

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

04 JUN 30 P3:44

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S E N A T E

S. No. 290

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Introduced by Senator S. R. Osmeña III

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#### EXPLANATORY NOTE

The attached bill seeks to create the Cebu Water Resources Development and Management Authority primarily to integrate, plan, develop and manage all water supply and distribution services in Metro Cebu and Cebu Province.

Cebu's burgeoning economic development and population growth demand a corresponding effective and efficient water supply both for domestic and commercial purposes. To achieve this goal, there is a need to integrate the planning, development, and management, embracing all the concerns and activities of various agencies which have to do with water supply, from the conservation of the watersheds, maintenance of ecological and environmental factors for preserving the potability of water to the distribution services of water to users.

For Cebu to fulfill its role as the major catalyst of development, as a trading center for the Central Philippines and Northern Mindanao, this pressing and critical problem of adequate water supply must be solved expeditiously. The integration of the direction and activities of all the agencies having a stake in this crucial concern is necessary to attain an accelerated and cost-effective solution to this urgent problem.

With those grave considerations in mind, it is felt that a system of integrated planning, development and management of water supply and distribution services could best be achieved by a separate agency specifically established and tasked for the purpose.

Accordingly, the approval of this bill is earnestly sought.

  
SERGIO OSMEÑA III  
Senator

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**AN ACT**  
**CREATING THE CEBU WATER RESOURCES DEVELOPMENT AND**  
**MANAGEMENT AUTHORITY, CHARGED WITH INTEGRATING AND**  
**COORDINATING VARIOUS AGENCIES AND ORGANIZATIONAL**  
**INSTRUMENTALITIES DIRECTLY OR INDIRECTLY HAVING TO DO WITH**  
**THE WATER SUPPLY AND SERVICES FOR METRO CEBU AND CEBU**  
**PROVINCE.**

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

1           **SECTION 1. Title.** - This Act shall be known and cited as the "Charter of  
2 the Cebu Water Resources Development and Management Authority."

3           **SEC. 2. Creation of the Cebu Water Resources Development and**  
4 **Management Authority.** - There is hereby established a body corporate to be  
5 known as the Cebu Water Resources and Management Authority which shall be  
6 attached to the Department of Environment and Natural Resources for the  
7 purpose of policy coordination. The principal office of the Authority shall be  
8 located in Cebu City.

9           The Authority may have such branches, agencies or subsidiaries as it may  
10 deem proper and necessary.

11           **SEC. 3. Primary Purpose and Objectives.** - The Authority shall  
12 principally undertake the economical, efficient and effective control for the  
13 protection of watersheds, including the ecological and environmental  
14 requirements for safe water supply; likewise the planning, construction, and  
15 management of water impounding structures, reservoirs and extraction of water  
16 from natural aquifers; further, the supervision of water supply services to be

1 undertaken in Metro Cebu, as well as the entire Cebu Province. In addition, it  
2 shall have the following objectives:

3 a) To encourage and promote the conservation and development  
4 of all watershed areas of the Province in line with the objectives of  
5 ecological and environmental protection in general, and, the maintenance  
6 of unpolluted and safe potable water supply, in particular.

7 b) To develop and upgrade surface water resources, as well as, to  
8 monitor and control the exploitation of underground aquifers.

9 c) To upgrade the water supply system to effectively render  
10 efficient water service to domestic and commercial consumers.

11 **SEC. 4. Functions, Powers and Duties.** - The Authority shall have the  
12 following functions, powers and duties:

13 a) To formulate a comprehensive and integrated development  
14 policy and program for the over-all water resources of Metro Cebu and  
15 Cebu Province and to implement, review and update such policy and  
16 program periodically;

17 b) To control, supervise and construct, maintain, and operate all  
18 infrastructure and facilities attendant to the services of providing efficiently  
19 adequate water supply to the Cebu Metropolis and Province.

