



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

EN BANC

**MAYNILAD WATER SERVICES,
INC.,**

G.R. No. 202897

Petitioner,

Present:

- versus -

GESMUNDO, C.J.,
LEONEN,
CAGUIOA,*
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M. V.,
GAERLAN,
ROSARIO,
LOPEZ, J. Y.,
DIMAAMPAO,
MARQUEZ,
KHO, JR., and
SINGH, JJ.

**THE SECRETARY OF THE
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES
("DENR"), THE POLLUTION
ADJUDICATION BOARD ("PAB"),
THE REGIONAL EXECUTIVE
DIRECTOR, ENVIRONMENTAL
MANAGEMENT BUREAU-
NATIONAL CAPITAL REGION
("EMB-NCR"), THE REGIONAL
DIRECTOR, ENVIRONMENTAL
MANAGEMENT BUREAU-REGION
III ("EMB-REGION III"), THE
REGIONAL DIRECTOR,
ENVIRONMENTAL MANAGEMENT
BUREAU-REGION IV ("EMB-
REGION IV"),**

Respondents.

X-----X

* No part.

MANILA WATER COMPANY, INC.,
Petitioner,

G.R. No. 206823

- versus -

THE SECRETARY OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), THE REGIONAL EXECUTIVE DIRECTOR, ENVIRONMENTAL MANAGEMENT BUREAU-NATIONAL CAPITAL REGION (EMB-NCR), THE REGIONAL DIRECTOR, ENVIRONMENTAL MANAGEMENT BUREAU-REGION III (EMB-REGION III), THE REGIONAL DIRECTOR, ENVIRONMENTAL MANAGEMENT BUREAU-REGION IV ("EMB-REGION IV-A), and THE POLLUTION ADJUDICATION BOARD (PAB),

Respondents.

X-----X

METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM,

Petitioner,

G.R. No. 207969

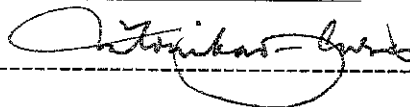
- versus -

THE POLLUTION ADJUDICATION BOARD (PAB) and ENVIRONMENTAL MANAGEMENT BUREAU,

Respondents.

Promulgated:

July 19, 2022



X-----X

RESOLUTION

HERNANDO, J.:

Petitioners Maynilad Water Service, Inc. (Maynilad), Manila Water Company, Inc. (Manila Water), and Metropolitan Waterworks and Sewerage System (MWSS) move for reconsideration of the Court's August 6, 2019 Decision,¹ which decreed adversely against them as follows –

WHEREFORE, the petitions are **DENIED**. The Decisions of the Court of Appeals in CA-G.R. SP Nos. 113374, 112023, and 112041 respectively dated October 26, 2011, August 14, 2012, and September 25, 2012, are **AFFIRMED** with the following **MODIFICATIONS** –

Petitioners are liable for fines for violation of Section 8 in relation to Section 28, of the Philippine Clean Water Act in the following manner:

1. Maynilad Water Services, Inc. shall be jointly and severally liable with Metropolitan Waterworks and Sewerage System for the total amount of PhP 921,464,184.00 covering the period starting from May 7, 2009 to the date of promulgation of this Decision;
2. Manila Water Company, Inc. shall be jointly and severally liable with Metropolitan Waterworks and Sewerage System for the total amount of PhP 921,464,184.00 covering the period starting from May 7, 2009 to the date of promulgation of this Decision;
3. Petitioners shall pay the fine within fifteen (15) days from finality of this Decision;
4. Thereafter, from finality of this Decision until petitioners shall have fully paid the amount stated in paragraphs 1 and 2, petitioners shall be fined in the initial amount of PhP 322,102.00 a day, subject to a further 10% increase every two years as provided under Section 28 of the Philippine Clean Water Act, until full compliance with Section 8 of the same law; and
5. The total amount of the fines imposed herein shall likewise earn legal interest of six percent (6%) per *annum* from finality and until full satisfaction thereof.

This instruction further enjoins not only petitioners herein, but all water supply and sewerage facilities and/or concessionaires in Metro Manila and other highly urbanized cities as defined in Republic Act No. 7160 or the Local Government Code, in the strict compliance with Section 8 of Republic Act No. 9275 or the Philippine Clean Water Act.

SO ORDERED.²

¹ *Rollo*, G.R. No. 206823, Vol. IV, pp. 2164-2212.

² *Id.* at 2209.

Petitioners file their respective motions for reconsideration.

MWSS argues that:

MWSS has a limited jurisdiction, control and supervision in terms of waterworks and sewerage system under the Concession Agreement x x x.

MWSS' performance of jurisdiction, control and supervision over the concessionaire is conditioned on the performance by DPWH, DENR and DOH of their mandates under the Clean Water Act x x x.

National support through DENR, DPWH and DOH is necessary in the performance of MWSS' obligation under the CWA.

Restricting MWSS and concessionaires' compliance with their obligation under Section 8 of CWA to 5 years will result in deprivation of property without due process of law.

Section 8 of the CWA requires that within 5 years from the effectivity of the CWA, the state actors should start connecting the then existing sewage line to available sewerage system; this requires only that MWSS and its concessionaires initiate the connection and finish them at any time during the term of their Agreement.

The solidary liability for the said liabilities imposed on MWSS on the basis of its grant of the right to operate the waterworks and sewerage areas in these Service Areas to Maynilad and Manila Water is erroneous and without basis.³

Maynilad raises the following grounds for reconsideration:

I. THIS HONORABLE COURT ERRED IN FINDING THAT MAYNILAD HAD VIOLATED SECTION 8 OF THE CWA, BASED ON AN OVERLY LITERAL AND ISOLATED READING OF THE SAID PROVISION. CONTRARY TO THIS HONORABLE COURT'S *VERBA LEGIS* AND ISOLATIONIST APPRECIATION OF SECTION 8 OF THE CWA, A HOLISTIC APPROACH TO THE CONSTRUCTION AND/OR INTERPRETATION OF THE VARIOUS PROVISIONS OF THE CWA (INCLUDING SECTION 8 THEREOF) IS DEMANDED BOTH BY THE LETTER AND THE SPIRIT OF THE CWA, AS WELL AS THE CWA IRR, WHICH CONSTITUTES THE DENR'S CONTEMPORANEOUS ADMINISTRATIVE INTERPRETATION THEREOF.

