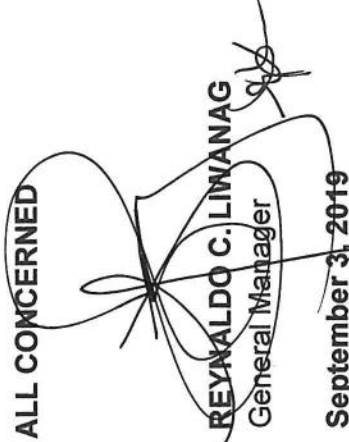
	Republic of the Philippines ANGELES CITY WATER DISTRICT		Form No.: AOGM-06 Control No.: 2019-09-008-OGM
	OFFICE MEMORANDUM No. 08, Series of 2019		Revision: 01 Rev. Date: 03/01/19 Page 1 of 1 1

TO: ALL CONCERNED


REYNALDO C. LIWANAG
 General Manager

DATE: September 3, 2019

SUBJECT: PENALTIES/CHARGES FOR ILLEGAL CONNECTION

Pursuant to the provisions of Presidential Decree 198 (Provincial Water Utilities Act) and Republic Act 8041 (National Crisis Act of 1995) and as per Board Resolution No. 16, Series of 2019 dated August 23, 2019 during the 16th Regular Board Meeting, the Penalties/Charges for Water Pilferage as proposed by the ACWD Illegal Connection Committee is hereby approved and implemented effective October 23, 2019.

Attached is the Board Resolution approving the Proposed Penalties/Charges on Water Pilferage responsive to the Provisions of P.D. 198 and Republic Act 8041 and further adapting the implementing rules and regulations.

For your information and guidance.



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Resolution No. 16 – Series of 2019
RESOLUTION OF THE ANGELES CITY WATER DISTRICT BOARD OF DIRECTORS
APPROVING THE PROPOSED PENALTIES/CHARGES ON WATER PILFERAGE
RESPONSIVE TO THE PROVISIONS OF PD 198 (PROVINCIAL WATER UTILITIES ACT)
AND REPUBLIC ACT 8041 (NATIONAL WATER CRISIS ACT OF 1995)” AND FURTHER
ADAPTING THE IMPLEMENTING RULES AND REGULATIONS OF PRESIDENTIAL
DECREE 198 AND REPUBLIC ACT 8041

WHEREAS, there is a need to establish ACWD policy regarding penalties for water pilferage through a resolution to make it responsive to P.D. 918 and R.A. 8041, among others....;

NOW, THEREFORE, RESOLVE, AS IT IS HEREBY RESOLVED, on motion of Director Sibug and duly seconded by Director Muñoz, to approve the proposed penalties/charges on water pilferage responsive to the provision of Presidential Decree 198 (Provincial Water Utilities Act) and Republic Act 8041 (National Water Crisis Act of 1995) and **FURTHER** adapting the following implementing rules and regulations of the P.D. No. 198 AND R.A. No. 8041 applicable and suitable to the situation of Angeles City Water District (ACWD) to wit:

SECTION 1 DEFINITION OF TERMS – The following terms used in this resolution shall have the following meaning :

- (a) Unauthorized/Unregistered Water Service Connection – refers to a water service connection tapped to water line of the water district without approved application/authority. This includes unauthorized/unregistered additional water service tapped to another water service connection.
- (b) Unauthorized Water Main Extension – refers to an extension or tapping on any secondary/tertiary distribution line to the water mainline of the water district without approved application/authority.
- (c) By-pass Connection – refers to the water service connection installed before the meter such that water drawn from it is not registered in the meter.
- (d) Tampering/Reversion/Unauthorized Dismounting of the Water Meter.
 - (i) Water Meter Tampering – refers to the insertion of wire, stick, coconut midrib, and the like or attachment of magnet to the water meter, shortening of vane wheel and the detachment of the water meter registry dials/mechanism and meter seals in order to suppress/slow the rotation of the meter vane or any other intentional act which may result to under-registration or stoppage of the meter.
 - (ii) Water Meter Reversion – refers to reversion of the water meter position which reduces consumption registration.
 - (iii) Unauthorized Dismounting of Water Meter – refers to the unauthorized removal of the water meter.
- (e) Tampering of Gate Valve/Service Cock/Meter Seal/Meter Protector – refers to the removal or tampering of the gate valve/service cock/meter seal/meter protector or any part of the meter vertical assembly.

