

Republic of the Philippines  
PROVINCE OF LA UNION

**TANGGAPAN NG SANGGUNIANG PANLALAWIGAN**

EXCERPT FROM THE JOURNAL OF THE 121<sup>st</sup> REGULAR SESSION OF THE 19<sup>th</sup> SANGGUNIANG  
PANLALAWIGAN OF LA UNION HELD AT THE CITY OF SAN FERNANDO,  
PROVINCE OF LA UNION ON OCTOBER 18, 2012

Hon. Aureo Augusto Q. Nisce..... Vice-Governor/Presiding Officer

PRESENT:

Hon. Francisco "Kit" C. Ortega, Jr. .... Member  
Hon. Jose Maria "Pepe" C. Ortega ..... Member  
Hon. Joaquin C. Ostrea, Jr. .... Member  
Hon. Reynaldo M. Mosuela ..... Member  
Hon. Victoria L. Aragon ..... Member  
Hon. Rolando V. Rivera ..... Member  
Hon. Robert B. Madarang, Jr. .... Member  
Hon. Ruperto A. Rillera, Jr. .... Member  
Hon. Alfredo Pablo R. Ortega ..... Member  
Hon. Kenneth Paolo C. Tereng ..... Member

ABSENT:

Hon. Henry B. Balbin ..... Member (OB)  
Hon. Manuel "Mannix" R. Ortega, Jr. .... Member (OB)

**ORDINANCE NO. 031-2012**

**GRANTING THE METRO AGOO WATERWORKS CORPORATION A FRANCHISE TO  
CONSTRUCT, INSTALL, OPERATE AND MAINTAIN A WATER SUPPLY AND SEWERAGE  
SYSTEM IN AGOO, TUBAO AND OTHER WATERLESS MUNICIPALITIES IN THE SECOND  
DISTRICT OF THE PROVINCE OF LA UNION**

*Authored by: Hon. Rolando V. Rivera  
Hon. Reynaldo M. Mosuela  
Hon. Ruperto A. Rillera, Jr.  
Hon. Robert B. Madarang, Jr.  
Hon. Joaquin C. Ostrea, Jr.  
Hon. Francisco "Kit" C. Ortega, Jr.  
Hon. Jose Maria "Pepe" C. Ortega  
Hon. Henry B. Balbin*

WHEREAS, it is recognized that the waterless municipalities in the second district of the province of La Union are in dire need of a complete and institutionalized water supply and sewerage system to ensure adequate, sustainable and reliable supply of safe and potable water for its constituents and sanitation of the province;

WHEREAS, METRO AGOO WATERWORKS CORPORATION, a privately owned and controlled corporation organized and existing under and by virtue of the laws of the Philippines, with postal address at Consolacion, Agoo, La Union, has signified its intention to provide water and sewerage services to the 2<sup>nd</sup> District Of La Union;

WHEREAS, after a thorough review, it was found that METRO AGOO WATERWORKS CORPORATION has the capability and capacity to provide water and sewerage services to the 2<sup>nd</sup> District of La Union;

*V. L. Aragon*      *J*      *cm*      *to*      *11*      *h*      *g*      *4*

NOW, THEREFORE, BE IT ENACTED, by the Sangguniang Panlalawigan in session duly assembled that:

**SECTION 1. *Nature and Scope of Franchise*** – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to **METRO AGOO WATERWORKS CORPORATION**, hereunder referred to as the “**GRANTEE**”, its successors or assign, a franchise to construct, install, operate and maintain for domestic, industrial and / or commercial purposes and in the public interest, water supply and sewerage system for the purpose of distributing water for sale and for sanitation in the waterless municipalities of the 2<sup>nd</sup> District of La Union initially in Agoo and Tubao, and for such purpose, the grantee shall have the rights and privileges to:

- (a) Invest, acquire, own, lease, hold, sell, transfer, construct, develop, expand, modernize, administer, operate and maintain water – related and sewerage – related assets including but not limited to water mains, tunnels, aqueducts, purification plants, pumping stations, pipes, conduits, reservoirs or dams, machineries and other waterworks on land owned or acquired or obtained by the grantee for said purposes;
- (b) To supply, sell, furnish such water to any person, corporation, or public or private concerns within the limits of the said Province for domestic. Be put, and to charge and collect a schedule for the use of said water, which schedule of prices and rates shall at all times be subject to regulation by the National Water Resources Board (“NWRB”), or any other government agency concerned thereon;
- (c) To construct, develop, operate, maintain and provide bulk water supply services within the 2<sup>nd</sup> District of the Province and to charge and collect a schedule of prices and conventional rates for the availment of such services;
- (d) To construct, maintain and operate such systems of sanitary sewers as may be necessary for the proper sanitation of the 2<sup>nd</sup> District of the province of La Union, and to charge and collect a schedule of fees which shall at all times be subject to regulation by the government entity in charge of this activity;
- (e) To purify the sources of the water supply, the reservoirs and the dams, subject to the approval of the Department of Health and/or any other government agency concerned thereon, and to regulate the control and use, and prevent waste of water; and
- (f) To construct, develop, maintain and operate such artesian wells and springs as may be needed in its operation within the 2<sup>nd</sup> District of the Province.