II. THIS HONORABLE COURT'S *MANILA BAY* JUDGMENT, WHICH RELIED ON THE HOLISTIC APPROACH TO THE INTERPRETATION OF THE CWA, RECOGNIZED THAT THE MWSS' (AND CONSEQUENTLY, THE CONCESSIONAIRES') OBLIGATIONS UNDER SECTION 8 OF THE CWA WERE NOT TO BE COMPLETED BY 2009 (OR WITHIN FIVE (5) YEARS FROM THE EFFECTIVITY OF THE CWA). THIS HONORABLE COURT'S DECISION IN THE *MANILA BAY* CASE TO FIX A DEADLINE – 2037 – FOR THE COMPLETION OF THE OBLIGATIONS UNDER

³ *Rollo*, G.R. No. 207969, Vol. 5, pp. 2546, 2549, 2551, 2552, 2553, and 2558.

SECTION 8 OF THE CWA IS *RES JUDICATA*, AND, THUS, BINDING ON THE MWSS, THE CONCESSIONAIRES INCLUDING MAYNILAD, AND EVEN THIS HONORABLE COURT.

III. CONTRARY TO THIS HONORABLE COURT'S ASSAILED DECISION, MAYNILAD HAS NOT VIOLATED SECTION 8 OF THE CWA, AS IMPLEMENTED BY RULE 8 OF THE CWA IRR.

IV. SECTION 28 OF THE CWA DOES NOT CONTEMPLATE THE IMPOSITION OF FINES AND PENALTIES FOR VIOLATIONS THAT DO NOT RESULT IN POLLUTION, AS THE CWA WAS CRAFTED TO FOLLOW THE POLLUTER PAYS PRINCIPLE. A CONTRARY INTERPRETATION WOULD BE AN IMPERMISSIBLE AND UNDUE DELEGATION OF LEGISLATIVE POWER.

V. THE FINES IMPOSED ON MAYNILAD ARE EXCESSIVE, CONFISCATORY, UNCONSCIONABLE, AND TANTAMOUNT TO A CRIMINAL PENALTY. IMPOSING SUCH A PENALTY ON MAYNILAD IS UNCONSTITUTIONAL FOR BEING A BILL OF ATTAINDER AND AN *EX POST FACTO* CRIMINAL SANCTION, AND FOR VIOLATING MAYNILAD'S RIGHTS TO DUE PROCESS AND EQUAL PROTECTION OF THE LAWS. IN ANY EVENT, MAYNILAD'S GOOD FAITH IN COMPLYING WITH ITS OBLIGATIONS UNDER THE CWA, THE CWA IRR, AND THE CONCESSION AGREEMENT MERITS A SUBSTANTIAL REDUCTION OF THE FINES IMPOSED.

VI. THE ISOLATIONIST AND *VERBA LEGIS* APPROACH ADHERED TO BY THIS HONORABLE COURT HAS ABSURD AND DETRIMENTAL CONSEQUENCES THAT WILL RESULT IN THE VERY EVIL SOUGHT TO BE AVOIDED BY THE CWA, AND IMPOSE SUBSTANTIAL BURDEN ON THE GENERAL PUBLIC – THE BENEFICIARIES OF THE SO-CALLED PUBLIC TRUST. LIKEWISE, SAID APPROACH FAILS TO RECOGNIZE, AND THEREFORE DEMANDS, THE PHYSICALLY IMPOSSIBLE FROM THE CONCESSIONAIRES, THEREBY RENDERING THE SAID PROVISION SELF-DEFEATING.⁴

Manila Water states its position on reconsideration, *viz.*:

I

The Doctrine Of Exhaustion Of Administrative Remedies Does Not Apply Since No Law Requires Prior Recourse To The Office Of The President. In Any Case, Several Recognized Exceptions To The Doctrine Of Exhaustion Of Administrative Remedies Justified The Direct Resort To The Court Of Appeals.

II

Petitioner Manila Water Complied With Section 8 Of The *Clean Water Act*.

⁴ Id. at 2380-2388.

III

A Violation Of Section 8 Is Not Penalized Under Section 28 Of The *Clean Water Act* Because Section 28, As A Penal Provision, Must Only Punish Those Violations Expressly And Specifically Provided By The Law Which Is Clearly Limited To Penalizing Positive Acts (As Opposed To Omissions) Which Violate Specific Provisions Of The Law Or Its *IRR*.

IV

Alternatively, Assuming Petitioner Manila Water May Be Penalized Under Section 28 Of The *Clean Water Act*, The Case Must Be Remanded For The Determination Of The Proper Imposable Fine, Considering That:

A. The Fine Must Take Into Consideration Several Factors Which Merit A Reduction Of The Liability Of Petitioner Manila Water.

B. After The Issuance Of The *SENR Order*, There Was No Procedure Where Petitioner Manila Water's Compliance With Or Continuous Violation Of Section 8 Was Monitored And Established, Which Renders The Continuous Imposition Of A Daily Fine Thereafter A Violation Of Petitioner Manila Water's Right To Procedural Due Process And Presumption Of Innocence, Since It Is An Imposition Of Penalty On Presumed Continuing Violations Without Opportunity To Prove Compliance.⁵

The Court grants in part the motions for reconsideration with a brief discussion of select issues.

Maynilad decries as unconstitutional the fines imposed for its excessiveness and for being a bill of attainder. Reworded, Maynilad claims that the penal provisions of Republic Act (RA) No. 9275 or the Philippine Clean Water Act (CWA) violated Article III, Sections 19 (1)⁶ and 22⁷ of the Constitution.

Basic, however, is the rule that one may seek the declaration of unconstitutionality of a statute only in a direct proceeding. Maynilad cannot put in issue the constitutionality of the CWA and its allegedly arbitrary provisions *via* a collateral attack, much less in a motion for reconsideration.

Also, the fines and penalties under Section 28 are permitted by our Constitution. In *Republic v. N. Dela Merced & Sons*⁸ (*Dela Merced & Sons*), private respondents therein were found to have violated Sec. 27 and fined under Sec. 28, both of the CWA. Like herein petitioners, private respondents in *Dela Merced & Sons* decried the alleged denial of due process, and argued that Sec.

⁵ *Rollo*, G.R. No. 202897, Vol. 9, pp. 5604-5606.

⁶ Section 19. (1) Excessive fines shall not be imposed, nor cruel, degrading or inhuman punishment inflicted. Neither shall the death penalty be imposed, unless, for compelling reasons involving heinous crimes, the Congress hereafter provides for it. Any death penalty already imposed shall be reduced to *reclusion perpetua*.

⁷ Section 22. No ex post facto law or bill of attainder shall be enacted.

⁸ 824 Phil. 87 (2018).

28 of the CWA was unconstitutional for imposing excessive fines. The Court, though, decreed:

Dela Merced & Sons' invocation of Article III, Section 19 (1) of the Constitution is erroneous. **The constitutional prohibition on the imposition of excessive fines applies only to criminal prosecutions. In contrast, this case involves an administrative proceeding** and, contrary to the supposition of Dela Merced & Sons, **the fine imposed is not a criminal penalty.** Hence, the proscription under Article III, Section 19 is inapplicable to this case.⁹ (Emphasis supplied.)