20 c) To promulgate rules and regulations governing the planning,  
21 development, maintenance, operation, and improvements of water  
22 sourcing facilities and to control and supervise its construction of any  
23 structure or distribution system rendering any water service in Metro Cebu  
24 and Province;

25 d) To exercise all powers of a corporation under the Corporation  
26 Code of the Philippines, insofar as those powers are not inconsistent with  
27 the provisions of this Act.

1 e) To acquire, purchase, own, administer, lease, mortgage, sell or  
2 otherwise dispose of any property granted, ceded or purchase pursuant to  
3 its business functions and services;

4 f) To exercise the power of eminent domain in the pursuit of its  
5 purposes and objectives;

6 g) To control and service the levying and collecting of dues,  
7 charges, fees or assessments for the services of providing water system  
8 and use of water by consumers and for any other services provided by the  
9 Authority.

10 h) To retain and appropriate dues, fees and charges collected by  
11 the Authority relative to the supplying of water for such measures as may  
12 be necessary to make the Authority more effective and efficient in the  
13 discharge of its assigned tasks;

14 i) To invest its idle funds, as it may deem proper, in government  
15 securities and other evidences in indebtedness; and

16 j) To provide services, whether on its own or otherwise, in the  
17 watersheds, water supply source areas, and water distribution system as  
18 may be necessary or in connection with the maintenance and operations  
19 of supplying water systems and other facilities.

20 **SEC. 5. Police Authority.** - The Authority shall have the power to  
21 exercise such police authority as may be necessary to maintain the security of  
22 watershed areas, dams and water reservoirs, water extraction facilities and  
23 supply systems or areas of operation to carry out its functions and attain its  
24 purpose and obligations: *Provided*, That the Authority may request assistance of  
25 law enforcement agencies, including request for deputization as may be required.  
26 Such police authority shall be exercised in connection with the following, among  
27 others:

28 a) Control of habitation and farming activities in watershed areas;

1           b) Prevention of human-caused damage to the ecological and  
2 environmental conditions of reserved areas for purposes of water  
3 conservation, safety and anti-pollution measures;

4           c) Guarding and supervising the security of pipe lines and water  
5 distribution systems against vandalism and illegal tapping;

6           d) Regulation and supervision of private security agencies  
7 operating within areas of jurisdiction of the Authority;

8           e) Enforcement of rules and regulations promulgated by the  
9 Authority pursuant to law; and

10          f) In case of emergencies or imminent danger involving threat to  
11 the infrastructure of the water supply and water systems caused by natural  
12 calamities as well as deeds of terrorism.

13          **SEC. 6. Board of Directors.** - The Board shall be composed of eleven  
14 (11) members. The chairman shall be the Secretary of Environment and Natural  
15 Resources. The vice-chairman shall be the General Manager of the Authority.  
16 The following shall be the members:

17           a) Chairman of LWUA;

18           b) Secretary of the Department of Finance or his duly authorized  
19 representative;

20           c) Secretary of the Department of Justice or his duly authorized  
21 representative;

22           d) Secretary of the Department of Interior and Local Government  
23 or his duly authorized representative;

24           e) A representative from the MCWD;

25           f) Three (3) members from the private sector recommended by the  
26 Governor of the province of Cebu who shall serve for a term of three (3)  
27 years.

28           g) The Governor of Cebu or his duly authorized representative.

1 The Board shall promulgate its rules relative to meetings, quorum  
2 requirements and compensation or allowances of the members of the Board.

3 **SEC. 7. *Functions, Powers and Duties of the Board.*** - In addition to  
4 the powers vested in the Board under the other sections of this Act, the Board  
5 shall have the following functions, powers and duties:

6 a) To define and approve the programs, plans, policies,  
7 procedures and guidelines of the Authority for the development and  
8 management of the water supply and distribution system of Metro Cebu  
9 and the Province;

10 b) To approve the Authority's organizational and administrative  
11 structure, staffing patterns, operating and capital expenditures, and  
12 financial budgets, upon recommendation of the General Manager, subject  
13 to existing laws, rules and regulations;

14 c) To approve salary ranges, benefits and other terms and  
15 conditions of service for all officers and employees of the Authority, upon  
16 recommendation of the General Manager, which shall, as far as possible,  
17 be competitive with those offered in the private sector, subject to existing  
18 laws, rules and regulations;

19 d) To fix the rate of dues, charges, fees and assessments for the  
20 supply and use of water upon recommendation by the General Manager;  
21 and

22 e) Generally, to exercise all the function and powers necessary or  
23 incidental to attain the purposes and objective of this Act.

