Pursuant to Presidential Decree 198 otherwise known as the Provincial Water Utilities Act, the local water districts were formed for the purpose of (a) acquiring, installing, improving, maintaining and operating water supply and distribution of systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of such districts, (b) providing, maintaining and operating wastewater collection, treatment and disposal facilities, and (c) conducting such other functions and operations incidental to water resource development, utilization and disposal within such districts, as are necessary or incidental to said purpose.

The Local Water District may exercise all the powers which are expressly granted by the law or which are necessarily implied from, or incidental to the powers and purpose thereon.

The Local Water District was granted the power of eminent domain, the exercise thereof however is subject to review by the Local Water Utilities Administration. It includes other powers as provided under P.D. 198.