

SEVENTEETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
FIRST REGULAR SESSION)



Senate
Office of the Secretary

'16 AUG -1 A11 :41

SENATE

SENATE BILL NO. 939

BY

BY: 

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

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 DEVELOPMENT
AUTHORITY ACT OF 1966, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Laguna de Bay is the largest inland body of water in the Philippines. It has an aggregate surface area of 900km². Currently, the vast natural resources of the lake is being used for fisheries, transport route, flood water reservoir, power generation, recreation, irrigation, industrial cooling, water sink and a source of potable water.

Republic Act No. 4850 entitled "*An Act Creating the Laguna Lake Development Authority, Prescribing its Powers, Functions and Duties, Providing Funds Therefor and for Other Purposes*" is the first law enacted to promote and accelerate the development of the Laguna Lake. However, no amendment was introduced after forty (40) years since it was implemented.

This bill seeks to strengthen the policy-making and regulatory powers of the LLDA to realize its 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 Laguna de Bay.

It proposed to adopt an integrated water resources management (IWRM) approach, using the lake's watersheds as planning units to interconnect and integrate its various ecosystems.

In accordance with the IWRM approach, any development program in the region shall always consider sustainable environmental management and the prevention of any ecological harm, resource deterioration and pollution to allow, the lake to realize its full potentials including, among other uses, as a major resource in fish production of national importance.

In view of the foregoing, approval of this measure is fervently sought.



JOSEPH VICTOR G. EJERCITO

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AUTHORITY ACT OF 1966, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "*Laguna*
2 *Lake Development Authority Act of 2016.*"
3

4
5 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the
6 State to promote and develop Laguna Lake in a sustainable manner along
7 with the surrounding areas that comprise its region, hereinafter referred to as
8 the Bay Region, with Laguna Lake as its focal point whose water resources
9 must be systematically managed and protected for various uses.
10

11 For this purpose, the State hereby adopts an integrated water resources
12 management (IWRM) approach, using the lake's watersheds as planning units
13 to interconnect and integrate its various ecosystems pursuant to Art. II, Sec. 16
14 of the 1987 Constitution: "The State shall protect and advance the right of the
15 people to a balanced and healthful ecology in accord with the rhythm and
16 harmony of nature."
17

18 In accordance with the IWRM approach, any development program in
19 the region shall always consider sustainable environmental management and
20 the prevention of any ecological harm, resource deterioration and pollution to

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

6
7
8 **SEC. 3. *Definition of Terms* . - As used in this Act:**
9

10 1) *Laguna Lake or Laguna de Bay* . - area covered by the lake water when
11 it is at the average annual maximum lake level of elevation 12.50 meters, as
12 referred to a datum 10.00 meters below mean lower low water. (M.L.L.W.) of
13 Manila de Bay. Lands located at and below such elevation are public lands
14 that form part of the bed of said lake.
15

16 2) *Integrated Water Resources Management (IWRM)* - process that
17 promotes the coordinated development and management of water, land and
18 related resources in order to maximize the resultant economic and social
19 welfare in an equitable manner without compromising the sustainability of
20 vital ecosystems.
21

22 3) *Watershed* - the geographic area of land that drains water to a shared
23 destination or to an area of land that drains down slope to the lowest point.
24 The water moves through a network of drainage pathways, both
25 underground and on the surface. Other terms used interchangeably with
26 watershed include *drainage basin* or *catchment basin*.
27

28 4) *Environment* - physical factors' of the total surroundings of human
29 beings, including but not limited to the lakes and other bodies of water, land,
30 air, atmosphere, climate, sound, odor, plants, insects, animals, its biological
31 and physical factors, all its life support systems and all other surrounding
32 matters that affect directly or indirectly the existence of human life and other
33 life forms in a specific area.
34

35 5) *Shore land / Lakeshore areas / Buffer Zone* - part of the lake along tire
36 lakeshore lying at elevation 12.50 meters and below and alternately
37 submerged or exposed by the annual or seasonal rising and lowering of the
38 lake levels. This is a linear strip of land of approximately 14,000 hectares
39 designed to separate the incompatible elements or uses, or to control
40 pollution/nuisance and for identifying and defining development areas or
41 zones.
42

