


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

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19 JUL 13 AM 5:51

SENATE
S.B. No. 1381

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Introduced by Senator Loren Legarda

EXPLANATORY NOTE

Laguna de Bay is the largest and most essential inland body of water in the country. There are about 28,000 fisherfolk families that depend on it for livelihood. The lake contributes approximately 85,000 metric tons of fish annually to the fish supply of Metro Manila and adjacent provinces. It is a life support system to about 13 million Filipinos, of whom 3.5 million live along the lakeshore areas. The water resources of the lake and its tributary rivers are used for irrigation, power generation, recreation, domestic water supply, and navigation, among others.

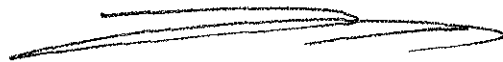
To protect and accelerate the development of the Laguna de Bay and its surrounding areas, Republic Act 4850 was created which enacted the establishment of the Laguna Lake Development Authority (LLDA).

Through the years, several problems have sprouted which imperil the order within the Lake. These current issues include management of solid waste in the lake, sanitation and public health, congestion of shore land areas, rapid siltation and sedimentation, unmitigated input of domestic, agricultural and industrial wastes, flooding and loss of biodiversity, and decline in water quality.

While the LLDA exercises policy and planning, regulatory, coordinative and developmental functions, it does not have control over all projects affecting the Laguna de Bay region. Overlapping and even conflicting mandates and programs of the many agencies, local governments and other entities the LLDA coordinates with have been identified as the stumbling block in managing the lake's resource and the intensified conflicts that arise from its multiple uses.

This proposed measure aims to strengthen the policy-making and regulatory powers of the LLDA, in order to develop, promote, and materialize the vision of sustainability in the Laguna de Bay.

In view of the foregoing, the passage of this bill is earnestly sought.



LOREN LEGARDA
Senator

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

OFFICE

10 JUL 13 AM 51

SENATE
S.B. No. 1381

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Introduced by Senator Loren Legarda

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

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

1 **SECTION 1. Title.** - This Act shall be known as the "Laguna Lake
2 **Development Authority Act of 2010.**"

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

9
10 For this purpose, the State hereby adopts an integrated water resources
11 management (IWRM) approach, using the lake's watersheds as planning units to
12 interconnect and integrate its various ecosystems pursuant to Art. II, Sec. 16 of the
13 1987 Constitution: "The State shall protect and advance the right of the people to a
14 balanced and healthful ecology in accord with the rhythm and harmony of nature."

15
16 In accordance with the IWRM approach, any development program in the
17 region shall always consider sustainable environmental management and the
18 prevention of any ecological harm, resource deterioration and pollution to allow the
19 lake to realize its full potentials including, among other uses, as a major resource in
20 fish production of national importance. Under Article XIII, Section 7 of the 1987

1 Constitution, the State is mandated to protect, develop, and conserve communal
2 marine and fishing resources, both inland and offshore.

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

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

1 pollution/nuisance and for identifying and defining development areas or
2 zones.

3
4 6) *Ground water* - means sub-surface water that occurs beneath the water table in
5 soils and rocks, or in geological formations.

6
7 7) *Aquaculture* - refers to fishery operations involving all forms of raising and
8 culturing fish and other fishery species in fresh, brackish and marine water
9 areas.

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

17
18 9) *Effluent* - means the discharge from known sources which is passed into a
19 body of water or land, or wastewater flowing out of a manufacturing plant or
20 an industrial plant, including domestic, commercial and recreational facilities.

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

29
30 **SEC. 4. Laguna Lake Region.** - For purposes of this Act, the Laguna Lake
31 Region shall comprise the provinces of Laguna and Rizal; the cities of Calamba, Sta.
32 Rosa, San Pablo, Pasay, Caloocan, Quezon, Manila, Makati, Mandaluyong, San Juan,
33 Pasig, Marikina, Muntinlupa, Antipolo, Tagaytay, Tanauan, Taguig and Lipa; the
34 towns of Silang, Carmona, Dasmariñas and General Mariano Alvarez in Cavite
35 Province; the towns of Mauban, Real, Lucban and Sampaloc in Quezon Province; the
36 towns of Sto. Tomas and Malvar in Batangas; and the town of Pateros in Metro

1 Manila and all areas that drain into the Laguna Lake: Provided, That cities or towns
2 that may be subsequently created in the future out of the aforementioned
3 municipalities and cities surrounding Laguna Lake shall automatically form part of
4 the Laguna Lake Region.

