

EXECUTIVE ORDER NO. 282

Establishing a Water Sector Steering Committee

WHEREAS, it is the Constitutional obligation of the Government of the Republic of Palau to take positive action to attain certain national objectives and to promote certain national policies, among them being the promotion of the national economy; the protection of the safety and security of persons and property; the promotion of the health of the citizens of Palau; and the provision of public education; and

WHEREAS, the availability of affordable, potable water of the highest quality and in sufficient quantity and of a well functioning sewer system is absolutely essential to attaining and promoting the foregoing objectives and policies, particularly the promotion of the health of the citizens of Palau; and

WHEREAS, the availability of sufficient resources to immediately retire the outstanding debts owed by the Government of the Republic of Palau to the vendors providing it with goods and services and to retire its arrearages with the Palau Public Utilities Corporation and with the entities administering the Republic of Palau pension and social security trust funds is of critical import to the promotion of Palau's economy; and

WHEREAS, the Government of the Republic of Palau has sought the assistance of the Asian Development Bank ("ADB") to provide a loan to enable the Republic of Palau to develop its water resources and sewer system and to manage its arrears; and

WHEREAS, it is possible that the arrears of the Government of the Republic of Palau will be addressed by the ongoing Review of Palau's Compact of Free Association with the United States, the Government of the Republic of Palau will continue to seek a pool of funding to assist it going forward with cash management; and

WHEREAS, access to the national water supply and sewer system is for the most part currently limited to users in the states of Koror and Airai. The cost of providing water and sewer services is heavily subsidized by the Government of the Republic of Palau as currently the rates charged to the consumers are insufficient to recover the costs of providing such services. Moreover, while multiple agencies are responsible for the delivery of water supply and sewer services, no one agency is responsible for asset management and water and sewer infrastructure and investment planning. Finally, current laws related to the operation of the public water supply and sewer systems are generally insufficient to effectively regulate current operations, and are not sufficient to support the establishment and operational functions of a corporatized water supply entity; and

WHEREAS, through consultations conducted earlier this year the Government of the Republic of Palau and the ADB have agreed that the establishment of a water supply and sanitation utility would be an effective policy and tool to develop Palau's water resources and sewer system, to more fully recover the costs associated with providing such services, and further to reduce government expenditures and meet other fiscal needs of the Republic; and

WHEREAS, the ADB has agreed to provide assistance to the Government of the Republic of Palau through *The Palau Water Sector Loan Project* (the "Project"), which, by this reference, is incorporated herein and made a part hereof for all purposes; and

WHEREAS, Section 7 of Article VIII of the Palau Constitution grants the President all the inherent powers and duties of a national chief executive, including, but not limited to enforcing the law of the land; and

WHEREAS, 2 PNC § 110 empowers the President by Executive Orders to establish offices and agencies within the Executive Branch and to prescribe their duties, responsibilities and functions so as to assist the President, the Vice President and the Ministers in the performance of their duties, responsibilities and functions; and

WHEREAS, the President has determined that the Executive Branch of the Government of the Republic of Palau would benefit by establishing a Task Force to advise the President and to coordinate the Project with the ADB;

NOW, THEREFORE, by virtue of the authority vested in the President by Article VIII of the Constitution of the Republic of Palau, the President orders as follows.

1. Creation of a Water Sector Steering Committee. There is hereby established a Water Sector Steering Committee (the "WSSC") composed of the following members and such other persons as the President or the WSSC itself shall, from time to time, designate or invite to participate.

- Kerai Mariur; Vice President/Minister of Finance, Chairman;
- Haruo Willter; Office of Budget & Grants Oversight, Vice-Chairman;
- Jackson Ngiraingas; Minister of Public Infrastructure, Industry and Commerce;
- A member to be appointed by the Senate of the Olbiil Era Kelulau;
- A member to be appointed by the House of Delegates of the Olbiil Era Kelulau;
- Ken Uyehara; General Manager, Palau Public Utilities Corporation; and
- Kevin Kirk; Legal Counsel to the President.

2. Powers and Duties of the Committee. The WSSC shall, as and when directed by the President or by its Chairman or its Vice-Chairman, meet, investigate, study, and consider the immediate and long term status of all aspects of the Project and shall, as the Project develops and proceeds, provide direction to the President on policy decisions in relation to all aspects of the Project.

3. Reports, Deadlines. As requested by the President, the WSSC shall prepare and submit to the President reports and recommendations for action.

4. Administrative Support. In the first instance, the Minister of Public Infrastructure, Industry and Commerce shall make available staffing and other resources as requested by the Chairman or the Vice Chairman of the WSSC. Should the Minister of Public Infrastructure, Industry and Commerce be unable to meet the needs of the WSSC, then all other Ministries and agencies of the Executive Branch of the National Government shall cooperate with and make available staffing and other resources as requested by the Chairman or the Vice Chairman of the WSSC.

5. Effective Date and Duration of Task Force. This Executive Order shall take effect immediately and shall remain in force and effect until it has been determined by the President that the assignment of the WSSC is completed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this
1st day of August, 2010.

/s/

Johnson Toribiong
President
Republic of Palau