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	<p style="text-align: center;">Revision: 00 Revision Date: 00/00/00 Page 2 of 8</p>
<p>Resolution No. 16 – Series of 2019 RESOLUTION OF THE ANGELES CITY WATER DISTRICT BOARD OF DIRECTORS APPROVING THE PROPOSED PENALTIES/CHARGES FOR WATER PILFERAGE RESPONSIVE TO THE PROVISIONS OF PD 198 (PROVINCIAL WATER UTILITIES ACT) AND REPUBLIC ACT 8041 (NATIONAL WATER CRISIS ACT OF 1995)”</p>	

- (f) Double or more than one Tapping – refers to two or more service connections of a single dwelling/building separately tapped to water mains of the water utility concerned, one or all of which is not connected to the water meter.
 - (g) Unauthorized Advanced Use of Stub-outs – refers to the drawing of water from sub-outs prior to the approval of the prospective customer’s application for water service.
 - (h) Illegal Re-opening of Water Service Connection – refers to the unauthorized re-opening/reactivation of closed/abandoned water service which was closed or abandoned due to delinquency.
 - (i) Unauthorized Use of Booster Pump – refers to the use of a booster pump in order to draw water **directly** from the water main and thereby adversely affecting the withdrawal of water by other nearby registered customers.
 - (j) Selling Water – refers to the customers of the ACWD who sell water without expressed authority from the water utility.**
 - (k) Illegal Change of Size of Service Pipe – refers to a change in the size of the service pipe without approved application.
 - (l) Illegal Transfer of Tapping Location – refers to the unauthorized transfer/relocation of the tapping point of a water service.
 - (m) Illegal Public Faucet – refers to an unauthorized/unregistered water service used by a group of people/families.
- SECTION 2 UNLAWFUL ACTS – The following are declared unlawful act/s:**
- (a) To destroy, damage or interfere with any **water mains, water distribution pipe**, or property of Angeles City Water District.
 - (b) To do any malicious act which shall injuriously affect the quantity or quality of the water flow of ACWD waterworks system, or the supply, conveyance, measurement or regulations thereof, including the prevention of or interference with any unauthorized person engaged in the discharge of duties connected therewith.
 - (c) To tap, make, or cause to be made any connection with water lines without prior authority or consent from Angeles City Water District.
 - (d) To tamper, install or use tampered water meters, sticks, magnets, reversing water meters, shortening of vane wheels and other devices to steal water or interfere with accurate registry or metering of water usage, or otherwise results in its diversion in a manner whereby water is stolen or wasted.
 - (e) To use or receive the direct benefit of water service with knowledge that diversion, tampering or illegal connection existed at the time of the use, or at the use or receipt was otherwise without authorization of the water district.



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- (f) To steal or pilfer water meters, main lines, pipes and related or ancillary facilities.
- (g) To steal water for profit or resale;
- (h) To knowingly possess stolen or tampered water meters.
- (i) To knowingly or willfully allow the occurrence of any of the above.


SECTION 3. PRIMA FACIE EVIDENCE - The presence of any of the following circumstances shall constitute prima facie evidence of theft, pilferage or of any unlawful act enumerated in Section 2.

- (a) Existence of illegal or unauthorized tapping to the water main or distribution pipe.
- (b) Existence of any illegal connection such as reversed meter, shortened vane wheel, bypass or other connection which adversely affect the accurate registration of the water meter.
- (c) Presence of a bored hole in the glass cover of the water meter, or all the back of or any part of the meter including the vertical vane.
- (d) Presence of tampered, or fake seals on the meters. Inspection of tampered water meters shall be done in the presence of the registered water consumer.
- (e) Presence of a reversed meter in the premises, insertion of rod, wire or stick in the meter filed or shortened vane wheel, removal or altering of any part of the meter mechanism, use of magnet and any similar illegal devices which interfere with the meter registration.
- (f) Destruction of the meter protection and other metering accessories.
- (g) Abnormal imprints, traces or marks found in the meter assembly.

The prima facie shall not apply to tenants who have occupied the house or dwelling for ninety (90) days or less.

SECTION 4 SPECIAL AGGRAVATING CIRCUMSTANCES – Any of the following shall be considered as an aggravating circumstance :

- (a) When the violation is committed in conspiracy with at least another person, both of whom shall be considered as principal;
- (b) When the offense is committed by, or in connivance with private plumber, officer or employee of Angeles City Water District, whom shall be considered as principals; or
- (c) When the violation is coupled with the sale from a source which is illegal or unregistered, or unauthorized or a source with a tampered meter.