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

12
13 **SEC. 6. *Powers and Functions.*** - The LLDA shall have the following
14 powers and functions:

15
16 (a) Periodically conduct, monitor and update a comprehensive survey of
17 the Bay Region, including its socio-economic conditions, water quantity and quality
18 in the lake proper and all its major tributary rivers, irrigation, water supply,
19 transport route, reservoir of floodwater, hydroelectric and other power potentials,
20 scenic and tourist spots, state of its watersheds, the tributary rivers and other
21 physical and natural resource potentials on the basis of which it shall prepare a
22 sustainable regional development master plan.

23
24 All concerned public and private agencies shall provide the LLDA the
25 necessary data for the purposes of the said survey;

26
27 (b) Develop a long-term program to attract more private-sector-driven
28 investments into the Bay Region in consonance with a regional master plan, which
29 shall be formulated in consultation with stakeholders, concerned government
30 agencies, local government units (LGUs), and civil society in the Bay Region;

31
32 (c) Review all plans, projects and programs that relate to the development
33 of the Bay Region, proposed and submitted by LGUs, public corporations and
34 private persons or corporations to ensure that they conform to the environmental
35 standards prescribed by the LLDA and other similar laws.

36

1 The LLDA shall collect reasonable fees as may be determined by the Board
2 for the processing of such plans, programs or projects. Any future expansion of such
3 plans, programs, or projects shall be again subject to LLDA review and to payment
4 of additional fees as may be further determined by the LLDA Board.

5
6 (d) Engage, whether by itself or in cooperation with private persons or
7 entities, in agriculture, commerce, industry, or to organize, finance, invest in, and
8 operate subsidiary corporations which are in the nature of new ventures or are
9 clearly beyond the scope, capacity, or interest of private enterprises by reason of
10 geography, technical or capital requirements, returns on investment and risk and
11 when public interest so requires;

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

24
25 (f) Undertake a massive information campaign among the stakeholders,
26 in close coordination with the LGUs and other government agencies within the
27 Laguna de Bay Region to promote better understanding of the importance of
28 environmental protection and conservation of the Laguna Lake and its watersheds;

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

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

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

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

24
25 (k) Enter into agreements with LGUs, governmental agencies and
26 corporations and the private sector for the supply, treatment, distribution and
27 marketing of such water;

28
29 (l) Establish and enforce anti-pollution standards on municipal,
30 agricultural, commercial and industrial wastewater and effluents being discharged
31 into the lake in coordination with appropriate government agencies;

32
33 (m) Conduct a continuing research, development and extension program
34 in close coordination with the academe, Department of Environment and Natural
35 Resources (DENR), and the Department of Science and Technology (DOST) on lake
36 water quantity and quality, integrated watershed management and enterprise

1 development and management with the end in view of promoting sustainable
2 development in the region;

3
4 (n) Adopt rules and regulations governing the approval of sewage works
5 and industrial waste disposal system and the issuance of clearance and/or permits
6 in accordance with the provisions of this Act when necessary and inspect the
7 construction and maintenance of sewage works and industrial waste disposal
8 systems for compliance to clearance and/or permit conditions;

9
10 (o) Require all projects or activities in or affecting the Laguna de Bay
11 Region to secure Environmental Compliance Certificates (ECCs) required under
12 Presidential Decree No. 1586 and grant clearance and/or permits for any projects or
13 activities located within or affecting the Bay Region including, but not limited to,
14 industrial and commercial activities, navigation, irrigation, power generation,
15 housing, resettlement and other forms of land developments, construction and
16 operation of aqua structures, aquaculture development, dredging/reclamation and
17 similar or related activities and to impose necessary safeguards for lake water
18 quantity and quality control and management and to collect necessary fees for said
19 activities and projects;

20
21 (p) Issue, renew, or deny permits subject to reasonable guidelines for the
22 discharge of sewage, industrial waste, or for the installation or operation of sewage
23 works and industrial disposal system or parts thereof for the prevention and
24 abatement of pollution and require subdivisions, condominiums, clinical and
25 medical establishments, mortuaries, public buildings, other similar human
26 settlements, to construct appropriate central sewerage system and sewage treatment
27 works. The LLDA may impose reasonable fees and other similar charges for the
28 issuance or renewal of all permits herein required;

29
30 (q) Issue orders or decisions to compel compliance with the provisions of
31 this Act and its implementing rules and regulations after proper notice and hearing;

32
33 (r) Make, issue, alter, or modify orders or decisions, after notice and
34 hearing, requiring the discontinuance of pollution specifying the conditions and the
35 time within which such discontinuance must be accomplished;

36

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

4
5 (t) Deputize or request assistance of appropriate government agencies or
6 instrumentalities for the purpose of enforcing this Act and its implementing rules
7 and regulations and the orders and decisions of the LLDA;

8
9 (u) Authorize its bona fide representatives at all reasonable times to enter
10 any public and private property devoted to agricultural, commercial and industrial
11 use for the purpose of inspecting and investigating conditions relating to pollution
12 and existing and/or imminent environmental danger;

13
14 (v) Exercise such powers and perform such other functions as may be
15 necessary to carry out its duties and responsibilities under this Act.

