

REGULATION OF THE MUNICIPALITY OF BUKITTINGGI
NUMBER 1 OF 2021
ON
PERUSAHAAN UMUM DAERAH AIR MINUM TIRTA JAM GADANG
KOTA BUKITTINGGI

BY THE BLESSING OF ALMIGHTY GOD

MAYOR OF BUKITTINGGI,

- Considering : a. that Local Government is responsible for fulfilling the of fulfilling the r to obtain quality clean water and increasing regional original income in the context of improving the welfare of the people in the Region;
- b. that in the context of fulfilling the right of public right to the provision of quality and quality drinking water, it is necessary to provide good and transparent drinking water;
- c. that in the context of the effectiveness of good corporate governance in accordance with the provisions of higher legislation, the Regional Regulation of Municipality of Bukittinggi Number 4 of 2014 on Perusahaan Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi needs to be perfected;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regional Regulation on Perusahaan Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 9 of 1956 on Establishment of Autonomous Small Towns within the Province of Central Sumatra (State Gazette of the Republic of Indonesia of 1956 Number 20);
3. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, last by Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette Number 6573);
4. Government Regulation Number 54 of 2017 on Local-Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 305, Supplement to the State Gazette of the Republic of Indonesia Number 6173);
5. Regulation of the Minister of Home Affairs Number 71 of 2016 on Calculation and Determination of Drinking Water Tariffs (State Bulletin of the Republic of Indonesia of 2016 Number 1400);
6. Regulation of the Minister of Home Affairs Number 37 of 2018 on the Appointment and Dismissal of Members of the Board of Supervisors or Members of Board of Commissioners and Board of Directors of Local-Owned Enterprises (State Bulletin of the Republic of Indonesia of 2018 Number 700);
7. Regulation of the Minister of Home Affairs Number 118 of 2018 on Business Plans, Work Plans and Budgets, Cooperation, Reporting and Evaluation of Local-Owned Enterprises (Regional Gazette of the Republic of Indonesia of 2018 Number 155);

With the Joint Approval of:
THE MUNICIPAL HOUSE OF REPRESENTATIVES
and
THE MAYOR OF BUKITTINGGI

HAS DECIDED:

To issue : REGIONAL REGULATION ON PERUSAHAAN UMUM DAERAH
AIR MINUM TIRTA JAM GADANG KOTA BUKITTINGGI.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Municipality of Bukittinggi.
2. Local Government means the Mayor of Bukittinggi as an element of the Local Government organizer who leads the implementation of government affairs which are the authority of the autonomous region.
3. Mayor means the Mayor of Bukittinggi.
4. Minister means the minister administering government home affairs.
5. Proxy of Capital Owners (Kuasai Pemilik Modal), hereinafter abbreviated as KPM, means the organ of Perusahaan Umum Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi which holds the highest power in the regional public company and holds all authorities which are not delegated to the Board of Directors or the Board of Supervisors.
6. Local-Owned Enterprises, hereinafter abbreviated as BUMD, mean business entities that are wholly or most of the capital owned by the regions.
7. Regional Public Company, hereinafter referred to as Perumda, means a Local-Owned Enterprise whose entire capital is owned by one region and is not divided into shares.
8. Perusahaan Umum Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi, hereinafter referred to as Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi, means a drinking water local public company whose entire capital is owned by the Municipal Government of Bukittinggi.
9. Authorized capital means the total capital value of a local public company that has been determined

10. Paid-up capital means the amount of real capital that has been paid up by the Local Government in a local public company.
11. Drinking Water Tariff means Policy on water service fee stipulated by Mayor of Bukittinggi for use every cubic meter (m³) or other volume unit given to Perusahaan Umum Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi that is required to be paid by the customer.
12. Board of Supervisors means an organ of a local public company which has duty to supervise generally and/or specifically in accordance with the articles of association and providing advice to the Board of Directors.
13. Board of Directors means an organ of a local public company that is authorized and fully responsible for the management of a local public company in accordance with the aims and objectives of a local public company and represents a local public company both inside and outside the court in accordance with the provisions of the legislation.
14. Employee means an employee of Perusahaan Umum Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi .
15. Regional Budget (Anggaran Pendapatan dan Belanja Daerah), hereinafter abbreviated as APBD, means the Budget of Municipality of Bukittinggi.
16. Business Plan means a written document that describes the development plan and business activities of a local drinking water company within a certain period of time as well as a strategy to realize the plan according to the target and time set.
17. Work Plan and Budget (Rencana Kerja dan Anggaran), hereinafter abbreviated as RKA, means an annual draft of a business plan.
18. Profit means part of the net profit intended for the Local Government .
19. Tantiem means part of the net profit intended for the welfare of the Board of Supervisors and the Board of Directors.

20. Bonus means part of net profit which is intended for employee welfare.
21. Production Services means part of the net profit intended for the welfare of the Board of Supervisors, Board of Directors, and Employees.
22. Provision of Drinking Water means the activity of providing drinking water to meet the needs of the public in order to have a healthy, clean and productive life.
23. Drinking Water Supply System, hereinafter abbreviated as SPAM, means an integral part of the facilities and infrastructure for the provision of drinking water.
24. Implementation of Drinking Water Supply System Development (Sistem Penyediaan Air Minum), hereinafter referred to as SPAM Development Implementation, means the activity of planning, carrying out construction, managing, maintaining, rehabilitating, monitoring, and/or evaluating physical and non-physical systems of drinking water supply.
25. Fit and Proper Test (Uji Kelayakan dan Kepatutan), hereinafter abbreviated as UKK, means a process to determine the suitability of a person to serve as a member of the Board of Supervisors and a member of the Board of Directors Perusahaan Umum Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi.
26. Regional Medium-Term Development Plan (Rencana Pembangunan Jangka Menengah Daerah), hereinafter referred to as RPJMD, means the Municipality of Bukittinggi Medium-Term Development Planning Document.

CHAPTER II

NAME AND LOCATION

Article 2

- (1) Perumda Drinking Water named Perusahaan Umum Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi.
- (2) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1) was first established based on

the Bukittinggi Level II Regional Regulation Number 3 of 1975 on Perusahaan Daerah Air Minum Bukittinggi (Regional Gazette of Municipality of Bukittinggi of 1976 Series D Number 2).

- (3) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1) uses the symbol as listed in Annex I which is an integral part of this Regional Regulation.

Article 3

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is domiciled in the Region.
- (2) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can establish branches in other areas according to the provisions of the legislation.

CHAPTER III

PURPOSE AND OBJECTIVES

Article 4

Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in Article 3 section (1) was established with the intention of meeting the drinking water needs of the community by prioritizing equitable distribution of services and health requirements as well as environmental preservation.

Article 5

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in Article 2 section (1) was established with the aim of:
 - a. the realization of the management and service of drinking water to fulfill the needs of the people in a fair, equitable and continuous manner;
 - b. the realization of quality drinking water management and services;
 - c. participate in implementing regional development and improving the regional economy; and

- d. as a local own-source Revenue from profit sharing.
- (2) In order to realize the management and service of drinking water as referred to in section (1) point b, Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi may develop SPAM in accordance with the provisions of the legislation.

CHAPTER IV BUSINESS ACTIVITIES

Part One General

Article 6

Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is a regional public company that carries out the affairs of the Local Government in the management and development of SPAM.

Article 7

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is engaged in the business of administering SPAM in the Region.
- (2) The field of business for administering SPAM as referred to in section (1) includes:
 - a. piping network SPAM; and/or
 - b. SPAM is not a pipeline.
- (3) The implementation of SPAM as referred to in section (2) is carried out based on the provisions of the legislation.

Article 8

- (1) The piping network SPAM as referred to in Article 7 section (2) point a includes:
 - a. raw water units;
 - b. production units;
 - c. distribution unit; and
 - d. service units.
- (2) Non-pipeline SPAM as referred to in Article 7 section (2) point b consists of:

- a. shallow well;
- b. pump wells;
- c. rainwater reservoirs;
- d. water terminals; and
- e. water catchment building.

Article 9

- (1) In addition to the management and development of SPAM as referred to in article 6, as long as it supports financially the main business activities, Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can carry out business activities in the context of optimizing the utilization of potential resources that are already owned and/or controlled by Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) The business development as referred to in section (1) is determined by the Mayor based on the recommendation of the Director.

Part Two

Assignment of Local Government to Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi

Article 10

- (1) Local Government may assign Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to support the regional economy and carry out certain public utility functions while still taking into account the aims and objectives of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) Each assignment as referred to in section (1) is reviewed jointly by the assignor and Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi before obtaining approval from KPM.
- (3) Each assignment as referred to in section (1) can be supported by funding.
- (4) The funding as referred to in section (3) can be in the form of:
 - a. regional equity participation;

- b. subsidy;
 - c. lending; and/or
 - d. grant.
- (5) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi which carries out the assignment must strictly separate the bookkeeping regarding the assignment from the bookkeeping in order to achieve the company's business goals.
- (6) After the implementation of the assignment, the Board of Directors is obligated to submit a report to KPM.
- (7) Each assignment as referred to in section (1) is determined by a Mayor's Decision.

CHAPTER V ESTABLISHMENT PERIOD

Article 11

Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi was established for an indefinite period.

CHAPTER VI CAPITAL

Part One Capital Source

Article 12

- (1) The capital of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi consists of:
- a. authorized capital; and
 - b. paid-up capital.
- (2) The sources of capital for Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi consist of:
- a. Regional equity participation originating from APBD and/or conversion from loans, which are intended to meet authorized and paid-up capital;
 - b. loans originating from the Region, other BUMD and/or other sources in accordance with applicable

- regulations;
- c. grants sourced from the Central, Local Government, other BUMD and/or other sources in accordance with applicable regulations; and
 - d. other sources of capital originating from the capitalization of reserves and gains on asset revaluation.
- (3) The authorized capital of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is set at Rp150,000,000,000.00 (one hundred and fifty billion rupiah).
- (4) Paid-up capital at the time this Regional Regulation is stipulated is Rp. 18,932,925,291.47 (eighteen billion nine hundred thirty-two million nine hundred twenty-five thousand two hundred ninety-one rupiah forty-seven cents).

