

PRESIDENTIAL DECREE NO. 813

AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED FORTY EIGHT HUNDRED FIFTY, (R.A. 4850), OTHERWISE KNOWN AS THE "LAGUNA LAKE DEVELOPMENT AUTHORITY ACT OF 1966."

WHEREAS, rapid expansion of Metropolitan Manila, the suburbs and the lakeshore towns of Laguna de Bay, combined with current and prospective uses of the lake for municipal-industrial water supply, irrigation, fisheries, and the like, have created deep concern on the part of the Government and the general public over the environment impact of such development on the water quality and ecology of the lake and its related river systems;

WHEREAS, inflow of polluted water from the Pasig River, industrial, domestic and agricultural wastes from developed areas around the lake and the increasing urbanization have induced the deterioration of the lake and water quality studies have shown that the lake will deteriorate further if steps are not taken to check the same;

WHEREAS, floods in Metropolitan Manila area and the lakeshore towns are also influenced by the hydraulic system of the Laguna de Bay, and any scheme of controlling the floods will necessarily involve the lake and its river systems.

WHEREAS, the Laguna Lake Development Authority is empowered under Republic Act No. 1850 to conserve and develop the resources of the Laguna de Bay region to promote socio-economic well-being of the people but in the exercise of these functions, deficiencies and ambiguities in the present provisions of the law were found which impede the accomplishment of the Authority's goal;

WHEREAS, under existing laws, other government agencies have varying degrees of jurisdiction and control of the lake resulting in problems of coordination, planning and management thereby hampering the efforts of the Authority to plan and implement its overall development plans for conservation and utilization of the lake resources in accordance with the provisions of its character;

WHEREAS, in view of the foregoing consideration, the passage into law of the amendments embodied in this Decree is necessary;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree, order and make as part of the law of the land the following amendments to Republic Act No. 4850;

Section 1. Sec. one of Republic Act Numbered Forty-Eight Hundred and Fifty is hereby amended to read as follows:

"Sec. 1. Declaration of Policy. It is hereby declared to be the national policy to promote, and accelerate the development and balanced growth of the Laguna Lake area and the surrounding provinces, cities and towns hereinafter referred to as the region, within the context of the national and regional plans and policies for social and economic development and to carry out the development of the Laguna Lake region with due regard and adequate provisions for environmental management and control, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution."

Sec. 2. The title and paragraphs (a), (d), (f), and (i) of Sec. 4 of the same Act is hereby amended to read as follows:

"Sec. 4. Special Powers and Functions. The Authority shall exercise and perform the following powers and functions:

"(a) To make a comprehensive survey of the physical and natural resources and potentialities of the Laguna Lake region particularly its social and economic conditions, hydrologic characteristics, power potentials, scenic and tourist spots, regional problems, and on the basis thereof, to draft a comprehensive and detailed plan designed to conserve and utilize optimally the resources within the region particularly Laguna de Bay, to promote the region's rapid social and economic development and upon approval by the National Economic and Development Authority (NEDA) Board of such plan, to implement the same including projects in line with said plan: Provided, That implementation of all fisheries plans and programs of the authority shall require prior consensus of the Bureau of Fisheries and Aquatic Resources to ensure that such plans and programs are consistent with the national fisheries plans and program. For the purpose of the said survey, public agencies shall submit and private entities shall provide necessary data except such data which under existing laws are deemed inviolable.

"(d) To pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices/agencies within the region, public corporations, and private persons or enterprises where such plans, programs and/or projects are related to those of the Authority for the development of the region as envisioned in this Act. The Authority shall issue the necessary clearance for approved proposed plans, programs, and projects within thirty days from submission thereof unless the proposals are not in consonance with those of the Authority or that those will contribute to the unmanageable pollution of the Laguna Lake waters or will bring about the ecological imbalance of the region: Provided, further, That the Authority is hereby empowered to institute necessary legal proceeding against any person who shall commence to implement or continue implementation of any project, plan or program within the Laguna de Bay region without previous clearance from the Authority; Provided, furthermore, That any local government office, agency, public corporation, private person, or enterprise whose plans, programs and/or projects have been disapproved by the Authority may appeal the decision of the Authority to the NEDA within fifteen (15) days from receipt of such disapproval whose decision on the matter shall be final. Reasonable processing fees as may be fixed by the Authority's Board of Directors shall be collected by the Authority for the processing of such plans, programs and/or projects: Provided, finally, That expansion plans shall be considered as new plans subject to review of the Authority and to payment of the processing fees.

