

Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

TWENTIETH CONGRESS

First Regular Session

House Bill No. **1189**



Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

**AN ACT ESTABLISHING THE NATIONAL FRAMEWORK FOR WATER RESOURCE
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

The Philippines is a water-rich country, with total annual renewable water resources amounting to 479 billion cubic meters (m³). This equates to an annual per capita availability of 6,100 m³—twice that of the rest of Asia and six times the global scarcity threshold of 1,000 m³. Despite this abundance, many Filipinos still suffer from the lack of access to affordable, safe drinking water and an effective sanitation system.

The Department of Environment and Natural Resources has acknowledged that the government "...still scrambles to avert a water crisis during the summer season or when the country experiences the El Niño phenomenon." This vulnerability was most evident during the water crises of March 2018, which caused shortages across the east zone of Metro Manila, and again in March 2019, when approximately 10,000 households in Metro Manila lost access to water.

The country also lacks a strong "liquid-in, liquid-out" system. While some households have access to potable water, only a small fraction receives adequate sanitation and sewerage services. This imbalance contributes to the prevalence of water-borne and tropical diseases such as leptospirosis, dengue, and typhoid. In fact, approximately 31% of illnesses in the Philippines are water-related due to the lack of clean water supply and efficient sanitary infrastructure.

This persistent problem has severely impacted the health, sanitation, food security, livelihood, and overall quality of life of Filipinos—especially the poor, who often have the least access to clean water and yet pay disproportionately high costs to obtain it.

Although several laws related to water management exist, enforcement remains weak. The water sector suffers from poor data management, fragmented regulation, and weak coordination among water agencies, regulatory bodies, and local government units (LGUs). Currently, there are four main regulatory agencies overseeing water services: the National Water Resources Board (NWRB), the Local Water Utilities Administration (LWUA), LGUs, and national agencies such as the Metropolitan Waterworks and Sewerage System (MWSS), along with entities operating in industrial zones.

The current regulatory framework is disjointed and marked by overlapping mandates, inconsistent economic regulations, and administrative fragmentation. This has led to inefficiencies in the delivery of water and sanitation services nationwide. The absence of a lead agency in the water sector has made unified planning and governance nearly impossible.

This bill seeks to address these issues by establishing two key institutions:

1. **The Water Regulatory Commission** – an independent, quasi-judicial body that will rationalize the economic and administrative regulation of water utilities. Its powers will include setting policy for water supply, sewerage, and septage management; issuing licenses; approving and reviewing rates; reviewing and suspending contracts; initiating investigations; and revoking issuances and memoranda that do not align with the Commission's mandate. Most importantly, it will ensure that consumer welfare is prioritized.
2. **The Department of Water Resources** – a new executive department that will serve as the central policy-making, planning, coordinating, implementing, and monitoring agency for the water sector. It will oversee the integrated and sustainable management of the country's water resources and ensure their equitable and optimal use, with the ultimate goal of achieving universal access to safe, adequate, and affordable water supply, sanitation, and septage services.

Access to clean and affordable water, and living in communities free from human waste, are basic human rights. This principle was affirmed by the United Nations General Assembly in 2010 through Resolution 64/292, which explicitly recognized the Right to Water and Sanitation.

To uphold this right for every Filipino, and to provide a coherent, accountable, and effective framework for water governance, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Brian Poe', with a long, sweeping horizontal stroke extending to the left.

HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

Representative

FPJ Panday Bayanihan Party-List

Republic of the Philippines

HOUSE OF REPRESENTATIVES

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House Bill No. **1139**

Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

**AN ACT ESTABLISHING THE NATIONAL FRAMEWORK FOR WATER
RESOURCE 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**

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

CHAPTER I

INTRODUCTORY AND GENERAL PROVISIONS

Section 1. Short Title. - This Act shall be known as the "Department of Water Resources 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 and sanitation 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 essential subject to conflicting forms of economic, agricultural, and industrial activities, and is thus a scarce resource whose use must be carefully regulated to prevent resource depletion and to ensure its availability to 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 Districts or subdivisions managing their own distribution network;

b. **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;

c. **Flood Risk Management or 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 in view of the human behavior and cultural dimensions of FRM;

d. **Gender Equality** - refers to the principle of asserting the equality of men and women and their right to enjoy equal conditions realizing their full human potentials to contribute to and benefit from the results of development, and with the State recognizing that all human beings are free and equal in dignity and rights;

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 (DWR);

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

g. **Levels of water supply** - refer to the following:

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

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

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

h. **License** - refers to the Water Supply and/or Sanitation Services Operating License that the Water Regulatory Commission (WRC) is authorized to grant and issue to Service Providers;

i. **Licensee** - refers to the Service Provider to whom a License is granted or issued by the WRC;

j. **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;

k. **National Water Resources Management Framework Plan or NWRMFP** - refers to a policy document that incorporates a framework to guide the development and management of all the country's water resources in the Philippines; the general strategies 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. The plan shall also include a water infrastructure roadmap for all waters of the country as well as provide general

guidance on how these shall be financed within an integrated financing framework that can draw on public, private and international development finance. The plan shall be reviewed at the start of every new presidential administration to ensure its alignment with changing times;

l. Regulatory Units - refer to the regulatory offices established under this Act to issue Licenses authorizing the operation of Water Supply and Sanitation Services, and provide, review, determine, fix, and approve water and sewerage tariffs, rates and charges that Licensees may impose;

m. River basin - refers to an area of land drained by a stream or body of fixed water and its tributaries having a common outlet for surface run-off;

n. River Basin Organization or RBO - refers to multi-stakeholder organizations which plan, coordinate, and monitor activities within a river basin cluster;

o. Sanitation - refers to the provision of facilities and services for the safe management of human excreta from the toilet to containment and storage and treatment onsite or conveyance, treatment and eventual safe end use or disposal, and includes the safe management of solid waste and animal waste;

p. Sediment management - refers to control of sediment erosion and deposition in rivers, reservoirs, and coastal zones through non-structural and structural measures and control works;

q. Sustainable Development Goals or SDGs - refer to the universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030 adopted by all United Nations Member States in 2015;

r. Septage - refers to sludge produced on individual onsite wastewater disposal systems, principally septic tanks and cesspools;

s. Septage Management - refers to the provision of proper collection, treatment, and disposal of septage;

t. Service Area - refers to the area covered by the water distribution system, sewerage, and septage management services;

u. Service Provider - refers to any entity, natural or juridical, whether private or public, providing or intending to provide levels II & III water supply, including bulk water suppliers, sewerage, septage treatment, and disposal services for domestic, residential, industrial, or commercial use;

v. Sewage - refers to water-carried waste in solution or suspension including sanitary waste (waste products of normal living), commercial waste, industrial waste, agricultural waste, and surface runoff conveyed by a sewerage system for treatment or disposal. For the purposes of this Act, the definition of septage shall be included in the use of sewage;

w. 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 constructions, devices or appliances appurtenant thereof, which includes the collection, sanitary piping transport, pumping and treatment of water-borne human or

animal waste removed from residences, buildings, institutions and industrial and commercial establishments to point of sewage treatment plant disposal;
 x. **Sewers** - refer to pipes or such other works or structures which are built and constructed to carry, transport, and dispose sewage;
 y. **Social inclusion** - refers to the process of improving the terms for disadvantaged individuals and groups to take part in society;
 z. **Tariffs** - refer to such amounts which may be charged by licensees of water supply and/or sanitation services for their services based on principles, standards, and guidelines established by the DWR;
 aa. **Water Demand Management or WDM** - refers to any method whether technical, economic, administrative, financial, or social that will accomplish one or more of the following:

- a. Reduce the quantity or quality of water required to accomplish a specific task;
- b. 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;
- c. Reduce the loss in quantity or quality of water as it flows from source, through use, to disposal;
- d. Shift the timing of use from peak to off-peak periods; and
- e. Increase the ability of the water system to continue to serve society during times when water is in short supply.

bb. **Water District** - refers to government-owned and controlled corporations organized under Presidential Decree No. 198, as amended, created primarily to acquire, install, operate, maintain and improve water supply and distribution systems for domestic, industrial, and municipal uses of residents and to provide, maintain, and operate waste water collection, treatment and disposal facilities within the boundaries of the district;
 cc. **Water pollution** - refers to any alteration of the physical, chemical, biological, or radiological properties of a water body resulting in the impairment of its purity or quality;
 dd. **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, and treated wastewater, water in the atmosphere or rain water, and the waters of the sea within the territorial jurisdiction of the Philippines;
 ee. **Water Resources Regions** - refer to the contiguous clusters of river basins which are grouped together according to the hydrological boundaries, physiographic features, and homogeneity in climate, whether or not straddling different local government units, for administrative purposes under the DWR;
 ff. **Water Resources Regional Offices or WRROs** - refer to the field office of the Department which are to be established in accordance with the identified water resources regions in the country;
 gg. **Water Service Providers or WSPs** - refer to the water districts, any Local Government Unit (LGU)-run water utility, Barangay Waterworks and Sanitation Association (BWSA),

Rural Waterworks and Sanitation Association (RWSA), cooperatives and private sector who provides water supply services to any given area;
hh. **Water supply service** - refers to any activity comprising Levels I, II and III water supply including bulk suppliers, suppliers to subdivisions and other water service providers.

