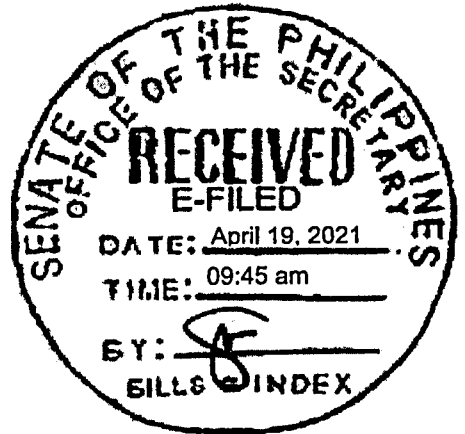


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE
S. No. 2138



Introduced by **SENATOR RAMON BONG REVILLA, JR.**

**AN ACT
CREATING THE LAGUNA LAKE CONSERVATION AUTHORITY (LLCA),
THEREBY REPEALING REPUBLIC ACT NO. 4850, AS AMENDED, OTHERWISE
KNOWN AS THE LAGUNA LAKE DEVELOPMENT AUTHORITY ACT OF 1966,
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Laguna Lake Development Authority (LLDA) was established in 1966 as a quasi-government agency that leads, promotes, and accelerates sustainable development in the Laguna de Bay Region. Regulatory and law enforcement functions are carried out with provisions on environmental management, particularly on water quality monitoring, conservation of natural resources, and community-based natural resource management.

Laguna de Bay is the largest inland body of water in the Philippines and the third largest lake in Southeast Asia covering about 900 square kilometers. The Lake Region straddles the country's most highly urbanized areas, including six provinces, twelve cities and 49 municipalities, 29 of which are lakeshore towns.

The lake is considered a major lifeline to many people and the local economy. Fisheries and croplands in the lakeshore towns provide food not only to the local population, but also contribute significantly to the food supply of Metropolitan Manila. It is also one of the water sources for at least two concessionaires for Metro Manila, providing at least 400 million liters of water per day. Aside from these, the lake serves as a reservoir for floodwater, is used for power generation, provides venue for

recreational activities, provides water for irrigation, and serves as source of industrial cooling water.

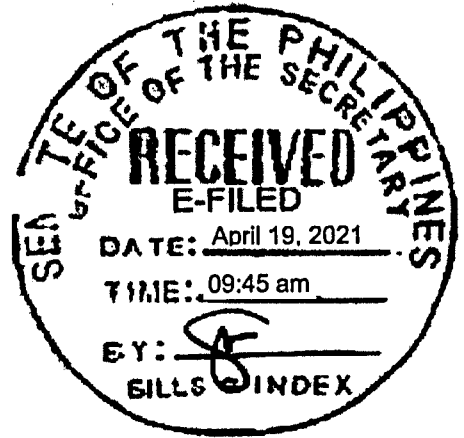
Laguna de Bay, however, is in critical and deplorable condition. It has been cited that 70% of the pollution in the lake comes from uncontrolled solid and liquid wastes from domestic sources. Unlike industries which are point sources of wastes, domestic sources (also called non-point sources) are more difficult to regulate, much more control. If we are to continue receiving the blessings and precious gifts from the lake, and live in harmony with its ecology, it is imperative that we start a massive rehabilitation and conservation of the Laguna Lake at the soonest possible time.

The most urgent necessity is to have a body specially tasked to create and manage an overarching conservation policy. For this reason, this bill will be a decisive first step in a new direction of rational and people-centered conservation.

Early passage of this bill is earnestly sought.


RAMON BONG REVILLA, JR.

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AND FOR OTHER PURPOSES

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

1 Section 1. *Short Title.* – This Act shall be known as the “*Laguna Lake*
2 *Conservation Act*”.

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 conserve and promote Laguna Lake in a sustainable manner along with the
5 surrounding areas that comprise its region, hereinafter referred to as the Bay Region,
6 with Laguna Lake and the systematic management and protection of its water
7 resource as the focal point.

8 For this purpose, the State hereby adopts a participatory integrated water
9 resources management (IWRM) approach to the interconnection and integration of its
10 various ecosystems, using the Lake’s watersheds as planning units, and involving the
11 stakeholders in the planning and execution process.

12 In accordance with the IWRM approach, and to allow the lake to realize its
13 various potentials, including that of being a fish production resource of national
14 importance, any development program in the region shall always consider the
15 Precautionary Principle in protecting the health of the people, the sustainable

1 management of the environment and the prevention of any ecological harm, resource
2 deterioration or pollution.

