Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 1060

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Introduced by Representative Gloria Macapagal-Arroyo

AN ACT
ESTABLISHING THE NATIONAL FRAMEWORK FOR WATER RESOUCE MANAGEMENT AND CREATING THE DEPARTMENT OF WATER RESOURCES AND THE WATER REGULATORY COMMISSION, DEFINING THEIR MANDATE, POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

On July 28, 2010, the United Nations General Assembly recognized the Human Right to Water and Sanitation (HRWS) as a human right. The HRWS obliges governments to ensure that people can enjoy clean, available, acceptable, accessible, and affordable water and sanitation.

In order to address the myriad water problems that the country is facing both in the short- and long-term, a strong body is needed for water resources management, and the formulation of strategies to foster coordinated nationwide efforts in solving water and sanitation problems.

The proposed Department of Water Resources seeks to address this need by centralizing the planning, programming, policy formation, and management of water resources. It will also conduct the necessary research focused on the water and sanitation sectors, and supervise and evaluate the performance of the different water and sanitation organs. It will also deal with related problems such as pollution and flood control.

Considering the rationale stated above, passage of this bill is earnestly sought.

GLORIA MACAPAGAL-ARROYO
Representative, 2nd District of Pampanga

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Be it enacted by the Senate and the 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 Resources Management Act"

Sec. 2. *Declaration of Policy.*-

(a) The State recognizes that water is fundamental to individual life, health, and dignity, and that every person has a right to access safe and clean water for personal and domestic use;

(b) The State affirms that the right of all Filipinos to safe and clean drinking water and sanitation is essential to the full enjoyment of life and all human rights and hence, the attainment of a nationwide water supply, sanitation, and sewerage services at reasonable rates must be pursued in an orderly, rational, efficient, and dynamic manner;

(c) The State emphasizes that water is a public good subject to diverse use in economic, agricultural, and industrial activities, and is thus a scarce resource which must be carefully regulated to prevent resource depletion and to ensure its availability for future generations;

(d) The State also maintains that water is indispensable to the existence and sustainability of natural ecosystems, and as such its use must neither endanger the balance and health of the environment nor compromise the rhythm and harmony of nature;

(e) The State further maintains that water resources are interconnected with climate, soil condition, land use and land cover, forest cover, and other natural

resources. As such, the management of water will require inter-sectoral and inter-agency collaboration as well as harmonization of laws, policies, institutions, and stakeholders; and

(f) Finally, while the State maintains that all water resources remain under its full ownership, control, and supervision, it emphasizes that it may enter into arrangements with the private sector, as well as with civil society and community-based organizations, on the basis of beneficial use, to ensure the efficient and affordable delivery of water supply, sanitation, and septage services to end-users.

In accordance with these precepts, it is hereby declared the policy of the State to provide for the rational, evidence-based, and integrated management of all water resources in the country to ensure universal access to safe, adequate, and affordable water supply, sanitation, and septage services, through a policy and regulatory regime that encourages innovation and responsible private sector participation, while ensuring ecological preservation and environmental sustainability.

Sec. 3. *Definition of Terms.*-The following terms are hereby defined as follows:

(a) Bulk water supplier refers to any entity, natural or juridical, whether public or private, supplying or intending to supply large quantities of raw or treated water to buyers who will use it for own consumption, such as industrial companies, or for retail distribution to consumers such as water service providers or real estate developers managing their own distribution network;

(b) Environmental services refer to qualitative functions of natural non-produced assets of land, water, and air, including related ecosystems, and their biota, and which may be categorized into three basic types: (i) disposal services which reflect the functions of the natural environment as an absorptive sink for residuals; (ii) productive services which reflect the economic functions of providing natural resource inputs and space for production and consumption, and (iii) consumer or consumption services which provide for physiological as well as recreational and related needs of human beings;

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

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

(e) Infrastructure and public works refer only to wholly or primarily water-

related projects and shall not incorporate projects that do not otherwise fall within the purview of the objectives, powers, and duties of the Department of Water Resources created under this Act;

(f) Integrated Water Resource Management (IWRM) refers to a systematic, collaborative and multi-stakeholder process which promotes the coordinate development and management of water, land, and related resources within geophysical boundaries in order to maximize the resultant economic and social welfare in an equitable manner and without compromising the sustainability of vital ecosystems;

(g) License refers to the Water Supply or Sanitation Services Operating License that the Water Regulatory Commission is authorized to grant and issue to Service Providers;

(h) Licensee refers to the Service Provider to whom a License is granted or issued by the Water Regulatory Commission;

(i) Missionary Water refers 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;

(j) National Water Resources Management Plan (NWRMP) refers to a policy document that incorporates a framework to guide the development and management of all water resources in the Philippines, the general strategies and work to be pursued to ensure the sustainability of the resource and work towards the water security; and provides 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 for 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 on public, private and international development funding sources;

(k) Regulatory Units refer to the regulatory offices of the Water Regulatory Commission established under this Act;

(I) 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;

(m) River Basin Organization (RBO) refers to multi-stakeholder organizations which plan, coordinate, and monitor activities within a river basin cluster;

(n) Sanitation refers to the provision of facilities and services for the safe management of septage and sewage, from the collection 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;

(o) Septage refers to the liquid and solid material pumped from a septic tank, cesspool, or other primary treatment source.

(p) Septage Management refers to the provision of proper collection,

treatment, and disposal of septage;

(q) Service Area refers to the area covered by the water distribution system, sewerage, and septage management services;

(r) Service Provider- refers to any entity, natural or juridical, whether private or public, providing or intending to provide water supply, including bulk water suppliers, sewerage, septage treatment, and disposal services for domestic, residential, institutional, industrial, or commercial use;

(s) Sewage refers to water-borne human or animal wastes, excluding oil or oil waste, removed from residences, buildings, institutions, and industrial and commercial establishments together with such groundwater, surface water and storm water as may be present including such waste from vessels, offshore structures, other receptacles intended to receive or retain waste or other places or the combination thereof;

(t) Sewerage refers to any system or network of sanitary pipelines, ditches, channels or conduits including pumping stations, lift stations and force mains, service connections including other infrastructure, devices or appliances appurtenant thereto, which includes the collection, transport, pumping and treatment of sewage to a point of disposal;

(u) Sewers refer to pipes or such other works or structures which are built and constructed to carry, transport, and dispose sewage;

(v) Tariffs refer to such amounts which may be charged by licensees for their water supply, sewerage, or sanitation services based on principles, standards, and guidelines established by the Water Regulatory Commission;

(w) Water Demand Management refers to any method whether technical, economic, administrative, financial, or social that will accomplish one or more of the following:

(i) Reduce the quantity or quality of water required to accomplish a specific task;
(ii) Adjust the nature of the task or the way it is undertaken so that it can be accomplished with less water or with lower quality water;
(iii) Reduce the loss in quantity or quality of water as it flows from source, through use, to disposal;
(iv) Shift the timing of use from peak to off-peak periods; and
(v) Increase the ability of the water system to continue to serve society during times when water is in short supply.

(x) Water District refers to government-owned and controlled corporations organized under Presidential Decree No. 198, otherwise known as the "Provincial Water Utilities Act of 1973", 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 wastewater collection, treatment and disposal facilities within the boundaries of the district;

(y) 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;

(z) 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;

(aa) Water resource allocation refers to the process of sharing the limited water resources between competing users. This consists of determining water availability and determining how the water should be shared among competing users. For the purpose of this Act, resource allocation shall also mean water resource allocation;

(bb) Water Resources Regions refer to the contiguous clusters of river basins created under this Act for administrative purposes under the Department of Water Resources;

(cc) Water Resources Regional Offices (WRROs) refer to the field offices of the Department of Water Resources, as created under this Act, which are to be established in accordance with the identified water resources regions in the country;

(dd) Water setvice cooperative refer to cooperatives organized primarily to own, operate, and manage water systems 'for the provision and distribution of potable water for the members and their households

(ee) Water Setvice Providers (WSPs) refer to the water districts, any Local Government Unit (LGU)-run water utility, Barangay Waterworks and Sanitation Association, Rural Waterworks and Sanitation Association, water service cooperatives, and private sector entities that provide water supply services to any given area;

(ff) Water supply service refers to any activity comprising developed water sources, communal faucet system or stand posts, waterworks system or individual house connections, which include bulk suppliers, suppliers to subdivisions, or other similar water service providers.