CHAPTER II

THE DEPARTMENT OF WATER RESOURCES

Sec. 4. Establishment. - To carry out the policy and objectives declared under this Act, there is hereby established the Department of Water Resources, hereafter referred to as "the Department", which shall be established within one hundred twenty (120) days after the effectivity of this Act.

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 and integrated development and management of the water resources of the Philippines, and their optimal allocation among competing uses, towards achieving universal access to safe, adequate, and affordable water supply, sanitation, and septage services.

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 and sanitation, water quality, irrigation, hydropower, flood control, stormwater, and urban drainage;
- c) 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;
- d) Establish guidelines and standards for quality drinking water and sanitation;
- e) Develop and regularly update a comprehensive and integrated National Water Resources Management Framework Plan (NWRMFP) and ensure its integration into existing land use

plans, within the context of a National Physical Framework Plan, to ensure the harmonization of planning of water, land, subsurface, and air resources;

f) Review, approve, and provide oversight over all water-related development plans and programs of any agency or local government unit (LGU) within the context of the National Water Resource Management Framework Plan, and overall national plans and program;

g) Assist and provide the National Economic and Development Authority (NEDA) with the required data and input from and for the water sector in the formulation of the country's short-term and long-term strategic development plans and actions, and recommend the adoption of general policies and guidelines for water resources development by the NEDA Board;

h) Strengthen and coordinate policy making and planning for flood management, integrated with stormwater or urban drainage and appropriate retention or retarding basins in order to harvest and reuse water, and to plan against, prevent, and minimize the detrimental and catastrophic effects of flooding;

i) 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;

j) Ensure that the planning and design of water infrastructure considers the highest efficiency and most appropriate technology and quality, in accordance with national development objectives;

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

l) Act as the lead agency in ensuring the effective implementation of all laws and implementing rules and regulations on water resources, including but not limited to the following: i. Republic Act No. 9275, otherwise known as the "Philippine Clean Water Act of 2004"; ii. Presidential Decree No. 1067, otherwise known as "The Water Code of the Philippines"; iii. Sections 9, 10, 11, 12 & 13, Chapter II of Presidential Decree No. 856, otherwise known as the "Code on Sanitation of the Philippines";

m) Review all water laws and implementing rules and regulations in the preceding section, and to propose amendments thereof to Congress;

n) 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 hydrologic surveys and investigations, including assessing and evaluating the conditions of water facilities installed, and determining compliance with water laws and standards, evaluating the conditions of water facilities installed, and determining compliance with the NWRMFP, LWRMP, and other laws and regulations on water resource management as defined by this Act; and

o) 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 for water resources development planning and compel submissions of statistics and data on water management 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;

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

e) Conduct continuing hydrologic and hydrometeorological surveys and studies of the country's renewable water supply, and establish, operate, and maintain observation station networks with a view towards formulating long-term policies to balance the sustainability and optimal multiple use of water resources, defining the hydrologic boundaries of basins of the existing water supply sources and developing or updating and implementing countrywide comprehensive basin-wide master plans;

f) 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;

g) 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

h) Promote Philippine participation in information sharing and education around best practices in the international movements 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) Issue and enforce guidelines and rules and regulations on the following:

- i. Abstraction, diversion, and development of the country's water resources;
- ii. Equitable and optimal allocation of the country's water resources for domestic and municipal water supply, irrigation, sanitation;
- iii. Irrigation, hydropower, navigation, fisheries, livestock raising, industrial, recreational, and other purposes;
- iv. 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 adjudication of conflicting water rights shall be exercised by the Water Adjudication Board;
- v. 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 and the standards of beneficial and priority uses of water in times of crisis and national emergencies;
- vi. 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;
- vii. Methods and standards for basic data collection and project identification, formulation and planning, and appropriate sanctions to be imposed for non-compliance;
- viii. Standards for water quality, in particular drinking water, as well as sanitation, septage, and water pollution; and

- ix. Treatment and utilization 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 Adjudication Board;
- c) Regularly review regulations prescribed by any government agency pertaining to water use, exploitation, development, and conservation or protection of waters, water resources, and watershed or basin areas with respect to this Act;
- d) Impose fees or charges, as may be deemed necessary for water resources conservation and protection, such as:
 - i. Polluter's Fee, which shall be based on the net waste load depending on the wastewater charge formula pursuant to Republic Act No. 9275;
 - ii. Raw water price, which shall take into account, among others, the scarcity of water; and
 - iii. Appropriate structures for payment of environmental services;
- e) Deputize LGUs to collect the national fees or charges for resource regulation within their respective jurisdictions;
- f) Conduct and/or promote special studies and research on water economics and other water resources development and management issues and concerns such as climate change, weather modification, flood monitoring and modeling, environmental quality, and desalination; and
- g) Raise public awareness 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 among the Department, field offices of national government agencies, LGUs, and other stakeholders, and 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 Local Water Utilities Administration (LWUA) and water districts, MWSS, MWSS-RO and its concessionaires, LGU-run utilities. Tourism Infrastructure and Enterprise Zone Authority, Philippine Economic Zone Authority, Bases Conversion and Development Authority, Subic Bay Metropolitan Authority, DILG, and NIA, shall be conducted by the Department;
- e) Respond to consumer complaints, and ensure the adequate promotion of consumer interests;
- f) Deputize agents, whether from the public or private sector, 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 and/or consultants with suitable qualifications and experience, as necessary, and in accordance with the Government Procurement Law.

V. Coordination

- a) Coordinate and integrate water resources development activities of the country within the context of national plans and policies for social and economic development;
- b) Coordinate with other government agencies, universities, academe, and private professional groups in all aspects of data gathering, the conduct of special studies and research on all related aspects of water resources management and development such as climate change, environmental quality, desalination, and the development of operating strategies, procedures, and protocols with accompanying computerized decision tools for major water facilities;
- c) Coordinate with the concerned and relevant agencies engaged in flood control, flood risk management, and drought risk management; and;
- d) Coordinate proactively with local government units to ensure the integration of water resources development plans into their comprehensive land use plans (CLUPs), Comprehensive Development Plans (CDPs) or Provincial Physical Framework and Development Plan (PPFDP): Provided, That no zoning and land use plan shall become effective and enforceable unless and until a certification of the integration of a water, sewage, and sanitation resource management plan has been issued by the Department. Should the Department have serious concerns affecting conservation and sustainability of

water supply, such concerns must first be resolved by the Department and the concerned LGU and/or national agency: Provided further, that in the absence of such concerns, the concerned LGU and/or government agency may, ninety (90) days from the submission of its zoning and land use plan and after submitting to the Department a written notice of compliance with the provision, proceed with the implementation of its zoning and land use plan without prejudice to later integration of the water resource management plan for the locality.

