



**MEMORANDUM**

**FOR :**           **The Administrators**  
Metropolitan Waterworks and Sewerage System  
Local Water Utilities Administration

**The Executive Directors**  
National Water Resources Board  
River Basin Control Office  
Manila Bay Coordinating Office  
Pasig River Coordinating and Management Office

**The Bureau Director**  
Environmental Management Bureau

**FROM :**       **The Director**  
Legislative Liaison Office

**SUBJECT :**    **INVITATION TO THE PRESIDENTIAL LEGISLATIVE LIAISON  
OFFICE HIGH-LEVEL CONSULTATION MEETING ON THE  
LEGISLATIVE MEASURES CREATING THE DEPARTMENT OF  
WATER RESOURCES**

**DATE :**       20 November 2024

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The Presidential Legislative Liaison Office (PLLO) is requesting a high-level consultative meeting to discuss the Waste-to-Energy Act on 21 November 2024, 9:00 – 12:00 NN at Senator Quezon Room, Senate of the Philippines, GSIS Building, Pasay City.

The PLLO would like to address the following unresolved issues:

1. Removal of LWUA's power to lend to Local Water Districts (LWDs);
2. Issuance of water permits and dispute resolution relating to such;
3. Retention of flood control management to DPWH;
4. Retention of RBCO and MBCO under DENR;
5. Retention of LWUA's structure and functions in its current form; and
6. Retention of NIA as attached agency of DA.

In this regard, may we request resource person/s from your Office to participate in this meeting. Kindly send the name/s of the participants via email at [denrlo@denr.gov.ph](mailto:denrlo@denr.gov.ph) on or before 20 November 2024, 5 PM.

Attached herewith is the invitation letter from the PLLO and the comparative matrix bills.

For information and compliance, please.

  
**ROMIROSE B. PADIN**

MEMO NO. 2024 - 1033

Copy furnish:  
Undersecretary for Integrated Environmental Science



Republic of the Philippines  
Office of the President  
**PRESIDENTIAL LEGISLATIVE LIAISON OFFICE**



19 November 2024

**HON. MA. ANTONIA YULO-LOYZAGA**  
Secretary  
Department of Environment and Natural Resources  
Quezon City

**ATTN: USEC. IGNATIUS LOYOLA RODRIGUEZ**  
*Department Legislative Liaison Officer*

Dear **Secretary Yulo-Loyzaga**:

During its 25 September 2024 meeting, the Legislative Executive Development Advisory Council (LEDAC) requested the Executive Branch to submit its administration versions of key priority measures to help resolve impediments in the legislative mill.

Pursuant to this, the Executive Secretary issued Presidential Directive No. PBBM-2024-1171, instructing the Presidential Legislative Liaison Office (PLLO) to undertake inter-agency consultations to harmonize various positions to facilitate the passage of these measures within the Third Regular Session of the 19th Congress. Results of which are scheduled to be presented during the LEDAC Full Council Meeting scheduled on December 9, 2024.

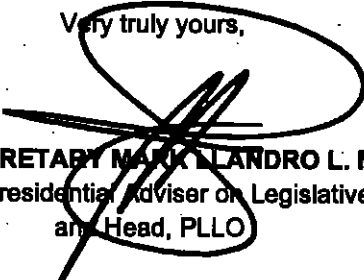
Among these measures is the **Department of Water Resources (DWR)**; although a substitute bill has been approved on Third Reading in the House of Representatives, the Senate counterpart version thereof remains pending at the plenary level in the Period of Interpellations. Based on the Legislative Advocacy Action Planning Workshop among the members of the Legislative Liaison System (LLS) initiated by the PLLO on July 11-12, 2024 at the Philippine International Convention Center (PICC), this would require high-level intervention to address the impasse and resolve issues and align policy positions of concerned agencies. Particularly, we would like to address the following identified unresolved issues: (1) Removal of LWUA's power to lend to Local Water Districts (LWDs); (2) Issuance of water permits and dispute resolution relating to such; (3) Retention of flood control management to DPWH; (4) Retention of RBCO and MBCO under DENR; (5) Retention of LWUA's structure and functions in its current form; and (6) Retention of NIA as attached agency of DA.