43 6) *Ground water* - sub-surface water that occurs beneath the water table
44 in soils and rocks, or in geological formations.
45

1 7) *Aquaculture* - fishery operations involving all forms of raising and
2 culturing fish and other fishery species in fresh, brackish and marine water
3 areas.
4

5 8) *Aqua structure* - structure enclosing a particular area in the lake
6 which makes use of poles usually made of bamboo or anahaw and
7 surrounded by nets, fastened by a weight of sinkers embedded in the lake
8 bed; may also refer to a fish cage which is an inverted mosquito net fastened
9 to poles usually made of bamboo or such other structures used for fish or
10 aquatic resource culture.
11

12 9) *Effluent* - discharge from known sources which is passed into a body
13 of water or land, or wastewater flowing out of a manufacturing plant or an
14 industrial plant, including domestic, commercial and recreational facilities.
15

16 10) *Pollution* - any alteration of the physical, chemical and biological
17 properties of any water, air and land resources of the Philippines or any
18 discharge thereto of any liquid, gaseous or solid wastes as will be likely to
19 create or to render such resources harmful, detrimental or injurious to public
20 health, safety or welfare or which will adversely affect their utilization for
21 domestic, commercial, industrial, agriculture, recreational or other legitimate
22 purposes.
23
24

25 **SEC. 4. *Laguna Lake Region.*** - For purposes of this Act, the Laguna
26 Lake Region shall comprise the provinces of Laguna and Rizal; the cities of
27 Calamba, Sta. Rosa, San Pablo, Pasay, Caloocan, Quezon, Manila, Makati,
28 Mandaluyong, San Juan, Pasig, Marikina, Muntinlupa, Antipolo, Tagaytay,
29 Tanauan, Taguig and Lipa; the towns of Silang, Carmona, Dasmaringas and
30 General Mariano Alvarez in Cavite Province; the towns of Mauban, Real,
31 Lucban and Sampaloc in Quezon Province; the towns of Sto. Tomas and
32 Malvar in Batangas; and the town of Pateros in Metro Manila and all areas
33 that drain into the Laguna Lake: *Provided*, That any cities or towns that may
34 be subsequently created in the future out of the aforementioned
35 municipalities and cities surrounding Laguna Lake shall automatically form
36 part of the Laguna Lake Region.
37
38

39 **SEC. 5. *Laguna Lake Development Authority.*** - Pursuant to the original
40 mandate of Republic Act No. 4850, as amended, the Laguna Lake,
41 Development Authority, hereinafter referred to as the LLDA, shall pursue the
42 ecologically sustainable development of the Bay Region. It shall maintain its
43 principal office at a convenient place within the region, and such branch
44 offices in other places within the Bay Region as are necessary for the proper
45 conduct of its business.
46

1
2 **SEC. 6. Powers and Functions.** - The LLDA shall have the following
3 powers and functions:
4

5 (a) Periodically conduct, monitor and update a comprehensive
6 survey of the Bay Region, including its socio-economic
7 conditions, water quantity and quality in the lake proper and all
8 its major tributary rivers, irrigation, water supply, transport
9 route, reservoir of floodwater, hydroelectric and other power
10 potentials, scenic and tourist spots, state of its watersheds, the
11 tributary rivers and other physical and natural resource
12 potentials on the basis of which it shall prepare a sustainable
13 regional development master plan.
14

15 All concerned public and private agencies shall provide
16 the LLDA the necessary data for the purposes of the said survey;
17

18 (b) Develop a long-term program to attract more private-sector-
19 driven investments into the Bay Region in consonance with a
20 regional master plan that shall be formulated in consultation
21 with stakeholders, concerned government agencies, local
22 government units (LGUs), and civil society in the Bay Region;
23

24 (c) Review all plans, projects and programs that relate to the
25 development of the Bay Region, proposed and submitted by
26 LGUs, public corporations and private persons or corporations
27 to ensure that they conform to the environmental standards
28 prescribed by the LLDA and other similar laws;
29

