

MALACAÑANG
MANILA

EXECUTIVE ORDER NO. 286

REORGANIZING THE METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM (MWSS) AND THE LOCAL WATER AND UTILITIES ADMINISTRATION (LWUA) PURSUANT TO REPUBLIC ACT NO. 8041, OTHERWISE KNOWN AS THE NATIONAL WATER CRISIS ACT OF 1995

WHEREAS, as enunciated in Republic Act No. 8041, it is the "declared policy of the State to adopt urgent and effective measures to address the nationwide water crisis which adversely affects the health and well-being of the population, food production and industrialization process;"

WHEREAS, consistent with this policy, Section 7 of Republic Act No. 8041 authorized the President to revamp and reorganize the MWSS and the LWUA;

WHEREAS, the Joint Executive-Legislative Water Crisis Commission established under the same law has, after consulting representatives of the MWSS and the LWUA, proposed a reorganizational plan for the said agencies; and

WHEREAS, the proposed reorganization is consistent with the Administration's framework for governance, having been designed to streamline and correct dysfunctions in the structure and operations of the MWSS and the LWUA to enable these agencies to become more effective, efficient and responsive to the country's needs for potable water, as well as prepare the groundwork for their eventual privatization, where feasible.

NOW, THEREFORE, I FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, consistent with the reorganization plan proposed by the Joint Executive-Legislative Water Crisis Commission, do hereby order:

Section 1. **Framework and Objectives.** The reorganization of the MWSS and LWUA shall be undertaken in the context of the Administration's framework of governance. Accordingly, the role of the national government shall be to steer rather than row. It shall, to the extent possible, encourage the private sector to participate in the delivery of public goods through franchising, concession, management, privatization or other arrangements of the concerned agencies operations or facilities.

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(c) To ensure more effective and responsive delivery of water services and increase revenues, Customers Service shall be divided into two Districts, each District to be headed by a Deputy Administrator. Each District shall have four service areas with each Area (or department) performing the following functions, as well as such other functions that may be assigned to it consistent with the purpose of decentralizing to ensure better public service:

- i. Revenue Generation, including meter installation and reading, billing and collection
- ii. Facilities Operation Maintenance and Improvement
- iii. Meter Management
- iv. Public Information

(d) The Office of the Senior Administrator for Resource Development and Management shall have direct supervision over the Deputy Administrators for Engineering and Construction, and for Administration and Finance.

(e) The Office of the Deputy Administrator for Engineering and Construction shall undertake planning and programming, monitoring, and evaluation of projects for the development and expansion of waterworks and sewerage facilities. Specifically, it shall have direct supervision over the following departments:

- i. Project Planning
- ii. Project Design
- iii. Applied Research and Quality Control

The same Deputy Administrator shall have direct supervision over the Project Management Office, which comprises a pool of project managers, presently consisting of five (5).

(f) The Office of the Deputy Administrator for Finance and Administration shall be responsible for resource management and provision of administrative support services. It shall consist of the following departments:

- i. Accounting
- ii. Managerial Finance and Budget
- iii. Human Resource Development and Manpower Planning

Prudence and restraint in the use of government resources shall be exercised. Efforts at streamlining and correcting dysfunctions in the operations and structures of the agencies concerned shall be undertaken to achieve more with less. The delivery of more effective, efficient and responsible public service shall be paramount.

Sec. 2. **Reorganization Plan for the MWSS.** The MWSS shall be reorganized, as follows:

2.1. **Officers.** The MWSS shall be headed by an Administrator who shall be its chief executive officer. He shall be assisted by two (2) Senior Deputy Administrators, one for Operations and Customers Service and another for Resource Development and Management. There shall, moreover, be four (4) Deputy Administrators, one (1) for Engineering and Construction, one (1) for Finance and Administration, and two (2) for Customers Service. The Senior Deputy Administrators and Deputy Administrators shall be appointed by the Board, upon the recommendation of the Administrator.

2.2. **Organization and Management.** The Administrator, with the assistance of his Senior Deputy Administrators, shall provide over-all direction and control over the operations and administration of MWSS.

(a) The Office of the Administrator shall have the following services and/or departments directly under its supervision:

- i. Corporate Planning Service
- ii. Internal Audit Service
- iii. Management Information Service
- iv. System Development Department
- v. Computer Service Department
- vi. Legal Department
- vii. Public Affairs Department

(b) The Office of the Senior Deputy Administrator for Operations and Customers Service shall be in charge of the operations and maintenance of the MWSS plants and other facilities, and the actual delivery of service to water users. It shall have direct supervision of the following departments:

- i. Water Production
- ii. Water Transmission and Meter Management
- iii. Sewerage

- iv. General Services
- v. Personnel Management and Health Services
- vi. Treasury

(g) The Table of Organization down to department level is provided for in Annex A.