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SECTION 5 INVESTIGATION OF REPORTS ON ILLEGAL CONNECTION AND UNLAWFUL ACTS UNDER R.A. NO. 8041

- (a) Angeles City Water District shall investigate reports on water service illegalities and shall complete the investigation within *one week* from receipt of the report. The *one week* period shall cover assessment and payment of fines and charges and the issuance of closing orders.
- (b) Angeles City Water District shall notify the owner/user regarding the results of the investigation by serving the **Notice of Investigation Report** indicating the violation, to be signed by the household resident.
 - i. If the owner/user does not respond in writing to charges made within five (5) days from receipt of said Notice under Item (b) hereof, ACWD shall close the water service at the tapping point.
 - ii. At the end of each day, ACWD shall prepare a list of water services for permanent closing and shall execute the same.
 - iii. ACWD shall maintain a database of all reports received, action taken thereon and status of each case.
- (c) ACWD shall cause the assessment of under-collection and filing of appropriate charges.

SECTION 6. CASES OF ILLEGALITIES/UNLAWFUL ACTS SUBJECT TO IMMEDIATE CLOSING

- (a) Use of unauthorized/unregistered water service connection.
- (b) By-Pass connection.
- (c) Water service not connected to water meter in case of double tapping.
- (d) Unauthorized re-opened water service connection.
- (e) *Water services which were illegally separated from the water meter, in the case of multiple dwellings.*
- (f) Water services whose original tapping location had been illegally transferred/relocated.
- (g) *Cases involving second violation of the same person or entity, whether or not in the same location/address.*

SECTION 7. CASES WHERE THE REGISTERED WATER SERVICE MAY NOT BE IMMEDIATELY CLOSED BUT SUBJECT TO CLOSING AT THE TAPPING POINT AFTER RECEIPT OF WRITTEN NOTICE, EXCEPT ON SATURDAYS, SUNDAYS AND HOLIDAYS.



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- (a) Water service whose owner uses a booster pump in order to draw water directly from the water main. The use of a booster pump directly connected to the water main is generally unauthorized and its use shall be discontinued.
- (b) Water service from which water is drawn and sold. ACWD shall notify registered owner of water services wherefrom water is drawn and sold to stop from selling water within **five (5) days** from receipt of the notice. ACWD shall close the water service at the tapping point.
- (c) Water service connection found with violations, like drawing the water before the meter, from service cock/improperly classified service and other manner of tampering of water meter. ACWD shall notify the registered owners of water services found with such violations within **five (5) days** from receipt of the notice. If the owner refuses to comply, disconnection at the tapping point shall be implemented.

SECTION 8. CHARGES – The following charges are determined by **Angeles City Water District** and shall be updated from time to time:

A. Under-collection of Water Consumption – All assessment of under-collection shall be certified correct by the authorized representative of **ACWD**, namely the **Commercial Department**.

- (i) Unauthorized/Unregistered Water Service Connection:

Estimated Water Consumption – Under-collection shall depend on the verifiable estimate of the duration of the offense prior to its discovery. The volume of water to be under-collected shall be based on the **average of 3 highest monthly consumption of the zone** where the illegal connection was located.

- (ii) By-pass Connection – charges shall be equivalent to the average of 3 highest monthly consumption prior to the commission of the offense.
- (iii) Double Tapping – the same penalty in (ii).
- (iv) Tampering of Water meter - the same penalty in (ii).
- (v) Service Cock/Gate Valve/Meter Seal/Meter Protection or any part of the Vertical Meter Assembly - the same penalty in (ii).
- (vi) Illegally Reopened Abandoned Services.
- (a) Unpaid Accounts – The present user of the water service which is illegally reopened shall be accountable for the unpaid accounts of the said water service.



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(b) Unbilled Water Consumption – If the meter is in good working condition before the water service was closed, the registered owner shall pay for the average monthly consumption based on the three months normal billing. If water meter is in not in good working condition, the average consumption of the zone where the offense was committed.

(c) Meter Charges – the cost of the meter for the re-opened service shall be shouldered by the offender-customer.

B. Depending on the type of violation/s, the owner/user shall pay the following charges :
Residential – P 2,000.00 + under-collection + damages to the system.

Commercial – P 4,000.00 + under-collection + damages to the system.

Industrial – P 6,000.00 + under-collection + damages to the system.

a. **Estimated Damage** to distribution lines of ACWD and closing of tapping point – This includes cost labor and materials for the repair of water mains and closing of tapping point arising from unskilled and unsupervised installation of the unauthorized water service based on current market price.