30 The LLDA shall collect reasonable fees as may be
31 determined by the Board for the processing of such plans,
32 programs or projects. Any future expansion of such plans,
33 programs, or projects shall be again subject to LLDA review and
34 to payment of additional fees as may be further determined by
35 the LLDA Board;
36

37 (d) Engage, whether by itself or in cooperation with private
38 persons or entities, in agriculture, commerce, industry, or to
39 organize, finance, invest in, and operate subsidiary corporations
40 which are in the nature of new ventures or are clearly beyond
41 the scope, capacity, or interest of private enterprises by reason of
42 geography, technical or capital requirements, returns on
43 investment and risk and when public interest so requires;
44

45 (e) Implement infrastructure projects such as flood control, solid
46 waste management, wastewater and sewerage, water supply,

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

14 (f) Undertake a massive information campaign among the
15 stakeholders, in close coordination with the LGUs and other
16 government agencies within the Laguna de Bay Region to
17 promote better understanding of the importance of
18 environmental protection and conservation of the Laguna Lake
19 and its watersheds;
20

21 (g) Implement dredging and/or reclamation projects in close
22 coordination with the Philippine Reclamation Authority
23 (PRA)/Public Estates Authority (PEA) and LGUs concerned
24 with the end-in-view of facilitating the approval thereof by the
25 PRA/PEA pursuant to existing laws, executive orders and other
26 issuances which may be necessary to accomplish the aims and
27 purposes of the LLDA; *Provided*, That the land so reclaimed shall
28 become the property of the national government through the
29 LLDA;
30

31 (h) Determine new areas of fishery development, taking into
32 account the overall development plans and programs for
33 Laguna Lake and related bodies of water and promulgate rules
34 and regulations governing fisheries development in the Bay
35 Region. Accordingly, it shall engage in experimental/pilot fish
36 production such as the propagation of ornamental fish and
37 similar aquaculture projects in Laguna Lake and other bodies of
38 water within its jurisdiction, in collaboration with the Bureau of
39 Fisheries and Aquatic Resources (BFAR). It shall improve
40 present fishery techniques and practices to provide equitable
41 access to its fishery resources for the socio-economic
42 amelioration of small fisher folk, improvement of their
43 communal fishing grounds, sustainable aquaculture
44 development and operation. In hiring laborers for fishery-
45 related projects, there shall, be preference for qualified shore
46 land residents;

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

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

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

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

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

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

(o) Require all projects or activities in or affecting the Laguna de Bay Region to secure Environmental Compliance Certificates (ECCs) required under Presidential Decree No. 1586 and grant clearance and/or permits for any projects or activities located within or affecting the Bay Region including, but not limited to, industrial and commercial activities, navigation, irrigation, power generation, housing, resettlement and other forms of land

1 developments, construction and operation of aqua structures,
2 aquaculture development, dredging/reclamation and similar or
3 related activities and to impose necessary safeguards for lake
4 water quantity and quality control and management and to
5 collect necessary fees for said activities and projects;
6

7 (p) Issue, renew, or deny permits subject to reasonable
8 guidelines for the discharge of sewage, industrial waste, or for
9 the installation or operation of sewage works and industrial
10 disposal system or parts thereof for the prevention and
11 abatement of pollution and require subdivisions,
12 condominiums, clinical and medical establishments, mortuaries,
13 public buildings, other similar human settlements, to construct
14 appropriate central sewerage system and sewage treatment
15 works. The LLDA may impose reasonable fees and other similar
16 charges for the issuance or renewal of all permits herein
17 required;
18

19 (q) Issue orders or decisions to compel compliance with the
20 provisions of this Act and its implementing rules and
21 regulations after proper notice and hearing;
22

23 (r) Make, issue, alter, or modify orders or decisions, after notice
24 and hearing, requiring the discontinuance of pollution
25 specifying the conditions and the time within which such
26 discontinuance must be accomplished;
27

28 (s) After due notice and hearing, revoke, suspend or modify any
29 clearance and/or permit issued under this Act whenever the
30 same is necessary to prevent or abate pollution;
31