16
17 **SEC. 7. Corporate Powers.** - The Authority has the following corporate
18 powers:

19
20 a) Succeed in its corporate name;

21
22 b) Sue and be sued in its corporate name;

23
24 c) Adopt, alter and use a corporate seal;

25
26 d) Adopt, amend, or repeal its by-laws;

27
28 (e) Enter into contracts to enable it to carry out its purposes and functions
29 under this Act;

30
31 (f) Acquire, buy, purchase, hold or lease, such personal and real property
32 as it may deem necessary in the transaction of its business or in relation to carrying
33 out its purposes under this Act and to lease, mortgage, sell, alienate, or otherwise
34 encumber, utilize, exploit or dispose any such personal and real property held by it,
35 subject to individual or communal right of private parties or of the government or
36 any agency or enterprise thereof;

1
2 (g) Exercise the right of eminent domain whenever the LLDA deems it
3 necessary to achieve the objectives of this Act;

4 (h) Borrow funds from any local or foreign sources independent of the
5 bonds it may issue or may continue to issue to carry out the purposes of this Act;

6
7 (i) Purchase, hold, alienate, mortgage, pledge or otherwise dispose of the
8 shares of the capital stock of, or any bond, securities, or other evidence of
9 indebtedness created by any other corporation, co-partnership, or government
10 agencies or instrumentalities; and while the owner of said stock to exercise all the
11 rights of ownership, including the right to vote thereon: Provided, That the LLDA
12 shall not invest its funds in any high risk debt instruments issued without recourse
13 to commercial banks or investment houses as well as in any highly speculative
14 stocks;

15
16 (j) Perform any and all acts which a corporation, co-partnership or
17 juridical person is authorized to perform under the existing laws or which may be
18 enacted hereafter;

19
20 (k) Provide economic incentives to encourage the private sector to fully
21 subscribe to its shares of stock;

22
23 (l) Issue such other rules and regulations as may be necessary from time
24 to time to achieve the purposes of this Act, the same to take effect thirty (30) days
25 after its publication in a newspaper of general circulation.

26
27 **SEC. 8. Board of Directors.** - The LLDA shall be governed by a Board of
28 Directors who shall be appointed by the President of the Philippines and shall be
29 composed of the following:

- 30
31 1) Secretary of Environment and Natural Resources, Chairman
32 2) General Manager, LLDA, Vice-Chairman
33 3) Governor, Province of Laguna, ex officio
34 4) Governor, Province of Rizal, ex officio
35 5) Secretary, Department of Agriculture
36 6) Secretary, National Economic and Development Authority Secretary

1 7) Department of Public Works and Highways

2 8) Chairman, Metro Manila Development Authority

3 9) Representative of the Bay Region City and Municipal Mayors'
4 Association to be constituted sixty (60) days from the passage of this Act from
5 among the mayors of towns and cities that comprise the Bay Region as defined in
6 Section 3 of this Act

7 10) Representative of the Laguna fisher folk

8 11) Representative of the Rizal fisher folk

9 The representatives of the Laguna fisher folk and the Rizal fisher folk shall be
10 appointed by the President of the Philippines to be chosen from among the
11 nominees recommended by the Laguna Governor and the Rizal Governor,
12 respectively, upon consultation with the concerned sector. The term of the
13 appointive members shall be six (6) years without reappointment, or until their
14 successors are duly appointed and qualified. Vacancy, other than through the
15 expiration of the term, shall be filled for the unexpired term only.

16
17 Ex-officio Cabinet members can designate alternate representatives to the
18 Board, given the demands of their Cabinet-level position.

