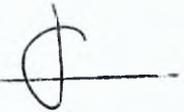


NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

 Office of the Secretary

'22 AUG -4 A9 :29

SENATE  
S. No. 1021

RECEIVED BY: 

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**Introduced by Senator Jinggoy Ejercito Estrada**

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**AN ACT  
ESTABLISHING THE NATIONAL FRAMEWORK FOR WATER RESOURCE  
MANAGEMENT AND CREATING THE DEPARTMENT OF WATER RESOURCES  
AND THE WATER REGULATORY COMMISSION, DEFINING THEIR  
MANDATES, POWERS AND FUNCIONS, AND APPROPRIATING FUNDS  
THEREFOR**

**EXPLANATORY NOTE**

Water is one of the most important resources in the world. The Philippines, as an archipelagic country, is gifted with this resource in abundance. However, mismanagement and unsustainable consumption of water continues to be a major predicament of the country.

According to the article, "Water shortage in the Philippines threatens sustainable development and health" published by the World Health Organization (WHO) on March 22, 2019, around 1 in 10 people in the Philippines still do not have access to improved water sources. This results to diseases, serious health consequences, and even death. As stated in the article, "When water is scarce, people are often forced to rely on drinking water sources that may not be safe. They may also lack sufficient water for basic hygiene - to wash themselves and their clothes, and to prevent infection including from foodborne and waterborne diseases. Low or negative water pressure in pipes due to short supply can attract contaminants that will put water quality at risk when the supply is restored. In addition, limited supply obliges people to store more water. If not handled properly,

this will provide more opportunity for mosquitoes to breed and consequently increase the cases of mosquito-borne diseases, such as dengue fever.”

The government needs to immediately address these concerns by providing comprehensive and long-term solutions. Congruent with the international efforts under the auspices of the WHO, the concerned government agencies should intensify its efforts to develop and implement water safety planning, to strengthen systems and capacity for drinking water quality surveillance and monitoring, and to improve water, sanitation, and hygiene.

Such endeavor is consistent with Sustainable Development Goal 6 which seeks to provide clean water and sanitation for all. Among the targets under this SDG are the achievement of universal and equitable access to safe and affordable drinking water for all; improvement of water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally; and implementation of integrated water resources management at all levels, including through transboundary cooperation as appropriate.

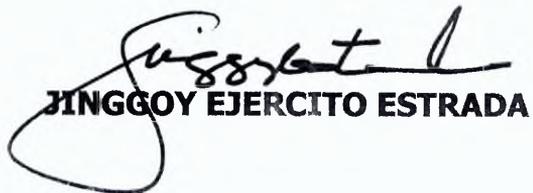
The “*National Water Act*” seeks to rationalize the management of water resources, sewerage, and sanitation through the creation of the Department of Water Resources. The Department shall be the primary agency responsible for the comprehensive and integrated identification and mapping of all water resources, planning, policy formulation, and management of the ownership, appropriation, utilization, exploitation, development, and protection of water resources in the Philippines.

The bill also establishes the Water Regulatory Commission which shall be placed under the administrative supervision of the Department of Water Resources. To ensure coherent and coordinated management of water resources, the economic regulatory units and functions of the Metropolitan Waterworks and Sewerage System

(MWSS), National Water Resources Board (NWRB), Local Water Utilities Administration (LWUA), Subic Bay Metropolitan Authority (SBMA), Philippine Economic Zone Authority (PEZA), and Tourism Infrastructure and Enterprise Zone Authority (TIEZA) will be transferred to the Commission.

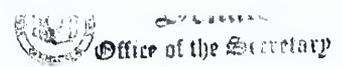
This measure was reported out by the Committees on Government Reorganization, Public Works and Highways, Ways and Means, and Appropriations in the House of Representatives in the 18<sup>th</sup> Congress.

In view of the foregoing, the swift passage of this measure is highly recommended.



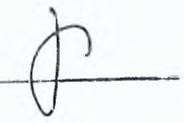
**JINGGOY EJERCITO ESTRADA**

NINETEENTH CONGRESS OF THE )  
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**AN ACT  
ESTABLISHING THE NATIONAL FRAMEWORK FOR WATER RESOURCE  
MANAGEMENT AND CREATING THE DEPARTMENT OF WATER RESOURCES  
AND THE WATER REGULATORY COMMISSION, DEFINING THEIR  
MANDATES, POWERS AND FUNCIONS, AND APPROPRIATING FUNDS  
THEREFOR**

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

**CHAPTER I**

**GENERAL PROVISIONS**

Section 1. *Short Title.* - This Act shall be known as the "*National Water Act*".

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

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

In pursuit of this policy, this Act shall have the principal objective of ensuring and accelerating universal access to water supply and sanitation services, in a regulatory regime that encourages responsible private sector participation, and shall foster and prioritize the establishment of infrastructure and public works that adopt innovative solutions and international best practices to address the challenges of

1 climate change. Further, all water and water treatment infrastructure projects are  
2 hereby declared as projects imbued with national interest.

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

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

10 (b) *Environmental services* refer to qualitative functions of natural non-produced  
11 assets of land, water, and air, including related ecosystems, and their biota,  
12 and which may be categorized into three (3) basic types: (1) disposal services  
13 which reflect the functions of the natural environment as an absorptive sink  
14 for residuals; (2) productive services which reflect the economic functions of  
15 providing natural resource inputs and space for production and consumption;  
16 and, (3) consumer or consumption services which provide for physiological as  
17 well as recreational and related needs of human beings.

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

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

1 political uncertainties on account of human behavior and the cultural  
2 dimension of FRM.

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

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

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

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

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

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

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

- 1 (i) *License* refers to the Water Supply and/or Sanitation Services Operating  
2 License that the Water Regulatory Commission is authorized to grant and  
3 issue to service providers.
- 4 (j) *Licensee* refers to a service provider to whom a license is granted or issued by  
5 the Water Regulatory Commission.
- 6 (k) *Missionary Water Services* refer to water supply or services to areas that have  
7 no existing safe water supply and services due to geographic limitation or  
8 absence of economic and market viability.
- 9 (l) *National Water Resources Management Plan (NWRMP)* refers to a policy  
10 document that contains a framework to guide the development and  
11 management of all the water resources in the Philippines, the general  
12 strategies and work to be pursued to ensure the sustainability of the resource  
13 towards water security, and top-level direction on the utilization of existing  
14 water resources in line with national development plans, policies, and  
15 programs, in accordance with the IWRM framework. The NWRMP shall also  
16 include a water infrastructure development program on all waters of the  
17 country as well as provide general guidance on how this shall be supported  
18 within an integrated financing framework that can draw from public, private  
19 and international development funding sources.
- 20 (m) *Net Waste Load* refers to the difference of the initial waste load of the  
21 abstracted water and the waste load of the final effluent discharge of an  
22 industry.
- 23 (n) *Regulatory Units* refer to the offices established under Section 20 of this Act  
24 which issue licenses authorizing the operation of Water Supply and Sanitation  
25 Services, and provide, review, determine, fix, and approve water and  
26 sewerage tariffs, rates, and charges that licensees may impose.
- 27 (o) *River basin* refers to an area of land drained by a stream or body of fixed  
28 water and its tributaries which have a common outlet for surface run-off.
- 29 (p) *River Basin Organization (RBO)* refers to multi-stakeholder organizations  
30 which plan, coordinate, and monitor activities within a river basin cluster.
- 31 (q) *Sanitation* refers to the provision of facilities and services for the safe  
32 management of human excreta, from toilet to containment, and storage and

1 treatment onsite or conveyance, treatment and eventual safe end use or  
2 disposal, and includes the safe management of solid waste and animal waste.

3 (r) *Sediment management* refers to control of sediment erosion and deposition in  
4 rivers, reservoirs, and coastal zones through non-structural and structural  
5 measures and control works,

6 (s) *Sustainable Development Goals (SDGs) also known as the 17 Global Goals*  
7 refer to the universal call to action to end poverty, protect the planet and  
8 ensure that all people enjoy peace and prosperity by 2030 adopted by all  
9 United Nations Members States in 2015.

10 (t) *Septage* is the liquid and solid materials pumped from a septic tank, cesspool,  
11 or other primary treatment source.

12 (u) *Septage Management* refers to the provision of proper collection, treatment,  
13 and disposal of septage.

14 (v) *Service Area* refers to the area covered by the water distribution system,  
15 sewerage, and/or septage management services.

16 (w) *Service Provider* refers to any entity, natural or juridical, whether  
17 private or public, providing or intending to provide Levels II and III water  
18 supply, including bulk water suppliers, sewerage, septage treatment, and  
19 disposal services for domestic, residential, industrial, or commercial use.