32 (t) Deputize or request assistance of appropriate government
33 agencies or instrumentalities for the purpose of enforcing this
34 Act and its implementing rules and regulations and the orders
35 and decisions of the LLDA;
36

37 (u) Authorize its bona fide representatives at all reasonable
38 times to enter any public and private property devoted to
39 agricultural, commercial and industrial use for the purpose of
40 inspecting and investigating conditions relating to pollution and
41 existing and/or imminent environmental danger;
42

43 (v) Exercise such powers and perform such other functions as
44 may be necessary to carry out its duties and responsibilities
45 under this Act.
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SEC. 7. Corporate Powers. - The Authority has the following corporate powers:

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

1 under the existing laws or which *may* be enacted
2 hereafter;

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

6
7 (l) Issue such other rules and regulations as *may* be
8 necessary from time to time to achieve the purposes of
9 this Act, the same to take effect thirty (30) days after its
10 publication in a newspaper of general circulation.
11

12 **SEC. 8. Board of Directors.** - The LLDA shall be governed by a Board
13 of Directors who shall be appointed by the President of the Philippines and
14 shall be composed of the following:
15

- 16 1) Secretary of Environment and Natural Resources, Chairman
- 17 2) General Manager, LLDA , Vice-Chairman
- 18 3) Governor, Province of Laguna, ex officio
- 19 4) Governor, Province of Rizal, ex officio
- 20 5) Secretary, Department of Agriculture
- 21 6) Secretary, National Economic and Development Authority
- 22 7) Secretary, Department of Public Works and Highways
- 23 8) Chairman, Metro Manila Development Authority
- 24 9) Representative of the Bay Region City and Municipal Mayors'
25 Association to be constituted Sixty (60) days from the
26 passage of this Act from among the mayors of towns and
27 cities that comprise the Bay Region as defined in Section 3 of
28 this Act;
- 29
- 30 10) Representative of the Laguna fisherfolk
- 31 11) Representative of the Rizal fisherfolk
- 32

33 The representatives of the Laguna fisher folk and the Rizal fisher folk
34 shall be appointed by the President of the Philippines to be chosen from
35 among the nominees recommended by the Laguna Governor and the Rizal
36 Governor, respectively, upon consultation with the concerned sector. The
37 term of the appointive members shall be six (6) years without reappointment,
38 or until their successors are duly appointed and qualified. Vacancy, other
39 than through the expiration of the term, shall be filled for the unexpired term
40 only.
41

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

5 **SEC. 9. Powers and Functions.** - The Board of Directors shall exercise
6 the following powers and functions:
7

8 a) Prescribe policies, rules and regulations to govern the conduct
9 of business of the LLDA including the procedures of the Authority;
10

11 b) Upon the recommendation of the General Manager, approve
12 the LLDA's organizational and administrative structures and
13 corresponding staffing pattern as may be deemed necessary: fix their
14 reasonable compensation, allowances and other benefits in accordance
15 with the salary standardization law; prescribe their duties and
16 establish such methods and procedures as may be necessary to insure
17 the efficient, honest and economical administration of the provisions
18 and purposes of this Act; *Provided, however,* That all personnel of the
19 LLDA below the rank of Assistant General Manager shall be appointed
20 by the General Manager; *Provided, further,* That all personnel appointed
21 by the General Manager, except those below the rank of Department
22 leads, and others of comparable rank, shall be subject to the
23 confirmation by the Board; *Provided, further,* That the personnel of the
24 LLDA shall be selected only from civil service eligible and be subject to
25 civil service rules and regulations;
26

27 c) Upon the recommendation of the General Manager, to
28 approve the annual and supplemental budget of receipts and
29 expenditures of the LLDA, and to authorize such operating and capital
30 expenditures and disbursements of the LLDA as may be necessary or
31 proper for the effective management, operation and administration of
32 the LLDA;
33

34 d) Create and organize a Technical Advisory Council composed
35 of representatives from both the government and non-government
36 sectors as the Board may determine to assist and advise the Board in
37 the conduct of public consultations with Bay Region stakeholders
38 towards a better considered formulation of LLDA plans and policies;
39 and
40

41 e) Perform such other functions as may be necessary to carry out
42 the provisions of this Act.
43
44