CHAPTER II
DEPARTMENT OF WATER RESOURCES

Sec. 4. *Establishment of the Department of Water Resources.* - There is hereby established the Department of Water Resources, hereafter referred to as the Department.

Sec. 5. *Mandate and Objectives.* - The Department shall be the primary policy, planning, coordinating, implementing, monitoring, and administrative entity of the Executive Branch of the government responsible for the comprehensive, sustainable, climate-resilient, and integrated development and management of the water resources of the Philippines, and their optimal allocation and use for domestic and municipal water supply, sanitation, irrigation, hydropower industry navigation, flood management, and recreation, and water utilization aspects of fisheries or

aquaculture.

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

Sec. 6. *Powers and Functions.* - The Department shall exercise the following powers and functions:

I. Policy Making 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 agencies and stakeholders to meet the goals and objectives for water resource sustainability and protection, water allocation and management, water supply, sanitation, and sewerage, water quality, irrigation, hydropower, flood control, stormwater utilization, and urban drainage. Such policies shall, among other guidelines, integrate the relevant issues of water, sewerage, sanitation, food security, energy, environment, flood control, and climate change;

(c) Formulate long-term policies to balance the sustainability and optimal multiple use of water resources, define the hydrologic boundaries of basins of the existing water supply sources, and develop or update existing River Basin Master or Comprehensive Plans which includes all aspects of water management and development such as water supply, sewerage, and sanitation, irrigation, flood control and storm water or urban drainage, drought risk management, water resource development systems and other public water works projects, including phasing of implementation;

(d) Harmonize all relevant national river basin policies and serve as the national policy coordination office for LGUs and relevant stakeholders in the development and sustainability of river and catchment basins;

(e) Identify, based on the river basin master plans, priority projects for water infrastructure development per river basin, including water supply, sanitation, irrigation, hydropower, flood control and storm water or urban drainage, drought risk management, water resource development systems and other public works projects;

(f) Evaluate and appraise all regional and inter-regional infrastructure water development plans and programs as to their feasibility and consistency with approved strategies and medium and long-term plans;

(g) Formulate and develop policies and strategies to promote universal access to safe, adequate, affordable, and sustainable water supply, and improved sanitation services for all Filipinos;

(h) Develop, in consultation with relevant agencies and stakeholders, the National Water Resources Management Plan (NWRMP) and ensure its integration into existing Comprehensive Land Use Plans and Provincial Development and Physical Framework Plans, within the context of a National Physical Framework Plan, to ensure the harmonization of planning of water, land, subsurface, and air resources, submit the NWRMP to the National Economic and Development Authority Board (NEDA) for approval and eventual adoption, and regularly update the NWRMP, every five years or as deemed necessary by the Department, in order to ensure its relevance to the times;

(i) Prepare, formulate, implement, and update a five (5) year plan of action for National and Regional Septage Management, which shall contain measures for the construction of wastewater treatment facilities and provision, installation, operation, maintenance and, where practicable, the integration of sewerage, septage management, storm water management and other sanitation facilities, in accordance with Republic Act No; 9275, otherwise known as the "Philippine Clean Water Act of 2004". Compliance with the mandate to implement septage management services and systems by any WSP pursuant to Republic Act No. 9275 shall be reckoned within five (5) years from the date of promulgation or publication of the septage management plan formulated by the Department;

(j) Review and provide oversight over all water-related development plans and programs of any agency or local government unit (LGU) within the context of the NWRMP and overall national plans and programs;

(k) Assist and provide the 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) Strengthen and coordinate with relevant agencies on 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;

(m) Develop and implement, in coordination with other relevant agencies and stakeholders, 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; and ensure that the planning and design of water infrastructure considers the highest efficiency and most appropriate technology and quality;

(n) Ensure that gender equality, social inclusion, environmental protection, climate resiliency and disaster risk reduction, and indigenous knowledge systems and practices are integrated into any water resources management planning, policy making, and the design and construction of water infrastructure;

(o) Act as the lead agency in ensuring the effective implementation of all laws and implementing rules and regulations on water resources;

(p) Review all water laws and implementing rules and regulations and propose amendments thereof to Congress, and advise any agency on the implications of government actions, policies, and programs to water supply, sewerage, and sanitation;

(q) Authorize its representatives or any deputized agent to enter any property of public dominion or any private land, building or enclave, whether inhabited or not, or authorize a representative thereof, for the purpose of conducting hydrological surveys and investigations, including assessing and evaluating the conditions of water facilities installed, and determining compliance with water laws and standards; and

(r) Issue and promote rules and regulations as may be necessary to implement and enforce its powers and functions under this Act;

II. Data Collection and Evidence Gathering

(a) Establish, operate, and maintain a centralized water resources data center necessary for the scientific survey and appraisal of surface and ground water potentials of the country and determine the annual renewable water available per available water resources region;

(b) Effect inter-sectoral, inter-agency and inter-departmental coordination on all aspects of data gathering and data sharing for water resources development planning and compel submissions of statistics and data on watermanagement with the aim of operationalizing the IWRM framework;

(c) 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 in coordination with the river basin initiatives of relevant government entities;

(d) Collect, regularly update, monitor, and analyze water resources data including climatology, hydrologic, and other water-related data;

(e) Establish, in coordination with agencies that generate water-related data, guidelines, standards, methodologies, and protocols for data collection that will be officially recognized by the Department, and institute mechanisms for coordination with other agencies as regards their submission and certification of submitted water-related data to the Department;

(f) Conduct continuing hydrological and hydrometeorological surveys and studies of the country's renewable water supply, and establish, operate, and maintain observation station networks;

(g) Conduct and promote special studies and research on water economics and other aspects of water resources development and management as may be needed to support the policy and plan proposals of the Department, such as, but not limited to, impacts of climate change, weather modification, flood monitoring and modeling, environmental quality, and desalination;

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

(i) Develop and continuously update a computerized decision support system that incorporates data management system relating to acquisition and database, model base in terms of physical design, planning and decision models, and user-friendly interface concerning graphical and visualization tools; and

(j) Promote Philippine participation in information sharing and education on best practices in support of international efforts to achieve universal access to safe water and improved sanitation and the integration of water, energy, food security and environment.

III. Water Resource Management and Allocation

(a) Formulate, issue, and enforce rules and regulations on the following:

(i) Abstraction, diversion, and development of the country's water resources, taking into consideration their equitable distribution among competing demands and determine the standards of beneficial and priority uses of water in times of crises and national emergencies;

(ii) Equitable and optimal allocation of the country's water resources for domestic and municipal water supply, irrigation, sanitation, irrigation, hydropower, navigation, fisheries, livestock raising, industrial, recreational, and other purposes;

(iii) Determination and granting of water rights, including adjudication in cases of conflicting uses, amending for this purpose, Act No. 2152, otherwise known as "The Irrigation Act", and other laws relating to the appropriation and utilization of surface and groundwater: Provided, That the grant and adjudication of conflicting water rights shall be exercised by the Water Resources Adjudication Board;

(iv) Such other coherent water protocols as may be necessary, including the operating rules of all existing and future water infrastructure, legal and technical mechanisms for intra-sectoral transfers;

(v) Guidelines for the determination of costs and fees of all water rights, tariffs, permits, and licenses through a science-based method which will accurately reflect the current or future projected state of the water resource to be allocated: Provided, That the actual methodology for setting rates and tariffs shall be the exclusive power of the Water Regulatory Commission;

(vi) Methods and standards for basic data collection and project identification, formulation and planning, and appropriate sanctions to be imposed for non-compliance;

(vii) Guidelines in the grant of areas for missionary water, such as, but not limited to, corresponding non-tax incentives and possible sources of funding and revenues;

(viii) Treatment and utilization, in coordination with relevant agencies, of flood control, rain-water run-off, stormwater, and urban drainage;

(b) Exercise original jurisdiction over all disputes relating to appropriation, utilization, exploitation, development, control, conservation and protection of all water resources, the adjudication of which shall be enforced by the Water Resources Adjudication Board;

(c) Impose fees or charges, as may be deemed necessary for water resources conservation and protection, in accordance with applicable rules and regulations on the imposition and increase of fees or charges, such as, but not limited to:

(i) Raw water price, which shall take into account, among others, the scarcity of water; and

(ii) Appropriate structures for payment of environmental services;

(d) Raise publicawareness through information, education, and communications programs, and build capacities for informed participation in water resources management at the national and river-basin level.

