

LOCAL WATER UTILITIES ADMINISTRATION


BOARD OF TRUSTEES RESOLUTION

**SUBJECT: AMENDMENTS TO THE IMPLEMENTING POLICIES AND GUIDELINES
ON LWUA FEE FOR ISSUANCE OF WAIVER/CLEARANCE FOR WDS
TO CONTRACT LOANS FROM NON-LWUA SOURCES**

**RESOLUTION NO. 83
Series of 2017**

WHEREAS, Management recommended approval of the following amendments to the Implementing Policies and Guidelines on LWUA Fee for the Issuance of Waiver/Clearance for WDS to Contract Loans from non-LWUA Sources, per BOT Res. Nos. 72-2005 and 95-2012:

1. One-time Review Fee of 0.20% of loan amount indicated in the approved LWUA Clearance, subject to the following terms and conditions:
 - a. Billed through Open Account Billing (OAB);
 - b. Full payment due thirty (30) days after WD's receipt of formal notice of approved Clearance along with the OAB;
 - c. Unpaid balance shall be subject to 4% interest or prevailing interest rate; and,
 - d. Review Fee is due and demandable unconditional to outcome of negotiations between the District and the Bank and/or Monetary Board Opinion.
2. Effective fifteen (15) days following completion of public information requirement.

Date Adopted 30 August 2017	<i>I, the undersigned, hereby certify that the foregoing is a true copy of the resolution adopted by the Board of Trustees of the Local Water Utilities Administration on August 30, 2017.</i>  ATTY. ADRIAN DONALD L. SEGUI Board Secretary
962 nd Regular/Special Meeting	

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WHEREAS, the Board of Trustees, in its Res. No. 72-2005, authorized the charging of fees for the review of Water District loans from other sources, pursuant to Sec. 35 of PD 198, as amended;

WHEREAS, the Board of Trustees, in its Res. No. 95-2012, also approved Implementing Policies and Guidelines on Water District Loan Program Under the LWUA-Bank Memorandum Agreement for Financing, which authorized charging of evaluation and monitoring fee equivalent to at least 0.20% of loan amount;

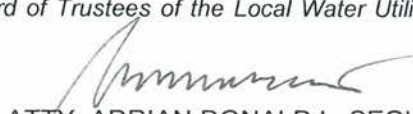
WHEREAS, the Implementing Policies and Guidelines under BOT Res. No. 95-2012 did not indicate payment timing and applicable terms for charging of evaluation and monitoring fee (EMF);

WHEREAS, presently, the IFS/LAD charge WDs, with issued Clearance, a 0.20% EMF through Open Accounting Billing (OAB) based on loan amount indicated in request, due 15 days from receipt of OAB notice, with the unpaid balances subject to 12.5% interest;

WHEREAS, some WDs granted Clearance withheld EMF payment pending release of their loans with GFIs/PFIs, while Others settled EMFs based on actual loan amounts released;

WHEREAS, adoption of a one-time review fee consistent with BOT Res. No. 72-2005 will simplify charging and resolve issues on payment timing;

WHEREAS, full settlement of Review Fee will allow LWUA to instantly recover costs of rendered services in fulfillment of its regulatory function;

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WHEREAS, Review fee equivalent to 0.20% of loan amount per EMF of BOT Res. 95-2012 will result to at least 33% scaling down in fees for project loans below Php 400 M, and up to 90% reduction for loans below Php 5 M, to benefit the Category C and D WDs, which will result in an offset against project loans in excess of P400 M, of which mostly only Category A WDs are capable, since EMF is twice the 0.10% Review/Endorsement Fee of BOT Res. No. 72-2005;

WHEREAS, Management represented that amendments are consistent with DOF-DBM-NEDA Joint Circular No. 1-2013 re Implementing Rules & Regulations of Administrative Order No. 31, S. 2012, on the Rationalization of Rates of Fees & Charges, Increase in Existing Rates, and Imposition of New Fees and Charges;

WHEREAS, compliance with public information requirement is pursuant to Section 8 of DOF-DBM-NEDA Joint Circular No. 1-2013;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved, to approve, as recommended by Management, the following amendments to the Implementing Policies and Guidelines on LWUA Fee for the Issuance of Waiver/Clearance for WDs to Contract Loans from non-LWUA Sources, per BOT Res. Nos. 72-2005 and 95-2012:

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ATTY. ADRIAN DONALD L. SEGUI
Board Secretary

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- c. Unpaid balance shall be subject to 4% interest or prevailing interest rate; and,
- d. Review Fee is due and demandable unconditional to outcome of negotiations between the District and the Bank and/or Monetary Board Opinion.


RESOLVED, FURTHER, that the said amendments shall apply prospectively and shall be effective fifteen (15) days following completion of public information requirement, in accordance with DOF-DBM-NEDA Joint Circular No. 1-2013;

APPROVED:


HON. ROGELIO B. LUY
Chairman

Absent
HON. MARK DENNIS Y. C. JOVEN
*Official Alternate of
DOF Secretary Dominguez*

Absent
HON. MARIA CATALINA E. CABRAL
*Official Alternate of
DPWH Secretary Villar*


HON. GERARDO V. BAYUGO
*Official Alternate of
DOH Secretary Ubial*


HON. JECI A. LAPUS
Acting Administrator

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ATTY. ADRIAN DONALD L. SEGUI
Board Secretary