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

- 4 1) *Laguna Lake or Laguna de Bay* – that area covered by the lake water when
5 it is at the average annual maximum lake level of elevation 12.50 meters,
6 as referred to a datum 10.00 meters below mean lower low water
7 (M.L.L.W.) of Manila de Bay. Lands located at and below such elevation are
8 public lands which form part of the bed of said lake.
- 9 2) *Integrated Water Resources Management (IWRM)* – a process that
10 promotes the coordinated conservation and management of water, land,
11 and related resources in order to maximize the resultant economic and
12 social welfare considerations in an equitable manner without compromising
13 the sustainability of vital ecosystems.
- 14 3) *Watershed* – the geographic area of land that drains water to a shared
15 destination or to an area of land that drains down slope to the lowest point.
16 The water moves through a network of drainage pathways, both
17 underground and on the surface. Other terms used interchangeably with
18 watershed include drainage basin or catchment basin.
- 19 4) *Environment* – the physical factors of the total surroundings of human
20 beings, including but not limited to the lakes and other bodies of water,
21 land, air, atmosphere, climate, sound, odor, plants, insects, animals, its
22 biological and physical factors, all its life support systems and all other
23 surrounding matters that affect directly or indirectly the existence of human
24 life and other life forms in a specific area.
- 25 5) *Shoreland / Lakeshore areas / Buffer Zone* – that part of the lake along the
26 entire lakeshore lying at elevation 12.50 m. and below and alternately
27 submerged or exposed by the annual or seasonal rising and lowering of the
28 lake levels. This is a linear strip of land of approximately 14,000 hectares
29 designed to separate the incompatible elements or uses or to control
30 pollution or nuisance and for identifying and defining development areas or
31 zones and area for fisherfolk settlement.

- 1 6) *Groundwater* – sub-surface water that occurs beneath a water table in soils
2 and rocks, or in geological formations.
- 3 7) *Aquaculture* – fishery operations involving all forms of raising and culturing
4 fish and other fishery species in fresh, brackish and marine water areas.
5 Areas for aquaculture in Laguna Lake shall not exceed 6,000 hectares.
- 6 8) *Aquastructure* – also refers to a fish pen, which is a structure enclosing a
7 particular area in the lake which makes use of bamboos or *anahaw* poles
8 surrounded by nets, fastened by a weight of sinkers embedded in the lake
9 bed; and fish cage, which is an inverted mosquito net fastened to bamboos
10 or such other structures used for culturing fishery/aquatic resources.
- 11 9) *Effluent* – means discharge from known sources which is passed into a body
12 of water or land, or wastewater flowing out of a manufacturing plant,
13 industrial plant including domestic, commercial and recreational facilities.
- 14 10) *Municipal fisherfolk* – persons who are directly or indirectly engaged in
15 fishing and other fishery-related activities whose income from such activities
16 do not exceed three thousand pesos (Php 3,000.00) a month.
- 17 11) *Pollution* – any alteration of the physical, chemical and biological properties
18 of any water, air and land resources of the Philippines, or any discharge
19 thereto of any liquid, gaseous or solid wastes as are likely to render such
20 water, air and land resources harmful, detrimental or injurious to the public
21 health, safety or welfare, or which will adversely affect their utilization for
22 domestic, commercial, industrial, agricultural, recreational or other
23 legitimate purposes.
- 24 12) *Precautionary Principle* – the principle stating that lack of full scientific
25 certainty shall not be used as a reason for postponing cost-effective
26 measures to prevent environmental degradation, where there are threats of
27 serious or irreversible damage.
- 28 13) *Conservation* – an ethic of resource use, allocation, and protection which
29 has as its primary focus the maintenance of the health and biological
30 diversity of the natural world, such that management of the environment
31 does not despoil, exhaust or extinguish.

1 **Sec. 4. *Danger Zone/High Risk Areas.*** – Danger Zone/High Risk Areas are areas
2 with high level of threat to the lives and well-being of people that cannot be addressed
3 through scientific, physical and engineering methods, and thus not suitable for
4 settlement and permanent structures. Areas can only be declared as Danger
5 Zone/High Risk Area after conducting proper technical study and public consultations
6 with affected families.

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

17 **Sec. 6. *User of Laguna Lake.*** – All fishery-related activities in Laguna Lake shall
18 be utilized by municipal fisherfolk and their cooperatives/organizations who are listed
19 as such in the Registry of Municipal Fisherfolk; Provided, That organized municipal
20 fisherfolk shall have preferential rights in the utilization of Laguna Lake.

