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REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

OFFICE OF THE SECRETARY

9 SEP -3 P5:06

SENATE
S. No. 3428

RECEIVED BY 

Introduced by **Senator Richard J. Gordon**

EXPLANATORY NOTE

Laguna de Bay is the largest inland body of water in the Philippines. Its watershed spans 14 cities and 17 municipalities located within the whole province of Laguna and Rizal, and parts of Batangas, Cavite, Quezon, and Metro Manila. It is located in the major growth corridor of the country. There are about 28,000 fisher folk families that depend on it for livelihood. The water resources of the lake and its tributary rivers are used for irrigation, power generation, recreation, domestic water supply, and navigation, among others.

To promote the development of the Laguna de Bay area, the Laguna Lake Development Authority (LLDA) was created under Republic Act No. 4850, with the aim of promoting the social and economic growth of the surrounding provinces, cities and towns. While the LLDA exercises policy and planning, regulatory, coordinative and developmental functions, it does not have control over all projects affecting the Laguna de Bay region. Overlapping and even conflicting mandates and programs of the many agencies, local governments and other entities the LLDA coordinates with have been identified as the stumbling block in managing the lake's resource and the intensified conflicts that arise from its multiple uses.

Current problems faced by the LLDA include management of solid waste in the lake, sanitation and public health, congestion of shoreland areas, rapid siltation and sedimentation, unmitigated input of domestic, agricultural and industrial wastes, flooding and loss of biodiversity, and decline in water quality.

This proposed measure aims to strengthen the policy-making and regulatory powers of the LLDA, in order that it can realize the vision of a self-sufficient and highly dynamic integrated water resource management authority, with competent and professional personnel who take the lead towards the sustainable development of the Laguna de Bay. In view of the foregoing, the passage of this bill is earnestly sought.

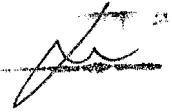


RICHARD J. GORDON
Senator

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**AN ACT
TO STRENGTHEN THE LAGUNA LAKE DEVELOPMENT AUTHORITY (LLDA),
REPEALING FOR THIS PURPOSE REPUBLIC ACT NO. 4850, AS AMENDED,
OTHERWISE KNOWN AS THE LAGUNA LAKE DEVELOPMENT AUTHORITY ACT OF
1966, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Laguna Lake
2 *Development Authority Act of 2009.*”

3 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State
4 to promote and develop Laguna Lake in a sustainable manner along with the
5 surrounding areas that comprise its region, hereinafter referred to as the Bay
6 Region, with Laguna Lake as its focal point whose water resources must be
7 systematically managed and protected for various uses.

8 For this purpose, the State hereby adopts an integrated water resources
9 management (IWRM) approach, using the lake’s watersheds as planning units to
10 interconnect and integrate its various ecosystems pursuant to Art. II, Sec. 16 of the
11 1987 Constitution: “The State shall protect and advance the right of the people to a
12 balanced and healthful ecology in accord with the rhythm and harmony of nature.”

13 In accordance with the IWRM approach, any development program in the
14 region shall always consider sustainable environmental management and the

1 prevention of any ecological harm, resource deterioration and pollution to allow the
2 lake to realize its full potentials including, among other uses, as a major resource in
3 fish production of national importance. Under Article XIII, Section 7 of the 1987
4 Constitution, the State is mandated to protect, develop, and conserve communal
5 marine and fishing resources, both inland and offshore.

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

7 1) *Laguna Lake or Laguna de Bay.* - shall refer to that area covered by the
8 lake water when it is at the average annual maximum lake level of elevation 12.50
9 meters, as referred to a datum 10.00 meters below mean lower low water (M.L.L.W.)
10 of Manila de Bay. Lands located at and below such elevation are public lands which
11 form part of the bed of said lake.

12 2) *Integrated Water Resources Management (IWRM)* - is a process that
13 promotes the coordinated development and management of water, land and related
14 resources in order to maximize the resultant economic and social welfare in an
15 equitable manner without compromising the sustainability of vital ecosystems.

16 3) *Watershed* - is the term used to describe the geographic area of land that
17 drains water to a shared destination or to an area of land that drains down slope to
18 the lowest point. The water moves through a network of drainage pathways, both
19 underground and on the surface. Other terms used interchangeably with watershed
20 include *drainage basin* or *catchment basin*.

