

Republic of the Philippines
Congress of the Philippines
Metro Manila
Twelfth Congress
Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day of July, two thousand two.

[REPUBLIC ACT NO. 9185]

AN ACT GRANTING THE CALAPAN WATERWORKS SYSTEM AND DEVELOPMENT CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN A WATER SUPPLY AND SEWERAGE SYSTEM IN THE CITY OF CALAPAN, PROVINCE OF ORIENTAL MINDORO

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

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to Calapan Waterworks System and Development Corporation, hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, a water supply and sewerage system for the purpose

of distributing water for sale and for sanitation in the City of Calapan, Province of Oriental Mindoro, and for such purpose, the grantee shall have the rights and privileges to:

(a) To construct, maintain and operate water mains, pipes, conduits, reservoirs or dams on land owned or duly acquired or obtained by the grantee for the said purpose;

(b) To supply, sell, furnish such water to any person, corporation, or public or private concern within the limits of the said City for domestic or manufacturing uses and for any other use to which water may be put, and to charge and collect a schedule of prices and conventional rates for the use of said water, which schedule of prices and rates shall at all times be subject to regulation by the National Water Resources Board, or any other government agency concerned thereon;

(c) To construct, maintain and operate such systems of sanitary sewers as may be necessary for the proper sanitation of the City; and to charge and collect a schedule of fees which shall at all times be subject to regulation by the government entity in charge of this activity; and

(d) To purify the sources of the water supply, the reservoirs and the dams subject to the approval of the Department of Health and/or any other government agency concerned thereon, and to regulate the control and use, and prevent the waste of water.

SEC. 2. *Prior Approval of the Department of Public Works and Highways.* – The grantee shall secure from the Department of Public Works and Highways (DPWH), the local government unit (LGU), or any other government agency which has jurisdiction over the operation of the herein grantee, the appropriate permits and licenses for the construction, installation, operation and maintenance of the water supply and sewerage system. The DPWH, the LGU, or any other government agency concerned shall not however unreasonably withhold or delay the grant of any such authority.

SEC. 3. *Right of Way and Construction.* – For the purposes of constructing, installing, operating and maintaining its water supply and sewerage system, it shall be lawful for the grantee to

install, lay, construct and maintain above or below the ground on the right of way duly acquired or obtained by the grantee, or below the ground on all streets, public thoroughfares and public places and along or under the bridges within the limits of the said city, water mains, pipes, conduits and all other necessary apparatus and appurtenances for the furnishing and distribution of water and sewerage system: *Provided*, That any public land and property, including highways, streets, bridges and public works disturbed, altered or changed thereby shall be repaired, restored and replaced in a workmanlike manner by the grantee to the satisfaction of the DPWH or the local engineering office, as the case may be, and in accordance with the existing laws and rules on excavation and reconstitution of such public works. The construction and laying of the water mains, pipes and sewers shall be done in a workmanlike manner, in accordance with the standards set by the DPWH. All apparatus and appurtenances used by the grantee shall be modern and first class in every respect, and the water mains, pipes and sewers shall, when laid in streets or public places, be so placed and maintained as not to interfere in any manner with the unrestricted use of such public places and streets.

SEC. 4. *Easement over Public Land.* – When rights and easements of temporary occupancy over public land or property including highways, roads, bridges and other public works are needed by the grantee for the purpose of carrying out works essential to its operation, such right shall be granted by the DPWH who shall see to it that such easement or temporary occupancy shall cause the least inconvenience to the general public.

SEC. 5. *Eminent Domain.* – The grantee may acquire such private property or portion thereof as is actually necessary for the realization of the purposes for which this franchise is granted: *Provided*, That in case the owner refuses to sell or allow the use thereof, the proper proceedings shall be instituted: *Provided*, *further*, That just compensation is paid.

SEC. 6. *Term of Franchise.* – This franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to implement fully, the medium-term development plan submitted to Congress in support of its application for the franchise.

SEC. 7. *Rates for Services.* – The charges and rates for the services that the grantee shall offer to the public shall be subject to the approval of the proper government agency concerned therein.

SEC. 8. *Acceptance and Compliance.* – Acceptance of this franchise shall be given in writing within sixty (60) days after the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

SEC. 9. *Warranty in Favor of National and Local Governments.* – The grantee shall hold the national, provincial and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the pipelines of the grantee.

SEC. 10. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SEC. 11. *Sale, Lease, Transfer, Usufruct, Etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in parts, and whether simultaneously or contemporaneously to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

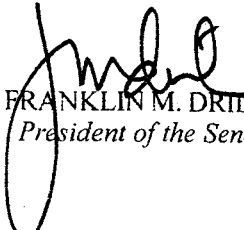
SEC. 12. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

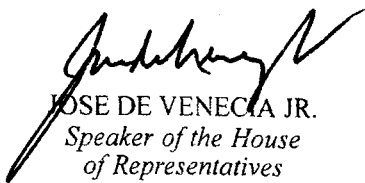
SEC. 13. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject to amendment, alteration or repeal by

the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of privileges herein provided for.

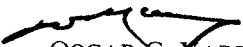
SEC. 14. *Effectivity.* – This Act shall take effect fifteen (15) days from the date of its publication, through the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

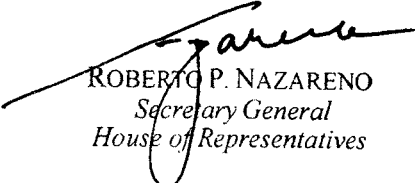
Approved,


FRANKLIN M. DRILON
President of the Senate


JOSE DE VENEZIA JR.
*Speaker of the House
of Representatives*

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on October 23, 2002 and October 14, 2001, respectively.


OSCAR G. YABES
Secretary of the Senate


ROBERTO P. NAZARENO
*Secretary General
House of Representatives*

Approved:

GLORIA MACAPAGAL-ARROYO
President of the Philippines

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Lapsed into law on JAN 16 2003,
without the signature of the President, in accordance with Article VI, Section 27 (1) of the Constitution.