IV. Administration and Management

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

(b) Develop materials for capacity building and training on RBO development and conduct training and workshops for prospective RBOs;

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

(d) Conduct a performance audit of all water-related agencies and institutions, including but not limited to the water districts, MWSS, MWSS-RO and its concessionaires, LGU-run utilities, TourismInfrastructure and Enterprise Zone Authority, Philippine EconomicZone Authority, Bases Conversion and Development Authority, Subic Bay Metropolitan Authority, DILG, and NIA;

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

(f) Deputize any official or agency of the government to assist in the performance of any of the powers and functions of the Department;

(g) Appoint, hire, and maintain adequate staff and personnel, advisers or consultants with suitable qualifications and experience, as necessary, in accordance

with relevant civil service laws, rules, and regulations.

V. Coordination

(a) Coordinate and rationalize the efforts of relevant government agencies and instrumentalities to ensure a whole-of-government approach to attaining water security;

(b) Coordinate and integrate water resources development activities of the country within the context of national plans and policies for social and economic development;

(c) 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 with accompanying computerized decision tools for major water facilities;

(d) Coordinate with the concerned and relevant agencies engaged in flood control, flood risk management, and drought risk management; and;

(e) Coordinate proactively with LGUs to ensure the integration of water resources development plans into their comprehensive land use plans, Comprehensive Development Plans, or Provincial Physical Framework and Development Plan.

VI. 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, without prejudice to private entities capable of and willing to engage in the aforementioned activities through concession agreements, joint venture agreements, bulk water agreements, or service agreements or contracts. For this purpose, the Department shall ensure compliance with existing frameworks, rules, regulations and guidelines for private sector participation in water transmission, water distribution, waste water treatment and management, storm water management, and sanitation;

(b) Enter into contracts, joint venture agreements, 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) Review existing guidelines appropriate for private sector participation in the water sector and submit recommendations to the Public-Private Partnership (PPP) Center and other concerned agencies to promote and enable more PPPs in the sector; and

(d) Exercise such other powers and functions necessary or incidental to the

effective administration and management of the country's water resources.

Sec. 7. *Offices, Functions, and Personnel to be Completely Absorbed by the Department.* - The following offices are hereby abolished, and their respective powers and functions, and the corresponding personnel, funds and appropriations, records, equipment, and property shall be absorbed by the Department:

(a) National Water Resources Board, whose mandate, powers, and functions are provided in Presidential Decree No. 424 creating the National Water Resources Council, now NWRB, as amended: Provided, That its water utility regulation units and functions vested under Commonwealth Act No. 146, also known as the "Public Service Act", as amended, shall be absorbed by the Water Regulatory Commission created under this Act: Provided, further, That its resource allocation or regulation units vested under Presidential Decree No. 1067 shall be absorbed by the Department under the National Water Resources Adjudication Board and the Resource Allocation Office, also created under this Act;

(b) Local Water Utilities Administration (LWUA) with its services, departments and divisions, whose mandate, powers and functions are provided for in Title III of Presidential Decree No. 198, as amended, otherwise known as the "Local Water Utilities Administration Law": Provided, That its economic regulatory functions over local water districts shall be fully absorbed by the Water Regulatory Commission created under this Act: Provided, further, That its function to provide technical assistance to local water service providers shall be absorbed by the Department under the Local Water Service Providers Bureau, also created under this Act;

(c) River Basin Control Office (RBCO) of the DENR whose mandate, powers and functions are found in Executive Order No. 510, series of 2006, and Executive Order No. 816, series of 2009, as amended: Provided, That the DENR shall continue to have primary authority and responsibility for protecting the environment and managing the country's watersheds and reforestation activities: Provided, further, That the targeting of priority watershed areas shall be coordinated with the Department;

(d) Manila Bay Coordinating Office (MBCO) of the DENR which was strengthened by virtue of DENR Administrative Order 2011-01, to coordinate the efforts of the fourteen (14) national agencies covered by the Mandamus Order of the Supreme Court to rehabilitate Manila Bay;

(e) Water Supply and Sanitation Unit of the Department of the Interior and Local Government; and

(f) Water Resource Management Office of the DENR whose mandate, powers, and functions are provided in Executive Order No. 22, series of 2023.

Sec. 8. *Powers and Functions to be Transferred to the Department.* – The powers and functions of the following agencies, bureaus, and units and the corresponding personnel, funds and appropriations, records, equipment, and property are also hereby transferred to the Department:

(a) The powers and functions of the DPWH with regard to the planning,

programming, administration, monitoring, and management of the National Sewerage and Septage Management Program (NSSMP); and

(b) The following functions of the dissolved Pasig River Rehabilitation and transferred to the Manila Bay Task Force per Executive Order No. 93, series of 2019:

(i) Updating and leading in the overall implementation of the Pasig River Rehabilitation Master Plan; and

(ii) Ensuring that the easements provided for in the Civil Code and other relevant laws are enforced, especially in all the esteros and waterways as well as abating the dumping of untreated wastewater and sewage into water systems, including all acts and omissions in violation of Presidential Decree No. 984, as amended, and other related laws.

Sec. 9. *Attached Agencies.* - The Department shall exercise administrative supervision over the following agencies for purposes of policy and program coordination, monitoring, and evaluation:

(a) 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 Other Purposes," shall be transferred from the DENR 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, operate, and dispose its retained assets: Provided, further, That its regulatory arm, the MWSS-Regulatory Office, shall be fully absorbed by the Water Regulatory Commission created under this Act;

(b) The Laguna Lake Development Authority (LLDA), whose mandate, powers and functions are defined under Republic Act No. 4850 otherwise known as "An Act Creating the Laguna Lake Development Authority, Prescribing Its Powers, Functions and Duties, Providing Funds Therefor, and for Other Purposes", as amended, shall be transferred from DENR and attached to the Department: Provided, That the power to set rates and fees for the use of the lake waters and its tributaries for all beneficial purposes under Section 4-B of Republic Act No. 4850, and the corresponding personnel, funds and appropriations, records, equipment, and property thereof shall be transferred to the Water Regulatory Commission: Provided, further: That the rates fees set by the WRC shall no longer be subject to the approval of the President of the Philippines. 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 Master Plan which shall be updated by the Department to ensure alignment with the NWRMFP;

(c) The National Irrigation Administration (NIA), whose mandates, powers and functions are defined under Republic Act No. 3601, otherwise known as "An Act Granting the National Irrigation Administration", as amended, is hereby transferred to the Department; and

(d) Any other agency performing water resources management, conservation, and protection functions may be transferred to the Department as the

President deems necessary.

The Secretary shall be the ex-officio Chairperson of the Governing Boards of the aforementioned government-owned and controlled corporations to be attached under the Department. In case existing laws, rules and regulations provide for a specific process in appointing the agency's Chairperson, the Secretary of Water Resources shall serve as Co-Chairperson.

Sec. 10. *Organization.* - The Department shall be composed of the Office of the Secretary, and the various bureaus and services, and regional offices. The Office of the Secretary shall house the Office of the Department Secretary, the Office of the Undersecretaries, the Office of the Assistant Secretaries, and their immediate support staff.

