

**Putrajaya agreed to water restructuring one hour before signing agreement, say officials
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OLEH SHERIDAN MAHAVERA**

The federal government had only agreed to sign the memorandum of understanding for the Selangor government to restructure its water industry a little over an hour before the actual ceremony took place.

According to officers in the Selangor menteri besar's office, there was literally no time to inform anyone other than all the principal officers directly involved with the MoU as they needed to prepare for the ceremony.

However, said political secretary to the Selangor MB Faekah Hussin, the contents of the MoU had already been made known to PKR and Selangor Pakatan Rakyat assemblymen.

These included details, such as the RM 9.65 billion being offered to the shareholders of the four private water companies and the trade off with the federal government – approval for the Langat 2 project.

It was the date and time of the event itself that remained uncertain.

It was left to the very last moment, about noon on February 26, as the cabinet wanted to be absolutely sure it had what it wanted – Selangor's green light for the development of the Langat 2 water treatment plant.

A source with knowledge of the meeting said once cabinet was sure that it had the development order so that Langat 2 could proceed, it went ahead with the signing ceremony scheduled at 1.15pm that same day in Putrajaya.

Faekah confirmed this, saying: "Everyone was rushing and things were still uncertain."

Much of the uncertainty was owing to the fact that before the 13th general election last year, Putrajaya had stymied Selangor's efforts to restructure the water industry.

This is even while the Water Services Industry Act 2006 gave all states the power to take back management of water from private companies.

It was only after Pakatan managed to retain Selangor with a bigger majority in the May general election last year that the federal government appeared to change its mind and be open to working with Selangor.

Wednesday's MoU was signed by Selangor Menteri Besar Tan Sri Abdul Khalid Ibrahim and Energy, Green Technology and Water Minister Datuk Seri Dr Maximus Ongkili.

It was witnessed by Prime Minister Datuk Seri Najib Razak and his deputy, Tan Sri Muhyiddin Yassin.

The revelation comes after PKR chief Datuk Seri Anwar Ibrahim and several other party leaders complained that they were not informed about the signing of the MoU.

Anwar had said Khalid informed him about the progress of talks between the state and Putrajaya on the matter, but not the signing of the MoU.

"I know of the earlier agreements. Khalid has told me from time to time. But not today's MOU, I don't know," Anwar said when met in Kajang after the MoU was inked.

On February 20, Khalid had said negotiations for Selangor to take over the lucrative but creaky water industry from four private companies would be wrapped up in two weeks.

Khalid had then said the state would only pay the four companies RM 9.65 billion to take over the treatment and distribution of water throughout Selangor.

The MoU gives Selangor power to take over the operations of Puncak Niaga Sdn Bhd (PNSB), Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Syarikat Pengeluar Air Selangor Sdn Bhd (Splash) and Konsortium ABASS Sdn Bhd (Abaas).

Selangor, through its government-linked company Kumpulan Darul Ehsan Berhad (KDEB), will offer RM 9.65 billion to the shareholders of the four companies.

The MoU states that RM 2 billion will be given to Selangor by Putrajaya to help the state take over the equity in the four companies.

In return, Selangor will return unencumbered assets worth RM2 billion to the federal government through Pengurusan Aset Air Berhad (PAAB).

The operations of treatment plants and the distribution of water under the four companies would then be consolidated and managed by KDEB.

In return, Selangor will give all the necessary approvals for the development of the Langat 2 water treatment plant, including taking over land needed for the plant and permits to go through state forest reserves.

It has been reported that the Langat 2 plant is part of a water transfer project between Selangor and Pahang. The RM8 billion project will see raw water being piped from Pahang to Selangor where it will be processed by Langat 2.

The Star newspaper has reported that the treatment plant can process 1,130 million litres per day and is anticipated to meet the needs of Selangor, Kuala Lumpur and Putrajaya until 2025.

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