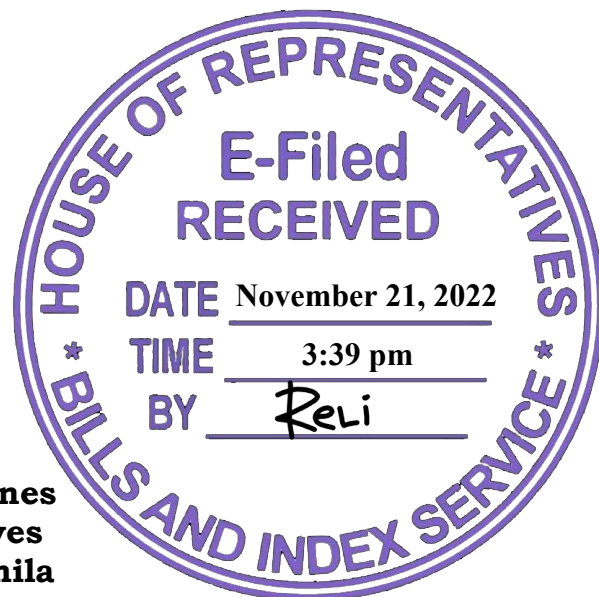




**Republic of the Philippines
House of Representatives
Quezon City, Metro Manila**

**Nineteenth Congress
First Regular Session**

HOUSE BILL NO. 6266



Introduced by Representative Rudys Caesar G. Fariñas I

EXPLANATORY NOTE

Water access is a fundamental human right. However, all water is the property of the State, which will control how it is developed and used.

This bill creates the Department of Water Resources, which is mandated to ensure the best possible use of water resources for domestic and municipal water supply, sanitation, irrigation, hydropower, industry, navigation, flood management, and recreation. Among other salient parts, the Department shall be the primary agency responsible for comprehensive and integrated identification and mapping of all water resources, planning, policy formulation, and management of ownership, appropriation, utilization, exploitation, development, and protection of water resources in the Philippines.

Likewise, the Department will also be the primary organization in charge of developing plans and policies to ensure that every Filipino has access to safe, sufficient, affordable, and sustainable water and better sanitation services.

The Department will perform the duties and exercise the authority formerly held by the Pasig River Rehabilitation Commission. This measure will streamline the processes that balance utilization and conservation of our precious water resources.

Hence, the passage of this measure is sought.



RUDYS CAESAR G. FARIÑAS I



**Republic of the Philippines
House of Representatives
Quezon City, Metro Manila**

**Nineteenth Congress
First Regular Session**

HOUSE BILL NO. 6266

Introduced by Representative Rudys Caesar G. Fariñas I

**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**

*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.

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

9
10 SEC. 3. *Definition of Terms.* – As used in this Act:

- 11 (a) *Bulk water supplier* refers to any entity, natural or juridical, whether
12 public or private, supplying or intending to supply large quantities of raw
13 or treated water to buyers who will use these for their own consumption,
14 such as industrial companies, or for retail distribution to consumers such
15 as water service providers or real estate developers managing their own
16 distribution network.
- 17 (b) *Environmental services* refer to qualitative functions of natural non-
18 produced assets of land, water, and air, including related ecosystems, and
19 their biota, and which may be categorized into three basic types: (a)
20 disposal services which reflect the functions of the natural environment as
21 an absorptive sink for residuals; (b) productive services which reflect the
22 economic functions of providing natural resource inputs and space for
23 production and consumption, and (c) consumer or consumption services
24 which provide for physiological as well as recreational and related needs
25 of human beings.
- 26 (c) *Flood Control* refers to methods, acts, and protocols to be observed in order
27 to prevent and reduce the detrimental and catastrophic effects of flood
28 waters which include sediment-laden or turbid flows, and hyper-
29 concentrated flows or debris flows.
- 30 (d) *Flood Risk Management (FRM)* refers to such acts of defining and
31 determining the appropriate methods, acts, and protocols aimed at
32 preventing and reducing the risk of incurring loss of both life and property
33 due to flood waters. Flood risk management consists of a cycle of
34 prevention, mitigation, adaptation, preparedness and early warning, and
35 response and recovery. The elements of FRM include: integrating land-use
36 planning and coastal zone management into water management; adopting
37 a holistic approach so that FRM is part of wider risk or multi-hazard
38 management of earthquakes, landslides, and storm surges; managing risk

1 and uncertainty as a whole so it not only mitigates hydrological
2 uncertainties but also social, economic and political uncertainties on
3 account of human behavior and the cultural dimensions of FRM.

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

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

13 (g) *Integrated Water Resource Management (IWRM)* refers to a systematic,
14 collaborative, and multi-stakeholder process which promotes the
15 coordinated development and management of water, land, and related
16 resources within geophysical boundaries to maximize the resultant
17 economic and social welfare in an equitable manner, and without
18 compromising the sustainability of vital ecosystems.

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

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

25 (2) Level II or the communal faucet system or stand posts is a system
26 composed of a water source, a reservoir, a piped distribution network,
27 and communal faucets where one faucet serves 4 to 6 households and
28 is generally suitable for rural and urban fringe areas where houses are
29 clustered densely to justify a simple piped system.

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

33 (i) *License* refers to the Water Supply or Sanitation Services Operating
34 License that the Water Regulatory Commission is authorized to grant and
35 issue to service providers.

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

- (k) *Missionary Water Services* refer to water supply or services to areas that have no existing safe water supply and services due to geographic limitation or absence of economic and market viability.
- (l) *National Water Resources Management Plan (NWRMP)* refers to a policy document that contains a framework to guide the development and management of all the water resources in the Philippines, the general strategies and work to be pursued to ensure the sustainability of the resource towards water security, and top-level direction on the utilization of existing water resources in line with national development plans, policies, and programs in accordance with the IWRM framework. The NWRMP shall also include a water infrastructure development program or all waters of the country as well as provide general guidance on how this shall be supported within an integrated financing framework that can draw from public, private, and international development funding sources.
- (m) *Net Waste Load* refers to the difference of the initial waste load of the abstracted water and the waste load of the final effluent discharge of an industry
- (n) *Regulatory Units* refer to the offices established under Section 20 of this Act which issue licenses authorizing the operation of Water Supply and Sanitation Services, and provide, review, determine, fix, and approve water and sewerage tariffs, rates, and charges that licensees may impose.
- (o) *River basin* refers to an area of land drained by a stream or body of fixed water and its tributaries which have a common outlet for surface run-off.
- (p) *River Basin Organization (RBO)* refers to multi-stakeholder organizations which plan, coordinate, and monitor activities within a river basin cluster.
- (q) *Sanitation* refers to the provision of facilities and services for the safe management of human excreta, from toilet to containment, and storage and treatment onsite or conveyance, treatment and eventual safe end use or disposal, and includes the safe management of solid waste and animal waste.
- (r) *Sediment management* refers to control of sediment erosion and deposition in rivers, reservoirs, and coastal zones through non-structural and structural measures and control works.
- (s) *Sustainable Development Goals (SDGs) also known as the 17 Global Goals* refer to the universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030 adopted by all United Nations Member States in 2015.

- 1 (t) *Septage* is the liquid and solid material pumped from a septic tank,
2 cesspool, or other primary treatment source.
- 3 (u) *Septage Management* refers to the provision of proper collection,
4 treatment, and disposal of septage.
- 5 (v) *Service Area* refers to the area covered by the water distribution system,
6 sewerage, or septage management services.
- 7 (w) *Service Provider* refers to any entity, natural or juridical, whether private
8 or public, providing or intending to provide levels II & III water supply,
9 including bulk water suppliers, sewerage, septage treatment, and disposal
10 services for domestic, residential, industrial, or commercial use.
- 11 (x) *Sewage* refers to water borne human or animal wastes, excluding oil or oil
12 waste, removed from residences, buildings, institutions, and industrial
13 and commercial establishments together with such groundwater, surface
14 water and storm waters as may be present including such waste from
15 vessels, offshore structures, other receptacles intended to receive or retain
16 waste or other places or the combination thereof.
- 17 (y) *Sewerage* refers to any system or network of pipelines, ditches, channels
18 or conduits including pumping stations, lift stations and force mains,
19 service connections including other infrastructure, devices, or appliances
20 appurtenant thereto, which include the collection, transport, pumping and
21 treatment of sewage to a point of disposal.
- 22 (z) *Sewers* refer to pipes or such other works or structures which are built
23 and constructed to carry, transport, and dispose sewage.
- 24 (aa) *Social inclusion* refers to the process of improving the terms for
25 disadvantaged individuals and groups to take part in society.
- 26 (bb) *Tariffs* refer to such amounts which may be charged by licensees for their
27 water supply and sanitation services based on principles, standards, and
28 guidelines established by the Department of Water Resources.
- 29 (cc) *Water Demand Management (WDM)* refers to any method, whether
30 technical, economic, administrative, financial, or social that will
31 accomplish one or more of the following:
- 32 (1) Reduce the quantity or quality of water required to accomplish a
33 specific task;
- 34 (2) adjust the nature of the task or the way it is undertaken so that it can
35 be accomplished with less water or with lower quality water;
- 36 (3) Reduce the loss in quantity or quality of water as it flows from source,
37 through use, to disposal;
- 38 (4) Shift the timing of use from peak to off-peak periods; and