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, with the exception of the formation of new water district which shall remain under the Local Water Utilities Administration;
- b) Enter into contracts, joint venture agreements or understanding, public-private partnerships, and memorandum of agreements or understanding, either domestic or foreign relating to investment and financing water-related projects, under such terms and conditions as the Department may deem proper and reasonable subject to existing laws;
- c) Review existing guidelines appropriate for private sector participation in the water sector and make needed recommendations to the Public Private Partnership (PPP) Center of NEDA 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 - In addition to the powers and functions enumerated above, 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) The National Water Resources Board, whose mandate, powers, and functions are provided in Presidential Decree No. 424, with the exception of its water utility regulation units and functions, which shall be absorbed by the Water Regulatory Commission created under Chapter VI of this Act;
- b) The River Basin Control Office (RBCO) of the DENR whose mandate, powers and functions are found in Executive Order No. 510 and Executive Order No. 816, as amended: Provided, that 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;

c) The Manila Bay Task Force created under Administrative Order No. 16, s. 2019, and the Manila Bay Coordinating Office (MBCO) of the DENR which was created by virtue of DENR Special Order 2011-01, which were created to implement the Writ of Continuing Mandamus issued by the Supreme Court in the case of Metro Manila Development Authority, et al., v. Concerned Residents of Manila Bay (G.R. Nos. 171947-48, 18 December 2008 and 15 December 2011);

d) The Flood Control Management Cluster of the DPWH;

e) The Water Supply and Sanitation Unit of the DILG;

f) The Water Quality Management Section of the Environmental Management Bureau of the DENR;

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 National Pollution Control Commission with respect to the adjudication of water pollution cases under Republic Act No. 3931 entitled, An Act Creating the National Water and Air Pollution Control Commission, Presidential Decree 984 entitled Providing for the Revision of Republic Act No. 3931, Commonly Known as the Pollution Control Law, and for Other Purposes, particularly with respect to Section 6 letters (e),(f), (g), (j), (k) and Republic Act No. 9275, which shall be exercised by the Water Adjudication Board;

b) The powers and functions of the Mines and Geosciences Bureau (MGB) of the DENR to conduct hydrological surveys and groundwater mapping;

c) The powers and functions of the Bureau of Design and Bureau of Research and Standards of the DPWH with regard to conduct of hydrological surveys monitoring of stream flow and other water data collection;

d) 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);

e) The powers and functions of the DPWH with regard to the construction of water wells, rainwater collectors and springs under Republic Act No. 6716, otherwise known as 'An Act

Providing for the Construction Of Water Wells, Rainwater Collectors, Development of Springs and Rehabilitation of Existing Water Wells in All Barangays in the Philippines';

f) The powers and functions of the DOH with regard to drinking water quality, in particular the Philippine National Standards for Drinking Water of 2017 under DOH-Administrative Order No. 2017-0010;

g) The powers and functions of the Bureau of Soils and Water Management concerned with the utilization and management of water including rainmaking projects;

h) The powers and functions of the Tourism Infrastructure and Enterprise Zone Authority, under Section 5(c)(1) of Presidential Decree No. 564, s. 1974, otherwise known as the Philippine Tourism Authority Charter, Chapter IV, Subchapter IV-A, Section 69 (f) of Republic Act No. 9593, otherwise known as the "Tourism Act of 2009" with regard to the construction, acquisition, owning, lease, operation, and/or maintenance of dams, reservoirs, water distribution systems, and sewerage systems: Provided, that the power to set rates, tariffs, and charges shall be transferred to the Water Regulatory Commission;

i) The powers and functions of the Bureau of Fisheries and Aquatic Resources of the Department of Agriculture (DA) with regard to the formulation of plans for the proper management, development and utilization of aquatic resources of the country; and

j) The powers and functions of the Biodiversity Management Bureau of the DENR, with regard to the protection and conservation of natural wetlands such as lakes, marshes, swamps.

Sec. 9. Organization. - The Department shall be comprised of the following:

a) The Department Proper, which shall consist of the Office of the Secretary; the Offices of the Undersecretaries and the Assistant Secretaries; the Water Adjudication Board, the Bureaus; the Department Services; the Regional Water Resource Offices; and

b) The attached agencies.

Sec. 10. 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) Advise the President on the promulgation of executive or administrative orders, regulations, proclamations and other Issuances relative to matters under the jurisdiction of the Department;

- b) Establish the policies and standards for the effective, efficient, and economical operation of the Department pursuant to the President's guidelines;
- c) 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;
- d) Promulgate rules and regulations necessary to carry out the objectives, policies and functions of the Department;
- e) Exercise supervision and control over all bureaus and offices under the Department as well as its officers and personnel;
- f) Supervise all attached agencies and corporations in accordance with law;
- g) Create regional offices and such other service units, bureaus, and divisions as may be necessary;
- h) 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;
- i) Represent the Department in contracts, awards, and the like;
- j) Delegate authority for the performance of any power or function, as defined herein to officials and employees under his direction as deemed appropriate;
- k) Participate in meetings of the National Economic and Development Authority (NEDA), of which he shall be a member;
- l) Act as the Chairperson of the governing board of the agencies that were attached to the Department; and
- m) Perform such other duties and responsibilities as may be provided by law.

Sec. 11. Office of the Secretary. - The Office of the Secretary shall be composed of the Secretary and his/her Immediate staff.

Sec. 12. The Offices of the Undersecretaries. - The Secretary shall be assisted by not more than five (5) Undersecretaries, who shall be appointed by the President upon the recommendation of the Secretary. The Offices of the Undersecretaries shall be comprised of the Undersecretaries and their immediate staff.

The Secretary is hereby authorized to delineate and assign the respective functional areas of responsibility of the Undersecretaries: 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.

Within his/her functional area of responsibility, the Undersecretary shall:

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

Sec. 13. Assistant Secretaries. - The Secretary shall be assisted by six (6) Assistant Secretaries to be appointed by the President of the Philippines upon the recommendation of the Secretary: one each for Planning and Policy Service, Decision Support System Service, Comptrollership and Financial Management Service, Legal and Legislative Service, and Administrative and Human Resources Management Service.

Sec. 14. Qualifications of the Department Secretary, Undersecretaries, and Assistant Secretaries. - a) No person shall be appointed Secretary, Undersecretary, or Assistant Secretary unless he/she possesses extensive knowledge of public administration and has a minimum of seven (7) years of experience in the administration of water, sanitation, irrigation, flood control, and drainage programs, preferably in a public agency;

- b) At least one (1) of the Undersecretaries and at least two (2) of the Assistant Secretaries shall be career officers;
- c) No officer, external auditor, accountant or legal counsel of any private company or enterprises primarily engaged in the water industry shall be eligible for appointment as Secretary, Undersecretary, or Assistance Secretary within two (2) years from his/her retirement, resignation, or separation therefrom.

Sec. 15. 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 Board shall exercise quasi-judicial powers granted to it under this Act.

Sec. 16. Jurisdiction. - The Board shall exercise original jurisdiction over the following:

a) All disputes relating to the appropriation, utilization, exploitation, development, control, conservation and protection of waters; and the compliance of water service provider with the rules and regulations set forth by the Department;

b) Enforcement of agreements between water service providers;

c) All cases concerning of water pollution under the following laws:

1. Republic Act No. 3931 entitled, An Act Creating The National Water And Air Pollution Control Commission, Presidential Decree 984 entitled Providing For The Revision Of Republic Act No. 3931, Commonly Known as the Pollution Control Law, And For Other Purposes, particularly with respect to Section 6 letters (e),(f), (g), (j), (k); and
2. Republic Act No. 9275;

Sec. 17. Composition. -The Board shall be composed of the Secretary as the Chairperson, two (2) Undersecretaries as may be designated by the Secretary, and three (3) other representatives from other stakeholders to be designated by the Secretary as members.

Sec. 18. Powers and Functions. -The Board shall have the following powers:

- a) Investigate and decide on complaints involving violations of this Act;
- b) Issue subpoena duces tecum and subpoena ad testificandum;
- c) Cite any person or party in contempt for refusal to appear, testify or comply with the lawful orders of the Adjudicatory Board in relation to any matter subject to Its investigation;
- d) Hear, receive evidence, and decide on cases falling within its jurisdiction;
- e) Promulgate Its own rules and procedures; and
- f) Exercise such other powers as may be necessary to carry out Its duties and responsibilities under this Act.

Sec. 19. Orders and Decisions. - Every order or decision rendered by the Adjudicatory Board shall be In writing and shall state clearly and distinctly the facts and the law on which it Is based. The Adjudicatory Board shall decide each case or application within thirty (30) days following its formal submission for resolution. It shall publish and make available for public inspection all decisions and final orders In the adjudication of contested cases or applications.

Sec. 20. Appeals Procedure and Prohibition Against Injunction. - a) The orders, rulings, and decisions of the Adjudicatory 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 Adjudicatory Board;

c) No injunction may be issued by any court or administrative agency to restrain any proceeding before the Adjudicatory Board, or the implementation or execution of any order, ruling, or decision of the Adjudicatory Board, except on the basis of a question of law in a petition for certiorari brought before the Supreme Court.

