

The 2009

# Global Water

# Awards

**The best of the best in  
the International Water &  
Desalination Industries**



**Judges' Verdict:** Bahrain has delivered a bold and intelligent response to water scarcity.

## Water Deal of the Year

For the deal, signed in 2008, which has made the biggest contribution to the development of the international water sector.



### Winner Abu Dhabi WWTPs

**What is it?**

A 25-year contract to design, finance, build and operate two wastewater treatment plants at Al Wathba and Al Ain in the emirate of Abu Dhabi, with an aggregate capacity of 430,000m<sup>3</sup>/d.

**Who is responsible?**

The client is the Abu Dhabi Sewerage Services Company (ADSSC). A consortium of Veolia and Besix will build and operate the plants; each will hold 20% of the concession company. Calyon, Mizuho, Natixis and KBC provided the initial bridge financing.



**What makes it special?**

- The wastewater problem in Abu Dhabi is only going to get worse as the city grows. ADSSC's commitment to fast-tracking large-scale treatment capacity shows a vision of sustainable growth unmatched elsewhere in the Gulf region.
- The €525 million deal is the largest ever wastewater contract to

be signed in the Middle East. The \$100 million bridge financing was put together in the space of only four months, demonstrating the flexibility of the project's bankers to respond effectively to tough market conditions.

- The extra capacity tackles Abu Dhabi's water resourcing problem head on, with the treated effluent being used for irrigation purposes.



**Judges' Verdict:** An emphatic force for sustainable growth in Abu Dhabi.



### Distinction Santa Paula Water Recycling Plant, California

**What is it?**

A 12,870m<sup>3</sup>/d water recycling facility in California, funded by the private sector.

**Who is responsible?**

The City of Santa Paula is the client. Pacific Environmental Resources Corp. (PERC) is the operations contractor. Private equity firm Alinda Capital Partners is the financial partner. Koch Membrane Systems supplied the membrane bioreactor (MBR) system.

**What makes it special?**

- The decision by the Californian city of Santa Paula to bring in private sector funding to support its new water reclamation plant shows a bold new direction in the financing of US water



Site of the proposed WWTP at Al Wathba, Abu Dhabi

infrastructure.

- The collapse of the municipal bond market in 2008 made it difficult for US municipalities to raise money. The elegant solution put forward by the PERC/Alinda consortium beat off a cheaper offer from a rival bidder which involved tax-exempt finance. The higher cost is balanced by a lower risk profile for the municipality, as the construction and operational risk is borne by the private sector.



- With US municipalities scrambling to cover budget gaps in the light of declining tax revenues, bringing in private sector funding is suddenly looking like a very attractive option. The Santa Paula deal is a ground-breaking transaction which can be emulated across the United States.

**Judges' Verdict:** A ground-breaking new direction in the financing of US water infrastructure.

## Highly commended

### Riyadh management contract

**What is it?**

A \$60 million six-year management contract covering water production and distribution and wastewater collection in the Saudi capital city of Riyadh.

**Who is responsible?**

The client is the Saudi National Water Company. Veolia Water AMI will provide services under the contract. Seureca conducted the original audit.

**What makes it special?**

- The decision to open up the Saudi water market to the private sector is an inspired initiative which shows that the country is willing to be pro-active in tackling its water problems. The award of the Riyadh management contract in April 2008 is the first major step towards realising this vision.

- The contract scope is vast, even for a seasoned operator like Veolia. Riyadh's 4.5 million population is growing at 4% per year, and the city covers an area five times the size of Paris. The scope defines the challenge: unaccounted-for water levels run at 50%, and less than half of the city's residents are connected to the wastewater network. Veolia's participation will improve these figures dramatically.

- The successful conclusion of the Riyadh contract has already paved the way for a similar contract in Jeddah, and anticipates the roll-out of private sector participation to Saudi Arabia's second-tier cities. It demonstrates that the National Water Company is committed to real action on its privatisation programme.

**Judges' Verdict:** The most significant public-private partnership in water in 2008.



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## Santa Paula Water Recycling Facility

*PERC and Alinda would like to thank GWI readers for awarding them the Global Water Awards' 2009*

*"Water Deal of the Year" Award of Distinction*

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