Part Two Capital

Article 13

- (1) Regional equity participation is made for:
- a. establishment of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and
 - b. additional capital of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) Regional equity participation can be in the form of money and Local-Owned Asset.
- (3) Local-Owned Asset is valued according to the real value when regional asset is used as regional equity participation.
- (4) The real value as referred to in section (3) is obtained by interpreting the price of the Local-Owned asset in accordance with the provisions of the legislation.
- (5) Regional equity participation as referred to in section (1) is stipulated by a Regional Regulation.

Article 14

- (1) Regional equity participation in the context of establishing

Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is intended to meet authorized and paid-up capital.

- (2) Regional equity participation to fulfill the authorized capital as referred to in section (1) is carried out in accordance with the provisions of legislation regarding regional financial management.

Article 15

- (1) Regional equity participation in the context of increasing the capital of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out for:
 - a. Business development;
 - b. strengthening the capital structure; and
 - c. Local Government assignment.
- (2) Regional equity participation for additional capital for Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1) is carried out after an investment analysis is carried out by the Local Government and the availability of a business plan for Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

Part Three

Loan

Article 16

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can make loans in the context of business development and investment.
- (2) In the event that the loan as referred to in section (1) requires collateral for the assets of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi originating from business results, it can be used as collateral to obtain a loan.
- (3) In the event that Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi makes a loan to the Local Government , the guarantee requirement is waived.
- (4) Further provisions regarding loan acceptance are regulated by a Mayor Regulation.

Part Four

Grant

Article 17

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can receive grants.
- (2) Provisions regarding the receipt of grants are carried out in accordance with the provisions of the legislation.

Part Five

Other Capital Sources

Article 18

- (1) In the event that equity participation comes from reserve capitalization capital, the profit on asset revaluation is decided by KPM.
- (2) Equity participation originating from reserve capitalization as referred to in section (1) is carried out in accordance with the provisions of legislation governing regional financial management.

CHAPTER VII

RATES

Article 19

- (1) The tariff for drinking water from Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is determined by the Mayor based on the recommendation of the Director after obtaining approval from the Board of Supervisors.
- (2) The determination of tariffs by the Mayor is determined by a Mayor's Decision.
- (3) The Mayor's decision as referred to in section (2) is submitted to the Minister of Home Affairs.

Article 20

- (1) Calculation and Determination of Drinking Water Tariffs based on the following principles:

- a. affordability and fairness;
 - b. service quality;
 - c. cost recovery;
 - d. efficient of water usage;
 - e. book water protection; and
 - f. transparency and accountability.
- (2) Further provisions on the Procedure for Calculation and Determination of Drinking Water Tariffs are regulated by a Mayor Regulation.

CHAPTER VIII ORGANS AND EMPLOYEES

Part One General

Article 21

- (1) The management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out by the organ of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) The organs of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1) consist of:
- a. KPM;
 - b. Board of Supervisors; and
 - c. Board of Directors.

Part Two KPM

Article 22

- (1) The Mayor represents the Local Government in the ownership of regional assets which are separated from the Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi, which is the owner of the capital.
- (2) The exercise of power as referred to in section (1) in the policy of the Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi includes:
- a. equity participation;

- b. the use of the results of the management of separated regional assets; and
- c. guidance and supervision of equity participation in Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

Article 23

- (1) KPM as the owner of capital in Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi has the authority to make decisions.
- (2) The authority to make decisions as referred to in section (1) may be delegated to regional officials.
- (3) The delegation of authority as referred to in section (2) includes:
 - a. amendments to the articles of association;
 - b. transfer of fixed assets;
 - c. cooperation;
 - d. investment and financing, including the establishment of subsidiaries and/or equity participation;
 - e. Local Government equity participation comes from reserve capitalization capital, and asset revaluation gains;
 - f. appointment and dismissal of the Board of Supervisors, and the Board of Directors;
 - g. the income of the Board of Supervisors and the Board of Directors;
 - h. determination of the amount of use of profit;
 - i. ratification of the annual report;
 - j. merger, separation, consolidation, acquisition, and dissolution of Perumda; and
 - k. asset guarantees amounting to more than 50% (fifty percent) of the total net worth of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi in 1 (one) transaction or more.
- (4) The executor of the authority as referred to in section (1) and section (2) may be given incentives originating from the results of the management of separated regional

assets.

- (5) The amount of incentives for implementing the authority as referred to in section (4) is determined based on:
 - l. Perumda performance targets;
 - m. classification of results of the management of Separated Regional Assets according to the type of business field; and
 - n. financial report of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.
- (6) The implementation of the authority and incentives for implementing the authority as referred to in section (1) to section (5) are in accordance with the provisions legislation.

Article 24

KPM is not responsible for the loss of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi if it can prove:

- a. does not have a personal interest either directly or indirectly;
- b. not involved in unlawful acts committed by Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and/or
- c. not involved, either directly or indirectly, in using the assets of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi illegally.

Article 25

- (1) KPM, the Board of Supervisors, and the Board of Directors held a meeting in the business development of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) The meeting as referred to in section (1) consists of:
 - a. annual meeting;
 - b. budget work plan approval meeting; and
 - c. extraordinary meeting.

Part Three

Board of Supervisors

Paragraph 1

Requirements

Article 26

- (1) Members of the Board of Supervisors may consist of independent elements and other elements in accordance with the provisions of the legislation.
- (2) Members of the Board of Supervisors are appointed by KPM.
- (3) In order to be appointed as a member of the Board of Supervisors as referred to in section (1), the following requirements must be met:
 - a. physically and mentally healthy;
 - b. have expertise, integrity, leadership, experience, honesty, good behavior, and high dedication to advancing and developing the company;
 - c. understand the administration of Local Government ;
 - d. understand the company's management related to one of the management functions;
 - e. provide sufficient time to carry out their duties;
 - f. the lowest certificate is Strata I (S-1);
 - g. a maximum age of 60 (sixty) years at the time of first registration;
 - h. never declared bankrupt;
 - i. has never been a member of the Board of Directors, the Board of Supervisors found guilty of causing the business entity to be led to be declared bankrupt;
 - j. not currently undergoing criminal sanctions; and
 - k. not currently serving as an administrator of a political party, candidate for regional head or candidate for deputy regional head, and/or candidate for member of the legislature.

Article 27

- (1) The independent elements as referred to in Article 26 section (1), consist of:
 - a. a member of the Board of Supervisors and/or a member of the Board of Supervisors of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi who has

- completed their term of office;
- b. retired employee of Perumda Water Drinking Tirta Jam Gadang, Municipality of Bukittinggi;
 - c. former Board of Directors of Perumda Water Drinking Tirta Jam Gadang Municipality of Bukittinggi; or
 - d. External Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi other than those mentioned in point a, point b and point c.
- (2) The independent element as referred to in Article 26 section (1) is a member of the Board of Supervisors who has no business relationship with the Board of Directors.
 - (3) Other elements as referred to in Article 26 section (1) may consist of Central Government officials and Local Government officials who are not in charge of carrying out public services.
 - (4) Central Government officials and Local Government officials as referred to in section (3), prioritize the officials who evaluate, develop and supervise Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
 - (5) The public service as referred to in section (3) is an activity or series of activities in the context of fulfilling the service needs for every citizen and resident of goods, services, and/or administrative services provided by public service providers in accordance with the provisions of the legislation.

Paragraph 2

Selection

Article 28

- (1) The process of selecting members of the Board of Supervisors is carried out through selection.
- (2) The selection as referred to in section (1) at least conducted through the following stages:
 - a. Administrative Selection
 - b. UKK; and
 - c. Final interview.

- (3) The local government informs the implementation of each stage of the selection of candidate supervisory members through local/national mass media, both printed and electronic.
- (4) The electronic media as referred to in section (3) is published on the website of the local government and/or the website of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.
- (5) The informed selection stages as referred to in section (3) are at least:
 - a. Networking;
 - b. Administrative selection results; and
 - c. UKK results.
- (6) The cost of organizing the selection of members of the Board of Supervisors is borne by APBD or Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.

Article 29

- (1) The Mayor assigns the Regional Apparatus in charge of fostering the management of BUMD to report vacancies in the positions of members of the Board of Supervisors whose term of office ends.
- (2) The preparation of vacancies for members of the Board of Supervisors whose term of office ends as referred to in section (1) is carried out not later than 6 (six) months before the term of office of the members of the Board of Supervisors ends.
- (3) The Mayor reports the vacancies of the members of the Board of Supervisors as referred to in section (2) to the Minister through the Directorate General of Regional Financial Development not later than 15 (fifteen) work days after the report is received by the Mayor as referred to in section (1).
- (4) In the event that a member of the Board of Supervisors pass away or is dismissed at any time, the Regional Apparatus in charge of fostering the management of BUMD reports the vacancy to the Mayor.

- (5) The mayor reports the vacancy as referred to in section (4) to the Minister of Home Affairs through the Directorate General of Regional Financial Development no later than 15 (fifteen) work days after the vacancy occurs.
- (6) Based on the vacancy report as referred to in section (3) and section (5) the Mayor makes a selection.

Article 30

- (1) The selection as referred to in Article 28 is carried out by the selection committee.
- (2) The selection committee as referred to in section (1) has an odd number, a maximum of 5 (five) people and consists of at least the following elements:
 - a. Regional Apparatus; and
 - b. Independent elements and/or universities.
- (3) The selection committee is in charge of:
 - a. determine the implementation time schedule;
 - b. conduct screening of Prospective of Candidate Members of the Board of Supervisors;
 - c. forming a team or appointing a Professional Institution to conduct UKK;
 - d. determine the UKK assessment formulation;
 - e. determine the results of the assessment;
 - f. determine Candidates for Members of the Board of Supervisors;
 - g. follow up on the elected Board of Supervisors Member Candidates for further processing in accordance with the provisions of the legislation and/or Government policies; and
- (4) The selection committee is determined by a Mayor's Decision.

Article 31

- (1) The appointment of a Professional Institution as referred to in Article 30 section (3) point c, by the selection committee considers at least:
 - a. the financial capacity of Perumda Air Minum Tirta

Jam Gadang Kota Bukittinggi ;

- b. availability of Professional Institutions; and
 - c. availability of Human Resources.
- (2) The process of appointing a Professional Institution as referred to in section (1) is carried out in accordance with the provisions of the legislation.

Article 32

In conducting the selection, the selection committee conducts screening of candidates for members of the Board of Supervisors.

