to all the rights and assume all the obligations of
12 the government agencies and units whose powers and functions have been
13 subsumed, absorbed, transferred or attached to the Department in accordance
14 with the rules and regulations of the Commission on Audit, and the Civil Service
15 Commission, and other applicable laws. The transfer of powers and functions as
16 herein provided shall take effect within six (6) months of the effectivity of this Act.
17 As such, all affected agencies, offices, units shall continue to function under their
18 present mandates.
19

20 CHAPTER IV

21 WATER REGULATORY COMMISSION

22
23
24 **SEC.19. *Water Regulatory Commission.*** – There is hereby created and
25 established as an independent, quasi-judicial regulatory body to be known as the
26 Water Regulatory Commission, hereinafter referred to as the Commission, which
27 shall be organized within one hundred twenty (120) days after the effectivity of
28 this Act.
29

30 The Commission shall be placed under the administrative supervision of
31 the Department as an attached agency.
32

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

35 **SEC. 20. *The Regulatory Units.*** – The regulatory units of the
36 Commission shall be composed of the central regulatory unit and the regional
37 regulatory units.
38

39 The economic regulatory units and functions of the MWSS, NWRB,
40 LWUA, SBMA, PEZA, and TIEZA are hereby transferred to the Commission,
41 and shall collectively comprise its central regulatory unit for water supply and
42 sanitation services that: (a) provide services to more than one province; and (b)
43 are owned, operated and/or maintained by special economic zones and Metro
44 Manila concessionaires.
45

46 The regional regulatory units shall be established by the Commission in
47 accordance with this Act and the rules, regulations, guidelines, and standards
48 that the Commission shall issue.
49

50 **SEC. 21. *Powers and Functions of the Commission.*** – The overall
51 authority and powers of the Commission shall cover and apply to all service
52 providers, whether private or public, providing or intending to provide levels II &
53 III water supply, including suppliers to subdivisions and /or other service

1 providers, sewerage, and/or septage treatment and disposal services for
2 domestic, residential, institutional, industrial or commercial use.

3
4 The Commission shall exercise the following powers and functions:

- 5
- 6 (a) Issue and promulgate rules, regulations and guidelines as may be necessary
7 to implement and enforce its powers and functions under this Act;
 - 8 (b) Promulgate and enforce just and reasonable technical standards,
9 classifications and measurements of service;
 - 10 (c) Establish rules and regulations to monitor, avoid, and provide remedies for
11 any market power abuse or anti-competitive or discriminatory act or behavior
12 by or against any participant in the water supply and sanitation sector. Upon
13 finding that a market participant has engaged in, or has fallen victim to such
14 act or behavior, the Commission shall act to stop or redress the same. Such
15 remedies may, without limitation, include the imposition of price controls,
16 issuance of injunctions, requirement of divestment or disgorgement of excess
17 profits, invalidation of contracts and imposition of fines and penalties pursuant
18 to this Act.
 - 19 (d) Adopt and require that books, records, and accounts be kept and maintained
20 in accordance with the prescribed uniform accounting system;
 - 21 (e) Fix and determine proper and adequate rates of depreciation of properties and
22 equipment used in water supply and sanitation services;
 - 23 (f) Impose and collect annual levies determined as a percentage of gross
24 revenue accruing in relation to the licensed activities, and reasonable fees and
25 surcharges as may be necessary for achieving the purposes, powers and
26 functions of the Commission;
 - 27 (g) Require the submission reports of finances and operations, verified under
28 oaths by the owner or president and secretary of the board of the licensee;
 - 29 (h) Determine and require the monitoring and submission of such data, statistics
30 and other information from the regulatory units and any or all licensees as may
31 be necessary for the effective and efficient exercise of its duties, functions,
32 powers and responsibilities;
 - 33 (i) Investigate, motu proprio or upon a written complaint, any matter
34 concerning the operation of the service and issues on price manipulation and
35 anti-competitive behavior;
 - 36 (j) Impose penalties and fines against any licensee or against its owners,
37 directors, officers, agents or representatives for any violation of this Act or of
38 the license, order, rule regulation or requirement issued by the Commission;
 - 39 (k) Require any licensee to pay the actual expenses incurred by the Commission
40 in any investigation if it shall be found that a licensee violated any provision of
41 this Act or of the license, order, rule regulation or requirement issued by the
42 Commission;
 - 43 (l) Advise, apprise and coordinate with other relevant agencies of the national or
44 local government on any matter relating to water supply and sanitation
45 services;
 - 46 (m) Deputize agents, whether from the public or private sector, to assist in the
47 performance of any of the powers and functions of the Commission;
 - 48 (n) Appoint an interim or temporary management committee upon appeal and
49 after due hearing, to ensure continuity of service in case a licensee fails to
50 meet conditions of the license and the concerned Regulatory Unit fails or
51 refuses to appoint an interim management committee as provided in the
52 following section.