Sec. 11. *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 be appointed by the President, subject to confirmation by the Commission on Appointments. The Secretary shall:

(a) Provide executive direction, supervision, and control over the entire operations of the Department and exercise supervision over its attached agency for program and policy coordination;

(b) Advise the President on the promulgation of executive or administrative orders, and other issuances and on the formulation of necessary regulatory or legislative proposals on matters pertaining to the management of water resources, water supply, sanitation, and septage services;

(c) Establish the policies and standards for the effective, efficient, and economical operation of the Department pursuant to the President's guidelines;

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

(e) Promulgate rules and regulations necessary to carry out the objectives, policies and functions of the Department;

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

(g) Exercise control, supervision, and disciplinary powers, in accordance with law, over all officers and employees of the Department, including their investigation and the designation of a committee or officer to conduct such investigation, in accordance with the civil service laws, rules and regulations;

(h) Create regional offices and such other service units, bureaus, and divisions as may be necessary;

(i) Call upon and deputize any official, agent, employee, agency, or instrumentality of the national and local government for any assistance that it may deem necessary to carry out the purposes of this Chapter, subject to existing laws;

(j) Delegate authority for the performance of any power or function, as defined herein to officials and employees under his direction as deemed appropriate, in accordance with existing laws;

(k) Act as the ex-officio Chairperson of the governing board of the agencies attached to the Department; and

(l) Perform such other duties and responsibilities as may be provided by law.

Sec. 12. *The Offices of the Secretary and Undersecretaries.* -The Office of the Secretary shall be composed of the Secretary and immediate staff. The Secretary shall be assisted by not more than three (3) Undersecretaries and three (3) Assistant Secretaries, who shall all be appointed by the President upon the recommendation of the Secretary.

The Secretary is hereby authorized to delineate and assign the respective functional areas of responsibility of the Undersecretaries and Assistant Secretaries: Provided, That such responsibility shall be with respect to the mandate and objectives of the Department: Provided further, That no Undersecretary shall be assigned primarily to administrative responsibilities.

Sec. 13. *Qualifications of the Department Secretary, Undersecretaries, and Assistant Secretaries.* -

(a) No person shall be appointed Secretary, Undersecretary, or Assistant Secretary unless they are of good moral character, possess proven integrity and competence in public administration, and have a minimum of seven (7) years of experience in the administration of water, sewerage, sanitation, irrigation, flood control, or drainage programs, preferably in a public agency.

(b) At least one (1) of the Undersecretaries and at least one (1) of the Assistant Secretaries shall be career officers.

(c) No officer, external auditor, accountant, or legal counsel of any private company or enterprise primarily engaged in the water industry shall be eligible for appointment as Secretary within two (2) years from retirement, resignation, or separation therefrom.

Sec. 14. *The Water Resources Adjudication Board.* - There is hereby created a Water Resources Adjudication Board, hereafter referred to as the Board, under the Office of the Secretary. The water resources allocation and regulation functions of the National Water Resources Board are hereby transferred to the Board which shall supervise the effective appropriation and regulation of the water resources in the country in accordance with Presidential Decree No. 1067. The Board shall exercise quasi-judicial powers granted to it under this Act.

Sec. 15. *Composition.* - The Board shall be composed of a Department

Undersecretary as Chairperson and three (3) representatives from stakeholders as members, who shall all be designated by the Secretary.

There is hereby created a Resource Allocation Office, hereinafter referred to as the Office, which shall serve as Secretariat to the Board and shall exercise the following functions in order to provide technical support to the Board towards the effective regulation of the country's water resources.

Sec. 16. *Functions of the Board.* - The Board shall perform the following functions:

(a) Promulgate rules and regulations for the exploitation and optimum utilization of water resources, in accordance with Presidential Decree No. 1067 and other existing laws, including the imposition on water appropriators of such fees or charges by the Department;

(b) Approve the guidelines and processes pertaining to water regulation, as recommended by the Research All;

(c) Review and decide on requests for permits to extract or utilize the country's water resources and grant the corresponding water rights, upon recommendation of the Office in accordance with Presidential Decree No. 1067: Provided, That the water rights are exercised within five (5) years of granting of such rights: Provided, further, That applicants for water permits shall submit proof of land ownership of, or right to use the property where the water source is located: Provided, finally, That, if the applicant is currently using the water source being applied for domestic or municipal purposes upon the effectivity of this Act, such applicant may submit such proof of prior use of possession of said property in lieu of ownership or right to use;

(d) Exercise original jurisdiction over decisions in cases involving the following:

(i) All disputes relating to the appropriation, utilization, exploitation, development, control, conservation, and protection of waters;

(ii) Violations and disputes on raw water fees; and

(iii) Violations and disputes involving water permits, administrative allocation of water resources, and transfer of water rights;

(e) Issue subpoena duces tecum and subpoena ad testificandum;

(f) Cite any person or party in contempt for refusal to appear, testify or comply with the lawful orders of the Board in relation to any matter subject to its investigation;

(g) Hear, receive evidence, and decide on cases falling within its jurisdiction;

(h) Impose the appropriate sanctions, including revocation of water permits, over violations committed by appropriators after due notice and hearing in

accordance with Presidential Decree No. 1067 and other existing laws, rules and regulations as well as future rules and regulations which the Board shall promulgate;

(i) Review, update, and revise all fees, charges, and penalties imposed on all water appropriators as stated under Chapter VII and VIII of Presidential Decree No. 1067, upon recommendation by the Secretariat, and based on scientific and evidence-based studies;

(j) Promulgate its own rules and procedures; and

(k) Exercise such other powers as may be necessary to carry out its duties and responsibilities under this law.

Sec. 17. Resource Allocation Office. - The Office shall perform the following functions:

(a) Advise the Board on all matters relating to resource allocation and regulations;

(b) Formulate rules and regulation for the exploitation and optimum utilization of surface water, groundwater, and seawater extraction and use, for the approval of the Board, and for implementation by the Resource Allocation Office, including the processes for the application of water permits, in accordance with Presidential Decree No. 1067 and other existing laws;

(c) Process applications of rights to utilize water resources for the appropriate, optimal and sustainable use of surface and ground water, for the approval of the Board or its Executive Director, as may be delegated by the Board;

(d) Upon approval by the Board, issue water permits granted to water appropriators;

(e) Monitor performance and conduct audits on water rights grantees including, among others, review of compliance by grantees with the terms of the permits granted;

(f) Investigate, motu proprio or upon complaint, violations of the water rights and Presidential Decree No. 1067;

(g) In the case of violations and conflicts between and among users, file the necessary cases for the decision of the Board;

(h) Enforce the decisions promulgated by the Board, and as may be delegated by the Board;

(i) Coordinate with other relevant units of the Department regarding the generation, updating, managing, and sharing of water data;

(j) Respond to consumer complaints, and ensure the adequate promotion of consumer interests; and

(k) Perform such other related functions and activities which are necessary for the effective regulation of water-related services.

The Office shall be headed by an Executive Director and shall be assisted by one (1) Deputy Executive Director.

Sec. 18. *Orders and Decisions.* -Every order or decision rendered by the Board shall be in writing and shall state clearly and distinctly the facts and the law on which it is based. The Board shall decide each case or application within thirty (30) days following its formal submission for resolution. All decisions and final orders in the adjudication of contested cases or applications shall be published and made available for public inspection.

Sec. 19. *Appeals Procedure and Prohibition Against Injunction.* -

(a) The orders, rulings, and decisions of the Board shall become final and executory after fifteen (15) days from receipt of such order, ruling, or decision, unless, prior to the lapse of this period, an appeal was made with the Secretary of Water Resources;

(b) All decisions where the penalty imposed is a fine shall be immediately executory, except upon the filing of a bond equivalent to the fine imposed or as may be fixed by the Board;

(c) Except for the Supreme Court, no temporary restraining order, preliminary injunction, or preliminary mandatory injunction may be issued by any court to restrain any proceeding before, or the implementation or execution of any order, ruling, or decision of the Board.