Sec. 21. Bureaus. -The Department shall have the following Bureaus:

a) The Bureau of Water Quality Management shall exercise supervision and control over all aspects of water quality management to ensure the sustainability of the country's water resources and the protection of the environment, taking into account proper and Integrated treatment of freshwater and wastewater within the whole process. For this purpose, the Bureau shall exercise the following functions:

1. Establish water quality guidelines for freshwater and coastal/marine waters as basis for classifying water bodies in the country. Specifically, develop water quality indices or composite metrics to measure of the quality status and health of natural water bodies in relation to ecological integrity and function;
2. Establish effluent standards for point sources of pollution;
3. Establish Internationally accepted procedures for sampling and analysis;
4. Prepare an integrated water quality management framework;
5. Prepare the ten-year water quality management plans for each water quality management area as part of the River Basin Master Plans and in support of the NWRMFP;
6. Classify groundwater sources and prepare a national groundwater vulnerability map;
7. Classify or reclassify all water bodies according to their beneficial usages using the established water quality guidelines established;
8. Issue permits, clearances and similar instruments pursuant to the Clean Water Act of 2004;
9. Collect the wastewater discharge fees for all permittees;
10. Monitor the compliance of water discharge permittees with the effluent standards;
11. Regularly monitor the water quality of major water bodies in the country and analyze the data to identify possible sources of pollution;
12. Issue notices of violations and/or cease and desist orders for those found in violation;

13. File the needed cases against violators with the Water Adjudication Board;
14. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives

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

1. Formulate policy, strategies and programs on flood risk management in the context of integrated flood management (IFM) which Integrates water, land, coastal zone and multi-hazard management. In integrating land-use planning and water management, the Department should harmonize and synthesize plans to enable the sharing of Information between land-use planning and water management authorities. In integrating hazard management, a holistic approach should be adopted so that IFM should be part of a wider risk or multi-hazard management system such as earthquake, landslides, fire, tsunami, and other calamities of even gravity or similar nature;
2. Integrate climate change and disaster risk reduction and management in policies and plans;
3. Prepare master plans of flood management and drainage in river basins in coordination with the concerned water resources region and river basin organizations;
4. Prepare master plans of urban drainage in cities/municipalities;
5. Prepare feasibility studies of recommended measures in the master plans;
6. Plan and design structural measures for flood control and drainage;
7. Implement and/or collaborate with concerned agencies on the nonstructural measures;
8. Patrol and Investigate rivers Including the monitoring of stream flows;
9. Conduct post-disaster investigation and evaluation and damage assessment of flood infrastructures after extreme events;
10. Conduct research and development on water and sediment-related disasters;
11. Develop design guidelines, criteria and standards on flood control and drainage structures;
12. Provide technical assistance to other agencies, LCDs and other stakeholders;
13. Advise the Secretary on declaring flood control areas and recommend guidelines for flood plain management plans in these areas; and
14. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

Sec. 22. The Bureau Directors. - The Bureaus of the Department shall be headed by a Bureau Director who shall be responsible for efficiently and effectively carrying out the functions of the Bureau concerned. The Bureau Director shall be assisted by one (1) Assistant Director.

Sec. 23. The Department Services. - The Department shall have the following services:

a) The Planning and Policy Service shall provide the Department with the capability to undertake water infrastructure development planning and programming, and shall exercise the following functions:

1. Advise the Secretary on all matters relating to water resources planning;
2. Assist the Undersecretary for Planning and Policy on all matters related to the specific functions of the position;
3. Formulate strategies and priorities for water resources management and development consistent with national development objectives, and initiate or undertake relevant surveys for development planning;
4. Develop and regularly update a comprehensive and integrated National Water Resources Management Framework Plan and ensure its integration into existing land use plans, within the context of a National Physical Framework Plan, to ensure the harmonization of planning of water, land, subsurface, and air resources;
5. Coordinate river-basin planning following the integrated water resources management framework and the river-basin approach;
6. Formulate or update existing River Basin Master or Comprehensive Plans which includes all aspects of water management and development such as water supply and sanitation, irrigation, flood control and stormwater or urban drainage, drought risk management, water resource development systems and other public water works projects. Including phasing of Implementation;
7. Identify based on the river basin master plan; priority packages for water infrastructure development per river basin including water supply, sanitation, irrigation, flood control and stormwater or urban drainage, drought risk management, water resource development systems, and other public works projects; package project proposals for funding and prioritize project implementation and the allocation of funds and other resources; and undertake or supervise and evaluate the conduct of feasibility studies and project preparation thereof;
8. Evaluate and appraise all regional and inter-regional infrastructure water development plans and programs as to their feasibility and consistency with approved strategies and long and medium-term plans;
9. Initiate regular Department-wide planning exercises and act as the secretariat thereof;
10. Gather, analyze, and organize needed statistical data and information;

11. Provide technical assistance related to its functions to the other services, bureaus and the regional offices as needed;
12. Conduct of hydrologic and hydraulic surveys and assessments of surface waters;
13. Develop general criteria and standards on project investigation, formulation, planning;
14. Develop guidelines and standards on social inclusion in water resources management and ensure policies, programs, and plans are compliant with the gender and development framework of the government;
15. Coordinate closely with PAGASA for rainfall and other climate data which shall be considered in the planning for water resources development and management and for various water infrastructure; and
16. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

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

1. Provide the Secretary the needed data and processed information to aid in policy and management decisions under the mandate of the Department;
2. Publish available real-time raw water data as well as verified or validated water data in print and/or electronic form, in tabular and graphical displays as time series and/or spatial data through the use of the internet;
3. Conduct and publish in print and/or electronic form, standard data analysis such as basic statistical analysis, trend analysis, analysis of runs, and cluster analysis;
4. Develop and continuously update water resource management, computerized decision support system (DSS) 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 such as graphical and visualization tools. The DSS is composed of a measurement or data acquisition system; information or database management system; analytical and numerical models for design, planning, decision or evaluation purposes; and a user-friendly interface which includes graphical interface or visualization tools;
5. Develop and maintain specific models to include the following: long-term climatologic and weather forecasting model; watershed models and river-flood plain models; groundwater models and coupled to surface water models; flood

forecasting model for major rivers; optimization-simulation and/or management models for watershed conservation, conjunctive surface and groundwater use, irrigation scheduling, normal and emergency operations of multi-purpose reservoirs; and water quality and ecological models;

6. Develop and manage the management Information system and knowledge systems of the Department including the retrieval and processing of monitoring Information on all projects and activities of concern to the Secretary and the web portal, and conduct systems and process engineering, software development, software configuration management; develop and manage the Department's corporate database, unified database for water industry, data warehouse, other water information resources, library services and document management and archiving services; develop and manage the Department's ICT infrastructure and provide ICT-related services to the Department including computer networking and voice communications services and data exchange; manage the literacy and training services of the Department on various ICTs, knowledge management tools, and applications; and
7. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

c) 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, and shall exercise the following functions:

1. Advise the Secretary on all matters relating to internal administration and human resources management;
2. Prepare and implement an integrated personnel development plan that shall include provisions for merit promotions, performance evaluation, job rotation, suggestions and incentive awards systems, and health and welfare services;
3. Provide services related to human resources training, education and development including manpower, career planning and forecasting, and development of indigenous training materials;
4. Develop, establish and maintain an efficient and cost-effective property procurement system and facilities and coordinate or otherwise interface with relevant agencies, whether government or private, for the purpose of developing or upgrading the system;
5. Secure and maintain necessary Department facilities, and develop, establish, and maintain an efficient and effective security system covering, among others, personnel, physical installations, equipment, documents and materials including the conduct of security Investigations;

6. Coordinate with the appropriate government agencies for a more efficient conduct of administrative processes;
7. Develop, establish, and maintain an efficient records system;
8. Provide assistance in its area of specialization to the Department Proper, bureaus and regional and water district offices and, when requested, the government agencies and corporations attached to the Department; and
9. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

e) The Legal and Legislative Service shall provide the Department with services on such legal affairs as contract letting and litigation, legal and legislative research, complaints and investigation, legal counselling and other matters of law, and shall exercise the following functions:

