

**APPROACH PAPER ON CRITERIA**  
**FOR DETERMINATION OF BULK WATER TARIFF 2013-16**  
**COMMENTS / SUGGESTIONS RECEIVED WITH**  
**RESPONSE OF MWRRA**



**MAHARASHTRA WATER RESOURCES REGULATORY AUTHORITY**  
**(AUGUST 2012)**

	<b><u>GROUPING OF COMMENTS / SUGGESTIONS</u></b>
A.	PROCEDURAL ISSUES
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**COMMENTS / SUGGESTIONS RECEIVED AND REPLY OF MWRRA ON  
APPROACH PAPER FOR DETERMINATION OF CRITERIA  
FOR BULK WATER TARIFF 2013-16**

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<b>A. <u>PROCEDURAL ISSUES</u></b>		
1.	Public consultation on the Approach Paper be arranged at all Revenue Divisional Headquarters to be followed by similar hearing for Criteria.	Section 11 (d) of the MWRRA Act, provides for consultation with the beneficiary public only for fixing the Criteria. Accordingly, the approved Regulations for fixing Criteria and issuance of tariff orders for Bulk Water also stipulates public consultation at Revenue Divisional Headquarters only for the draft Criteria. However, the Authority has decided that the public hearings will be common for both for the Approach Paper and the draft Criteria.
2.	3 months time may be given for inviting comments from the date of availability at talukas as one month time is not enough.	Copies of the Approach Paper in Marathi were made available in all the talukas by 7 <sup>th</sup> April, 2012 and the last date for receipt of comments was extended to 30 <sup>th</sup> June 2012.
3.	Experience of past 2 years in tariff period 2010-13 is not considered.	Tariff levied and realized for the years 2010-11 is under compilation in WRD. For 2011-12, the water year has ended only on 30.06.2012 and similar compilation will be undertaken by WRD. It is proposed to finalise the Criteria from available information.

4.	Salient points in the Approach Paper should be communicated at village and WUA level.	As wide publicity has been given through Marathi newspaper, TV and radio news about the Approach Paper being made available in talukas for wide publicity at village level and WUA level.
5.	There is no provision of rates at sub basin/ basin wise as well as WUA wise (PLA/CLA/DLA).	It has already been clarified in Para 1:8 of chapter I of the Approach Paper that as the Irrigation Development Corporations for the various basins are yet to be converted to River Basin Agencies with independent financial identity; uniform tariff structure for the whole state is being continued. As regards rates for upper level association. It has been clarified in Paras 7.18 and 7 .19 in Chapter VII that volumetric rate at minor level WUA will be fixed and upper level associations will receive maintenance grants as per WALMI norms as and when they take over maintenance functions from WRD.
6.	It is not clear as to how the provision in Section 11 (d) implies only bulk water tariff and not retail tariff.	Section 11 (d) requires the Authority to fix bulk water charges at sub-basin, river basin and state level and not at project level. Further Para 4.4 of the State Water Policy titled, Bulk Water Supply and Water Charges provides for establishment of a transparent system of water tariffs that recuperates the cumulative cost of providing water services from all water user entities in all categories of water use. Such entities are bulk users only.

7.	Public hearing should not be confined to Criteria alone but also for the methodology for water tariff determination.	Methodology for determination of bulk water tariff is given in Criteria under various annexures for which there will be public hearing. Principle for working out area based tariff is also given in Criteria. Crop wise rates will be worked out on these principles and will be available for offering comments in tariff proposal. There is provision in the Act for public consultation only for finalizing the Criteria.
8.	Government be requested to modify the section relating to review and revision of tariff from three years to five years.	It is being proposed to Government to amend the Act suitably.
9.	All concessions and subsidies should be accounted for separately and a matching grant issued by State Govt. Similarly revenue from all penalties should be separately accounted and maintained. This data should be in public domain.	Since full O&M cost is provided upfront in the State Budget at the beginning of the year and water tariff is collected only at the end of each season/year, suggestion on concession / subsidies & penalties is not consistent with proposed provision under Section 11 of the Criteria for 2013-16, State Govt. is required to submit at end of each year all details on O&M costs and tariff revenue.