21 **Sec. 7. *Fisherfolks Settlement Site/Area.*** – The LLCA shall establish and create
22 fisherfolk settlement areas in coordination with concerned agencies of the
23 government, where certain areas of the public domain, specifically near the fishing
24 grounds, shall be reserved for the settlement of the municipal fisherfolk. Nothing in
25 this section shall be construed to vest ownership of any resettlement area to a
26 municipal fisherfolk for whom said areas may have been reserved for or had been
27 actually granted to.

28 The LLCA in coordination with the Department of Agrarian Reform (DAR), DILG
29 and other agencies concerned, shall establish a fisherfolk settlement area that shall
30 be seen in the context of an integrated, holistic and self-reliant community to include
31 alternative source of income.

1 **Sec. 8. *Laguna Lake Conservation Authority.*** – The Laguna Lake Conservation
2 Authority (LLCA), is hereby created to replace the Laguna Lake Development Authority
3 (LLDA). It shall pursue the conservation and management of the Bay Region and shall
4 maintain its principal office at a convenient place within the Bay Region, and its branch
5 offices in such places within the Bay Region as are necessary for the proper conduct
6 of its business.

7 **Sec. 9. *Powers and Functions.*** – The LLCA shall have the following powers and
8 functions:

9 1) Periodically conduct a comprehensive survey of the Bay Region, and monitor
10 and update the same, on the basis of which it shall prepare a sustainable
11 regional development master plan to be drawn up with accredited municipal
12 fisherfolk organizations, other concerned government agencies, the private
13 sector, as well as other stakeholders.

14 Such survey includes but is not limited to a study of the Region's water
15 supply, water quantity and quality in the Lake as well as in all its major
16 tributary rivers, the state of its watersheds, irrigation, transport route,
17 reservoir of floodwater, hydroelectric, and other power potentials, scenic
18 and tourist spots, and other physical and natural resource potentials, taking
19 into account the socio-economic conditions prevailing in the area.

20 All concerned public and private agencies shall provide the LLCA the
21 necessary data for the purposes of the said survey;

22 2) Develop a long-term conservation and management program of the Bay
23 Region in consonance with a regional master plan which shall be formulated
24 in consultation with all stakeholders, concerned government agencies, local
25 government units (LGUs), private and civil society in the Bay Region;

26 3) Review all plans, projects, and programs that relate to the development of
27 the Bay Region that are proposed and submitted by LGUs, public
28 corporations and private persons or corporations to ensure that they
29 conform to the environmental standards prescribed by the LLCA and other
30 environmental laws and standards.

31 The LLCA shall collect reasonable fees as may be determined by the Board
32 for the processing of such plans, programs or projects: Provided, That any

1 future expansion of such plans, programs or projects shall be subjected to
2 review and to payment of additional fees as may be determined by the LLCA
3 Board;

- 4 4) Implement infrastructure projects within the context of its conservation and
5 management master plan, such as for flood control, irrigation, water supply,
6 solid waste management, wastewater and sewerage, roads, housing,
7 including the readjustment, relocation or resettlement of the fisherfolk
8 population within the 12.5-meter lakeshore area as may be deemed
9 necessary and beneficial.

10 Should any of these projects be financed wholly or in part by the LLCA, it
11 shall have the authority to collect reasonable fees and tolls from users or
12 beneficiaries to recover the costs of construction, operation and
13 maintenance of the projects. For infrastructure projects that are in the
14 nature of social overhead capital projects, the LLCA shall be entitled to
15 receive the corresponding financial assistance from the government to be
16 appropriated out of the funds of the national treasury not otherwise
17 appropriated;

- 18 5) Undertake massive information and education campaign among the
19 stakeholders, in close coordination with the LGUs and other government
20 agencies within the Laguna de Bay Region to promote better understanding
21 of the importance of environmental protection and conservation of the
22 Laguna Lake and its watersheds;

- 23 6) Determine new areas of fishery development, taking into account the overall
24 development plans and programs for Laguna Lake and related bodies of
25 water, and promulgate rules and regulations governing fisheries
26 development in the Bay Region. Accordingly, it shall engage in experimental
27 or pilot fish production in Laguna Lake and other bodies of water within its
28 jurisdiction, in collaboration with the Bureau of Fisheries and Aquatic
29 Resources (BFAR). It shall improve present fishery techniques and practices
30 to provide equitable access to the Lake's fishery resources for the socio-
31 economic amelioration of small fisherfolk, the improvement of their
32 communal fishing grounds, and sustainable aquaculture development and