21 4) *Environment* - means the physical factors of the total surroundings of
22 human beings, including but not limited to the lakes and other bodies of water, land,
23 air, atmosphere, climate, sound, odor, plants, insects, animals, its biological and
24 physical factors, all its life support systems and all other surrounding matters that

1 affect directly or indirectly the existence of human life and other life forms in a
2 specific area.

3 5) *Shoreland / Lakeshore areas / Buffer Zone* - that part of the lake along the
4 lakeshore lying at elevation 12.50 meters and below and alternately submerged or
5 exposed by the annual or seasonal rising and lowering of the lake levels. This is a
6 linear strip of land of approximately 14,000 hectares designed to separate the
7 incompatible elements or uses, or to control pollution/nuisance and for identifying
8 and defining development areas or zones.

9 6) *Ground water* - means sub-surface water that occurs beneath the water
10 table in soils and rocks, or in geological formations.

11 7) *Aquaculture* - fishery operations involving all forms of raising and culturing
12 fish and other fishery species in fresh, brackish and marine water areas.

13 8) *Aqua structure* - refers to a structure enclosing a particular area in the lake
14 which makes use of poles usually made of bamboo or anahaw and surrounded by
15 nets, fastened by a weight of sinkers embedded in the lake bed; may also refer to a
16 fish cage which is an inverted mosquito net fastened to poles usually made of
17 bamboo or such other structures used for fish or aquatic resource culture.

18 9) *Effluent* - means discharge from known sources which is passed into a
19 body of water or land, or wastewater flowing out of a manufacturing plant or an
20 industrial plant, including domestic, commercial and recreational facilities.

21 10) *Pollution* - shall mean any alteration of the physical, chemical and
22 biological properties of any water, air and land resources of the Philippines or any
23 discharge thereto of any liquid, gaseous or solid wastes as will be likely to create or
24 to render such resources harmful, detrimental or injurious to public health, safety or

1 welfare or which will adversely affect their utilization for domestic, commercial,
2 industrial, agriculture, recreational or other legitimate purposes.

3 **SEC. 4. Laguna Lake Region.** – For purposes of this Act, the Laguna
4 Lake Region shall comprise the provinces of Laguna and Rizal; the cities of
5 Calamba, Sta. Rosa, San Pablo, Pasay, Caloocan, Quezon, Manila, Makati,
6 Mandaluyong, San Juan, Pasig, Marikina, Muntinlupa, Antipolo, Tagaytay,
7 Tanauan, Taguig and Lipa; the towns of Silang, Carmona, Dasmariñas and
8 General Mariano Alvarez in Cavite Province; the towns of Mauban, Real, Lucban and
9 Sampaloc in Quezon Province; the towns of Sto. Tomas and Malvar in Batangas;
10 and the town of Pateros in Metro Manila and all areas that drain into the Laguna
11 Lake: *Provided*, That any cities or towns that may be subsequently created in the
12 future out of the aforementioned municipalities and cities surrounding Laguna Lake
13 shall automatically form part of the Laguna Lake Region.

14 **SEC. 5. Laguna Lake Development Authority.** – Pursuant to the original
15 mandate of Republic Act No. 4850, as amended, the Laguna Lake Development
16 Authority, hereinafter referred to as the LLDA, shall pursue the ecologically
17 sustainable development of the Bay Region. It shall maintain its principal office at a
18 convenient place within the region, and such branch offices in other places within the
19 Bay Region as are necessary for the proper conduct of its business.

20 **SEC. 6. Powers and Functions.** – The LLDA shall have the following
21 powers and functions:

22 (a) Periodically conduct, monitor and update a comprehensive survey of
23 the Bay Region, including its socio-economic conditions, water quantity and quality in
24 the lake proper and all its major tributary rivers, irrigation, water supply, transport

1 route, reservoir of floodwater, hydroelectric and other power potentials, scenic and
2 tourist spots, state of its watersheds, the tributary rivers and other physical and
3 natural resource potentials on the basis of which it shall prepare a sustainable
4 regional development master plan. Such plans, projects and programs shall be
5 drawn up in close coordination with other concerned government agencies and
6 private sector as well as other stakeholders.