- (5) Increase the ability of the water system to continue to serve society during times when water is in short supply.
- (dd) *Water Districts* refer to government-owned and controlled corporations organized under Presidential Decree No. 198, as amended, created primarily to acquire, install, operate, maintain, and improve water supply and distribution systems for domestic, industrial and municipal uses of residents and to provide, maintain and operate waste water collection, treatment and disposal facilities within the boundaries of the district.
- (ee) *Water pollution* refers to any alteration of the physical, chemical, biological, or radiological properties of a body of water resulting in the impairment of its purity or quality.
- (ff) *Water Resource* refers to water under the ground or groundwater, water above the ground such as surface water, run-offs, floods, stormwater and urban drainage, treated wastewater, water in the atmosphere or rain water, and the waters of the sea within the territorial jurisdiction of the Philippines.
- (gg) *Water Resources Regions* refer to the contiguous clusters of river basins which are grouped together according to the hydrological boundaries, physiographic features, and homogeneity in climate, whether or not they straddle different local government units, for administrative purposes under the Department of Water Resources.
- (hh) *Water Service Provider (WSP)* refers to the water district, any Local Government Unit (LGU)-run water utility, Barangay Waterworks and Sanitation Association (BWSA), Rural Waterworks Sanitation Association (RWSA), cooperative and private sector entity that provides water supply services to any given area.
- (ii) *Water supply service* refers to any activity comprising Levels I, II and III water supply including bulk suppliers, suppliers to subdivisions, and other 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.

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

9
10 The Department shall also be the primary agency responsible for the
11 planning and policy formulation towards the attainment of universal access to
12 safe, adequate, affordable, and sustainable water supply, and improved
13 sanitation services for all Filipinos.

14
15 The Department shall be the primary national agency to enforce
16 Presidential Decree No. 1067 otherwise known as *The Water Code of the*
17 *Philippines* and Republic Act No. 9275, otherwise known as the *Philippine Clean*
18 *Water Act of 2004.*

19
20 The Department shall exercise the powers and functions of the defunct
21 Pasig River Rehabilitation Commission created under Executive Order No. 54
22 Series of 1999 and abolished under Executive Order No. 93 Series of 2019,
23 specifically the following roles that were transferred to the Manila Bay Task Force
24 and DENR through the latter EO:

- 25
26 (a) Update and take the lead in the overall implementation of the Pasig
27 River Rehabilitation Master Plan, which shall harness the Pasig River's
28 potential for transportation, recreation and tourism purposes while
29 undertaking the rehabilitation and restoration of its maritime life; and
30 (b) Ensure that the easements provided for in the Civil Code and other
31 relevant laws are enforced, especially in all the esteros and waterways
32 that drain into the Pasig River as well as abate the dumping of
33 untreated industrial wastewater and sewerage into the river, including
34 all acts and omissions in violation of Presidential Decree (PD) No. 984,
35 s. 1976, as amended entitled, *Providing For The Revision Of Republic*
36 *Act No. 3931, Commonly Known As The Pollution Control Law, And For*
37 *Other Purposes*, PD No. 274, s. 1973 entitled, *Pertaining To The*
38 *Preservation, Beautification, Improvement And Gainful Utilization Of The*

1 *Pasig River, Providing For The Regulation And Control Of Pollution Of*
2 *The River And Its Banks In Order To Enhance Its Development, Thereby*
3 *Maximizing Its Utilization For Socio-Economic Purposes, and other*
4 *related laws.*

5
6 SEC. 6. *Guiding Principles.* –In the pursuit of its mandate, the Department
7 shall be guided by the following key principles:
8

- 9 (a) The concept of good water governance for water security and sufficiency
10 shall be adopted across all levels of governance by stakeholders such as
11 the national government, local government, non-government
12 organizations, private organizations, individuals, even global societal
13 actors, and in various sectors such as water supply, irrigation, fisheries,
14 hydropower, navigation, ecosystem services, flood management, climate
15 change, and recreation. It shall entail publicly transparent, socially
16 accountable, and multi-stakeholder participatory water policy planning,
17 management, and decision-making processes.
- 18 (b) Access to safe water supply and improved sanitation is a human right that
19 needs to be fulfilled and protected.
- 20 (c) Integrated Water Resource Management (IWRM) shall be adopted as the
21 basic framework which is the coordinated development and management
22 of water, land, and related resources within hydrological boundaries to
23 optimize economic and social welfare without compromising the
24 sustainability of vital ecosystems. The IWRM Framework shall include an
25 enabling environment that utilizes proper policies, legal instruments, and
26 institutional frameworks for effective implementation, participatory and
27 collaborative water policy and management decisions, and management
28 instruments for efficient use of updated and accurate data, science-based
29 decision support systems, proper information, education, communication
30 (IEC) programs, assessment and allocation tools, or regulatory functions.
31 It shall observe the mutual accountability mechanism among stakeholders
32 at the national, regional, and global levels reinforcing multi-stakeholder
33 decision-making following a framework with specific, measurable,
34 attainable, relevant, and timely actions.
- 35 (d) Each river basin has its unique characteristics relating to the physical,
36 socio cultural, and other aspects, and water management shall be
37 performed at river-basin level, involving all the stakeholders at that
38 particular river basin.

- (e) Integrated and accurate data collection and analysis and the use of scientific decision support systems shall be undertaken in water resources management including flood modeling and warning systems that are essential for an effective, efficient, and sustainable water resources management system.
- (f) The development of water resources shall include strategies for the mitigation of water-related hazards and climate change adaptation.
- (g) Water resources and services should be provided where they are intended and most needed so that water is fairly and sustainably managed.
- (h) The proper operation and maintenance of waterworks systems resulting in the uninterrupted and adequate supply and distribution of potable water for domestic and other purposes, and the proper operation and maintenance of sewerage systems which are essential services to public health and safety, are to be ensured at all times. The State shall therefore supervise and control the establishment, operation, and maintenance of such systems.

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

- (a) Promote and adopt water demand management as a national policy to ensure that water is optimized, that water efficiency and conservation become a way of life, that the recycling and reuse of water and treated wastewater are widely practiced, that water is properly priced to encourage efficient use and conservation and that rainwater, flood waters, and run-offs are captured or harvested, stored and treated for future use;
- (b) Prioritize and seek the immediate attainment of universal access to safe, adequate, affordable and sustainable water supply and improved sanitation services for all Filipinos in a manner consistent with the protection, preservation, and revival of the quality of the country's water resources, and to adopt all needed measures to advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.
- (c) Strengthen and coordinate integrated water resources management planning and policy making to ensure sustainable and fair allocation and efficient use of water resources among competing uses and users;
- (d) Ensure that integrated water resources management is strongly coordinated with land use and coastal and multi-hazard planning and management;

- (e) Develop sustainably, and manage water sources and water resources toward water security, taking into consideration water, land, and related resources aimed at increasing water dependability for different uses, optimizing economic benefits and social welfare without compromising the sustainability of vital environmental systems;
- (f) Strengthen and coordinate policy making and planning towards ensuring the availability of water for food security and energy security, as well as towards the protection of communities and environments against flood and other water induced hazards including sediment hazards;
- (g) Ensure that the strategy for water resources development and conservation is participatory, and that planners, policymakers and users including community members are involved at all levels;
- (h) Develop a standardized pricing framework for water use that accounts for environmental externalities; and
- (i) Ensure that all sources of water, including surface water, groundwater, rainwater and floodwater are identified, mapped, monitored, conserved 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, stormwater 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 stormwater 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 adoption of general policies and guidelines for water resources development;
- (i) Review, approve, and provide oversight over all water-related development plans and programs of any agency within the context of the NWRMP, and overall national plans and programs;
- (j) Develop and implement, in coordination with other relevant agencies, effective codes, standards, benchmarks, and reasonable guidelines to ensure the safety of all public and private water structures in the country, and assure efficiency and proper quality in the construction of water, sanitation, irrigation, hydropower, flood control and drainage infrastructure;
- (k) Ensure that gender equality, social inclusion, environmental protection, climate resiliency, and disaster risk reduction are integrated into any

- 1 water resource management planning, policymaking, and the design and
2 construction of water infrastructure;
- 3 (l) Ensure that the planning and design of water infrastructure considers the
4 highest efficiency and most appropriate technology and quality, in
5 accordance with national development objectives;
- 6 (m) Review existing guidelines appropriate for private sector
7 participation in the water sector and submit recommendations to the
8 Public-Private Partnership (PPP) Center of NEDA and other concerned
9 agencies to promote and enable more PPPs in the sector;
- 10 (n) Build a central repository of water data and effect inter-sectoral, inter-
11 agency, and inter-departmental coordination on all aspects of data
12 gathering and management for water resources development planning and
13 compel the submission of statistics and data on water utilization with the
14 aim of operationalizing the integrated approach to water resources
15 management;
- 16 (o) Ensure the effective implementation of all the provisions of Republic Act
17 No. 9275, Presidential Decree No. 1067, and Sections 9, 10, 11, 12 & 13,
18 Chapter II of Presidential Decree No. 856, otherwise known as the *Code on*
19 *Sanitation of the Philippines*;
- 20 (p) Promote Philippine participation in information sharing and education on
21 best practices in support of international efforts to achieve universal
22 access to safe water and improved sanitation; and the integration of water,
23 energy, environment and food security; and
- 24 (q) Issue and promulgate rules, regulations and guidelines as may be
25 necessary to implement and enforce its powers and functions under this
26 Act.