- 1 operation. In hiring laborers for fishery-related projects, there shall be
2 preference for qualified shore land residents;
- 3 7) Regulate the use of shore land areas by enjoining LGUs within the Bay
4 Region to establish watershed management councils or wetlands whenever
5 suitable and consistent with LLCA policies;
- 6 8) Develop surface and groundwater supply sources for municipal, agricultural,
7 commercial, and industrial use, in close coordination with the National
8 Water Resources Board (NWRB) or Local Water Utilities Administration
9 (LWUA), as the case may be, pursuant to existing laws, executive orders,
10 and other issuances which may be necessary to accomplish the aims and
11 purposes of the LLCA;
- 12 9) Enter into agreements with LGUs, government agencies and corporations
13 and the private sector for the supply, treatment, distribution and marketing
14 of such water;
- 15 10) Establish and enforce anti-pollution standards on municipal, agricultural,
16 commercial and industrial wastewater and effluents being discharged into
17 the lake in coordination with appropriate government agencies;
- 18 11) Conduct a continuing research, development and extension program, in
19 close coordination with the academe, Department of Environment and
20 Natural Resources (DENR) and the Department of Science and Technology
21 (DOST), on lake water quantity and quality, integrated watershed
22 management, and enterprise development and management with the end
23 in view of promoting sustainable development in the region;
- 24 12) Adopt rules and regulations governing the approval of sewage works and
25 industrial waste disposal system and the issuance of clearance and/or
26 permits in accordance with the provisions of this Act where necessary; and
27 inspect the construction and maintenance of sewage works and industrial
28 waste disposal systems for compliance with the conditions of the clearance
29 and/or permit;
- 30 13) Require all projects or activities in or affecting the Laguna de Bay Region to
31 secure Environmental Compliance Certificates (ECCs) as required under
32 Presidential Decree No. 1586, and grant clearance and/or permits for any

1 projects or activities located within or affecting the Bay Region including,
2 but not limited to, industrial and commercial activities, navigation, irrigation,
3 power generation, housing, resettlement and other forms of land
4 developments, construction and operation of aquastructures, aquaculture
5 development, dredging or reclamation and similar or related activities, and
6 to impose necessary safeguards for lake water quantity and quality control
7 and management and to collect the necessary fees for said activities and
8 projects;

9 14) Issue, renew or deny permits subject to reasonable guidelines for the
10 discharge of sewage, industrial waste, or for the installation or operation of
11 sewage works and industrial disposal system or parts thereof for the
12 prevention and abatement of pollution; and require subdivisions,
13 condominiums, clinical and medical establishments, mortuaries, public
14 buildings, other similar human settlements, to construct appropriate central
15 sewerage system and sewage treatment works. The LLCA may impose
16 reasonable fees and other similar charges for the issuance or renewal of all
17 permits herein required;

18 15) Issue orders or decisions to compel compliance with the provisions of this
19 Act and its implementing rules and regulations only after proper notice and
20 hearing;

21 16) Make, issue, alter, or modify orders or decisions after notice and hearing,
22 requiring the discontinuance of pollution specifying the conditions and the
23 time within which such discontinuance must be accomplished;

24 17) Revoke, suspend or modify any clearance and/or permit issued under this
25 Act, after due notice and hearing, whenever the same is necessary to
26 prevent or abate pollution;

27 18) Deputize or request the assistance of appropriate government agencies or
28 instrumentalities for the purpose of enforcing this Act and its implementing
29 rules and regulations and the orders and decisions of the LLCA and LGUs;

30 19) Inspect, and investigate and monitor conditions relating to pollution and
31 existing or imminent environmental dangers; and to authorize a

- 1 representative to enter any public and private property devoted to
2 agricultural, commercial and industrial use for this purpose;
3 20) Extract janitor fish and other harmful and invasive species that pose a
4 danger to productivity of the lake and to small fisherfolk's livelihood; and
5 21) Exercise and perform such other powers and functions as may be necessary
6 to carry out the duties and responsibilities under this Act.