Manila Water further asserts that Sec. 28 strictly punishes *commission*, not *omission*. Relatedly, Maynilad pushes the position that the CWA follows what it had dubbed as the *Polluter Pays Principle*, in that the law sanctions only those clear and direct acts that result in pollution.

The Court disagrees.

Sec. 27 lists the prohibited acts under the CWA:

SECTION 27. *Prohibited Acts.* — The following acts are hereby prohibited:

a) Discharging, depositing or causing to be deposited material of any kind directly or indirectly into the water bodies or along the margins of any surface water, where, the same shall be liable to be washed into such surface water, either by tide action or by storm, floods or otherwise, which could cause water pollution or impede natural flow in the water body;

b) Discharging, injecting or **allowing** to seep into the soil or sub-soil any substance in any form that would pollute groundwater. In the case of geothermal projects, and subject to the approval of the Department, regulated discharge for short-term activities (e.g., well testing, flushing, commissioning, venting) and deep re-injection of geothermal liquids may be allowed: *Provided*, That safety measures are adopted to prevent the contamination of the groundwater;

c) Operating facilities that discharge regulated water pollutants without the valid required permits or after the permit was revoked for any violation of any condition therein;

d) Disposal of potentially infectious medical waste into sea water by vessels unless the health or safety of individuals on board the vessel is threatened by a great and imminent peril;

e) Unauthorized transport or dumping into sea waters of sewage sludge or solid waste as defined under Republic Act No. 9003;

f) Transport, dumping or discharge of prohibited chemicals, substances or pollutants listed under Republic Act No. 6969;

⁹ Id. at 102.

g) Operate facilities that discharge or **allow** to seep, willfully or through gross negligence, prohibited chemicals, substances or pollutants listed under Republic Act No. 6969, into water bodies or wherein the same shall be liable to be washed into such surface, ground, coastal, and marine water;

h) Undertaking activities or development and expansion of projects, or operating wastewater/sewerage facilities in violation of Presidential Decree No. 1586 and its implementing rules and regulations;

i) Discharging regulated water pollutants without the valid required discharge permit pursuant to this Act or after the permit was revoked or any violation of any condition therein;

j) Noncompliance of the LGU with the Water Quality Framework and Management Area Action Plan. In such a case, sanctions shall be imposed on the local government officials concerned;

k) Refusal to allow entry, inspection and monitoring by the Department in accordance with this Act;

l) Refusal to allow access by the Department to relevant reports and records in accordance with this Act;

m) Refusal or failure to submit reports whenever required by the Department in accordance with this Act;

n) Refusal or failure to designate pollution control officers whenever required by the Department in accordance with this Act; and

o) Directly using booster pumps in the distribution system or tampering with the water supply in such a way as to alter or impair the water quality.

(Emphases supplied.)

The foregoing cannot be said to cover only positive acts, or that of *commission*, or those that directly contribute to environmental pollution. Above-emphasized items are *omission, inaction, desistance, passiveness, or failure* to do certain acts required by the law that are made expressly punishable under the CWA.

Also, suffice it to state that Sec. 28 is clear and there is no ambiguity in its preliminary phrasing –

SECTION 28. Fines, Damages and Penalties. — Unless otherwise provided herein, any person **who commits any of the prohibited acts provided in the immediately preceding section or violates any of the provision of this Act or its implementing rules and regulations** x x x (Emphasis and underscoring supplied.)

There is also Manila Water's argument that the Department of Environment and Natural Resources (DENR) Secretary had never made any factual reference on the supposed failure of the concessionaires to connect sewage lines. All that the DENR Secretary had alluded to was the alleged failure to construct a centralized sewerage system, which was not the tenor of the directive under Sec. 8 of the CWA. Manila Water therefore asserts that the fines imposed were baseless, as the DENR Secretary made no finding that petitioners failed to interconnect sewage lines.¹⁰

The Court is not convinced.

Petitioners have always been steady in their stance that (1) there are a number of conditions precedent to the completion of the sewage interconnection system as directed under Sec. 8,¹¹ and (2) such conditions precedent were never allegedly met. It is, in effect, a working admission that sewage lines are still pending interconnection. It does not need further factual confirmation, and is sufficient basis for the fines imposed by the DENR Secretary.

Petitioners insist on the relevance of the Court's dispositions in the *Metro Manila Development Authority v. Concerned Residents of Manila Bay*, (MMDA) Resolution.¹² They still believe in the judicial approval of the extension of their compliance with Sec. 8 of the CWA per their understanding of the Court's directives in *MMDA* –

Several problems were encountered by the Manila Bay Advisory Committee. An evaluation of the quarterly progressive reports has shown that (1) there are voluminous quarterly progressive reports that are being submitted; (2) petitioner-agencies do not have a uniform manner of reporting their cleanup, rehabilitation and preservation activities; (3) as yet no definite deadlines have been set by petitioner DENR as to petitioner-agencies' timeframe for their respective duties; (4) as of June 2010 there has been a change in leadership in both the national and local levels; and (5) some agencies have encountered difficulties in complying with the Court's directives.

¹⁰ Manila Water's Reply to the OSG's Consolidated Comment, pp. 9-19; *rollo*, G.R. No. 202897, Vol. 9, unpaginated.

¹¹ SECTION 8. Domestic Sewage Collection, Treatment and Disposal. — Within five (5) years following the effectivity of this Act, the agency vested to provide water supply and sewerage facilities and/or concessionaries in Metro Manila and other highly urbanized cities (HUGs) as defined in Republic Act No. 7160, in coordination with LGUs, shall be required to connect the existing sewage line found in all subdivisions, condominiums, commercial centers, hotels, sports and recreational facilities, hospitals, market places, public buildings, industrial complex and other similar establishments including households to available sewerage system: Provided, That the said connection shall be subject to sewerage services charge/fees in accordance with existing laws, rules or regulations unless the sources had already utilized their own sewerage system: Provided, further, That all sources of sewage and septage shall comply with the requirements herein.

In areas not considered as HUCs, the DPWH in coordination with the Department, DOH and other concerned agencies, shall employ septage or combined sewerage-septage management system.

For the purpose of this section, the DOH, in coordination with other government agencies, shall formulate guidelines and standards for the collection, treatment and disposal of sewage including guidelines for the establishment and operation of centralized sewage treatment system.

¹² 658 Phil. 223 (2011).

In order to implement the afore-quoted Decision, certain directives have to be issued by the Court to address the said concerns.

