

AMENDING EXECUTIVE ORDER NO. 577 RENAMING THE RURAL WATERWORKS ASSOCIATIONS AS RURAL WATERWORKS AND SANITATION ASSOCIATIONS AND FOR OTHER PURPOSES

EXECUTIVE ORDER NO. 869, February 02, 1983

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WHEREAS, the Rural Water Supply and Sanitation Program will utilize the Rural Waterworks Associations (RWAs) in bringing sanitation services to the rural areas;

WHEREAS, there is a need to empower the RWAs to undertake sanitation functions and to rename them as Rural Waterworks and Sanitation Associations (RWSA);

WHEREAS, the Rural Waterworks Development Corporation, in undertaking development projects prescribed in Executive Order No. 577, now requires to be exempt from Section 23 of Presidential Decree No. 1177 to enable itself and the RWSAs to pay their indebtedness and other obligations in furtherance of the declared national policy;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

Section 1. Section 5 of Executive Order No. 577 is hereby amended to read as follows:

“Section 5. Specific Powers – The Corporation is hereby authorized and empowered . . .

(h) To promote and enhance the capability of local governments in implementing their rural water supply programs by providing loans for the purpose of financing their procurement of equipment and materials in pursuing total water supply coverage of their areas; and

(i) To report annually to the President of the Philippines . . .

Section 2. Section 12 of Executive Order No. 577 is hereby amended to read as follows:

“Section 12. Earnings of the Corporation – Earnings which may be realized from the operations of the Corporation shall accrue to and be automatically appropriated as part of the corporate earnings of the Corporation, any provision of law to the contrary notwithstanding.

To enable RWDC to pay its indebtedness and obligations in furtherance and effective implementation of the policy enunciated in this Executive Order, the RWDC, notwithstanding Section 23 of Presidential Decree No. 1177, is hereby declared exempt:

(a) From payment of all taxes, duties, fees, imposts, charges, costs and restrictions to the Republic of the Philippines, its provinces, cities, municipalities, and filing and service fees and charges or costs in any court or administrative proceedings in which it may be a party;

(b) From all income taxes, franchise taxes and realty taxes to be paid to the National Government, its provinces, cities, municipalities and other government agencies and instrumentalities; and

(c) From all import duties, compensating taxes and advance sales tax, wharfage fees on import of foreign goods required for its operations and projects.”

Section 3. Section 15 of Executive Order No. 577 is hereby amended to read as follows:

“Section 15. Board of Directors – All powers of the Corporation shall be vested in and exercised by the Board of Directors, hereinafter referred to as the Board, which shall be composed of the Minister of Human Settlements as Chairman and as members, the Minister of Public Works and Highways, the Minister of Local Government, the Minister of Health, the Executive Director of the National Water Resources Council, the General Manager of Local Water Utilities Administration, the Administrator of the National Electrification Administration and the General Manager of the Corporation or their duly authorized representatives.”

Section 4. Section 21 of Executive Order No. 577 is hereby amended read as follows:

“Section 21. Secretary of the Board – There shall be a Corporate Secretary who shall be appointed by the Board of Directors.”

Section 5. Section 28 of Executive Order No. 577 is hereby amended to read as follows:

“Sec. 28. Organization – Cooperative, non-profit, non-stock associations to be known as Rural Waterworks and Sanitation Associations (RWSA’s) may be organized for the purpose of supplying water and sanitation services in the rural areas.

All preceding references to RWA’s shall heretofore be amended to read as RWSA’s.”

Section 6. There will be added a new Section to Executive Order No. 577, which shall be known as Section 33 and shall read as follows:

“Section 33. Exemption from Securities and Exchange Commission; Exemption from taxes, imposts, duties, fees.

(a) RWSA’s shall be exempt from regulation by the Securities and Exchange Commission.

The provisions of the Securities Act shall not apply to any note, bond or other evidence of indebtedness issued by any RWSA or to any mortgage, deed of trust, indenture or other instrument executed to secure the same. The provisions of said Act shall not apply to the issuance of membership certificates or any evidence of member or patron interest by the RWSA’s.

(b) The RWSA’s shall be exempt from all National Government, local government and municipal taxes and fees, including any franchise filing, recordation, license or permit fees or taxes, charges or costs involved in any court or administrative proceeding in which it may be a party, and of all duties or imposts on foreign goods acquired for its operations.

Section 7. Section 36 of Executive Order No. 577 is hereby amended to read as follows:

“Section 36. Franchising Power Delegated to the RWDC – The power to grant and repeal, alter or amend all franchises to supply waterworks service is hereby delegated to the RWDC, whose Board of Directors shall, acting as a Commission, administer the provisions of this Chapter; Provided, That no franchise shall be altered, conditioned, repealed or cancelled, and no franchise shall be granted, without first affording the holder thereof, or the contending applicants therefor, if such be the case, and any other interested parties opportunity for hearing.”

Section 8. Section 37 of Executive Order No. 577 is hereby repealed and in lieu thereof a new Section shall read as follows:

“Section 37. Rate Review. – ALL RWSA’s, including other waterworks utilities operating within the area of

responsibility of RWDC, shall fix, maintain, implement and collect rates, fees, tools and other charges and terms and conditions for service, subject to the review and approval of the RWDC.

Section 9. Legal Counsel – It shall be the duty of the Solicitor General to represent RWDC in any judicial proceeding if, for special reasons, the General Manager shall request his intervention.

Section 10. Separability of Provisions – If any provision of this Executive Order or the application of such provision to any person or circumstance is declared invalid, the remainder of the Executive Order or the application of such provision to other persons or circumstances shall not be affected by such declaration.

Section 11. Repealing Clause – All laws, decrees, executive orders, rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

Section 12. Effectivity – This Executive Order shall take effect immediately.

DONE in the City of Manila, this 2nd day of February, in the year of Our Lord, Nineteen Hundred and Eighty-Three.

(SGD.) FERDINAND E. MARCOS

President of the Philippines

By the President:

(SGD.) JUAN C. TUVERA

Presidential Executive Assistant

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