Sec. 20. *Bureaus and Services.* - The Department shall establish, operate, and maintain the Bureaus and Services under it such as, but not limited to:

(a) The Local Water Service Providers Bureau shall provide technical assistance and personnel training for the creation, application for the socialized credit program, and operation of local water service providers, and shall effect system integration, joint investment and operation, district annexation and de-annexation, whenever economically warranted, in accordance with Section 50 of Presidential Decree No. 198, as amended by Section 22 of Presidential Decree No. 768;

(b) The Bureau of Flood Control and Drainage shall plan and design, in coordination with the DPWH and other relevant government agencies, flood control and drainage structures and facilities in accordance with technical standards, guidelines and manuals, and provide technical assistance to other agencies, LGUs, and other stakeholders;

(c) The Planning and Policy Service shall formulate strategies and priorities for water resources management and provide the Department with the capability to undertake water infrastructure development planning and programming;

(d) The Data Management Service shall develop, manage and maintain the

management information system and knowledge systems of the Department, including the processing of water-related data;

(e) 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 and property and procurement services, in accordance with civil service laws, rules, and regulations;

(f) The Legal and Legislative Service shall provide the Department with services on legal affairs such as, but not limited to, contract preparation and review, legal and legislative research, complaints and investigation on employees, legal counselling and other matters of law;

(g) The Comptrollership and Financial Management Service shall provide the Department with coordinated services relating to financial systems and procedures, budget, cash, accounting and all financial housekeeping matters;

(h) Internal Audit Service shall regularly conduct a comprehensive audit of various Department activities;

(i) The Public Affairs Service shall enhance government relations with all stakeholders including the media and shall ensure that stakeholders and marginalized sectors shall be consulted and can take active part in all aspects of water resources development and management activities.

The Bureaus and Services of the Department shall be headed by a Director who shall be responsible for efficiently and effectively carrying out the functions of the Bureau concerned. Each Director shall be assisted by one (1) Assistant Director.

Sec. 21. *The Water Resources Regional Offices.* - Water Resources Regional Offices, herein after referred to as the Regional Offices, shall be organized per water resources region and shall be responsible for implementing the mandates, powers, and duties of the Department at the field level, except for policymaking which will be vested solely in the Department.

The Department shall establish the water resources regions which shall be grouped together according to the hydrological boundaries, physiographic features, and homogeneity in climate, whether or not they straddle different LGUs.

The Regional Offices shall have, within their respective water resources region, the following functions:

(a) Formulate or update and coordinate the river basin master plans for river basins within its jurisdictions consistent with the NWRMP;

(b) Advocate and strongly support the creation and functioning of multi-stakeholder River Basin Organizations (RBOs) and serve as the secretariat of the said RBOs;

(c) Undertake and evaluate the planning, design, and work supervision functions of the Department for the water infrastructures within the region, and recommend the necessary water infrastructures therein;

(d) Ensure the implementation of laws, policies, programs, rules, and regulations regarding the abovementioned infrastructure as well as public and private physical structures;

(e) Provide technical assistance related to the water-related functions of other agencies within the region, especially the local government;

(f) Coordinate with other departments, LGUs, agencies, institutions and organizations within the region in the planning and implementation of the river basin master plans;

(g) Conduct continuing consultations with the local communities, take appropriate measures to make the services of the Department responsive to the Central Office, and recommend such appropriate actions as may be necessary; and

(h) Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

Each regional office shall be headed by a Regional Director who shall be responsible for efficiently and effectively carrying out the duties and responsibilities of the office. The Regional Director shall be assisted by one (1) Assistant Regional Director. The Regional Directors and Assistant Regional Directors shall be appointed by the President.

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

Sec. 22. *Structure and Staffing Pattern.* - Subject to the approval of the Department of Budget and Management (DBM), the Secretary shall determine the organizational structure and create new divisions or units as may be necessary, and appoint officers and employees of the Department in accordance with the civil service laws, rules and regulations. The remuneration structure of the position in the staffing pattern shall strictly conform to Republic Act No. 11466, otherwise known as the "Salary Standardization Law of 2019", as amended.

CHAPTER III
SOCIALIZED CREDIT FOR LOCAL WATER SERVICE PROVIDERS

Sec. 23. *Socialized Credit Program.* -Socialized credit shall be made available, through the Land Bank of the Philippines (LBP), for capital expenditures necessary for the maintenance, addition, expansion, or improvement of the services of the water service providers, such as but not limited to, capital expenditure for water distribution, water conservation, water treatment, water sanitation, water testing, and other related activities and ancillary services: Provided, That the loans shall be available to water service providers duly registered with the Department: Provided, further, That no loan shall be granted for the purpose of funding operational costs or expenses.

Sec. 24. *Committee on the Socialized Credit Program.* - The Committee on the

Socialized Credit Program (SCP), hereinafter referred to as the Committee, is hereby created. The Committee shall be composed of a representative of LBP as Chairperson and a representative of the Department as Vice-Chairperson, both of which should hold at least a director position, and four (4) additional members which shall be equally shared between the Department and LBP, who shall possess the necessary training and experience necessary for the Committee. The Committee shall directly report to the Secretary of the Department.

The Committee shall exercise the following functions:

(a) Recommend the lending policies such as, but not limited to, the criteria of eligible borrowers, eligible loan purpose, interest rate, fees and charges, collateral, guarantee, insurance, and other forms of security, and other terms and conditions of the credit facility;

(b) Review the policies, and procedures, and formulate policies for the SCP;

(c) Monitor the process and performance of the SCP;

(d) Monitor the fund disbursements;

(e) Act on issues or concerns relative to the implementation of SCP;

(f) Conduct SCP performance evaluation; and

(g) Exchange credit information with LBP, LWUA, and other relevant agencies.

The SCP shall prioritize the following target beneficiaries:

(a) Water Districts and LGU-run utilities in the Missionary Water Area;

(b) Water Districts with low credit rating; and

(c) Other priority Water Districts or eligible projects of the Water District to be identified by the Committee.

Generally, local water service providers with existing Public-Private Partnership Projects including joint venture arrangements are not eligible to the SCP.

All recommendations of the Committee shall be jointly approved by the Secretary and the Board of the LBP: Provided, That the existing rules, regulations, and policies of LBP shall govern all implementation activities of the SCP, such as but not limited to, credit and background investigation and loan documentation, evaluation, award, negotiation, collection, and restructuring: Provided, further, That the LBP and the Department shall exchange relevant information to assess the eligibility of the water service providers to be a recipient of a grant or subsidy. Relevant information may include, but is not limited to, credit standing, existing loan obligations, and compliance with previous or existing loan covenants.

The IRR shall provide other functions of the Committee that are necessary for the effective implementation of the SCP, including the creation of sub-committees, their composition and delegated functions.

Other Government Financial Institutions, such as, but not limited to, Development Bank of the Philippines, may provide a similar SCP for water service providers: Provided, That these other GFIs shall submit monitoring reports to the Department thru the Committee.

Sec. 25. *Support Program for Local Water Service Providers.* – The Department, the Department of Finance, and the Department of Budget and Management shall issue guidelines in the disbursement of any grant, from any sources, and subsidy from the National Government: Provided, That the Department shall be the implementing agency for this purpose. Provided, further, That all income derived from the lending activities shall be recorded as LBP's income-;

CHAPTER IV
THE NATIONAL WATER SECTOR POLICY COUNCIL

Sec. 26. *Creation of the National Water Sector Policy Council.* - There is hereby established a National Water Sector Policy Council (NWSPC), hereinafter referred to as the Council, which shall exercise policymaking, coordination, harmonization, integration, supervision, monitoring and evaluation functions with regard to water, land, subsurface, air, and other natural resources. The Council shall be composed of the following members:

(a) Secretary of the Department of Water Resources as Chairperson;

(b) Director-General of the National Economic and Development Authority as the Vice-Chairperson;

(c) Secretary of the Department of Health (DOH);

(d) Secretary of the Department of the Interior and Local Government (DILG);

(e) Secretary of the Department of Energy (DOE);

(f) Secretary of the Department of Agriculture {DA),

(g) Secretary of the Department of Social Welfare and Development (DSWD);

(h) Secretary of the Department of Public Works and Highways (DPWH);

(i) Secretary of the Department of Budget and Management (DBM);

(j) Secretary of the Department of Environment and Natural Resources (DENR);

(k) Representative from the Office of the President (OP); and

(l) Chairperson of the National Commission on Indigenous Peoples (NCIP) as members.

The Staff of the Department shall serve as Secretariat to the Council.

Sec. 27. *Powers and Functions.* - The powers and functions of the Council shall be as follows:

(a) Ensure harmonization of all policies involving water, land, subsurface, air and other resources which are connected to the water sector;

(b) Ensure a multi-stakeholder participation in the development, updating, and sharing of information system as policy, planning and decision-making tools; and

(c) Recommend the integration of harmonized policies and priority programs in the National Water Resources Management Plan and the National and Regional Septage Management Plan.