- (o) Appoint, hire and maintain adequate staff and personnel, advisers, or consultants, with suitable qualifications and experience, as necessary;
- (p) Exercise original and exclusive jurisdiction over all cases contesting rates, fees, fines and penalties imposed by the regulatory units in the exercise of their powers, functions and responsibilities, as provided under this Act, and over all cases involving disputes between and among participants or stakeholders in the water supply and sanitation services; and
- (q) such other incidental powers and functions as may be necessary to attain the objectives of this Act.

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

- (a) Issue licenses authorizing the operation of water supply and sanitation services in any specified area or areas within the Philippines;
- (b) Impose fines, charges and other penalties upon any provider and/or its officers and stockholders who shall fail or refuse to register or obtain a license prior to operation or commencement of business, as provided hereunder;
- (c) Review, determine, fix, and approve, consistent with the rules, guidelines, procedures and methodologies which the Commission shall provide, proposed water and sewerage and septage management tariffs, rates and charges that licensees may impose upon their consumers;
- (d) Appraise and value property and equipment used by licensees in providing water supply and sanitation services;
- (e) Enforce technical, financial, and other performance standards set by the Commission for licensees or utilities;
- (f) Respond to consumer complaints and ensure the adequate promotion of consumer interests and investigate motu proprio price manipulation and anti-competitive behavior;
- (g) Investigate accidents directly or indirectly arising from or connected with the maintenance or operation of the service, and make such order or recommendation as the public interest may warrant;
- (h) Require the review and/or approval of contracts or agreements that may impact on the tariff and rates of service provision entered into by service providers upon petition or motu proprio where in its determination public interest so dictates;
- (i) Require the submission of reports, plans, and other documents that define the performance targets of the licensees or utilities, and regular accomplishment reports;
- (j) Impose and collect annual levies determined as a percentage of gross revenue accruing in relation to the licensed activities, and reasonable fees and surcharges as may be necessary for achieving the purposes, powers, and functions of the regulator;
- (k) Conduct benchmarking and monitor the performance of licensees or utilities under their jurisdiction, and publish reports detailing the results thereof, as may be necessary or required by the Commission;
- (l) Amend, modify, suspend, or revoke any license issued by them, after due notice and hearing, on any of the following grounds:
 - (1) when the facts and circumstances on the strength of which the license was issued have been materially misrepresented or have materially changed;

- (2) where the licensee has failed to meet or comply with terms, conditions, and performance targets, including but not limited to service expansion, that may have been set in the license;
- (3) where the licensee is found to be manifestly inefficient in the operation of or provision of water supply and sanitation services in its area; or
- (4) when the licensee thereof has violated or willfully refused to comply with any order, rule or regulation of the Commission or any provision of this Act;

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

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

SEC. 23. Composition of the Water Regulatory Commission. –

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

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

(c) The Commission shall meet as often as may be necessary on such day or days as the Chairperson may fix. The presence of at least three (3) members of the Commission shall constitute a quorum, which shall be necessary for the transaction of any business. The affirmative vote of majority of the members of the Commission where a quorum is present shall be necessary for the adoption of any order, resolution, decisions, or other act of the Commission in the exercise of its quasi-judicial functions: Provided, That in promulgating rules, regulations,

1 guidelines and in exercising its quasi-legislative functions, an
2 affirmative vote of three (3) members shall be required.