7 **Sec. 10. Corporate Powers.** – The Authority has the following corporate powers:

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

1 10) Perform any and all acts which a corporation, co-partnership or juridical
2 person is authorized to perform under the existing laws or which may be
3 enacted hereafter;

4 11) Provide incentives to encourage the private sector to enforce conservation
5 activities; and

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

9 **Sec. 11. Board of Directors.** – The LLCA shall be governed by a Board of
10 Directors who shall be appointed by the President of the Philippines and shall be
11 composed of the following:

- 12 1) Secretary of the Environment and Natural Resources – Chairperson
- 13 2) General Manager, LLCA – Vice Chairperson
- 14 3) Governor, Province of Laguna
- 15 4) Governor, Province of Rizal
- 16 5) Secretary, Department of Agriculture
- 17 6) Secretary, National Economic and Development Authority
- 18 7) Secretary, Department of Public Works and Highways
- 19 8) Chairman, Metro Manila Development Authority
- 20 9) Representative of the Bay Region City and Municipal Mayors' Association to
21 be constituted sixty (60) days from the passage of this Act from among the
22 mayors of towns and cities that comprise the Bay Region as defined in
23 Section 3 of this Act
- 24 10) Representative of the Laguna Fisherfolk Federation
- 25 11) Representative of the Rizal Fisherfolk Federation
- 26 12) Representative of the NCR Fisherfolk Federation
- 27 13) Representative of women fisherfolk federation

28 The representatives of the Laguna fisherfolk, Rizal fisherfolk, and NCR fisherfolk
29 shall be appointed by the President of the Philippines to be chosen from among the
30 nominees recommended by the Laguna, Rizal and NCR Fisherfolk Coalition
31 respectively, upon consultation with the concerned sector. The term of the appointive
32 members shall be six (6) years without reappointment, or until their successors are

1 duly appointed and qualified. Vacancy, other than through the expiration of the term,
2 shall be filled for the unexpired term only.

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

5 **Sec. 12. Powers and Functions.** – The Board of Directors shall exercise the
6 following powers and functions:

- 7 1) Prescribe policies, rules and regulations to govern the conduct of business
8 of the LLCA including the rules and procedures of the Authority;
- 9 2) Upon the recommendation of the General Manager, to approve the LLCA's
10 organizational and administrative structures and corresponding staffing
11 pattern as may be deemed necessary; fix their reasonable compensation,
12 allowances and other benefits; prescribe their duties and establish such
13 methods and procedures as may be necessary to ensure the efficient,
14 honest and economical administration of the provisions and purposes of this
15 Act; Provided, however, That the personnel of the LLCA below the rank of
16 Assistant General Manager shall be appointed by the LLCA General Manager,
17 except those below the rank of Department Heads, and others of
18 comparable rank, shall be subject to the confirmation by the Board;
19 Provided, further, That the personnel of the LLCA shall be selected only from
20 civil service eligibles and be subject to Civil Service rules and regulations;
- 21 3) Upon the recommendation of the General Manager, to approve the annual
22 and supplemental budget of receipts and expenditures of the LLCA, and to
23 authorize such operating and capital expenditures and disbursements of the
24 LLCA as may be necessary or proper for the effective management,
25 operation and administration of the LLCA;
- 26 4) Create and organize a Technical Advisory Council composed of
27 representatives from both the government and non-government sectors as
28 the Board may determine to assist and advise the Board in the conduct of
29 public consultations with all Bay Region stakeholders towards a better
30 considered formulation of LLCA plans and policies.
- 31 5) Perform such other functions as may be necessary to carry out the
32 provisions of this Act.

1 **Sec. 13. *Board Meetings.*** – The Board shall meet at least once a month.

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

6 **Sec. 15. *General Manager; Powers and Functions.*** – The General Manager shall
7 be the Chief Executive Officer of the LLCA. As such, he/she shall have the following
8 powers and functions:

9 1) Submit for consideration of the Board policies and measures which he
10 believes to be necessary to carry out the purposes and objectives of this
11 Act;

12 2) Execute, administer, and implement the policies, plans, programs and
13 projects approved by the Board;

14 3) Manage and supervise the operation and administration of the LLCA;

15 4) Appoint all officials and employees of LLCA below the rank of Assistant
16 General Manager, remove, suspend or otherwise discipline them for cause,
17 in accordance with existing Civil Service rules and regulations, and submit
18 quarterly reports to the Board on personnel selection, placement and
19 training;

20 5) Render an annual report to the Board and various stakeholders regarding
21 the operation of the LLCA including its latest financial statement;

22 6) Represent the LLCA in all dealings with offices, agencies and
23 instrumentalities of the government and all persons and other entities,
24 public or private, domestic and foreign;

25 7) Perform such other functions as may be provided in the By-Laws and as
26 may be vested in him/her by the Board.