24 **SEC. 8. *Functions, Powers and Duties of the General Manager.*** -  
25 The General Manager shall be directly responsible to the Board and shall have  
26 the following functions, powers, and duties:

27 a) To direct and supervise the day-to-day management, operation  
28 and administration of the Central office of Water Resources Supply  
29 Development and Distribution System;

1           b) To implement and enforce decisions, orders, rules and  
2 regulations issued, prescribed or adopted by the Board;

3           c) To undertake research, studies, investigations and other  
4 activities related to the integrated operation and future improvements of  
5 watershed management, development of water supply and distribution  
6 system, and to submit comprehensive reports and appropriate  
7 recommendations to the Board for proper actions;

8           d) To appoint, transfer, suspend, remove or otherwise discipline  
9 and subordinate officer or employee of the Authority, subject to the  
10 approval of the Board and in accordance with the existing rules and  
11 regulations of the Civil Service Commission and the Commission on Audit.

12           e) Within the limits of the authority delegated to him by the Board,  
13 to execute contracts, incur obligations, acquire and dispose of assets, and  
14 deliver documents on behalf of the Authority.

15           f) To perform such other duties as the Board may delegate or  
16 assign, and such acts as may be necessary and proper to implement this  
17 Act.

18       **SEC. 9. Capital.** - The Authority shall have an authorized capital stock  
19 equal to and consisting of:

20           a) The value of fixed assets acquired for the establishment of the  
21 Central Office and such other properties, movable and immovable, as may  
22 be ceded from agencies and institutions integrated or merged with or  
23 which come under the direct management of the Authority as valued on  
24 the date of the effectivity of this Act;

25           b) The value of such real estate owned and/or ceded by the Cebu  
26 City Government, Cebu Provincial Government, other political  
27 subdivisions, and other government instrumentalities and agencies.

28           c) Government contributions in such amount as may be deemed  
29 an appropriate initial balance. Such initial amount approved by the

1 President of the Philippines which shall be more or less equivalent to six  
2 (6) months working capital requirement of the Authority, is hereby  
3 authorized to be appropriated in the General Appropriation's Act of the  
4 year following its enactment into law.

5 Thereafter, the government contribution to the capital of the  
6 Authority, shall be provided for in the General Appropriation's Act.

7 **SEC. 10. Auditor.** - The Commission on Audit shall appoint a  
8 representative who shall be the auditor of the Authority, together with the  
9 necessary personnel to assist said representative in the performance of his  
10 duties. The number and salaries of the auditor and said personnel shall be  
11 determined by the Chairman of the Commission on Audit, subject to the rules  
12 and regulations of the Commission on Audit.

13 The auditor shall, as soon as possible, but not later than three (3) months  
14 after the accounts have been submitted for audit, send an annual report to the  
15 Board. The auditor may also submit such periodic or special reports as the  
16 Board may deem necessary.

17 **SEC. 11. Annual Report.** - The Board shall submit to the President of  
18 the Philippines through the Secretary of the Department of Environment and  
19 Natural Resources and to the both Houses of the Congress of the Philippines,  
20 together with the audit report on the relevant accounts, an annual report  
21 generally dealing with the activities and operations of the Authority.

22 **SEC. 12. Applicability of Civil Service Laws.** - The Authority and its  
23 officials and employees shall be subject to Civil Service law and its rules and  
24 regulations.

25 **SEC. 13. Borrowing Power.** - The Authority may, in accordance with  
26 Section 21, Article XII of the Constitution and other existing laws, rules and  
27 regulations on local or foreign borrowing, raise funds, either from local or  
28 international sources by way of loans, credit or securities, and other borrowing  
29 instruments with the power to create pledges, mortgages and other voluntary



1 loans or encumbrances on any of its assets or properties, subject to the prior  
2 approval of the President of the Philippines.