"The Authority and national and local government offices, agencies and public corporations shall coordinate their plans, programs, projects and licensing procedures with respect to the Laguna Lake region for the purpose of drawing up a Laguna Lake development plan which shall be binding upon all parties concerned upon approval of the NEDA board.

"(f) To plan, program, finance and/or undertake infrastructure projects such as river, flood and tidal control works, waste water and sewerage works, water supply, roads, port-works, irrigation, housing and related works, when so required within the context of its development plans and programs including the readjustment, relocation, or resettlement of population within the region as may be deemed necessary and beneficial by the Authority: Provided, That should any project be financed wholly or in part by the Authority, it is hereby authorized to collect reasonable fees and tolls as may be fixed by its Board of Directors subject to the approval of the NEDA Board from users and/or beneficiaries thereof to recover costs of construction, operation and maintenance of the projects: Provided, further, That if the Authority should find it necessary to undertake such infrastructure projects which are classified, as social overhead capital projects as determined by the NEDA, the Authority shall be authorized to receive financial assistance from the government in such amount as may be necessary to carry out the said projects subject to such terms and conditions that may be imposed by the government, upon recommendation of the NEDA Board: Provided, finally, That such amount as may be necessary for the purpose is hereby authorized to be appropriated out of the funds of the National Treasury that otherwise appropriated."

"(i) To reclaim or cause to be reclaimed portions of the Lake or undertake reclamation projects and/or acquire such bodies of land from the lake which may be necessary to accomplish the aims and purposes of the Authority subject to the approval of the NEDA Board: Provided, That the land so reclaimed shall be the property of the Authority and title thereto shall be vested in the Authority: Provided, further, That the resulting lakeshore area shall continue to be owned by the national government."

Sec. 3. Sec. 4 of the same Act is hereby further amended by adding thereto seven new paragraphs to be known as paragraphs (j), (k), (l), (m), (n), (o), and (p) which shall read as follows:

"(j) The provisions of existing laws to the contrary notwithstanding, to engage in fish production and other aqua-culture projects in Laguna de Bay and other bodies of water within its jurisdiction and in pursuance thereof to conduct studies and make experiments, whenever, necessary, with the collaboration and assistance of the Bureau of Fisheries and Aquatic Resources, with the end in view of improving present techniques and practices. Provided, that until modified, altered or amended by the procedure provided in the following subparagraph, the present laws, rules and permits or authorizations remain in force;

"(k) For the purpose of effectively regulating and monitoring activities in Laguna de Bay, the Authority shall have exclusive jurisdiction to issue new permit for the use of the lake waters for any projects or activities in or affecting the said lake including navigation, construction, and operation of fishpens, fish enclosures, fish corals and the like, and to impose necessary safeguards for lake quality control and management and to collect necessary fees of said activities and projects: Provided, That the fees collected for fisheries may be shared between the Authority and other government agencies and political sub-divisions in such proportion as may be determined by the President of the Philippines upon recommendation of the Authority's Board: Provided, further, That the Authority's Board may determine new areas of fishery development or activities which it may place under the supervision of the Bureau of Fisheries and Aquatic Resources taking into account the overall development plans and programs for Laguna de Bay and related bodies of water: Provided, finally, That the Authority shall subject to the approval of the President of the Philippines promulgate such rules and regulations which shall govern fisheries development activities in Laguna de Bay which shall take into consideration among others the following socio-economic amelioration of bonafide resident fishermen whether individually or collectively in the form of cooperatives, lakeshore town development, a master plan for fishpen construction and operation, communal fishing ground for lake shore town residents, and preference to lake shore town residents in hiring laborers for fishery projects."