20 (x) *Sewage* refers to water borne human or animal wastes, excluding oil or oil  
21 waste, removed from residences, buildings, institutions, and industrial and  
22 commercial establishments together with such groundwater, surface water  
23 and storm waters as may be present including such waste from vessels,  
24 offshore structures, other receptacles intended to receive or retain waste or  
25 other places or the combination thereof.

26 (y) *Sewerage* refers to any system or network of pipelines, ditches, channels or  
27 conduits including pumping stations, lift stations and force mains, service  
28 connections including other infrastructure, devices, or appliances appurtenant  
29 thereto, which include the collection, transport, pumping and treatment of  
30 sewage to a point of disposal.

31 (z) *Sewers* refers to pipes or such other works or structures which are built and  
32 constructed to carry, transport, and dispose sewage.

- 1 (aa) *Social inclusion* refers to the process of improving the terms for  
2 disadvantaged individuals and groups to take part in society.
- 3 (bb) *Tariffs* refers to such amounts which may be charged by licensees for  
4 their water supply and sanitation services based on principles, standards, and  
5 guidelines established by the Department of Water Resources.
- 6 (cc) *Water Demand Management (WDM)* refers to any method, whether  
7 technical, economic, administrative, financial, or social that will accomplish  
8 one or more of the following:
- 9 (1) Reduce the quantity or quality of water required to accomplish a  
10 specific task;
- 11 (2) Adjust the nature of the task or the way it is undertaken so that it can  
12 be accomplished with less water or with lower quality of water;
- 13 (3) Reduce the loss in quantity or quality of water as it flows from source,  
14 through use, to disposal;
- 15 (4) Shift the timing of use from peak to off-peak periods; and,
- 16 (5) Increase the ability of the water system to continue to serve society  
17 during times when water is in short supply.
- 18 (dd) *Water Districts* refer to government-owned and controlled corporations  
19 organized under Presidential Decree No. 198, as amended, created primarily  
20 to acquire, install, operate, maintain, and improve water supply and  
21 distribution systems for domestic, industrial and municipal uses of residents  
22 and to provide, maintain and operate waste water collection, treatment and  
23 disposal facilities within the boundaries of the district.
- 24 (ee) *Water pollution* refers to any alteration of the physical, chemical,  
25 biological, or radiological properties of a body of water resulting in the  
26 impairment of its purity or quality.
- 27 (ff) *Water Resources* refers to water under the ground or groundwater, water  
28 above the ground such as surface water, run-offs, floods, stormwater and  
29 urban drainage, treated wastewater, water in the atmosphere or rain water,  
30 and the waters of the sea within the territorial jurisdiction of the Philippines.
- 31 (gg) *Water Resources Regions* refer to the contiguous clusters of river  
32 basins which are grouped together according to the hydrological boundaries,

1 physiographic features, and homogeneity in climate, whether or not they  
2 straddle different local government units, for administrative purposes under  
3 the Department of Water Resources.

4 (hh) *Water Service Provider (WSP)* refers to the water district, any Local  
5 Government Unit (LGU)-run water utility, Barangay Waterworks and  
6 Sanitation Association (BWSA), Rural Waterworks Sanitation Association  
7 (RWSA), cooperative and private sector entity that provides water supply  
8 services to any given area.

9 (ii) *Water supply service* refers to any activity comprising Levels I, II, and III  
10 water supply including bulk suppliers, suppliers to subdivisions, and other  
11 water service providers.

## 12 **CHAPTER II**

### 13 **THE DEPARTMENT OF WATER RESOURCES**

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

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

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

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

31 The Department shall exercise the powers and functions of the defunct Pasig  
32 River Rehabilitation Commission created under Executive Order No. 54, series of

1 1999 and abolished under Executive Order No. 93, series of 2019, specifically the  
2 following roles that were transferred to the Manila Bay Task Force and Department  
3 of Environment and Natural Resources (DENR) through the latter Executive Order:

4 (a) Update and take the lead in the overall implementation of the Pasig River  
5 Rehabilitation Master Plan, which shall harness the Pasig River's potential for  
6 transportation, recreation and tourism purposes while undertaking the  
7 rehabilitation and restoration of its marine life; and,

8 (b) Ensure that the easements provided for in the Civil Code of the Philippines  
9 and other relevant laws are enforced, especially in all the esteros and  
10 waterways that drain into the Pasig River, as well as abate the dumping of  
11 untreated industrial wastewater and sewerage into the river, including all acts  
12 and omissions in violation of Presidential Decree (PD) No. 984, series of 1976,  
13 as amended, entitled, "Providing for the Revision of Republic Act No. 3931,  
14 Commonly Known as The Pollution Control Law, and for Other Purposes", PD  
15 No. 274, series of 1973, entitled, "Pertaining to the Preservation,  
16 Beautification, Improvement and Gainful Utilization of the Pasig River,  
17 Providing for the Regulation and Control of Pollution of the River and its  
18 Banks in Order to Enhance its Development, thereby Maximizing its Utilization  
19 for Socio-Economic Purposes", and other related laws.

20 Sec. 6. *Guiding Principles.* – In the pursuit of its mandate, the Department  
21 shall be guided by the following key principles:

22 (a) The concept of good water governance for water security and sufficiency shall  
23 be adopted across all levels of governance by stakeholders such as the  
24 national government, local government, non-government organizations,  
25 private organizations, individuals, even global societal actors, and in various  
26 sectors such as water supply, irrigation, fisheries, hydropower, navigation,  
27 ecosystem services, flood management, climate change, and recreation. It  
28 shall entail publicly transparent, socially accountable, and multi-stakeholder  
29 participatory water policy planning, management, and decision-making  
30 process.

31 (b) Access to safe water supply and improved sanitation is a human right that  
32 needs to be fulfilled and protected.

- 1 (c) Integrated Water Resource Management (IWRM) shall be adopted as the  
2 basic framework which is the coordinated development and management of  
3 water, land, and related resources within hydrological boundaries to optimize  
4 economic and social welfare without compromising the sustainability of vital  
5 ecosystems. The IWRM Framework shall include an enabling environment  
6 that utilizes proper policies, legal instruments, and institutional frameworks  
7 for effective implementation, participatory and collaborative water policy and  
8 management decisions, and management instruments for efficient use of  
9 updates and accurate data, science-based decision support systems, proper  
10 information, education, communication (IEC) programs, assessment and  
11 allocation tools, or regulatory functions. IT shall observe the mutual  
12 accountability mechanism among stakeholders at the national, regional, and  
13 global levels reinforcing multi-stakeholder decision-making following a  
14 framework with specific, measurable, attainable, relevant, and timely actions.
- 15 (d) Each river basin has its unique characteristics relating to the physical, socio  
16 cultural, and other aspects, and water management shall be performed at  
17 river-basin level, involving all the stakeholders at that particular river basin.
- 18 (e) Integrated and accurate data collection and analysis and the use of scientific  
19 decision support systems shall be undertaken in water resources management  
20 including flood modeling and warning systems that are essential for an  
21 effective, efficient, and sustainable water resources management system.
- 22 (f) The development of water resources shall include strategies for the mitigation  
23 of water-related hazards and climate change adaptation.
- 24 (g) Water resources and services should be provided where they are intended  
25 and most needed so that water is fairly and sustainably managed.
- 26 (h) The proper operation and maintenance of waterworks systems resulting in the  
27 uninterrupted and adequate supply and distribution of potable water for  
28 domestic and other purposes, and the proper operation and maintenance of  
29 sewerage systems which are essential services to public health and safety,  
30 are to be ensured at all times. The State shall therefore supervise and control  
31 the establishment, operation, and maintenance of such systems.

32 *Sec. 7. Objectives of the Department.* – The Department shall:

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

- 1 (i) Ensure that all sources of water, including surface water, groundwater,  
2 rainwater, and floodwater are identified, mapped, monitored, conserved and  
3 managed for productive use and the resulting wastewater is managed  
4 properly, reused, and responsibly disposed of following approved  
5 environmental standards.