3 All loans contracted by the Authority under this section, together with all  
4 interests and others sums payable in respect thereof, shall constitute a charge  
5 upon all the revenues and assets of the Authority and shall rank equally with one  
6 another, but shall have priority over any other claim or charge on the revenue  
7 and assets of the Authority: *Provided*, That this provision shall not be construed  
8 as a prohibition or restriction on the power of the Authority to create pledges,  
9 mortgages and other voluntary liens or encumbrances on any assets or property  
10 of the Authority.

11 The payment of the loans or other indebtedness of the Authority shall be  
12 guaranteed by the National Government subject to the approval of the President  
13 of the Philippines.

14 **SEC. 14. Tax Exemptions.** - The Authority shall be exempt from realty  
15 taxes imposed by the National Government or any of its political subdivisions,  
16 agencies and instrumentalities: *Provided*, That no tax exemption herein granted  
17 shall extend to any subsidiary which may be organized by the Authority.

18 **SEC. 15. Transfer of Existing Facilities and Intangible Assets.** - All  
19 existing land, building and other properties, movable and immovable, belonging  
20 to or presently administered by MCWD and all assets, powers, rights, interests  
21 and privileges relating to water sourcing and supply, including all equipment  
22 which are necessary for their operations, likewise the authority and prerogatives  
23 of LWUA, WRB and Watershed Management Agency pertaining and relevant to  
24 the development of water resources and supply in Cebu Province and Metro  
25 Cebu including a share of the annual appropriations for the purposes and  
26 projects of these entities intended for Cebu Province and Metro Cebu with all  
27 their pertinent records and personnel of their respective branch offices are  
28 hereby transferred to the Authority: *Provided, however*, That the operation and

1 services of MCWD be maintained under a management team subject to the  
2 Authority.

3 **SEC. 16. *Projects in Progress.*** - All planned and on-going projects  
4 related to water sourcing development and supply of MCWD as well as those of  
5 LWUA intended for the Cebu Province and Watershed Rehabilitation and  
6 Restoration Projects of these and other government agencies shall be  
7 administered and undertaken by the Authority.

8 **SEC. 17. *Transfer of Liabilities and Debts.*** - Upon the transfer to and  
9 acceptance by the Authority of the existing *physical facilities, intangible assets*  
10 *and completed projects* referred to in the preceding sections, all debts, liabilities,  
11 and obligations of government agencies or entities concerned with respect to  
12 such *physical facilities, tangible assets and completed projects* within Metro  
13 Cebu and Province shall likewise be assumed by the Authority.

14 **SEC. 18. *Abolition or Taking Over of Entities.*** - The PAWS and  
15 provincial watershed units of PENRO, CENRO, LWUA Provincial Office and such  
16 other agencies having supervision and control of the *watershed rehabilitation and*  
17 *restoration* are hereby abolished. The powers, functions, responsibilities of  
18 MCWD taken over by the Authority, as well as the determination of personnel are  
19 to be retained: *Provided*, That all officials and employees whose service are  
20 terminated shall, if not eligible for retirement be given gratuities equivalent to one  
21 (1) month salary for every year of continuous satisfactory service on the basis of  
22 the highest salary received in addition to other benefits accorded by them by  
23 existing laws.

24 **SEC. 19. *Repealing Clause.*** - All laws, executive orders, letters of  
25 instruction, rules and regulations, or provisions thereof which are inconsistent  
26 with the provisions of this Act are hereby repealed, amended or modified  
27 accordingly.

1           **SEC. 20. *Separability Clause.*** - If any portion hereof shall be held  
2   invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the  
3   other provisions which shall remain in full force and effect.

4           **SEC. 21. *Effectivity.*** - This Act shall take effect fifteen (15) days after  
5   its publication in at least two (2) national newspaper of general circulation.

Approved,