

## **Executive Order No. 343**

*To Order and Declare that Palau Public Utilities Corporation is in operation with full responsibility for managing and operating the water and sewer services in the Republic.*

**WHEREAS**, the Republic entered into loan agreements with the Asian Development Bank that provide that the Republic is to receive funding in support of reform of its water and sewer sector in two Tranches of funding as certain conditions are met, including the development of a policy and legal framework that supports an autonomous and independent entity to operate the water and sewer operations of the Republic; and

**WHEREAS**, on September 31, 2011, President Johnson Toribiong signed into law RPPL No. 8-31, which created the Palau Water and Sewer Corporation as the autonomous and independent entity responsible for the water and sewer operations of the Republic; and

**WHEREAS**, on October 17, 2011, President Johnson Toribiong signed Executive Order No. 303, which created an Executing Agency, Implementing Agency, and a Project Implementation Unit for the Water Sector Improvement Program, and rendered RPPL No. 8-31 effective; and

**WHEREAS**, in late December of 2012 and early January of 2013 the water quality declined significantly and some areas of Koror were without any running water at all; and

**WHEREAS**, in order to address the poor water service, on January 30, 2013, President Tommy E. Remengesau, Jr., executed Executive Order No. 324, which repealed Executive Order Nos. 282 and 303 and created a Water and Sewer Task Force to analyze the issues with the water services, analyze whether a merger with Palau Public Utilities Corporation is appropriate, and facilitate the transition of the water and sewer operations into the Palau Water and Sewer Corporation without a disruption in water services; and

**WHEREAS**, on April 19, 2013, President Tommy E. Remengesau, Jr. executed Executive Order No. 332, which ordered employees and assets under the control of the National Government to transfer to the Palau Water and Sewer Corporation, and created the Water and Sewer Transition Committee to facilitate the transition of the water and sewer operations from the national government to the Palau Water and Sewer Corporation; and

**WHEREAS**, on June 6, 2013, President Tommy E. Remengesau, Jr., signed into law RPPL No. 9-4, which amended RPPL No. 8-31 so that it would cease to have legal effect upon the date that “a bill to merge the Palau Water and Sewer Corporation into another entity becomes law”; and

**WHEREAS**, RPPL No. 9-4, Sections 4 and 5 amended Chapter 34 of Title 37 of the Palau National Code to empower Palau Public Utilities Corporation as the autonomous and independent entity to manage and operate the electricity operations and the water and sewer operations of the Republic; and

**WHEREAS**, on June 17, 2013 President Tommy E. Remengesau, Jr. executed Executive Order No. 339 to allow the transition committee created by Executive Order No. 332 under the authority of RPPL No. 8-31 to continue to have legal authority under RPPL No. 9-4 and continue overseeing the transition effort; and

**WHEREAS**, as a part of one of the conditions for the release of the 2<sup>nd</sup> Tranche of funding from the loan provided by the Asian Development Bank in support of the reform of the water and sewer sector, the Republic is required to declare that an autonomous and independent entity is in full operation to take over the responsibility for managing and operating the water and sewer service operations of the Republic; and

**WHEREAS**, President Remengesau has appointed seven (7) individuals to the Board and the Senate has confirmed four (4) individuals to the Palau Public Utilities Corporation Board; since four (4) members are required to constitute a quorum under 37 PNC § 404, as amended by RPPL No. 9-4, the Palau Public Utilities Corporation is duly operational and fully responsible for managing and operating the water and sewer operations of the Republic; and

**NOW THEREFORE**, the President hereby orders and declares as follows:

- (1) That Palau Public Utilities Corporation and its Board is operational and fully responsible for managing and operating the water and sewer service operations of the Republic.
- (2) That this Executive Order is necessary only insofar as to meet the condition imposed by the Loan Agreements with the Asian Development Bank that the Republic order and declare that an autonomous and independent entity is in full operation to take over the responsibility for managing and operating the water and sewer service operations of the Republic.
- (3) That this Executive Order has no legal effect with regard to the effectiveness of RPPL No. 9-4, which is already effective as of the date that Act was signed into law, June 6, 2013.

- (4) That, because Palau Public Utilities Corporation's legal authority derives directly from RPPL No. 9-4, and not this Executive Order, any future action to rescind or alter this Executive Order will have no effect upon the authority of the Palau Public Utilities Corporation to manage and operate the water and sewer operations of the Republic unless RPPL No. 9-4 is repealed or otherwise amended to provide such authority for an entity other than the Palau Public Utilities Corporation to manage and operate the water and sewer service operations of the Republic.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my official seal this July 23, 2013:

/s/

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Tommy E. Remengesau, Jr.  
President of the Republic of Palau