- 3
- 4 (d) The Chairperson of the Commission shall exercise general executive
5 control and supervision over the Commission and its members, staff and
6 personnel, agents and representatives. Within three (3) months from the
7 creation of the Commission and the appointment of all Members of the
8 Commission, the Chairperson shall determine and establish the
9 organizational structure and plantilla positions necessary to carry out the
10 powers and functions of the Commission, including those of the central
11 and provincial regulatory units subject to the review and approval of the
12 DBM.

13

14 The plantilla positions of the Commission shall be filled by regular
15 appointments in accordance with Civil Service laws, rules, and
16 regulations. Members of the Commission shall enjoy security of tenure
17 and shall not be suspended or removed from office except for just cause
18 as specified by law.

- 19
- 20 (e) The Chairperson and members of the Commission or any of their
21 relatives within the fourth civil degree of consanguinity or affinity,
22 legitimate or common law, shall be prohibited from holding any interest
23 whatsoever, either as investor, stockholder, officer or director, in any
24 company or entity engaged in provision of water supply and distribution,
25 septage management and sewerage services and must, therefore, divest
26 through sale or legal disposition of any and all interests in the water
27 sector upon assumption to office.

28

29 **SEC. 24. Secretariat of the Commission.** – The Commission shall
30 establish a Secretariat which shall provide the Commission with technical and
31 support services including the following:

- 32
- 33 (a) Provide the necessary technical inputs and secretariat support to the
34 Commission to facilitate the conduct of its functions;
35 (b) Coordinate with Regulatory Units to ensure proper implementation of the
36 rules, regulations and guidelines promulgated by the Commission;
37 (c) Monitor and assess activities of the Regulatory Units vis-à-vis their
38 respective annual performance plans and targets;
39 (d) Maintain a database on the water supply and sanitation subsector; and
40 (e) Coordinate with other relevant agencies of the national or local
41 government on any matter relating to water supply and sanitation.

42

43 **SEC. 25. Executive Director.** – The Commission shall appoint an
44 Executive Director who shall head the Commission Secretariat, keep and
45 maintain the official records of the Commission, render a report on the
46 proceedings of the Commission, and administer oaths in all matters falling within
47 the jurisdiction of the Commission.

48

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

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

CHAPTER V

REGISTRATION AND LICENSING

SEC. 27. *Registration and Licensing of All Water Supply and Sanitation Services.* – All water supply and sanitation service providers, including bulk water suppliers and those providing services to subdivisions and other service providers, shall register with the Commission and, subject to such rules, guidelines, procedures and other issuances of the Commission, obtain a license to operate from the appropriate regulatory units.

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

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

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

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

- (a) Tariffs, rates and charges that may be imposed from its customers or consumers;
- (b) Term fixing the duration of the privilege;
- (c) Grounds for modification, suspension or cancellation of the License;
- (d) Minimum technical performance and service level standards;
- (e) Expansion targets and service level improvements over time;
- (f) Restrictions or conditions for transferability of the business or controlling interest in the business;
- (g) Reportorial requirements and obligations of the grantee;
- (h) Submission to annual performance audit by the Commission or its duly authorized representative(s).