27 II. Resource Regulation

- 28 (a) Manage and conserve the country's water resources to ensure the optimal
29 use thereof for domestic water supply, sanitation, irrigation, hydropower,
30 navigation, flood control, and recreation purposes, and enhance and
31 maintain water quality, conserve watersheds, control water pollution, and
32 restore the environment, without compromising the natural ecosystem
33 functions and services;
- 34 (b) Regulate and control the utilization, abstraction, diversion and
35 development of water resources, taking in consideration their equitable
36 distribution among competing demands and determine the standards of
37

- 1 beneficial and priority uses of water in times of crisis and national
2 emergencies;
- 3 (c) Formulate, promulgate, and enforce rules and regulations for the
4 development and optimum use of water resources and its administration
5 and management, including coherent water protocols, operating rules of
6 all existing and future water infrastructure; general criteria, methods and
7 standards for basic data collection and project identification, formulation
8 and planning, and appropriate sanctions to be imposed for non-
9 compliance;
- 10 (d) Regularly review regulations prescribed by any government agency
11 pertaining to water use, exploitation, development, and conservation or
12 protection of waters, water resources, and watershed or basin areas with
13 respect to this Act;
- 14 (e) Impose fees or charges, as may be deemed necessary for water resources
15 conservation and protection, such as:
- 16 (1) Polluter's Fee, which shall be based on the net waste load depending
17 on the wastewater charge formula pursuant to Republic Act No. 9275;
18 (2) Raw water price, which shall take into account, among others, the
19 scarcity of water; and
- 20 (3) Appropriate payment structures for environmental services;
- 21 (f) Deputize LGUs to collect the national fees or charges for resource
22 regulation within their respective jurisdictions;
- 23 (g) Collect, regularly update, monitor, and analyze water resources data
24 including climatology, hydrological and other water-related data and
25 ensure that such data is easily accessible by relevant and authorized
26 users;
- 27 (h) Establish, operate, and maintain observation station networks and a
28 centralized water resources data center for the scientific survey and
29 appraisal of surface and groundwater potentials of the country, and
30 determine the annual renewable water available per water resources
31 region;
- 32 (i) Maintain a database that will contain updated relevant information on
33 water data which will be accessible by relevant and authorized users;
- 34 (j) Develop and continuously update a computerized decision support system
35 that incorporates data management systems relating to acquisition and
36 database, model base in terms of physical design, planning and decision
37 models, and user-friendly interface concerning graphical and visualization
38 tools;

- 1 (k) Conduct and promote special studies and research on water economics
2 and other water resources development and management issues and
3 concerns such as climate change, weather modification, flood monitoring
4 and modeling, environmental quality, and desalination; and
5 (l) Raise public awareness through information, education and
6 communications programs, and build capacities for informed participation
7 in water resources management at the national and river-basin level.
8

9 III. Institutional Arrangement with Public Water Organizations

- 10 (a) Develop guidelines including rules of partnership, between and among the
11 Department, field offices of national government agencies, LGUs and other
12 stakeholders in water resource management, and facilitate the
13 establishment of multi-stakeholder river basin organizations (RBOs) per
14 river basin, and strengthen and support existing RBOs and monitor their
15 activities;
16 (b) Develop materials for capacity building and training of prospective RBOs;
17 (c) Authorize its representatives or any deputized agent to enter any property
18 of public dominion with or without prior notice and consent, any private
19 land, building or enclave, whether inhabited or not, for the purpose of
20 conducting hydrologic surveys and investigations, including assessing and
21 evaluating the conditions of water facilities installed, and determining
22 compliance with water laws and standards;
23 (d) Provide technical assistance to water users including farmers,
24 communities, and LGUs and other water service providers (WSP) whether
25 directly or in coordination with other agencies on all aspects of integrated
26 water resources management;
27 (e) Respond to consumer complaints, and ensure the adequate promotion of
28 consumer interests;
29 (f) Deputize agents, whether from the public or private sector, to assist in the
30 performance of any of the powers and functions of the Department;
31 (g) Appoint, hire, and maintain adequate staff and personnel, advisers or
32 consultants with suitable qualifications and experience, as necessary,
33 subject to existing rules and regulations.

34 IV. Coordination

- 35 (a) Coordinate and integrate water resources development activities of the
36 country within the context of national plans and policies for social and
37 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;

- 1 (d) Exercise supervision and control over all bureaus and offices under the
2 Department;
- 3 (e) Supervise all attached agencies and corporations in accordance with law;
- 4 (f) Represent the Department in contracts, awards, and other similar
5 agreements;
- 6 (g) Delegate authority for the performance of any power or function, as defined
7 herein to officials and employees under his direction as deemed
8 appropriate;
- 9 (h) Act as the Chairperson of the governing board of the attached agencies of
10 the Department;
- 11 (i) Designate and appoint officers and employees of the Department,
12 excluding the Undersecretaries, Assistant Secretaries, and Regional and
13 Assistant Regional Directors, in accordance with the civil service laws,
14 rules and regulations; and
- 15 (j) Perform such other duties and responsibilities as may be provided by law.
16

17 SEC. 10. *Office of the Secretary.* – The Office of the Secretary shall be
18 composed of the Secretary, Undersecretary, Assistant Secretary and the
19 Secretary's immediate staff.
20

21 SEC. 11. *Undersecretaries.* – The Secretary shall be assisted by not more
22 than five (5) Undersecretaries, who shall be appointed by the President upon the
23 recommendation of the Secretary namely: Undersecretary for Resource
24 Regulation and Governance, Undersecretary for Inland Waters and Water for
25 Agriculture, Undersecretary for Resource Development, Undersecretary for
26 Planning and Policy and Undersecretary for Missionary Water, Indigenous
27 People, and Special Concerns.

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

- 33 (a) Advise and assist the Secretary in the formulation and implementation of
34 the policies, plans, programs and projects of the Department;
- 35 (b) Supervise all the operational activities of the assigned units for which the
36 Undersecretary is responsible to the Secretary; and
- 37 (c) Perform such other functions deemed necessary as may be assigned or
38 delegated by the Secretary to promote efficiency and effectiveness in the

1 delivery of public services or as may be required by law: *Provided, That*
2 the Undersecretary for Planning and Policy shall, in
3 coordination with the Planning and Policy Service, be primarily responsible
4 for advancing current efforts in attaining the ultimate goal of universal
5 access to water supply and sanitation systems, and sustainable
6 management of water resources under the SDGs, and the integration of
7 water, energy, environment and food security.
8

9 SEC. 12. *Assistant Secretaries.* – The Secretary shall be assisted by six (6)
10 Assistant Secretaries to be appointed by the President of the Philippines upon
11 the recommendation of the Secretary: one each for Planning and Policy Service,
12 Decision Support System Service, Resource Regulatory Service, Comptrollership
13 and Financial Management Service, Legal and Legislative Service, and
14 Administrative and Human Resources Management Service.
15

16 No person shall be appointed Secretary, Undersecretary and Assistant
17 Secretary of the Department unless the person is a citizen and resident of the
18 Philippines, of good moral character, of proven integrity, competence and
19 expertise in water resource management: *Provided, That* at least one (1) of the
20 Undersecretaries and at least two (2) of the Assistant Secretaries shall be career
21 officers.
22

23 SEC. 13. *Organizational Structure.* – The Department shall be composed of
24 the following organizational units:

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

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

35 (1) The Local Water Utilities Administration (LWUA), whose mandate,
36 powers, and functions are defined in Presidential Decree No. 198,
37 otherwise known as the *Public Water Utilities Act of 1973, as amended*,
38 shall be transferred from the Department of Public Works and

Highways and attached to the Department. It shall continue to primarily function as a specialized lending institution for the promotion, development, and financing of local water utilities. In the implementation of its functions, the LWUA shall:

- (i) prescribe minimum standards and regulations in order to assure acceptable standards of construction materials and supplies, maintenance, operation, personnel training, accounting and fiscal practices for local water utilities;
- (ii) furnish technical assistance and personnel training programs for local water utilities;
- (iii) monitor and evaluate local water standards; and
- (iv) effect system integration, joint investment and operation, district annexation and de-annexation whenever economically warranted as amended by Sec. 22, Presidential Decree No. 768.