"(l) To require the cities and municipalities embraced within the region to pass appropriate zoning ordinances and other regulatory measures necessary to carry out the objectives of the Authority and enforce the same with the assistance of the Authority."

"(m) The provisions of existing laws to the contrary notwithstanding, to exercise water rights over public waters within the Laguna de Bay region whenever necessary to carry out the Authority's projects;"

"(n) To act in coordination with existing governmental agencies in establishing water quality standards for industrial, agricultural and municipal waste discharges into the lake and to cooperate with said existing agencies of the government of the Philippines in enforcing such standards, or to separately pursue enforcement and penalty actions as provided for in Sec. 4 (d) and Sec. 39-A of this Act: Provided, That in case of conflict o-n the appropriate water quality standard to be enforced such conflict shall be resolved thru the NEDA Board;"

"(o) To develop water supply from ground and/or lake water resources for municipal, agricultural and industrial usages, in coordination with the National Water Resources Council created by Presidential Decree No. 424 dated March 28, 1974 or its successors in interests, and to enter into agreements with municipalities, governmental agencies and corporations and the private sector to supply, distribute and market such water;"

"(p) Undertake studies on the improvement and maintenance of the desirable lake water quality of Laguna de Bay, and in pursuance thereof, prepare a water quality management program on a continuing basis, subject to the approval of the NEDA, which the Authority shall carry out with the assistance and support of all national and local government units involved in water quality management."

Sec. 4. Two new Sec.s to be known as Sec. 4-A and 4-B are hereby inserted after Sec. 4 and before Sec. 5 of the same Act which shall read as follows:

"Sec. 4-A. Compensation for damages to the water and aquatic resources of Laguna de Bay and its tributaries resulting from failure to meet established water and effluent quality standards or from such other wrongful act or omission of a person, private or public, juridical or otherwise, punishable under the laws shall be awarded to the Authority to be earmarked for water quality control management."

"Sec. 4-B. The Authority is hereby empowered to collect annual fees as provided for in Sec. 4-J herein, for the use of the lake waters and its tributaries for all beneficial purposes including recreation, municipal, industrial, agricultural, fisheries, navigation and waste disposal purposes. All the fees so collected shall be used for the management and development of the lake and its watershed areas: Provided, That the rates of the fees to be collected shall be subject to the approval of the President of the Philippines.

Sec. 5. Sec. 5, Paragraph (f) and (i) of the same act is amended to read as follows:

"(f) To acquire, buy, purchase, hold or lease, such personal and real property as it deems necessary or convenient in the transaction of its business and/or in relation with the carrying out of 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 prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof."

"(i) To purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bond, securities, or to her evidence of indebtedness created by any other corporation, co-partnership, or government agencies or instrumentalities; and while the owner of said stock of exercise all the rights of ownership, including the right to vote thereon: Provided, That the Authority shall not invest its funds in any highly risky debt instruments issued without recourse to commercial banks or investment houses as well as in any highly speculative stocks.

Sec. 6. Sec. 5 of the same Act is further amended by adding a new paragraph thereto be known as paragraph (k) which shall read as follows:

"(k) To issue such rules and regulations as may be necessary to effectively carry out the powers and purposes herein provided including the plans, program and projects of the Authority, subject to the approval of the NEDA, the same to take effect thirty (30) days after publication thereof, in a newspaper of general circulation."

Sec. 7. Sec. 6 of the same Act is amended to read as follows:

"Sec. 6. Capitalization and Financing. The Authority shall have an authorized capital of one Hundred Million Pesos (Pph100,000,000.00) of which the amount of Fifty-One Million Pesos (Php51,000,000.00) shall be subscribed by the national government and Forty-Nine Million Pesos (Php49,000,000.00) shall be subscribed by cities, provinces, municipalities, government corporations and private investors: Provided, That at least twenty-five percent of the national government's subscription shall be fully paid: Provided, further, That the authorized capital stock may be increased upon the recommendation of NEDA.

"The authorized capital stock of one Hundred Million Pesos (Php100,000,000.00) shall be divided into one Million (1,000,000) shares of stock with a par value of one Hundred Pesos (Php100.00) per share.