1 The Commission shall specify the requirements and procedure for
2 existing holders of a Certificate of Public Convenience (CPC), Certificates of
3 Public Convenience and Necessity (CPCN) issued by NWRB, or Certificate of
4 Conformance (CoC) issued by LWUA, to convert their existing certificates into
5 licenses to operate in accordance with Sec. 27 herein.
6

7 All existing providers of water supply and sanitation services without a
8 legal and valid Certificate of Public Convenience, Certificate of Public
9 Convenience and Necessity, or Certificate of Conformance shall register with
10 the Commission and apply for a license within six (6) months from the effectivity
11 of this Act.
12

13 **SEC. 29. *Rights and Duties of Licensees.* –**
14

15 (a) Any person granted a license under this Act shall have the obligation to
16 ensure that licensed activities are conducted to further public interest and,
17 in particular:
18

- 19 (1) Foster the maintenance and development of efficient, coordinated, and
20 viable operation of their licensed activities;
21 (2) Ensure that their water supply and sanitation services are provided in
22 a diligent, conscientious and workman like manner, in accordance with
23 applicable laws rules and regulations issued by the Commission and
24 the generally accepted standards and practices of the water supply
25 and sanitation industry; and
26 (3) Comply with drinking water quality requirements and standards that
27 may be established by the Commission.
28

29 (b) Any person granted a license under this Act shall, to the extent allowed
30 by law and specified in the license, has the right to acquire or lease land,
31 lay or repair water or sanitation main lines and other relevant facilities in
32 public ways to fulfill the terms and conditions under the license.
33

34 (c) Subject to any condition or limitation laid down in the license, a licensee
35 may discontinue water supply and sanitation services to a customer if
36 such customer defaults in the payment of fees due to the licensee for the
37 water supplied or sanitation services provided, or for acts of pilferage
38 pursuant to Sections 8, 9, 10, and 11 of Republic Act No. 8041, otherwise
39 known as the Water Crisis Act of 1995.
40

41 (d) Any license issued under this Act shall contain provisions designed to
42 ensure that licensees:
43

- 44 (1) Publish the Tariff and other charges approved by and the terms and
45 conditions imposed by the Commission for the provision of water
46 supply and sanitation services;
47 (2) Prepare, within three (3) months from the issuance of a license, in
48 consultation with its customers, a Customer Service Code specifying
49 the manner and procedure for: (a) metering, billing, and collection of
50 the licensee's approved tariff and other charges; (b) disconnection or
51 suspension of service in case of non-payment of tariffs and/or other
52 charges, or acts of pilferage; and (c) recommendation and recovery of
arrears in tariffs and other charges;

1 (3) Maintain financial accounts in accordance with the manner and
2 procedure specified in the license and as may be required by the
3 Commission; and

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

8
9 **SEC. 30. Setting Tariffs, Rates, and Other Charges.** – Regulatory units
10 shall establish tariffs, rates and other charges which are fair and reasonable,
11 and ensure economic viability and a fair return on investments.

12
13 Tariffs, rates and charges shall be based on and consistent with a rate-
14 setting methodology that the Commission shall, after due consultation, define
15 and publish, taking into account the following, among others:

- 16 (a) Reasonable and prudent capital and recurrent costs of providing the
17 service including a reasonable rate of return on capital;
18 (b) Efficiency of the service;
19 (c) Incentives for enhancement of efficiency;
20 (d) Willingness to pay of the customers/consumers;
21 (e) Equity considerations; and
22 (f) Administrative simplicity.

23
24 Tariffs, rates, and charges set by the regulatory units shall be presumed
25 valid and reasonable unless a protest or contest is filed with the Commission.

26
27 **SEC.31. Direct Access.** - Fifty-one (51) percent of the registered water
28 consumers in a municipality, city or province may petition for direct access to
29 water from any water service provider subject to concurrence by the service
30 provider and approval by the Commission. The Commission shall promulgate
31 rules and procedures for this mode of service.

32
33 **SEC. 32. Innovative Schemes to Improve Efficiency and**
34 **Management of Systems.** – The Commission shall promote innovative
35 schemes such as the consolidation or integration of water supply and sanitation
36 services, or providers in the same service area, where it shall result in improved
37 efficiency, service expansion and lower costs.

38
39 To this end, the Commission shall establish and issue such rules and
40 guidelines as may be necessary to (a) create incentives to encourage efficiency
41 and service expansion; (b) establish the standards and targets that service
42 providers are required to meet; and (c) define the fines and penalties that shall
43 be imposed for failure to meet such standards and targets.