45 **SEC. 10. Board Meetings.** - The Board shall meet at least once a month.
46

1
2 **SEC. 11. *Per Diems.*** - The members of the Board shall each receive per
3 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
5 equivalent per diem for four (4) meetings.
6

7
8 **SEC. 12. *Sinking Fund.*** - A sinking fund shall be established in such
9 manner that the total annual contribution thereto accrued at such interests as
10 may be determined by the Board of Directors as confirmed by the
11 stockholders representing a majority of the subscribed capital stock
12 outstanding and entitled to vote, shall be sufficient to redeem at maturity the
13 bonds issued under this Act.
14

15 Such funds shall be under the custody of the treasurer of the authority
16 who shall invest the same in such manner as the Board of Directors may
17 direct; charge all expenses of investment to said sinking fund, and credit the
18 same with the interest on investment and other income belonging to it.
19

20
21 **SEC. 13. *General Manager; Powers and Functions.*** - The General
22 Manager shall be the Chief Executive Officer of the LLDA. As such, he/she
23 shall have the following powers and functions:
24

- 25 a) Submit for consideration of the Board policies and measures
26 that he believes to be necessary to carry out the purposes and
27 objectives of this Act;
28
29 b) Execute, administer, and implement the policies, plans,
30 programs and projects approved by the Board;
31
32 c) Manage and supervise the operation and administration of
33 the LLDA;
34
35 d) Appoint all officials and employees of LLDA below the rank
36 of Assistant General Manager, remove, suspend or otherwise
37 discipline them for cause, in accordance with existing civil
38 service rules and regulations, and submit quarterly reports
39 to the Board on personnel selection, placement and training;
40
41 e) Render an annual report to the Board and various
42 stakeholders regarding the operation of the LLDA, including
43 its latest financial statement;
44
45 f) Represent the LLDA in all dealings with 'offices, agencies
46 and instrumentalities of the government and with all persons

1 and other entities, public or private, domestic and foreign;
2 and
3

4 g) Perform such other functions as may be provided in the By-
5 Laws and as may be vested in him/her by the Board.
6

7 **SEC. 14. *Qualifications of the General Manager.*** - The General
8 Manager shall be a *citizen* and resident of the Philippines. He/She shall have
9 demonstrated executive competence and experience in the field of public
10 administration, economic planning, environmental and natural resource
11 management, or in the establishment and management of large agricultural,
12 commercial or industrial enterprises. No person shall be nominated as
13 General Manager unless he/she is of unquestioned integrity and competence.
14

15
16 **SEC. 15. *Tenure of Office of the General Manager.*** - The General
17 Manager shall be appointed by the President of the Philippines for a 'fixed
18 term of six (6) years. In case of resignation, retirement, separation, transfer, re-
19 assignment, removal and other cause of cessation from office, the replacement
20 shall serve only for the unexpired portion of the term.
21

22
23 **SEC. 16. *Compensation.*** - The General Manager shall receive
24 compensation at rates in accordance with the salary standardization law.
25

26
27 **SEC. 17. *Management Structure.*** - In carrying out the activities of the
28 LLDA, the General Manager shall be assisted by two Assistant General
29 Managers - one for Operations and another for Administration - who shall
30 have such powers, duties, and functions as the General Manager may
31 prescribe and/ or delegate and shall act as the General Manager in his/her
32 absence or during his/her temporary incapacity of and/or until such time as
33 a new General Manager is duly appointed.
34

35 The Authority shall have the following departments under the direct
36 supervision and control of the General Manager;
37

38 a) *Corporate Legal Affairs Department* which shall provide legal
39 advice and support to all the corporate units on the legal implications
40 of the various undertakings of the Authority and divided into
41 Litigation Division, and Research and Documentation Division;
42

43 b) *Administrative Department* which shall be responsible for
44 providing services relating to human resource management, records
45 management, and general services;
46

1 c) *Finance Department* that shall be responsible on revenue
2 planning, generation and enhancement, assistance on budgetary and
3 financial matters, and safekeeping of corporate assets.
4