1. Advise the Secretary on all matters relating to legal and legislative affairs;
2. Prepare Department contracts and legal instruments, review and Interpret all contracts and agreements entered into by the Department and evaluate all legal proposals;
3. Conduct administrative investigation and the review of administrative charges against officers and employees of the Department;
4. Exercise functional jurisdiction over the legal staffs of Regional Offices;
5. Provide legal assistance to the Department Proper, the bureaus and regional offices and when requested, the attached corporations;
6. Develop and prepare the Department's Legislative Agenda, recommend presidential certification of the urgency of priority water bills, and other water-related legislations;
7. Coordinate and maintain linkages among the various offices, bureaus, regional offices and attached agencies to the DWR along with other government agencies on policy matters affecting the Department's mandate in relation to legislation;
8. Maintain effective liaison with the Congress regarding congressional inquiries, and enactment of water-related laws;
9. Monitor the progress of the Department's priority or certified bills to ensure their passage; and
10. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

d) The Comptrollership and Financial Management Service shall provide the Department with coordinated services relating to financial systems and procedures, budget, cash, accounting and all financial housekeeping matters, and shall exercise the following functions:

1. Advise the Secretary on all matters relating to the accounting of government expenditures and receipts, budgeting and cash management, project finances and financial systems and procedures;
2. Prepare budget proposals and pursue formal budget authorizations, undertake budget execution, and prepare and submit all appropriate reports to the proper offices;
3. Develop and maintain accounting, financial and assets management systems, procedures and practices in the Department Proper, Bureaus and Regional Offices;
4. Review and appraise systems and procedures, organizational structure, assets management practices, accounting, and other records, reports, and performance standards such as budgets and standard costs of the Department, bureaus, and regional offices;
5. Provide assistance in its area of specialization to any unit of the Department and, when requested, to government corporations and councils attached to the Department; and
6. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

e) The Resource Allocation Service shall provide the Department with services on resource allocation and shall exercise the following functions:

1. Advise the Secretary on all matters relating to water resource allocation;
2. Determine, grant and regulate water rights for the appropriate, optimal and sustainable use of surface and ground water;
3. Determine, evaluate and grant waterworks and sewerage franchises;
4. Investigate violations of the water rights and the Water Code, and impose the appropriate sanctions in accordance with existing laws, rules and regulations as well as future rules and regulations which the Department shall promulgate;
5. Adjudicate water use conflicts; and
6. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

f) The Internal Audit Service shall regularly conduct a comprehensive audit of various Department activities, and shall report directly to the Secretary, and shall exercise the following powers and functions:

1. Advise the Secretary on all matters relating to management control and operations audit;
2. Conduct management and operations performance audit of Department activities and units, and determine as to the degree of compliance with established objectives,

policies, standards, methods and procedures, government regulations, and contractual obligations of the Department;

3. Analyze and evaluate management deficiencies and assist top management to solve problems by recommending realistic courses of action; and
4. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

g) The Public Affairs Service shall enhance government relations with all stakeholders including the media and shall ensure that women, men, elderly, and people with disabilities shall be consulted, organized and can take active part in all aspects of water resources development and management activities. It shall also lead the planning and organizing of the special events of the Department, and shall exercise the following functions:

1. Advise the Secretary on matters pertaining to public affairs services;
2. Develop and supervise the implementation of comprehensible communications programs on relevant policies, programs, and plans of the Department;
3. Produce and supervise the dissemination of communication materials In line with the priorities of the Department and the national government public Information programs;
4. Conduct public opinion and attitude surveys to identify the interests and concerns of the stakeholders of the Department;
5. Establish editorial policies on print and broadcast media;
6. Establish and maintain linkages with the tri-media and presence in social media;
7. Coordinate the conduct of interviews and news conferences;
8. Act as spokesperson for the Department;
9. Coordinate with various Department units, concerned government agencies, tri-media and other stakeholders on matters related to the above-enumerated functions;
10. Coordinate with the appropriate national government agencies involved in public information affairs.
11. Conduct public consultations and discussions;
12. Develop and disseminate relevant and appropriate materials and programs for public Information and education, as well as advocacy campaign;
13. Conduct seminars and workshops involving the LGUs and the general public on current water issues and problems;
14. Conduct capability building seminars of various stakeholders to promote meaningful participation in the Department's policy making, planning, development and implementation of various programs and projects;
15. Coordinate the organization and promotion of special events and water exhibits;
16. Act as the focal office for all water-related events; and
17. Perform such functions and activities, as may be mandated by law, which are necessary for the effective performance of the abovementioned objectives.

Sec. 24 Attached Agencies. - The Department shall exercise administrative supervision over the following agencies for purposes of policy and program coordination, monitoring, and evaluation:

- a) The Water Regulatory Commission established under Chapter VI of this Act;
- b) The LWUA, whose mandate, powers and functions are defined In Presidential Decree No. 198, as amended otherwise known as the Public Water Utilities Act of 1973 shall be transferred from the Department of Public Works and Highways and attached to the Department: Provided, that the powers and functions of LWUA, and the corresponding personnel, funds and appropriations, records, equipment, and property thereof, pertaining to the establishment of water districts, system exclusion. Integration, joint investment and operation, district annexation and de-annexation, and the regulation of their tariffs, rates, and charges shall be transferred to the Water Regulatory Commission. The LWUA shall continue to be primarily a specialized lending institution for the promotion, development, and financing of local water utilities and other Service Providers. In the implementation of its functions, the LWUA shall:
 1. Prescribe minimum standards and regulations in order to assure acceptable standards of construction materials and supplies, maintenance, operation, personnel training, accounting, and fiscal practices for local water utilities;
 2. Furnish technical assistance and personnel training programs for local water utilities;
- c) The Metropolitan Waterworks and Sewerage System (MWSS), whose mandates, 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 DPWH and attached to the Department: Provided, that powers of the MWSS to periodically fix water rates and sewerage service fees under Sections 2(c) and 3(h) of R.A. No. 6234, and the corresponding personnel, funds and appropriations, records, equipment, and property thereof shall be transferred to the Water Regulatory Commission. The MWSS shall continue to facilitate the exercise by the concessionaires of its agency powers, carry out accounting and notification functions, monitor, report, and administer loans, and perform related functions in connections with existing projects, manage and dispose Its retained assets, and manage and operate the Umiray-Angat Transbasin Project;
- d) The Laguna Lake Development Authority (LLDA), whose mandate, powers and functions are defined under Republic Act No. 4850, as amended entitled. An Act Creating the Laguna Lake Development Authority, Prescribing Its Powers, Functions and Duties, Providing Funds Therefor, and for Other Purposes shall be transferred from 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, 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; e) The National Irrigation Administration (NIA), whose mandates, powers and functions are defined under Republic Act No. 3601 as amended, is hereby transferred from the Department of Agriculture to the Department: Provided, that the power to set irrigation service fees for farmers with more than eight (8) hectares of land, corporate farms, and plantations drawing water for agricultural crop production; and fishponds and other persons, natural or juridical, drawing water for non-agricultural purposes, or using the irrigation systems as drainage facilities, shall be subject to the guidelines of the Department; and f) Any other agency performing water resources management conservation, and protection functions which the President deemed necessary to be transferred to the Department.

Sec. 25. The Water Resources Regional Offices. - Water Resources Regional Offices, which shall be organized per water resources region, 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 with the Central Office. The master planning for the nearby river basins such as the Pasig-Marikina-Laguna Lake-Cavite, shall be the responsibility of the Central Office. For this purpose, the duties and responsibilities of the WRRO shall be as follows:

- a) Formulate or update and coordinate the river basin master plans for river basins within Its jurisdictions ensuring consistency with the NWRMFP;
- 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;
- 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, agencies. Institutions and organizations, especially local government units 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 above mentioned objectives.

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

Sec. 26. The Water Office Regional Directors. - The Water Resources Regional Offices shall be headed by a Water Resources Regional Director who shall be responsible for efficiently and effectively carrying out the duties and responsibilities of the Office.

Towards this end, the Water Resources Regional Director shall, within his or her defined powers exercise functional and administrative supervision over all units within the region including the authority to commit their resources and personnel to integrated regional water resources management, water supply and sanitation management, and flood control and flood risk management Initiatives.

The Water Resources Regional Director shall also perform such other related duties and responsibilities as may be assigned or delegated by the Secretary or as may be required by law.