44 45 CHAPTER VI

46 47 QUASI-JUDICIAL FUNCTIONS OF THE COMMISSION

48
49 **SEC. 33. Proceedings Before the Commission.** – For the purpose of
50 any investigation, inquiry or proceeding, the Commission shall:

- 51
52 (a) Issue subpoena duces tecum and subpoena ad testificandum;

- 1 (b) Appoint hearing officers to hear and receive evidence on behalf of the
2 Commission;
3 (c) Cite any person or party for contempt for refusal to appear, testify, or
4 comply with an order of the Commission on any matter that is the
5 subject of investigation, inquiry or proceeding before the Commission.
6

7 **SEC. 34. Orders and Decisions of the Commission.** – Any order,
8 resolution, or decisions of the Commission shall be promulgated promptly,
9 expeditiously, reasonably, and in writing, and shall state clearly and distinctly
10 the facts and law on which it is based.
11

12 The Commission shall publish and make available for public inspection,
13 all decisions and final orders in the adjudication of contested cases or
14 applications.
15

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

- 17 (a) The orders, rulings, and decisions of the Commission are final and
18 executory unless appealed to the Court of Appeals within fifteen (15)
19 days from receipt of notice of such order, ruling or decision: Provided,
20 That orders, rulings, and decisions of the Commission approving
21 tariffs, shall be immediately executory and may be suspended only
22 upon appeal and filing of a bond, in an amount to be fixed by the
23 Commission, to answer for damages occasioned by the suspension or
24 stay of execution of such orders, rulings, and decisions.
25
26 (b) No injunction may be issued by any court or administrative agency to
27 restrain any proceeding before, or the implementation or execution of
28 any order, ruling, or decision of the Commission, except on the basis
29 of a question of law brought before the Supreme Court on certiorari.
30
31 (c) Any act or decision of the Commission shall not be invalidated merely
32 because of a defect or irregularity in, or in connection with, the
33 appointment or vacancy in the Office of the Chairperson or any other
34 member of the Commission.
35

36 **CHAPTER VII**

37
38 **INTERDEPARTMENTAL RELATIONS OF THE COMMISSION**
39

40 **SEC. 36. Interface with Other Sector Regulators.** –
41

- 42 (a) The DENR shall continue to exercise primary jurisdiction over
43 programs aimed at protecting the environment and the quality of water
44 sources from waste and pollution, and shall promulgate rules,
45 regulations, and standards in this regard. The Department of Health
46 (DOH) shall continue to exercise primary jurisdiction over the
47 determination and enforcement of standards for quality drinking water
48 and sanitation.
49
50 (b) The Commission shall coordinate with the:
51 (1) DOH to ensure that the standards and targets for quality drinking
52 water and sanitation are consistently complied with;

- 1 (2) LGUs for development projects relating to water supply and
2 sanitation; and
3 (3) Department of Public Works and Highways for flood control and
4 harnessing and impounding of water.
5

6 **SEC. 37. *Transfer of Rights and Obligations.*** – The Commission shall,
7 by virtue of this Act, be subrogated to all the rights, and assume all the
8 obligations, of the Water Utilities Division of the NWRB, the regulatory offices of
9 MWSS and LWUA, the regulatory units of all special economic zones, and all
10 other government agencies and units whose powers and functions have been
11 transferred to the Commission.
12

13 The transfer of powers and functions to the Department of the concerned
14 agencies as herein provided for, shall be deemed completed within six (6)
15 months after the effectivity of this Act. The transfer of powers and functions shall
16 include all applicable funds, personnel, records, property and equipment, as
17 may be necessary. The same shall apply to agencies which have been attached
18 to the Department by virtue of this Act.
19

20 All agencies transferred, subsumed and attached to the Department, shall
21 continue to function under their present mandates until the six-month transition
22 period mandated under this Act shall have lapsed. The heads of the affected
23 agencies shall continue to serve until replaced.
24