7 All concerned public and private agencies shall provide the LLDA the
8 necessary data for the purposes of the said survey;

9 (b) Develop a long-term program to attract more private-sector-driven
10 investments into the Bay Region in consonance with a regional master plan which
11 shall be formulated in consultation with stakeholders, concerned government
12 agencies, local government units (LGUs), and civil society in the Bay Region;

13 (c) Review all plans, projects and programs that relate to the development
14 of the Bay Region, proposed and submitted by LGUs, public corporations and private
15 persons or corporations to ensure that they conform to the environmental standards
16 prescribed by the LLDA and other similar laws;

17 The LLDA shall collect reasonable fees as may be determined by the Board
18 for the processing of such plans, programs or projects. Any future expansion of such
19 plans, programs, or projects shall be again subject to LLDA review and to payment of
20 additional fees as may be further determined by the LLDA Board;

21 (d) Engage, whether by itself or in cooperation with private persons or
22 entities, in agriculture, commerce, industry, or to organize, finance, invest in, and
23 operate subsidiary corporations which are in the nature of new ventures or are
24 clearly beyond the scope, capacity, or interest of private enterprises by reason of

1 geography, technical or capital requirements, returns on investment and risk and
2 when public interest so requires;

3 (e) Implement infrastructure projects such as flood control, solid waste
4 management, wastewater and sewerage, water supply, roads, ports, irrigation,
5 housing, leisure parks and related works, within the context of its development
6 master plan, including the readjustment, relocation, or resettlement of human
7 population within the Bay Region that may be deemed necessary and beneficial in
8 pursuit of the LLDA mandate. Should any of these projects be financed wholly or in
9 part by the LLDA, it shall have authority to collect reasonable fees and tolls from
10 users or beneficiaries to recover costs of construction, operation and maintenance of
11 the projects. For infrastructure projects that are in the nature of social overhead
12 capital projects, it shall be entitled to receive the corresponding financial assistance
13 from the government;

14 (f) Undertake a massive information campaign among the stakeholders,
15 in close coordination with the LGUs and other government agencies within the
16 Laguna de Bay Region to promote better understanding of the importance of
17 environmental protection and conservation of the Laguna Lake and its watersheds;

18 (g) Implement dredging and/or reclamation projects in close coordination
19 with the Philippine Reclamation Authority (PRA)/Public Estates Authority (PEA) and
20 LGUs concerned with the end-in-view of facilitating the approval thereof by the
21 PRA/PEA pursuant to existing laws, executive orders and other issuances which
22 may be necessary to accomplish the aims and purposes of the LLDA; *Provided, That*
23 the land so reclaimed shall become the property of the national government through
24 the LLDA;

25 (h) Determine new areas of fishery development, taking into account the

1 overall development plans and programs for Laguna Lake and related bodies of
2 water and promulgate rules and regulations governing fisheries development in the
3 Bay Region. Accordingly, it shall engage in experimental/pilot fish production such
4 as the propagation of ornamental fish and similar aquaculture projects in Laguna
5 Lake and other bodies of water within its jurisdiction, in collaboration with the Bureau
6 of Fisheries and Aquatic Resources (BFAR). It shall improve present fishery
7 techniques and practices to provide equitable access to its fishery resources for the
8 socio-economic amelioration of small fisher folk, improvement of their communal
9 fishing grounds, sustainable aquaculture development and operation. In hiring
10 laborers for fishery-related projects, there shall be preference for qualified shore land
11 residents;

12 (i) Regulate the use and occupancy of shoreland areas by enjoining
13 LGUs within the Bay Region to establish watershed management councils or
14 wetlands whenever suitable and consistent with LLDA policies;

15 (j) Develop surface and groundwater supply sources for municipal,
16 agricultural, commercial, and industrial use, in close coordination with the National
17 Water Resources Board (NWRB), or Local Water Utilities Administration (LWUA), as
18 the case may be, pursuant to existing laws, executive orders and other issuances
19 which may be necessary to accomplish the aims and purposes of the LLDA;

20 (k) Enter into agreements with LGUs, governmental agencies and
21 corporations and the private sector for the supply, treatment, distribution and
22 marketing of such water;

