

AN ACT GRANTING THE LAZATIN INCORPORATED A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE A WATER SUPPLY SYSTEM IN THE BARRIOS OF SAN JOSE AND SANTO DOMINGO, ANGELES CITY.

REPUBLIC ACT NO. 4063, June 18, 1964

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

SECTION 1. Subject to the conditions established under this Act and to the provisions of Commonwealth Act Numbered One hundred and forty-six, as amended, and the Constitution, there is hereby granted to the Lazatin Incorporated hereinafter known as the grantee, for a period of twenty-five years from the approval of this Act, the right, privilege and authority to construct, maintain and operate a water system for the purpose of distributing water for sale within the limits of the City of Angeles. For this purpose the grantee shall have the right and privilege:

- To construct, maintain and operate water mains, pipes, conduits, reservoirs, or dams on land owned or duly acquired or obtained by the grantee for said purpose;
- To install, lay, and maintain above or below the ground on the right of way duly acquired or obtained by said 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, and conduits, and all other necessary apparatus, appurtenances for the furnishing and distribution of water;
- To supply, sell, and 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 Public Service Commission or its legal successor; and
- To purify the sources of the water supply, the reservoirs and the dams, subject to the approval of the Bureau of Health Services, and to regulate the control and use, and prevent the waste of water: Provided, That this franchise shall not take effect until the grantee shall have obtained from the Public Service Commission a certificate showing the public necessity and convenience thereof, according to the purpose of Section fifteen of Commonwealth Act Numbered One hundred and forty-six, as amended, and shall have filed such certificate with the Secretary of Public Works and Communications, upon accepting this franchise: And provided, further, That if the grantee does not file the proper application for said certificate with the Public Service Commission, within three months from the date of the approval of this Act, this franchise shall become null and void.

SEC. 2. The grantee shall have the right to acquire or obtain by grant, lease or purchase sufficient land for the construction of water reservoir or dams, and the erection of buildings and of tanks at suitable heights for the storage of the water from said water reservoirs or dams, and right of way separate from all streets and public highway not to exceed ten meters in width, from the location of each tank to the limits of the strong material-zone of the city above-mentioned, and in order to acquire such land or any part thereof the grantee may institute

proceeding in any competent court for the expropriation of all such land or any part thereof, as provided by law.

SEC. 3. All water mains and pipes situated within the strong-material zone of the City of Angeles, as now or hereafter established by law, shall be placed at least forty-five centimeters below the surface of the ground as far as the upper part of such mains or pipes is concerned. The water mains or pipes between the reservoir and the source of supply and said limits of the strong-material zone of the city may be put above the ground on the grantee's right of way except where they cross a street or public place, in which case they shall be placed below the ground at the depth above mentioned. The construction and laying of the mains and pipes shall be done in a workman like manner, in accordance with a plan previously approved by the Public Service Commission, and whenever it shall be necessary to change the level in any part thereof in order to avoid interference with any public sewer or drain constructed or to be constructed, the grantee herein shall forthwith change such portion of said mains and pipes as the Public Service Commission may direct in writing.

Said grantee shall supply water to any applicant for the same, within fifteen days after the date of its application, in the order of the date of his application up to the limit of the capacity of the system of said grantee, to be determined by the Public Service Commission on the application of said grantee, and should the demand for water at any time increase beyond the capacity of the system of said grantee to supply the same, the capacity of said system shall be increased by said grantee to meet such demand in accordance with the decision of the Public Service Commission or its lawful successor: Provided, That the distribution system of the water pipes shall be installed, laid, maintained, and operated only on such streets and public places of the city as the Public Service Commission may designate: And provided, further, That the grantee in furnishing water to applicants therefor, as stated, shall make all connections with their mains and shall be entitled to demand a fair charge therefor as the Public Service Commission, may by order provide.

SEC. 4. All apparatus and appurtenances used by the grantee shall be modern and first class in every respect, and the water mains and pipes 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. In the maintenance and operation of his water supply system, the grantee shall always be subject to such reasonable regulations as the Public Service Commission may promulgate in the premises.

SEC. 5. Whenever it shall be necessary in the laying of said mains or pipes to take up any portion of the sidewalks or dig up the ground of the sidewalks of public streets or thoroughfares, then the said grantee shall, after said mains or pipes are laid, without delay replace said sidewalks in the proper manner, or arrange said streets or public thoroughfares, removing from the same all rubbish, dirt, refuse or other material which may have been placed there taken up or dug up in the laying of said mains or pipes and leaving them in as good condition as they were before the work was done; and whenever it shall become necessary, by reason of the extension of roads determined Upon by the city council, or by reason of the extension of streets or plazas determined upon by the city council of the city above-mentioned to change the location of said mains, pipes, such change shall be made by the grantee, his successors or assigns, at its expense, without delay, and said mains or pipes shall be placed where directed by said city council.

SEC. 6. The grantee hereby agrees to compensate the city government for any damage to its property by reason we non-construction under this franchise or of any neglect or omission to keep the water mains, pipes, conduits, reservoirs, dams and other property in a safe condition, and to be responsible for any damage to individuals corporations, co-partnerships, private, public or quasi public associations, or joint stock companies, arising out of such fault or negligence.