6 Sec. 8. *Powers and Functions of the Department.* – The Department shall  
7 have the following powers and functions:

8 I. Policymaking and Planning

9 (a) Ensure that Integrated Water Resources Management (IWRM) is  
10 adopted as the strategic framework for water management  
11 policymaking and planning in the country and coordinate the  
12 implementation, promotion, revision and enhancement of IWRM  
13 plans;

14 (b) Formulate policies, strategies, and targets in coordination with other  
15 relevant entities to meet the goals and objectives for water supply  
16 and sanitation, water quality, irrigation, hydropower, flood control,  
17 stormwater utilization, and urban drainage. Such policies shall,  
18 among other guidelines, integrate the issues of water and sanitation,  
19 food security, energy, environment and flood control, and climate;

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

23 (d) Regularly update, every five (5) years or as deemed necessary by  
24 the Department, and in consultation with other agencies and  
25 stakeholders, the NWRMP following the IWRM framework and  
26 integrate therein a national land use plan;

27 (e) Undertake river basin survey, inventory and appraisal of water and  
28 related resources, and develop comprehensive basin-wide plans of  
29 storage, retardation, and control to maximize conservation and  
30 multipurpose use of water in the basin;

31 (f) Conduct continuing hydrological and hydrometeorological surveys  
32 and studies of the country's renewable water supply, and establish,

1 operate and maintain observation station networks with a view  
2 towards formulating long-term policies to balance the sustainability  
3 and optimal multiple use of water resources, defining the hydrologic  
4 boundaries of basins of the existing water supply sources and  
5 developing or updating and implementing countrywide  
6 comprehensive basin-wide master plans;

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

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

18 (i) Review, approve, and provide oversight over all water-related  
19 development plans and programs of any agency within the context  
20 of the NWRMP, and overall national plans and programs;

21 (j) Develop and implement, in coordination with other relevant  
22 agencies, effective codes, standards, benchmarks, and reasonable  
23 guidelines to ensure the safety of all public and private water  
24 structures in the country, and assure efficiency and proper quality in  
25 the construction of water, sanitation, irrigation, hydropower, flood  
26 control and drainage infrastructure;

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

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

26 II. Resource Regulation

- 27 (a) Manage and conserve the country's water resources to ensure the  
28 optimal use thereof for domestic water supply, sanitation, irrigation,  
29 hydropower, navigation, flood control, and recreation purposes, and  
30 enhance and maintain water quality, conserve watersheds, control  
31 water pollution, and restore the environment, without compromising  
32 the natural ecosystem functions and services;

- 1 (b) Regulate and control the utilization, abstraction, diversion and  
2 development of water resources, taking in consideration their  
3 equitable distribution among competing demands and determine the  
4 standards of beneficial and priority uses of water in times of crisis  
5 and national emergencies;
- 6 (c) Formulate, promulgate, and enforce rules and regulations for the  
7 development and optimum use of water resources and its  
8 administration and management, including coherent water protocols,  
9 operating rules of all existing and future water infrastructure;  
10 general criteria, methods and standards for basic data collection and  
11 project identification, formulation and planning, and appropriate  
12 sanctions to be imposed for non-compliance;
- 13 (d) Regularly review regulations prescribed by any government agency  
14 pertaining to water use, exploitation, development, and conservation  
15 or protection of waters, water resources, and watershed or basin  
16 areas with respect to this Act;
- 17 (e) Impose fees or charges, as may be deemed necessary for water  
18 resources conservation and protection, such as:
- 19 (1) Polluter's Fee, which shall be based on the new waste load  
20 depending on the wastewater charge formula pursuant to  
21 Republic Act No. 9275;
- 22 (2) Raw water price, which shall take into account, among others,  
23 the scarcity of water; and,
- 24 (3) Appropriate payment structures for environmental services;
- 25 (f) Deputize LGUs to collect the national fees or charges for resource  
26 regulation within their respective jurisdictions;
- 27 (g) Collect, regularly update, monitor, and analyze water resources data  
28 including climatology, hydrological and other water-related data and  
29 ensure that such data is easily accessible by relevant and authorized  
30 users;
- 31 (h) Establish, operate, and maintain observation station networks and a  
32 centralized water resources data center or the scientific survey and

1 appraisal of surface and groundwater potentials of the country, and  
2 determine the annual renewable water available per water resources  
3 region;

4 (i) Maintain a database that will contain updated relevant information  
5 on water data which be accessible by relevant and authorized users'

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

11 (k) Conduct and promote special studies and research on water  
12 economics and other water resources development and  
13 management issues and concerns such as climate change, weather  
14 modification, flood monitoring and modeling, environmental quality,  
15 and desalination; and,

16 (l) Raise public awareness through information, education and  
17 communication program, and build capacities for informed  
18 participation in water resources management at the national and  
19 river-basin level.

### 20 III. Institutional Arrangement with Public Water Organizations

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

27 (b) Develop materials for capacity building and training of prospective  
28 RBOs;

29 (c) Authorize its representatives or any deputized agent to enter any  
30 property of public dominion with or without prior notice and consent,  
31 any private land, building or enclave, whether inhabited or not, for  
32 the purpose of conducting hydrologic surveys and investigations,

1 including assessing and evaluating the conditions of water facilities  
2 installed, and determining compliance with water laws and  
3 standards;

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

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

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

13 (g) Appoint, hire, and maintain adequate staff and personnel, advisers  
14 or consultants with suitable qualifications and experience, as  
15 necessary, subject to existing rules and regulations.

#### 16 IV. Coordination

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

20 (b) Coordinate with other government agencies, universities, academe  
21 and private professional groups in all aspects of data gathering, the  
22 conduct of special studies and research on all related aspects of  
23 water resources management and development such as climate  
24 change, environmental quality, desalination, and the development of  
25 operating strategies, procedures, and protocols and accompanying  
26 computerized decision tools for major water facilities;

27 (c) Coordinate with the concerned and relevant agencies engaged in  
28 flood control, flood risk management, and drought risk  
29 management; and,

30 (d) Coordinate proactively with LGUs to ensure the integration of water  
31 resources development plans into their comprehensive land use

1 plans (CLUPs), Comprehensive Development Plans (CDPs) or  
2 Provincial Physical Framework and Development Plan (PPFDP).

3 V. Other Functions

4 (a) Create when necessary, water resource subsidiaries,  
5 instrumentalities, and entities to engage in water transmission, water  
6 distribution, waste water treatment and management, and sanitation  
7 in accordance with existing relevant laws.

8 (b) Enter into contracts, joint venture agreements or understanding,  
9 public-private partnerships, and memorandum of agreements or  
10 understanding, either domestic or foreign, relating to investment and  
11 financing water-related projects, under such terms and conditions as  
12 the Department may deem proper and reasonable subject to existing  
13 laws.

14 (c) Exercise such other powers and functions necessary or incidental to  
15 the effective administration and management of the country's water  
16 resources.

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

21 (a) Advise the President on the promulgation of executive or administrative  
22 orders, regulations, proclamations and other issuances relative to matters  
23 under the jurisdiction of the Department;

24 (b) Establish the policies and standards for the operation of the Department  
25 pursuant to the President's guidelines;

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

28 (d) Exercise supervision and control over all bureaus and offices under the  
29 Department;

30 (e) Supervise all attached agencies and corporations in accordance with law;

31 (f) Represent the Department in contracts, awards, and other similar  
32 agreements;

- 1 (g) Delegate authority for the performance of any power or function, as defined  
2 herein to officials and employees under his direction as deemed appropriate;
- 3 (h) Act as the Chairperson of the governing board of the attached agencies of the  
4 Department;
- 5 (i) Designate and appoint officers and employees of the Department, excluding  
6 the Undersecretaries, Assistant Secretaries, and Regional and Assistant  
7 Regional Directors, in accordance with the civil service laws, rules and  
8 regulations; and,
- 9 (j) Perform such other duties and responsibilities as may be provided by law.

10 Sec. 10. *Office of the Secretary.* – The Office of the Secretary shall be  
11 composed of the Secretary, Undersecretary, Assistant Secretary and the Secretary's  
12 immediate staff.

13 Sec. 11. *Undersecretaries.* – The Secretary shall be assisted by not more  
14 than five (5) Undersecretaries, who shall be appointed by the President upon the  
15 recommendation of the Secretary namely: Undersecretary for Resource Regulation  
16 and Governance, Undersecretary for Inland Waters and Water for Agriculture,  
17 Undersecretary for Resource Development; Undersecretary for Planning and Policy,  
18 and Undersecretary for Missionary Water, Indigenous People, and Special Concerns.

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

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

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

4 *Sec. 12. Assistant Secretaries.* – The Secretary shall be assisted by six (6)  
5 Assistant Secretaries to be appointed by the President of the Philippines upon the  
6 recommendation of the Secretary: one (1) each for Planning and Policy Service,  
7 Decision Support System Service, Resource Regulatory Service, Comptrollership and  
8 Financial Management Service, Legal and Legislative Service, and Administrative and  
9 Human Resources Management Service.