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<b>B. <u>METHODOLOGY</u></b>		
1.	Methodology adopted by assigning weights in matrix is subjective and can be changed by planners. Alternate method to determine tariff without matrix should be discussed in public hearing.	Weights cannot be arbitrarily changed as revision in Criteria has to be done following a set procedure involving public consultation. The logic for the weights is already given in the Approach Paper for 2010-13. Suggestions received for revision in weights were considered for slight revision in matrix in 2013-16. No methodology for fixing tariff by any other approach has been suggested except the GSDP method which has been responded in Para 7.5. to 7.7. of Chapter VII of the Approach Paper. The principle of a revised Approach given by PRAYAS involves policy decisions on equity (livelihood water) which the State Govt. has not taken. If any alternate method to determine the tariff without matrix is proposed during the public consultation, it will be considered.
2.	Concessions for enhancing water use efficiency by various categories of users should be based on relevant studies. Concessions should not be linked only to capital-intensive measures but traditional measures with high efficiency	In agriculture, savings due to drip/sprinkler is already well established by various research and agricultural universities. The proposed concessions are not linked to any particular methodology but only quantum of saving, be it cost-intensive or

	should also be encouraged.	traditional. No suggestion has been received from any non-irrigation entity on the proposed concessions.
3.	Para 7.13 (III) provides for revision of basic water tariff based on revenue realization. Time line for such tariff revision has not been specified but should be within the control period.	The Para relates to tariff estimation and has nothing to do with tariff realization after billing. By a process of iteration, the tariff rates for particular category of use have to be arrived at so that when multiplied with estimated quantum of use, the likely revenue realization matches with the allocation showing that the rates are correct.
4.	In the allocation matrix for O&M weightage for agriculture for Q&T should be reduced from 30 to 25 and industry increased from 45 to 50 keeping in view that tail end farmers are at a disadvantage.	Reasons as to why for Q&T, agriculture has to have a slightly higher weightage than domestic are given in Para 7.3 of Chapter VII of the Approach Paper.

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<b>C. <u>EQUITY</u></b>		
1.	<p>Basic livelihood quantity of 1000 cu.m per farmer and 400 cu.m per head for domestic use as per Chitale Ayog should be given least rate and additional uses be charged with telescopic rates. As basic principle of equity, minimum possible tariff should be applicable to quantity of water required for livelihood.</p>	<p>This recommendation of Chitale Ayog has not yet been accepted by the State Govt. Presently, about 90% of irrigated area is covered by area based supply and even if from equity considerations livelihood volume per farmer is decided, it cannot be delivered. For 10% area, volumetric supply as per definition of Entitlement in MMISF Act or as per agreements is given. For domestic use, question of livelihood supply per head will come only in retail supply and the Authority is concerned with tariff for bulk supply to Gram Panchayats, Nagar Palikas and Municipalities. The tariff structure for agriculture as presently designed aims at treating cereals differently from cash crops and small &amp; marginal farmers different from large farmers. This is achieved through, concession linked to land size and methodology of fixing water rates for different crops. Similarly, in domestic bulk water tariff, concession is available to Gram Panchayats as compared to Municipalities.</p>

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<b>D. <u>ASSET MANAGEMENT</u></b>		
1.	Whether MWRRA is having any mechanism for inspecting/ checking of asset management by WRD.	There is no provision in the Act for such checking. Operation & Maintenance of the irrigation system is the responsibility of WRD. Authority has given direction to WRD to provide sufficient funds for M&R vide Para 4 of Annex 5.
2.	If 5% or 10% increase in M&R cost is applied to rates, they will be increased. The principle of no increase without public hearing should be followed.	Criteria for 2013-16 will be finalised after ascertaining the views of the beneficiaries in public hearings.
3.	Transparent method to asses O&M expenditure should be adopted.	O&M expenditure comprises establishment cost and M&R costs. Establishment cost is based on staff assigned to irrigation management as per norms and their salaries. This is an arithmetical exercise. The M&R costs are derived from norms & irrigated area projections. In finalizing the norms for 2013-16 WALMI has associated experts in irrigation management, representative of SOPPECOM and of WUAs (Sec. Para 3.10 in Chapter III) The projections of irrigated area are given in Chapter VI Para 6.1. Thus there is total transparency.

4.	M&R funds are not provided project wise.	M&R allocation for major and medium projects is done project-wise while for minor it is circle wise for reallocation by SE as per project-specific needs.
5.	M&R norms should be fixed by experts after public consultation.	WALMI has engaged experts in the Committee set up to recommend M&R norms for 2013-16. Their recommendations are now presented in the Approach Paper for public consultation.
6.	Total picture of O&M including M&R cost is not given in the Approach Paper.	Para 6.3 in Chapter VI gives the establishment cost from 2010-11 to 2015-16 i.e. previous as well as new control period. Data for M&R costs viz. norms and area irrigated projections are given in Para 3.11 of Chapter III and 6.19 Chapter 6. Thus total picture is presented.
7.	Is the Authority a Regulatory Authority or an expenditure recovery Authority?	The Authority is a regulatory body charged with the task of working out a bulk water tariff structure which will recover the full cost of operation & maintenance of the water resources projects as per provisions in the Act 2005.
8.	Establishment cost should be regulated. Reduction in cost due to handing over of minor canals to WUA be taken into account, especially the category of canal inspectors and patkari.	Chapter III discusses the extant State Govt. norms for posts for irrigation management. Posts are filled as per norms and their cost is recoverable through tariff. As and when the area below minor is handed over to WUA, lower staff is withdrawn and