SEC. 7. Said grantee shall file his written acceptance of this franchise with the Secretary of Public Works and

Communications within one hundred and twenty days from the date when he obtains the certificate required by Section one of this Act, and shall commence work under the supervision of the city engineer, in accordance with the plan specifications, and estimates previously approved by the Public Service Commission, within six months time from and after the date of filing such acceptance, unless prevented by act of God or force majeure, usurped or military power, martial law, riot, or civil commotion or other inevitable cause, and shall complete the system and have the same in operation within eighteen months from the date of such acceptance, and shall thereafter maintain a first-class water system and furnish first-class service to the public and to private consumers: Provided, That in consideration of the franchise hereby granted, the grantee shall pay quarterly to the city treasury of the city above named, three per centum of the gross earning of his business during the first fifteen years, and two per centum during the remaining ten years of the life of this franchise.

SEC. 8. Upon the acceptance of this franchise as provided in the next preceding section, the grantee shall deposit in the city treasury or with any of its agents in the City of Angeles, ten per centum of the value of the investment in cash, in negotiable bonds of the Government of the Philippines or other securities approved by city council, as an earnest of good faith and a guaranty that he will begin the water supply business and may be completely provided with the necessary equipment therefor and ready to begin operation in accordance with the terms of this franchise: Provided, however, That if such deposit is in cash, it may be made in some official depository of the Government in the name of the grantee and subject to the order of the city treasurer, who shall retain the evidence of the deposit so made.

In this case, as well as in the case of the deposit being made in negotiable bonds or other securities, as provided in this section, in the interest of the cash deposit or of the bonds or securities deposited if any, shall belong to the grantee.

In case such grantee shall fail, refuse, or neglect, unless prevented by fortuitous cause or force majeure, the public enemy, usurped or military power, martial law, riot, civil commotion, or other inevitable cause, to commence the work for the water supply service within six months from the date of the acceptance of this franchise, or shall fail to provide the necessary equipment and be ready to operate within eighteen months after the date of such acceptance, in accordance with the terms of this franchise, then the deposit prescribed in this section and in the possession of the city treasurer, whether in cash, bonds, or other securities, shall be forfeited to the city government of Angeles City, as damages for the breach of the implied contract involved in the acceptance of this franchise. In case the grantee begins to operate the water supply service, and is ready for operation under this franchise, within the time specified, the deposit provided for in this section shall, upon recommendation of the Public Service Commission or its legal successor, be returned by the city treasurer to said grantee: Provided, That the time during which such grantee has been prevented from carrying out the terms above-mentioned, shall be added to the time granted by this franchise for the fulfillment of its conditions.

SEC. 9. This franchise is granted with the understanding and upon the condition that all lands or rights of use or occupation of lands secured by virtue of this franchise shall revert upon its termination to the national, provincial municipal governments which were the owners thereto upon the date on which this franchise was granted, and from the grantee used in connection with this franchise shall become the property of the City Government.

SEC. 10. The books and accounts of the grantee shall always be open to the inspection of the city treasurer and the city auditor of Angeles City or their authorized representatives, and it shall be the duty of the grantee to submit to the city treasurer reports every six months in duplicate showing the gross receipts and the net receipts for the past six months and the general condition of the business, one of which shall be forwarded by the city treasurer to the Auditor General, who shall keep the same on file.

SEC. 11. The grantee shall pay on his real estate, buildings, plant, machinery, and other personal property the same taxes as are now or may hereafter be required by law from other persons.

SEC. 12. The grantee herein shall not, without the approval of the Congress of the Philippines first had, lease, grant, sell, convey or give in usufruct this franchise and the property and rights acquired thereunder to any person or corporation : Provided, That for the purpose of such lease, grant, sale, conveyance, or giving in usufruct, it shall be necessary to file in the office of the Secretary of Public Works and Communications an agreement in writing by which the person or corporation in whose favor such lease, grant, sale, conveyance, or giving in usufruct is made, shall bind himself to comply with all existing terms and conditions: Provided, further, That in case c any national emergency affecting and endangering the public safety and order, the Government of the Philippines shall have the right to take possession of the water supply system as provided in this Act, and operate the same until such emergency shall have passed.

SEC. 13. The Public Service Commission or its legal successor, after hearing the interested parties, upon notice and order in writing, shall have the power to declare forfeiture of this franchise and all rights inherent in same for failure on the part of the grantee to comply with any of the terms and conditions thereof, unless such failure shall have been directly and primarily caused by the act of God, the public enemy, or force majeure. Against declaration of forfeiture by the Public Service Commission or its legal successor, the grantee may apply for the remedies provided in Sections thirty-five and thirty-six of Commonwealth Act Numbered One hundred and forty-six, as amended.

SEC.14. It is expressly provided that in the event the National Government should desire to maintain and operate for itself the water system herein authorized, the grantee shall surrender his franchise and will turn over to the National Government the system and serviceable equipment therein, at cost, less reasonable depreciation.

SEC. 15. The franchise herein granted shall be subject to amendment, alteration or repeal by the Congress when the public interest so requires.

SEC. 16. This Act shall take effect upon its approval.

Approved, June 18, 1964.

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