Article 33

- (1) The selection committee conducts administrative selection based on the results of the screening as referred to in Article 32.
- (2) The administrative selection as referred to in section (1) is carried out on independent elements and local government officials by fulfilling at least the requirements as referred to in Article 26 point f to point k.
- (3) The selection committee determines the Prospective Candidate of Members of the Board of Supervisors based on the results of the administrative selection as referred to in section (2).

Article 34

- (1) The Selection Committee implements UKK based on the results of the administrative selection as referred to in Article 33 section (3).
- (2) UKK as referred to in section (1) is implemented by:
 - a. team; or
 - b. professional institution.

Article 35

- (1) UKK implemented by the Team as referred to in Article 34 section (2) point a, involves individual consultants.
- (2) The professional team or institution as referred to in

Article 34 section (2) has the task of:

- a. carry out the UKK process in accordance with UKK assessment indicators;
 - b. determine the results of the UKK assessment; and
 - c. submit the results of the assessment to the selection committee.
- (3) The professional team or institution as referred to in section (2) is determined by a Mayor's Decision.

Article 36

UKK assessment indicators as referred to in Article 33 section (2) point a at least include:

- a. experience managing a company;
- b. skill;
- c. integrity and ethics;
- d. leadership;
- e. understanding of the implementation of Local Government ; and
- f. have a strong will and dedication.

Article 37

UKK Candidates for Members of the Board of Supervisors at least go through the following stages:

- a. psychological test;
- b. skills written exam;
- c. writing a supervisory strategy paper;
- d. presentation of supervisory strategy papers; and
- e. Interview.

Article 38

(1) The UKK indicator assessment of the Candidate Members of the Board of Supervisors is carried out by giving a weighting which consists of:

- a. experience;
- b. skill;
- c. integrity and ethics
- d. leadership;

- e. understanding of the administration of Local Government ; and
 - f. have strong ability and high dedication.
- (2) Each UKK indicator as referred to in section (1) is detailed according to the needs determined by the Selection Committee.
 - (3) The assessment weight of the UKK indicator as referred to in section (1) point a to point d and point f is determined by the Selection Committee.
 - (4) The weight of the assessment of the understanding indicator of the implementation of Local Government as referred to in section (1) point e is 20% (twenty percent).
 - (5) The total weight of the indicator assessment as referred to in section (3) and section (4) is 100% (one hundred percent).
 - (6) The final UKK score classification includes:
 - a. above 8.5 (eight point five) is highly recommended;
 - b. above 7.5 (seven point five) to 8.5 (eight point five) is recommended;
 - c. 7.0 (seven point zero) to 7.5 (seven point five) are recommended with the development; and
 - d. below 7.0 (seven point zero) is not recommended.
 - (7) The calculation of the UKK indicator assessment is listed in Annex II which is an integral part of this Regional Regulation.

Article 39

Prospective Candidate of Members of the Board of Supervisors who are appointed as Candidates for Members of the Board of Supervisors are Prospective Candidates who meet the classification of assessment as referred to in Article 38 Section (6) point a to point c.

Article 40

- (1) Implementation of administrative selection and UKK produces at least 3 (three) or at most 5 (five) Candidates for Members of the Board of Supervisors.

- (2) The Selection Committee submits the names of the Candidates for Members of the Board of Supervisors as referred to in section (1) to the Mayor.

Article 41

- (1) The Mayor carries out the selection of the final interview stage for the Candidate Members of the Board of Supervisors as referred to in Article 40 section (2).
- (2) The Mayor determines 1 (one) Candidate for the Board of Supervisors Member is elected for each position of the Board of Supervisors member, after conducting the final interview as referred to in section (1).
- (3) In the event that there is the position of the Chairperson of the Board of Supervisors, the Mayor first determines the Elected Candidate for the Chairperson of the Board of Supervisors.

Article 42

- (1) The Mayor submits the elected Board of Supervisors Member Candidates to the KPM.
- (2) Candidates for the elected Board of Supervisors members sign a performance contract before being appointed as a member of the Board of Supervisors.
- (3) In addition to signing the performance contract as referred to in section (2), the elected Board of Supervisors Member Candidates sign a statement containing the ability to carry out their duties properly, willing to be dismissed at any time, and will not sue or file a legal process in connection with the dismissal.

Paragraph 3

Appointment

Article 43

- (1) Members of the Board of Supervisors are appointed by the KPM, which is determined by the KPM Decision.
- (2) The number of members of the Board of Supervisors is at

most equal to the number of Board of Directors.

- (3) The membership of the Board of Supervisors is determined with the following composition:
 - a. In the event that the number of the Board of Supervisors is (1) people, coming from Local Government Officials
 - b. In terms of the number of the Board of Supervisors is 2 (two) people, consisting of:
 1. 1 (one) Local Government Official and 1 (one) independent element; or
 2. 2 (two) local government officials.
 - c. In the event that there are 3 (three) members of the Board of Supervisors, they consist of:
 1. 1 (one) Local Government official and 2 (two) Independent persons; or
 2. 2 (two) Local Government officials and 1 (one) independent element.
- (4) The structure of the Board of Supervisors consists of:
 - a. In the event that there are 2 (two) members of the Board of Supervisors, 1 (one) member of the Board of Supervisors is appointed as the Chairperson of the Board of Supervisors and 1 (one) more person as a member.
 - b. In the event that there are more than 3 (three) members of the Board of Supervisors , the structure includes:
 1. Chairman of the Board of Supervisors; and
 2. Member.
- (5) The determination of the number of members of the Board of Supervisors as referred to in section (1) is carried out based on the principles of efficiency and effectiveness of decisions, supervision, and financing for the benefit of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

Article 44

The appointment of members of the Board of Supervisors does not coincide with the appointment of members of the Board of

Directors, except for the first appointment at the time of establishment.

Article 45

- (1) The term of office for members of the Board of Supervisors is 4 (four) years and can be reappointed for 1 (one) term of office.
- (2) The provisions regarding the selection as referred to in Article 28 do not apply to the reappointment of members of the Board of Supervisors, who are considered capable of carrying out their duties properly during their term of office.
- (3) The assessment of task ability as referred to in section (2) at least be on:
 - a. implementation of supervision of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. providing input and advice on the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - c. implementation of good corporate governance;
 - d. anticipation and/or minimization of fraud; and
 - e. fulfillment of targets in the employment contract.
- (4) In conducting the assessment of the ability of the task as referred to in section (3) based on the documents, at least consisting of:
 - a. business plan;
 - b. RKA Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - c. financial statements;
 - d. monitoring result report;
 - e. employment contract; and
 - f. minutes of meetings and working papers.
- (5) In the event that a member of the Board of Supervisors is reappointed, the member of the Board of Supervisors is required to sign a performance contract.
- (6) The signing of the work contract as referred to in section (5) is carried out prior to reappointment as a member of

the Board of Supervisors.

Paragraph 4

Authorities, Duties and Responsibilities

Article 46

- (1) The Board of Supervisors is authorized to:
 - a. provide considerations and suggestions to the Mayor as KPM for the improvement and development of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. propose to KPM to ratify the work plan and budget of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - c. examine the balance sheet, cash flow and calculation of loss/profit submitted by the Board of Directors;
 - d. give warnings to the Board of Directors who do not carry out their duties in accordance with the work program that has been approved;
 - e. examine the Board of Directors suspected of harming the company; and
 - f. accept or reject financial accountability and work program for the current year.
- (2) The Board of Supervisors is in charge of:
 - a. supervise the Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. supervise and provide advice to the Board of Directors in carrying out the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
- (3) Board of Supervisors is obligated to:
 - a. report the results of supervision to KPM; and
 - b. Create and maintain meeting minutes.
- (4) The powers, duties and obligations of the Board of Supervisors are carried out in accordance with the provisions of legislation.

Article 47

- (1) The Board of Supervisors may appoint a secretary.
- (2) The Secretary of the Board of Supervisors as referred to in section (2) may come from an Independent element.
- (3) The Secretary of the Board of Supervisors as referred to in section (2) is in charge of assisting the smooth implementation of the duties of the Tirta Jam Gadang Drinking Water Board of Supervisors in Municipality of Bukittinggi.
- (4) Appointment of the Secretary of the Board of Supervisors as referred to in section (2) by taking into account the efficiency of the financing of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

Paragraph 5

Dismissal

Article 48

- (1) Members of the Board of Supervisors are dismissed by KPM.
- (2) The position of a member of the Board of Supervisors ends when:
 - a. pass away;
 - b. term of office has ended; and/or
 - c. dismissed at any time.

Article 49

- (1) In the event that the term of office of a member of the Board of Supervisors ends as referred to in Article 48 Section (2) point b, the member of the Board of Supervisors is obligated to submit a supervisory report on the final assignment of the term of office not later than 3 (three) months before the end of his term of office.
- (2) Members of the Board of Supervisors as referred to in section (1) are obligated to report the remaining unreported supervisory duties not later than 1 (one) month after the end of their term of office.

- (3) The report on the management of the final assignment as referred to in section (1) as a basis for consideration by KPM to extend or dismiss members of the Board of Supervisors.
- (4) The report on the management of the final term of office for members of the Board of Supervisors whose term of office ends is carried out after the results of an audit with a specific purpose or an annual audit from a public accounting firm to KPM.
- (5) In the event of a vacancy in the positions of all members of the Board of Supervisors, the implementation of supervisory duties is carried out by the KPM.

Article 50

- (1) In the event that the position of a member of the Board of Supervisors is dismissed at any time as referred to in Article 48 section (2) point c, the dismissal is required to be accompanied by reasons for the dismissal.
- (2) The dismissal of a member of the Board of Supervisors at any time as referred to in section (1) is carried out if based on data and information that can be legally proven by the member of the Board of Supervisors concerned:
 - a. unable to carry out the task;
 - b. does not implement the provisions of the legislation and/or the provisions of the articles of association;
 - c. involved in fraudulent actions that resulted in the loss of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , State and/or Region;
 - d. found guilty by a court decision that has permanent legal force;
 - e. resign;
 - f. no longer meets the requirements as a member of the Board of Supervisors in accordance with the provisions of the legislation; and/or
 - g. not re-elected in the event of a change in local government policies such as restructuring, liquidation, acquisition and dissolution of Perumda

Air Minum Tirta Jam Gadang Kota Bukittinggi .