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

CHAPTER III

THE NATIONAL WATER SECTOR POLICY COUNCIL

Sec. 27. Creation of the National Water Sector Policy Council. - There is hereby established a National Water Sector Policy Council (NWSPC) 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) The Secretary of the Department of Water Resources as Chairperson;
- b) The Director-General of the National Economic and Development Authority as the Vice-Chairperson;
- c) The Secretary of the Department of Health (DOH);
- d) The Secretary of the Department of the Interior and Local Government (DILG);
- e) The Secretary of the Department of Energy (DOE);
- f) The Secretary of the Department of Agriculture (DA);
- g) The Secretary of the Department of Social Welfare and Development (DSWD);
- h) The Secretary of the Department of Public Works and Highways (DPWH);
- i) The Secretary of the Department of Budget and Management (DBM);
- j) The Secretary of the Department of Environment and Natural Resources (DENR);
- k) A Representative from the Office of the President (OP); and
- l) The Chairperson of National Commission on Indigenous Peoples (NCIP) as members.

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

Sec. 28. Powers and Functions. -The powers and functions of the Board shall be as follows:

- a) Approve the National Water Resources Management Framework Plan (NWRMFP), and to ensure its consistency with the National Physical Framework Plan, which shall serve as a principal guide to water management efforts in the country and shall be reviewed on a five (5)-year interval, or as may be deemed necessary, in order to ensure its relevance to the times;
- b) Ensure harmonization of all policies involving water, land, subsurface, air and other resources which are connected to the water sector;
- c) Ensure a multi-stakeholder participation in the development, updating, and sharing of Information system as policy, planning and decision-making tools;

The powers and functions and the corresponding personnel, funds and appropriations, records, equipment, and property of the NEDA Infrastructure Committee-Subcommittee on Water Resources, as established under NEDA-Infrastructure Committee (INFRACOM) Resolution No. 2, s. 2008, shall also be absorbed by the Department.

CHAPTER IV

INTERDEPARTMENTAL RELATIONS AND INSTITUTIONAL ARRANGEMENTS OF THE DWR

Sec. 29. 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;

b) 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, but shall ensure that any hydropower plant development plans are consistent with the National Water Development and Management Plan;

c) The Department shall coordinate with the Department of Agriculture (DA) to ensure 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;

d) 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 said Department;

e) The Department shall coordinate with Climate Change Commission (CCC), PAGASA, and NAMRIA for scientific studies, integrated surveys, mapping, charting and decision support systems;

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

g) The Department shall coordinate with the Philippine Reclamation Authority and economic zone authorities on water resources development and water requirements within reclamation areas and economic zones, respectively; and

h) The Department shall coordinate with relevant government agencies, including Local Government Units (LGUs) for 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 V

LOCAL GOVERNMENT PLANNING INTEGRATION

Sec. 30. Local Water Resource Management Council. - There is hereby created and established in every LGU a Local Water Resource Management Council, hereinafter referred to as the "LWRMC".

Sec. 31. LWRMC Composition. - The LWRMC shall be composed of, but not limited to, the following:

- a) The Local Chief Executives, Chairperson;
- b) The Local Planning and Development Officer, member;
- c) The Head of the LWRMO, member;
- d) The Head of the Local Disaster Risk Reduction Management Office, member;
- e) The Head of the Local Social Welfare and Development Office, member;
- f) The Head of the Local Health Office, member;
- g) The Head of the Local Sanitation Office, member;
- h) The Head of the Local Solid Waste Management Office, member;
- i) The Head of the Local Environment Office, member
- j) The Head of the Local Agriculture Office, member;
- k) The Head of the Local Engineering Office, member;
- l) The Head of the Local Budget Office, member;
- m) The Provincial Director/City/Municipal Chief of the Philippine National Police (PNP), member;
- n) The President of the Association of Barangay Captains (ABC), member
- o) One (1) member of the Board of Directors from an LWD within the province, city, or municipality;
- p) One (1) Civil Society Organization (CSO) representative, member; and q) One (1) private sector representative, member.

Sec. 32. LWRMC Functions. - The LWRMCs shall have the following functions:

- a) Formulate and implement a comprehensive and Integrated Local Water Resource Management Plan (LWRMP) which shall serve as the principal guide to water management

efforts within the territorial jurisdiction of the LCD following the policies and framework of the NWRM. The LWRMP shall be reviewed on a five (5)-year interval, or as may be deemed necessary, in order to ensure its relevance to the times;

- b) Submit the LWRMP and progress reports on the LWRMP to the WRRO;
- c) Monitor and evaluate the implementation of the LWRMPs and regularly review and test the plan consistent with the policy of the NWSPC;
- d) Ensure the integration of water resource management into local development plans, programs, and budgets as a strategy in sustainable development of water supply; and
- e) Convene once every three (3) months or as necessary.

Sec. 33. Local Water Resource Management Office (LWRMO). - There shall be established an LWRMC in every province, city and municipality, which shall be responsible for setting the implementation and coordination of LWRMPs within their territorial jurisdiction. The LWRMO shall be under the office of the governor, city or municipal mayor. The LWRMOs shall be initially organized and composed of a Head Officer to be assisted by three (3) staff responsible for: (1) administration and training; (2) research and planning; and (3) operations. The LWRMO shall perform the following functions:

- a) Design, program, and implement activities consistent with the LWRMP;
- b) Facilitate communications between the LGU and the WRRO;
- c) Serve as secretariat and arm of the LWRMC;
- d) Facilitate trainings and seminars between the LWRMC and the WRRO on water resource management;
- e) Prepare and submit to the local Sanggunian through the LWRMC and the annual LWRMP and budget, and the enactment of local ordinances consistent with the LWRMP and the requirements of this Act;
- f) Facilitate joint programs and activities between the LGU and the WRRO;
- g) Gather, record, and consolidate Information relating to water resource management in its respective territorial jurisdiction, and transmit the information to the WRRO;
- h) Present the consolidated information on water resource management in the LWRMC meetings;

- i) Establish linkages and networks with other LGUs for water resource management as required by the LWRMP;
- j) Disseminate Information and raise public awareness about water resource management;
- k) Submit progress reports on the implementation of the LWRMP to the LWRMC;
- l) Mobilize resources and personnel necessary to implement the LWRMP;
- m) Develop, strengthen and operationalize mechanisms for partnership or networking with LWDs, local communities, and the private sector;
- n) Coordinate other water resource management activities; and
- o) Act on other matters that may be authorized by the LWRMC.

Sec. 34. Exemption of Local Government Units within Metro Manila. - Local Government Units within Metro Manila shall be under the Central Regulatory Unit of the Commission, and are hereby exempted from the provisions of this Chapter.

Sec. 35. Penalties for Non-Compliance. - Failure of the LWRMC and LWRMO to perform its respective functions under this Chapter shall subject the responsible members or employees to the appropriate civil, administrative, and criminal liabilities provided in this Act and under existing laws.

CHAPTER VI THE WATER REGULATORY COMMISSION

Sec. 36. 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", which shall be organized within one hundred twenty (120) days after the effectivity of this Act. The Commission shall have a Board of Commissioners, and shall be vested with powers and functions, as conferred and set forth hereunder.

The Commission shall be placed under the administrative supervision of the Department of Water Resources (DWR) as an attached agency.

Sec. 37. The Regulatory Units. - The Regulatory Units of the Commission shall be composed of the Regional Regulatory Units and the Central Regulatory Unit. 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.

The economic regulatory units and functions of the MWSS, NWRB, LWUA, SBMA, PEZA, and TIEZA are hereby transferred to the Commission, and shall collectively comprise its Central

Regulatory Unit for Water Supply and Sanitation Services that: (a) provide services to more than one province; and (b) are owned, operated and/or maintained by special economic zones and Metro Manila concessionaires.