In view of this, may we invite you and/or your senior officials to a high-level consultation meeting on the said measure to be held on November 21, 2024, from 9 am to 12 noon at the Quezon Room, Second Floor of Philippine Senate, GSIS Building, Pasay City.

For confirmation of your attendance and for any query, you may contact Seane Aljas at 09171909130 or email address: [vsaljas@plo.gov.ph](mailto:vsaljas@plo.gov.ph).

Thank you for your usual cooperation.

Very truly yours,

  
**SECRETARY MARK LANDRO L. MENDOZA**  
Presidential Adviser on Legislative Affairs  
and Head, PLLO



**MATRIX OF KEY ISSUES as of October 2024**

Key Issues	Agreements FGD on October 11	NEDA Draft Bill	Comments
<p>Removal of LWUA's power to lend to Local Water Districts</p>	<ul style="list-style-type: none"> <li>• DOF emphasized that LWUA does not have the experts to provide such. All financing concerns should be kept with the GFIs i.e. Landbank because they have more branches across the country and can act faster.</li> <li>• NEDA is in the position to subsume the functions of LWUA to DWR.</li> <li>• LWUA to provide their position.</li> </ul>	<p>Chapter VII</p> <p>Sec. 7. Offices, Functions, and Personnel to be Completely Absorbed by the Department. – The following offices are hereby abolished, and their respective powers and functions, and the corresponding personnel, funds and appropriations, records, equipment, and property shall be absorbed by the Department:</p> <p>(a) LWUA with its services, departments and divisions, whose mandate, powers and functions are provided for in Title III of Presidential Decree No. 198, as amended, otherwise known as the "Local Water Utilities Administration Law": Provided, That its economic regulatory functions over local water districts shall be fully absorbed by the Water Regulatory Commission created under this Act: Provided, further, That its function to provide technical assistance to local water service providers shall be absorbed by the Department under the Local Water Service Providers Bureau, also created under this Act;</p>	<p>During our consultation meeting with LWUA on October 15, 2024, the following points were raised:</p> <ul style="list-style-type: none"> <li>• LWUA emphasized that transferring the power to lend to LWDs to banks would be difficult for the LWDs because:               <ol style="list-style-type: none"> <li>1. It would be hard for LWDs to comply with bank requirements.</li> <li>2. Interest rates set by LWUA are much lower than bank rates; since the purpose of LWUA in lending to LWDs is to enable them to continue operations regardless if they will generate income or not.</li> </ol> </li> <li>• LWUA also shared the position paper of the Philippine Association of Water Districts., Inc. (PAWAD), which provides the following arguments:               <ol style="list-style-type: none"> <li>1. Treating LWDs in exactly the same manner with Private Water Providers violates Equal Protection Clause of the 1987 Philippine Constitution.</li> <li>2. Treating LWDs and Private Water Providers alike as to responsibilities but differently as to penalties imposed is likewise discriminatory; and violates the Equal Protection Clause of the 1987 Philippine Constitution</li> <li>3. Equating the Certificate of Conformance (COC) issued by LWUA with the franchise/permit issued to private water</li> </ol> </li> </ul>

**MATRIX OF KEY ISSUES as of October 2024**

			<p>providers violates Equal Protection Clause of the 1987 Philippine Constitution</p> <p>4. Leaving entirely the function of provision of potable water to private water providers is an undue delegation and abrogation of essential government function</p> <p>5. Leaving entirely to the Water Regulation Commission (WRC) the function of dissolving, consolidating, privatizing LWDs as stated in Section 22 of HB 9663 is an undue delegation of legislative power.</p> <ul style="list-style-type: none"> <li>• PAWAD is also not in agreement to put LWUA under the DWR in view of the following:             <ol style="list-style-type: none"> <li>1. Loss of Specialization</li> <li>2. Loss of its own Financial Viability</li> <li>3. Slow Decision-Making</li> <li>4. Project and Investment Prioritization</li> </ol> </li> <li>• LWUA recommends prohibiting private water providers from acquiring full operation of LWDs. Any partnership with LWDs should be limited only to the provision of bulk water supply. The distribution function should be left entirely to the LWDs.</li> <li>• LWDs, as government entities, should not be made to compete with private water providers.</li> </ul>
<p>Issuance of water permits and dispute</p>	<ul style="list-style-type: none"> <li>• DOF is in the position that there should be no dichotomy in the approach. Further,</li> </ul>	<p>Sec. 16. Functions of the Board. – The Board shall perform the following functions:</p> <p>(d) Exercise original jurisdiction over decisions in cases involving</p>	