Acting on the recommendation of the Manila Bay Advisory Committee, the Court hereby resolves to **ORDER** the following:

X X X X

(3) **The MWSS shall submit to the Court on or before June 30, 2011 the list of areas in Metro Manila, Rizal and Cavite that do not have the necessary wastewater treatment facilities. Within the same period, the concessionaires of the MWSS shall submit their plans and projects for the construction of wastewater treatment facilities in all the aforesaid areas and the completion period for said facilities, which shall not go beyond 2037.**

On or before June 30, 2011, the MWSS is further required to have its two concessionaires submit a report on the amount collected as sewerage fees in their respective areas of operation as of December 31, 2010.¹³ (Emphasis and underscoring supplied.)

The import of the Court's Decisions in *MMDA* and herein on the obligations and liabilities of petitioners are related, but distinct and separable. The Court reiterates: *MMDA* was concerned with the **urgency of formulation of plans for and actual rehabilitation of the Manila Bay**, whereas the core of these present cases is the **fact of delay of petitioners in complying with the mandate of Sec. 8 of the CWA**. The Court even indulges in petitioners' demand to be technical – *MMDA* directed petitioners **to plan for the general establishment of wastewater facilities for the rescue of Manila Bay**, whereas the Court herein ruled in the matter of **petitioners' failure to connect and interconnect sewage lines**. As Manila Water puts it, there is a world of difference between the order to construct a centralized sewerage facility per the *MMDA* case and the legal duty to interconnect sewage lines under Sec. 8.¹⁴ It is likewise needless to elaborate the answer to Maynilad's issue – *res judicata* does not find relevance here.

Even so, both obligations under the *MMDA* case and under Sec. 8 of the CWA are not mutually exclusive. **Both are standing obligations of petitioners and are interdependent on each other**. Manila Water posits that connections may not be made if a sewerage system is not existing, unavailable, or already at maximum capacity.¹⁵ But to argue that the interconnection of sewage lines shall depend on the availability of a sewerage system is tantamount to committing oneself to perform an obligation upon the happening of the condition that is predicated exclusively upon the obligor's will. Under the law, such a condition

¹³ Id. at 237-240.

¹⁴ Manila Water's Reply to the OSG's Consolidated Comment, p. 7; *rollo*, G.R. No. 202897, Vol. 9, unpaginated.

¹⁵ Manila Water's Reply to the OSG's Consolidated Comment, p. 18.

is potestative and void.¹⁶ The obligation to interconnect sewage lines shall then be deemed to be unconditional, and We ultimately go back to the fulfillment period set by Sec. 8, which is five years from the effectivity of the CWA.

Still, assuming *arguendo*, that the fulfillment of the obligation under Sec. 8 *does* depend partly upon the will of third persons, *i.e.*, the supposedly mandatory precedent consent by the private owners of establishments mentioned in Sec. 8 and compliance by the other state actors, petitioners are still considered remiss in their obligation under Sec. 8. The existing rule in a mixed conditional obligation is that when the condition was unfulfilled, but the obligor did *all in their power* to comply with the obligation, the condition should be deemed satisfied and the obligation constructively performed.¹⁷ Curiously, while petitioners insist in this “holistic” interpretation of the CWA, records lacked solid proof that they requested, and were refused, by the other state actors and agencies to do their respective roles in the CWA, or lobbied for the compulsion of adamant establishment owners to cooperate in the completion of the endeavor under Sec. 8.

Thus, the above-highlighted directive of the Court in *MMDA* did not operate to approve petitioners’ compliance with Sec. 8 of the CWA up to 2037. *MMDA* did not even refer to petitioners’ obligation under Sec. 8. The Court only directed the submission of plans and projects for the complete construction of wastewater treatment facilities, stating that such plans, projects, and actual construction shall not go beyond the year 2037. To construe it according to petitioners’ understanding and convenience would be an exercise of prohibited judicial legislation.

It behooves the Court at this point to abandon its declaration of nullity of petitioners’ Concession Agreements. The Concession Agreements are petitioners’ adherence to the *MMDA* directive, that is, to construct adequate wastewater treatment facilities for the Manila Bay rehabilitation. The Concession Agreements, as extended, should not be affected by petitioners’ noncompliance with Sec. 8 of the CWA.

MWSS opines that Sec. 8 of the CWA only required petitioners, among other state actors, to connect existing sewage lines to available sewerage system within five years. This, according to MWSS, meant that petitioners had five years *to only initiate* the interconnections and *not complete* it.¹⁸

The Court shall not share this view.

¹⁶ Civil Code, Art. 1182. When the fulfillment of the condition depends upon the sole will of the debtor, the conditional obligation shall be void. If it depends upon chance or upon the will of a third person, the obligation shall take effect in conformity with the provisions of this Code.

¹⁷ *International Hotel Corporation v. Joaquin, Jr.*, 708 Phil. 361, 379 (2013). See also Commentaries and Jurisprudence on the Civil Code of the Philippines, Vol. IV., Arturo M. Tolentino, Central Book Supply, Manila, p. 154 (2002).

¹⁸ *Rollo*, G.R. No. 202897, Vol. 9, pp. 5022-5027.

Sec. 8 is not to be overthought: it provides that **within** five years from the CWA's effectivity, petitioners are *required to connect sewage lines*, and they are expected to *complete the required connections* **after** the five-year period. To accede to MWSS' argument is absurd. Infrastructure cannot be deemed usable at groundbreaking stage, and laws must never be interpreted to the detriment of the consuming public.

Indeed, the five-year deadline for petitioners to complete the interconnection of sewage lines is practically a dream. But the CWA dictated its realization in said five years, and there is the unwavering truth that the law has *then* never been updated to modify compliance with Sec. 8 of the CWA. Petitioners' specific mandate thereunder cannot be correctly deemed to have been extended up to the year 2037 with the promulgation of the *MMDA* case that pertained to a different obligation. Neither can they rely on the Concession Agreements, as these refer to their obligation under the *MMDA* case, not Sec. 8.

Withal, it remains that petitioners violated Sec. 8 of the CWA as regards their legal duty to interconnect sewage lines.

Nonetheless, the Court sees fit to temper the fines that petitioners must pay.