Sec. 38. 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 levels II & III water supply, including suppliers to subdivisions and/or other Service Providers, sewerage, and/or 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) Promulgate and enforce just and reasonable technical standards, classifications and measurements of service;
- c) Appoint the central and regional regulators;
- d) Establish rules and regulations to monitor, avoid, and provide remedies for, any market power abuse or anti-competitive or discriminatory act or behavior by or against any participant in the water supply and sanitation sector. Upon finding that a market participant has engaged in, or fell victim to such act or behavior, the Commission shall act to stop and/or redress the same. Such remedies may, without limitation, include the imposition of price controls, issuance of injunctions, requirement of divestment or disgorgement of excess profits, invalidation of contracts and imposition of fines and penalties pursuant to this Act.
- e) Adopt and require that books, records, and accounts be kept and maintained in accordance with the prescribed uniform accounting system;
- f) Fix and determine proper and adequate rates of depreciation of properties and equipment used in Water Supply and Sanitation Service/s;
- g) Impose and collect annual levies determined as a percentage of gross revenue accruing in relation to the licensed activities, and reasonable fees and surcharges as may be necessary for achieving the purposes, powers, and functions of the Commission;
- h) Require the submission reports of finances and operations, verified under oaths by the owner or president and secretary of the Licensee;
- i) Determine and require the monitoring and submission of such data, statistics and other information from the Regulatory Units and 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;

j) Investigate, motu proprio or upon complaint in writing, any matter concerning the operation of the service and issues on price manipulation and anti-competitive behavior;

k) Impose penalties and fines 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;

l) 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;

m) Advise, apprise, and coordinate with the Department of Water, the National Water Policy Council, and other relevant agencies of the national or local government on any matter relating to Water Supply and/or Sanitation Services;

n) Deputize agents, whether from the public or private sector, to assist in the performance of any of the powers and functions of the Commission;

o) 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 and the concerned Regulatory Unit fails or refuses to appoint an interim management committee as provided in the following section;

p) Appoint, hire and maintain adequate staff and personnel, advisers, and/or consultants, with suitable qualifications and experience, as necessary;

q) Exercise original and exclusive jurisdiction over all cases contesting rates, fees, fines and penalties imposed by the Regulatory Units in the exercise of their powers, functions and responsibilities, as provided under this Act, and over all cases involving disputes between and among participants or stakeholders in the Water Supply and/or Sanitation Services; and

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

Sec. 39. Powers and Functions of the Regulatory Units. - The Regulatory Units of the Commission shall have the following powers and functions:

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

1. When the facts and circumstances on the strength of which the license was issued have been materially misrepresented or has materially changed;
2. Where the Licensee has failed to meet or comply with terms, conditions and performance targets, including but not limited to service expansion, that may have been set in the license;
3. Where the Licensee is found to be manifestly inefficient in the operation of or provision of Water Supply and Sanitation services in its area; or
4. When the Licensee thereof has violated or willfully refused to comply with any order, rule or regulation of the Commission or any provision of this Act; m) Appoint an interim management committee to ensure continuity of service in case a Licensee fails to meet the conditions of the license; and n) Submit performance plans and reports as required by the Commission.

Sec. 40. 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 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 years of experience in the active practice of law, and at least one (1) shall be a certified public accountant with at least ten years of experience in active practice;

b) The term of office of each member of the Commission shall be seven (7) years: Provided, that among the members first appointed, the Chairperson shall serve for a period of seven (7) years, two (2) members shall serve for five (5) years and the other two (2) members shall serve for three (3) years: Provided further, that any member whose term has expired as specified herein shall serve as such until 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 Chairman 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 Chairman shall submit for the approval by the President of the Philippines the new organizational structure and plantilla positions necessary to carry out the powers and functions of the Commission, including those of the Central and Provincial Regulatory Units. The staff and personnel positions of the Commission shall be filled by regular appointments in accordance with a staffing plan to be prepared by the Commission.

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 Chairman 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 of office.

Sec. 41. Secretariat of the Commission. - The Commission shall establish a Secretariat which shall provide the Commission with technical and support services such as:

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

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

c) Monitor and assess activities of the Regulatory Units vis-a-vis their respective annual performance plans and targets;

d) Maintain a database on the water supply and sanitation subsector; and

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

Sec. 42. The Executive Director. - The Commission shall appoint an Executive Director who 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 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/or other members of the Commission.

Sec. 43. 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. 44. Composition and Other Emoluments. - The compensation of the members of the Commission and its staff shall be exempted from the coverage of Republic Act. No. 6758, otherwise known as the Salary Standardization Act: Provided, that the salaries of the Commission and its staff shall conform as closely as possible to the principles of R.A. 6758. For this purpose, the schedule of compensation of the Commission and its Regulatory Units and staff shall be submitted for approval of the President of the Philippines. The compensation schedule of the Commission and its Regulatory Units and staff shall be implemented within six (6) months from the effectivity of this Act and may be upgraded by the President of the Philippines as the need arises: Provided further, that in no case shall the compensation of the Commission and its staff be upgraded more than once a year. Pertinent civil service laws, rules, and regulations of the Philippines shall be applicable to the Commission.

The Chairman 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 Supreme Court, respectively.

CHAPTER VII REGISTRATION AND LICENSING

Sec. 45. Registration and Licensing of All Water Supply and/or Sanitation Services. - All Water Supply and/or Sanitation Service Providers, including but not limited to Bulk Water Suppliers, operators of privately-owned water supply systems, local government managed utilities, barangay waterworks associations, water districts, cooperatives, those providing services to subdivisions and/or other Service Providers, shall register with the Commission and, subject to such rules, guidelines, procedures and other issuances of the Commission, obtain a License to operate from the appropriate Regulatory Units.

The Commission shall 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 Certificate of Public Convenience, Certificates of Public Convenience and Necessity issued by NWRB, and/or Conformance issued by LWUA, to convert their existing certificates into Licenses issued by the Commission. All existing providers of Water Supply and/or Sanitation Services without a legal and valid Certificate of Public Convenience/Certificate of Public Convenience and Necessity or Certificate of Conformance shall register with the Commission and apply for a License within six (6) months from the effectivity of this Act.

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

Concession agreements and other contracts for water supply provision and/or 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. 46. No Exclusivity on Grants for Water Supply and/or Sanitation Services. - Except for Service Areas with respect to which exclusive rights to provide Water Supply and/or Sanitation Services are granted under existing laws, licensees do not have the exclusive right to provide Water Supply and/or Sanitation Services within a Service Area and consequently, the Regulatory Board may issue one or more licenses for operator within any existing or proposed Service Areas, as decided by the Supreme Court in Metropolitan Cebu Water District vs. Margarita A. Adaia (G.R. No. 168914, 04 July 2007).

Sec. 47. Conditions of License. - The Commission and/or the concerned Regulatory Unit, 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/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: (1) water pressure; (2) minimum flow rates; (3) connections; (4) sewerage discharge, billing, and metering requirements, and 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;
- h) Submission to annual performance audit by the Commission or its duly authorized representative(s).

Sec. 48. Rights and Duties of Licensees. -

- a) Any person granted a License under this Act shall have the obligation to ensure that licensed activities are conducted to further public interest and, in particular:
 - 1. Foster the maintenance and development of efficient, coordinated, and viable operation of their licensed activities;
 - 2. Ensure that their water supply and/or sanitation services are provided in a diligent, conscientious and workmanlike manner, in accordance with applicable laws rules and regulations issued by the Commission and the generally accepted standards and practices in the water supply and sanitation industry;
 - 3. Comply with drinking water quality requirements and standards that may be established by the Commission; and
 - 4. 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, have the right to acquire or lease land, lay or repair water or sanitation mains, and other relevant facilities in public ways to fulfill their obligations;
- c) Subject to any condition or limitation laid down in the License, a licensee may disconnect water supply and/or sanitation services to a customer if such customer defaults in the payment of fees due to the licensee for the water supplied or sanitation services provided, or for acts of pilferage pursuant to Sections 8, 9, 10, and 11 of Republic Act No. 8041, otherwise known as the Water Crisis Act of 1995;
- d) Any License issued under this Act shall contain provisions designed to ensure that Licensees:

1. Publish the Tariff and other charges approved by and the terms and conditions imposed by the Commission for the provision of water supply and/or sanitation services;
2. Prepare, within three (3) months from the issuance of a License, in consultation with its customers, a customer service code specifying the manner and procedure for: i. Metering, billing, and collection of the Licensee's approved tariff and other charges; ii. Disconnection or suspension of service in case of non-payment of tariffs and/or other charges, or acts of pilferage; and iii. Recommendation and recovery of arrears in tariffs and other charges.
3. Maintain financial accounts in accordance with the manner and procedure specified in the License and as may be required by the Commission; and
4. 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. 49. Setting Tariffs/ Rates and Other Charges. - Regulatory Units shall establish tariffs, rates and other charges which are fair and reasonable, and ensure environmental sustainability, economic viability, and a fair return on investments considering the prevailing cost of capital in the domestic and international markets.