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

16 *Sec. 13. Organizational Structure.* – The Department shall be composed of  
17 the following organizational units:

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

25 (b) Attached Agencies. – The Department shall exercise administrative  
26 supervision over the following agencies for purposes of policy and program  
27 coordination, monitoring, and evaluation:

28 (1) The Local Water Utilities Administration (LWUA), whose mandate,  
29 powers, and functions are defined in Presidential Decree No. 198, as  
30 amended, otherwise known as the “Public Water Utilities Act of 1973”,  
31 shall be transferred from the Department of Public Works and  
32 Highways (DPWH) and attached to the Department. It shall continue

1 to primarily function as a specialized lending institution for the  
2 promotion, development, and financing of local water utilities. In the  
3 implementation of its functions, the LWUA shall:

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

14 (2) The Metropolitan Waterworks and Sewerage System (MWSS), whose  
15 mandate, powers, and functions are defined under Republic Act No.  
16 6234, as amended, entitled "An Act Creating the Metropolitan  
17 Waterworks and Sewerage System and Dissolving the National  
18 Waterworks and Sewerage Authority, and for Other Purposes", shall be  
19 transferred from the DPWH and attached to the Department: *Provided,*  
20 That the MWSS shall continue to facilitate the exercise by the  
21 concessionaires of their responsibility; carry out accounting and  
22 notification functions; monitor, report and administer loans; perform  
23 related functions in connection with existing projects; manage and  
24 dispose its retained assets; and manage and operate the Umiray-Angat  
25 Transbasin Project.

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

29 (4) The Laguna Lake Development Authority (LLDA), whose mandate,  
30 powers and functions are defined under Republic Act No. 4850, as  
31 amended, entitled, "An Act Creating the Laguna Lake Development  
32 Authority, Prescribing Its Powers, Functions and Duties, Providing

1 Funds Therefor, and for Other Purposes" shall be transferred from the  
2 DENR and attached to the Department.

3 The LLDA shall continue to serve as the lake management and  
4 development authority similar to multi-stakeholder river basin  
5 organization and shall ensure the implementation of the Laguna Lake  
6 Master Plan which shall be updated by the Department of ensure  
7 alignment with the NWRMP.

8 Any other agency performing water resources management, conservation and  
9 protection functions may be transferred to the Department as the President deems  
10 necessary.

11 (c) Offices, Functions and Personnel to be Completely Subsumed under the  
12 Department. – The following offices with their powers, functions, personnel,  
13 applicable funds and appropriations, records, equipment and property shall be  
14 subsumed under the Department:

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

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

21 (3) The Manila Bay Coordinating Office (MBCO) of the DENR which was  
22 strengthened by virtue of DENR Administrative Order (DAO) 2011-01  
23 to coordinate the efforts of the fourteen (14) national agencies covered  
24 by the Mandamus Order of the Supreme Court to rehabilitate Manila  
25 Bay;

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

28 (5) The Water Supply and Sanitation Unit of the Department of the Interior  
29 and Local Government (DILG); and,

30 (6) The Water Quality Management Section of the Environmental  
31 Management Bureau (EMB) of the DENR.

1 (d) Functions to be Transferred to the Department. – The following functions of  
2 the respective agencies, bureaus, and units shall be transferred to the  
3 Department:

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

6 (2) The hydrological surveys monitoring of stream flow and water data  
7 collection function of the Bureau of Design and Bureau of Research  
8 and Standards of the DPWH;

9 (3) The protection and conservation of natural wetlands such as lakes,  
10 marshes, swamps of the Biodiversity Management Bureau of the  
11 DENR;

12 (4) The planning, programming, administration, monitoring, and  
13 management of the National Sewerage and Septage Management  
14 Program (NSSMP) by the DPWH;

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

17 (6) The Water Resource Management Division and the water research  
18 functions of the Soils and Water Research Division of the Bureau of  
19 Soils and Water Management under the Department of Agriculture  
20 (DA). All soil-related functions shall be retained under the Bureau  
21 which shall be renamed as the Bureau of Soils.

22 (e) Support Services. – The Department shall create the following support  
23 services:

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

27 (i) Advise the Secretary on all matters relating to water resources  
28 planning;

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

31 (iii) Formulate strategies and priorities for water resources management  
32 and development consistent with national development objectives,

- 1 and initiate or undertake relevant surveys for development  
2 planning;
- 3 (iv) Develop and regularly update a comprehensive and integrated  
4 National Water Resources Management Plan and ensure its  
5 integration into existing land use plans;
- 6 (v) Coordinate river-basin planning following the integrated water  
7 resources management framework and the river-basin approach;
- 8 (vi) Formulate or update existing River Basin Master or Comprehensive  
9 Plans which includes all aspects of water management and  
10 development such as water supply and sanitation, irrigation, flood  
11 control and stormwater or urban drainage, drought risk  
12 management, water resource development systems and other  
13 public water works projects, including phasing of implementation;
- 14 (vii) Identify, based on the river basin master plan, priority packages for  
15 water infrastructure development per river basin, including water  
16 supply, sanitation, irrigation, flood control and stormwater or urban  
17 drainage, drought risk management, water resource development  
18 systems and other public works projects, package project proposals  
19 for funding, prioritize project implementation and the allocation of  
20 funds and other resources, and undertake or supervise and  
21 evaluate the conduct of feasibility studies and project preparation  
22 thereof;
- 23 (viii) Evaluate and appraise all regional and inter-regional infrastructure  
24 water development plans and programs as to their feasibility and  
25 consistency with approved strategies and medium and long-term  
26 plans;
- 27 (ix) Gather, analyze, and organize needed statistical data and  
28 information;
- 29 (x) Provide technical assistance related to its functions to the other  
30 services, bureaus and the regional offices as needed;
- 31 (xi) Conduct hydrological and hydraulic surveys and assessments of  
32 surface waters;

- 1 (xii) Develop general criteria and standards on project investigation,  
2 formulation, planning;
- 3 (xiii) Develop guidelines and standards on social inclusion in water  
4 resources management and ensure policies, programs and plans  
5 are compliant with the gender and development framework of the  
6 government;
- 7 (xiv) Coordinate closely with PAGASA for rainfall and other climate data  
8 which shall be considered in the planning for water resources  
9 development and management and for various water infrastructure;  
10 and,
- 11 (xv) Perform such functions and activities, as may be mandated by law,  
12 which are necessary for the effective attainment of the  
13 abovementioned objectives.

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

- 24 (i) Provide the Secretary the necessary data and processed  
25 information to aid in policy and management decisions under the  
26 mandate of the Department;
- 27 (ii) Publish available real-time raw water data as well as verified or  
28 validated water data in print or electronic form using latest internet  
29 technology;
- 30 (iii) Conduct and publish in print and/or electronic form, standard data  
31 analysis such as basic statistical analysis, trend analysis, analysis of  
32 runs, and cluster analysis;

1 (iv) Develop and continuously update water resource management,  
2 computerized decision support systems (DSS) that incorporate data  
3 management systems relating to acquisition and database, model  
4 base in terms of physical, design, planning and decision models,  
5 and user-friendly interface such as graphical and visualization tools.  
6 The DSS is composed of: (1) a measurement or data acquisition  
7 system; (2) information or database management system; (3)  
8 analytical and numerical models for design, planning, decision or  
9 evaluation purposes; and, (4) a user-friendly interface which  
10 includes graphical interface or visualization tools;

11 (v) Develop and maintain specific models to include the following:

- 12 1. Long-term climatologic and weather forecasting model;
- 13 2. Watershed models and river-flood plain models;
- 14 3. Groundwater models and coupled to surface water  
15 models;
- 16 4. Flood forecasting model for major rivers;
- 17 5. Optimization-simulation management models for  
18 watershed conservation, conjunctive surface and  
19 groundwater use, irrigation scheduling, normal and  
20 emergency operations of multi-purpose reservoirs; and,  
21 6. Water quality and ecological models.

22 (vi) Develop and administer the management information system and  
23 knowledge systems of the Department to:

- 24 1. Retrieve, process, and monitor information on all projects  
25 and activities in the web portal;
- 26 2. Conduct and apply systems and process engineering,  
27 software development, software configuration  
28 management;
- 29 3. Develop and manage its corporate database, unified  
30 database for water industry, data warehouse, other water  
31 information resources, library services and document  
32 management and archiving services;

- 1 4. Develop and manage its Information and  
2 Communications Technology (ICT) infrastructure and  
3 ICT-related services including computer networking and  
4 voice communications services and data exchange; and,
- 5 5. Manage the literacy and training services of the  
6 Department on various ICT and, Knowledge Management  
7 (KM) tools and applications, including information and  
8 knowledge management.

9 (vii) Perform such other related functions and activities which are  
10 necessary for the effective administration of the management  
11 information and knowledge systems of the Department.