25 All rights and obligations of the affected agencies are hereby transferred
26 to and assumed by the Commission, and shall be acted upon in accordance with
27 the rules and regulations of the Commission on Audit and other pertinent laws,
28 rules, and regulations.
29

30 **SEC. 38. *Absorption or Separation from Service of Employees of the***
31 ***Subrogated Agencies.*** –
32

33 The current employees of the Water Utilities Division of the NWRB, the
34 regulatory offices of MWSS and LWUA, the regulatory units of all special
35 economic zones, and all other government agencies and units whose powers
36 and functions have been transferred to the Commission shall enjoy security of
37 tenure, and shall be absorbed by the Department, in accordance with their
38 staffing pattern and the selection process as prescribed under Republic Act No.
39 6656 or the Government Reorganization Law.
40

41 Employees opting to be separated from the service as a consequence of
42 the consolidation, and reconstitution under the provisions of this Act shall, within
43 one (1) month from their separation or phase out from the service, receive
44 separation benefits in accordance with existing laws, and those who are
45 qualified to retire shall be allowed to retire and be entitled to all benefits under
46 existing retirement laws.
47

48 **SEC. 39. *Water Trust Fund.*** – There is hereby created a Water Trust
49 Fund in the Bureau of Treasury. All non-tax revenues, including raw water
50 pricing, permit fees, registration fees, supervision and regulation enforcement
51 fees, filing fees, testing fees, and other service income from the use of water
52 resources shall be remitted to the Water Trust Fund. The trust fund shall be
53 accounted separately from the government's general revenues and shall be

1 automatically appropriated to the Department. Proceeds from the trust fund
2 shall be utilized for water development, water sanitation and waste water
3 treatment and management, and water sustainability programs and projects
4 authorized under this Act: Provided, That a maximum of ten percent (10%) of
5 the total income generated from raw water extraction shall be given as share of
6 the concerned local government unit or indigenous peoples (IP) community who
7 own the specific areas or land where the raw water was sourced.

8
9 **CHAPTER VIII**

10
11 **FINAL PROVISIONS**

12
13 **Sec. 40. *Applicability of Ease of Doing Business Law.*** – The
14 prescribed processing time provided under Section 9 (b) of Republic Act No.
15 11032, otherwise known as the Ease of Doing Business and Efficient
16 Government Service Delivery Act of 2018, shall be applicable to all agencies
17 and LGUs covered under this Act particularly on accessing government
18 services.

19
20 **Sec. 41. *Transitory Provisions.*** – Performance audit of all water-related
21 agencies and institutions, including LWUA and water districts, MWSS, MWSS-
22 RO and its concessionaires, LGU-run utilities, Tourism Infrastructure and
23 Enterprise Zone Authority, Philippine Economic Zone Authority, Bases
24 Conversion and Development Authority, Subic Bay Metropolitan Authority,
25 DILG, and NIA, shall be conducted by the Department.

26
27 **SEC. 42. *Appropriations*** – The amount necessary to cover the initial
28 implementation of this Act shall be charged against the current year's
29 appropriations of the agencies and offices transferred and subsumed by the
30 Department and the Commission in the General Appropriations Act. Thereafter,
31 such sums as may be necessary for the continued implementation of the Act
32 shall be included in the annual GAA.

33
34 **SEC. 43. *Implementing Rules and Regulations.*** – Within one hundred
35 eighty (180) days from the effectivity of this Act, the Department, NEDA, DBM,
36 DENR, CSC, in consultation with concerned government agencies, the
37 Presidential Legislative Liaison Office shall promulgate rules and regulations for
38 the effective implementation of this Act.

39
40 **SEC. 44. *Separability Clause.*** – If any reason, any portion or provision
41 of this Act shall be held unconstitutional or invalid, the remaining provisions
42 not affected thereby shall continue to be in full force and effect.