- (3) Members of the Board of Supervisors who resign as referred to in section (2) point a, point e, point f and point g are respectfully dismissed.
- (4) The member of the Board of Supervisors who resigns as referred to in section (2) point b, point c or point d is dismissed with honor.
- (5) KPM regulates the technical implementation of the dismissal as referred to in section (1) at least contains the following materials:
 - a. the resignation proposal concerned;
 - b. the period of approval for dismissal; and
 - c. dismissal procedure.

Article 51

- (1) Members of the Board of Supervisors are prohibited from holding concurrent positions as:
 - a. members of the Board of Directors in other BUMD, state-owned enterprises, and/or private-owned enterprises;
 - b. other officials in accordance with the provisions of the legislation; and/or
 - c. other officials who may create a conflict of interest.
- (2) Violation of the provisions as referred to in section (1) is subject to administrative sanctions in the form of being dismissed at any time from the position as a member of the Board of Supervisors.
- (3) In the event that the provisions as referred to in section (2) are not implemented by the KPM not later than 20 (twenty) work days after the person concerned is appointed to a new position as a member of the Board of Supervisors, all positions concerned as members of the Board of Supervisors is declared terminated.

Article 52

- (1) Members of the Board of Supervisors are obligated to be in good faith and responsibility carry out their duties for

the benefit of the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

- (2) Each member of the Board of Supervisors is personally responsible if the person concerned is guilty or negligent in carrying out his duties.
- (3) KPM may file a lawsuit against a member of the Board of Supervisors who due to his/her mistake or negligence caused a loss to Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , unless the member of the Board of Supervisors concerned compensates for the resulting loss and deposited it into the regional general treasury account.

Article 53

In the event of a conflict of interest, members of the Board of Directors and members of the Board of Supervisors are prohibited from taking any action that could harm Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi and are obligated to submit the conflict of interest to KPM.

Paragraph 6

Income

Article 54

- (1) The income of the members of the Board of Supervisors is determined by the KPM.
- (2) The income of members of the Board of Supervisors as referred to in section (1) consists of at most:
 - a. honorarium;
 - b. allowances;
 - c. facility; and/or
 - d. tantien or performance incentives.
- (3) The income of the members of the Board of Supervisors as referred to in section (2) is adjusted to the provisions of the legislation.

Article 55

In the event that Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi gains profit, the Board of Supervisors gets a proportionate share of the bonus.

Article 56

The amount of the honorarium and part of the bonus as referred to in Article 54 is determined by a KPM Decision by taking into account the financial capacity of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

Part Four

Directors

Paragraph 1

Requirements

Article 57

- (1) The Board of Directors is appointed by KPM.
- (2) To be appointed as a member of the Board of Directors concerned must meet the following requirements:
 - a. physically and mentally healthy;
 - b. have expertise, integrity, leadership, experience, honesty, good behavior and high dedication to advancing and developing the company;
 - c. understand the implementation of Local Government ;
 - d. understand company management;
 - e. have adequate knowledge in the company's business field;
 - f. have a minimum education of a bachelor's degree (S-1);
 - g. work experience of at least 5 (five) years in the managerial field of a legal company and has led a team;
 - h. the minimum age is 35 (thirty five) years and the maximum is 55 (fifty five) years at the time of first registration;

- i. has never been a member of the Board of Directors, Board of Supervisors or commissioner who is found guilty of causing the business entity to be led to be declared bankrupt;
- j. have never been punished for committing a crime that is detrimental to the State or Regional finances;
- k. not currently undergoing criminal sanctions; and
- l. is not currently a member of a political party, candidate for Regional Head or candidate for Deputy Regional Head and/or candidate for member of the legislature.

Paragraph 2

Selection

Article 58

- (1) The selection process for members of the Board of Directors is carried out through selection.
- (2) The selection as referred to in section (1) at least is conducted through the following stages:
 - a. Administrative Selection;
 - b. UKK; and
 - c. Final interview.
- (3) The Local Government informs the implementation of each stage of the selection of candidate members of the Board of Directors through local/national mass media, both printed and electronic.
- (4) The electronic media as referred to in section (3) is published on the website of the Local Government and/or the website of the Perumda Water Drinking Tirta Jam Gadang Municipality of Bukittinggi.
- (5) The informed selection stages as referred to in section (3) are at least:
 - a. Networking;
 - b. Administrative selection results; and
 - c. UKK results.
- (6) The cost of organizing the selection of members of the Board of Directors is borne by the APBD or Perumda Air

Minum Tirta Jam Gadang Kota Bukittinggi .

Article 59

- (1) The mayor assigns the regional apparatus in charge of fostering the management of BUMD to report vacancies in the positions of members of the Board of Directors whose term of office ends.
- (2) The preparation of vacancies for members of the Board of Directors whose term of office ends as referred to in section (1) is carried out not later than 6 (six) months before the term of office of members of the Board of Directors ends.
- (3) The Mayor reports the vacancies of the members of the Board of Directors as referred to in section (2) to the Minister through the Directorate General of Regional Financial Development not later than 15 (fifteen) work days after the report is received by the Mayor as referred to in section (1).
- (4) In the event that a member of the Board of Directors passes away or is dismissed at any time, the regional apparatus in charge of fostering the management of BUMD reports the vacancy to the Mayor.
- (5) The mayor reports the vacancy as referred to in section (4) to the Minister of Home Affairs through the Directorate General of Regional Financial Development no later than 15 (fifteen) work days after the vacancy occurs.
- (6) Based on the vacancy report as referred to in section (1) and section (5), the Mayor makes a selection.

Article 60

- (1) The selection as referred to in Article 58 is carried out by the selection committee.
- (2) The selection committee as referred to in section (1) has an odd number of at most 5 (five) people and consists of at least the following elements:
 - a. Regional Apparatus; and
 - b. Independent elements and/or universities.
- (3) In the event that Perumda Air Minum Tirta Jam Gadang

Kota Bukittinggi has a nomination committee, the nomination committee becomes a member of the selection committee as referred to in section (2).

- (4) The selection committee is in charge of:
 - a. determine the implementation time schedule;
 - b. conduct screening of Prospective Candidate of Members of the Board of Directors;
 - c. forming a team or appointing a Professional Institution to conduct UKK;
 - d. determine the UKK assessment formulation;
 - e. determine the results of the assessment;
 - f. determine Candidates for Members of the Board of Directors; and
 - g. follow up on the elected members of the Board of Directors for further processing in accordance with the provisions of legislation and/or government policies.
- (5) The selection committee is determined by a Mayor's Decision.

Article 61

- (1) The appointment of a Professional Institution as referred to in Article 60 section (4) point c, by the selection committee considers at least:
 - a. the financial capacity of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. availability of Professional Institutions; and
 - c. availability of Human Resources.
- (2) The process of appointing a Professional Institution as referred to in section (1) is carried out in accordance with the provisions of the legislation.

Article 62

In conducting the selection, the selection committee conducts screening of prospective candidate of members of the Board of Directors.

Article 63

- (1) The selection committee conducts administrative selection based on the results of the screening as referred to in Article 62.
- (2) The selection committee conducts administrative selection in accordance with the requirements as referred to in Article 57 section (2) point f to point 1.
- (3) The selection committee determines the prospective candidate of members of the Board of Directors based on the results of the administrative selection as referred to in section (2) to participate in the UKK.

Article 64

- (1) UKK as referred to in Article 63 section (3) is implemented by:
 - a. team; or
 - b. professional institution.
- (2) UKK carried out by the Team as referred to in section (1) point a, involves individual consultants.
- (3) The professional team or institution as referred to in section (1) is tasked with:
 - a. carry out the UKK process in accordance with UKK assessment indicators;
 - b. determine the results of the UKK assessment; and
 - c. submit the results of the assessment to the selection committee.
- (4) The professional team or institution as referred to in section (3) is determined by a Mayor's Decision.

Article 65

UKK assessment indicators as referred to in Article 64 section (3) point a at least include:

- a. experience managing a company;
- b. skill;
- c. integrity and ethics;
- d. leadership;
- e. understanding of the implementation of Local Government ; and
- f. have a strong will and dedication.

Article 66

UKK Candidates for Directors must at least go through the following stages:

- a. psychological test;
- b. skills written exam;
- c. writing papers and business plans;
- d. presentation of business plan papers; and
- e. interview.

Article 67

(1) Assessment of UKK indicators for Candidates for Members of the Board of Directors is carried out by giving a weighting consisting of:

- a. experience;
- b. skill;
- c. integrity and ethics
- d. leadership;
- e. understanding of the administration of Local Government ; and
- f. having strong ability and high dedication.

(2) Each UKK indicator as referred to in section (1) is detailed according to the needs determined by the Selection Committee.

(3) The total weight of the indicator assessment as referred to in section (1) is 100% (one hundred percent).

(4) The final UKK score classification includes:

- a. above 8.5 (eight point five) is highly recommended;
- b. above 7.5 (seven point five) to 8.5 (eight point five) is recommended;
- c. 7.0 (seven point zero) to 7.5 (seven point five) are recommended with the development; and
- d. below 7.0 (seven point zero) is not recommended.

(5) The calculation of the assessment weight and the final UKK score is listed in Annex II which is an integral part of this Regional Regulation.

Article 68

- (1) Experience as referred to in Article 67 section (1) point a, namely Prospective Candidate of members of the Board of Directors have a track record of success in managing the organization.
- (2) In carrying out the track record as referred to in section (1) involves at least:
 - a. Regional intelligence community; and/or
 - b. Financial transaction reporting and analysis center.

Article 69

Prospective Candidate of Members of the Board of Directors who are appointed as Candidates for Members of the Board of Directors are Prospective Candidates who meet the classification of assessment as referred to in Article 67 section (4) point a to point c.

Article 70

- (1) Implementation of administrative selection and UKK produces at least 3 (three) or at most 5 (five) Candidates for Members of the Board of Directors.
- (2) The Selection Committee submits the names of the Candidates for Members of the Board of Directors as referred to in section (1) to the Mayor.

Article 71

- (1) The Mayor carries out the final interview stage of the Candidate Members of the Board of Directors as referred to in Article 70 section (2).
- (2) The Mayor determines 1 (one) Candidate for Member of the Board of Directors elected for each position of the member of the Board of Directors, after conducting the final interview as referred to in section (1).
- (3) In the event that there is a President Director position, the Mayor first determines the Elected Candidate for the President Director.
- (4) The Mayor may request input from the President Director or the elected President Director candidate as referred to

in section (2) to determine the other elected members of the Board of Directors.