23 (l) Establish and enforce anti-pollution standards on municipal, agricultural,
24 commercial and industrial wastewater and effluents being discharged into the lake in
25 coordination with appropriate government agencies;

1 (m) Conduct a continuing research, development and extension program in
2 close coordination with the academe, Department of Environment and Natural
3 Resources (DENR), and the Department of Science and Technology (DOST) on lake
4 water quantity and quality, integrated watershed management and enterprise
5 development and management with the end in view of promoting sustainable
6 development in the region;

7 (n) Adopt rules and regulations governing the approval of sewage works
8 and industrial waste disposal system and the issuance of clearance and/or permits in
9 accordance with the provisions of this Act when necessary and inspect the
10 construction and maintenance of sewage works and industrial waste disposal
11 systems for compliance to clearance and/or permit conditions;

12 (o) Require all projects or activities in or affecting the Laguna de Bay Region
13 to secure Environmental Compliance Certificates (ECCs) required under Presidential
14 Decree No. 1586 and grant clearance and/or permits for any projects or activities
15 located within or affecting the Bay Region including, but not limited to, industrial and
16 commercial activities, navigation, irrigation, power generation, housing, resettlement
17 and other forms of land developments, construction and operation of aqua
18 structures, aquaculture development, dredging/reclamation and similar or related
19 activities and to impose necessary safeguards for lake water quantity and quality
20 control and management and to collect necessary fees for said activities and
21 projects;

22 (p) Issue, renew, or deny permits subject to reasonable guidelines for the
23 discharge of sewage, industrial waste, or for the installation or operation of sewage
24 works and industrial disposal system or parts thereof for the prevention and

1 abatement of pollution and require subdivisions, condominiums, clinical and medical
2 establishments, mortuaries, public buildings, other similar human settlements, to
3 construct appropriate central sewerage system and sewage treatment works. The
4 LLDA may impose reasonable fees and other similar charges for the issuance or
5 renewal of all permits herein required;

6 (q) Issue orders or decisions to compel compliance with the provisions of this
7 Act and its implementing rules and regulations after proper notice and hearing;

8 (r) Make, issue, alter, or modify orders or decisions, after notice and
9 hearing, requiring the discontinuance of pollution specifying the conditions and the
10 time within which such discontinuance must be accomplished;

11 (s) After due notice and hearing, revoke, suspend or modify any clearance
12 and/or permit issued under this Act whenever the same is necessary to prevent or
13 abate pollution;

14 (t) Deputize or request assistance of appropriate government agencies or
15 instrumentalities for the purpose of enforcing this Act and its implementing rules and
16 regulations and the orders and decisions of the LLDA;

17 (u) Authorize its bona fide representatives at all reasonable times to enter
18 any public and private property devoted to agricultural, commercial and industrial use
19 for the purpose of inspecting and investigating conditions relating to pollution and
20 existing and/or imminent environmental danger;

21 (v) Exercise such powers and perform such other functions as may be
22 necessary to carry out its duties and responsibilities under this Act.

23 **SEC. 7. Corporate Powers.** – The Authority has the following corporate
24 powers:

- 1 a) Succeed in its corporate name;
- 2 b) Sue and be sued in its corporate name;
- 3 c) Adopt, alter and use a corporate seal;
- 4 d) Adopt, amend, or repeal its by-laws;
- 5 e) Enter into contracts to enable it to carry out its purposes and functions
- 6 under this Act;
- 7 (f) Acquire, buy, purchase, hold or lease, such personal and real property
- 8 as it may deem necessary in the transaction of its business or in relation to carrying
- 9 out its purposes under this Act and to lease, mortgage, sell, alienate, or otherwise
- 10 encumber, utilize, exploit or dispose any such personal and real property held by it,
- 11 subject to individual or communal right of private parties or of the government or any
- 12 agency or enterprise thereof;
- 13 g) Exercise the right of eminent domain whenever the LLDA deems it
- 14 necessary to achieve the objectives of this Act;
- 15 h) Borrow funds from any local or foreign sources independent of the
- 16 bonds it may issue or may continue to issue to carry out the purposes of this Act;
- 17 (i) Purchase, hold, alienate, mortgage, pledge or otherwise dispose of the
- 18 shares of the capital stock of, or any bond, securities, or other evidence of
- 19 indebtedness created by any other corporation, co-partnership, or government
- 20 agencies or instrumentalities; and while the owner of said stock to exercise all the
- 21 rights of ownership, including the right to vote thereon: *Provided*, That the LLDA
- 22 shall not invest its funds in any high risk debt instruments issued without recourse to
- 23 commercial banks or investment houses as well as in any highly speculative stocks;
- 24 (j) Perform any and all acts which a corporation, co-partnership or juridical
- 25 person is authorized to perform under the existing laws or which may be enacted

