

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



Senate
Office of the Secretary

'13 NOV 19 /10 :29

SENATE
P.S. Resolution No. 371

RECEIVED BY: *ja*

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF LOCAL WATER DISTRICTS OF THEIR PROJECTS AND THE PARTICIPATION OF THE LOCAL WATER UTILITIES ADMINISTRATION IN THE WATER SUPPLY PROVISION IN THE COUNTRYSIDE TO PROTECT CONSUMERS, WITH THE END VIEW OF AMENDING PROVISIONS OF PRESIDENTIAL DECREE NO. 198 AND OTHER PERTINENT LAWS

Whereas, under Presidential Decree (PD) No. 198, one of the prerequisites to the orderly and well-balanced growth of urban areas is an effective system of local utilities, the absence of which is recognized as a deterrent to economic growth, a hazard to public health and an irritant to the spirit and well being of the citizenry. Domestic water system and sanitary sewers are two of the most basic and essential elements of local utility systems, thus, creating the Local Water Utilities Administration (LWUA) in the national level and also establishing of water districts in provinces, cities and municipalities;

Whereas, it is further stated under the Provincial Water Utilities Act of 1973, the creation, operation, maintenance and expansion of reliable and economically viable and sound water supply and wastewater disposal systems for population centers of the Philippines is hereby declared to be an objective of national policy of high priority. For purposes of achieving said objectives, the formulation and operation of independent, locally controlled public water district is found and declared to be the most feasible and favored institutional structure;

Whereas, Chapter VI of PD No. 198 provides that the Administration may make loans from its Revolving Loan Funds to qualified local water utilities upon the fulfillment of the qualifications set by law. In line with this, LWUA is also authorized to monitor the performance of the water districts based on the system set by the Administration. LWUA is also mandated to provide management advisory, technical assistance and personnel training in order to fulfill its role of providing a supervised credit scheme. The Administration may also require reports, conduct investigations and review all available information to determine the compliance of the water districts;

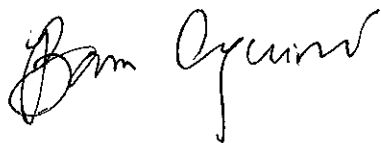
Whereas, the LWUA has provided financial assistance and loans in favor of local water districts for the construction and improvement of its service to provide safe and potable water to the public. However, said LWUA financial assistance and loans granted to local water districts are passed on to consumers and the general public as additional water rates;

Whereas, there is a need to inquire into the loans given by LWUA to a number of local water districts, like the Bacolod City Water District (BACIWA) which was granted a loan by the LWUA in the amount of Five Hundred Thirty Seven Million Pesos (Php 537,000,000.00). There were reports that it was haphazardly implemented to the detriment of the consuming public;

Whereas, there is a need to revisit the provisions of existing laws as well as rules and regulations creating the local water district in order to protect the consumers for paying a higher amount for services not being efficiently rendered by the said districts;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved to direct the appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the implementation of local water districts of their projects and the participation of the local water utilities administration in the water supply provision in the countryside to protect consumers, with the end view of amending provisions of Presidential Decree No. 198 and other pertinent laws.

Adopted,

A handwritten signature in black ink, appearing to read "Benigno Aquino III", is written below the word "Adopted,".