Article 72

- (1) The Mayor submits the elected Board of Directors Candidates to the KPM.
- (2) Candidates for the elected members of the Board of Directors sign a performance contract before being appointed as a member of the Board of Directors.
- (3) In addition to signing the performance contract as referred to in section (2), the selected candidate for the Board of Directors signs a statement containing the ability to carry out their duties properly, willing to be dismissed at any time, and will not sue or file a legal process in connection with the dismissal.

Paragraph 2

Appointment

Article 73

- (1) The number of members of the Board of Directors is determined by KPM.
- (2) The number of members of the Board of Directors as referred to in section (2) is at least 1 (one) person and a maximum of 5 (five) persons.
- (3) The determination of the number of members of the Board of Directors as referred to in section (2) is carried out based on the principles of efficiency and effectiveness in the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (4) The principle of efficiency and effectiveness as referred to in section (4) by considering the number of customers served with the following provisions:
 - a. 1 (one) member of the Board of Directors for the number of customers up to 30,000;
 - b. Maximum 3 (three) Directors for the number of customers from 30,001 to 100,000.

- c. Maximum 5 (five) Directors for more than 100,000 customers.
- (5) The main director is appointed from one of the members of the Board of Directors as referred to in section (3) based on the best assessment of the fit and proper test conducted by the Mayor on all Directors.
- (6) The term of office of the Board of Directors as referred to in section (1) is 5 (five) years and may be reappointed for 1 (one) term of office except:
 - a. determined otherwise in accordance with the provisions of the legislation; and
 - b. In the event that a member of the Board of Directors has special expertise and/or excellent performance, he may be appointed for a third term of office, in accordance with the applicable rules and regulations.
- (7) Special skills and/or excellent achievements as referred to in section (7) point b at least meet the following criteria:
 - a. exceeding the realization target of the business plan as well as the work plan and budget of Perumda Air Minum Tirta Jam Gadang ;
 - b. audit opinion on the company's financial statements at least Unqualified for 3 (three) consecutive years at the end of the leadership period;
 - c. all results of supervision have been followed up in accordance with the provisions of the legislation; and
 - d. fulfillment of the target in the performance contract of 100% (one hundred percent) for 2 (two) leadership periods.

Paragraph 3

Duties

Article 74

The Board of Directors has the following duties to:

- a. plan, coordinate and supervise all operational activities;
- b. foster employees;

- c. manage assets;
- d. carry out general administration and finance;
- e. prepare a 5 (five) year business strategic plan (business plan/corporate plan) which is legalized by KPM through the recommendation of the Board of Supervisors;
- f. prepare and submit the business plan and annual budget of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi which is the annual elaboration of the business strategic plan (business plan and corporate plan) to KPM through the Board of Supervisors; and
- g. prepare and submit reports on all activities.

Article 75

- (1) The Board of Directors in carrying out the duties as referred to in Article 74 has the authority to:
 - a. appoint and dismiss employees based on the Employment Regulation of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. appointing employees to occupy positions under the Board of Directors based on the Employment Regulations of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - c. determine organizational structure, work procedures and job descriptions within Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi with the approval of the Board of Supervisors;
 - d. represent Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi inside and outside the court;
 - e. appoint a power of attorney to carry out legal actions on behalf of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - f. sign quarterly reports and annual reports;
 - g. sell, pledge or dispose of assets owned by Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi which is the result of its business based on the approval of KPM on the consideration of the Board of Supervisors; and

- h. make loans, enter into agreements, and cooperate with other parties with the approval of KPM on the consideration of the Board of Supervisors.
- (2) Further provisions regarding the Employment Regulations are regulated by the Board of Directors Regulations.

Paragraph 4

Dismissal

Article 76

- (1) The Board of Directors is dismissed by KPM.
- (2) The position of a member of the Board of Directors ends when a member of the Board of Directors:
 - a. passess away;
 - b. his term of office ends; or
 - c. dismissed at any time.

Article 77

- (1) In the event that the position of a member of the Board of Directors ends as referred to in Article 76 section (2) point b, the members of the Board of Directors are obligated to submit a report on the management of the final assignment of the term of office not later than 3 (three) months before the end of his term of office.
- (2) The members of the Board of Directors as referred to in section (1) are obligated report the remaining unreported management duties at the latest 1 (one) month after the end of their term of office.
- (3) Based on the report on the management of the final assignment as referred to in section (2), the Board of Supervisors is obligated to submit an assessment and recommendation on the performance of the Board of Directors to the KPM.
- (4) The report as referred to in section (2) as well as the assessment and recommendation as referred to in section (3) serve as the basis for the consideration of KPM to extend or dismiss members of the Board of Directors.

- (5) The report on the management of the final assignment of a member of the Board of Directors whose term of office ends is carried out after the results of an audit with a specific purpose or an annual audit from a public accounting firm and submitted to KPM.

Article 78

- (1) In the event that the position of a member of the Board of Directors is terminated at any time as referred to in Article 76 section (2) point c, the dismissal is obligated to be accompanied by reasons for the dismissal.
- (2) The dismissal of a member of the Board of Directors as referred to in section (1) is carried out if based on data and information that can be legally proven, the member of the Board of Directors concerned:
 - a. unable to carry out the task;
 - b. does not implement the provisions of the legislation and/or the provisions of the articles of association;
 - c. involved in fraudulent acts that result in losses to the Perumda Water Drinking Tirta Jam Gadang, the state, and/or the Region;
 - d. found guilty by a court decision that has permanent legal force;
 - e. resign;
 - f. no longer fulfills the requirements as a member of the Board of Directors in accordance with the provisions of the legislation; and/or
 - g. was not re-elected due to changes in local government policies in terms of restructuring, liquidation, acquisition, and dissolution of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (3) Members of the Board of Directors who resign as referred to in section (2) point a, point e, point f and point g are respectfully dismissed.
- (4) Members of the Board of Directors who resign as referred to in section (2) point b, point c and point d are dishonorably dismissed.

Article 79

- (1) In the event of a vacancy in the positions of all members of the Board of Directors, the implementation of the task of managing Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out by the Board of Supervisors.
- (2) The Board of Supervisors may appoint an internal official from Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to assist the implementation of the duties of the Board of Directors up to the appointment of a definitive Board of Directors for a maximum of 6 (six) months.
- (3) In the event of a vacancy in the positions of all members of the Board of Directors and the Board of Supervisors, the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out by KPM.
- (4) KPM may appoint an official from the internal Local Public Company to assist the implementation of the management duties of the Local Public Company up to the appointment of a definitive member of the Board of Supervisors or Board of Directors for a maximum of 6 (six) months.

Article 80

- (1) Members of the Board of Directors are prohibited from:
 - a. holding concurrent positions as:
 1. members of the Board of Directors in other BUMD, state-owned enterprises, and private-owned enterprises;
 2. other positions in accordance with the provisions of the legislation; and/or
 3. other positions that may create a conflict of interest.
 - b. granting general power of attorney which results in the transfer of duties and authorities indefinitely;
 - c. using Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi for personal, family, and/or other party

- interests that may harm Local Public Company; and
- d. having a family relationship up to the third degree with:
 1. members of the Board of Supervisors in the relationship as parents including in-laws, children including daughter-in-law, siblings including in-laws and husband/wife; and
 2. other members of the Board of Directors in the relationship as parents including in-laws, children including daughter-in-law, siblings including in-laws and husband/wife.
- (2) Violation of the provisions as referred to in section (1) point a is subject to administrative sanctions in the form of being dismissed at any time from the position as a member of the Board of Directors.
 - (3) In respect of the violation of the provisions as referred to in section (1) point a, in the event that the provisions as referred to in section (2) are not implemented by the KPM, not later than 20 (twenty) work days since the person concerned is appointed to a new position as a member of the Board of Directors, the position assigned to him is concerned as a member of the Board of Directors is declared terminated.

Article 81

- (1) Members of the board of directors are obligated to be in good faith and be responsible for carrying out their duties for the interest and business of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) Each member of the Board of Directors is personally responsible if the person concerned is guilty or negligent in carrying out his duties in accordance with the provisions as referred to in section (1).
- (3) KPM may file a lawsuit against a member of the Board of Directors who due to his/her mistake or negligence caused a loss to Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , unless the member of the Board of

Directors concerned compensates for the resulting loss and deposited it into the regional general treasury account.

Paragraph 6

Income and Service Services

Article 82

- (1) Directors' income is determined by KPM.
- (2) The income of members of the Board of Directors as referred to in section (1) at most consists of:
 - a. wages;
 - b. allowances;
 - c. facility; and/or
 - d. tantiem or job incentives.
- (3) The amount of salary, allowances, and part of the net profit as referred to in section (2) is determined by KPM after taking into account the opinion of the Board of Supervisors and the capability of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (4) Further provisions regarding the income of the Board of Directors are regulated by a Mayor Regulation.

Part Five

Employee

Paragraph 1

Appointment

Article 83

- (1) Employees are appointed and dismissed by the Board of Directors.
- (2) The employee as referred to in section (1) is appointed, dismissed, position, rights and obligations carried out based on a work agreement in accordance with the provisions of legislation in the field of manpower.

Article 84

The appointment of employees as referred to in Article 83 section (2) must meet the following requirements:

- a. Citizen of the Republic of Indonesia;
- b. well behaved and have never been punished;
- c. having the necessary education, skills and expertise;
- d. declared healthy by a public hospital appointed by the Director;
- e. a maximum age of 35 (thirty five) years; and
- f. passing the selection.

Article 85

Candidate of employees who are appointed as employees are given the following ranks and starting room groups:

- a. Elementary school certificates are given the rank of Junior Clerk and Class A/1;
- b. A First Level Senior High School certificate is given the rank of Junior Clerk I and Class A/2;
- c. A senior high school certificate is given the rank of Junior Supervisor and Class B/1;
- d. Bachelor/Diploma III certificate is given the rank of Supervisor and Class B/3;
- e. Bachelor's degree is given the rank of Junior Superintendent and Class C/1.

Paragraph 2

Obligations, Prohibitions and Punishments

Article 86

Every employee is obligated to:

- a. uphold and practice Pancasila and implement the 1945 Constitution of the Republic of Indonesia;
- b. put the interests of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi above other interests;
- c. comply with and conform to all regulations of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi; and
- d. upholding the secret of Perumda Air Minum Tirta Jam

Gadang Kota Bukittinggi .