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

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

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

The LLDA shall continue to serve as the lake management and development authority similar to a multi-stakeholder river basin organization and shall ensure the implementation of the Laguna Lake

1 Master Plan which shall be updated by the Department to ensure
2 alignment with the NWRMP.

3 Any other agency performing water resources management, conservation
4 and protection functions may be transferred to the Department as the
5 President deems necessary.

6 (c) *Offices, Functions and Personnel to be Completely Subsumed under the*
7 *Department.* – The following offices with their powers, functions, personnel,
8 applicable funds and appropriations, records, equipment and property
9 shall be subsumed under the Department:

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

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

16 (3) The Manila Bay Coordinating Office (MBCO) of the DENR which was
17 strengthened by virtue of DENR Administrative Order (DAO) 2011-01
18 to coordinate the efforts of the fourteen (14) national agencies covered
19 by the Mandamus Order of the Supreme Court to rehabilitate Manila
20 Bay;

21 (4) The Water Resources Management Division of the Bureau of Soils and
22 Water Management of the Department of Agriculture (DA);

23 (5) The Water Supply and Sanitation Unit of the Department of the
24 Interior and Local Government (DILG); and

25 (6) The Water Quality Management Section of the Environmental
26 Management Bureau (EMB) of the DENR.

27 (d) *Functions to be Transferred to the Department.* – The following functions of
28 the respective agencies, bureaus, and units shall be transferred to the
29 Department:

30 (1) The hydrological surveys and groundwater mapping function of the
31 Mines and Geosciences Bureau (MGB) of the DENR;

32 (2) The hydrological surveys monitoring of stream flow and water data
33 collection function of the Bureau of Design and Bureau of Research and
34 Standards of the DPWH;

35 (3) The protection and conservation of natural wetlands such as lakes,
36 marshes, swamps of the Biodiversity Management Bureau of the DENR;
37 and

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

4 (5)The flood management planning and sediment management function of
5 the Flood Control Management Cluster of the DPWH;

6 (6)The Water Resource Management Division and the water research
7 functions of the Soils and Water Research Division of the Bureau of Soils
8 and Water Management under the DA. All soil-related functions shall
9 be retained under the Bureau which shall be renamed as the Bureau of
10 Soils.

11
12 (e) *Support Services* - The Department shall create the following support
13 services:

14 (1) The *Planning and Policy Service* shall provide the Department with the
15 capability to undertake water infrastructure development planning and
16 programming, and shall exercise the following functions:

17 (i) Advise the Secretary on all matters relating to water resources
18 planning;

19 (ii) Assist the Undersecretary for Planning and Policy on all matters
20 related to the specific functions of the position;

21 (iii) Formulate strategies and priorities for water resources
22 management and development consistent with national
23 development objectives, and initiate or undertake relevant
24 surveys for development planning;

25 (iv) Develop and regularly update a comprehensive and integrated
26 National Water Resources Management Plan and ensure its
27 integration into existing land use plans;

28 (v) Coordinate river-basin planning following the integrated water
29 resources management framework and the river-basin approach;

30 (vi) Formulate or update existing River Basin Master or
31 Comprehensive Plans which includes all aspects of water
32 management and development such as water supply and
33 sanitation, irrigation, flood control and stormwater or urban
34 drainage, drought risk management, water resource
35 development systems and other public water works projects,
36 including phasing of implementation;

37 (vii) Identify, based on the river basin master plan, priority packages
38 for water infrastructure development per river basin, including

- 1 water supply, sanitation, irrigation, flood control and
2 stormwater or urban drainage, drought risk management, water
3 resource development systems and other public works projects,
4 package project proposals for funding and prioritize project
5 implementation and the allocation of funds and other resources
6 and undertake or supervise and evaluate the conduct of
7 feasibility studies and project preparation thereof;
- 8 (viii) Evaluate and appraise all regional and inter-regional
9 infrastructure water development plans and programs as to
10 their feasibility and consistency with approved strategies and
11 medium and long -term plans;
- 12 (ix) Gather, analyze, and organize needed statistical data and
13 information;
- 14 (x) Provide technical assistance related to its functions to the other
15 services, bureaus and the regional offices as needed;
- 16 (xi) Conduct hydrological and hydraulic surveys and assessments of
17 surface waters;
- 18 (xii) Develop general criteria and standards on project investigation,
19 formulation, planning;
- 20 (xiii) Develop guidelines and standards on social inclusion in water
21 resources management and ensure policies, programs and plans
22 are compliant with the gender and development framework of the
23 government;
- 24 (xiv) Coordinate closely with PAGASA for rainfall and other climate
25 data which shall be considered in the planning for water
26 resources development and management and for various water
27 infrastructure; and
- 28 (xv) Perform such functions and activities, as may be mandated by
29 law, which are necessary for the effective attainment of the
30 abovementioned objectives.

31

32 (2) The *Decision Support System Service* shall provide the Department with
33 water resource management tools and computerized decision support
34 system that incorporates a data management system relating to
35 acquisition and database and model base in terms of physical design,
36 planning and decision models including services related to networking,
37 data management, and information and knowledge or learning
38 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 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.
- (3) The *Administrative and Human Resource Service* shall provide the Department with services relating to human resources development, personnel, records, facilities maintenance, medical and dental, security, property and procurement services, and shall exercise the following functions:
- (i) Advise the Secretary on all matters relating to internal administration and human resources management;
 - (ii) Prepare and implement an integrated personnel development plan that shall include provisions for merit promotions, performance evaluation, job rotation, incentive awards systems, and health and welfare services;
 - (iii) Provide services related to human resource-training, education and development including manpower, career planning and forecasting, and development of indigenous training materials;
 - (iv) Develop, establish, and maintain an efficient and cost-effective property procurement system and facilities and coordinate or otherwise interface with relevant agencies, whether government or private, for the purpose of developing or upgrading the system;
 - (v) Develop, establish, and maintain an efficient and effective security system covering, among others, personnel, physical

- 1 installations, facilities, equipment, documents and materials
2 including the conduct of security investigations;
- 3 (vi) Coordinate with the appropriate government agencies for a more
4 efficient conduct of administrative processes;
- 5 (vii) Develop, establish, and maintain an efficient records system;
- 6 (viii) Provide assistance in its area of specialization to the Department
7 Proper, bureaus and regional and water district offices and, when
8 requested, to the government agencies and corporations attached
9 to the Department; and
- 10 (ix) Perform such other related functions and activities which are
11 necessary for the effective management of the resources of the
12 Department, including its human resources.

13
14 (4) The *Legal and Legislative Research Service* shall provide the
15 Department with services on such legal affairs as contract letting and
16 litigation, legal and legislative research, complaints and investigation,
17 legal counselling and other matters of law, and shall exercise the
18 following functions:

- 19 (i) Advise the Secretary on all matters relating to legal and legislative
20 affairs;
- 21 (ii) Prepare Department contracts and legal instruments, review and
22 interpret all contracts and agreements entered into by the
23 Department and evaluate all legal proposals;
- 24 (iii) Conduct administrative investigation and the review of
25 administrative charges against officers and employees of the
26 Department;
- 27 (iv) Exercise functional jurisdiction over the legal staffs of Regional
28 Offices;
- 29 (v) Provide legal assistance to the Department Proper, the bureaus and
30 regional offices and when requested, the attached corporations;
- 31 (vi) Develop and prepare the Department's Legislative Agenda,
32 recommend presidential certification of the urgency of priority
33 water bills, and other water-related legislation;
- 34 (vii) Coordinate and maintain linkages between and among the various
35 offices, bureaus, regional offices and attached agencies to the
36 Department along with other government agencies on policy
37 matters affecting the Department's mandate in relation to
38 legislation;

- 1 (viii) Perform liaison and networking activities in relation to the
2 enactment of related laws relating to water resources issues in
3 legislative policymaking bodies such as the Senate of the
4 Philippines, the House of Representatives, and the various
5 Sanggunians;
- 6 (ix) Monitor the progress of the Department's priority or certified bills
7 to ensure their passage; and
- 8 (x) Perform such functions and activities, as may be mandated by law,
9 which are necessary for the effective performance of the
10 abovementioned objectives.

