

Khalid : water agreement to be reviewed
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Fauwaz Abdul Aziz

Selangor's newly appointed Menteri Besar Khalid Ibrahim today said that he was going to review a water supply agreement entered by the previous state government with two companies on the eve of the polling day. MCPX

This is due to the possibility that the agreement - to operate, manage and maintain the raw water intake and the treatment plant at Sungai Sireh, Tanjung Karang - is lopsided in favour of certain quarters with an interest in the concession agreement.

khalid ibrahim selangor menteri besar pc 170308 02 "I have noticed there is some imbalance between the revenues (that would have been accorded) to the state and the people. It may have enriched the people who got the concession," Khalid told a press conference at his official residence in Shah Alam.

"Because of this, I will review this agreement," he added.

Other than the question of lopsidedness, the agreement - entered by Puncak Niaga Holdings Bhd (PNHB), Syarikat Bekalan Air Selangor Sdn Bhd (Syabas) and the Selangor state government - had raised eyebrows for several reasons.

Among them was the questionable timing that the deal was inked: according to media reports, the agreement was dated Dec 15, 2004, was to take effect on April 1, 2007 and due to expire on April 30, 2034.

However an agreement between the three parties and the federal government was signed on March 7, 2008 - a day before the recent general election.

Secretary to the state government Ramli Mahmud told reporters last week that this was nothing out of the ordinary as "some negotiations take a long time" to conclude.

Free water supply

The other questionable aspect of this agreement, however, was the issue of who signed it on behalf of the state government.

"I signed it (on behalf of the state government), not (Datuk Seri) Dr Mohamad Khir (Toyo)," said Ramli.

Former MB Mohd Khir Toyo was earlier quoted in media reports as having no knowledge of the deal.

Constitutional expert Abdul Aziz Bari today commented on the matter and said that the new government could rescind the contract if it was found to be illegal.

On a related matter, Khalid said the state government will also look into reviewing its agreement with PNHB to realise PKR's pre-election promise of supplying for free the first 20 cubic meters of water for every household in the state.

This will be contingent, however, upon the government being able to lower the unit costs of the water supplied from PNHB and passing on the savings incurred thereby onto consumers, said Khalid.

"If I am able to reduce the unit costs by a certain amount and still maintain the same price, I can save a certain amount of revenue. That revenue will be passed back to the consumer," he said.

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