

[REPUBLIC ACT NO. 8041, June 07, 1995]

**AN ACT TO ADDRESS THE NATIONAL WATER CRISIS AND FOR
OTHER PURPOSES**

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

SECTION 1. *Short Title.* — This Act shall be known as the "National Water Crisis Act of 1995."

SEC. 2. *Declaration of Policy.* — It is hereby declared the policy of the State to adopt urgent and effective measures to address the nationwide water crisis which adversely affects the health and well-being of the population, food production and industrialization process.

Pursuant thereto the government shall address the issues relevant to the water crisis including, but not limited to, supply, distribution, finance, privatization of state-run water facilities, the protection and conservation of watersheds and the waste and pilferage of water, including the serious matter of graft and corruption in all the water agencies.

SEC. 3. *Organization of Joint Executive-Legislative Water Crisis Commission.* — Within thirty (30) days after the effectivity of this Act, there shall be organized a Joint Executive-Legislative Water Crisis Commission. The Commission shall be chaired by the Executive Secretary, with the secretaries of the Department of Public Works and Highways and the Department of Environment and Natural Resources, and the chairmen of the appropriate Senate and House committees, as designated by the leaders of both Houses of Congress, as well as a representative of the minority from each House, as members.

There shall be a technical staff constituted by representatives of the National Water Resources Board (NWRB), the Metropolitan Waterworks and Sewerage System (MWSS), the Local Water Utilities Administration (LWUA), the appropriate committees of the Senate and the House, and the certified workers' union in the affected water institutions.

SEC. 4. *Purposes and Objectives.* — The Commission shall have the following purposes and objectives:

- a. To undertake nationwide consultations on the water crisis and in-depth and detailed study and review of the entire water supply and distribution structure;
- b. To enhance and facilitate cooperation and coordination between Congress and the executive department in formulating and implementing the government's water crisis management policy and strategy;

- c. To recommend measures that will ensure continuous and effective monitoring of the entire water supply and distribution system of the country; and
- d. To conduct continuing studies and researches on policy options, strategies and approaches to the water crisis including experiences of other countries similarly situated, and to recommend such remedial and legislative measures as may be required to address the problem.

SEC. 5. *Powers and Functions.* — To carry out the aforementioned purposes and objectives, the Commission is hereby authorized:

- a. To secure from any department, bureau, office, agency or instrumentality of the government such assistance as may be needed, such as technical information, the preparation and production of reports, and the submission of recommendations or plans, as it may require;
- b. To designate by resolution the watershed areas in which developmental undertakings are to be suspended; and
- c. Generally, to exercise all the powers necessary, relevant and incidental to attain the purposes and objectives for which it is organized.

SEC. 6. *Negotiated Contracts.* — For projects to be implemented under Build-Operate-Transfer (BOT) and/or related schemes, the President of the Republic may, for a period of one (1) year after the effectivity of this Act, enter into negotiated contracts for the financing, construction, repair, rehabilitation, improvement and operation of water facilities and projects related to increasing water supply, its treatment and its distribution to industrial and household consumers: *Provided*, That there is no government financing or financing guarantee for the contracts, except for the acquisition of right-of-way.

The contracts shall be awarded only to contractors with proven competence and experience in similar projects, competent key personnel, efficient and reliable equipment, and sound financial capacity.

SEC. 7. *Reorganization of the Metropolitan Waterworks and Sewerage System (MWSS) and the Local Waterworks and Utilities Administration (LWUA).* - Within six (6) months from the approval of this Act, the President of the Republic is hereby empowered to revamp the executive leadership and reorganize the MWSS and the LWUA, including the privatization of any or all segments of these agencies, operations or facilities if necessary, to make them more effective and innovative to address the looming water crisis. For this purpose, the President may abolish or create offices, transfer functions, equipment, properties, records and personnel; institute drastic cost-cutting and other related measures to carry out the said objectives. Moreover, in the implementation of this provision, the prescriptions of Republic Act No. 7430, otherwise known as the "Attrition Law," shall not apply. Nothing in this section shall result in the diminution of the present salaries and benefits of the personnel of the MWSS and the LWUA: *Provided*, That any official or employee of the said agencies who may be phased out by reason of the reorganization authorized herein shall be entitled to such benefits as may be determined by existing laws.

The President may upgrade the compensation of the personnel of the MWSS and the LWUA at rates commensurate to the improved and efficient revenue collection of the two agencies as determined by the Board of Trustees and the same shall be exempted from the provisions of Republic Act No. 6750, otherwise known as the