**SECTION 2. *Permits and Licenses*** – The grantee shall secure the appropriate permits and licenses for the construction, installation, operation and maintenance of the water supply and sewerage system. The government agencies concerned shall not, however, unreasonably withhold or delay the grant of any such authority

**SECTION 3. *Right of Way and Construction*** – For the purpose of constructing, installing, operating and maintaining its water supply system and sewerage system, it shall be lawful for the grantee to install, lay, construct and maintain above or below the ground on the right of way duly acquired or obtained by the grantee, or below the

*V. L. Aragon*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

ground on all streets, public thoroughfares and public places and along or under the bridges within the limits of the said Province, water mains, pipes, conduits and all other necessary apparatus and appurtenances for the furnishing and distribution of water and sewerage system. Provided, that any public land and property, including highways, streets, bridges and public works disturbed, altered or changed hereby shall be repaired, restored and replaced in a workmanlike manner by the grantee to the satisfaction of the Department of Public Works and Highways ("DPWH") or the local engineering office as the case may be, and in accordance with the existing laws and rules on excavation and reconstitution of such public works. The construction and laying of the water mains and pipes shall be done in a workmanlike manner, in accordance with the standards set by DPWH or the appropriate government agency concerned thereon. All apparatus and appurtenances used by the grantee shall be modern and first class in every respect, and the water mains, pipes and sewers 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.

**SECTION 4. *Term of Franchise*** – This Franchise shall be for a term of twenty – five (25) years from the date of effectivity of this Ordinance and shall not during said term be cancelled or suspended except for just and valid cause in accordance with the due process of law provided however, that at the end of the said period, this franchise shall be renewable for another twenty five (25) years, unless otherwise provided by law.

**SECTION 5. *Rates for Services*** – The charges and rates for the services that the grantee shall offer to the public shall be subject to the approval of the proper government agency concerned therein.

**SECTION 6. *Acceptance and Compliance*** – Acceptance of this franchise shall be given in writing within thirty(30) days after the effectivity of this Ordinance. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Ordinance. Non – acceptance shall render the franchise void.

**SECTION 7. *Warranty in Favor of the province of La Union*** – The grantee shall hold the province of La Union harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the pipelines of the grantee.

**SECTION 8. *Reportorial Requirement*** – The grantee shall submit an annual report to the Sangguniang Panlalawigan of La Union on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of very year.

**SECTION 9. *Sale, Lease, Transfer, Usufruct, Etc.*** – The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Sangguniang Panlalawigan of the Province of La Union. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Sangguninag Panlalawigan of the province of La Union, except when the transfer is done: (a) through a stock exchange transaction; (b) for purposes of qualifying persons for election to the board; and (c) to a corporation that is controlled by the same stockholders as that of the grantee. Any person or entity to which this franchise is validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Ordinance.

**SECTION 10. *Turn – over of Assets*** – After the expiration of the franchise, the assets, equipment, contracts and properties of the grantee may be turned –over or

*V. L. Aragon*      26

transferred for a consideration to the Provincial Government of La Union who has the first option, or a new franchise/ operator. The basis of the consideration shall be the prevailing market value of the assets, equipment, contracts and properties at the time of the transfer.

Section 11. Separability Clause. If, for any reason, any section or provision of this ordinance is declared unconstitutional, or inconsistent with any national law, other sections or provisions thereof, which are not affected thereby, shall continue to be in full force and effect


Section 12. Repealing Clause. All ordinances, resolutions, rules and regulations, or parts thereof, in conflict with, or inconsistent with any provisions of this Ordinance are hereby repealed or modified accordingly.

SECTION 13. Effectivity Clause – This Ordinance shall take effect immediately after the required Posting in the Province of La Union and the required Publication in a newspaper of general circulation in the Province of La Union.


APPROVED.

\*\*\*\*\*

I HEREBY CERTIFY to the correctness of the foregoing resolution.

  
**CARIDAD J. VILUAN**  
Secretary to the Sanggunian

ATTESTED:

  
**AUREO AUGUSTO Q. NISCE**  
Vice-Governor &  
Presiding Officer

  
**FRANCISCO "KIT" C. ORTEGA, JR.**  
Sangguniang Panlalawigan Member

  
**ROLANDO V. RIVERA**  
Sangguniang Panlalawigan Member

  
**JOSE MARIA "PEPE" C. ORTEGA**  
Sangguniang Panlalawigan Member

  
**ROBERT B. MADARANG, JR.**  
Sangguniang Panlalawigan Member

  
**JOAQUIN C. OSTREA, JR.**  
Sangguniang Panlalawigan Member

  
**RUPERTO A. RILLERA, JR.**  
Sangguniang Panlalawigan Member

  
**REYNALDO M. MOSUELA**  
Sangguniang Panlalawigan Member

  
**ALFREDO PABLO R. ORTEGA**  
Sangguniang Panlalawigan Member

  
**VICTORIA L. ARAGON**  
Sangguniang Panlalawigan Member

APPROVED:

  
**MANUEL C. ORTEGA**  
Governor