Petitioners' positive efforts to comply with Sec. 8 of the CWA in good faith

We again quote Sec. 28 of the CWA for reference and emphasis:

SECTION 28. Fines, Damages and Penalties. — Unless otherwise provided herein, any person who commits any of the prohibited acts provided in the immediately preceding section or violates any of the provision of this Act or its implementing rules and regulations, shall be fined by the Secretary, upon the recommendation of the PAB **in the amount of not less than Ten thousand pesos (P10,000.00) nor more than Two hundred thousand pesos (P200,000.00) for every day of violation. The fines herein prescribed shall be increased by ten percent (10%) every two (2) years to compensate for inflation and to maintain the deterrent function of such fines:** Provided, That the Secretary, upon recommendation of the PAB may order the closure, suspension of development or construction, or cessation of operations or, where appropriate disconnection of water supply, until such time that proper environmental safeguards are put in place and/or compliance with this Act or its rules and regulations are undertaken. This paragraph shall be without prejudice to the issuance of an *ex parte* order for such closure, suspension of development or construction, or cessation of operations during the pendency of the case. (Emphasis supplied.)

However insufficient, petitioners still exercised good faith in the partial fulfillment of their obligations under the CWA and pursuant to the judicial directive in *MMDA*. The DENR Secretary noted this with a summary of

petitioners' actual efforts in his October 7, 2009 Order¹⁹ in DENR PAB Case No. NCR-00794-09:

ACCOMPLISHMENTS AND PROPOSED PROJECTS OF MWSS:

x x x x

- Number of household sewer service connections increased from 118,769 to 151,248 from 1997 privatization to the present
- 884,897 households served with sanitation services from 1997 privatization to April 2009
- PhP 5.25 Billion was expended as CAPEX and PhP 2.13 Billion was expended for OPEX for sewerage and sanitation from 1997-2008.
- In support thereof, attached as Annex 1 is the listing of the wastewater treatment facilities they are operating together with their on-going projects on the installation/construction of wastewater treatment facilities projects and appurtenant structures.
- Attached as Annex 2 are the Master Plans for West Zone and East Zone that aim to provide collection and treatment of wastewater prior to disposal to bodies of water and will substantially increase coverage within the major river systems – Marikina, San Juan, and Pasig Rivers

x x x x

PROPOSED AND ON-GOING PROJECTS OF MANILA WATER:

x x x x

1. To form part of its sewerage service expansion program, Manila Water is constructing twelve (12) additional STPs which will increase their treatment coverage to 30% in 2010 by adding more than 200 million liters per day of wastewater treatment capacity in the next five (5) years;
2. Manila Water claimed that more than 80,000 households will have complete wastewater treatment through the implementation of the 4 Billion Peso World Bank-assisted [*sic*] Manila Third Sewerage Period (MTSP);
3. After MTSP, Manila Water is set to implement its 3 River Master Plan which intends to cover 100% of the river basins of Marikina, San Juan and Pasig Rivers by 2018; and
4. Manila Water will spend more than 50 Billion Pesos to construct forty (40) major WTFS.

ACCOMPLISHMENTS OF MANILA WATER:

x x x x

1. Manila Water currently operates thirty-one (31) Sewage Treatment Plants (STP) which are capable of treating 85 million liters of wastewater per day;

¹⁹ *Rollo*, G.R. No. 206823, Vol. I, pp. 133-144.

2. A total of 68,000 households and major commercial establishments now have access to full wastewater treatment;

3. The treated water from the STPs meets effluent regulations and is safe for discharge to creeks and rivers;

4. For areas not covered by and STP like San Juan, Manila Water provides emptying of septic tanks on a regular basis. This desludging program is carried out in coordination with barangays to ensure efficient desludging service to its customers. Manila Water currently has 90 desludging trucks. Since 1997, 455,413 households have benefited from the desludging service. At present, Manila Water operates two (2) Septage Treatment Plants, which allow treatment of sludge siphoned from the septic tanks;

5. Manila Water admitted that there are still areas in the East Zone that are still not covered by sewerage services but they have concrete plans to expand their sewerage services;

6. As to the non-sewered area within the East Zone, a third Septage Treatment Plant will be completed which will allow expansion of sanitation services. Around 900,000 households will benefit from this expanded service.

In response to the comment on the percentage of completion or compliance, Manila Water would like the Board to note that out of the 151,248 household sewer service connections reported by MWSS, 68,000 come from Manila Water. This 68,000 translate to 12% sewer service coverage for the East Concession. As such, Manila Water complies with the targets imposed by MWSS through the 2008 rate rebasing exercise. By 2010, Manila Water intends to raise sewer service coverage further to 30%.

Moreover, out of 884,987 households served with sanitation or septic tank desludging services reported by MWSS, 455,413 come from Manila Water. This means that Manila Water is able to service 100% of all household septic tanks every 5 years.

x x x x

ACCOMPLISHMENTS OF MAYNILAD:

Maynilad's Wastewater Management Program in compliance with its contractual obligations under the CA includes the sanitation services to the water-served population in the City of Valenzuela. Of the 49,336 domestic customers in Valenzuela, Maynilad has offered sanitation services to 30,728 customers and desludged a total of 16,470 septic tanks since 1997;

Maynilad further explained that while the city of San Juan is not within its coverage area, Maynilad provides sanitation services to the portion of Quezon City under the West Zone. Of the 210,182 domestic customers in Quezon City, Maynilad offered sanitation services to 124,125 customers and desludged a total of 62,008 septic tanks;

The main component of their Wastewater Management Program is the provision of sewerage and sanitation services to its connected customers. They are currently operating four (4) sewerage systems:

- Central Manila Sewerage System (CMSS);
- Dagat-dagatan System;
- Quezon City Communal System; and
- Makati Isolated System.

Maynilad stated that they are also operating a Septage Treatment Facility and a fleet of desludging trucks to cover customers not connected to the sewerage system.

According to Maynilad, the effluent of their wastewater treatment facilities passed the standards set forth in DAO 35. In addition, the Dagat-dagatan Sewage and Septage Treatment Plants are ISO 9001, 14001, & OSHAS 18001 certified. They are also in the process of acquiring the same ISO certifications for the Tondo Sewage Pumping Plant. They also claimed that both facilities are operating with LLDA permit.

Maynilad stated that in compliance with the [Concession Agreement], Maynilad offers sanitation (desludging) services in the Cavite area. Of the 30,741 domestic customers in the Cavite area, Maynilad has offered sanitation services to 17,850 customers and desludged a total of 9,577 septic tanks in the Cavite area since 1997.

They explained that septic tanks are desludged using vacuum tankers and the septage collected is transported, processed and treated in the Dagat-dagatan Septage Treatment Plant.