19
20 **SEC. 9. Powers and Functions.** - The Board of Directors shall exercise the
21 following powers and functions:

22
23 a. Prescribe policies, rules and regulations to govern the conduct of
24 business of the LLDA including the procedures of the Authority;

25
26 b. Upon the recommendation of the General Manager, approve the
27 LLDA's organizational and administrative structures and corresponding staffing
28 pattern as may be deemed necessary; fix their reasonable compensation, allowances
29 and other benefits in accordance with the salary standardization law; prescribe their
30 duties and establish such methods and procedures a may be necessary to insure the
31 efficient, honest and economical administration of the provisions and purposes of
32 this Act; *Provided, however,* That all personnel of the LLDA below the rank of
33 Assistant General Manager shall be appointed by the General Manager; *Provided,*
34 *further,* That all personnel appointed by the General Manager, except those below
35 the rank of Department Heads, and others of comparable rank, shall be subject to the
36 confirmation by the Board; *Provided, further,* That the personnel of the LLDA shall be

1 selected only from civil service eligibles and be subject to civil service rules and
2 regulations;

3
4 c. Upon the recommendation of the General Manager, to approve the
5 annual and supplemental budget of receipts and expenditures of the LLDA, and to
6 authorize such operating and capital expenditures and disbursements of the LLDA
7 as may be necessary or proper for the effective management, operation and
8 administration of the LLDA;

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

15
16 e. Perform such other functions as may be necessary to carry out the
17 provisions of this Act.

18
19 **SEC. 10. Board Meetings.** - The Board shall meet at least once a month.

20
21 **SEC. 11. Per Diems.** - The members of the Board shall each receive per diem
22 at a rate in accordance with existing rules and regulations: *Provided, however,* that the
23 total per diem collected each month shall not exceed the equivalent per diem for
24 four (4) meetings.

25
26 **SEC. 12. Sinking Fund.** - A sinking fund shall be established in such manner
27 that the total annual contribution thereto accrued at such interests as may be
28 determined by the Board of Directors as confirmed by the stockholders representing
29 a majority of the subscribed capital stock outstanding and entitled to vote, shall be
30 sufficient to redeem at maturity the bonds issued under this Act.

31
32 Such funds shall be under the custody of the treasurer of the authority who
33 shall invest the same in such manner as the Board of Directors may direct; charge all
34 expenses of investment to said sinking fund, and credit the same with the interest on
35 investment and other income belonging to it.

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

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

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

10
11 c. Manage and supervise the operation and administration of the LLDA;

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

17
18 e. Render an annual report to the Board and various stakeholders
19 regarding the operation of the LLDA, including its latest financial statement;

20
21 f. Represent the LLDA in all dealings with offices, agencies and
22 instrumentalities of the government and with all persons and other entities, public
23 or private, domestic and foreign; and

24
25 g. Perform such other functions as may be provided in the By-Laws and
26 as may be vested in him/her by the Board.

27
28 **SEC. 14. *Qualifications of the General Manager.*** - The General Manager shall
29 be a citizen and resident of the Philippines. He/She shall have demonstrated
30 executive competence and experience in the field of public administration, economic
31 planning, environmental and natural resource management, or in the establishment
32 and management of large agricultural, commercial or industrial enterprises. No
33 person shall be nominated as General Manager unless he/she is of unquestioned
34 integrity and competence.

35

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

6
7 **SEC. 16. *Compensation.*** - The General Manager shall receive compensation at
8 rates in accordance with the salary standardization law.

9
10 **SEC. 17. *Management Structure.*** - In carrying out the activities of the LLDA,
11 the General Manager shall be assisted by two Assistant General Managers - one for
12 Operations and another for Administration - who shall have such powers, duties,
13 and functions as the General Manager may prescribe and/ or delegate and shall act
14 as the General Manager in his/her absence or during his/her temporary incapacity
15 of and/or until such time as a new General Manager is duly appointed.

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

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

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

28
29 c) *Finance Department*, which shall be responsible on revenue planning,
30 generation, and enhancement, assistance on budgetary and financial matters, and
31 safekeeping of corporate assets.

32
33 d) *Policy Planning and Management Services Department*, which will
34 undertake policy research and development, and advise the General Manager on
35 policy positions and public advocacy measures for approval of the Board.

36

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

5
6 f) *Environmental Protection Department*, which will manage all the
7 environmental regulatory functions of the Authority like clearance/permits and
8 licensing, monitoring and surveillance, enforcement and adjudication and
9 environmental quality compliance.

10
11 The Board shall periodically review the appropriateness of the existing
12 organizational structure and amend the same whenever it may deem necessary and
13 beneficial to achieve the purposes of this Act and to be able to respond efficiently to
14 LLDA's mandate as herein provided. Any proposed change in the organizational
15 structure of the Authority shall be subject to the approval of the President of the
16 Philippines.