1 hereafter;

2 (k) Provide economic incentives to encourage the private sector to fully
3 subscribe to its shares of stock;

4 (l) Issue such other rules and regulations as may be necessary from time
5 to time to achieve the purposes of this Act, the same to take effect thirty (30) days
6 after its publication in a newspaper of general circulation.

7 **SEC. 8. Board of Directors.** – The LLDA shall be governed by a Board of
8 Directors who shall be appointed by the President of the Philippines and shall be
9 composed of the following:

10 1) Secretary of Environment and Natural Resources, Chairman

11 2) General Manager, LLDA, Vice-Chairman

12 3) Governor, Province of Laguna, ex officio

13 4) Governor, Province of Rizal, ex officio

14 5) Secretary, Department of Agriculture

15 6) Secretary, National Economic and Development Authority

16 7) Secretary, Department of Public Works and Highways

17 8) Chairman, Metro Manila Development Authority

18 9) Representative of the Bay Region City and Municipal Mayors'

19 Association to be constituted sixty (60) days from the passage of this Act from

20 among the mayors of towns and cities that comprise the Bay Region as defined in

21 Section 3 of this Act

22 10) Representative of the Laguna fisher folk

23 11) Representative of the Rizal fisher folk

24 The representatives of the Laguna fisher folk and the Rizal fisher folk shall be

25 appointed by the President of the Philippines to be chosen from among the

1 nominees recommended by the Laguna Governor and the Rizal Governor,
2 respectively, upon consultation with the concerned sector. The term of the
3 appointive members shall be six (6) years without reappointment, or until their
4 successors are duly appointed and qualified. Vacancy, other than through the
5 expiration of the term, shall be filled for the unexpired term only.

6 Ex-officio Cabinet members can designate alternate representatives to the
7 Board, given the demands of their Cabinet-level position.

8 **SEC. 9. Powers and Functions.** – The Board of Directors shall exercise the
9 following powers and functions:

10 a. Prescribe policies, rules and regulations to govern the conduct of
11 business of the LLDA including the procedures of the Authority;

12 b. Upon the recommendation of the General Manager, approve the
13 LLDA's organizational and administrative structures and corresponding staffing
14 pattern as may be deemed necessary: fix their reasonable compensation,
15 allowances and other benefits in accordance with the salary standardization law;
16 prescribe their duties and establish such methods and procedures a may be
17 necessary to insure the efficient, honest and economical administration of the
18 provisions and purposes of this Act; *Provided, however,* That all personnel of the
19 LLDA below the rank of Assistant General Manager shall be appointed by the
20 General Manager; *Provided, further,* That all personnel appointed by the General
21 Manager, except those below the rank of Department Heads, and others of
22 comparable rank, shall be subject to the confirmation by the Board; *Provided, further,*
23 That the personnel of the LLDA shall be selected only from civil service eligibles and
24 be subject to civil service rules and regulations;

25 c. Upon the recommendation of the General Manager, to approve the

1 annual and supplemental budget of receipts and expenditures of the LLDA, and to
2 authorize such operating and capital expenditures and disbursements of the LLDA
3 as may be necessary or proper for the effective management, operation and
4 administration of the LLDA;

5 d. Create and organize a Technical Advisory Council composed of
6 representatives from both the government and non-government sectors as the Board
7 may determine to assist and advise the Board in the conduct of public consultations
8 with Bay Region stakeholders towards a better considered formulation of LLDA plans
9 and policies; and

10 e. Perform such other functions as may be necessary to carry out the
11 provisions of this Act.

12 **SEC. 10. Board Meetings.** – The Board shall meet at least once a month.