11
12 (5) The *Comptrollership and Financial Management Service* shall provide
13 the Department with coordinated services relating to financial systems
14 and procedures, budget, cash, accounting and all financial
15 housekeeping matters, and shall exercise the following functions:

- 16 (i) Advise the Secretary on all matters relating to the accounting of
17 government expenditures and receipts, budgeting and cash
18 management, project finances and financial systems and
19 procedures;
- 20 (ii) Prepare budget proposals and pursue formal budget authorizations,
21 undertake budget execution, and prepare and submit all
22 appropriate reports to the proper offices;
- 23 (iii) Develop and maintain accounting, financial and assets
24 management systems, procedures and practices in the Department
25 Proper, Bureaus and Regional Offices;
- 26 (iv) Review and appraise systems and procedures, organizational
27 structure, assets management practices, accounting, and other
28 records, reports, and performance standards such as budgets and
29 standard costs of the Department, bureaus, and regional offices;
- 30 (v) Provide assistance in its area of specialization to any unit of the
31 Department and, when requested, to government corporations and
32 councils attached to the Department; and
- 33 (vi) Perform such other related functions and activities which are
34 necessary for the effective financial management of the Department.

35
36 (6) The *Resource Regulation Service* shall provide the Department with
37 services for the effective regulation of all water-related services and
38 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.

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

10 (i) Public Awareness

- 11 a) Advise the Secretary on matters pertaining to public affairs;
- 12 b) Develop and supervise the implementation of comprehensible
13 communications programs on relevant policies, programs and
14 plans of the Department;
- 15 c) Produce and supervise the dissemination of communication
16 materials in line with the priorities of the Department and
17 national government public information programs;
- 18 d) Conduct public opinion and attitude surveys to identify the
19 interests and concerns of the stakeholders of the Department;
- 20 e) Establish policies on the presentation and publication of the
21 content of the communication materials for dissemination to
22 print and broadcast media;
- 23 f) Establish and maintain linkages with the tri-media and a
24 presence in social media;
- 25 g) Coordinate the conduct of interviews and news conferences;
- 26 h) Make public announcements on matters relating to the work
27 and activities of the Department through the print and
28 broadcast media, either through press releases or live
29 interviews;
- 30 i) Coordinate with various Department units, concerned
31 government agencies, tri-media and other stakeholders on
32 matters related to the above-enumerated functions; and
- 33 j) Coordinate with the appropriate national government agencies
34 involved in public information affairs.

35 (ii) Promote Participation

- 36 a) Conduct public consultations and discussions;

- b) Develop and disseminate relevant and appropriate materials and programs for public information and education, as well as advocacy campaign;
- c) Conduct seminars and workshops involving the LGUs and the general public on current water issues and problems; and
- d) Conduct capability building seminars of various stakeholders to promote meaningful participation in the Department's policy making, planning, development and implementation of various programs and projects.

(iii) Special Events

- a) Coordinate the organization and promotion of special events and water exhibits;
- b) Act as the focal office for all water related events; and
- c) Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

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

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

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

- (ii) Integrate climate change and disaster risk reduction and management in policies and plans;
- (iii) Prepare master plans of flood management and drainage in river basins in coordination with the concerned water resources region and river basin organizations;
- (iv) Prepare master plans for urban drainage in cities and municipalities;
- (v) Prepare feasibility studies of recommended measures in the master plans;
- (vi) Plan and design structural measures for flood control and drainage;
- (vii) Implement and collaborate with concerned agencies on the formulation and adoption of non-structural measures for flood control and drainage;
- (viii) Patrol and investigate rivers, and monitor stream flows;
- (ix) Conduct post-disaster investigation and evaluation and damage assessment of flood infrastructures after extreme events;
- (x) Conduct research and development on water and sediment-related disasters;
- (xi) Develop design guidelines, criteria, and standards on flood control and drainage structures;
- (xii) Provide technical assistance to other agencies, LGUs, and other stakeholders;
- (xiii) Advise the Secretary on declaring flood control areas and recommend guidelines for flood plain management plans in these areas; and
- (xiv) Perform such related activities which are necessary for the effective performance of its functions.

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

- (i) Establish water quality guidelines for freshwater and coastal or marine waters as basis for classifying water bodies in the country. Specifically, develop water quality indices or composite metrics to

- 1 measure the quality status and health of natural water bodies in
2 relation to ecological integrity and function;
- 3 (ii) Establish effluent standards for point discharges to receiving bodies
4 of water;
- 5 (iii) Establish internationally accepted procedures for sampling and
6 analysis;
- 7 (iv) Prepare an integrated water quality management framework;
- 8 (v) Prepare the ten-year water quality management plans for each water
9 quality management area as part of the River Basin Master Plans
10 and in support of the NWRMP;
- 11 (vi) Classify groundwater sources and prepare a national groundwater
12 vulnerability map;
- 13 (vii) Classify or reclassify all water bodies according to their beneficial
14 usages using the established water quality guidelines established;
- 15 (viii) Issue permits, clearances, and similar instruments pursuant to the
16 Clean Water Act of 2004;
- 17 (ix) Collect the wastewater discharge fees for all permittees;
- 18 (x) Monitor the compliance of water discharge permittees with the
19 effluent standards;
- 20 (xi) Regularly monitor the water quality of major water bodies in the
21 country and analyze the data to identify possible sources of pollution;
- 22 (xii) Issue notices of violations or cease and desist orders for those found
23 in violation;
- 24 (xiii) File the needed cases against violators with the Water Pollution
25 Adjudication Board (WPAB);
- 26 (xiv) Serve as secretariat of the WPAB; and
- 27 (xv) Perform such functions and activities, as may be mandated by law,
28 which are necessary for the effective performance of the
29 abovementioned objectives.
- 30

31 (3) *A Water Resources Regional Office (WRRO)* shall be organized per water
32 resources region and shall be responsible for implementing the
33 mandates, powers and duties of the Department at the field level,
34 except for policymaking which will be vested solely in the Department.
35 The formulation of the master plan for the nearby river basins such as
36 the Pasig-Marikina-Laguna Lake-Cavite, shall be the responsibility of
37 the Department. Each WRRO shall perform the following duties and
38 responsibilities:

- (i) Formulate or update and coordinate the river basin master plans for river basins within its jurisdictions ensuring consistency with the National Water Resources Management Framework Plan;
- (ii) Advocate and strongly support the creation and functioning of multi-stakeholder river basin organizations (RBOs) and serve as the secretariat of the said RBOs;
- (iii) Undertake and evaluate the planning, design, and work supervision functions of the Department for the water infrastructures within the region;
- (iv) Ensure the implementation of laws, policies, programs, rules and regulations regarding the abovementioned infrastructure as well as public and private physical structures;
- (v) Provide technical assistance related to the water-related functions of other agencies within the region especially the local government;
- (vi) Coordinate with other departments, agencies, institutions and organizations, especially local government units within the region in the planning and implementation of the river basin master plans;
- (vii) Conduct consultations with the local communities, take appropriate measures to ensure that the services of the Department are responsive, and recommend such appropriate actions as may be necessary; and
- (viii) Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

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

Each Water Resources Regional Office shall be headed by a Water Resources Regional Director who shall be responsible for efficiently and effectively carrying out the duties and responsibilities of the Office. Towards this end, the Water Resources Regional Director shall exercise functional and administrative supervision over all units within the region and is authorized to commit resources and assign personnel to integrated regional water resources management, water supply and sanitation management, and flood control and flood risk management initiatives. The Water Resources Regional Director shall

1 also perform such other related duties and responsibilities as may be assigned
2 or delegated by the Secretary or as may be required by law.

3
4 The Water Resources Regional Director shall be assisted by two (2) Assistant
5 Water Resources Regional Office Directors who shall exercise supervision over
6 (1) the planning, project design and evaluation function and (2) technical
7 assistance to the River Basin Organizations within the water resources region.
8

9 SEC. 14. *Water Pollution Adjudication Board.* – There is hereby created a
10 Water Pollution Adjudication Board under the Office of the Secretary. The Board
11 shall be composed of the Secretary as Chairperson, two (2) Undersecretaries as
12 may be designated by the Secretary, the Director of Water Quality Management
13 Bureau, and three (3) other representatives from other stakeholders to be
14 designated by the Secretary as members.
15

16 The Board shall assume the powers and functions of the National Pollution
17 Control Commission with respect to the adjudication of water pollution cases
18 under Republic Act No. 3931 entitled, *An Act Creating The National Water And*
19 *Air Pollution Control Commission*, Presidential Decree 984 entitled *Providing For*
20 *The Revision Of Republic Act No. 3931, Commonly Known as the Pollution Control*
21 *Law, And For Other Purposes*, particularly with respect to Section 6 letters e, f,
22 g, j, k and Republic Act No. 9275. The Bureau of Water Quality Management
23 shall serve as the Secretariat of the Board. These powers and functions may be
24 delegated to the field officers of the Department in accordance with rules and
25 regulations to be promulgated by the Board.
26

