

MAHARASHTRA WATER RESOURCES REGULATORY AUTHORITY

**Minutes of 02/2022 Authority Meeting
25th March 2022, Time 12:30 p.m.**

The Following Members attended the meeting:-

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|------|-----------------------------|--------------------|
| i. | Shri. Sanjay Kulkarni | Member (WRE) |
| ii. | Mrs. Shwetali Thakare | Member (Economics) |
| iii. | Dr. Adv. Sadhana Mahashabde | Member (Law) |

Other Officers:-

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| i. | Dr. Ramnath Sonawane | Secretary |
| ii. | Shri. Prashant Borase | Director |
| iii. | Shri. Rohan Sodal | Dy. Director |
| iv. | Shri. Dilip Patole | Asst. Director |
| v. | Shri. Prabhakar Khire | Consultant |

Shri Sanjay Kulkarni Member (WRE) and Dr. Sadhana Mahashabde, Member (Law) seconded that Smt. Shwetali Thakare, Member (Eco) to chair the meeting in accordance with the provisions of section 9 (2) of MWRRA Act, 2005 read with regulation 9 (5) of MWRRA (Conduct of Business) Regulations 2013. The Secretary welcomed all the members present in the meeting.

With the permission of the chair, the meeting commenced to take up the following agenda items which were discussed and deliberated.

ITEM NO. 1

To confirm the minutes of the previous 01/22 Authority meeting held on 19/01/2022.

The minutes of 01/22 Authority Meeting were confirmed unanimously.

ITEM NO. 2

GR/Notification for the information of the Authority:-

- जलसंपदा विभाग शासन शुध्दीपत्रक क्रमांक:संकीर्ण 2018/389/प्र.क्र.108/2018 जसं (आस्था) दि. 18/01/2022.
- Government of Maharashtra Water Resources Department Corrigendum No. 2 Marg. 2 Misc-2017/19/(07/17)WR (Est). date 09/03/2022.
- महाराष्ट्र शासन /जलसंपदा विभाग पत्र क्र. संकीर्ण-2021/(421/2021)/लपा दि. 17/03/2022.

The Authority has taken notice of the above mentioned Government Resolutions.

ITEM NO. 3

Action Taken Report-

Action taken report tabled by the secretary is taken on record.

ITEM No.4

To consider the comments received from the beneficiary public regarding the Draft Revised Bulk Water Tariff Criteria and the Draft Bulk Water Tariff Proposal hosted on the website of the Authority and to finalize the Criteria for Bulk Water Tariff (CBWT) and Bulk Water Tariff Proposal for the control period July 2020 to June 2023.

During the second phase of consultation with the beneficiary public 65 stakeholders submitted their comments within the prescribed period and 20 stakeholders submitted their comments after the prescribed time limit. All the comments so received have been compiled and abstract of the comments along with the hard copies were provided to the Hon' Members of the Authority.

The important issues raised by the stakeholders within the stipulated time have been summarized and circulated for the consideration and perusal of the Hon' Members of the Authority in the meeting held on 25th March 2022. The Secretary submitted that the decision on these issues needs to be taken in order to finalize the Criteria for Bulk Water Tariff (CBWT) and the Bulk Water Tariff Proposal.

A). To reconsider and to allocate "Admitted Operation and Maintenance Cost" retained as per the provision in tariff order for the control period July 2017 to June 2020 on the basis of weightages given to various categories (Agriculture 19%, Domestic 22% and Industrial 59%).

B). To reconsider and decide whether the Bulk Water Tariff should be made applicable with retrospective effect (from 1st July 2020) in view of the adverse effects of COVID-19 on all sectors in the state.

C). To reconsider the difficulties in implementation of volumetric tariff system and provide for Area Based Tariff (crop wise and season wise) and to reconsider the provisions regarding cash crops through wells within the Influence Zone.

D). To consider and remove the ambiguity regarding the use of water as raw material in industries and charged the water charges at the reasonable rates instead of the prevailing charges at the rate of 25 times and decide the water charges for the water used by the industries for the residential quarters of the employees.