13 **SEC. 11. Per Diems.** – The members of the Board shall each receive per
14 diem at a rate in accordance with existing rules and regulations: Provided, however,
15 that the total per diem collected each month shall not exceed the equivalent per diem
16 for four (4) meetings.

17 **SEC. 12. Sinking Fund.** – A sinking fund shall be established in such
18 manner that the total annual contribution thereto accrued at such interests as may be
19 determined by the Board of Directors as confirmed by the stockholders representing
20 a majority of the subscribed capital stock outstanding and entitled to vote, shall be
21 sufficient to redeem at maturity the bonds issued under this Act.

22 Such funds shall be under the custody of the treasurer of the authority who
23 shall invest the same in such manner as the Board of Directors may direct; charge all
24 expenses of investment to said sinking fund, and credit the same with the interest on
25 investment and other income belonging to it.

1 **SEC. 13. General Manager; Powers and Functions.** – The General
2 Manager shall be the Chief Executive Officer of the LLDA. As such, he/she shall
3 have the following powers and functions:

4 a. Submit for consideration of the Board policies and measures which he
5 believes to be necessary to carry out the purposes and objectives of this Act;

6 b. Execute, administer, and implement the policies, plans, programs and
7 projects approved by the Board;

8 c. Manage and supervise the operation and administration of the LLDA;

9 d. Appoint all officials and employees of LLDA below the rank of Assistant
10 General Manager, remove, suspend or otherwise discipline them for cause, in
11 accordance with existing civil service rules and regulations, and submit quarterly
12 reports to the Board on personnel selection, placement and training;

13 e. Render an annual report to the Board and various stakeholders
14 regarding the operation of the LLDA, including its latest financial statement;

15 f. Represent the LLDA in all dealings with offices, agencies and
16 instrumentalities of the government and with all persons and other entities, public or
17 private, domestic and foreign; and

18 g. Perform such other functions as may be provided in the By-Laws and as
19 may be vested in him/her by the Board.

20 **SEC. 14. Qualifications of the General Manager.** – The General Manager
21 shall be a citizen and resident of the Philippines. He/She shall have demonstrated
22 executive competence and experience in the field of public administration, economic
23 planning, environmental and natural resource management, or in the establishment
24 and management of large agricultural, commercial or industrial enterprises. No

1 person shall be nominated as General Manager unless he/she is of unquestioned
2 integrity and competence.

3 **SEC. 15. Tenure of Office of the General Manager.** – The General
4 Manager shall be appointed by the President of the Philippines for a fixed term of six
5 (6) years. In case of resignation, retirement, separation, transfer, re-assignment,
6 removal and other cause of cessation from office, the replacement shall serve only
7 for the unexpired portion of the term.

8 **SEC. 16. Compensation.** – The General Manager shall receive
9 compensation at rates in accordance with the salary standardization law.

10 **SEC. 17. Management Structure.** – In carrying out the activities of the
11 LLDA, the General Manager shall be assisted by two Assistant General Managers –
12 one for Operations and another for Administration – who shall have such powers,
13 duties, and functions as the General Manager may prescribe and/ or delegate and
14 shall act as the General Manager in his/her absence or during his/her temporary
15 incapacity of and/or until such time as a new General Manager is duly appointed.

16 The Authority shall have the following departments under the direct
17 supervision and control of the General Manager;

18 a) *Corporate Legal Affairs Department* which shall provide legal advice and
19 support to all the corporate units on the legal implications of the various undertakings
20 of the Authority and divided into Litigation Division, and Research and
21 Documentation Division.

22 b) *Administrative Department* which shall be responsible for providing
23 services relating to human resource management, records management, and
24 general services.

1 c) *Finance Department* which shall be responsible on revenue planning,
2 generation and enhancement, assistance on budgetary and financial matters, and
3 safekeeping of corporate assets.

4 d) *Policy Planning and Management Services Department* which will
5 undertake policy research and development, and advise the General Manager on
6 policy positions and public advocacy measures for approval of the Board.

7 e) *Integrated Water Resources Management Services Department* which will
8 serve as the main technical arm of the Authority and shall integrate the functions of
9 lake basin management and development. It shall oversee the management of the
10 Laguna Lake and its river systems including the shore lands.

11 f) *Environmental Protection Department* which will manage all the
12 environmental regulatory functions of the Authority like clearance/permits and
13 licensing, monitoring and surveillance, enforcement and adjudication and
14 environmental quality compliance.