Article 87

Every employee is prohibited from:

- a. carrying out activities that are detrimental to Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , Region and/or State;
- b. using their position to benefit themselves and/or others that are detrimental to Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
- c. defaming the Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , Region and/or State; and
- d. become a member of a political party.

Article 88

- (1) Employees may be penalized.
- (2) The punishment as referred to in section (1) includes:
 - a. verbal warning;
 - b. written warning;
 - c. postponement of periodic salary increases;
 - d. postponement of promotion;
 - e. demotion;
 - f. release of office;
 - g. temporary dismissal;
 - h. honorable dismissal; and
 - i. dishonorable dismissal.
- (3) The implementation of the sentencing as referred to in section (1) is determined by a Decision of the Board of Directors.

Paragraph 3

Income

Article 89

- (1) Employees receive fair and proper income in accordance with the workload, responsibilities, and performance.
- (2) The Director determines the employee's income in accordance with the work plan and budget of Perumda

Air Minum Tirta Jam Gadang Kota Bukittinggi .

- (3) Employee income as referred to in section (1) consists of:
 - a. basic salary;
 - b. allowances;
 - c. facility; and/or
 - d. production services or job incentives.
- (4) The basic salary of the employee as referred to in section (3) point a is adjusted to the basic salary applicable to the State Civil Apparatus.
- (5) Employee income is regulated by a Decision of the Board of Directors carried out based on legislation.

Article 90

- (1) Employees who have a good average score in the Employee Work Assessment List are given periodic salary increases.
- (2) The periodic salary increase as referred to in section (1) is given 1 (one) time in 2 (two) years.
- (3) If the person concerned does not meet the requirements as referred to in section (1), the periodic salary increase is postponed for a maximum of 2 (two) years.

Paragraph 4

Paid leave

Article 91

- (1) Employees get leave entitlements including:
 - a. annual leave;
 - b. sick leave;
 - c. leave for important reasons or leave to perform the pilgrimage;
 - d. big leave;
 - e. marriage leave;
 - f. maternity leave; and
 - g. leave outside the responsibility of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) Employees who take leave as referred to in section (1) are still given full income, except for leave that is not covered

by Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.

- (3) The implementation of leave as referred to in section (1) is regulated by a Decision of the Board of Directors.

Paragraph 5

Health Security

Article 92

Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is obligated to include employees in health security programs, old age security, and other social security in accordance with the provisions of the legislation.

Paragraph 6

Human Resources Improvement

Article 93

- (1) In order to increase the competence of employees in improving services to the community, Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi implemented a program to increase the capacity of human resources.
- (2) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi allocates costs for developing the company's human resource capacity, especially for employees, amounting to 1% (one percent) of the total Expenditure Budget.
- (3) Further provisions regarding the improvement of employee competence as referred to in section (1) are stipulated by the Board of Directors.

Paragraph 7

Rank

Article 94

- (1) Employees are appointed in certain ranks and positions.
- (2) The appointment of an employee in a position is carried out by taking into account the level of rank and other requirements set for the position.

Article 95

The rank and group of employees as referred to in Article 94 section (1) are listed in Annex III which is an integral part of this Regional Regulation.

Article 96

Promotions in rank and class for employees are given up to:

- a. Junior Supervisor and Class B/1 for those who have an elementary school diploma;
- b. Supervisor and Class B/3 for those who have a First Level Advanced School Diploma;
- c. First Class Junior Superintendent and Class C/2 for those who have a high school diploma;
- d. Superintendent and Classroom C/4 for those who have a Diploma III diploma;
- e. First Class Administrator c I and Room Group D/2 for those who have a Bachelor's Degree (S-1).
- f. Young main coaches and Room Group D/3 for those who have a bachelor's degree (S-2) diploma.
- g. Intermediate main supervisor and Room Group D/4 for those who have a bachelor's degree diploma (S-3)

Paragraph 8

Retirement and Dismissal

Article 97

- (1) The retirement age limit for employees is 56 (fifty six) years.
- (2) Employees entering retirement period may be given a promotion to a service level higher than their rank provided that they have been at least 2 (two) years in their last rank.

Article 98

- (1) Employees are temporarily dismissed if they are suspected of having carried out the prohibition as referred to in Article 87 and/or a criminal offense punishable by

imprisonment for 5 (five) years or more.

- (2) The temporary dismissal as referred to in section (1) is for a maximum of 6 (six) months or there is a court decision with permanent legal force on the alleged crime committed.

Article 99

- (1) Employees who are temporarily dismissed as referred to in Article 98 section (1), starting from the following month, are given 50% (fifty percent) of the salary.
- (2) In the event that the temporarily dismissed employee as referred to in section (1) is not proven guilty, the employee concerned must be re-employed in the same position and is entitled to receive the remaining income that has not been received.
- (3) The Board of Directors dismisses with disrespect, in the event that the temporarily dismissed employee as referred to in Article 98 section (2) is proven guilty.

Article 100

- (1) Employees are honorably dismissed, because:
 - a. passess away;
 - b. own request;
 - c. unable to carry out the task;
 - d. unhealthy as evidenced by a doctor's certificate;
 - e. has reached retirement age; and/or
 - f. reorganization.
- (2) Employees who are honorably dismissed are given severance pay, the amount of which is determined by a Decision of the Board of Directors.
- (3) The dismissed employee as referred to in section (1) point b takes effect at the end of the following month.

Article 101

Employees are dishonorably dismissed, because:

- a. violates the employee oath and/or oath of office;
- b. punished based on a court decision in a criminal case that has obtained permanent legal force; and/or

- c. causing financial loss to Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.

CHAPTER IX BUSINESS PLAN, WORK PLAN AND BUDGET, REPORT AND EVALUATION

Part One General

Article 102

- (1) The Board of Directors together with the ranks of the company is obligated to prepare a Business Plan to be achieved within a period of 5 (five) years based on the articles of association.
- (2) The preparation of the Business Plan as referred to in section (1) takes into account the aspirations of the stakeholders and is jointly approved by the Board of Supervisors and ratified by the KPM.
- (3) In the event that there is a plan for equity participation or capital reduction from the Local Government , the Business Plan is adjusted to the Regional Regulation concerning capital participation and the results of the investment analysis prepared by the Local Government .

Article 103

The Business Plan is the basis for the Board of Directors' performance contract agreement.

Article 104

- (1) The Board of Directors is obligated to prepare RKA which is the annual elaboration of the Business Plan.
- (2) The RKA as referred to in section (1) is required to be prepared by the Board of Directors together with the ranks of the company and jointly approved by the Board of Supervisors and approved by the KPM.
- (3) In the event that there is a plan for equity participation or capital reduction from the Local Government , the RKA is adjusted to the financing plan in the APBD.

- (4) RKA is one of the instruments to measure the performance of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi, the performance of the management and the performance of the relevant employees.

Part II

Business plan

Paragraph 1

Business Plan Preparation

Article 105

- (1) The Business Plan is prepared to:
- a. show an overview of the business of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to stakeholders;
 - b. provide guidelines for management in managing Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - c. determine business strategy;
 - d. directing the management of Perumda to focus on the objectives of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and
 - e. help face competition.
- (2) In preparing the Business Plan as referred to in section (1), the Board of Directors takes into account:
- a. sound corporate principles;
 - b. the precautionary principle;
 - c. implementation of risk management; and
 - d. factors that affect the operation of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

Article 106

The Business Plan as referred to in Article 108 at least contains:

- a. evaluation of the results of the Business Plan or previous management documents;
- b. the current condition of Perumda Air Minum Tirta Jam

Gadang Kota Bukittinggi;

- c. assumptions used in the preparation of the Business Plan; and
- d. determination of vision, mission, goals, strategies, policies, and work programs.

Paragraph 2

Submission of Draft Business Plan

Article 107

- (1) The Board of Directors submits the draft Business Plan to the Board of Supervisors for approval not later than 15 (fifteen) work days after it is submitted.
- (2) The Board of Supervisors may conduct a review and request the Board of Directors to refine the draft Business Plan according to the results of the review within 15 (fifteen) work days as referred to in section (1).
- (3) If within 15 (fifteen) work days as referred to in section (1), the Board of Supervisors has not submitted its approval to the draft Business Plan, the draft Business Plan is deemed to have been approved.
- (4) The draft Business Plan that has been approved or deemed to have been approved is submitted to KPM in accordance with the provisions of legislation.

Article 108

- (1) The Board of Directors submits the draft Business Plan to KPM as referred to in Article 107 section (4), to be ratified not later than 15 (fifteen) work days from receipt.
- (2) Before being ratified by KPM, the regional apparatus in charge of fostering Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi conducts a review not later than 15 (fifteen) work days as referred to in section (1).
- (3) The regional apparatus as referred to in section (2) may involve professional personnel/institutions in accordance with the regional financial capacity.
- (4) The study financing as referred to in sections (2) and (3) is

borne by the APBD.

Article 109

- (1) Submission of the draft Business Plan to KPM not later than the end of November before the Business Plan year begins.
- (2) The Year of the Business Plan as referred to in section (1) begins on January 1st.

Paragraph 3

Business Plan Change

Article 110

- (1) Business Plans that have been ratified can be amended in terms of:
 - a. there is a change in the Regional Regulation of the RPJMD affecting the policy of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. there is a change in the factors that affect the operation of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and/or
 - c. there is an amendment in the relevant legislation.
- (2) The change as referred to in section (1) does not reduce the target, unless it is caused by a disaster.
- (3) In the event that there is an amendment in the Regional Regulation of the RPJMD related to the direction of the policy and strategic issues as referred to in section (1) point a, the Business Plan is amended following the Regional Regulation of the amendment to the RPJMD.
- (4) Changes to the Business Plan as referred to in section (1) point b and point c, are made 1 (one) time in a year and cannot be made in the last year of the Business Plan.

Article 111

Changes to the Business Plan are adjusted to changes in investment analysis and Regional Regulations regarding equity participation, except for changes to the Business Plan that are

only made to the program.

Article 112

- (1) The mechanism for submitting the draft Business Plan as referred to in Article 107 to Article 109, applies *mutatis mutandis* with the draft amendment to the Business Plan.
- (2) The time for submitting changes to the Business Plan is adjusted to the time of the changes.