5 d) *Policy Planning and Management Services Department* which
6 will undertake policy research and development, and advise the
7 General Manager on policy positions and public advocacy measures
8 for approval of the Board.
9

10 e) *Integrated Water Resources Management Services Department* that
11 will serve as the main technical arm of the Authority and shall
12 integrate the functions of lake basin management and development. It
13 shall oversee the management of the Laguna Lake and its river systems
14 including the shore lands.
15

16 (f) *Environmental Protection Department* that will manage all the
17 environmental regulatory functions of the Authority like
18 clearance/permits and licensing, monitoring and surveillance,
19 enforcement and adjudication and environmental quality compliance.
20

21 The Board shall periodically review the appropriateness of the existing
22 organizational structure and amend the same whenever it may deem
23 necessary and beneficial to achieve the purposes of this Act and to be able to
24 respond efficiently to LLDA's mandate as herein provided. Any proposed
25 change in the organizational structure of the Authority shall be subject to the
26 approval of the President of the Philippines.
27
28

29 **SEC.18. Annual Fees.** - The LLDA is hereby authorized to collect
30 annual fees for the use of the lake waters, its tributaries and shore land areas
31 for all beneficial purposes including but not limited to fisheries, aquaculture,
32 municipal, agricultural, irrigation, commercial, industrial, hydroelectric
33 generation and other power potential, transport and navigation, waste
34 disposal purposes, recreation and dredging/reclamation from all private and
35 public entities whether government or non-government agencies, among
36 others the water utilities sector. All the fees so collected shall be accordingly
37 appropriated for the sustainable development of the lake and its watershed
38 areas. *Provided*, that the fees collected for fisheries may be shared between the
39 Authority and other government agencies and LGUs as follows: thirty-five
40 percent (35%) of the fish pen fee goes to shore land LGUs, five percent (5%)
41 goes to the Project Development Fund and the remaining sixty percent (60%)
42 shall be retained by the LLDA.
43
44

45 **SEC. 19. Capitalization and Financing.** - The LLDA shall have an
46 authorized capital of Seven Hundred Million Pesos (P700,000,000). The

1 authorized capital stock of Seven Hundred Million Pesos (P700,000,000) shall
2 be divided into Seven Million (7,000,000) shares of stock with a par value of
3 One Hundred Pesos (P100) per share. The National Government shall
4 subscribe to Four Million Two Hundred (4,200,000) shares, the province of
5 Laguna to Seven Hundred Thousand (700,000) shares, the province of Rizal to
6 Seven Hundred Thousand (700,000) shares, and the balance of One Million
7 Four Hundred Thousand (1,400,000) shares shall be open for subscription to
8 other government agencies or LGUs and other private individuals or
9 corporations within the Bay Region.

10
11 The shares of stock of the LLDA shall be divided into:

- 12
13 1) 4,900,000 ordinary shares (voting); and
14 2) 2,100,000 preferred shares (non-voting).

15
16 **SEC 20. Funding.** - The amount necessary to subscribe and pay for the
17 remaining shares of the national government to the capital stock of the LLDA
18 shall be included in the annual General Appropriations Act. For LGUs, the
19 funds shall be taken from their internal revenue allotment and other local
20 funds.

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

33
34 The Corporate Legal Affairs Department shall serve as Secretariat of
35 the LEAP.

36
37
38 **SEC. 22. Creation of a Lake Police Force.** - The National Police
39 Commission shall constitute and assign a special police force to be known as
40 the Laguna Lake Police, exclusively for the Bay Region, trained especially for
41 enforcement of laws on fisheries and environmental laws and the rules and
42 regulations duly promulgated by the LLDA.

