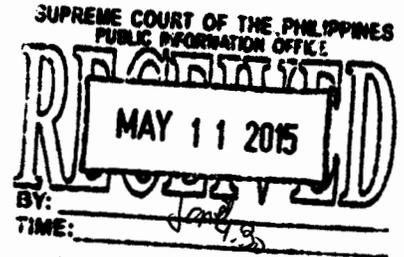




Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE



Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated **March 23, 2015** which reads as follows:*

**“G.R. No. 185184 (*Metropolitan Waterworks and Sewerage System v. Provincial Government of Bulacan, represented by Governor Josefina M. dela Cruz*).—** On 6 June 2003, the Provincial Government of Bulacan (respondent) filed a Complaint for specific performance against Metropolitan Waterworks and Sewerage System (MWSS or petitioner). It asked that MWSS be ordered to (1) provide a copy of the financial statements of MWSS from 1992 up to the present; (2) pay the provincial government its share in the earnings of MWSS in the amount of 1% of the yearly gross sales or receipts from 1992 up to the present; and (3) remit to the provincial government 40% of the total amount representing the concession fees MWSS received and will be receiving, pursuant to the concession agreement it had with private entities. Respondent asserted that the Angat Dam, which was situated within its territorial jurisdiction, was the principal source of the water supplied by MWSS to the Greater Metro Manila area. The Provincial Government of Bulacan emphasized that the Constitution entitled local governments to claim an equitable share in the proceeds from the utilization and development of the national wealth within its territorial jurisdiction.

On 3 June 2005, the RTC issued a Decision<sup>1</sup> in favor of the Provincial Government of Bulacan. The trial court ruled that the water in Angat Dam is included in the term “national wealth,” which may be developed and utilized within the meaning of the Local Government Code.

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<sup>1</sup> Decision of the Regional Trial Court (*Provincial Government of Bulacan v. Metropolitan Waterworks and Sewerage System*, Civil Case No. 410-M-2003, Malolos RTC Br. 82) (dated 3 June 2005), at p. 1, rollo, p. 74 (RTC Decision)

It then found that MWSS was engaged in the utilization and development of the water sourced from Angat Dam. It considered the following acts as utilizing and developing water as a natural resource: the operation, maintenance, supervision, and control of waterworks systems, including dams and reservoirs; and the purification, regulation, and control of the use of waters. Accordingly, the RTC pronounced that the Provincial Government of Bulacan was entitled to collect a share in the proceeds from the water stored in Angat Dam pursuant to the Local Government Code. The trial court pointed out that the certification issued by the National Power Corporation (NPC) showed that 71.9% (with the Umiray River Basin) to 88.5% (without the Umiray River Basin) of the water in Angat Dam was sourced from the province of Bulacan, in accordance with the National Mapping and Resource Information Authority (NAMRIA) Topographical Map.

On 30 May 2008, the Court of Appeals (CA) issued a Decision<sup>2</sup> affirming the RTC Decision with modification and ruling that the Provincial Government of Bulacan was entitled to a share in the utilization of the water in Angat Dam. The CA affirmed that the term “national wealth” within the meaning of Section 289 of the Local Government Code was synonymous with the term “natural resources” within the meaning of Section 2, Article XII of the Constitution. The appellate court also upheld the reliance of the RTC on the NPC’s estimates, which were in turn based on the NAMRIA Topographical Map, and ruled that the water in Angat Dam was sourced from Bulacan. Furthermore, it pronounced that the right of local governments to an equitable share in the proceeds that were derived from the utilization and development of the national wealth was not inconsistent with the state ownership of that wealth.

Aggrieved, MWSS filed a Petition for Review on *Certiorari* before this Court. In one of the attachments to its Memorandum filed with this Court, the Office of the Government Corporate Counsel mentioned House Bill No. 4339 entitled “An Act Requiring the Metropolitan Waterworks and Sewerage System (MWSS) to Give an Equitable Compensation to the Province of Bulacan for the Water that MWSS Draws from the Water Dams and Reservoir Located in the Province of Bulacan.” Furthermore, while House Resolution No. 408 was not mentioned by the parties, it

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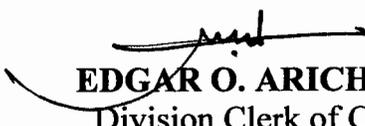
<sup>2</sup> Decision of the Court of Appeals (*Provincial Government of Bulacan v. Metropolitan Waterworks and Sewerage System*, CA-G.R. CV No. 86701, 14<sup>th</sup> Div.) (dated 30 May 2008), *rollo*, pp. 51-73. The Decision was penned by Court of Appeals Associate Justice Marlene Gonzales-Sison and concurred in by Associate Justices Amelita G. Tolentino and Lucenito N. Tagle. On 24 October 2008, the CA issued a Resolution denying petitioner’s motion for reconsideration.

appears to have been passed to urge then President Gloria Macapagal-Arroyo to direct the Secretary of Finance to set aside an amount equivalent to one percent of the amount received by the national government from the operations of the MWSS and to remit that percentage to the Province of Bulacan.

In view of the foregoing, the parties are hereby **ORDERED** to **MOVE IN THE PREMISES** by informing the Court of any supervening event that may help in its immediate disposition of the present case. This supervening event may include any negotiation or settlement that the parties may have entered into or any other action by any branch or instrumentality of the government. To clarify, an order to “move in the premises,” which is a term of art employed in this Court, simply means that the parties are obliged to inform the Court of pertinent developments that may help in the immediate disposition of the case.<sup>3</sup> Parties are hereby required to **SUBMIT** their compliance with this order within 10 days from receipt hereof.

**SO ORDERED.”**

Very truly yours,

  
**EDGAR O. ARICHETA**

Division Clerk of Court, *in + l*

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<sup>3</sup> *Oliveras v. Lopez*, G.R. No. L-29727, 14 December 1988, 168 SCRA 431.

*phi*