Maynilad stated that they continue to offer sanitation services in Valenzuela as part of its wastewater management program. Of the 49,336 domestic customers in Valenzuela, Maynilad has offered sanitation services to 30,728 customers and desludged a total of 16,470 septic tanks since 1997.²⁰

The Court notes Manila Water's and Maynilad's target numbers for the year 2021 in terms of sewer coverage were 55% and 66%, respectively.²¹ There is also Manila Water's allegation that it "connected the existing sewage lines of **at least 61,166 households** and establishments to available sewerage systems, which resulted in **at least 97% interconnection.**"²²

The accuracy of this averment, however, is quite clouded by Manila Water's earlier position before the DENR Secretary –

In response to the comment on the percentage of completion or compliance, Manila Water would like the Board to note that out of the 151,248 household sewer service connections reported by MWSS, 68,000 come from Manila Water. **This 68,000 translate to 12% sewer service coverage for the East Concession. As such, Manila Water complies with the targets imposed by MWSS through the 2008 rate rebasing exercise. By 2010, Manila Water intends to raise sewer service coverage further to 30%.**²³ (Emphasis supplied.)

²⁰ Id. at 135-139.

²¹ *Rollo*, G.R. No. 202897, Vol. 6, p. 3584-3585.

²² Motion for Reconsideration, Manila Water, p. 23, *rollo*, G.R. No. 202897, Vol. 6, p. 3464. Emphasis ours.

²³ *Rollo*, G.R. No. 206823, Vol. I, p. 138.

Maynilad, on the other hand, offered no specific number or percentage as to its actual sewer service coverage.

Even so, there is no discounting petitioners' actual efforts to desludge septic tanks on a house-to-house basis in lieu of sewerage interconnections, and their conduct of other significant and related works in accordance with their mandate under the Concession Agreements. Their acts indicate good faith. *Good faith* is a state of mind consisting of honesty in belief or purpose, faithfulness to one's duty or obligation, observance of reasonable commercial standards of fair dealing in a given trade or business, or absence of intent to defraud or to seek unconscionable advantage.²⁴

It is also fitting to quote the keen observations of Associate Justice Jhosep J. Lopez on the matter:

On the part of Maynilad, aside from the accomplishments recognized by the DENR Secretary in his October 7, 2009 Order, it bears noting that the parties do not dispute that Maynilad underwent corporate rehabilitation from 2003 to 2008.^[25] Undeniably, from the time of the enactment of the [CWA] in 2004 until the water concessionaires' compliance with the obligations imposed therein in the year 2009, Maynilad's coffers has to be carefully managed, lest it runs the risk of running out of business. It has been held that the purpose of rehabilitation proceedings is not only to be paid their claims from its earnings when so rehabilitated.^[26] In the process, a Stay Order was issued on November 17, 2003. This is a mechanism of suspension of all actions and claims against the distressed corporation upon the due appointment of a management committee or rehabilitation receiver.^[27] Throughout the period of this Stay Order, it would not be prudent for Maynilad to spend its funds for the fulfillment of a subsequent obligation, which was not even in existence yet when it started the process of its corporate rehabilitation in 2003.

Notably, it was only on February 6, 2008 when Maynilad's corporate rehabilitation was terminated after the successful implementation of its Rehabilitation Plan.^[28] From this period until May 2009, which was supposed to be the end of the 5-year period mandated by the [CWA], it would appear that Maynilad only had a period of 15 months within which to comply with its obligation of connecting sewage lines to available sewerage system. This equates to a 75% reduction in the 5-year period within which Maynilad has to comply with its obligation. Given the gargantuan task it had to accomplish under the [CWA] it would be nearly impossible for Maynilad to fully comply within the shorter period of 15 months. Nonetheless, despite the limited period of time, which became even more limited because of the rehabilitation proceedings it underwent, it was still able to partially perform its obligation, and is still complying with its obligation as mandated by the [CWA].

²⁴ Black's Law Dictionary, 9th ed. West Publishing Co., 2009, p. 762.

²⁵ Citing Maynilad's Motion for Reconsideration, p. 90, *rollo*, G.R. No. 202897, Vol. 9, pp. 5146.

²⁶ Citing *Philippine Asset Growth Two, Inc. v. Fastech Synergy Philippines, Inc.*, 788 Phil. 355, 383 (2016).

²⁷ Citing *De la Torre v. Primetown Property Group, Inc.*, 826 Phil. 153, 160 (2018).

²⁸ Citing Maynilad's Motion for Reconsideration, p. 90, *rollo*, G.R. No. 202897, Vol. 9, pp. 5146.

Petitioners may have been wanting in their obligations under Sec. 8. But their exertion of a considerable level of obedience thereto, plus the fact that they had undergone corporate hardship during the most critical time of compliance with the CWA, belie any ill will on their part that should not be punished with the severest brunt of the law.

Other circumstances moderating petitioners' liabilities for fines

The Court, thus, reconsiders its initial judgment to inflict upon petitioners the maximum amount of the impossible fine under Sec. 28, that is, ₱200,000.00 per day of violation.

Petitioners' infractions still deserve a penalty graver than the least amount of the impossible fine under Sec. 28 of the CWA.

In *Dela Merced & Sons*,²⁹ private respondents therein were owners of the Guadalupe Commercial Complex situated alongside Pasig River. Said commercial building ran a wet market and housed food establishments. It was found that private respondents operated a facility in Guadalupe Commercial Complex that discharged regulated water pollutants without a discharge permit. They were fined ₱10,000.00 per day for 398 days of violation in the total amount of ₱3.98 million in accordance with Sec. 28 of the CWA.

In *Summit One Condominium Corporation v. Pollution Adjudication Board and Environmental Management Bureau* (Summit One),³⁰ petitioner company's sewerages were determined to have resulted in water pollution within its vicinity. Its noncompliance with the DENR Effluent Standards merited a total fine of ₱2,790,000.00.

The foregoing so far were the only decided cases involving violations of the CWA. Even so, it is deducible that the factual circumstances of *Dela Merced & Sons* and *Summit One* cannot be considered at par with the ones at hand. The resultant water pollution in *Dela Merced & Sons* and *Summit One* is relatively smaller in scale, lighter in gravity, and less transcendental in urgency and importance compared to the present cases.

However, in the imposition of administrative penalties, it is well to also use the principles on the imposition of civil and criminal penalties in this jurisdiction.

In civil cases involving the enforcement of a penal clause in a contract, all obtaining conditions are considered, including the relevant prevailing realities, plus the erring party's financial conditions and manner of compliance. Such

²⁹ Supra note 6 at 93.