43
44 The extent of operational supervision and control by the General
45 Manager over the Laguna Lake Police shall be the same as that of local chief

1 executives over police force of LGUs as defined in the Department of Interior
2 and Local Government Act of 1990 (R.A. 6975), in relation to Sec. 73 of the
3 Local Government Code of 1991 (RA 7160). The LLDA Board, the local
4 government units (LGUs) and the leadership of the Philippine National Police
5 shall within sixty (60) days from the passage of this Act constitute a technical
6 working group that will further delineate and define the nature and character
7 of this unit in order to avoid any overlap and potential conflict with the LGU
8 police units within the Bay Region.
9

10
11 **SEC. 23. Exemption from Tax.** - The Authority shall be exempt from all
12 taxes, licenses, fees, imposts, charges, costs and duties except real property tax
13 incidental to its operations and service/filing fees in any court or
14 administrative proceedings in which it may be a party, restrictions and duties
15 to the Republic of the Philippines, its provinces, cities, municipalities and
16 other government agencies and instrumentalities. Such exemption shall
17 include any tax or fee imposed by the government on the sale, purchase or
18 transfer of foreign exchange. All notes, bonds, debentures and other
19 obligations issued by the Authority shall be exempt from all taxes both as to
20 principal and interest.
21

22
23 **SEC. 24. Fines and Penalties.** - The LLDA is authorized to impose
24 administrative fines and other penalties it may deem reasonable and
25 appropriate within the bounds of existing law on the same or similar offenses
26 as determined and approved by the Board for non-compliance with permit
27 conditions and for undertaking development activities without
28 clearance/permit from the LLDA against any person, juridical or otherwise,
29 within the Bay Region who may be found violating, or have in fact violated,
30 any of its rules and regulations.
31

32 Likewise, the LLDA is authorized to institute the necessary legal
33 proceedings against those who shall commence to implement any
34 development activities within the Bay Region not cleared nor approved by the
35 LLDA.
36

37
38 **SEC. 25. Damages.** - Compensation for any damage to the shore land,
39 water and aquatic resources of Laguna Lake and its tributaries resulting from
40 failure to meet established water and effluent quality standards or from such
41 other wrongful act or omission of a person, private or public, juridical or
42 otherwise, punishable under the law shall be awarded to the LLDA for water
43 quantity/quality control and management projects.
44
45

1 **SEC. 26. Penal and Civil Liability Clause.** - Any person, natural or
2 juridical, who shall violate any of the provisions of this Act or any rules and
3 regulations promulgated by the Authority pursuant thereto shall be liable to
4 imprisonment of not exceeding three (3) years or to a fine not less than Fifty
5 Thousand Pesos (P50,000.00) or both at the discretion of the court. This is
6 without prejudice to the imposition of penalties as may be provided under
7 existing and relevant laws, rules and regulations.
8

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

12 The LLDA is hereby authorized to initiate, file, prosecute and defend
13 all suits, actions or to pursue separate civil actions for damages resulting from
14 infractions of the provisions of this Act, rules or regulations issued pursuant
15 thereto and/or conditions embodied in the clearances or permits issued by
16 the Authority.
17

18
19 **SEC. 27. Auditor.** - The Chairman of the Commission on Audit shall be
20 the ex officio Auditor of the LLDA. For this purpose, he/she may appoint a
21 representative who shall be the Auditor of the LLDA, and the necessary
22 personnel to assist said representative in the performance of his/her duties.
23

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

29
30 **SEC. 28. Implementing Rules and Regulations.** - The LLDA in
31 coordination with the proper standing Committees of both the Senate and the
32 House of Representatives and other concerned agencies shall promulgate the
33 implementing rules and regulations (IRR) for this Act, within six (6) months
34 after its enactment; *Provided*, that the rules and regulations issued by other
35 government agencies and instrumentalities for the prevention and/or
36 abatement of water pollution not inconsistent with this Act shall supplement
37 the rules and regulations issued by the LLDA pursuant to the provisions of
38 this Act.
39

40
41 **SEC. 29. Repealing Clause.** - Republic Act No. 4850 as amended,
42 Presidential Decree No. 813, and Executive Order No. 927, and all laws,
43 orders, issuance, rules and regulations inconsistent herewith are hereby
44 repealed.
45

46

1 **SEC. 30. *Separability Clause.*** - If any provision of this Act is declared
2 unconstitutional, the same shall not affect the validity and effectiveness of the
3 other provisions hereof.
4

5
6 **SEC. 31. *Effectivity.*** - This Act shall take effect fifteen (15) days
7 following its publication in at least two (2) national newspapers of general
8 circulation.
9

10
11
12 *Approved,*