

E. DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

E.1. LOCAL WATER UTILITIES ADMINISTRATION

For subsidy requirements in accordance with the project(s) as indicated hereunder.....P 220,000,000  
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New Appropriations, by Program  
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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>				
Operations	P 220,000,000			P 220,000,000
WATER SUPPLY AND SANITATION PROGRAM		220,000,000		220,000,000
TOTAL NEW APPROPRIATIONS	P 220,000,000			P 220,000,000

**Special Provision(s)**

1. Subsidy to the Local Water Utilities Administration. The amount of Two Hundred Twenty Million Pesos (P220,000,000) appropriated herein as subsidy for the Local Water Utilities Administration (LWUA) shall be used for the Provision of Level III Potable Water Supply Systems:

For Provision of Level III Potable Water Supply Systems, the LWUA is authorized to deduct engineering and administrative overhead (EAO) expenses not exceeding three percent (3%) of the project cost. The authorized EAO expenses shall be limited to: (i) pre-construction activities after detailed engineering; (ii) construction project management; (iii) testing and quality control; (iv) acquisition, rehabilitation and repair of related equipment and parts; and (v) contingencies in relation to pre-construction activities.

The EAO expenses shall be treated or booked-up as capitalized expenditures and form part of the project cost.

In the implementation of the above Projects, the LMUA shall observe the following:

- (a) Loans outlay to water districts shall be recorded as equity contribution of the National Government to LMUA when its authorized capitalization is increased by law, while grants thereto remain to be treated as subsidy;
- (b) Prohibition on the use of subsidy for the payment of salaries, allowances, incentives, separation or retirement benefits; and
- (c) Compliance with the provisions of R.A. No. 9184, its IRR and GPPW guidelines.

Release of funds for Level III Potable Water Supply Systems shall be subject to the submission of the program of work for each project as well as a MOA between LMUA and the water-district beneficiary.

The LMUA shall submit its quarterly reports on the utilization of funds with electronic signature to the DM, through the Unified Reporting System, and to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, by posting said reports on LMUA website for a period of three (3) years. The Administrator of LMUA shall send written notice to the said offices when said reports have been posted on its website, which shall be considered the date of submission.

2. Special Provisions Applicable to All Government Corporations. In addition to the foregoing provisions, the special provisions applicable to all government corporations enumerated under the Budgetary Support to Government Corporations-Others shall be observed by the LMUA.

New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>				
<b>Operations</b>				
Access of Filipinos to adequate Level III water supply and sanitation system improved	P	220,000,000		P 220,000,000
<b>WATER SUPPLY AND SANITATION PROGRAM</b>		<u>205,000,000</u>		<u>205,000,000</u>
Provision of Level III potable water supply and adequate sanitation system		<u>205,000,000</u>		<u>205,000,000</u>
<b>Project(s)</b>				
Locally-Funded Project(s)		<u>15,000,000</u>		<u>15,000,000</u>
Rehabilitation of Old Transmission and Distribution of Pipelines, Cabagan Water District		<u>15,000,000</u>		<u>15,000,000</u>
<b>Sub-total, Operations</b>		<u>220,000,000</u>		<u>220,000,000</u>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P</b>	<b>220,000,000</b>		<b>P 220,000,000</b>

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

**Current Operating Expenditures**

**Maintenance and Other Operating Expenses**

    Financial Assistance/Subsidy 220,000

BUDGETARY SUPPORT TO GOVERNMENT CORPORATIONS

**Total Maintenance and Other Operating Expenses**

**220,000**

**Total Current Operating Expenditures**

**220,000**

**TOTAL NEW APPROPRIATIONS**

**220,000**