'Water deal delays will incur cost'

SIGNING TODAY:

Contingency plans needed if there are unexpected events, say experts

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THE water restructuring deal between the Federal and Selangor governments, expected to be signed today, will put an end to water issues in the state.

While welcoming the development, experts warned of complications should there be further delays.

Association of Water and Energy Research Malaysia president S. Piarapakaran said the deal must not be postponed, as it would not only affect water supply, but also incur higher cost.

"The longer it takes, the higher the cost will be, including the treatment plant project under the restructuring plan. The restructuring also means review of water tariffs. Although the government has promised no tariff increases in the next three years, we have not been given details on this.

"After the deal is signed, (Pengurusan) Air Selangor (Sdn Bhd) must publish the cost and its plans, including measures to reduce non-revenue water (NRW)."

If there were delays, the Federal Government should take over the state's water assets, as provided for under Section 114 of the Water Services Industry Act 2006, he said.

Water expert Dr Zaki Zainudin said the government must have contingency plans should there be emergencies during the construction of the Langat 2 water treatment plant, which was part of the water deal.

S. Piarapakaran

"We may face unexpected situations like ammonia pollution and drought, which affected consumers badly last year. The government should have a 'plan B' should any of these happen before the projects are completed.

"The government should put in more effort to address other issues, like NRW and pollution in rivers. The national average NRW level is about 30 per cent, which causes millions of ringgit in losses. River pollution must be tackled and sewage treatment services need to be upgraded for better environmental management," said Zaki.

Dr Zaki Zainudin

Water shortages would adversely affect industries in the Klang Valley, which would jeopardise the economy, as manufacturing was concentrated there, he said.

"Potential investors will also be put off by water shortages. We hope that there will be no more drama that will cause delays for the sake of the people and businesses."

Hundreds of factories and projects had been stalled as they did not get approval because of water shortages.

The level of water reserves in the Klang Valley is worrying, at two per cent, below the optimal level of between 10 and 15 per cent, as recommended by the National Water Services Commission.

The state government was criticised for its "U-turns" on the deal, with households and businesses badly affected by last year's six-month drought, the worst since the 1998 Klang Valley water crisis.

The Master Agreement will take effect tomorrow, with the signing of the four agreements under the state's water services industry restructuring between Pengurusan Aset Air Bhd (PAAB) and Air Selangor.

This means Air Selangor can hand over the land titles, with a value of up to RM2 billion, to PAAB for the latter to provide funds for Air Selangor to take over the state's water concessionaires.

The Federal Government, in turn, would provide RM2 billion to offset the state's cost of taking over the four concessionaires — Syarikat Bekalan Air Selangor Sdn Bhd, Puncak Niaga Sdn Bhd, Konsortium Abbas Sdn Bhd and Syarikat Pengeluar Air Selangor Sdn Bhd.

The deal also includes the construction of Langat 2 Treatment Plant Distribution System (LRAL2) and the Pahang-Selangor Raw Water Chanelling projects.

The deal was postponed several times, as the Federal and state governments could not agree on some of the terms, including on pipelines on state lands.

Due to the delays, LRAL2 is only 20 per cent complete, and is behind schedule.