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

31 SEC. 15. *Interface and Institutional Arrangements with Other Agencies.* –
32 (a) The Department of Health (DOH) shall continue to have primary authority
33 and responsibility for setting and enforcing drinking water quality
34 standards. The Department shall coordinate with the DOH in this aspect,
35 and shall ensure consistency of standards and targets, as well as the
36 compliance of permittees with mandated standards;

- 1 (b) The Department of Environment and Natural Resources (DENR) shall
2 continue to have primary authority and responsibility for protecting the
3 environment and managing the country's watersheds;
- 4 (c) The Department of Energy (DOE) and the National Power Corporation
5 (NPC) shall continue to have primary authority and responsibility for
6 establishing and operating hydropower plants, but shall ensure that
7 hydropower plant development plans are consistent with the National
8 Water Development and Management Plan;
- 9 (d) The Department shall coordinate with the DA to ensure agricultural
10 development that reduces long-term pollution for surface water and
11 groundwater, and agricultural and industrial economic development that
12 employs water efficiency, water recycling or reuse, and the appropriate
13 treatment of wastewater;
- 14 (e) The Department shall coordinate with the National Disaster Risk
15 Reduction Management Council (NDRRMC) to ensure that its plans and
16 designs for flood control, flood risk management and drought risk
17 management are aligned with the objectives and plans of the Department;
- 18 (f) The Department shall coordinate with Climate Change Commission (CCC),
19 Philippine Atmospheric, Geophysical and Astronomical Services
20 Administration (PAGASA), and National Mapping and Resource
21 Information Authority (NAMRIA) for scientific studies, integrated surveys,
22 mapping, charting, and decision support systems
- 23 (g) The Department shall coordinate with the Department of Tourism (DOT)
24 on recreational use of water resources;
- 25 (h) The Department shall coordinate with the Philippine Reclamation
26 Authority and economic zone authorities on water resources development
27 and water requirements within reclamation areas and economic zones,
28 respectively; and
- 29 (i) The Department shall coordinate with relevant government agencies,
30 including local government units (LGUs), with respect to development
31 projects and shall ensure cross-cutting collaboration between and among
32 all water subsectors and facilitate inter-agency subsector coordination,
33 strategic development, planning, monitoring and provision of technical,
34 institutional and financial capacity building support to their different
35 stakeholders at the water subsector level.
- 36

37 SEC. 16. *National Water Sector Policy Board.* – The National Water Sector
38 Policy Board (NWSPPB) shall be created and shall be headed by the Secretary of

1 the Department of Water Resources with the Secretary of the National Economic
2 and Development Authority as the Vice-Chairperson, and the Secretaries of the
3 DOH, DILG, DOE, DA, Department of Social Welfare and Development;
4 DPWH; Department of Budget and Management (DBM); Office of the President,
5 and DENR, and National Commission on Indigenous Peoples as members. The
6 Department shall provide personnel to serve as Secretariat to the Board.

7
8 SEC. 17. *Powers and Functions of the National Water Sector Policy Board* –
9 The NWSPB shall perform policymaking, coordination, integration, supervision,
10 monitoring and evaluation functions, and shall have the following
11 responsibilities:

- 12 (a) Approve the NWRMP which shall serve as a principal guide to water
13 management efforts in the country and shall be reviewed every five (5)-
14 years interval, or as may be deemed necessary, in order to ensure its
15 relevance to the times;
- 16 (b) Provide overall policy direction and recommend policies on water resources
17 requiring Presidential decision;
- 18 (c) Advise the President on the status of water management and supply,
19 recommend to the President the declaration of a state calamity in areas
20 affected by water supply, and submit proposals to restore normalcy in the
21 affected areas;
- 22 (d) Ensure a multi-stakeholder participation in the development, updating,
23 and sharing of information system as policy, planning and decision-
24 making tools consistent with IWRM.

25
26 SEC.18. *Transfer of Rights and Obligations.* – The Department shall, by
27 virtue of this Act, be subrogated to all the rights and assume all the obligations
28 of the government agencies and units whose powers and functions have been
29 subsumed, absorbed, transferred or attached to the Department-in accordance
30 with the rules and regulations of the Commission on Audit, and the Civil Service
31 Commission, and other applicable laws. The transfer of powers and functions as
32 herein provided shall take effect within six (6) months of the effectivity of this
33 Act. As such, all affected agencies, offices, units shall continue to function under
34 their present mandates.

35
36 **CHAPTER IV**
37 **WATER REGULATORY COMMISSION**
38

1 SEC.19. *Water Regulatory Commission.* – There is hereby created and
2 established as an independent, quasi-judicial regulatory body to be known as
3 the Water Regulatory Commission, hereinafter referred to as the Commission,
4 which shall be organized within one hundred twenty (120) days after the
5 effectivity of this Act.

6
7 The Commission shall be placed under the administrative supervision of
8 the Department as an attached agency.

9
10 The Commission shall have a Board of Commissioners, and shall be
11 vested with powers and functions, as conferred and set forth hereunder.

12
13 SEC. 20. *The Regulatory Units.* – The regulatory units of the Commission
14 shall be composed of the central regulatory unit and the regional regulatory
15 units.

16
17 The economic regulatory units and functions of the MWSS, NWRB, LWUA,
18 SBMA, PEZA, and TIEZA are hereby transferred to the Commission, and shall
19 collectively comprise its central regulatory unit for water supply and sanitation
20 services that: (a) provide services to more than one province; and (b) are owned,
21 operated, or maintained by special economic zones and Metro Manila
22 concessionaires.

23
24 The regional regulatory units shall be established by the Commission in
25 accordance with this Act and the rules, regulations, guidelines, and standards
26 that the Commission shall issue.

27
28 SEC. 21. *Powers and Functions of the Commission.* – The overall authority
29 and powers of the Commission shall cover and apply to all service providers,
30 whether private or public, providing or intending to provide levels II & III water
31 supply, including suppliers to subdivisions and other service providers,
32 sewerage, and septage treatment and disposal services for domestic, residential,
33 institutional, industrial, or commercial use.

34
35 The Commission shall exercise the following powers and functions:

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

- 1 (b) Promulgate and enforce just and reasonable technical standards,
2 classifications and measurements of service;
- 3 (c) Establish rules and regulations to monitor, avoid, and provide remedies
4 for any market power abuse or anti-competitive or discriminatory act
5 or behavior by or against any participant in the water supply and
6 sanitation sector. Upon finding that a market participant has engaged
7 in, or has fallen victim to such act or behavior, the Commission shall
8 act to stop or redress the same. Such remedies may, without limitation,
9 include the imposition of price controls, issuance of injunctions,
10 requirement of divestment or disgorgement of excess profits,
11 invalidation of contracts and imposition of fines and penalties pursuant
12 to this Act.
- 13 (d) Adopt and require that books, records, and accounts be kept and
14 maintained in accordance with the prescribed uniform accounting
15 system;
- 16 (e) Fix and determine proper and adequate rates of depreciation of
17 properties and equipment used in water supply and sanitation services;
- 18 (f) Impose and collect annual levies determined as a percentage of gross
19 revenue accruing in relation to the licensed activities, and reasonable
20 fees and surcharges as may be necessary for achieving the purposes,
21 powers and functions of the Commission;
- 22 (g) Require the submission reports of finances and operations, verified
23 under oaths by the owner or president and secretary of the board of the
24 licensee;
- 25 (h) Determine and require the monitoring and submission of such data,
26 statistics and other information from the regulatory units and any or
27 all licensees as may be necessary for the effective and efficient exercise
28 of its duties, functions, powers and responsibilities.
- 29 (i) Investigate, *motu proprio* or upon a written complaint, any matter
30 concerning the operation of the service and issues on price
31 manipulation and anti-competitive behavior;
- 32 (j) Impose penalties and fines against any licensee or against its owners,
33 directors, officers, agents or representatives for any violation of this Act
34 or of the license, order, rule regulation or requirement issued by the
35 Commission;
- 36 (k) Require any licensee to pay the actual expenses incurred by the
37 Commission in any investigation if it shall be found that a licensee
38 violated any provision of this Act or of the license, order, rule regulation

- 1 or requirement issued by the Commission;
- 2 (l) Advise, apprise and coordinate with other relevant agencies of the
3 national or local government on any matter relating to water supply
4 and sanitation services;
- 5 (m) Deputize agents, whether from the public or private sector, to assist in
6 the performance of any of the powers and functions of the Commission;
- 7 (n) Appoint an interim or temporary management committee upon appeal
8 and after due hearing, to ensure continuity of service in case a licensee
9 fails to meet conditions of the license and the concerned Regulatory
10 Unit fails or refuses to appoint an interim management committee as
11 provided in the following section.
- 12 (o) Appoint, hire and maintain adequate staff and personnel, advisers, or
13 consultants, with suitable qualifications and experience, as necessary;
- 14 (p) Exercise original and exclusive jurisdiction over all cases contesting
15 rates, fees, fines and penalties imposed by the regulatory units in the
16 exercise of their powers, functions and responsibilities, as provided
17 under this Act, and over all cases involving disputes between and
18 among participants or stakeholders in the water supply and sanitation
19 services; and
- 20 (q) Such other incidental powers and functions as may be necessary to
21 attain the objectives of this Act.

