

PRESS STATEMENT
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CHAIRMAN WATER & SEWERAGE CORP
JUNE 10th 2013

EXECUTION OF WATER AND WASTEWATER SERVICES
AGREEMENT WITH BAHA MAR AND ISSUANCE OF A
CONTRACT FOR THE CONSTRUCTION OF A 1.0 MILLION
IMPERIAL GALLON PER DAY WASTERWATER
TREATMENT PLANT OFF GLADSTONE ROAD

The Corporation is pleased to announce that it has executed today the following historic agreements: -

1. **BAHA MAR WATER AND SEWERAGE SERVICES AGREEMENT**

- (a) A 5-year agreement commencing January 01, 2012 subject to two (2) 5-year extensions for the Corporation to provide Baha Mar with a guaranteed supply of 500,000 imperial gallons of potable water on a take or pay basis.
- (b) A 15-year agreement commencing December 31, 2013 subject to two (2) 5-year extensions for the Corporation to provide Baha Mar with wastewater services, including commencing January 01, 2015, the receipt and treatment of a guaranteed 450,000 imperial gallons of incoming wastewater from Baha Mar and the return to Baha Mar of a guaranteed 300,000 imperial gallons per day of re-use water for irrigation purposes.

2. **CONTRACT FOR THE CONSTRUCTION OF A 1.0 MILLION IMPERIAL GALLON PER DAY WASTEWATER TREATMENT PLANT**

On May 31, 2013; the Corporation issued a Design/Build Contract to the Joint Venture Group of Nassau Island Development Co. Ltd. and Emerene Engineering and Construction Co. Ltd., both Bahamian firms, to design and build a 1.0 million imperial gallons per day wastewater treatment plant capable of handling incoming wastewater flows from Baha Mar and surrounding developments in the Skyline Lakes, Lake Cunningham, High Point Drive,

Westridge and Gladstone Road areas up to 1.0 million imperial gallons per day and capable of returning the same volume of highly treated re-use water to Baha Mar for irrigation purposes. The value of this Contract is approximately \$7.5 million dollars and the facility is expected to be fully completed and operational by March 2014.

This modern facility will be operated by highly trained Bahamian personnel ensuring that the facility remains in compliance with rigid international best practices for wastewater treatment and re-use water systems.

The Contractor is expected to commence work on site shortly, and during their construction peak, the Contractor is expected to have approximately 150 to 200 Bahamian employed on project.

This facility is being financed by a loan to the Corporation from the National Insurance Board (NIB).

The Corporation believes that these agreements will produce a win-win situation for the Bahamian public, Baha Mar and the Corporation as they achieve the following goals: -

- Protecting our environment and groundwater resources via the collection, treatment and proper disposal of up to 1.0 million imperial gallons per day of wastewater via the most modern, state-of-the-art facility ever constructed in the Bahamas.
- Reducing New Providence's energy demand by the use of re-use water for irrigation purposes rather than the use of costly and energy intensive desalinated water.
- Providing a long-term, guaranteed, cost effective solution for Baha Mar's potable water, irrigation water and wastewater requirements.
- Securing a major, long term water and wastewater services contract for the Corporation, thus improving our financial viability.

This Gladstone Road Wastewater Treatment Facility is just one of several sewerage projects expected in New Providence in the next few years. More will reveal on other projects in due course.

The Board wishes to publicly express our gratitude to the team from Baha Mar, the Joint Venture Group, our consultant engineers on this project – Chester Engineers and our team from the Corporation who worked together over the past several months to conclude these negotiations and contractual arrangements.

The Government is extremely proud of this historic milestone, as it a clear example of its

policy of empowering Bahamians through Public Private Partnerships (PPP). The PPP brings together a Bahamian Joint Venture team to design and build the first ever modern tertiary wastewater treatment plant of its kind in The Bahamas. The Baha Mar agreements, with their underlying guarantees, are a positive step towards the Corporation becoming less dependent on government subsidies as we go forward.

What distinguishes this government and current Board of Directors from their predecessors, is the fact that the previous government and Board sought to outsource the potential profits of the wastewater treatment plant, as opposed to retaining the same as a part of the Corporation's portfolio. This government through its policies is prudently seeking to continually reduce the burden on the Public Treasury and improve the service quality delivery and fiscal health of the Water and Sewerage Corporation.

As the project develops, the Corporation will provide regular updates to the Bahamian Public via the Press.

END OF PRESS RELEASE