27 **Sec. 16. *Qualifications of the General Manager.*** – The General Manager shall
28 be a citizen and resident of the Philippines. He/she shall have demonstrated executive
29 competence and experience in the field of public administration, economic planning,
30 environmental and natural resource management, or in the establishment and
31 management of large agricultural, commercial or industrial enterprises. No person

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

3 **Sec. 17. *Tenure of Office of the General Manager.*** – The General Manager shall
4 be appointed by the President of the Philippines for a fixed term of six (6) years. In
5 case of resignation, retirement, separation, transfer, re-assignment, removal and
6 other cause of cessation from office, the replacement shall serve only for the unexpired
7 portion of the term.

8 **Sec. 18. *Compensation.*** – The General Manager shall receive compensation at
9 rates in accordance with the Salary Standardization Law.

10 **Sec. 19. *Management Structure.*** – In carrying out the activities of the LLCA, the
11 General Manager shall be assisted by two Assistant General Managers (one for
12 Operations and another for Administration) who shall have such powers, duties, and
13 functions as the General Manager may prescribe and/or delegate and shall act as the
14 General Manager in the absence of or during the temporary incapacity of and/or until
15 such time as a new General Manager is duly appointed.

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

- 18 1) ***Corporate Legal Affairs Department*** which shall provide legal advice and
19 support to all the corporate units on legal implications of the various
20 undertakings of the Authority and divided into Litigation Division, and
21 Research and Documentation Division.
- 22 2) ***Administrative Department*** which shall be responsible for providing services
23 relating to human resource management, records management, and
24 general services.
- 25 3) ***Finance Department*** which shall be responsible on revenue planning,
26 generation and enhancement, assistance on budgetary and financial
27 matters, and safekeeping of corporate assets.
- 28 4) ***Policy Planning and Management Services Department*** which shall
29 undertake policy research and development, and advise the General
30 Manager on policy positions and public advocacy measures for approval of
31 the Board.

1 5) *Integrated Water Resources Management Services Department* which will
2 serve was the main technical arm of the Authority and shall integrate the
3 functions of Lake basin management and conservation. It shall oversee the
4 management of the Laguna Lake and its river systems including the
5 shorelands.

6 6) *Environmental Protection Department* which will manage all the
7 environmental regulatory functions of the Authority like clearance/permits
8 and licensing, monitoring and surveillance, enforcement and adjudication
9 and environmental quality compliance.

10 The Board shall periodically review the appropriateness of the existing
11 organizational structure and amend the same whenever it may deem
12 necessary and beneficial to achieve the purposes of this Act and to be able
13 to respond efficiently to LLCA's mandate as herein provided.

14 **Sec. 20. *Annual Fees.*** – The LLCA is hereby authorized to collect annual fees
15 for the use of the lake waters, its tributaries and shoreland areas for all beneficial
16 purposes, including but not limited to fisheries, aquaculture, municipal, agricultural,
17 irrigation, commercial, industrial, hydroelectric generation and other power potential,
18 transport and navigation, waste disposal purposes, recreation and
19 dredging/reclamation from all private and public entities whether government or non-
20 government agencies, among others. All the fees so collected shall be accordingly
21 appropriated for the sustainable development of the lake and its watershed areas.
22 Provided, That the fees collected for fisheries may be shared between the Authority
23 and other government agencies and LGUs as follows: thirty-five percent (35%) of the
24 fish pen fee goes to shore land LGUs, five percent (5%) goes to the Project
25 Development Fund, and the remaining sixty percent (60%) shall be retained by LLCA;
26 Provided, however, that the share of the LLCA shall form part of its corporate funds
27 and shall not be remitted to the National Treasury as an exception to the provisions
28 of Presidential Decree No. 1234.

29 **Sec. 21. *Capitalization and Financing.*** – The LLCA shall have an authorized
30 capital of One Billion Pesos (Php 1,000,000,000.00). The authorized capital stock shall
31 be divided into Ten Million Pesos (10,000,000) shares of stock with a par value of One
32 Hundred Pesos (Php 100.00) per share. The National Government shall subscribe to

1 Six Million shares, the Province of Laguna to One Million shares, the Province of Rizal
2 to One Million shares, and the balance of Two Million shares shall be open for
3 subscription of other government agencies or LGUs and other private individuals or
4 corporations within the Bay Region.