E). To reconsider the prevailing water charges at the rate of 5 times for the integrated Townships.

F). To decide / to extend the applicability of Bulk Water Tariff for the control period (July 2020 to June 2023) in view of para 11 of the Approach Paper read with clause 2 (14) of Maharashtra Water Resources Regulatory Authority (Fixing Criteria for and Issuance of Tariff order for Bulk Water) Guidelines, 2019.

G). Comments of Member (Eco) regarding ownership of treated water and committed charges and Penal interest.

Hon' Members have perused the contents of the comments received from the stakeholders and sought some clarifications from the Secretary, the consultant (Shri. Prabhakar Khire), the Dy. Director and the Asstt. Director present in the meeting.

With regard to issue mentioned at 'A' it was submitted that, a consultant was appointed to carry out study before finalization of the criteria for the control period 2013-16. The Criteria for Bulk Water Tariff (CBWT) was finalized after the exhaustive process of public consultation. It was quite time consuming and the same criteria were adopted for the control period 2017-20. Before preparing the draft criteria for the control period 2020-2023 it was consciously decided to adopt the same criteria and give the same weightage to various categories.

However, the secretary is to initiate the process of appointment of consultant for conducting study before fixing the criteria for the next control period.

B). With regard to the issue mentioned at 'B', it was brought to the notice of the Hon' Members that, majority of the stakeholders have suggested that the tariff proposal should not be given retrospective effect in view of adverse effects of COVID-19. The Authority ascertained the actual Operation and Maintenance Cost incurred by the Water Resources Department in the year 2019-20 and 2020-21 and also considered the water charges levied by Bulk Water Supply Entities (BWSE) and concluded that the actual O & M cost incurred can be recovered even at the prevailing rates applicable for the third year of previous control period (2019-20). The Operation and Maintenance Cost can be met out from the revenue realization in the relevant years.

Therefore, after review of previous water charges, as per section 11 (u) of the Act, there is no need to revise water charges for the water accounting years 2020-21 and 2021-22. The statements showing the Operation and Maintenance expenditure incurred in the year 2019-20 and 2020-21 and the water charges levied from various categories of water users are annexed as **Annexure 1**.

C). With regards to the issue mentioned at 'C' taking into consideration various comments regarding the difficulties faced by the BWSE's in implementation of volumetric tariff, it is required to provide both volumetric tariff system as well as Area Based Tariff. At present the Water Users Associations (WUA), Private and Government Lift Irrigation System have measurement devices installed, however, individual farmers do not have measurement devices. The Water Resources Department has issued Govt. Resolution No. संकिर्ण निष्पत्ति क्र. संकिर्ण -2014/(43/14)सिन्व्य (धोरण) dtd. 17/10/2018 to fix the area based tariff where volumetric tariff cannot be charged. The Authority has gone through the provisions of GR and the data published by WRD in Irrigation Status Report 2019-20. The ISR data reveals that the irrigated area under volumetric tariff is less than the irrigated area under area based tariff. Therefore, till the Water User Associations are established and fully functional in all command areas falling under various water resource projects. Area Based Tariff will be applicable. The statement showing irrigated area under WUA, LIS (Private), LIS (Govt.) and Individual farmers is annexed herewith as **Annexure 2**.

D). With regard to the issue mentioned at 'D' number of comments from Sugar Factories, Maharashtra State Co-operative Sugar Factories Federation Ltd. and Indian Breweries Association have been received. These stakeholders suggested to fix reasonable water charges for using water as raw material instead of existing 25 times of the water charges for processing. Hon' Members have carefully perused the contents of the submission of various stakeholders along with the opinion given by Shri. Vasantdada Sugar Institute

Pune, and National Chemical Laboratory Pune. The Secretary was directed to obtain the opinion of Institute of Chemical Technology Mumbai. However, ICT has not yet provided the opinion. Water used in the manufacturing of spirit, alcohol, ethanol and liquor is basically one of the important ingredient as raw material and therefore, in previous tariff order it was proposed to be charged at higher rates i.e. 25 times of the water charges for processing. In the first tariff order issued by the Authority for the control period 2010-11 to 2012-13, the charges for water used as raw material were fixed at the rate of 5 times of water used for processing. The Authority after carefully considering the comments of the stakeholders decided to reduce the water charges upto 15 times instead of 25 times.