Tariffs, rates, and charges shall be based on, and consistent with, a scientific and evidence-based rate-setting methodology that the Commission shall, after due consultation with the Department, 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) Willingness to pay of the customers/consumers;
- e) Equity considerations;
- f) Environmental sustainability; and g) Administrative simplicity.

Tariffs, rates, and charges set by the Regulatory Units shall be presumed valid and reasonable unless a protest or contest is filed with the Commission.

Sec. 50. Direct Access. - Fifty-one (51) percent of the registered water consumers in a municipality, city or province may petition for direct access to water from any water service provider subject to concurrence by the service provider and approval by the Commission. The

Commission shall promulgate the implementing rules and procedures for this mode of service or direct access water service.

Sec. 51. Promotion of Innovative Schemes to Improve Efficiency and Management of Systems. - The Commission shall promote innovative schemes such as the consolidation and/or integration of water supply and/or sanitation services, and/or providers in the same service area, where it shall result in improved efficiency, service expansion, and/or lower costs.

To this end, the Commission shall establish and issue such rules and guidelines as may be necessary to

- (a) create 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. 52. 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. 53. Orders and Decisions of the Commission. - The orders, resolutions and decisions of the Commission shall be promulgated promptly, expeditiously, and reasonably, and shall be in writing stating 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. 54. Appeals Procedure and Prohibition Against Injunction. -

- a) The orders, rulings, and decisions of the Commission are final and executory unless appealed to the Court of Appeals within 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.

b) No injunction may be issued by any court or administrative agency to restrain any proceeding before, or the implementation or execution of any order, ruling, or decision of the Commission, except on the basis of a question of law brought before the Supreme Court on certiorari: Provided, that this prohibition shall not apply when the matter is of extreme urgency involving a constitutional issue, such that unless a temporary restraining order is issued, grave injustice and irreparable injury will arise. In such a case, the applicant shall file a bond, in an amount to be fixed by the Court, which bond shall accrue in favor of the government if the court should finally decide that the applicant was not entitled to the relief sought.

c) Subject to Sec. 40, Paragraph (b) of this Act, an act or decision of the Commission shall not be invalid merely because of a defect or irregularity in, or in connection with, the appointment or vacancy in the Office of the Chairperson or any other member of the Commission.

CHAPTER IX TRANSITORY AND FINAL PROVISIONS

Sec. 55. Transfer of Rights and Obligations. - The Department and the Commission shall, by virtue of this Act, be subrogated to all the rights, and assume all the obligations, of the Water Utilities Division of the NWRB, the Regulatory Offices of MWSS and LWUA, the Regulatory Units of all special economic zones, and all other government agencies and units whose powers and functions have been transferred to them.

The transfer of powers and functions to the Department and the Commission, as herein provided for, shall take effect within six (6) months after the effectivity of this Act. The foregoing transfer of powers and functions shall include all applicable funds, personnel, records, property and equipment, as may be necessary. The same shall apply to agencies which have been attached to the Department by virtue of this Act.

All agencies transferred, subsumed and attached to the Department or the Commission, shall continue to function under their present mandates until transition is effected under this Act, and the heads of the affected agencies shall continue to serve until replaced.

All rights and obligations 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. 56. Absorption or Separation from Service of Employees of the Subrogated Agencies. - The existing employees of the Water Utilities Division of the NWRB, the Regulatory Offices of MWSS and LWUA, the Regulatory Units of all special economic zones, and all other government agencies and units whose powers and functions have been transferred to the Commission shall enjoy the security of tenure, and shall be absorbed by the Department, 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 any of the existing retirement laws.

Sec. 57. Applicability of Ease of Doing Business Law. - The prescribed processing time provided under Section 9.b of Republic Act No. 11032 otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, shall be applicable to all agencies and LGUs covered under this Act particularly on accessing government services.

Sec. 58. Funding for the Commission. - The sum of Three Hundred Million (P300,000,000.00) pesos shall be allocated from any available funds of the National Treasury, and appropriated and authorized to be released, for the organization and initial operations of the Commission.

Thereafter, funds sufficient to fully carry out the objectives, powers, and functions of the Commission and its Regulatory Units shall be appropriated every fiscal year in the General Appropriations Act, in an amount that shall not be less than the amount appropriated for it the previous year.

The Commission shall submit its annual budget, which shall include, among others, detailed information on the compensation and benefits received by their employees, to the Department for approval.

Subject to existing rules and regulations of the Department of Budget and Management (DBM), all funds and monies collected by the Commission from fees, charges, surcharges and penalties, which the Commission may impose and collect under this Act, shall accrue directly and automatically to the Commission and shall be utilized solely for its operations. The guidelines for the collection and disbursement of these proceeds shall be defined in the implementing rules and regulations of this Act.

A proportion of the abovementioned amounts shall be used for training and capacity building purposes, including the upgrade and procurement of equipment and software as may be necessary

for the efficient and effective exercise of its power, subject to existing laws on procurement, accounting and auditing rules and regulations.

The amount of funds and monies collected, and the costs and purposes for which such were expended, shall be made publicly available upon request, as well as on an official website that the Commission shall establish.

Sec. 59. Water Trust Fund. - There is hereby created a Water Trust Fund in the Bureau of Treasury. All non-tax revenues, including raw water pricing, permit fees, registration fees, supervision and regulation enforcement fees, filing fees, testing fees, and other service income from the use of water resources shall be remitted to the Water Trust Fund. The trust fund shall be accounted separately from the government's general revenues and shall be automatically appropriated to the Department. Proceeds from the trust fund shall be utilized for water development, water sanitation and waste water treatment and management, and water sustainability programs and projects authorized under this Act: Provided, That a maximum of ten percent (10%) of the total income generated from raw water extraction shall be given as share of the concerned local government unit or Indigenous people (IP) who owned the specific areas or land where the raw water was sourced.

Sec. 60. Appropriations. - The sum of two billion pesos (P2,000,000,000.00) shall be set aside from available funds of the National Treasury and is hereby appropriated and authorized to be released for the organization of the Department and the current year's appropriations of the NWRB, RCBO, NIA, MCBO and the Water Quality Management Section of the EMB of the DENR, the Flood Management Cluster of the DPWH, the Water Supply and Sanitation Unit of the DILG shall be used for its initial operations. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the General Appropriations Act. The Department shall include in its proposed budget the necessary amount to enable it to achieve its mandate and to carry out its powers and functions.

Sec. 61. Implementing Rules and Regulations. - Within one hundred eighty (180) days from the effectivity of this Act, the Department, in consultation with concerned government agencies, the Senate Committee on Public Services, and the Committee on Civil Service, Professional Regulation, and Government Reorganization, and the House of Representatives Committee on Government Reorganization, shall promulgate the necessary implementing rules and regulations for the implementation of this Act: Provided, that the revised implementing rules and regulations shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation.

Sec. 62. 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. 63. Repealing Clause. -

a) The following provisions are hereby repealed: i. The provision with respect to fixing of water rates and sanitation service fees of Section 3 (h) and Section 12, and regulation of waterworks and deep wells of Section 3 (n), regulation of waterworks and sanitation systems in privately owned subdivisions of Section 3 (p) of Republic Act 6234; ii. Section 62 on regulation and Section 63 on rate review of Presidential Decree No. 198 otherwise known as the "Provincial 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, 30 January 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", is hereby repealed or modified accordingly.

b) The following provisions are hereby amended accordingly: i. Section 154, Article V, Chapter I, Title One, Book II of Republic Act No. 7160 otherwise known as the "Local Government Code of 1991", and its implementing rules and regulations on the power of the local government units to fix the rates of water utilities owned, operated and maintained by them within their jurisdiction is hereby repealed or modified accordingly. ii. Section 13 (b) on regulation of enterprises within the Economic Zone under Republic Act No. 7916 as amended, otherwise known as the Special Economic Zone Act of 1995, is hereby repealed or modified accordingly; iii. Provisions under Section 69 of Republic Act No. 9593 or The Tourism Act of 2009 and its Implementing Rules and Regulations which mandates the Tourism Infrastructure and Enterprise Zone Authority to grant franchises, supervise the operation of public utilities, and register, monitor and regulate enterprises within Tourism Enterprise Zones, are hereby repealed or modified accordingly.

c) 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. 64. Effectivity. - This Act shall take effect thirty (30) days after its publication in the *Official Gazette*.

Approved,