CHAPTER V
INTERDEPARTMENTAL RELATIONS AND INSTITUTIONAL ARRANGEMENTS OF THE DWR

Sec. 28. *Interface And Institutional Arrangements With Other Agencies.* -

(a) The Department of Environment and Natural Resources (DENR) shall continue to have primary authority and responsibility for protecting the environment and managing the country's watersheds. The Pollution Adjudication Board shall remain to have jurisdiction with respect to adjudication of pollution cases based on exceedance of the DENR Effluent Standards and other acts defined as prohibited under Section 27 of R.A. No. 9275: Provided, That the Department shall coordinate with the DENR regarding the establishment of protocols for management of all water-related data being collected by the DENR;

(b) The Department of Health (DOH) shall continue to have primary authority and responsibility for setting and enforcing drinking water quality standards: Provided, That the Department and the Water Regulatory Commission shall coordinate with the DOH in this aspect, and shall ensure consistency of standards and targets, as well as the compliance of licensees with mandated standards;

(c) The Department of Energy (DOE) and the National Power Corporation (NPC) shall continue to have primary authority and responsibility for setting up and running hydropower plants: Provided, That all hydropower plant development plans shall be consistent with the NWRMP;

(d) The Department shall coordinate with the Department of Agriculture (DA) to promote agricultural development that reduces sources of long-term pollution for surface water and groundwater, and agricultural and industrial economic development that employs water efficiency, water recycling or reuse and the appropriate treatment of wastewater: Provided, That the Department shall coordinate with the DA and its Bureau of Soils and Water Management (BSWM)

regarding the establishment of protocols for management of all water-related data being collected by the DA, as well as the outputs of research and studies by BSWM which may serve as input to policy formulation by the Department;

(e) The Department shall coordinate with the Department of Public Works and Highways (DPWH) in setting the policies and preparing the master plans for bulk water transmission, pipe networks, and related water delivery infrastructures as well as flood control and drainage management, and other related projects under the DPWH: Provided, That the DPWH shall continue to have primary responsibility in the construction and implementation of water delivery infrastructures and flood control projects: Provided, further, That flood management plans are aligned with the NWRMP and flood waters be considered and harnessed as potential water source: Provided, finally, That the Department shall coordinate with the DPWH regarding the establishment of protocols for management of all water-related data being collected by the DPWH and its Bureaus;

(f) The Department shall coordinate with the National Disaster Risk Reduction Management Council (NDRRMC) to ensure that its plans and designs for flood control, flood risk management and drought risk management are aligned with the objectives and plans of the Department;

(g) The Department shall coordinate with Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA), Climate Change Commission (CCC), and National Mapping and Resource Information Authority (NAMRIA) on scientific studies, integrated surveys, mapping, charting and decision support systems;

(h) The Department shall coordinate with the Department of Tourism (DOT) on recreational use of water resources;

(i) The Department shall coordinate with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), Philippine Reclamation Authority (PRA), and economic zone authorities on water resources development and water requirements within tourist zones, reclamation areas and economic zones, respectively;

(j) The Department shall coordinate with the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), specifically its Economic and Development Council, Disaster Risk Reduction and Management Council, and Ministry of Environment, Natural Resources and Energy, regarding the preparation of master plans of river basins that overlap with the inland waters within the BARMM's jurisdiction, and ensure the alignment of these plans with the NWRMP, Bangsamoro Development Plan, and other related regional plans of BARMM;

(k) The Department shall coordinate with the Department of Human Settlements and Urban Development in planning, monitoring and enforcing integrated land use and water resources management in the Comprehensive Land Use Development Plans and Zoning Ordinances of the LGUs to ensure, among others, the protection of water sources and that water availability is factored in proposed land use development plans and projects; and

(l) The Department shall coordinate with relevant government agencies, including LGUs, with respect to development projects and to ensure cross-cutting

collaboration between and among all water subsectors and facilitate inter-agency subsector coordination, strategic development, planning, monitoring and provision of technical, institutional and financial capacity building support to their different stakeholders at the water subsector level.

CHAPTER VI
WATER REGULATORY COMMISSION

Sec. 29. *Establishment* - There is hereby created and established an independent, quasi-judicial regulatory body to be known as the Water Regulatory Commission, hereinafter referred to as the Commission. The Commission shall have a Board of Commissioners, and shall be vested with powers and functions, as conferred and set forth hereunder.

Sec. 30. *The Central and Regulatory Units.* - The Regulatory Units of the Commission shall be composed of the Regional Regulatory Units and the Central Regulatory Unit.

The economic regulatory units and functions of the MWSS, NWRB, and LWUA are hereby transferred to the Commission, and shall collectively comprise its Central Regulatory Unit for Water Supply, Sanitation and Sewerage Services that: (a) provide services to more than one province; and (b) are owned, operated, or maintained by Metro Manila concessionaires.

The Regional Regulatory Units shall be established by the Commission in accordance with the rules, regulations, guidelines, and standards that the Commission shall issue, and as provided in this Act.

Sec. 31. *Powers and Functions of the Commission.* - The overall authority and powers of the Commission shall cover and apply to all service providers, whether private or public, providing or intending to provide water supply, including suppliers to subdivisions, bulk water suppliers, and other providers for sewerage, and septage treatment and disposal services for domestic, residential, institutional, industrial or commercial use.

The Commission shall exercise the following powers and functions:

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

(b) Issue licenses authorizing the operation of water supply, sanitation, and sewerage services in any specified area or areas within the Philippines;

(c) Issue rules and regulations on terms and conditions prescribing minimum and mandatory terms for concession agreements, joint venture agreements, management agreements, service contracts or other contractual arrangements that may be entered into by government entities including local water utilities, LGUs, private sector entities, or other water service providers for the provision of water, sanitation, or sewerage services, such as, but not limited to the (i) the term, scope and total cost of the activity, which may be subdivided into phases; (ii) committed contributions and corresponding performance security requirements in accordance with any agreed phased implementation of the activity;

and (iii) cost recovery schemes and percentage of the parties' share in the profits and losses, among others;

(d) Require the review or approval of contracts or agreements that may impact on the tariff and rates of service provision entered into by service providers upon petition or motu proprio when public interest so dictates; Set, regulate, review, and monitor the tariffs, rates, charges, and fees for the use of water resources in the Philippines, including irrigation service fees, bulk water rates, and septage rates, which may be delegated to the Regulatory Units;

(e) Amend, modify, suspend, or revoke any license issued by them, after due notice and hearing, on any of the following grounds:

(i) When the facts and circumstances on the strength of which the license was issued have been materially misrepresented or have materially changed;

(ii) Where the licensee has failed to meet or comply with terms, conditions, and performance targets, including but not limited to service expansion, that may have targets, including but not limited to service expansions, that may have been set in the license;

(iii) Where the licensee is found to be manifestly inefficient in the operation of or provision of water supply, sanitation, and sewerage services in its area; or

(iv) When the licensee thereof has violated or willfully refused to comply with any order, rule or regulation of the Commission or any provision of this Act;

(g) Promulgate and enforce just and reasonable technical standards, classifications and measurements of service;

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

(i) Conduct benchmarking and monitor the performance of licensees or. utilities under their jurisdiction, and publish reports detailing the results thereof;

(j) Coordinate with the Philippine Competition Commission (PCC) by providing technical support in the PCC's exercise of authority and jurisdiction to establish rules and enforce regulations to monitor, investigate, provide remedies for, and deliberate on cases involving any market power abuse or anti-competitive or discriminatory act or behavior by or against any participant in the water supply, sanitation, and sewerage sector. Without prejudice to the actions that the Philippine Competition Commission, pursuant to Republic Act No. 10667, may undertake on its own, the Water Regulatory Commission may be directed by the Philippine Competition Commission, upon finding that a market participant has engaged in, or fell victim to such act or behavior, to stop or redress the same within the functions and powers granted to the Water Regulatory Commission under this Act;