C. Illegal Change of Pipe/Size of Service Pipe/Illegal Transfer of Tapping Location/Separation of Additional Water Service

Estimated Damage to Mainline – The owner/user shall pay the estimated cost of damage to mainline based on the size of service pipe.

Offenders on illegal change of pipe/size of service pipe/illegal separation of water service will pay the estimated cost of damage to mainline based on the size of service pipe and restoration fees based on the type of pavement.

On these cases, disconnection of all activities will be undertaken. Restoration to its original location size/status will also be implemented. Regular application for these changes in service connections will be made with ACWD.

SECTION 9. PAYMENT OF CHARGES – The charges shall be paid in cash as soon as they have been established. Upon receipt of payment for the under collection of water consumption/penalties, the **ACWD COMMITTEE ON ILLEGAL CONNECTION** shall issue a clearance to the owner/user which shall be the basis in processing the owner's re-application for water service.

SECTION 10. MONITORING AND CONTROL – Angeles City Water District shall closely monitor all activities related to the implementation of this resolution and shall periodically report to its Board.



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SECTION 11. PENALTIES – In addition to the under collection being charged to unregistered water service connections, the following penalties shall be imposed pursuant to the provisions of Section 11 of R.A. No. 8041.

- (a) **Angeles City Water District** shall have the right and authority to disconnect the water service after receipt of **five (5) days** written notice to that effect, except on Sundays, and holidays, without need of a Court or Administrative Order, and deny restoration of the same when prima facie evidence of theft or pilferage shall have been established in accordance with **Section 3** of this resolution, provided that a notice shall have been issued even upon discovery for the first time of the presence of any of the circumstances herein enumerated ; Provided, further, that the water service shall not be disconnected or shall be immediately restored upon deposit, by the person concerned, of the difference in the billing; Provided, finally, that the deposit shall be credited against future billings, with legal interest thereon where the alleged theft, pilferage or current diversion has not been committed, without prejudice to being indemnified for damages in accordance with the Civil Code and other existing laws.
- (b) Imprisonment of **six (6) months** or **two (2) years** and a fine not exceeding double the amount of the value of the water stolen or the value of the damaged facilities shall be imposed on the offender.
- (c) Any plumber, officer or employee of Angeles City Water District who assists the offender in the commission of the crime shall be dismissed from the service and or punished by imprisonment of **two (2) years** to **six (6) years**.
- (d) When water stolen by offender is resold or extended for profit, the offender will be punished by imprisonment from **six (6) to twelve (12) years**.
- (e) If the offender is a juridical person, the penalty shall be imposed on the Chairman, President, General Manager, Administrator and the officers who shall have knowingly permitted, or are otherwise responsible for the commission of the offense.
- (f) Any person with pending cases of illegal water service connections prior to the approval of this resolution shall be required to apply for legal water service connection and pay all penalties, within ten (10) days for receipt of the final demand letter which must be issued from within a 10-day period from the effectivity of this resolution. Non-compliance shall subject the offender to the full force and effect of the Anti-Water Pilferage provisions of R.A. No. 8041, known as the "National Water Crisis Act of 1995".
- (g) For recidivists or habitual offenders, a written notice of **seventy-two (72) hours** is necessary to effect water service disconnection upon the discovery for the second time of any of the circumstances enumerated in Section 2 of this resolution.

SECTION 12. ASSISTANCE OF BARANGAY OFFICIALS/PNP – Whenever possible and practical, the services of Barangay Officials/PNP should be tapped by ACWD in the survey of household connections that are illegally connected with the water line of the water district as well as those without water meters.



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SECTION 13. EFFECTIVITY – This resolution shall take effect 60 days upon approval. The 60 days shall used for effective dissemination of the highlighted provisions of this resolution to enable wider acceptance and applicability of this resolution.

RESOLVED FURTHER, to furnish copy of this resolution to all others concern for their information and guidance.

Done in the City of Angeles this 23rd day of August 2019 during the 16th Regular Meeting of the ACWD Board of Directors.

UNANIMOUSLY APPROVED.


BERNARDO P. CRUZ
 Chairman


FIDELIO L. SIBUG
 Vice-Chairman


MA. GRACELA G. MUÑOZ
 Secretary


NELSO C. KOO
 Member


JOSEPH VOLTAIRE M. ZALAMEA
 Member

/ptc