Part Three

Work Plan and Budget

Paragraph 1

Preparation of Work Plans and Budgets

Article 113

- (1) RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in Article 104 section (1), at least contains a detailed work program plan and annual budget.
- (2) RKA Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1), is prepared in accordance with the provisions of the legislation.

Paragraph 2

Submission of Work Plan and Budget

Article 114

- (1) The Board of Directors submits the draft RKA Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to the Board of Supervisors for approval not later than 15 (fifteen) work days after submission.
- (2) The Board of Supervisors may conduct a review and request the Board of Directors to refine the draft RKA Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi according to the results of the review within 15 (fifteen) work days as referred to in section (1).

- (3) If within 15 (fifteen) work days as referred to in section (1), the Board of Supervisors has not submitted its approval to the draft RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , the draft RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi P is considered to have been approved.
- (4) The draft of the RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi that has been approved or deemed to have been approved is submitted to the KPM.

Article 115

- (1) The Board of Directors submits the draft of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to the KPM as referred to in Article 114 section (4), to be ratified not later than 15 (fifteen) work days from receipt.
- (2) Before being ratified by KPM, the regional apparatus in charge of fostering Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi conducts a review no later than 15 (fifteen) work days as referred to in section (1).
- (3) The regional apparatus as referred to in section (2) may involve professional personnel/institutions in accordance with the regional financial capacity.
- (4) The study financing as referred to in section (2) and section (3) is borne by the APBD.

Article 116

- (1) Submission of the draft RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to KPM not later than the end of November before the RKA of the Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi begins.
- (2) The year of RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1), begins on January 1st.

Paragraph 3

Changes in Work Plan and Budget

Article 117

- (1) Changes to the RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi that has been ratified can be made in the event that:
 - a. there are changes to the Business Plan;
 - b. there is a change in the factors that affect the operation of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and/or
 - c. there is an amendment in the relevant legislation.
- (2) In the event that there is a change in the RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , it can be revised 2 (two) times a year.

Article 118

- (1) The mechanism for submitting the draft RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in Article 114 to Article 116, applies mutatis mutandis with the draft amendment to the RKA Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) The time for submitting changes to the RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is adjusted to the time of the change.

Part Four

Report

Paragraph 1

Board of Supervisors Report

Article 119

- (1) The Board of Supervisors's report consists of quarterly reports and annual reports submitted to KPM.
- (2) The report of the Board of Supervisors as referred to in section (1) at least contains:
 - a. implementation of the Business Plan and RKA of Perumda Air Minum Tirta Jam Gadang Kota

Bukittinggi ;

- b. factors that affect the performance of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and
 - c. efforts to improve the performance of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (3) The quarterly report as referred to in section (1) is submitted not later than 30 (thirty) work days after the end of the relevant quarter.
 - (4) The annual report as referred to in section (1) is submitted to KPM not later than 90 (ninety) work days after the financial year of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is closed.
 - (5) The annual report as referred to in section (4) is ratified by KPM not later than 30 (thirty) work days after the report is received.
 - (6) Further provisions regarding the procedure for submitting and disseminating the annual report of the Board of Supervisors are regulated by the KPM Regulation.

Paragraph 2

Directors Report

Article 120

- (1) The report from the Board of Directors of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi consists of monthly reports, quarterly reports and annual reports.
- (2) The report as referred to in section (1) is submitted to the Board of Supervisors as a basis for supervision.

Article 121

- (1) The monthly reports as referred to in Article 120 section (1), consist of reports on operational activities and financial reports.
- (2) The operational activity report as referred to in section (1) includes:
 - a. comparison between RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi with the

realization of RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi City ;

- b. explanation of deviations from the realization of the RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and
 - c. the follow-up plan on the RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , which has not been achieved.
- (3) The financial report as referred to in section (1) at least contains a cash flow report.

Article 122

- (1) The quarterly reports as referred to in Article 120 section (1), consist of reports on operational activities and financial reports.
- (2) The operational activity report as referred to in section (1), consists of:
- a. comparison between RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi with the realization of RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. explanation of deviations from the realization of the RKA Perumda Water Drinking Tirta Jam Gadang Municipality of Bukittinggi; and
 - d. the follow-up plan on the RKA of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , which has not been achieved.
- (3) The financial report as referred to in section (1) at least contains a balance sheet, profit/loss statement and cash flow statement.
- (4) The quarterly report as referred to in section (1) is submitted to KPM not later than 20 (twenty) work days after the end of the relevant quarter.

Article 123

- (1) The annual report as referred to in Article 120 section (1), consists of an audited financial report and a management

report.

- (2) The annual report as referred to in section (1) is signed with the Board of Directors and the Board of Supervisors.
- (3) The annual report as referred to in section (1) is submitted to KPM for approval not later than 30 (thirty) work days after receipt.
- (4) The Board of Directors publishes an annual report to the public not later than 15 (fifteen) work days after the annual report as referred to in section (3) is approved by KPM.
- (5) The annual report that has been ratified by KPM, as referred to in section (4) is submitted to the Minister of Home Affairs.

Part Five Evaluation

Article 124

- (1) The evaluation is preceded by monitoring which can be carried out on a monthly, quarterly and annual basis.
- (2) The monitoring as referred to in section (1) is carried out based on monthly, quarterly and annual reports.
- (3) The monitoring as referred to in section (2) is carried out by:
 - a. Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. Local government; and/or

Article 125

- (1) Evaluation of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out by comparing the target and realization.
- (2) The evaluation of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1) is carried out at least once a year.
- (3) The evaluation as referred to in section (2) is carried out by:

- a. Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and/or
 - b. Local government;
- (4) The evaluation as referred to in section (2) includes:
- a. performance assessment;
 - b. health level assessment; and
 - c. service assessment.

Article 126

The Monitoring and Evaluation carried out by the Local Government as referred to in Article 124 section (3) point b and Article 125 section (3) point b, is carried out by the regional apparatus in charge of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi in accordance with their duties and authorities.

CHAPTER X OPERATION

Part One

Standard Operating Procedure

Article 127

- (1) Operations of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi are carried out based on standard operating procedures.
- (2) Standard operating procedures are prepared by the Board of Directors and approved by the Board of Supervisors.
- (3) The standard operating procedures as referred to in section (3) at least contains the following aspects:
 - a. organ;
 - b. organization and staffing;
 - c. finance;
 - d. customer service;
 - e. business risk;
 - f. procurement of goods and services;
 - g. goods management;

- h. marketing; and
 - i. supervision.
- (4) The standard operating procedures as referred to in section (3) must have been fulfilled not later than 1 (one) year since the stipulation of this Regional Regulation.
- (5)

Part Two

Good Corporate Governance

Article 128

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is obligated to implement good corporate governance in every management of its business activities.
- (2) Good Corporate Governance as referred to in section (1) consists of the following principles:
- a. transparency;
 - b. accountability;
 - c. accountability;
 - d. independence; and
 - e. fairness.
- (3) The implementation of good corporate governance as referred to in section (2) aims to:
- a. achieve the goal of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - b. optimize the value of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi so that it has strong competitiveness;
 - c. encourage the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi in a professional, effective and efficient manner as well as empowering functions and increasing the independence of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;
 - d. encourage the organs of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to make decisions and carry out actions based on high moral values and

compliance with legislation as well as awareness of social responsibility towards stakeholders as well as environmental sustainability around Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ;

- e. increase the contribution of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi in the regional economy; and
- f. improve a conducive business climate for the development of regional investment.

Article 129

- (1) The implementation of Good Corporate Governance as referred to in Article 128 is determined by the Board of Directors.
- (2) The implementation of Governance as referred to in section (1) is carried out and carried out by referring to the provisions of legislation.

Part Three

Procurement of goods and services

Article 130

- (1) The procurement of goods and services for Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out taking into account the principles of efficiency and transparency.
- (2) Provisions regarding the procurement of goods and services for Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1) is stipulated by a Mayor Regulation.

Part Four

Cooperation

Article 131

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can cooperate with other parties.

- (2) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi prioritizes cooperation with BUMD belonging to other Local Government s to support regional cooperation.
- (3) The cooperation as referred to in section (1) is carried out with the following principles:
 - a. in accordance with the provisions of the legislation;
 - b. in accordance with good corporate governance and expediency;
 - c. mutually beneficial and provide optimal benefits for Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi ; and
 - d. protect the interests of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , Local Government , and public.

Article 132

- (1) Cooperation is contained in a cooperation agreement signed by the cooperation parties in accordance with the authority.
- (2) The cooperation agreement as referred to in section (1) contains:
 - a. rights and obligations of the parties;
 - b. the term of cooperation;
 - c. dispute resolution; and
 - d. sanctions for parties who do not comply with the agreement.
- (3) The cooperation agreement as referred to in section (2) uses good and correct Indonesian.
- (4) The implementation of the cooperation between Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out by the Board of Directors.

Article 133

- (1) Forms of collaboration include:
 - a. operation (joint operation) ;
 - b. utilization of equity (joint venture) ; and
 - c. others in accordance with the provisions of the

legislation.

- (2) The form of cooperation in the form of operations as referred to in section (1) point a, is carried out with the following provisions:
 - a. approved by KPM; and
 - b. have a business field that supports the main business.
- (3) The form of cooperation in the form of utilization of equity as referred to in section (1) point b, is carried out with the following provisions:
 - a. approved by KPM;
 - b. financial report of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi for the last 3 (three) years in good health;
 - c. may not make equity participation in the form of land from Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi originating from regional equity participation; and
 - d. have a business field that supports the main business.

Article 134

- (1) The cooperation Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , which is carried out at the initiative of a partner, must be accompanied by the required documents.
- (2) The required documents as referred to in section (1), include:
 - a. cooperation proposals;
 - b. cooperation feasibility study;
 - c. third party Business Plans; and
 - d. third party risk management and cooperation

Part Five Association

Article 135

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can become a member of the Association of Indonesian Drinking Water Companies.
- (2) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can utilize the Association of Drinking Water Companies throughout Indonesia to bridge cooperation activities between Drinking Water Local Public Company at home and abroad and coordinate with relevant agencies at the central and regional levels.