15 The Board shall periodically review the appropriateness of the existing
16 organizational structure and amend the same whenever it may deem necessary and
17 beneficial to achieve the purposes of this Act and to be able to respond efficiently to
18 LLDA's mandate as herein provided. Any proposed change in the organizational
19 structure of the Authority shall be subject to the approval of the President of the
20 Philippines.

21 **SEC.18. Annual Fees.** – The LLDA is hereby authorized to collect annual
22 fees for the use of the lake waters, its tributaries and shoreland areas for all
23 beneficial purposes including but not limited to fisheries, aquaculture, municipal,
24 agricultural, irrigation, commercial, industrial, hydroelectric generation and other

1 power potential, transport and navigation, waste disposal purposes, recreation and
2 dredging/reclamation from all private and public entities whether government or non-
3 government agencies, among others the water utilities sector. All the fees so
4 collected shall be accordingly appropriated for the sustainable development of the
5 lake and its watershed areas. *Provided*, that the fees collected for fisheries may be
6 shared between the Authority and other government agencies and LGUs as follows:
7 thirty-five percent (35%) of the fish pen fee goes to shore land LGUs, five percent
8 (5%) goes to the Project Development Fund and the remaining sixty percent (60%)
9 shall be retained by the LLDA.

10 **SEC. 19. Capitalization and Financing.** – The LLDA shall have an
11 authorized capital of Seven Hundred Million Pesos (P700,000,000). The authorized
12 capital stock of Seven Hundred Million Pesos (P700,000,000) shall be divided into
13 Seven Million (7,000,000) shares of stock with a par value of One Hundred Pesos
14 (P100) per share. The National Government shall subscribe to Four Million Two
15 Hundred (4,200,000) shares, the province of Laguna to Seven Hundred Thousand
16 (700,000) shares, the province of Rizal to Seven Hundred Thousand (700,000)
17 shares, and the balance of One Million Four Hundred Thousand (1,400,000) shares
18 shall be open for subscription to other government agencies or LGUs and other
19 private individuals or corporations within the Bay Region.

20 The shares of stock of the LLDA shall be divided into:

- 21 1) 4,900,000 ordinary shares (voting); and
- 22 2) 2,100,000 preferred shares (non-voting).

23 **SEC 20. Funding.** – The amount necessary to subscribe and pay for the
24 remaining shares of the national government to the capital stock of the LLDA shall be

1 included in the annual General Appropriations Act. For LGUs, the funds shall be
2 taken from their internal revenue allotment and other local funds.

3 **SEC. 21. *Creation of LLDA Environmental Adjudication Panel.*** - For the
4 purpose of effectively carrying out the quasi-judicial powers of the Authority within the
5 Bay Region, the LLDA Environmental Adjudication Panel (LEAP) is hereby created to
6 be composed of a Chairman and two (2) other members representing the Office of
7 the General Manager, the Corporate Legal Affairs Department and the concerned
8 department depending on the matter under controversy to be designated by the
9 General Manager. The LEAP is hereby mandated to take cognizance and adjudicate
10 violations of this Act including all existing and relevant laws, LLDA policies, rules and
11 regulations. Any decision, order or resolution must be concurred in by the majority of
12 the panel and duly approved by the General Manager.

13 The Corporate Legal Affairs Department shall serve as Secretariat of the
14 LEAP.

15 **SEC. 22. *Creation of a Lake Police Force.*** - The National Police
16 Commission shall constitute and assign a special police force to be known as the
17 Laguna Lake Police, exclusively for the Bay Region, trained especially for
18 enforcement of laws on fisheries and environmental laws and the rules and
19 regulations duly promulgated by the LLDA.

20 The extent of operational supervision and control by the General Manager
21 over the Laguna Lake Police shall be the same as that of local chief executives over
22 police force of LGUs as defined in the Department of Interior and Local Government
23 Act of 1990 (R.A. 6975), in relation to Sec. 73 of the Local Government Code of
24 1991 (R.A. 7160). The LLDA Board, the local government units (LGUs) and the
25 leadership of the Philippine National Police shall within sixty (60) days from the

1 passage of this Act constitute a technical working group that will further delineate
2 and define the nature and character of this unit in order to avoid any overlap and
3 potential conflict with the LGU police units within the Bay Region.