**MATRIX OF KEY ISSUES as of October 2024**

<p>resolution relating to such</p>	<p><b>Resource Allocation Service and the MWRB should be one entity.</b></p> <ul style="list-style-type: none"> <li>• MWRB suggested to come up with a delineation of functions regarding original jurisdiction of the Adjudication Board and the Commission. MWRB recommended to put into the wording of the law rather than in the IRR for it to be clearer.</li> <li>• DOF said that the details should be ironed out in the IRR.</li> </ul>	<p>the following:</p> <ul style="list-style-type: none"> <li>(i) All disputes relating to the appropriation, utilization, exploitation, development, control, conservation, and protection of waters;</li> <li>(ii) Violations and disputes on raw water fees; and</li> <li>(iii) Violations and disputes involving water permits, administrative allocation of water resources, and transfer of water rights;</li> </ul> <p style="text-align: center;">xxx</p> <ul style="list-style-type: none"> <li>(h) Impose the appropriate sanctions, including revocation of water permits, over violations committed by appropriators after due notice and hearing in accordance with Presidential Decree No. 1067 and other existing laws, rules and regulations as well as future rules and regulations which the Board shall promulgate;</li> </ul> <p style="text-align: center;">xxx</p> <p><b>Sec. 17. Resource Allocation Office. – The Office shall perform the following functions:</b></p> <ul style="list-style-type: none"> <li>(b) Formulate rules and regulation for the exploitation and optimum</li> </ul>	
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**MATRIX OF KEY ISSUES as of October 2024**

		<p>utilization of surface water, groundwater, and seawater extraction and use, for the approval of the Board, and for implementation by the Office, including the processes for the application of water permits, in accordance with Presidential Decree No. 1067 and other existing laws;</p> <p>(c) Upon approval by the Board, issue water permits granted to water appropriators;</p>	
<p>Retention of flood control management to DPWH;</p>	<ul style="list-style-type: none"> <li>• DPWH is in the position to retain the staff/personnel performing their functions but does not oppose the creation of such an office under the DWR.</li> <li>• Status quo except all matters related to planning, master planning, policy formulation be with the DWR.</li> </ul>	<p>Chapter V</p> <p>Sec. 29: Interface And Institutional Arrangements With Other Agencies. –</p> <p>(k) The Department shall coordinate with the DPWH as regards the construction of water projects including flood control and other related projects within the purview of the DPWH: Provided, That the flood management plans are aligned with the NWRMP, and that flood waters be considered and harnessed as potential water source: Provider, further, That the Department shall coordinate with the DPWH regarding the establishment of protocols for management of all water-related data being collected by the DPWH and its Bureaus;</p>	

**MATRIX OF KEY ISSUES as of October 2024**

<p>Retention of RBCO and MBCO under DENR</p>	<ul style="list-style-type: none"> <li>• LLDA is with DENR and ex-officio of DWR in LLDA Board</li> <li>• RBCO with DWR and Manila Bay Coordinating Office and Water Quality Management with DENR</li> <li>• Drinking Water and Quality Standards with DOH</li> <li>• Distribution and Allocation of Water under LLDA will be transferred to DWR.</li> <li>• Consolidate Water Permit Issuance Power to DWR body.</li> <li>• DENR did not object provided that LLDA's</li> </ul>	<p><b>Sec. 7. Offices, Functions, and Personnel to be Completely Absorbed by the Department. – The following offices are hereby abolished, and their respective powers and functions, and the corresponding personnel, funds and appropriations, records, equipment, and property shall be absorbed by the Department:</b></p> <p>(b) River Basin Control Office (RBCO) of the Department of Environment and Natural Resources (DENR) whose mandate, powers and functions are found in Executive Order No. 510, series of 2006, and Executive Order No. 816, series of 2009, as amended: Provided, that the DENR shall continue to have primary authority and responsibility for protecting the environment and managing the country's watersheds and reforestation activities: Provided, further, That the targeting of priority watershed areas shall be coordinated with the Department;</p> <p>(d) Manila Bay Coordinating Office (MBCO) of the DENR which was strengthened by virtue of DENR Administrative Order 2011-01, to coordinate the efforts of the fourteen (14) national agencies covered by the Mandamus Order</p>	
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**MATRIX OF KEY ISSUES as of October 2024**