³⁰ 813 Phil. 178, 188 (2017).

were applied to reduce the penalty interest to be suffered by erring party in *Ligutan v. Court of Appeals*.³¹

The question of whether a penalty is reasonable or iniquitous can be partly subjective and partly objective. Its resolution would depend on such factors as, but not necessarily confined to, the type, extent and purpose of the penalty, the nature of the obligation, the mode of breach and its consequences, the supervening realities, the standing and relationship of the parties, and the like, the application of which, by and large, is addressed to the sound discretion of the court. **In *Rizal Commercial Banking Corp. vs. Court of Appeals*, just an example, the Court has tempered the penalty charges after taking into account the debtor's pitiful situation and its offer to settle the entire obligation with the creditor bank. The stipulated penalty might likewise be reduced when a partial or irregular performance is made by the debtor. The stipulated penalty might even be deleted such as when there has been substantial performance in good faith by the obligor, when the penalty clause itself suffers from fatal infirmity, or when exceptional circumstances so exist as to warrant it. (Emphasis supplied.)**

In crimes and offenses, the purpose of the statute violated and the circumstances surrounding the violation are minded in prescribing the penalty therefor. This policy was utilized in the resolution of *United States v. Lim Sing*,³² an old criminal case for violation of the Opium Law:

An exceptionally wide range of discretion is conferred upon the courts in the imposition of the penalties prescribed for violations of the penalized provisions of the Opium Law. **But this discretion should not be exercised arbitrarily, and in imposing the prescribed penalties the courts should always have in mind the purpose and object of the statute as a whole. We think that a review of the legislation having for its object the regulation of the use and sale of opium, its derivatives and compounds, as such legislation has been adopted in this as well as in many foreign jurisdictions, justifies the conclusion that the primary object of the statute now in force in these Islands is the protection of the body politic from the evils which are believed to be incident to the widespread use of this habit forming drug other than as a medicine or for scientific purposes. With this object in view all unauthorized use of or traffic in the drug is penalized, the prescribed penalties to be imposed by the courts in their discretion within very wide limits.**

The exceptionally wide extent of discretion conferred upon the courts under the statute clearly indicates the intention of the legislator that **in applying these penalties the courts should have in mind, at all times, the primary object of the law, that is to say the suppression of the vice, as a widespread evil threatening the public welfare; and further, the particular circumstances of each case, and the degree of criminality involved in the particular violation of the statute of which the accused person has been convicted. (Emphasis supplied.)**

³¹ *Ligutan v. Court of Appeals*, 427 Phil. 42, 52 (2002), citing *Rizal Commercial Banking Corp. v. Court of Appeals*, 352 Phil. 101, 126 (1998).

³² 23 Phil. 424, 427-428 (1912).

The balancing guidelines in the imposition of civil and criminal penalties are to be related to the fines to be suffered by petitioners. Such fines are in the nature of administrative penalties, aiming to compel obedience with the provisions of a regulatory law so as to secure public order and policy.³³ The CWA's prime objective is "the protection, preservation and revival of the quality of our fresh, brackish and marine waters,"³⁴ and it is undeniable that petitioners undertook actual steps to the noble ends presupposed by the CWA. This fact should further temper petitioners' administrative liabilities under the CWA.

A development most significant to mention at this point is the recent grant of legislative franchises to Maynilad and Manila Water.

On December 10, 2021, former President Rodrigo Roa Duterte signed into law two legislative grants of public utility franchises: RA No. 11600 or *An Act Granting Maynilad Water Services, Inc. a Franchise to Establish, Operate, and Maintain a Waterworks System and Sewerage and Sanitation Services in the West Zone Service Area of Metro Manila and Province of Cavite*,³⁵ and RA No. 11601 or *An Act Granting Manila Water Company, Inc. a Franchise to Establish, Operate, and Maintain a Waterworks System and Sewerage and Sanitation Services in the East Zone Service Area of Metro Manila and Province of Rizal*.³⁶

The third paragraph of Section 21, RA 11600 stated:

SEC. 21. *Reportorial Requirement.* – x x x

x x x x

The grantee shall submit to the MWSS Regulatory Office a completion plan for the establishment and operation of water, sewerage and sanitation projects covering a period until 2037 which shall include periodic five (5)-year completion targets **with the end goal of achieving one hundred percent (100%) water, sewerage and sanitation coverage by 2037**. The grantee shall submit an annual progress report of its compliance with such targets to the MWSS Regulatory Office and to Congress. (Emphasis supplied.)

The same portion in RA 11601 was worded in almost identical terms:

SEC. 21. *Reportorial Requirement.* – x x x

x x x x

The grantee shall submit to the MWSS Regulatory Office a completion plan for the establishment and operation of water, sewerage and sanitation

³³ Following *Civil Aeronautics Board v. Philippine Air Lines, Inc.*, 159-A Phil. 142, 147-148 (1975).

³⁴ Section 2, Clean Water Act.

³⁵ Published/uploaded on the Official Gazette website January 7, 2022.

³⁶ Published/uploaded on the Official Gazette website January 7, 2022.

projects covering a period until 2037 which shall include periodic five (5)-year completion targets **with the end goal of achieving one hundred percent (100%) water and combined sewerage and sanitation coverage by 2037**. The grantee shall submit an annual progress report of its compliance with such targets to the MWSS Regulatory Office and to Congress. (Emphasis supplied.)

Relatedly, Section 28 of both laws provide:

SEC 28. *Repealing Clause.* – Any law, decrees, orders, resolutions, instructions, rules or regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Fifteen days after its publication in the Official Gazette on January 7, 2022, RA Nos. 11600 and 11601 became effective January 22, 2022,³⁷ thus extending petitioners' compliance deadline with Sec. 8 of the CWA from May 7, 2009 to the year 2037.

Their passage, though, does not operate to condone petitioners' violations of the CWA in their entirety. The views of Associate Justice Jose Midas P. Marquez espoused during the deliberations are of particular relevance:

With the passage of the new franchise laws, the Philippine Clean Water Act was effectively amended with respect to the obligations of petitioners Maynilad and Manila Water thereunder. R.A. No. 9275 refers to interconnecting all existing sewer and septage lines within five years from the law's enactment, or until 2009. On the other hand, R.A. No. 11600 specifically refers to "water, sewerage, and sanitation coverage," while R.A. No. 11601 to "water and combined sewerage and sanitation coverage," both pertaining to a combined sewerage and sanitation system taken cumulatively to achieve 100% percent coverage by 2037.

The new franchise laws however cannot erase the liabilities of petitioners that have already set in prior to these new franchise laws' enactment. Accordingly, petitioners must still be held liable and answerable from the time they violated and failed to comply with the Philippine Clean Water Act, *i.e.*, five years from its effectivity or from 7 May 2009 until January 21, 2022, the day immediately prior to the effectivity of the new franchise laws which modified their obligations and period to comply with.