17
18 **SEC. 18. Annual Fees.** - The LLDA is hereby authorized to collect annual fees
19 for the use of the lake waters, its tributaries and shoreland areas for all beneficial
20 purposes including but not limited to fisheries, aquaculture, municipal, agricultural,
21 irrigation, commercial, industrial, hydroelectric generation and other power
22 potential, transport and navigation, waste disposal purposes, recreation and
23 dredging/reclamation from all private and public entities whether government or
24 non-government agencies, among others the water utilities sector. All the fees so
25 collected shall be accordingly appropriated for the sustainable development of the
26 lake and its watershed areas. *Provided*, that the fees collected for fisheries may be
27 shared between the Authority and other government agencies and LGUs as follows:
28 thirty-five percent (35%) of the fish pen fee goes to shore land LGUs, five percent
29 (5%) goes to the Project Development Fund and the remaining sixty percent (60%)
30 shall be retained by the LLDA.

31
32 **SEC. 19. Capitalization and Financing.** - The LLDA shall have an authorized
33 capital of Seven Hundred Million Pesos (P700,000,000). The authorized capital stock
34 of Seven Hundred Million Pesos (P700,000,000) shall be divided into Seven Million
35 (7,000,000) shares of stock with a par value of One Hundred Pesos (P100) per share.
36 The National Government shall subscribe to Four Million Two Hundred (4,200,000)

1 shares, the province of Laguna to Seven Hundred Thousand (700,000) shares, the
2 province of Rizal to Seven Hundred Thousand (700,000) shares, and the balance of
3 One Million Four Hundred Thousand (1,400,000) shares shall be open for
4 subscription to other government agencies or LGUs and other private individuals or
5 corporations within the Bay Region.

6
7 The shares of stock of the LLDA shall be divided into:

- 8
9 1) 4,900,000 ordinary shares (voting); and
10 2) 2,100,000 preferred shares (non-voting).

11
12 **SEC. 20. Funding.** - The amount necessary to subscribe and pay for the
13 remaining shares of the national government to the capital stock of the LLDA shall
14 be included in the annual General Appropriations Act. For LGUs, the funds shall be
15 taken from their internal revenue allotment and other local funds.

16
17 **SEC. 21. Creation of LLDA Environmental Adjudication Panel.** - For the
18 purpose of effectively carrying out the quasi-judicial powers of the Authority within
19 the Bay Region, the LLDA Environmental Adjudication Panel (LEAP) is hereby
20 created to be composed of a Chairman and two (2) other members representing the
21 Office of the General Manager, the Corporate Legal Affairs Department and the
22 concerned department depending on the matter under controversy to be designated
23 by the General Manager. The LEAP is hereby mandated to take cognizance and
24 adjudicate violations of this Act including all existing and relevant laws, LLDA
25 policies, rules and regulations. Any decision, order or resolution must be concurred
26 in by the majority of the panel and duly approved by the General Manager.

27
28 The Corporate Legal Affairs Department shall serve as Secretariat of the
29 LEAP.

30
31 **SEC. 22. Creation of a Lake Police Force.** - The National Police Commission
32 shall constitute and assign a special police force to be known as the Laguna Lake
33 Police, exclusively for the Bay Region, trained especially for enforcement of laws on
34 fisheries and environmental laws and the rules and regulations duly promulgated
35 by the LLDA.

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

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

20
21 **SEC. 24. Fines and Penalties.** - The LLDA is authorized to impose
22 administrative fines and other penalties it may deem reasonable and appropriate
23 within the bounds of existing law on the same or similar offenses as determined and
24 approved by the Board for non-compliance with permit conditions and for
25 undertaking development activities without clearance/permit from the LLDA
26 against any person, juridical or otherwise, within the Bay Region who may be found
27 violating, or have in fact violated, any of its rules and regulations.

28
29 Likewise, the LLDA is authorized to institute the necessary legal proceedings
30 against those who shall commence to implement any development activities within
31 the Bay Region not cleared nor approved by the LLDA.

32
33 **SEC. 25. Damages.** - Compensation for any damage to the shore land, water
34 and aquatic resources of Laguna Lake and its tributaries resulting from failure to
35 meet established water and effluent quality standards or from such other wrongful
36 act or omission of a person, *private* or public, juridical or otherwise, punishable

1 under the law shall be awarded to the LLDA for water quantity/quality control and
2 management projects.

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

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

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

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

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

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

1 inconsistent with this Act shall supplement the rules and regulations issued by the
2 LLDA pursuant to the provisions of this Act.

3

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

7

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

11

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

14

15 Approved,