12 (3) The Administrative and Human Resource Service shall provide the  
13 Department with services relating to human resources development,  
14 personnel, records, facilities maintenance, medical and dental, security,  
15 property and procurement services, and shall exercise the following  
16 functions:

- 17 (i) Advise the Secretary on all matters relating to internal administration  
18 and human resources management;
- 19 (ii) Prepare and implement an integrated personnel development plan  
20 that shall include provisions for merit promotions, performance  
21 evaluation, job rotation, incentive awards systems, and health and  
22 welfare services;
- 23 (iii) Provide services related to human resource – training, education and  
24 development including manpower, career planning and forecasting,  
25 and development of indigenous training materials;
- 26 (iv) Develop, establish, and maintain an efficient and cost-effective  
27 property procurement system and facilities and coordinate or  
28 otherwise interface with relevant agencies, whether government or  
29 private, for the purpose of developing or upgrading the system;
- 30 (v) Develop, establish, and maintain an efficient and effective security  
31 system covering, among others, personnel, physical installations,

- 1 facilities, equipment, documents and materials including the conduct  
2 of security investigations;
- 3 (vi) Coordinate with the appropriate government agencies for a more  
4 efficient conduct of administrative processes;
- 5 (vii) Develop, establish, and maintain an efficient records system;
- 6 (viii) Provide assistance in its area of specialization to the Department  
7 Proper, bureaus and regional and water district offices and, when  
8 requested, to the government agencies and corporations attached to  
9 the Department; and,
- 10 (ix) Perform such other related functions and activities which are  
11 necessary for the effective management of the resources of the  
12 Department, including its human resources.
- 13 (4) The Legal and Legislative Research Service shall provide the  
14 Department with services on such legal affairs as contract letting and  
15 litigation, legal and legislative research, complaints and investigation,  
16 legal counselling and other matters of law, and shall exercise the  
17 following functions:
- 18 (i) Advise the Secretary on all matters relating to legal and legislative  
19 affairs;
- 20 (ii) Prepare Department contracts and legal instruments, review and  
21 interpret all contracts and agreements entered into by the Department  
22 and evaluate all legal proposals;
- 23 (iii) Conduct administrative investigation and the review of administrative  
24 charges against officers and employees of the Department;
- 25 (iv) Exercise functional jurisdiction over the legal staffs of Regional  
26 Offices;
- 27 (v) Provide legal assistance to the Department Proper, the bureaus and  
28 regional offices and when requested, the attached corporations;
- 29 (vi) Develop and prepare the Department's Legislative Agenda,  
30 recommend presidential certification of the urgency of priority water  
31 bills, and other water-related legislation;

- 1 (vii) Coordinate and maintain linkages between and among the various  
2 offices, bureaus, regional offices and attached agencies to the  
3 Department along with other government agencies on policy matters  
4 affecting the Department's mandate in relation to legislation;
- 5 (viii) Perform liaison and networking activities in relation to the enactment  
6 of related laws relating to water resources issues in legislative  
7 policymaking bodies such as the Senate of the Philippines, the House  
8 of Representatives, and the various Sanggunians;
- 9 (ix) Monitor the progress of the Department's priority or certified bills to  
10 ensure their passage; and,
- 11 (x) Perform such functions and activities, as may be mandated by law,  
12 which are necessary for the effective performance of the  
13 abovementioned objectives.
- 14 (5) The Comptrollership and Financial Management Service shall provide  
15 the Department with coordinated services relating to financial systems  
16 and procedures, budget, cash, accounting and all financial  
17 housekeeping matters, and shall exercise the following functions:
- 18 (i) Advise the Secretary on all matters relating to the accounting of  
19 government expenditures and receipts, budgeting and cash  
20 management, project finances and financial systems and procedures;
- 21 (ii) Prepare budget proposals and pursue formal budget authorizations,  
22 undertake budget execution, and prepare and submit all appropriate  
23 reports to the proper offices;
- 24 (iii) Develop and maintain accounting, financial and assets management  
25 systems, procedures and practices in the Department Proper, Bureaus  
26 and Regional Offices;
- 27 (iv) Review and appraise systems and procedures, organizational  
28 structure, assets management practices, accounting, and other  
29 records, reports, and performance standards such as budgets and  
30 standard costs of the Department, bureaus, and regional offices;

- 1 (v) Provide assistance in its area of specialization to any unit of the  
2 Department and, when requested, to government corporations and  
3 councils attached to the Department; and,
- 4 (vi) Perform such other related functions and activities which are  
5 necessary for the effective financial management of the Department.
- 6 (6) The Resource Regulation Service shall provide the Department with  
7 services for the effective regulation of all water-related services and  
8 activities and shall exercise the following functions:
- 9 (i) Advise the Secretary on all matters relating to resource regulations;  
10 (ii) Determine, grant and regulate water rights for the appropriate,  
11 optimal and sustainable use of surface and ground water;  
12 (iii) Determine and evaluate waterworks and sewerage licenses, and  
13 submit evaluation results to the Water Regulatory Commission for the  
14 latter's consideration in granting of licenses;
- 15 (iv) Investigate violations of the water rights and the Water Code, and  
16 impose the appropriate sanctions in accordance with existing laws,  
17 rules and regulations as well as future rules and regulations which  
18 the Department shall promulgate;
- 19 (v) Adjudicate water use conflicts; and,
- 20 (vi) Perform such other related functions and activities which are  
21 necessary for the effective regulation of water-related services.
- 22 (7) The Internal Audit Service shall regularly conduct a comprehensive  
23 audit of various Department activities and shall exercise the following  
24 functions:
- 25 (i) Advise the Secretary on all matters relating to management control  
26 and operations audit;
- 27 (ii) Conduct a performance audit of the management and operations of  
28 the Department, its activities, the performance of all units, and  
29 determine the degree of compliance of all operating units with  
30 established objectives, policies, standards, methods and procedures,  
31 government regulations and contractual obligations of the  
32 Department;

- 1 (iii) Review and appraise systems and procedures, organizational  
2 structure, assets management practices, accounting and other  
3 records, and performance standards such as budgets and standard  
4 costs of the Department Proper, bureaus and regional offices;  
5 (iv) Analyze and evaluate management deficiencies and recommend  
6 realistic courses of action; and,  
7 (v) Perform such functions and activities, as may be mandated by law,  
8 which are necessary for the effective performance of the  
9 abovementioned objectives.

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

19 (i) Public Awareness

- 20 1. Advise the Secretary on matters pertaining to public  
21 affairs;  
22 2. Develop and supervise the implementation of  
23 comprehensible communications programs on relevant  
24 policies, programs and plans of the Department;  
25 3. Produce and supervise the dissemination of  
26 communication materials in line with the priorities of the  
27 Department and national government public information  
28 programs;  
29 4. Conduct public opinion and attitude surveys to identify  
30 the interests and concerns of the stakeholders of the  
31 Department;

- 1 5. Establish policies on the presentation and publication of  
2 the content of the communication materials for  
3 dissemination to print and broadcast media;
- 4 6. Establish and maintain linkages with the tri-media and a  
5 presence in social media;
- 6 7. Coordinate the conduct of interviews and news  
7 conferences;
- 8 8. Make public announcements on matters relating to the  
9 work and activities of the Department through the print  
10 and broadcast media, either through press releases or  
11 live interviews;
- 12 9. Coordinate with various Department units, concerned  
13 government agencies, tri-media and other stakeholders  
14 on matters related to the above-enumerated functions;  
15 and,
- 16 10. Coordinate with the appropriate national government  
17 agencies involved in public information affairs.

18 (ii) Promote Participation

- 19 1. Conduct public consultations and discussions;
- 20 2. Develop and disseminate relevant and appropriate  
21 materials and programs for public information and  
22 education, as well as advocacy campaign;
- 23 3. Conduct seminars and workshops involving the LGUs and  
24 the general public on current water issues and problems;  
25 and,
- 26 4. Conduct capability building seminars of various  
27 stakeholders to promote meaningful participation in the  
28 Department's policy making, planning, development and  
29 implementation of various programs and projects.

30 (iii) Special Events

- 31 1. Coordinate the organization and promotion of special  
32 events and water exhibits;



- 1 (vii) Implement and collaborate with concerned agencies on the  
2 formulation and adoption of non-structural measures for flood  
3 control and drainage;
- 4 (viii) Patrol and investigate rivers, and monitor stream flows;
- 5 (ix) Conduct post-disaster investigation and evaluation, and damage  
6 assessment of flood infrastructures after extreme events;
- 7 (x) Conduct research and development on water and sediment-related  
8 disasters;
- 9 (xi) Develop design guidelines, criteria, and standards on flood control  
10 and drainage structures;
- 11 (xii) Provide technical assistance to other agencies, LGUs, and other  
12 stakeholders;
- 13 (xiii) Advise the Secretary on declaring flood control areas and  
14 recommend guidelines for flood plain management plans in these  
15 areas; and,
- 16 (xiv) Perform such related activities which are necessary for the effective  
17 performance of its functions.