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

- 6 1) 7,000,000 common shares (voting); and
- 7 2) 3,000,000 preferred shares (non-voting) with such fixed rates of return as
8 shall be determined by the Board.

9 Provided, however, That preferred shares shall enjoy preference with respect
10 to distribution of dividends and assets in case of dissolution.

11 *Sec. 22. Appropriations.* – The amount of Three Hundred Million Pesos (Php
12 300,000,000.00) is hereby appropriated to carry out the provisions of this Act which
13 shall be included in the General Appropriations Act of the year following its enactment.

14 The additional amount of Three Hundred Million Pesos (Php 300,000,000.00)
15 shall be divided to shares of stock in accordance with the proportion provided in the
16 preceding paragraph.

17 **Committee report provision on funding: *The amount necessary to***
18 ***subscribe and pay for the remaining shares of the national government to the capital***
19 ***stock of the LLCA shall be included in the annual General Appropriations Act. For LGUs,***
20 ***the funds shall be taken from their internal revenue allotment and other local funds.***

21 *Sec. 23. Domestic and Foreign Borrowing Authority.* – The Administration shall
22 have the authority to borrow money from all domestic and foreign loan sources
23 whether government or private; Provided, That its loan outstanding both from
24 domestic and foreign sources shall not exceed an aggregate ceiling of Nine Hundred
25 Million U.S. Dollars (US\$ 900,000,000.00): Provided, That all domestic and foreign
26 borrowings of LLCA shall be approved by the Department of Finance (DOF), Bangko
27 Sentral ng Pilipinas (BSP), and other entities as required by pertinent laws and
28 regulations.

29 *Sec. 24. Authority to Contract Foreign Loan.* – The Administration is hereby
30 authorized to contract loans, credits, in any convertible foreign currency or capital
31 goods, and to incur indebtedness from time to time with foreign governments, or any
32 international financial institutions or fund sources, including supplier's credits or

1 deferred payment arrangements, the total outstanding amount of which, excluding
2 interests, shall not exceed its aggregate domestic and foreign borrowing authority of
3 Nine Hundred Million US Dollars (US\$ 900,000,000.00) or the equivalent thereof in
4 other currencies, on terms and conditions promulgated by the Secretary of Finance
5 and the Monetary Board for the accomplishment of its objectives; and to enter into
6 and execute contracts and other documents specifying such terms and conditions.

7 The President of the Philippines, his or her duly authorized representative, is
8 hereby authorized to negotiate and contract with foreign governments or any
9 international financial institution or fund sources in the name and on behalf of the
10 administration, one or several loans, for the purpose of implementing the
11 Administration's program for the promotion and development of local water utilities
12 through the Administration's financing or lending operations.

13 The President of the Philippines, his or her duly authorized representative, is
14 hereby further authorized to guarantee, absolutely and unconditionally, as primary
15 obligor and not as mere surety, in the name and on behalf of the Republic of the
16 Philippines, the payments of the loans, credits, and indebtedness up to the amount
17 herein authorized, over and above the amounts which the President of the Philippines
18 pursuant to loan agreements entered into with foreign governments or any
19 international financing institution or fund sources.

20 The loan credits and indebtedness contracted under this section shall be in
21 accord with the provisions of Republic Act No. 4680, or the Foreign Borrowing Act as
22 amended. The provisions of Section 123 of Republic Act No. 7653, otherwise known
23 as the New Central Bank Act; The provisions of Section 23 of Central Bank Circular
24 No. 1389, as amended; Section 20, Article VII and Section 21, Article XII of the 1987
25 Constitution and other pertinent laws and regulations.

26 *Sec. 25. Creation of LLCA Environmental Adjudication Panel.* – For the purpose
27 of effectively carrying out the quasi-judicial powers of the Authority within the Bay
28 Region, the LLCA Environmental Adjudication Panel (LEAP) is hereby created
29 composed of a Chairman and two (2) other members representing the Office of the
30 General Manager, the Corporate Legal Affairs Department and the concerned
31 department depending on the matter under controversy to be designated by the
32 General Manager. The LEAP is hereby mandated to take cognizance and adjudicate

1 violations of this Act including all existing and relevant laws, LLCA policies, rules and
2 regulations. Any decision order or resolution must be concurred by the majority
3 member of the panel and duly approved by the General Manager.