2.3. **Authority to Revise the Number of Departments.** The MWSS is, subject to the approval of the President, authorized to revise the number of departments herein specified if and when the same becomes necessary by reason of a franchising, concession, privatization or other arrangements that will reduce the scope of its current operations and activities.

Sec. 3. **Reorganization Plan for the LWUA.** The LWUA is hereby reorganized, as follows:

3.1. **Officers.** The LWUA shall be headed by an Administrator who shall be its chief executive officer. He shall be assisted by a Senior Deputy Administrator. There shall, moreover, be three (3) Deputy Administrators, one (1) each for Finance, Administration and Area Operations. The Senior Deputy Administrators and Deputy Administrators shall be appointed by the Board, upon the recommendation of the Administrator.

3.2. **Organization and Management.** The Administrator, with the assistance of his Senior Deputy Administrator, shall provide over-all direction and control over the operations and administration of the LWUA.

(a) The Office of the Administrator shall have direct supervision over the following departments:

- i. Internal Control
- ii. Management Services
- iii. Public Affairs

(b) The Office of the Senior Deputy Administrator shall have direct supervision over the following departments:

- i. Special Projects
- ii. Legal
- iii. Water Resource Research and Training

The Senior Deputy Administrator shall also exercise supervision over the three (3) Deputy Administrators.

- (c) The Office of the Deputy Administrator for Finance shall be responsible for financial resources management and loans administration. Specifically, it shall have direct supervision over the following departments:
- i. Treasury
 - ii. Accounting
 - iii. Loans Administration
 - iv. Water District Audit
- (d) The Office of the Deputy Administrator for Administration shall be primarily responsible for the provision of administrative services. It shall have direct supervision over the following departments:
- i. Human Resource Management
 - ii. Property Management
 - iii. General Services
- (e) The Office of the Deputy Administrator for Area Operations shall have direct supervision over nine (9) area managers who will be responsible for the following functions at the field level:
- i. Project Planning
 - ii. Project Monitoring and Evaluation
 - iii. Water District Development
 - iv. Loans Evaluation
- (f) The Table of Organization down to department level is provided for in Annex "B".

3.3. **Authority to Revise the Number of Departments.** The LWUA is, subject to the approval of the President, authorized to revise the number of departments herein specified if and when the same becomes necessary by reason of a franchising, concession, privatization or other arrangements that will reduce the scope of its current operations and activities.

Sec. 4. **Detailed Staffing.** The MWSS and LWUA are hereby directed to prepare their proposed detailed staffing or manning patterns accounting for all positions in the organization and the corresponding budgetary and resource rearrangements as may be necessary. They are, moreover, required to conduct a thorough personnel audit to determine their respective manpower

requirements. An inventory of contracts of all contractual employees including casual and temporary employees shall also be made to determine the need for the continuation of their services.

The proposed staffing pattern shall be submitted to the Department of Budget and Management (DBM) for review not later than sixty (60) days from the date hereof. The DBM shall submit its recommendation to the President within thirty (30) days from receipt of the proposal but in no case later than ninety (90) days from the date hereof.

The revised staffing or manning pattern shall in no case exceed the number of existing authorized regular positions.

Sec. 5. **Revised Compensation.** The MWSS and the LWUA are hereby authorized to adopt a revised and upgraded position classification and compensation package for its officers and employees, subject to the following conditions:

- a. no diminution of the present salaries and benefits of MWSS and LWUA personnel;
- b. the revised rates of compensation shall be commensurate to the improved and efficient revenue collection of the agency concerned as determined by their respective Boards of Trustees;
- c. the adjusted rates shall not exceed industry and private sector rates of compensation;
- d. approval by the Board of Trustee of their respective budgets which must be sufficient to cover the proposed adjustments on compensation;
- e. the non-revenue water of the agency concerned shall in no case be more than forty percent (40%); and
- f. final approval of the President.


Sec. 6. **Separation Pay.** Any official or employee of the MWSS and LWUA who may be phased out by reason of the reorganization shall be entitled to such benefits as may be determined by existing laws. For this purpose, the MWSS, LWUA and DBM are hereby directed to study and propose schemes or measures to provide personnel who shall voluntarily retire from the service incentives and other benefits, including the possibility of accelerating the application of the revised compensation package under the Salary Standardization Law, Republic Act No. 6758. The recommendation should be submitted to the President not later than thirty (30) days from the date hereof.

