

AN ACT TO GRANT THE BALIBAGO WATERWORKS SYSTEM, INCORPORATED, A FRANCHISE TO INSTALL, OPERATE, AND MAINTAIN A WATER SUPPLY SYSTEM IN THE ADJACENT BARRIOS OF BALIBAGO, SANTOL, AN...

REPUBLIC ACT NO. 3647, June 22, 1963

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/e06cc66f1d29/>

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, here is hereby granted to the Balibago Waterworks System, Inc., a corporation exclusively among Filipino citizens and with one hundred per cent Filipino capital, and duly registered with the Securities and Exchange Commission of the Philippines, hereinafter known the grantee, for a period of fifty years from the approval of this Act, the right, privilege, and authority to construct, operate and maintain a water system for the purpose of distributing water for sale within the limits of the adjacent Barrios of Balibago, Santol and Malabanias in the Municipality of Angeles, and Barrio Dau in the Municipality of Mabalacat, both in the Province of Pampanga. For this purpose the grantee shall have the right and privilege:

- (a) To construct, operate and maintain water mains, pipes, conduits, reservoirs or dams on land owned or duly acquired or obtained by the grantee for said purpose;
- (b) 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 said barrios, water mains, pipes, and conduits, and all other necessary apparatus appurtenances for the furnishing and distribution of water;
- (c) To supply, sell and furnish such water to any person, corporation, or public or private concern within the limits of said barrios 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;
- (d) To purify the sources of the water supply, the reservoirs and the dams subject to the approval of the Bureau of Health, and to regulate the control and use, and prevent the waste of water: Provided, That this franchise shall not be effective 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 acceptance of 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 reservoirs or dams, and the erect of buildings and of tanks at suitable heights for storage of

the water from said water reservoirs or dams and a right of way separate from all streets and public highways not to exceed ten meters in width, from the location of each tank to the limits of the strong-material of the barrios above-mentioned, and in order to acquire such land or any part thereof the grantee may institute proceedings 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 barrios Balibago, Santol and Malabanas in the Municipality of Angeles, and Barrio Dau in the Municipality of Mabalacat, both in the Province of Pampanga as now or hereafter established by law, shall be placed at least forty-five centimeters below the surface 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 said barrios 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 workmanlike 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 live in writing. Said grantee shall supply water to any applicant for the same, within fifteen days after the date his 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: Provided, That the distribution system of the water pipes shall be installed, laid, maintained, operated only on such streets and public places of the above mentioned barrios as the Public Service Commission may designate: And provided, further, That the grantee in furnishing water to applicants therefore, 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 operation and maintenance of this 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, 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 Provincial Board of Pampanga, or by reason of the extension of streets or plazas determined upon by the municipal council of any of the municipalities above-mentioned to change the location of said mains or pipes, such change shall be made by the grantee, its successor or assign, at its expense, without, delay, and mains or pipes shall be placed where directed by said provincial board or said municipal councils.

SEC. 6. The grantee hereby agree to compensate the Government for any damage to its property by reason of 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,

co-partnerships, private, public or quasi-public associations, corporations, or joint-stock companies, arising out of such fault or negligence.

SEC. 7. Said grantee shall file its written acceptance of this franchise with the Secretary of Public Works and Communications within one hundred and twenty days from the date when it obtains the certificate required by Section one of this Act, and shall commence work under the supervision of the district 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 and proportionately into the treasury of the municipalities above named, two per centum of the gross earnings of its business during 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 National Treasury or with any of its agents in the Province of Pampanga, ten thousand pesos, or negotiable bonds of the Government of the Philippines or other securities approved by the Secretary of Public Works and Communications, of the face value of ten thousand pesos, as an earnest of good faith and a guaranty that it 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 National 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, 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 National Treasurer, whether in cash, bonds or other securities, shall be forfeited to the provincial government of Pampanga, 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 limits specified, the deposit provided for in this section shall, upon recommendation of the Public Service Commission, be returned by the National 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 understands and upon the condition that; all lands together with a the property of the grantee found therein, or rights of use or occupation of lands secured by virtue of this franchise shall revert upon its termination to the national, provincial or municipal governments which were the owners thereof upon the date on which this franchise was granted.

SEC. 10. The books and accounts of the grantee shall always be open to the inspection of the provincial treasurer of Pampanga or his authorized representative, and it shall be the duty of the grantee to submit to the provincial treasurer every six months reports 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 provincial treasurer to

the Auditor General, who shall keep the same on file.

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

SEC. 12. The grantee 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 of 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, after hearing the interested parties, upon notice and order in writing, shall have the power to declare the forfeiture of this franchise and all rights inherent in the same for failure on the part 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 such declaration of forfeiture by the Public Service Commission, 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 Government should desire to operate and maintain for itself the water system herein authorized, the grantee shall surrender its franchise and will turn over to the Government the system and serviceable equipment therein, at cost, less reasonable depreciation.

Sec. 15. This Act shall take effect upon its approval.

Approved, June 22, 1963.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.