"The shares of stock of the Authority shall be divided into (1) 700,000 common shares (voting) and (2) 300,000 preferred shares (non-voting) with such fixed rates of return as shall be determined by the Board. Of the common shares of 700,000 a minimum of 400,000 shares shall be subscribed by the national government and at least sixty percent of the balance shall be subscribed by the Province of Laguna and Rizal in such proportion as may be agreed upon by both provincial governments in accordance with their respective financial capacities. The remaining balance of the common shares shall be open for subscription to cities, provinces, municipalities and private investors.

"Of the preferred shares of stock of 300,000 a minimum of 110,000 shares shall be subscribed by the national government. The balance of the preferred shares shall be available for subscription to cities, provinces, municipalities, government corporations, and private investors: Provided, however, That preferred shares shall enjoy preference with respect to distribution of dividends and assets in case of dissolution.

Sec. 8. Sec. 8 of the same Act is hereby amended to read as follows:

"Sec. 8. Operating Expenses. For the operating expenses of the Authority, the sum of one Million Pesos (Php1,000,000.00) is hereby appropriated annually for five (5) years from the general fund of the National Government not otherwise appropriated from the date of approval of this Decree.

"The Board of Directors may appropriate out of the funds of the Authority such sums as may be needed or necessary for its operating expenses.

Sec. 9. Sec. 9 of the same Act is hereby amended to read as follows:

"Sec. 9. Proper to Incur Debts and to Issue Bonds. Whenever the Board of Directors may deem it necessary for the Authority to incur an indebtedness or to issue bonds to carry out the provisions of this Act, it shall by resolution so declare and state the purpose for which the proposed debt is to be incurred. The resolution shall be confirmed by the affirmative vote of the stockholders representing a majority of the subscribed capital stock outstanding and entitled to vote.

"The Authority shall submit to the NEDA Board and the Monetary Board of the Central Bank for approval its proposal to incur indebtedness or to issue bonds. This shall be considered authorized upon approval of the President of the Philippines.

Sec. 10. Sec. 15 of the same Act is hereby amended to read as follows:

"Sec. 15. Incorporation. The members of the first Board of Directors shall be elected by the stockholders and the incorporation shall be held to have been effected from the date of the first meeting of such Board."

Sec. 11. Sec. 16 of the same Act is hereby amended to read as follows:

"Sec. 16. Board of Directors: Composition. The corporate powers shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of eight (8) members, to wit: the Executive Secretary; the Secretary of Economic Planning; the Secretary of Natural resources; the Secretary of Industry; a representative of Laguna Province, who shall be designated by the Provincial Board of Laguna; a representative of Rizal Province to be designated by its Provincial Board; the General Manager of the Authority to be appointed by the President of the Philippines from among a list of recommendees to be submitted by the private investors; Provided, That the incumbent representative of the private investors shall continue as member until the President appoints his successor. The Board of Directors shall elect annually from among their members a Chairman and a Vice-Chairman. There shall be a Corporate Secretary who shall appointed by the Board.

"The officials next in rank to the above-mentioned members shall serve as permanent alternate members and shall attend meetings of the Board in the absence of their principals and receive the corresponding per diems."

Sec. 12. Sec. 18 and 19 of the same Act are hereby repealed.

Sec. 13. Sec. 21 of the same Act is hereby amended to read as follows:

"Sec. 21. Qualifications of Directors. All members of the Board shall be citizens and residents of the Philippines. They shall have demonstrated executive competence and experience in the field of public administration, economic planning, resource management, or in the establishment and management of large agricultural, industrial or commercial enterprises. No person shall be nominated as member of the Board unless he be of unquestioned integrity and competence."

Sec. 14. Sec. 24 of the same Act is hereby amended to read as follows:

"Sec. 24. Board Meetings. The Board shall meet at least o-nce a month. The Board shall be convoked by the Chairman or upon written request signed by a majority of the members."