Weighing all things at a calibrated perspective – petitioners' indelible delay in the full performance of their obligations under Sec. 8; the water concessionaires' good faith and real efforts to comply with Sec. 8; their corporate financial issues coinciding with the 5-year compliance period under the CWA; and the recent effectivity of their franchises under RAs 11600 and 11601 on January 22, 2022 directing "one hundred (100%) water and combined sewerage and sanitation coverage by 2037" – the Court resolves to reduce the fines previously imposed upon petitioners. From ₱200,000.00, it is fairer to hold petitioners liable for the lowered base

³⁷ Following Section 29 of both RA Nos. 11600 and 11601.

amount of ₱30,000.00 per day of violation counting from May 7, 2009, until January 21, 2022, the day immediately prior to the effectivity date of their franchises extending their compliance with Sec. 8 up to year 2037. The base amount of fines at the initial rate of ₱30,000.00 per day of violation shall be subject to a 10% increase every two years beginning May 7, 2009 until January 21, 2022, following Sec. 28 of said RAs.

It remains that from finality of this Resolution, the total amount of petitioners' respective fines shall earn legal interest of six percent (6%) per *annum* until full payment thereof.

While laws have always been on the hunt for the corrupt, blatantly-evil acts of public officers, our citizens are usually left unguarded against the government's vice of complacency. Daily we pass by road constructions that take a questionable period of time to finish; commuters rise at 3:00 a.m. just to willingly drown in the endless and merciless sea of city traffic, always in doubt of all hopes that they will make it on time to work at 8:00 a.m.; and here, sewerage connections in Metro Manila, Cavite, and Rizal have been pending for more than 20 years since the enactment of the law mandating their completion in only five years. So much more of these kinds of inconvenience have unfortunately become our norm. But the public deserves better than "*pwede na.*" Their quiet tolerance should not inspire a culture of idleness and indifference within the government. The famed resilience of the Filipino people is never a trait to be abused. These cases aim to impress upon everyone in the political sphere the import of the Public Trust Doctrine: the people are the ultimate owners of the country's resources, over which the State is a trustee, a subservient manager, a mere nominal holder. The Doctrine enjoins not only petitioners herein, but all public service providers that earn their keep primarily through paychecks funded by the people, in the strict compliance of the regulatory laws relevant to them.

It is thus opportune to highlight Maynilad and Manila Water's renewed mandate, phrased in one and the same manner under Section 7 of both RAs 11600 and 11601 –

SEC 7. Responsibility to the Public. – The grantee, its successors or assignees, shall conform to the ethics of honest enterprise and shall provide water supply and sewerage services to its service area in a prudent, efficient, and satisfactory manner. (Emphasis supplied.)

The resolution of these cases is a word of caution to the MWSS to be more diligent and circumspect in its obligations, to see to it that the provisions of the CWA are observed to the last letter. Lest it be forgotten, the functions of the water concessionaires under the CWA are merely delegated to them by virtue of the Concession Agreements with the MWSS. Whatever may be Maynilad and Manila Water's actions in furtherance of the CWA, its Concession Agreements, or their legislative franchises, these shall generally redound to the

ultimate accountability of the MWSS, being the water concessionaires' supervisor and principal.

All other issues have already been addressed at enough length in the questioned Decision. The Court only leads petitioners to re-read what they assail to find the answers they now seek.

WHEREFORE, the Motions for Reconsideration are **GRANTED IN PART**. The dispositive portion of the Court's August 6, 2019 Decision in these cases is **MODIFIED** to read as follows –

Petitioners are liable for fines for violation of Section 8 of the Philippine Clean Water Act in the following manner:

1. Maynilad Water Services, Inc. shall be jointly and solidarily liable with Metropolitan Waterworks and Sewerage System for the base amount of ₱30,000.00 per day of violation counting from May 7, 2009 until January 21, 2022, in the total amount of ₱202,256,726.22;

2. Manila Water Company, Inc. shall be jointly and solidarily liable with Metropolitan Waterworks and Sewerage System for the base amount of ₱30,000.00 per day of violation counting from May 7, 2009 until January 21, 2022, in the total amount of ₱202,256,726.22;


3. The base amount of fines of ₱30,000.00 per day of violation shall be subject to a 10% increase every two years beginning May 7, 2009 until January 21, 2022, following Section 28 of the Philippine Clean Water Act;

4. Petitioners shall pay their respective fines within 15 days from receipt of this Resolution; and


5. The total amount of the fines imposed herein shall likewise earn legal interest of six percent (6%) per *annum* from finality of this Resolution until full satisfaction thereof.


The total amounts herein indicated shall be deducted from the amount of fines already paid by petitioners, if any, and the difference, if any, shall be returned to them.

SO ORDERED.



RAMON PAUL L. HERNANDO
Associate Justice

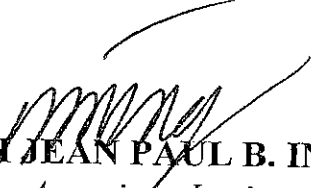
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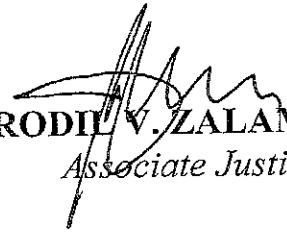

ALEXANDER G. GESMUNDO
Chief Justice


MARVIC M. V. F. LEONEN
Associate Justice

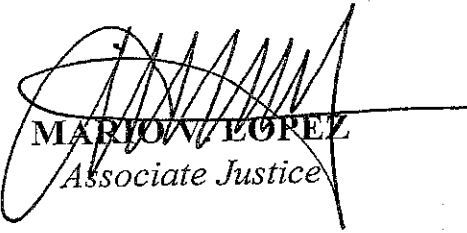
No part
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


AMY C. LAZARO-JAVIER
Associate Justice



HENRI JEAN PAUL B. INTING
Associate Justice




RODIL V. ZALAMEDA
Associate Justice




MARIO V. LOPEZ
Associate Justice



SAMUEL H. GAERLAN
Associate Justice

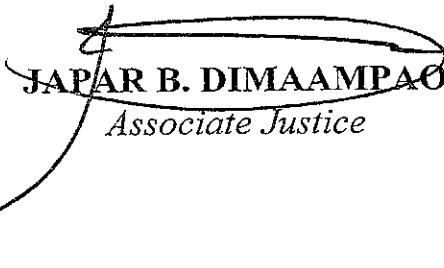


RICARDO R. ROSARIO
Associate Justice



JHOSEP Y. LOPEZ
Associate Justice

*separate
with concurring
opinion*



JAPAR B. DIMAAMPAO
Associate Justice



JOSE MIDAS P. MARQUEZ
Associate Justice



ANTONIO T. KHO, JR.
Associate Justice




MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Resolution were reached in consultation before the cases were assigned to the writer of the opinion of the Court.


ALEXANDER G. GESMUNDO
Chief Justice

CERTIFIED TRUE COPY


MARIA LUISA M. SANTILLA
Deputy Clerk of Court and
Executive Officer
OCC-En Banc, Supreme Court