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

- 24 (i) Establish water quality guidelines for freshwater and coastal or  
25 marine waters as basis for classifying water bodies in the country.  
26 Specifically, develop water quality indices or composite metrics to  
27 measure the quality status and health of natural water bodies in  
28 relation to ecological integrity and function;
- 29 (ii) Establish effluent standards for point discharges to receiving bodies  
30 of water;
- 31 (iii) Establish internationally accepted procedures for sampling and  
32 analysis;

- 1 (iv) Prepare an integrated water quality management framework;
- 2 (v) Prepare the ten-year water quality management plans for each
- 3 water quality management area as part of the River Basin Master
- 4 Plans and in support of the NWRMP;
- 5 (vi) Classify groundwater sources and prepare a national groundwater
- 6 vulnerability map;
- 7 (vii) Classify or reclassify all water bodies according to their beneficial
- 8 usages using the established water quality guidelines established;
- 9 (viii) Issue permits, clearances, and similar instruments pursuant to the
- 10 Clean Water Act of 2004
- 11 (ix) Collect the wastewater discharge fees for all permittees;
- 12 (x) Monitor the compliance of water discharge permittees with the
- 13 effluent standards;
- 14 (xi) Regularly monitor the water quality of major water bodies in the
- 15 country and analyze the data to identify possible sources of
- 16 pollution;
- 17 (xii) Issue notices of violations and/or cease and desist orders for those
- 18 found in violation;
- 19 (xiii) File the needed cases against violators with the Water Pollution
- 20 Adjudication Board (WPAB);
- 21 (xiv) Serve as secretariat of the WPAB; and,
- 22 (xv) Perform such functions and activities, as may be mandated by law,
- 23 which are necessary for the effective performance of the
- 24 abovementioned objectives.
- 25 (3) A Water Resources Regional Office (WRRO) shall be organized per
- 26 water resources region and shall be responsible for implementing the
- 27 mandates, power and duties of the Department at the field level,
- 28 except for policymaking which will be vested solely in the Department.
- 29 The formulation of the master plan for the nearby river basins such as
- 30 the Pasig-Marikina-Laguna Lake-Cavite, shall be the responsibility of
- 31 the Department. Each WRRO shall perform the following duties and
- 32 responsibilities:

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

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

29 Each Water Resources Regional Office shall be headed by a Water Resources  
30 Regional Director who shall be responsible for efficiently and effectively carrying out  
31 the duties and responsibilities of the Office. Towards this end, the Water Resources  
32 Regional Director shall exercise functional and administrative supervision over all

1 units within the region and is authorized to commit resources and assign personnel  
2 to integrated regional water resources management, water supply and sanitation  
3 management, and flood control and flood risk management initiatives. The Water  
4 Resources Regional Director shall also perform such other related duties and  
5 responsibilities as may be assigned or delegated by the Secretary or as may be  
6 required by law.

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

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

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

27 **CHAPTER III**

28 **INTERDEPARTMENTAL RELATIONS**

29 **AND INSTITUTIONAL ARRANGEMENTS OF THE DEPARTMENT**

30 *Sec. 15. Interface and Institutional Arrangements with Other Agencies.* –  
31 (a) The Department of Health (DOH) shall continue to have primary authority and  
32 responsibility for setting and enforcing drinking water quality standards. The

- 1 Department shall coordinate with the DOH in this aspect, and shall ensure  
2 consistency of standards and targets, as well as the compliance of permittees  
3 with mandated standards;
- 4 (b) The Department of Environment and Natural Resources (DENR) shall continue  
5 to have primary authority and responsibility for protecting the environment  
6 and managing the country's watersheds;
- 7 (c) The Department of Energy (DOE) and the National Power Corporation (NPC)  
8 shall continue to have primary authority and responsibility for establishing and  
9 operating hydropower plants, but shall ensure the hydropower plant  
10 development plans are consistent with the National Water Development and  
11 Management Plan;
- 12 (d) The Department shall coordinate with the DA to ensure agricultural  
13 development that reduces long-term pollution for surface water and  
14 groundwater, and agricultural and industrial economic development that  
15 employs water efficiency, water recycling or reuse, and the appropriate  
16 treatment of wastewater;
- 17 (e) The Department shall coordinate with the National Disaster Risk Reduction  
18 Management Council (NDRRMC) to ensure that its plans and designs for flood  
19 control flood risk management and drought risk management are aligned with  
20 the objectives and plans of the Department;
- 21 (f) The Department shall coordinate with Climate Change Commission (CCC),  
22 Philippine Atmospheric, Geophysical and Astronomical Services Administration  
23 (PAGASA), and National Mapping and Resource Information Authority  
24 (NAMRIA) for scientific studies, integrated surveys, mapping, charting, and  
25 decision support systems;
- 26 (g) The Department shall coordinate with the Department of Tourism (DOT) on  
27 recreational use of water resources;
- 28 (h) The Department shall coordinate with the Philippine Reclamation Authority  
29 and economic zone authorities on water resources development and water  
30 requirements within reclamation areas and economic zones, respectively; and,
- 31 (i) The Department shall coordinate with relevant government agencies,  
32 including local government units (LGUs), with respect to development

1 projects and shall ensure cross-cutting collaboration between and among all  
2 water subsectors and facilitate inter-agency subsector coordination, strategic  
3 development, planning, monitoring and provision of technical, institutional  
4 and financial capacity building support to their different stakeholders at the  
5 water subsector level.

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

14 *Sec. 17. Powers and Functions of the National Water Sector Policy Board.* –  
15 The NWSPB shall perform policymaking, coordination, integration, supervision,  
16 monitoring and evaluation functions, and shall have the following responsibilities:

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

30 *Sec. 18. Transfer of Right and Obligation.* – The Department shall, by virtue  
31 of this Act, be subrogated to all the rights and assume all the obligations of the  
32 government agencies and units whose powers and functions have been subsumed,

1 absorbed, transferred or attached to the Department in accordance with the rules  
2 and regulations of the Commission on Audit, and the Civil Service Commission, and  
3 other applicable laws. The transfer of powers and functions as herein provided shall  
4 take effect within six (6) months after the effectivity of this Act. As such, all affected  
5 agencies, offices, and units shall continue to function under their present mandates.

#### 6 **CHAPTER IV**

#### 7 **WATER REGULATORY COMMISSION**

8 *Sec. 19. Water Regulatory Commission.* – There is hereby created and  
9 established as an independent, quasi-judicial regulatory body to be known as the  
10 Water Regulatory Commission, hereinafter referred to as the Commission, which  
11 shall be organized within one hundred twenty (120) days after the effectivity of this  
12 Act.

13 The Commission shall be placed under the administrative supervision of the  
14 Department as an attached agency.

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

17 *Sec. 20. The Regulatory Units.* – The regulatory units of the Commission  
18 shall be composed of the central regulatory units and the regional regulatory units.

19 The economic regulatory units and functions of the MWSS, NWRB, LWUA,  
20 Subic Bay Metropolitan Authority (SBMA), Philippine Economic Zone Authority (PEZA)  
21 and Tourism Infrastructure and Enterprise Zone Authority (TIEZA) are hereby  
22 transferred to the Commission, and shall collectively comprise its central regulatory  
23 unit for water supply and sanitation services that: (a) provide services to more than  
24 one (1) province; and, (b) are owned, operated and/or maintained by special  
25 economic zones and Metro Manila concessionaires.