With regard to Water charges for residential colonies for employees working in industries the Secretary suggested that since the quota for domestic use by industries is allocated from the industrial category, the BR of industry should be applicable. However, after deliberations Hon' Members came to the conclusion that since water is used for drinking purpose by the employees and their families residing in the residential colonies developed by the industries it would be appropriate to charge water rates at par with the Municipal Corporations for the sake of equity.

E). With regard to the issue mentioned at 'E' comments received from CREDAI and others regarding water charges for Townships developed by Private and other entities, water charges (5 times of Municipal Corporations) are unreasonable. The Secretary explained that Integrated Townships are developed under the provisions of sections 18 and 44 of the Maharashtra Regional and Town Planning Act, 1966. Hon' Members referred the said provisions and decided that since the Townships are at par with Municipal Corporations in terms of social and physical infrastructure and other amenities, it would be appropriate to charge water charges at par with the Municipal Corporations for the sake of equity.

F). With regard to the issue mentioned at 'F' the Secretary opined that as provided in Para 11 of Approach Paper the tariff order shall be applicable for three consecutive Water Accounting Years, starting from the Water Accounting Year in which the Tariff Order is issued.

The above mentioned provision read with clause 2(14) of Maharashtra Water Resources Regulatory Authority (Fixing Criteria for and Issuance of Tariff Orders for Bulk Water) Guidelines, 2019,

"The control period" means the period for which the tariff order is applicable and shall be the three consecutive Water Accounting Year, starting from the Water Accounting Year in which the tariff order is issued and shall also include any extensions given by the Authority. In view of these provisions, the Bulk Water Tariff Order will be effective from 1st July 2022 and will remain in force for 3 consecutive years i.e. July 2022 to June 2025.

G). With regard to the issue mentioned at 'G' Hon' Member (Eco) and chairperson of the meeting raised issues of ownership of treated water. Hon' Member (WRE) clarified that treated water if released in the stream (Natural river or Nala), its ownership will vest with the WRD and if Local body recycles and reuses the water within or outside its jurisdiction for agriculture or industrial purpose, which is supplied from its Sewerage Treatment Plants (STP) through a closed pipe to the Bulk Water Users, the water charges will

be decided mutually by the local body and the users. However, the rates so decided should not be inconsistent with this tariff order.

The issue of commitment charges and penal charges for delayed payments was discussed. Taking into consideration the rationale behind commitment charges and provisions in Maharashtra Irrigation Act, 1976, it was decided to keep the provision unchanged.

H). The issue of tariff for fisheries under agro industries as suggested by WRD was also discussed. Since fishery is basically agro based, it was decided to include it in Agriculture Category and the water charges as applicable to Agriculture will be applicable.

After careful consideration of all the comments received within the stipulated time and various legal provisions and the data made available to the Hon' Members, it was decided to modify and finalize the Criteria for Bulk Water Tariff (CBWT) and Bulk Water Tariff Proposal.

Resolution No. 118

It is resolved that, the Secretary is directed to modify and finalize the Criteria for Bulk Water Tariff (CBWT) and Bulk Water Tariff Proposal and;

It is further resolved that, the final Criteria for Bulk Water Tariff (CBWT) and Bulk Water Tariff Proposal along with the Tariff Order be kept in the Authority's Meeting to be held at 12:30 PM on 29th March 2022.

ITEM No. 5

Any other subject with the approval / permission of the chairperson.

Nil.

VOTE OF THANKS:

The meeting concluded with vote of thanks to the Chairperson and the Members present.

Date: 25/03/2022

Place: Mumbai

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Mrs. Shwetali Thakare
Hon. Member (Eco)
(Chairperson of the Meeting)