43
44 **SEC. 45. *Repealing Clause.*** –

45
46 (a) The following provisions are hereby repealed:

47
48 1) Section 3 (h) and Section 12 on the provision with respect to
49 fixing of water rates and sanitation service fees, Section 3 (n) on the provision
50 with respect to regulation of waterworks and deep wells, and Section 3 (p) on
51 the provision with respect to regulation of waterworks and sanitation systems
52 in privately owned subdivisions of Republic Act 6234 entitled, An Act Creating
53 The Metropolitan Waterworks And Sewerage System And Dissolving The

1 National Waterworks And Sewerage Authority, And For Other Purposes, as
2 amended.

3
4 2) Title III on Local Water Utilities Administration Law of Presidential
5 Decree No. 198 otherwise known as the Provincial Water Utilities Act of 1973,
6 as amended by Letter of Instruction No. 700 - Providing Measures To Control
7 And Regulate Increase In Water Rates, Letter of Instruction No. 744 - Relative
8 To Reliable Water Supply At Reasonable Rates In The Countryside on the,
9 Executive Order No. 124, 30 January 1987 - Reorganization Act of the
10 Ministry of Public Works and Highways, Executive Order No. 123, 30 January
11 1987 - Reorganization Act of Ministry of Social Services and Development.

12
13 3) Republic Act No. 3601 as amended by Presidential Decree No.
14 552 and Presidential Decree No. 1702 pertaining to the creation of the
15 National Irrigation Administration;

16
17 4) Section 1 of Executive Order No. 124-A S. 1987 Amending Executive
18 Order No. 124, dated 30 January 1987, Reorganizing the Department of
19 Public Works and Highways, Redefining Its Powers and Functions, and For
20 Other Purposes on renaming and reorganizing the National Water Resources
21 Council into the National Water Resources Board.

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

23
24 1) Section 3 paragraph 3 Commonwealth Act No. 146, as amended,
25 otherwise known as the Public Service Act pertaining to all cases involving
26 the fixing of rates;

27
28 2) Section 154, Article V, Chapter I, Title One, Book II of Republic
29 Act No. 7160, as amended, otherwise known as the "Local Government Code
30 of 1991", and its implementing rules and regulations on the power of the local
31 government units to fix the rates of water utilities owned, operated and
32 maintained by them within their jurisdiction is hereby repealed or modified
33 accordingly;

34
35 3) Section 13 (b) on the regulation of enterprises within the
36 Economic Zone under Republic Act No. 7916 as amended, otherwise known
37 as "The Special Economic Zone Act of 1995";

38
39 4) Section 69 of Republic Act No. 9593 otherwise known as "The
40 Tourism Act of 2009" and its implementing rules and regulations which
41 mandate the Tourism Infrastructure and Enterprise Zone Authority to grant
42 franchises, supervise the operation of public utilities, and register, monitor and
43 regulate enterprises within Tourism Enterprise Zones, are hereby repealed or
44 modified accordingly;

45
46 5) Sections 7 and 8 on the adjudication of water pollution cases
47 under Republic Act No. 3931 entitled, An Act Creating The National Water
48 And Air Pollution Control Commission, particularly with respect to Section 6
49 letters e, f, g, j, k Presidential Decree 984 entitled, Providing for the Revision
50 of Republic Act No. 3931, Commonly Known as the Pollution Control Law,
51 and For Other Purposes;

1 6) Sections 4(1) and 7 of Republic Act No. 9275, otherwise known
2 as the “Philippine Clean Water Act of 2004”;

3
4 7) Articles 3(d) and 79 of Presidential Decree No. 1067, otherwise
5 known as The Water Code of the Philippines;

6
7 8) Sections 9, 10, 11, 12 and 13, Chapter II of Presidential Decree
8 No. 856, otherwise known as the “Code on Sanitation of the Philippines”; and

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

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

17
18 **SEC. 46. Effectivity.** – This Act shall take effect fifteen (15) days after
19 its publication in the Official Gazette or in a newspaper of general circulation.

20
21 Approved,