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

29 *Sec. 21. Powers and Functions of the Commission.* – The overall authority  
30 and powers of the Commission shall cover and apply to all service providers,  
31 whether private or public, providing or intending to provide Levels I and III water  
32 supply, including suppliers to subdivisions and other service providers, sewerage,

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

3 The Commission shall exercise the following powers and functions:

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

6 (b) Promulgate and enforce just and reasonable technical standards,  
7 classifications and measurements of service;

8 (c) Establish rules and regulations to monitor, avoid, and provide remedies for  
9 any market power abuse or anti-competitive or discriminatory act or behavior  
10 by or against any participant in the water supply and sanitation sector. Upon  
11 finding that a market participant has engaged in, or has fallen victim to such  
12 act or behavior, the Commission shall act to stop or redress the same. Such  
13 remedies may, without limitation, include the imposition of price controls,  
14 issuance of injunctions, requirement of divestment or disgorgement of excess  
15 profits, invalidation of contracts and imposition of fines and penalties  
16 pursuant to this Act;

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

19 (e) Fix and determine proper and adequate rates of depreciation of properties  
20 and equipment used in water supply and sanitation services;

21 (f) Impose and collect annual levies determined as a percentage of gross  
22 revenue accruing in relation to the licensed activities, and reasonable fees and  
23 surcharges as may be necessary for achieving the purposes, powers and  
24 functions of the Commission;

25 (g) Require the submission of reports of finances and operations, verified under  
26 oaths by the owner or president and secretary of the board of the licensee;

27 (h) Determine and require the monitoring and submission of such data, statistics  
28 and other information from the regulatory units and any or all licensees as  
29 may be necessary for the effective and efficient exercise of its duties,  
30 functions, powers and responsibilities;

- 1 (i) Investigate, *motu proprio* or upon a written complaint, any matter concerning  
2 the operation of the service and issues on price manipulation and anti-  
3 competitive behavior;
- 4 (j) Impose penalties and fines against any licensee or against its owners,  
5 directors, officers, agents or representatives for any violation of this Act or of  
6 the license, order, rules, regulation, or requirement issued by the  
7 Commission;
- 8 (k) Require any licensee to pay the actual expenses incurred by the Commission  
9 in any investigation if it shall be found that a licensee violated any provision  
10 of this Act or of the license, order, rule, regulation, or requirement issued by  
11 the Commission;
- 12 (l) Advise, apprise and coordinate with other relevant agencies of the national or  
13 local government on any matter relating to water supply and sanitation  
14 services;
- 15 (m) Deputize agents, whether from the public or private sector, to assist in  
16 the performance of any of the powers and functions of the Commission;
- 17 (n) Appoint an interim or temporary management committee upon appeal and  
18 after due hearing, to ensure continuity of service in case a license fails to  
19 meet conditions of the license and the concerned Regulatory Unit fails or  
20 refuses to appoint an interim management committee as provided in the  
21 following section;
- 22 (o) Appoint, hire and maintain adequate staff and personnel, advisers, or  
23 consultants, with suitable qualifications and experience, as necessary;
- 24 (p) Exercise original and exclusive jurisdiction over all cases contesting rates,  
25 fees, fines, and penalties imposed by the regulatory units in the exercise of  
26 their powers, functions and responsibilities, as provided under this Act, and  
27 over all cases involving disputes between and among participants or  
28 stakeholders in the water supply and sanitation services; and.
- 29 (q) Such other incidental powers and functions as may be necessary to attain the  
30 objectives of this Act.

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

- 1 (a) Issue licenses authorizing the operation of water supply and sanitation  
2 services in any specified area or areas within the Philippines.
- 3 (b) Impose fines, charges and other penalties upon any provider and/or its  
4 officers and stockholders who shall fail or refuse to register or obtain a license  
5 prior to operation or commencement of business, as provided hereunder.
- 6 (c) Review, determine, fix and approve, consistent with the rules, guidelines,  
7 procedures and methodologies which the Commission shall provide, proposed  
8 water and sewerage and septage management tariffs, rates and charges that  
9 licensees may impose upon their consumers;
- 10 (d) Appraise and value property and equipment used by licensees in providing  
11 water supply and sanitation services;
- 12 (e) Enforce technical, financial, and other performance standards set by the  
13 Commission for licensees or utilities;
- 14 (f) Respond to consumer complaints and ensure the adequate promotion of  
15 consumer interests and investigate *motu proprio* price manipulation and anti-  
16 competitive behavior.
- 17 (g) Investigate accidents directly or indirectly arising from or connected with the  
18 maintenance or operation of the service, and make such order or  
19 recommendation as the public interest may warrant.
- 20 (h) Require the review and/or approval of contracts or agreements that may  
21 impact on the tariff and rates of service provision entered into by service  
22 providers upon petition or *motu proprio* where in its determination public  
23 interest so dictates;
- 24 (i) Require the submission of reports, plans, and other documents that define  
25 the performance targets of the licensees or utilities, and regular  
26 accomplishment reports;
- 27 (j) Impose and collect annual levies determined as a percentage of gross revenue  
28 accruing in relation to the licensed activities, and reasonable fees and  
29 surcharges as may be necessary for achieving the purposes, powers, and  
30 functions of the regulator;

- 1 (k) Conduct benchmarking and monitor the performance of licensees or utilities  
2 under their jurisdiction, and publish reports detailing the results thereof, as  
3 may be necessary or required by the Commission;
- 4 (l) Amend, notify, suspend, or revoke any license issued by then, after due  
5 notice and hearing, on any of the following grounds;
- 6 (1) when the facts and circumstances on the strength of which the license  
7 was issued have been materially misrepresented or have materially  
8 changed;
- 9 (2) where the licensee has failed to meet or comply with terms, conditions,  
10 and performance targets, including but not limited to service  
11 expansion, that may have been set in the license;
- 12 (3) where the licensee is found to be manifestly inefficient in the operation  
13 of or provision of water supply and sanitation services in its area; or,  
14 (4) when the licensee thereof has violated or willfully refused to comply  
15 with any order, rule or regulation of the Commission or any provision  
16 of this Act;
- 17 (m) Appoint an interim management committee to ensure continuity of  
18 service in case a licensee fails to meet the conditions of the license; and,  
19 (n) Submit performance plans and reports as required by the Commission.

20 *Sec. 28. Composition of the Water Regulatory Commission. --*

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

1 a certified public accountant with at least ten (10) years of experience in  
2 active practice.

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

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

22 (d) The Chairperson of the Commission shall exercise general executive control  
23 and supervision over the Commission and its members, staff and personnel,  
24 agents and representatives. Within three (3) months from the creation of the  
25 Commission and the appointment of all Members of the Commission, the  
26 Chairperson shall determine and establish the organizational structure and  
27 plantilla positions necessary to carry out the powers and functions of the  
28 Commission, including those of the central and provincial regulatory units  
29 subject to the review and approval of the DBM.

30 The plantilla positions of the Commission shall be filled by regular  
31 appointments in accordance with Civil Service laws, rules, and regulations.

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

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

11 *Sec. 24. Secretariat of the Commission.* – The Commission shall establish a  
12 Secretariat which shall provide the Commission with technical and support services  
13 including the following:

- 14 (a) Provide the necessary technical inputs and secretariat support to the  
15 Commission to facilitate the conduct of its functions;  
16 (b) Coordinate with Regulatory Units to ensure proper implementation of the  
17 rules, regulations and guidelines promulgated by the Commission;  
18 (c) Monitor and assess activities of the Regulatory Units vis-à-vis their respective  
19 annual performance plans and targets;  
20 (d) Maintain a database on the water supply and sanitation subsector; and,  
21 (e) Coordinate with other relevant agencies of the national or local government  
22 on any matter relating to water supply and sanitation.

23 *Sec. 25. Executive Director.* – The Commission shall appoint an Executive  
24 Director who shall head the Commission Secretariat, keep and maintain the official  
25 records of the Commission, render a report on the proceedings of the Commission,  
26 and administer oaths in all matters falling within the jurisdiction of the Commission.

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



- 1 (b) Term fixing the duration of the privilege;
- 2 (c) Grounds for modification, suspension or cancellation of the license;
- 3 (d) Minimum technical performance and service level standards;
- 4 (e) Expansion targets and service level improvements over time;
- 5 (f) Restrictions or conditions for transferability of the business or controlling
- 6 interest in the business;
- 7 (g) Reportorial requirements and obligations of the grantee;
- 8 (h) Submission to annual performance audit by the Commission or its duly
- 9 authorized representative(s).

10 The Commission shall specify the requirements and procedure for existing  
11 holders of a Certificate of Public Convenience (CPC), Certificates of Public  
12 Convenience and Necessity (CPCN) issued by NWRB, or Certificate of Conformance  
13 (CoC) issued by LWUA, to convert their existing certificates into licenses to operate  
14 in accordance with Section 27 herein.

15 All existing providers of water supply and sanitation services without a legal  
16 and valid Certificate of Public Convenience, Certificate of Public Convenience and  
17 Necessity, or Certificate of Conformance shall register with the Commission and  
18 apply for a license within six (6) months from the effectivity of this Act.

19 *Sec. 29. Rights and Duties of Licenses. —*

- 20 (a) Any person granted a license under this Act shall have the obligation to
- 21 ensure that licensed activities are conducted to further public interest and, in
- 22 particular:
- 23 (b) Any person granted a license under this Act shall, to the extent allowed by
- 24 law and specified in the license, has the right to acquire or lease land, lay or
- 25 repair water or sanitation main lines and other relevant facilities in public
- 26 ways to fulfill the terms and conditions under the license.
- 27 (c) Subject to any condition or limitation laid down in the license, a licensee may
- 28 discontinue water supply and sanitation services to a customer if such
- 29 customer defaults in the payment of fees due to the licensee for the water
- 30 supplied or sanitation services provided, or for acts of pilferage pursuant to
- 31 Sections 8, 9, 10, and 11 of Republic Act No. 8041, otherwise known as the
- 32 "Water Crisis Act of 1995".