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

- 25 (a) Issue licenses authorizing the operation of water supply and sanitation
26 services in any specified area or areas within the Philippines.
- 27 (b) Impose fines, charges and other penalties upon any provider or its
28 officers and stockholders who shall fail or refuse to register or obtain a
29 license prior to operation or commencement of business, as provided
30 hereunder.
- 31 (c) Review, determine, fix, and approve, consistent with the rules,
32 guidelines, procedures and methodologies which the Commission shall
33 provide, proposed water and sewerage and septage management
34 tariffs, rates and charges that licensees may impose upon their
35 consumers;
- 36 (d) Appraise and value property and equipment used by licensees in
37 providing water supply and sanitation services.
- 38 (e) Enforce technical, financial, and other performance standards set by

- 1 the Commission for licensees or utilities;
- 2 (f) Respond to consumer complaints and ensure the adequate promotion
3 of consumer interests and investigate *motu proprio* price manipulation
4 and anti-competitive behavior;
- 5 (g) Investigate accidents directly or indirectly arising from or connected
6 with the maintenance or operation of the service, and make such order
7 or recommendation as the public interest may warrant;
- 8 (h) Require the review or approval of contracts or agreements that may
9 impact on the tariff and rates of service provision entered into by
10 service providers upon petition or *motu proprio* where in its
11 determination public interest so dictates;
- 12 (i) Require the submission of reports, plans, and other documents that
13 define the performance targets of the licensees or utilities, and regular
14 accomplishment reports;
- 15 (j) Impose and collect annual levies determined as a percentage of gross
16 revenue accruing in relation to the licensed activities, and
17 reasonable fees and surcharges as may be necessary for achieving the
18 purposes, powers, and functions of the regulator;
- 19 (k) Conduct benchmarking and monitor the performance of licensees or
20 utilities under their jurisdiction, and publish reports detailing the
21 results thereof, as may be necessary or required by
22 the Commission;
- 23 (l) Amend, modify, suspend, or revoke any license issued by them, after
24 due notice and hearing, on any of the following grounds:
- 25 (1) when the facts and circumstances on the strength of which the
26 license was issued have been materially misrepresented or have
27 materially changed;
- 28 (2) where the licensee has failed to meet or comply with terms,
29 conditions, and performance targets, including but not limited to
30 service expansion, that may have been set in the license;
- 31 (3) where the licensee is found to be manifestly inefficient in the
32 operation of or provision of water supply and sanitation services in
33 its area; or
- 34 (4) when the licensee thereof has violated or willfully refused to comply
35 with any order, rule or regulation of the Commission or any provision
36 of this Act;
- 37 (m) Appoint an interim management committee to ensure continuity of
38 service in case a licensee fails to meet the conditions of the license; and

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

2
3 SEC. 23. *Composition of the Water Regulatory Commission.* –

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

18
19 (b) The term of office of each member of the Commission shall be seven (7)
20 years: *Provided*, That among the members first appointed, the
21 Chairperson shall serve for a period of seven (7) years, two (2) members
22 shall serve for five (5) years and the other two (2) members shall serve
23 for three (3) years: *Provided further*, That any member whose term has
24 expired as specified herein shall serve as such until a successor shall
25 have been appointed and qualified: *Provided furthermore*, That any
26 appointment to fill a vacancy in the Commission arising from death,
27 removal, retirement or resignation shall be made only for the unexpired
28 term: *Provided, finally*, That in no case shall any member serve for more
29 than seven (7) years in the Commission.

30
31 (c) The Commission shall meet as often as may be necessary on such day or
32 days as the Chairperson may fix. The presence of at least three (3)
33 members of the Commission shall constitute a quorum, which shall be
34 necessary for the transaction of any business. The affirmative vote of
35 majority of the members of the Commission where a quorum is present
36 shall be necessary for the adoption of any order, resolution, decisions, or
37 other act of the Commission in the exercise of its quasi-judicial functions:
38 *Provided*, That in promulgating rules, regulations, guidelines and in

1 exercising its quasi-legislative functions, an affirmative vote of three (3)
2 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
10 the powers and functions of the Commission, including those of the
11 central and provincial regulatory units subject to the review and approval
12 of the 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 relatives
21 within the fourth civil degree of consanguinity or affinity, legitimate or
22 common law, shall be prohibited from holding any interest whatsoever,
23 either as investor, stockholder, officer or director, in any company or
24 entity engaged in provision of water supply and distribution, septage
25 management and sewerage services and must, therefore, divest through
26 sale or legal disposition of any and all interests in the water sector upon
27 assumption to office.

28

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

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

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

3
4 SEC. 25. *Executive Director.* – The Commission shall appoint an Executive
5 Director who shall head the Commission Secretariat, keep and maintain the
6 official records of the Commission, render a report on the proceedings of the
7 Commission, and administer oaths in all matters falling within the jurisdiction
8 of the Commission.

9
10 The Executive Director shall be responsible for the effective
11 implementation of the policies, plans, programs, rules, regulations and directives
12 of the Commission; coordinate and supervise the activities of the different
13 operating units under the Commission; and perform such functions as may be
14 assigned by the Chairperson and other members of the Commission.

15
16 SEC. 26. *Compensation and Other Emoluments.* – The compensation of the
17 members of the Commission and its staff shall conform to provisions of Republic
18 Act No. 6758 as amended, otherwise known as the Compensation and Position
19 Classification Act of 1989.

20
21 **CHAPTER V**
22 **REGISTRATION AND LICENSING**
23

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

30
31 The Commission shall ensure that the grant and revocation of licenses are
32 carried out fairly, transparently, and without discrimination. Issuances of the
33 Commission shall specify, among others, the qualifications, requirements, and
34 procedure for the grant and revocation of licenses including the standards and
35 performance targets that shall continuously be complied with to keep the
36 licenses valid.

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

5
6 Concession agreements and other contracts for water supply provision and
7 water sanitation and treatment services currently existing shall remain valid and
8 enforceable unless otherwise terminated, after due notice and hearing for
9 reasons provided in the existing terms and conditions under the concession or
10 service agreement or contract, or when invalidated by the Commission, after due
11 notice and hearing, where national security, national emergency or public
12 interest so dictates.

13
14 SEC 28. *Conditions of License.* – The Commission or the concerned
15 regulatory unit, may impose such conditions on the licensee as it may deem
16 necessary, such as:

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

28
29 The Commission shall specify the requirements and procedure for existing
30 holders of A Certificate of Public Convenience (CPC), ~~Certificates~~ of Public
31 Convenience and Necessity (CPCN) issued by NWRB, or Certificate of
32 Conformance (CoC) issued by LWUA, to convert their existing certificates into
33 licenses to operate in accordance with Sec. 27 herein.

34
35 All existing providers of water supply and sanitation services without a
36 legal and valid Certificate of Public Convenience, Certificate of Public
37 Convenience and Necessity, or Certificate of Conformance shall register with the

Commission and apply for a license within six (6) months from the effectivity of this Act.

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

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

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

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

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

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

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

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

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

(2) Prepare, within three (3) months from the issuance of a license, in consultation with its customers, a Customer Service Code specifying the manner and procedure for: (a) metering, billing, and collection of the licensee's approved tariff and other charges, (b) disconnection or suspension of service in case of non-payment of tariffs or other 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 shall
10 establish tariffs, rates and other charges which are fair and reasonable, and
11 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

28 SEC.31. *Direct Access.* - Fifty-one (51) percent of the registered water
29 consumers in a municipality, city or province may petition for direct access to
30 water from any water service provider subject to concurrence by the service
31 provider and approval by the Commission. The Commission shall promulgate
32 rules and procedures for this mode of service.
33

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

1
2 To this end, the Commission shall establish and issue such rules and
3 guidelines as may be necessary to (a) create incentives to encourage efficiency
4 and service expansion; (b) establish the standards and targets that service
5 providers are required to meet; and (c) define the fines and penalties that shall
6 be imposed for failure to meet such standards and targets.