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

(l) Require the submission of plans, reports on finances and operations,

performance targets, and accomplishments verified under oaths by the owner or president and secretary of the licensee;

(m) Determine and require the monitoring and submission of such data, statistics, and other information from any or all licensees as may be necessary for the effective and efficient exercise of its duties, functions, powers and responsibilities: Provided, That such data, statistics, and other information shall also be submitted to the Department for integration in the centralized database on water resources;

(n) Fix and determine proper and adequate rates of depreciation of properties and equipment used in water supply, sanitation, and sewerage services;

(o) Impose and collect annual levies and reasonable fees and surcharges as may be necessary for achieving the purposes, powers, and functions of the Commission: Providecl That the rate of annual levies and fees shall be determined strictly on a cost recovery basis for the reasonable and actual cost of regulation in accordance with applicable rules and regulations on the imposition and increase of charges;

(p) Investigate, motu proprio or upon complaint in writing, any matter concerning the operation of the service and violations of this Act;

(q) Respond to consumer complaints and ensure the adequate promotion of consumer interests and investigate motu proprio violations;

(r) Investigate accidents directly or indirectly arising from or connected with the maintenance or operation of the service, and make such order or recommendation as the public interest may warrant;

(s) Impose penalties and fines, which may include, but is not limited to, rebates, refunds, and credits to affected consumers, against any licensee or against its owners, directors, officers, agents or representatives for any violation of this Act or of the license, order, rule regulation or requirement issued by the Commission;

(t) Require any licensee to pay the actual expenses incurred by the Commission in any investigation if it shall be found that a licensee violated any provision of this Act or of the license, order, rule regulation or requirement issued by the Commission;

(u) Appoint an interim or temporary management committee upon appeal and after due hearing, to ensure continuity of service in cases a licensee fails to meet conditions of the license;

(v) Advise, apprise, and coordinate with the Department, the National Water Sector Policy Council, and other relevant agencies of the national or local government on any matter relating to water supply, sanitation, and sewerage services;

(w) Deputize any official or agency of the government to assist in the performance of any of the powers and functions of the Commission;

(x) Appoint, hire, and maintain the Central and Regional Regulators, adequate staff and personnel, advisers, and consultants, with suitable qualifications and experience, as necessary, subject to existing civil service laws, rules, and regulations;

(y) Exercise original and exclusive jurisdiction over all cases contesting rates, fees, fines and penalties imposed by the Regulatory Units in the exercise of their powers, functions and responsibilities, as provided under this Act, and over all cases involving disputes between and among participants or stakeholders in the water supply, sanitation, and sewerage services; and

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

Sec. 32. *Composition of the Water Regulatory Commission.* -

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

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

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

(d) The Chairperson of the Commission shall exercise general executive control and supervision of the Commission and its members, staff and personnel, agents, and representatives. Within three (3) months from the creation of the Commission and the appointment of all members of the Commission, the Chairperson shall submit for the approval by the President of the Philippines the new organizational structure and personnel positions necessary to carry out the powers and functions of the Commission, subject to the review and approval of the DBM. The personnel positions of the Commission shall be filled by regular appointments in accordance with civil service laws, rules, and regulations.

(e) Members of the Commission shall enjoy security of tenure and shall not be suspended or removed from office except for just cause as specified by law.

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

Sec. 33. *Secretariat of the Commission.* - The Commission shall establish a Secretariat which shall provide the Commission with technical and support services such as, but not limited to the following:

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

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

(c) Maintain a database on the water supply, sanitation, and sewerage subsector; and

(d) Coordinate with other relevant agencies of the national or local government on any matter relating to water supply, sanitation, and sewerage.

Sec. 34. *The Commission Secretariat.* - The Executive Director shall head the Commission Secretariat, keep and maintain the official records, and report of the proceedings of the Commission, and administer oaths in all matters falling within the jurisdiction of the Commission.

The Commission shall appoint, fix the compensation, and determine the status, qualifications, and duties of the Executive Director and the Secretariat staff subject to civil service laws, rules, and regulations. The Executive Director shall have at least ten (10) years of experience in the field of law, business, commerce, finance, accounting or public administration, water or utility economics, management, physical or engineering services, hydrology and other related services. The members of the technical staff, except those performing purely clerical functions, shall possess at least a Bachelor's Degree in any of the following lines of specialization: law, public administration, economics, finance, engineering, accounting, or management.

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

Sec. 35. *Enhancement of Technical Competence.* - The Commission shall establish rigorous training programs for its staff for the purpose of enhancing the technical competence of the Commission in the following areas: evaluation of technical performance and monitoring compliance with service and performance standards, performance-based rate-setting reform, environmental standards, and such other areas as will enable the Commission to adequately perform its duties and functions.

Sec. 36. *Compensation and Other Emoluments.* -The compensation of the members of the Commission and its staff shall be exempted from the coverage of Republic Act. No. 11466, otherwise known as the "Salary Standardization Law of 2019", as amended. For this purpose, the schedule of compensation of the Commission shall be submitted for approval of the President of the Philippines. The compensation schedule of the Commission shall be implemented within six (6) months from the effectivity of this Act and maybe upgraded by the President of the Philippines as the need arises: Provided, That in no case shall the compensation of the Commission and its staff be upgraded more than once a year: Provided, further, That pertinent civil service laws, rules, and regulations shall be applicable to the Commission.

The Chairperson and members of the Commission shall initially be entitled to the same salaries, allowances and benefits as those of the Presiding Justice and Associate Justices of the Court of Appeals, respectively.

CHAPTER VII
REGISTRATION AND LICENSING

Sec. 37. *Registration and Licensing of All Water Supply, Sanitation, and Sewerage Services.* - All water supply, sanitation, and sewerage service providers, including bulk water suppliers and those providing services to subdivisions and other service providers, shall register with the Commission and, subject to its rules, guidelines, procedures and other issuances of the Commission, obtain a license to operate from the appropriate regulatory units: Provided, That the Commission shall act on the application for the issuance or the conversion of such licenses and renewals thereof within the maximum period of one (1) year as provided under this Act or by Republic Act No. 11032, otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018".

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

The Commission shall specify the requirements and procedure for existing

holders of a Certificate of Public Convenience (CPC), Certificates of Public Convenience and Necessity (CPCN) issued by NWRB, or Certificate of Conformance (CoC) issued by LWUA, to convert their existing certificates into licenses to operate.

All local water utilities, existing water service providers, or holders of CPCN or CoC shall be duly prioritized in the issuance of the licenses to operate over the areas where they currently operate or as may be covered by their franchises. The submission of the CPC, CPCN, provisional authority, or the CoC shall be sufficient basis for the issuance of the new and converted or updated licenses to operate required and contemplated under this Act. To ensure continuity of service, the Commission shall complete the issuance of such converted or updated licenses not later than six (6) months from the effectivity of the implementing rules and regulations issued by the Commission pursuant to this Act.

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

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

Sec. 38. *Conditions of License.* - The Commission may impose such conditions in the issued license, as it may deem necessary, such as, but not limited to:

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

(b) Term fixing the duration of the privilege;

(c) Grounds for modification, suspension, or cancellation of the license;

(d) Minimum technical performance and service level standards, such as but not limited to: (i) water pressure; (ii) minimum flow rates; (iii) connections; (iv) sewerage discharge, billing, and metering requirements, and (v) sanctions for failure to comply with the standards set;

(e) Expansion targets and service level improvements over time;

(f) Restrictions or conditions for transferability of the business or controlling interest in the business;

(g) Reportorial requirements and obligations of the grantee; and

(h) Submission to annual performance audit by the Commission or its duly authorized representative.

Sec. 39. *Rights and Duties of Licensees.* -

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

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

(ii) Ensure that their water supply, sanitation, and sewerage 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 in the water supply, sanitation, and sewerage industry;

(iii) Comply with drinking water quality requirements and standards that may be established by the Commission, Department, and DOH; and

(iv) Ensure that provision of services shall not be discontinued without notice to, and approval 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 mains, 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, sanitation, and sewerage 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:

(i) Publish the Tariff and other charges approved by and the terms and conditions imposed by the Commission for the provision of water supply, sanitation, and sewerage services;

(ii) 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:

(1) Metering, billing, and collection of the licensee's approved tariff and other charges;

(2) Disconnection or suspension of service in case of non- payment of tariffs and other charges, or acts of pilferage; and

(3) Recommendation and recovery of arrears in tariffs and other charges.