Sec. 15. Sec. 25 of the same Act is hereby amended to read as follows:

"Sec. 25. Per Diems and Allowances. The members of the Board shall receive for every meeting attended a per diem to be determined by the Board: Provided, That in no case will the total amount received by each exceed the sum of o-ne Thousand Pesos (Php1,000.00) for any o-ne month. Members of the Board shall be entitled to commutable transportation and representation allowances in the performance of official functions for the Authority as authorized by the Board the aggregate amount of which shall not exceed o-ne Thousand Pesos (Php1,000.00) for any o-ne month."

Sec. 16. A new Sec. to be known as Sec. 25-A is hereby inserted after Sec. 25 to read as follows:"

"Sec. 25-A. Powers and Functions of the Board of Directors.

1. To formulate, prescribe, amend and repeal rules and regulations to govern the conduct of business of the Authority;

2. To appoint and fix the compensation of all officials from division heads and above, and others of comparable rank including the Assistant General Manager upon recommendation of the General Manager;

3. By a majority vote of all members of the Board, to suspend, remove or otherwise discipline for just cause all officials appointed by the Board;

4. To approve the annual and/or supplemental budget to the Authority; and

5. To do such other acts and perform such other functions as maybe necessary to carry out the provisions of this Charter."

Sec. 17. Sec. 26 of the same Act is hereby amended to read as follows:

"Sec. 26. Powers and Functions of the General Manager.- The General Manager shall be the chief executive of the Authority. As such, he shall have the following powers and duties:

1. Submit for consideration of the Board the policies and measures which he believes to be necessary to carry out the purposes and provisions of this Act;

2. Execute and administer the policies, plans, programs and projects approved by the Board;

3. Direct and supervise the operation and internal administration of the Authority. The General Manager may delegate certain of his administration of the Authority. The General Manager may delegate certain of his administrative responsibilities to other officers of the Authority subject to the rules and regulations of the Board;

4. Appoint officials and employees below the rank of division heads to positions in the approved budget upon written recommendation of the division head concerned using as guide the standard set forth in the Authority's merit system;

5. Submit quarterly reports to the Board on personnel selection, placement and training;

6. Submit to the NEDA an annual report and such other reports as may be required, including the details of the annual and supplemental budgets of the Authority; and

7. Perform such other functions as may be provided by law."

Sec. 18. Sec. 27 of the same Act is hereby repealed.

Sec. 19. Sec. 28 of the same Act is hereby repealed.

Sec. 20. Sec. 29 of the same Act is hereby amended to read as follows:

"Sec. 29. Compensation. The General Manager shall receive a compensation of at least Thirty-Six Thousand Pesos (Php36,000.00) per annum which shall be charged against the annual appropriation of the Authority for operating expenses. The Board of Directors may provide per diems and allowances for the General Manager."

Sec. 21. Sec. 31 of the same Act is amended to read as follows:

"Sec. 31. Activities of the Authority: Key Officials. In carrying out the activities of the Authority, the General Manager shall be assisted by an Assistant General Manager who shall have such powers, duties, and functions that may be delegated to him by the General Manager, and shall act as General Manager in the absence of or during the temporary incapacity of and/or until such time as a new General Manager is duly appointed.

"The Authority shall have the following divisions under the direct supervision and control of the General Manager:

1. An Administrative Division which shall be responsible for providing services relating to personnel, training, information, records, supplies, general services, equipment and security;

2. A Legal Division, to be headed by a Legal Counsel who shall represent the Authority in legal actions and proceedings. This division shall be responsible for providing staff advice and assistance o-n legal matters;

3. A Finance Division which shall be responsible for providing staff advice and assistance o-n budgetary and financial matters, and safekeeping of corporate assets;

4. A Project Management Division which shall be responsible for the operation of approved projects, project evaluation and management improvement matters;

5. A Planning and Project Development Division which shall be responsible for providing services relating to planning, programming, statistic and project development; and

6. An Engineering and Construction Division which shall be responsible for providing services relating to detailed engineering plans and the construction and maintenance of project facilities.

"The business and activities of each of these divisions shall be directed by an officer to be known as its division head."

"The Board may create such other divisions and positions as maybe deemed necessary for the efficient, economical and effective conduct of the activities of the Authority."