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

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

6 (2) Prepare, within three (3) months from the issuance of a license, in  
7 consultation with its customers, a Customer Service Code specifying  
8 the manner and procedure for: (a) metering, billing, and collection of  
9 the licensee's approved tariff and other charges; (b) disconnection or  
10 suspension of service in case of non-payment of tariffs and/or other  
11 charges, or acts of pilferage; and, (c) recommendation and recovery of  
12 arrears in tariffs and other charges;

13 (3) Maintain financial accounts in accordance with the manner and  
14 procedure specified in the license and as may be required by the  
15 Commission; and,

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

20 *Sec. 30. Setting Tariffs, Rate, and Other Charges.* – Regulatory units shall  
21 establish tariffs, rates and other charges which are fair and reasonable, and ensure  
22 economic viability and a fair return on investments.

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

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

28 (b) Efficiency of the service;

29 (c) Incentives for enhancement of efficiency;

30 (d) Willingness to pay of the customers / consumers;

31 (e) Equity considerations; and,

32 (f) Administrative simplicity.

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

3 Sec. 31. *Direct Access.* – Fifty-one percent (51%) of the registered water  
4 consumers in a municipality, city or province may petition for direct access to water  
5 from any water service provider subject to concurrence by the service provider and  
6 approval by the Commission. The Commission shall promulgate rules and  
7 procedures for this mode of service.

8 Sec. 32. *Innovative Schemes to Improve Efficiency and Management of*  
9 *Systems.* – The Commission shall promote innovative schemes such as the  
10 consolidation or integration of water supply and sanitation services, or providers in  
11 the same service area, where it shall result in improved efficiency, service expansion  
12 and lower costs.

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

## 18 CHAPTER VI

### 19 QUASI-JUDICIAL FUNCTIONS OF THE COMMISSION

20 Sec. 33. *Proceedings Before the Commission.* – For the purpose of any  
21 investigation, inquiry or proceeding, the Commission shall:

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

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

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

28 Sec. 34. *Orders and Decisions of the Commission.* – Any order, resolution, or  
29 decisions of the Commission shall be promulgated promptly, expeditiously,  
30 reasonably, and in writing, and shall state clearly and distinctly the facts and law on  
31 which it is based.

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

3 *Sec. 35. Appeals Procedure and Prohibition Against Injunction. –*

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

11 (b) No injunction may be issued by any court or administrative agency to restrain  
12 any proceeding before, or the implementation or execution of any order,  
13 ruling, or decision of the Commission, except on the basis of a question of law  
14 brought before the Supreme Court on *certiorari*.

15 (c) Any act or decision of the Commission shall not be invalidated merely because  
16 of a defect or irregularity in, or in connection with, the appointment or  
17 vacancy in the Office of the Chairperson or any other member of the  
18 Commission.

19 **CHAPTER VII**

20 **INTERDEPARTMENTAL RELATIONS OF THE COMMISSION**

21 *Sec. 36. Interface with Other Sector Regulators. –*

22 (a) The DENR shall continue to exercise primary jurisdiction over programs aimed  
23 at protecting the environment and the quality of water sources from waste  
24 and pollution, and shall promulgate rules, regulations, and standards in this  
25 regard. The Department of Health (DOH) shall continue to exercise primary  
26 jurisdiction over the determination and enforcement of standards for quality  
27 drinking water and sanitation.

28 (b) The Commission shall coordinate with the:

29 (1) DOH to ensure that the standards and targets for quality drinking  
30 water and sanitation are consistently complied with;

31 (2) LGUs for development projects relating to water supply and sanitation;  
32 and,

1 (3) DPWH for flood control and harnessing and impounding of water.

2 *Sec. 37. Transfer of Rights and Obligation.* – The Commission shall, by virtue  
3 of this Act, be subrogated to all the rights, and assume all the obligations, of the  
4 Water Utilities Division of the NWRB, the regulatory offices of the MWSS and LWUS,  
5 the regulatory units of all special economic zones, and all other government  
6 agencies and units whose powers and functions have been transferred to the  
7 Commission.

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

14 All agencies transferred, subsumed and attached to the Department, shall  
15 continue to function under their present mandates until the six-month transition  
16 period mandated under this Act shall have lapsed. The heads of the affected  
17 agencies shall continue to serve until replaced.

18 All rights and obligations of the affected agencies are hereby transferred to  
19 and assumed by the Commission, and shall be acted upon in accordance with the  
20 rules and regulations of the Commission on Audit and other pertinent laws, rules,  
21 and regulations.

22 *Sec. 38. Absorption or Separation from Service of Employees of the*  
23 *Subrogated Agencies.* – The current employees of the Water Utilities Division of the  
24 NWRB, the regulatory offices of MWSS and LWUA, the regulatory units of all special  
25 economic zones, and all other government agencies and units whose powers and  
26 functions have been transferred to the Commission shall enjoy security of tenure,  
27 and shall be absorbed by the Department, in accordance with their staffing pattern  
28 and the selection process as prescribed under Republic Act No. 6656 or the  
29 "Government Reorganization Law".

30 Employees opting to be separated from the service as a consequence of the  
31 consolidation, and reconstitution under the provisions of this Act shall, within one (1)  
32 month from their separation or phase out from the service, receive separation



1 necessary for the continued implementation of the Act shall be included in the  
2 annual GAA.

3       Sec. 43. *Implementing Rules and Regulations.* – Within one hundred eighty  
4 (180) days from the effectivity of this Act, the Department, NEDA, DBM, DENR, CSC,  
5 in consultation with concerned government agencies, the Presidential Legislative  
6 Liaison Office shall promulgate rules and regulations for the effective implementation  
7 of this Act.

8       Sec. 44. *Separability Clause.* – If any provision or part hereof is held invalid  
9 or unconstitutional, the remainder of the law or the provision or part not otherwise  
10 affected shall remain valid and subsisting.

11       Sec. 45. *Repealing Clause.* – (a) The following provisions are hereby  
12 repealed:

13       (1) Section 3 (h) and Section 12 on the provision with respect to fixing of  
14 water rates and sanitation service fees, Section 3 (n) on the provision  
15 with respect to regulation of waterworks and deep wells, and Section 3  
16 (p) on the provision with respect to regulation of waterworks and  
17 sanitation systems in privately owned subdivisions of Republic Act No.  
18 6234, entitled, “An Act Creating the Metropolitan Waterworks and  
19 Sewerage System and Dissolving the National Waterworks and  
20 Sewerage Authority, and for Other Purposes”, as amended.

21       (2) Title III on Local Water Utilities Administration Law of Presidential  
22 Decree No. 198 otherwise known as the “Provincial Water Utilities Act  
23 of 1973”, as amended by Letter of Instruction No. 700, “Providing  
24 Measures to Control and Regulate Increase in Water Rates”, Letter of  
25 Instruction No. 744, “Relative to Reliable Water Supply at Reasonable  
26 Rates in the Countryside”, Executive Order No. 124 issued on January  
27 30, 1987, “Reorganization Act of the Ministry of Public Works and  
28 Highways”, and Executive Order No. 123, issued on January 30, 1987,  
29 “Reorganization Act of Ministry of Social Services and Development”.

30       (3) Republic Act No. 3601, as amended by Presidential Decree No. 552 and  
31 Presidential Decree No. 1702, pertaining to the creation of the National  
32 Irrigation Administration;

1 (4) Section 1 of Executive Order No. 124-A, series of 1987, amending  
2 Executive Order No. 124, dated January 30, 1987, "Reorganizing the  
3 Department of Public Works and Highways, Redefining its Powers and  
4 Functions, and for Other Purposes" on renaming and reorganizing the  
5 National Water Resources Council into the National Water Resources  
6 Board.

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

8 (1) Section 3 paragraph 3 of Commonwealth Act No. 146, as amended,  
9 otherwise known as the "Public Service Act" pertaining to all cases  
10 involving the fixing of rates;

11 (2) Section 154, Article V, Chapter I, Title One, Book II of Republic Act No.  
12 7160, as amended, otherwise known as the "Local Government Code  
13 of 1991", and its implementing rules and regulations on the power of  
14 the local government units to fix the rates of water utilities owned,  
15 operated and maintained by them within their jurisdiction is hereby  
16 repealed or modified accordingly.

17 (3) Section 13 (b) on the regulation of enterprises within the Economic  
18 Zone under Republic Act No. 77916 as amended, otherwise known as  
19 "The Special Economic Zone Act of 1995";

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

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

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

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

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

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

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

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

*Approved,*