Sec. 7. Effectivity. This Executive Order shall take effect the day after its complete publication in a newspaper of general circulation.

DONE in the City of Manila, this 6th day of December in the year of Our Lord, Nineteen Hundred and Ninety-Five.

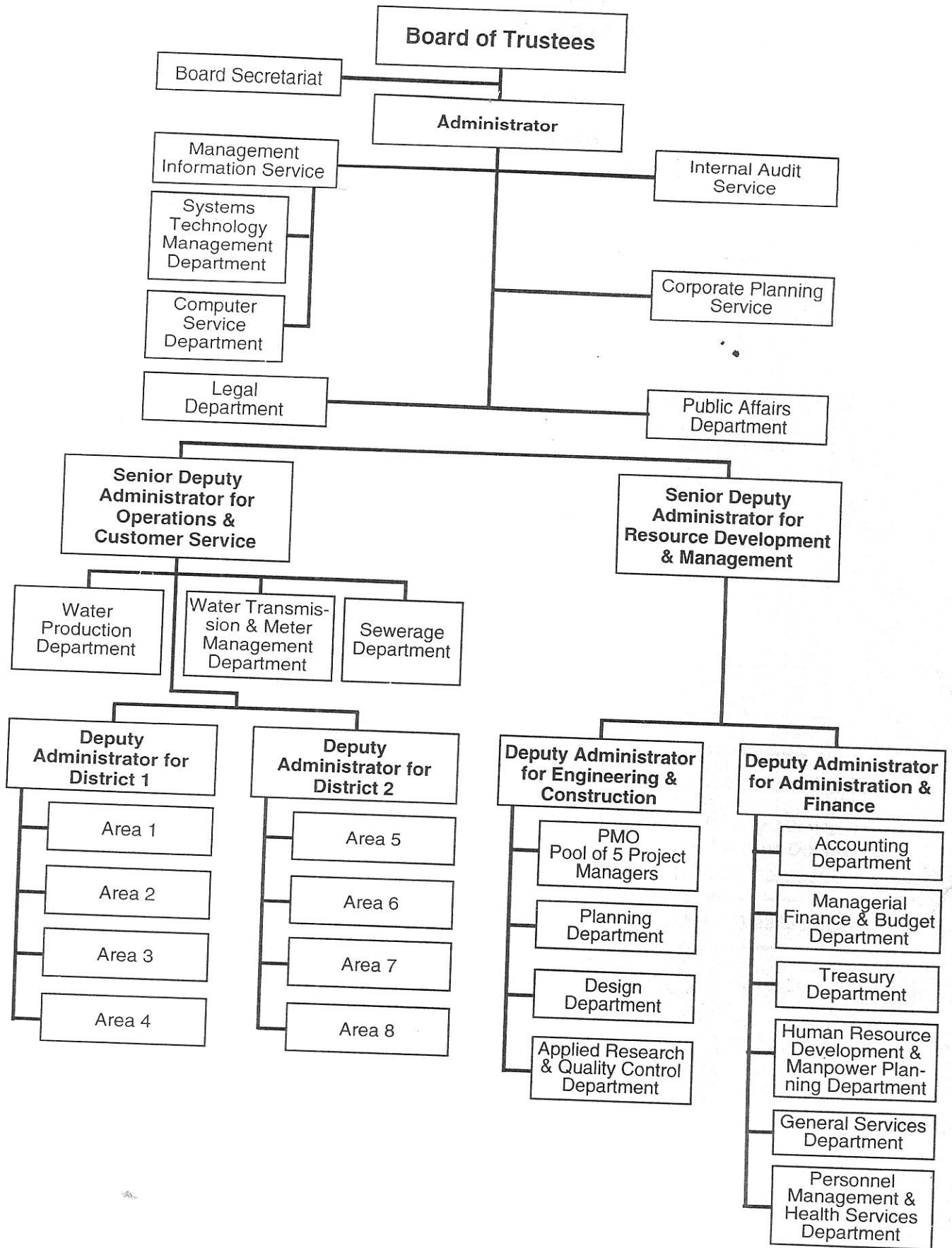


By the President:



RUBEN D. TORRES
Executive Secretary

METROPOLITAN WATERWORKS & SEWERAGE SYSTEM ORGANIZATIONAL STRUCTURE



LOCAL WATER UTILITIES ADMINISTRATION ORGANIZATIONAL STRUCTURE

