



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 41

RECONSTITUTING THE MEMBERSHIP OF THE LOCAL WATER UTILITIES ADMINISTRATION BOARD OF TRUSTEES

WHEREAS, Presidential Decree (PD) No. 198, or the Provincial Water Utilities Act of 1973 as amended, created the Local Water Utilities Administration (LWUA), a specialized lending institution for the promotion, development and financing of local water supply systems in provincial cities and municipalities outside Metropolitan Manila;

WHEREAS, PD No. 198, as amended, provides for the necessary skills and qualifications of the five (5) members of the Board of Trustees of the LWUA, and requires that at least three (3) members must be employees of the National Government;

WHEREAS, PD No. 198, as amended, provides that the general manager of the LWUA shall not come from the appointed trustees of the Board;

WHEREAS, Section 3 of Executive Order No. 62 (s. 2011) restructured the LWUA Board of Trustees by designating the Secretaries of Finance, Public Works and Highways, and Health, or their alternates, as *ex officio* members thereof who shall thereby represent the three (3) members coming from the National Government;

WHEREAS, Republic Act (RA) No. 10149, or the GOCC Governance Act of 2011, provides that the highest-ranking officer provided in the charter of a government-owned or -controlled corporation (GOCC) shall be elected annually by the members of the Board from among its ranks;

WHEREAS, the other public responsibilities and equally important concerns being attended to by the current *ex officio* members of the LWUA Board may hamper the timely and efficient performance of its functions;

THE PRESIDENT OF THE PHILIPPINES

WHEREAS, repealing the *ex officio* designation of the Secretaries of Finance, Public Works and Highways, and Health, or their alternates, and reverting to the general qualifications of the members of the LWUA Board under PD No. 198, as amended, will ensure greater efficiency and strengthen the composition of the LWUA Board;

WHEREAS, the President, under Article VII, Section 17 of the Constitution, shall have control over executive departments, bureaus and offices;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Composition of the LWUA Board of Trustees. The Board of Trustees of LWUA shall be composed of a Chairman and four other Members, all of whom shall be citizens of the Philippines, with the following qualifications at the time of their appointment:

- (a) One trustee shall have at least ten years' experience in banking, finance or business;
- (b) One trustee shall possess sufficient background in the field of economics;
- (c) One trustee shall have experience in management or system operations;
- (d) Two trustees shall be civil or sanitary engineers with experience related to water supply or wastewater operations;
- (e) Not more than one trustee may represent a private investor-owned utility;
- (f) No elected official shall be entitled to act as a trustee;
- (g) At least three of the trustees must be employees of the National Government.

In addition to the foregoing qualifications, the trustees shall meet the requirements under the Fit and Proper Rule pursuant to RA No. 10149, as well as possess such other skills and qualifications for Appointive Directors as may be identified by the Governance Commission for GOCCs (GCG).

SECTION 2. Election of the General Manager/Administrator. The General Manager/Administrator of LWUA shall be elected by the Board of Trustees from among its ranks.

SECTION 3. Transitory Provision. Pending the designation and assumption of the new members of the LWUA Board representing the National Government, the Secretaries of Finance, Public Works and Highways, and Health, or their alternates, shall continue to sit in the LWUA Board to ensure the continuous and unhampered operations thereof.

SECTION 4. Repealing Clause. All issuances, orders, rules and regulations, or parts thereof, which are inconsistent with this Order are hereby repealed, amended or modified accordingly.

SECTION 5. Separability Clause. If any section or part of this Order is held unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force or effect.

SECTION 6. Effectivity. This Order shall take effect immediately upon publication in a newspaper of general circulation.

Done, in the City of Manila, this **15th** day of **September** in the year of Our Lord, Two Thousand and Seventeen.

By the President:

R Duterte 

SALVADOR C. MEDIALDEA
Executive Secretary *^*