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

5 **Sec. 26. *Creation of a Lake Police Force.*** – The National Police Commission shall
6 constitute and assign a special police force, to be known as the Laguna Lake Police,
7 exclusively for the Bay Region, trained especially for enforcement of laws on fisheries
8 and environmental laws and the rules and regulations duly promulgated by the LLCA.

9 The extent of operational supervision and control by the LLCA General Manager
10 over the Laguna Lake Police shall be the same as that of local chief executives over
11 police force of LGUs as defined in the Department of the Interior and Local
12 Government Act of 1990 (R.A. 6975), in relation to Sec. 73 of the Local Government
13 Code of 1991 (R.A. 7160). The LLCA Board, the local government units (LGUs) and
14 the leadership of the Philippine National Police shall within sixty (60) days from the
15 passage of this Act constitute a technical working group that will further delineate and
16 define the nature and character of this unit in order to avoid any overlap and potential
17 conflict with the LGU police units within the Bay Region.

18 **Sec. 27. *Exemption from Tax.*** – The LLCA shall be exempt from:

- 19 1) All taxes, licenses, fees, imposts, charges, costs, duties, incidental to its
20 operations and service/filing fees in any court or administrative proceedings,
21 in which it may be a party, restrictions and duties to the Republic of the
22 Philippines, its provinces, cities, municipalities and other government
23 agencies and instrumentalities; and
24 2) All income taxes, franchise taxes and realty taxes to be paid to the National
25 Government, its provinces, cities, municipalities, and other government
26 agencies and instrumentalities.

27 **Sec. 27. *Fines and Penalties.*** – The LLCA is authorized to impose administrative
28 fines and other penalties it may deem reasonable and appropriate as determined and
29 approved by the Board for non-compliance with permit conditions and for undertaking
30 development activities without clearance/permit from the LLCA against any person,
31 juridical or otherwise, within the Bay Region who may be found violating, or have in
32 fact violated, any of its rules and regulations.

1 Likewise, the LLCA is authorized to institute the necessary legal proceedings
2 against those who shall commence to implement any development activities within
3 the Bay Region not cleared nor approved by the LLCA.

4 **Sec. 29. Damages.** – Compensation for any damage to the shoreland, water
5 and aquatic resources of Laguna Lake and its tributaries resulting from failure to meet
6 established water and effluent quality standards or from such other wrongful act or
7 omission of a person, private or public, juridical or otherwise, punishable under the
8 law shall be awarded to the LLDA for water quantity/quality control and management
9 projects.

10 **Sec. 30. Penal and Civil Liability Clause.** – Any person, natural or juridical, who
11 shall violate any of the provisions of this Act or any rules and regulations promulgated
12 by the Authority pursuant thereto shall be liable to imprisonment of not exceeding
13 three (3) years or to a fine not less than Fifty thousand pesos (Php 50,000.00) or both
14 at the discretion of the court. This is without prejudice to the imposition of penalties
15 as may be provided under existing and relevant laws, rules and regulations.

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

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

22 **Sec. 31. Auditor.** – The Chairman of the Commission on Audit shall be the ex-
23 officio Auditor of the LLCA. For this purpose, he may appoint a representative who
24 shall be the Auditor of the LLCA, and the necessary personnel to assist said
25 representative in the performance of his duties.

26 The Chairman of the Commission on Audit or his authorized representative shall
27 submit to the Board soon after the close of each calendar year, an audited statement
28 showing the financial condition and progress of the LLCA for the calendar year just
29 ended.

30 **Sec. 32. Implementing Rules and Regulations.** – The LLCA in coordination with
31 the proper standing Committees of both the Senate and the House of Representatives
32 and other concerned agencies and fisherfolk federation shall promulgate the

1 implementing rules and regulations (IRR) for this Act, within one (1) year after its
2 enactment; Provided, That the rules and regulations issued by other government
3 agencies and instrumentalities for the prevention and/or abatement of water pollution
4 not inconsistent with this Act shall supplement the rules and regulations issued by the
5 LLCA pursuant to the provisions of this Act.

6 **Sec. 33. *Repealing Clause.*** – Republic Act No. 4850 as amended, Presidential
7 Decree No. 813 and Executive Order No. 927 and all laws, orders, issuance, rules and
8 regulations inconsistent herewith are hereby repealed.

9 **Sec. 34. *Separability Clause.*** – If any provision or part hereof is held invalid or
10 unconstitutional, the remainder of the law or the provision or part not otherwise
11 affected shall remain valid and subsisting.

12 **Sec. 35. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
13 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,