4 **SEC. 23. Exemption from Tax.** - The Authority shall be exempt from all
5 taxes, licenses, fees, imposts, charges, costs and duties except real property tax
6 incidental to its operations and service/filing fees in any court or administrative
7 proceedings in which it may be a party, restrictions and duties to the Republic of the
8 Philippines, its provinces, cities, municipalities and other government agencies and
9 instrumentalities. Such exemption shall include any tax or fee imposed by the
10 government on the sale, purchase or transfer of foreign exchange. All notes, bonds,
11 debentures and other obligations issued by the Authority shall be exempt from all
12 taxes both as to principal and interest.

13 **SEC. 24. Fines and Penalties.** - The LLDA is authorized to impose
14 administrative fines and other penalties it may deem reasonable and appropriate
15 within the bounds of existing law on the same or similar offenses as determined and
16 approved by the Board for non-compliance with permit conditions and for
17 undertaking development activities without clearance/permit from the LLDA against
18 any person, juridical or otherwise, within the Bay Region who may be found violating,
19 or have in fact violated, any of its rules and regulations.

20 Likewise, the LLDA is authorized to institute the necessary legal proceedings
21 against those who shall commence to implement any development activities within
22 the Bay Region not cleared nor approved by the LLDA.

23 **SEC. 25. Damages.** - Compensation for any damage to the shore land,
24 water and aquatic resources of Laguna Lake and its tributaries resulting from failure
25 to meet established water and effluent quality standards or from such other wrongful

1 act or omission of a person, private or public, juridical or otherwise, punishable under
2 the law shall be awarded to the LLDA for water quantity/quality control and
3 management projects.

4 **SEC. 26. Penal and Civil Liability Clause.** – Any person, natural or
5 juridical, who shall violate any of the provisions of this Act or any rules and
6 regulations promulgated by the Authority pursuant thereto shall be liable to
7 imprisonment of not exceeding three (3) years or to a fine not less than Fifty
8 Thousand Pesos (P50,000) or both at the discretion of the court. This is without
9 prejudice to the imposition of penalties as may be provided under existing and
10 relevant laws, rules and regulations.

11 If the violator be a corporation, partnership or association, the officer / officers
12 of the organization concerned shall be held liable.

13 The LLDA is hereby authorized to initiate, file, prosecute and defend all suits,
14 actions or to pursue separate civil actions for damages resulting from infractions of
15 the provisions of this Act, rules or regulations issued pursuant thereto and/or
16 conditions embodied in the clearances or permits issued by the Authority.

17 **SEC. 27. Auditor.** – The Chairman of the Commission on Audit shall be the
18 ex officio Auditor of the LLDA. For this purpose, he/she may appoint a
19 representative who shall be the Auditor of the LLDA, and the necessary personnel to
20 assist said representative in the performance of his/her duties.

21 The Chairman of the Commission on Audit or his/her authorized
22 representative shall submit to the Board soon after the close of each calendar year,
23 an audited statement showing the financial condition and progress of the LLDA for
24 the calendar year just ended.

1 **SEC. 28. *Implementing Rules and Regulations.*** - The LLDA in
2 coordination with the proper standing Committees of both the Senate and the
3 House of Representatives and other concerned agencies shall promulgate the
4 implementing rules and regulations (IRR) for this Act, within one (1) year after its
5 enactment: *Provided*, that the rules and regulations issued by other government
6 agencies and instrumentalities for the prevention and/or abatement of water
7 pollution not inconsistent with this Act shall supplement the rules and
8 regulations issued by the LLDA pursuant to the provisions of this Act.

9 **SEC. 29. *Repealing Clause.*** - Republic Act No. 4850 as amended,
10 Presidential Decree No. 813, and Executive Order No. 927, and all laws, orders,
11 issuance, rules and regulations inconsistent herewith are hereby repealed.

12 **SEC. 30. *Separability Clause.*** - If any provision of this Act is declared
13 unconstitutional, the same shall not affect the validity and effectiveness of the other
14 provisions hereof.

15 **SEC. 31. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
16 publication in at least two (2) national newspapers of general circulation.

17 Approved,