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

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

Sec. 40. *Setting Tariffs/ Rates and Other Charges.* - The Commission shall establish tariffs, rates and other charges which are fair and reasonable, and ensure environmental sustainability, economic viability, and a fair return on investments. Service providers may apply for the setting of tariffs, rates, and charges based on and consistent with a scientific and evidence-based rate-setting methodology that the Commission shall, after due consultation, define and publish, taking into account the following, among others:

(a) Reasonable and prudent capital and recurrent costs of providing the service including a reasonable rate of return on capital;

(b) Efficiency of the service;

(c) Incentives for enhancement of efficiency;

(d) Capacity to pay of consumers;

(e) Equity considerations;

(f) Environmental sustainability;

(g) Administrative simplicity;

(h) In cases involving valid and subsisting concession agreements prior to the enactment of this Act, the methodology provided under the concession agreement;

(i) To the fullest extent practicable, the terms and conditions of the tariffs, rates or other price-setting mechanisms set forth in any concession agreement, joint venture agreement or other similar agreement for the provision of water or sanitation services by an existing service provider.

Tariffs, rates, and charges set by the Regulatory Units shall be presumed valid and reasonable unless invalidated by the Commission, after due notice and hearing, acting on a protest or contest duly filed with the Commission to ensure continuity of service, application for setting of tariffs, rates and other charges shall be decided within a non-extendible period of ninety (90) days from the date of filing thereof, and the failure of the Commission to act on any such applications shall result in a provisional approval; Provided, That in no case shall proceedings on any applications for the setting of tariffs, rates and other charges exceed to a total period of one hundred twenty (120) days reckoned from the date of filing of the application.

Sec. 41. *Direct Access.* - Fifty-one percent (51%) of the registered water consumers in a service area, municipality, city or province may petition for direct access to water from any water service provider subject to concurrence by and

reasonable compensation to the service provider and approval by the Commission. If the petition for direct access from any water service provider is approved by the Commission, the new water service provider shall reimburse the existing service provider for, as applicable, either the book value or the market value as determined by an independent appraiser accredited by the Commission, whichever is higher, of the water source, water supply, or water distribution or transmission facilities, pipelines and other equipment which shall be transferred to or utilized by the new water service provider. The Commission shall promulgate the implementing rules and procedures for this mode of service, which shall include, among others, financial and technical capability of the new service provider.

Sec. 42. *Innovative Schemes to Improve Efficiency and Management of Systems.* – The Commission shall promote innovative schemes such as the consolidation or integration of water supply, sanitation, and sewerage services, or providers in the same service area, where it shall result in improved efficiency, service expansion and lower costs.

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

CHAPTER VIII
PROCEEDINGS BEFORE THE COMMISSION

Sec. 43. *Proceedings Before the Commission.* – For the purpose of any investigation, inquiry, or proceeding, the Commission shall:

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

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

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

Sec. 44. *Orders and Decisions of the Commission.* – Any order, resolution, or decision of the Commission shall be promulgated promptly, expeditiously, reasonably, and in writing, and shall state clearly and distinctly the facts and law on which it is based. The Commission shall publish and make available for public inspection, all decisions and final orders in the adjudication of contested cases or applications.

Sec. 45. *Appeals Procedure.* - The orders, rulings, and decisions of the Commission are final and executory unless appealed to the Court of Appeals withi fifteen (15) days from receipt of notice of such order, ruling or decision: Provided, That orders, rulings, and decisions of the Commission approving tariffs, shall be immediately executory and may be suspended only upon appeal and filing of a bond, in an amount to be fixed by the Commission, to answer for damages occasioned by the suspension or stay of execution of such orders, rulings, and

decisions.

Sec. 46. *Prohibition Against Injunctions.* - Except for the Supreme Court, no temporary restraining order, preliminary injunction, or preliminary mandatory injunction may be issued by any court to restrain any proceeding before, or the implementation or execution of any order, ruling, or decision of the Commission.

CHAPTER IX
TRANSITORY PROVISIONS

Sec. 47. *Transition Period.* – The Department shall, by virtue of this Act be subrogated to all the rights and assume all the functions of the government agencies and units whose powers and functions have been subsumed, absorbed, transferred or attached to the Department. The Commission shall also, by virtue of this Act, be subrogated to all the rights, and assume all the functions, of the Water Utilities Division of the NWRB, the regulatory offices of MWSS and LWUA, and all other government agencies and units whose powers and functions have been transferred to the Commission in accordance with the civil service laws, rules, and regulations.

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

All agencies transferred, subsumed and attached to the Department or the Commission, shall continue to function under their present mandates until the six-month transition period mandated under this Act shall have lapsed. The transfer of powers and functions shall include all applicable funds, personnel, records, property and equipment, as may be necessary. The heads of the affected agencies shall continue to serve until replaced.

All rights and functions of the affected agencies are hereby transferred to and assumed by the Department or the Commission, and shall be acted upon in accordance with the rules and regulations of the Commission on Audit and other pertinent laws, rules, and regulations.

Sec. 48. *Absorption or Separation from Service of Employees of the Subrogated Agencies.* – The current employees of all government agencies and units whose powers and functions have been transferred to, absorbed or subsumed by the Department or Commission shall enjoy security of tenure, in accordance with their staffing pattern and the selection process as prescribed under Republic Act No. 6656 or the "Government Reorganization Law".

Employees opting to be separated from the service as a consequence of the consolidation and reconstitution under the provisions of this Act, shall, within one (1) month from their separation or phase out from the service, receive separation benefits in accordance with existing laws and those who are qualified to retire shall be allowed to retire and be entitled to all benefits under existing retirement laws, subject to existing rules and regulations of the Commission on Audit.

CHAPTERX
FINAL PROVISIONS

Sec. 49. *Applicability of Ease of Doing Business Law.* - The prescribed processing time provided under Section 9(b) of Republic Act No. 11032 shall be applicable to all agencies and LGUs covered under this Act particularly on accessing government services.

Sec. 50. *Appropriations.* - The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the agencies, entities, divisions, sections or units subsumed or transferred to the Department. Thereafter, such amount shall be included in the annual General Appropriations Act.

Sec. 51. *Implementing Rules and Regulations.* - Upon the effectivity of this Act, the Department and the Commission, as may be applicable, as well as NEDA, DBM, DENR, CSC, and the National Commission on Indigenous Peoples in consultation with concerned government agencies shall promulgate the implementing rules and regulations (IRR) of the Department and the Commission necessary for the effective implementation of this Act within one hundred eighty (180) days after its effectivity.

Sec. 52. *Separability Clause.* – If for any reason, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

Sec. 53. *Repealing Clause.* –

(a) The following provisions are hereby repealed:

(i) Section 3 (h) and Section 12 on the fixing of water rates and sanitation service fees, Section 3 (n) on regulation of waterworks and deep wells, and Section 3 (p) on the regulation of waterworks and sanitation systems in privately owned subdivisions of Republic Act No. 6234;

(ii) Section 62 on regulation and Section 63 on rate review of Presidential Decree No. 198 otherwise known as the "Provincia Water Utilities Act of 1973", as amended by Letter of Instruction No. 700 - "Providing Measures To Control And Regulate Increase In Water Rates", Letter of Instruction No. 744 - "Relative To Reliable Water Supply At Reasonable Rates In The Countryside", Executive Order No. 124-A, series of 1987 - "Reorganization Act of the Ministry of Public Works and Highways", and Executive Order No. 123, 30 January 1987 - "Reorganization Act of Ministry of Social Services and Development"; and

(iii) Executive Order No. 22, series of 2023, creating the Water Resources Management Office of the DENR; and

(iv) Section 154, Article V, Chapter I, Title One, Book II of Republic Act No. 7160 otherwise known as the "Local Government Code of 1991", as amended, and its implementing rules and regulations on the power of the LGUs to fix the rates of water utilities owned, operated and maintained by them within their jurisdiction.

(b) 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. 54. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,