	<p>funding is addressed.</p>	<p>of the Supreme Court to rehabilitate Manila Bay;</p> <p>xxx</p> <p>Sec. 21 Attached Agencies. – The Department shall exercise administrative over the following agencies for purposes of policy and program coordination, monitoring, and evaluation:</p> <p>(b) The Laguna Lake Development Authority (LLDA), whose mandate, powers and functions are defined under Republic Act No. 4850, as amended entitled, An Act Creating the Laguna Lake Development Authority, Prescribing Its Powers, Functions and Duties, Providing Funds Therefor, and for Other Purposes shall be transferred from the DENR and attached to the Department: Provided, that the power to set rates and fees for the use of the lake waters and its tributaries for all beneficial purposes under Section 4-B, and the corresponding personnel, funds and appropriations, records, equipment, and property thereof shall be transferred to the Department: Provided, further: that the rates fees set by the Department shall no longer be</p>	
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**MATRIX OF KEY ISSUES as of October 2024**

		<p>subject to the approval of the President of the Philippines. The LLDA shall continue to serve as the lake management and development authority similar to a multi-stakeholder river basin organization and shall ensure the implementation of the Laguna Lake Master Plan which shall be updated by the Department to ensure alignment with the NWRMP;</p>	
<p>Retention of LWUA's structure and functions in its current form</p>	<p>LWUA will send their position paper.</p>	<p>Chapter VI</p> <p>Sec. 31. The Regulatory Units. – The Regulatory Units of the Commission shall be composed of the Regional Regulatory Units and the Central Regulatory Unit. The Regional Regulatory Units shall be established by the Commission in accordance with the rules, regulations, guidelines, and standards that the Commission shall issue, and as provided in this Act.</p> <p>The economic regulatory units and functions of the MWSS, NWRB, LWUA, Subic Bay Metropolitan Authority, Philippine Economic Zone Authority, and Tourism Infrastructure and Enterprise Zone Authority and those of any other special economic zone authorities are hereby transferred to its Central Regulatory Unit.</p>	<p>During our consultation meeting with LWUA on October 15, 2024, the following points were raised:</p> <ul style="list-style-type: none"> <li>• LWUA is open to welcoming changes in its structure and function but not towards the creation of a department.</li> <li>• Per LWUA, the creation of authority is sufficient to carry out the purpose of the proposed measure.</li> </ul> <p>Per LWUA, DWR is trying to emulate the missionary electrification function of the National Power Corporation (NPC). However, this is not feasible because unlike the water sector, the power sector has a single backbone that transcends throughout the country.</p>

**MATRIX OF KEY ISSUES as of October 2024**

<p><b>Retention of NIA as attached agency of DA.</b></p>	<p>The DA and NIA shall be responsible for creating the irrigation master plan to be implemented by the NIA in collaboration with the DWR.</p> <p>The DA masterplan shall identify the agricultural areas that shall receive majority allocation for water resources in the identified areas.</p> <p>NIA shall be attached to DWR.</p>	<p><b>Sec. 21 Attached Agencies. – The Department shall exercise administrative over the following agencies for purposes of policy and program coordination, monitoring, and evaluation:</b></p> <p>(c) The National Irrigation Administration (NIA), whose mandates, powers and functions are defined under Republic Act No. 3601, otherwise known as "An Act Granting the National Irrigation Administration", as amended, is hereby transferred to the Department;</p>	