7
8 **CHAPTER VI**
9 **QUASI-JUDICIAL FUNCTIONS OF THE COMMISSION**
10

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

- 13 (a) Issue *subpoena duces tecum* and *subpoena ad testificandum*;
14 (b) Appoint hearing officers to hear and receive evidence on behalf of the
15 Commission;
16 (c) Cite any person or party for contempt for refusal to appear, testify, or
17 comply with an order of the Commission on any matter that is the
18 subject of investigation, inquiry or proceeding before the Commission.
19

20 SEC. 34. *Orders and Decisions of the Commission.* – Any order, resolution,
21 or decisions of the Commission shall be promulgated promptly, expeditiously,
22 reasonably, and in writing, and shall state clearly and distinctly the facts and
23 law on which it is based.
24

25 The Commission shall publish and make available for public inspection,
26 all decisions and final orders in the adjudication of contested cases or
27 applications.
28

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

- 30 (a) The orders, rulings, and decisions of the Commission are final and
31 executory unless appealed to the Court of Appeals within fifteen (15)
32 days from receipt of notice of such order, ruling or decision: *Provided,*
33 That orders, rulings, and decisions of the Commission approving tariffs,
34 shall be immediately executory and may be suspended only upon
35 appeal and filing of a bond, in an amount to be fixed by the
36 Commission, to answer for damages occasioned by the suspension or
37 stay of execution of such orders, rulings, and decisions.

- 1 (b) No injunction may be issued by any court or administrative agency to
2 restrain any proceeding before, or the implementation or execution of
3 any order, ruling, or decision of the Commission, except on the basis of
4 a question of law brought before the Supreme Court on *certiorari*.
5 (c) Any act or decision of the Commission shall not be invalidated merely
6 because of a defect or irregularity in, or in connection with, the
7 appointment or vacancy in the Office of the Chairperson or any other
8 member of the Commission.

9
10 **CHAPTER VII**
11 **INTERDEPARTMENTAL RELATIONS OF THE COMMISSION**
12

13 **SEC. 36. *Interface with Other Sector Regulators.* –**

- 14 (a) The DENR shall continue to exercise primary jurisdiction over
15 programs aimed at -protecting the environment and the quality of water
16 sources from waste and pollution, and shall promulgate rules,
17 regulations, and standards in this regard. The Department of Health
18 (DOH) shall continue to exercise primary jurisdiction over the
19 determination and enforcement of standards for quality drinking water
20 and sanitation.
21 (b) The Commission shall coordinate with the:
22 (1) DOH to ensure that the standards and targets for quality drinking
23 water and sanitation are consistently complied with;
24 (2) LGUs for development projects relating to water supply and
25 sanitation; and
26 (3) Department of Public Works and Highways for flood control and
27 harnessing and impounding of water.
28

29 **SEC. 37. *Transfer of Rights and Obligations.* –** The Commission shall, by
30 virtue of this Act, be subrogated to all the rights, and assume all the obligations,
31 of the Water Utilities Division of the NWRB, the regulatory offices of MWSS and
32 LWUA, the regulatory units of all special economic zones, and all other
33 government agencies and units whose powers and functions have been
34 transferred to the Commission.
35

36 The transfer of powers and functions to the Department of the concerned
37 agencies as herein provided for, shall be deemed completed within six (6) months
38 after the effectivity of this Act. The transfer of powers and functions shall include

1 all applicable funds, personnel, records, property and equipment, as may be
2 necessary. The same shall apply to agencies which have been attached to the
3 Department by virtue of this Act.

4
5 All agencies transferred, subsumed and attached to the Department, shall
6 continue to function under their present mandates until the six-month
7 transition period mandated under this Act shall have lapsed. The heads of the
8 affected agencies shall continue to serve until replaced.

9
10 All rights and obligations of the affected agencies are hereby transferred to
11 and assumed by the Commission, and shall be acted upon in accordance with
12 the rules and regulations of the Commission on Audit and other pertinent laws,
13 rules, and regulations.

14
15 SEC. 38. *Absorption or Separation from Service of Employees of the*
16 *Subrogated Agencies.* – The current employees of the Water Utilities Division of
17 the NWRB, the regulatory offices of MWSS and LWUA, the regulatory units of all
18 special economic zones, and all other government agencies and units whose
19 powers and functions have been transferred to the Commission shall enjoy
20 security of tenure, and shall be absorbed by the Department, in accordance with
21 their staffing pattern and the selection process as prescribed under Republic Act
22 No. 6656 or the Government Reorganization Law.

23
24 Employees opting to be separated from the service as a consequence of the
25 consolidation, and reconstitution under the provisions of this Act shall, within
26 one (1) month from their separation or phase out from the service, receive
27 separation benefits in accordance with existing laws, and those who are qualified
28 to retire shall be allowed to retire and be entitled to all benefits under existing
29 retirement laws.

30
31 SEC. 39. *Water Trust Fund.* – There is hereby created a Water Trust Fund
32 in the Bureau of Treasury. All non-tax revenues, including raw water pricing,
33 permit fees, registration fees, supervision and regulation enforcement fees, filing
34 fees, testing fees, and other service income from the use of water resources shall
35 be remitted to the Water Trust Fund. The trust fund shall be accounted
36 separately from the government's general revenues and shall be automatically
37 appropriated to the Department. Proceeds from the trust fund shall be utilized
38 for water development, water sanitation and waste water treatment and

1 management, and water sustainability programs and projects authorized under
2 this Act: *Provided*, That a maximum of ten percent (10%) of the total income
3 generated from raw water extraction shall be given as share of the concerned
4 local government unit or indigenous peoples (IP) community who own the specific
5 areas or land where the raw water was sourced.

6
7 **CHAPTER VIII**
8 **FINAL PROVISIONS.**
9

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

15
16 Sec. 41. *Transitory Provisions.* – Performance audit of all water-related
17 agencies and institutions, including LWUA and water districts, MWSS, MWSS-
18 RO and its concessionaires, LGU-run utilities, Tourism Infrastructure and
19 Enterprise Zone Authority, Philippine Economic Zone Authority, Bases
20 Conversion and Development Authority, Subic Bay Metropolitan Authority,
21 DILG, and NIA, shall be conducted by the Department.

22
23 SEC. 42. *Appropriations* – The amount necessary to cover the initial
24 implementation of this Act shall be charged against the current year's
25 appropriations of the agencies and offices transferred and subsumed by the
26 Department and the Commission in the General Appropriations Act. Thereafter,
27 such sums as may be necessary for the continued implementation of the Act
28 shall be included in the annual GAA.

29
30 SEC. 43. *Implementing Rules and Regulations.* – Within one hundred eighty
31 (180) days from the effectivity of this Act, the Department, NEDA, DBM, DENR,
32 CSC, in consultation with concerned government agencies, the Presidential
33 Legislative Liaison Office shall promulgate rules and regulations for the effective
34 implementation of this Act.

35
36 SEC. 44. *Separability Clause.* – If any reason, any portion or provision of
37 this Act shall be held unconstitutional or invalid, the remaining provisions not
38 affected thereby shall continue to be in full force and effect.

1
2 SEC. 45. *Repealing Clause.* – (a) The following provisions are hereby
3 repealed:

4 1) Section 3 (h) and Section 12 on the provision with respect to fixing of
5 water rates and sanitation service fees, Section 3 (n) on the provision with respect
6 to regulation of waterworks and deep wells, and Section 3 (p) on the provision
7 with respect to regulation of waterworks and sanitation systems in privately
8 owned subdivisions of Republic Act 6234 entitled, *An Act Creating The*
9 *Metropolitan Waterworks And Sewerage System And Dissolving The National*
10 *Waterworks And Sewerage Authority, And For Other Purposes*, as amended.

11
12 2) Title III on Local Water Utilities Administration Law of Presidential
13 Decree No. 198 otherwise known as the *Provincial Water Utilities Act of 1973*, as
14 amended by Letter of Instruction No. 700 - *Providing Measures To Control And*
15 *Regulate Increase In Water Rates*, Letter of Instruction No. 744 - *Relative To*
16 *Reliable Water Supply At Reasonable Rates In The Countryside* on the, Executive
17 Order No. 124, 30 January 1987 - *Reorganization Act of the Ministry of Public*
18 *Works and Highways*, Executive Order No. 123, 30 January 1987 -
19 *Reorganization Act of Ministry of Social Services and Development*.

20
21 3) Republic Act No. 3601 as amended by Presidential Decree No. 552 and
22 Presidential Decree No. 1702 pertaining to the creation of the National Irrigation
23 Administration;

24
25 4) Section 1 of Executive Order No. 124-A S. 1987 Amending Executive
26 Order No. 124, dated 30 January 1987, *Reorganizing the Department of Public*
27 *Works and Highways, Redefining Its Powers and Functions, and For Other*
28 *Purposes* on renaming and reorganizing the National Water Resources Council
29 into the National Water Resources Board.

30
31 (b) The following provisions are hereby amended accordingly:

32
33 1) Section 3 paragraph 3 Commonwealth Act No. 146, as amended,
34 otherwise known as the Public Service Act pertaining to all cases involving the
35 fixing of rates;

36 2) Section 154, Article V, Chapter I, Title One, Book II of Republic Act No.
37 7160, as amended, otherwise known as the “*Local Government Code of 1991*”,
38 and its implementing rules and regulations on the power of the local government

units to fix the rates of water utilities owned, operated and maintained by them within their jurisdiction is hereby repealed or modified accordingly.

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

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

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

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

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

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

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

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

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

Approved,