

LETTER OF INSTRUCTIONS NO. 440, July 29, 1976

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TO:

The Board of Trustees, MWSS
The Acting General Manager, MWSS
Mr. Genaro C. Bautista and/or KKMK-NWSA (MWSS)
Builders and Heavy Equipment Services Corporation
National Housing Authority

WHEREAS, Republic Act 6234, as amended by P.D. 425, mandates the MWSS to ensure an uninterrupted, adequate supply and effective distribution of potable water in Metro Manila;

WHEREAS, in the pursuit of its purposes, the MWSS with the guaranty of the National Government, obtained a loan from the Asian Development Bank for the financing of the Manila Water Supply Project denominated as ADB Loan No. 190-PHI;

WHEREAS, conformably with the MWSS-ADB Loan Agreement, a water treatment plant must be constructed as a major component of the long range program of MWSS to enhance and ensure the continuous and adequate supply and delivery of safe and potable water in Metro-Manila;

WHEREAS, under the MWSS-ADB Loan Agreement the Philippine Government guaranteed to make available for the project any or all lands or properties that may be needed for the purpose;

WHEREAS, among the sites found suitable for the establishment of the water treatment plant is a parcel of land in Novaliches, Quezon City, owned by the MWSS and covered by mother title TCT No. 141924 of the Registry of Deeds of Quezon City and which was previously allotted as a housing project for the MWSS employees;

WHEREAS, the housing project has remained stagnant because it is beset with various problems and legal controversies by and between and/or among the MWSS and its officials, the employees or unions, and the developer and/or contractor engaged by the union(s) and which must be finally resolved here for the benefit of all concerned;

WHEREAS, to use the MWSS land as the site of the water treatment plant, far outweighs the benefits of the more than 7 million inhabitants of Metro Manila compared to the Benefit that will accrue to about 1,000 employees if the land were developed for housing project;

WHEREAS, to locate the water treatment plant on the land belonging to the MWSS will considerably reduce the expenses of the MWSS and will obviate the tedious process of expropriating privately owned lands of other persons and/or entity;

WHEREAS, there is a need to relocate the MWSS housing project to other areas System may deem suitable;

WHEREAS, the defunct NWSA leased 135 hectares of MWSS land in Balara, Quezon City, to the Capitol Hills

Golf Club in 1960; that it will expire in the year 2005;

WHEREAS, it will be to the national interest if the lease contract shall be abrogated by negotiation of the parties so that this land or part thereof can be used for MWSS housing site;

WHEREAS, the IBRD recommended the sale of some MWSS idle properties to generate local funds for the improvement of the water supply project;

WHEREAS, in the establishment of housing projects for government employees it is more in consonance with the promotion of social justice for the employer to provide the land on a minimum rental to the employees who shall, in turn, undertake the construction of the housing units;

Accordingly, you are hereby directed as follows:

- To set aside, develop and use that parcel of land in Novaliches, Quezon City, owned by the MWSS and covered by mother title TCT No. 141924 of the Registry of Deeds of Quezon City, as the site of the water treatment plant notwithstanding any board action or resolution(s) of the defunct NWSA and/or MWSS relative to the allocation and/or use of said parcel of land in order to reduce expenditures and to obviate the tedious process of expropriating private lands, considering the need and urgency of completing the Metro Manila water supply project the soonest.
- In order to release the property from the mortgage lien with the GSIS, the MWSS shall assume the repayment of the loan as the same was utilized for site development.
- Considering that the entire mortgage loan of P1.5 million was released and delivered to Builders and Heavy Equipment Services Corporation (BHESCO), the contractor selected by the unions, and that the disbursement of which was through the joint decision of the union(s) and BHESCO, and without the approval of the MWSS Board of Trustees, any and all contracts by the union(s) with BHESCO or with other contractor or developers, is the sole responsibility of said parties and the MWSS and/or its officials can not be held responsible therefor.
- The MWSS is hereby directed to negotiate the cancellation of the lease-contract of the MWSS property in Balara, Quezon City with the Capitol Hills Golf Club.
- The MWSS is hereby directed to set aside and reserve at least 60 hectares of the land area covered by the lease to be used for the housing project solely for MWSS employees who are presently working with the MWSS.
- The MWSS is hereby authorized to dispose and/or encumber the remaining portion of the area covered by the cancelled lease contract which may no longer be needed by MWSS but giving the Capitol Hills Golf Club the first option to buy and/or lease the property at such price and conditions as may be agreed upon, subject to the approval of the President.
- The MWSS is hereby directed to transfer and convey the area to be reserved as housing project for MWSS employees to the National Housing Authority in consideration of which the NHA shall develop the land and construct the dwelling units for the MWSS employees. The MWSS employees shall amortize the costs of the units with the NHA, for a period of 25 years at the rate of 6% per annum. The employees shall pay a minimum rental for the use of the lots to cover only the costs of development, operation and maintenance.
- The MWSS is hereby directed to undertake at its expense the sewerage system and water supply for the housing project.
- The housing units may not be sold, alienated and/or encumbered without the prior written consent of the NHA which the latter may give only if the transferee, assign or vendee is another MWSS employee.

- Any and all acts contrary to or in violation of this Letter of Instruction or will delay or impede the early completion of the water treatment plant or the availability of the site thereof shall be considered ineffective, invalid and/or null and void, and any and all transactions related to or connected with the land subject hereof or the housing project of the MWSS employees which were never approved and/or ratified by the MWSS Board of Trustees are not binding on the MWSS and/or its officials.

- Any official, entity or private individual who, by act or omission, shall delay or impede or forestall the selection, development and use of the described land as the site of the water treatment plant and/or its early completion and/or violate any provision of this Letter of Instruction shall be reported to the Secretary of National Defense for the necessary appropriate action.

DONE in the City of Manila, this 29th day of July, in the year of Our Lord, Nineteen Hundred and Seventy-Six.

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