CHAPTER XI

USE OF PROFIT OF DRINKING WATER GENERAL COMPANIES

Article 136

- (1) The use of profits from Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is regulated in the articles of association.
- (2) The use of profits from Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi as referred to in section (1) is used for:
 - a. fulfillment of reserve funds;
 - b. increasing the quantity, quality, and continuity of public services, basic services, and business startups of the relevant regional public companies;
 - c. dividends that become the right of the Region;
 - d. *tantiem* for members of the Board of Directors and Board of Supervisors;
 - e. bonuses for employees; and/or
 - f. use of other profits in accordance with the provisions of legislation.
- (3) KPM prioritizes the use of the profits of the Regional Public Company to increase the quantity, quality and continuity of public services, basic services, and the start-up of the relevant regional public company after the reserve fund is met.
- (4) The amount of profit used by Perumda Air Minum Tirta

Jam Gadang Kota Bukittinggi is determined annually by KPM.

Article 137

- (1) Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is obligated to set aside a certain amount of net profit each financial year for reserve funds.
- (2) The provision for net profit as referred to in section (1) is obligated to be made until the reserve fund reaches at least 20% (twenty percent) of the capital of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (3) The obligation to provide for reserve funds as referred to in section (2) applies Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi has a positive retained earnings.
- (4) Reserve funds up to the amount of 20% (twenty percent) of the capital of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi can only be used to cover losses to Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.
- (5) If the reserve fund has exceeded the amount of 20% (twenty percent), KPM may decide that the excess of the reserve fund is used for the purposes of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (6) The Board of Directors must manage the reserve fund so that the reserve fund earns profit in a good way by taking into account the provisions of the legislation.
- (7) Profits obtained from the management of reserve funds are included in the calculation of profit and loss.

Article 138

The dividend of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi which is the right of the Region is the Regional revenue after being ratified by the KPM.

Article 139

- (1) Tantiem for the Board of Directors and the Board of Supervisors as well as bonuses for employees as referred to in 139 section (2) point d is a maximum of 5% (five

percent) of net profit after deducting for reserve funds.

- (2) The provision of *tantiem* and bonuses associated with the performance of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is budgeted and calculated as a cost.

Article 140

If the profit and loss calculation for a financial year shows a loss that cannot be covered by a reserve fund, the loss is still recorded in the books of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi and is considered not to have made a profit as long as the recorded loss has not been fully covered in accordance with the provisions of legislation.

Article 141

Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi carries out social and environmental responsibilities by setting aside a portion of net profit whose use is prioritized for the purposes of fostering micro, small businesses, and cooperatives.

CHAPTER XII RESTRUCTURISATION

Article 142

- (1) The restructuring was carried out with the aim of making the Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi healthy so that it could operate efficiently, accountably, transparently, and professionally.
- (2) The restructuring as referred to in section (1) aims to:
 - a. improve the performance and value of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi;
 - b. provide benefits in the form of dividends and taxes to the State and Region; and/or
 - c. produce products and services at competitive prices to consumers.
- (3) Restructuring is carried out if Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi continues to suffer losses

and the loss threatens business continuity.

- (4) The restructuring was carried out by taking into account the efficiency of costs, benefits, and risks.

Article 143

- (1) Restructuring includes regulatory restructuring and/or company restructuring.
- (2) The restructuring as referred to in section (1) is carried out through:
 - a. internal restructuring covering finance, management, operations, systems and procedures;
 - b. structuring the functional relationship between the Local Government and Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to determine the direction in the context of implementing public service obligations.
- (3) The provisions regarding the restructuring as referred to in section (1) are implemented in accordance with the provisions of legislation.

CHAPTER XIII DISSOLUTION

Article 144

- (1) The dissolution of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is stipulated by a Regional Regulation.
- (2) The function of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi was dissolved as referred to in section (1) is carried out by the Local Government .
- (3) Regional assets resulting from the dissolution of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi, are returned to the Regions.

Article 145

The dissolution of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi was carried out based on the results of investment analysis, health level assessment, and the evaluation results of

Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.

CHAPTER XIV GUIDANCE AND SUPERVISION

Part One GUIDANCE

Article 146

- (1) The Local Government provides guidance to the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- (2) The guidance as referred to in section (1) is carried out by:
 - a. Regional Secretary;
 - b. Officials in the Local Government who carry out the function of technical development of local-owned enterprises; and
 - c. Officials in the Local Government who carry out the supervisory function at the request of the Regional Secretary.

Article 147

The Regional Secretary carries out guidance on the management of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi on strategic policies.

Article 148

- (1) Officials in the Local Government who carry out the function of technical guidance for Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi to have the task of:
 - a. organizational development, management, and finance;
 - b. management guidance;
 - c. asset utilization development;
 - d. business development guidance;
 - e. monitoring and evaluation;

- f. guidance administration; and
 - g. other functions assigned by the Regional Secretary.
- (2) The appointment of an official in the Local Government who performs the technical guidance function of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is adjusted to the Regional apparatus or work unit in the Regional apparatus that handles Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.

Part Two Supervision

Paragraph 1 General

Article 149

- (1) Supervision of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is carried out in order to enforce good corporate governance.
- (2) The supervision as referred to in section (1) is carried out in the form of:
 - a. Internal monitoring; and
 - b. external supervision.
- (3) The internal control as referred to in section (2) point a is carried out by the internal supervisory unit, audit committee, and/or other committees.
- (4) The external supervision as referred to in section (2) point b is carried out by the Local Government through an official who carries out the supervisory function.

Paragraph 2 Internal Control Unit

Article 150

- (1) At Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi, an Internal Supervisory Unit was formed which is the company's internal supervisory apparatus.
- (2) The Internal Supervisory Unit as referred to in section (1)

is led by a head who is responsible to the Board of Directors.

- (3) (2) The appointment of the head of the internal supervisory unit as referred to in section (2) is carried out after obtaining consideration from the Board of Supervisors.

Article 151

The internal control unit has the following duties:

- a. assisting the Board of Directors in carrying out operational and financial audits of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi , through controlling, managing and implementing it at Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi and providing suggestions for improvement
- b. provide information on the results of the examination or the results of the implementation of the duties of the Internal Audit Unit as referred to in point a to the Board of Directors.
- c. monitor the follow-up on the results of the examinations that have been reported.

Article 152

- (1) The Internal Supervisory Unit provides a report on the results of the implementation of duties to the Board of Directors with a copy to the Board of Supervisors.
- (2) The Internal Supervisory Unit may provide information directly to the Board of Supervisors on the report as referred to in section (1).

Article 153

- (1) The Board of Directors submits the results of the Internal Audit Unit inspection to all members of the Board of Directors, to be followed up in the Board of Directors meeting.
- (2) The Board of Directors is obligated to pay attention to and immediately take the necessary steps for everything stated in every report on the results of the examination

made by the Internal Audit Unit.

Article 154

In carrying out its duties, the Internal Supervisory Unit is obligated to maintain the smooth running of the tasks of other organizational units within the Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi in accordance with their respective duties and responsibilities.

Paragraph 3

Audit Committee and other Committees

Article 155

- (1) The Board of Supervisors forms an audit committee and other committees that work together collectively and function to assist the Board of Supervisors in carrying out its supervisory duties.
- (2) The audit committee and other committees as referred to in section (1) consist of independent elements led by a member of the Board of Supervisors.
- (3) The audit committee and other committees as referred to in section (1) in carrying out their duties may coordinate with the Internal Supervisory Unit.
- (4) All costs for the establishment of the Audit Committee as referred to in section (1) are financed by the budget of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi.

Article 156

The audit committee has the following duties to:

- a. assist the Board of Supervisors in ensuring the effectiveness of the internal control system and the effectiveness of the external auditor's duties;
- b. assess the implementation of activities as well as the results of audits carried out by the internal supervisory unit and external auditors;
- c. provide recommendations on the improvement of the management control system and its implementation;
- d. ensure that there is a satisfactory review procedure for all

- information issued by the company;
- e. identify matters that require the attention of the Board of Supervisors; and
- f. carry out other duties related to the supervision given by the Board of Supervisors.

Article 157

- (1) In the event that Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi is unable to finance the implementation of the duties of the audit committee and other committees, Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi may not form an audit committee and other committees.
- (2) In the event that an audit committee and other committees are not formed with the considerations as referred to in section (1), the functions of the audit committee and other committees are carried out by the Internal Supervisory Unit.

Article 158

Provisions regarding the internal supervisory unit, audit committee, and other committees are implemented in accordance with the provisions of the laws and regulations.

CHAPTER XV TRANSITIONAL PROVISIONS

Article 159

With the promulgation of this Regional Regulation, then:

- a. the Board of Supervisors and the Board of Directors that existed prior to the promulgation of this Regional Regulation remains to carry out their functions until the end of their term of office.
- b. All obligations of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi of that are directly related to or directly support business activities in the field of drinking water services are turned into the responsibility of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .

- c. All employees of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi of turned into employees of Perumda Air Minum Tirta Jam Gadang Kota Bukittinggi .
- d. all ongoing cooperation agreements remain valid until the end of the cooperation agreement.

Article 160

All provisions regarding the name, script and matters relating to the name of the Perusahaan Daerah Air Minum Jam Gadang are amended to Perumda Air Minum Tirta Jam Gadang not later than 6 (six) months after the promulgation of this Regional Regulation).

CHAPTER XVI

CLOSING

Article 161

At the time this Regional Regulation comes into force, the Regulation of the Municipality of Bukittinggi Number 4 of 2014 on Perusahaan Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi (Regional Gazette of Municipality of Bukittinggi of 2014 Number 4, Supplement to the Regional Gazette of Municipality of Bukittinggi Number 4), is repealed and declared ineffective.

Article 162

All implementing regulations relating to Perusahaan Daerah Air Minum Tirta Jam Gadang Kota Bukittinggi are declared to remain effective as long as they have not been replaced and to the extent not contrary to the provisions of this Regional Regulation.

Article 163

This Regional Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of the Municipality of Bukittinggi.

Issued in Bukittinggi
on 21 May 2021
MAYOR OF BUKITTINGGI,
signed
ERMAN SAFAR

Promulgated in Bukittinggi
on 21 May 2021
SECRETARY OF MUNICIPALITY OF BUKITTINGGI,
signed
YUEN KARNOVA

MUNICIPAL GAZETTE OF BUKITTINGGI OF 2021 NUMBER 1

Jakarta, 6 June 2022

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

ACTING DIRECTOR GENERAL OF LEGISLATION,



DHAHANA PUTRA