Sec. 22. Sec. 32 of the same Act is hereby amended to read as follows:

"Sec. 32. Merit and Compensation System. All officials, agents and employees of the Authority shall be selected and appointed o-n the basis of merit and fitness in accordance with a comprehensive and progressive merit system to be established by the Authority. The recruitment, transfer, promotion and dismissal of all personnel of the Authority, including temporary workers, shall be governed by such merit system: Provided, That the regular professional and technical personnel of the Authority shall be exempt from the coverage of the classification and compensation plans of the WAPCO and Civil Service rules and regulations: Provided, however, That such personnel shall be permanent in status and shall be entitled to the benefits and privileges normally accorded to government employees, such as retirement, GSIS insurance, leave and similar matters: Provided, further, That the Director General of the NEDA shall review and recommend the approval of the staffing pattern for professional and technical personnel of the Authority including modifications thereof as may be necessary for five years from the date of approval of this Decree."

Sec. 23. Sec. 33 of the same Act is hereby repealed.

Sec. 24. Sec. 34 of the same Act is hereby repealed.

Sec.25. Three new Sec.s to be known as Sec. 34-A, Sec. 34-B and Sec. 34-C are hereby inserted after Sec. 34 and before Sec. 35 which shall read as follows:

"Sec. 34-A. Supervision by the NEDA. The Authority shall be directly under the NEDA for polley and program integration.

"Sec. 34-B. Submission of Financial Statement to NEDA. The Authority shall submit audited financial statements to NEDA within 60 days after the close of the fiscal year, and it shall continue to operate o-n the basis of not more than the preceding year's budget until the said financial statements shall have been submitted.

"Sec. 34-C. Management Audit by the NEDA. The NEDA may, at its own instance, initiate a management audit of the Authority when there is a reasonable ground to believe that the affairs of the Authority have been mismanaged. Should such audit indicate mismanagement, the NEDA shall take such appropriate measures as may be required by circumstances."

Sec. 26. Sec. 39 of the same Act is hereby repealed.

Sec. 27. After Sec. 39, a new Sec. shall be added to be known as Sec. 39-A which shall read as follows:

"Sec. 39-A. Penal and Civil Liability Clause. Any person, natural or juridical, who shall violate any of the provisions of this Act or any rule or regulation promulgated by the Authority pursuant thereto shall be liable to imprisonment of not exceeding three years or to a fine not exceeding Five Thousand Pesos or both at the discretion of the court.

"If the violator be a corporation, partnership of association, the officer or officers of the organization concerned shall be liable therefor.

"The Authority is hereby authorized to pursue separate civil actions for damages resulting from infractions of the provisions of this Act, rules or regulations issued pursuant thereto and/or conditions embodied in the clearances or permits issued by the Authority."

Sec. 28. After Sec. 40 of the same Act a new Sec. shall be added to be known as Sec. 4-A which shall read as follows:

"Sec. 40-A. Transitory Provision. When the Regional Development Council for the region becomes operational, the socio-economic planning functions as envisioned under this Chapter shall be assumed by the aforementioned Regional Development Council in accordance with the provisions of the Integrated Reorganization Plan, as amended. All incumbent officials and employees shall continue in office and those qualified shall have preference in filling up new positions that may be created as a consequence of this Decree."

Sec. 29. Sec. 41 of the same Act is hereby amended by adding thereto a new paragraph, to be known as paragraph (11) which shall read as follows:

"Sec. 41. Definition of Terms. "(11) Laguna Lake or Lake. Whenever Laguna Lake or lake is used in this Act, the same shall refer to Laguna de Bay which is that area covered by the lake waters when it is at the average annual maximum lake level of elevation 12.50 meters, as referred to a datum 10.00

meters below mean lower low water (M.L.L.W.). Lands located at and below such elevation are public lands form part of the bed of said lake."

Sec. 30. Repealing Clause. All laws, decrees, orders and rules which are contrary to or inconsistent with this Decree are hereby repealed or modified accordingly.

This Decree shall take effect upon its approval.

Done in the City of Manila, this 17th day of October in the year of Our Lord, nineteen hundred and seventy-five.