		diverted at other places. Please see para 3.6 of Approach Paper in this regard.
9.	Sixth Pay Commission liability has now been considered but not done earlier.	Section 11 (d) requires full recovery of the cost of operation & maintenance of the water resources project. Continued exclusion of the cost on work force in place will be a heavy subsidy liability on the State Government.
10.	There is no provision for regulation of capital cost which has a bearing on M&R costs.	There is no such provision in the Act and as such the Authority has no role on these issues.
11.	The basis for estimation of M&R costs does not provide adequate and decisive role to MWRRA in regulating M&R costs to be considered for tariff determination. The actual need for M&R costs should be determined by valid norms. Non-validated, average based and non-verified norms result in inadequate funds for M&R and lack of willingness to pay tariff.	Fixing M&R norms is the responsibility of the State Govt. For this purpose, the State Govt. has assigned the work to WALMI who have set up an Expert Committee to study this. NGOs and WUA were involved in this Committee. The Authority is only required to satisfy itself that the norms are adequate to ensure proper asset management.

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1.	<p style="text-align: center;"><b>E. <u>OPERATIONAL ISSUES</u></b></p> <p>Losses are 67% and not 50% as assumed. Total quantity including losses should be considered while framing rates and 2/3 part treated as Govt. Subsidy.</p>	<p>Annexure 7.1 in Approach Paper may be seen where the methodology for working out volumetric tariff for irrigation IS given. The tariff is calculated based on volume of water drawn at main canal head by WUAs but the actual billing will be done only for volume delivered at minor head to WUA. Thus losses are borne by State Govt.</p>
2.	<p>Tail enders do not get water even after MMISF Act 2005.</p>	<p>236 Irrigation Projects, where MMISF Act has been applied are being rehabilitated under the World Bank aided MWSIP project. The works are expected to be completed by 2014. The coverage of tail-enders in irrigation water delivery is expected to improve after this. Funds are a constraint for rehabilitating similarly other projects which is essential for better water delivery.</p>
3.	<p>Steps should be initiated to ascertain quantum of theft &amp; leakage and cost of this should not be recovered from water users.</p>	<p>WUAs drawing water on volumetric basis are charged for water delivered at head of minor and thus they are not charged for enroute losses.</p>

4.	Actual conveyance losses of main canal, distributaries and minors should be measured by inflow-outflow method. There should be participatory approach and transparency of data.	The work has been taken up by WALMI in select projects. All data when finalized will be in public domain.
5.	Measuring devices are either not installed or are not functioning.	Under the MWSIP project measuring devices will be installed in all the 236 projects. All 1514 WUAs will be delivered measured, volumetric supplies.

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<b>F. <u>AGRICULTURAL TARIFF</u></b>		
1.	There should be incentive for registration of farm in the name of women.	Perhaps this recommendation has been made keeping in view the suicide affected districts of Vidarbha where farms are managed by women after their husband's unfortunate suicide. This can be considered if the issue is raised by affected women.
2.	Farmers with more than two children should get all concessions.	The concessions will be applicable in such cases on the applicable tariff. As per provision in Act, nowhere has the Authority prescribed that concessions will be denied to the category of farmers.
3.	Market rate of crop produce is not affordable to farmers and therefore agricultural rates should not be increased.	The Authority is required to review and revise the water charges every three years to recover the full O&M costs likely to be incurred in coming three years. Since O&M costs will increase, mainly the establishment component, water rates cannot be kept the same. It is, however, left to the State government to provide subsidy to any user category and thus keep the rates same.
4.	The Approach Paper recommends incentive for farm ponds (to promote drip & sprinkler). Only large farmers	In view of implementation of the provision in Section 14 (4) of the Act, farm ponds are required to adopt drip

	who have land to spare will opt for farm ponds. Separate incentive for farm pond should not be proposed.	& sprinkler on flow irrigation systems. Drip & sprinkler are useful for saving water in water intensive crops viz. sugarcane, banana.
5.	Govt. should reconsider decision to make well water free. Well owning and thus better off farmers are benefitted.	This is policy matter and comes in purview of Government.
6.	Due to change in dates of season in Konkan & Vidarbha, farmers prefer long maturation varieties of paddy as they get higher price due to delayed harvest. Rabi season gets consequently delayed. Uniform dates should be fixed for the State as a whole which will force farmers to go in for shorter duration varieties.	The change in dates is as per the demand of farmers in public hearings. WRD has also supported the demand and also suggested that the change in dates be extended to Marathwada also.
7.	Burden on users to prove eligibility for concessions should be reduced.	No complaint has been received from any farmers that they are finding it difficult to get the concessions. This can be considered only if there are complaints.
8.	MWRRA should convey to the State government the strong feelings of CSO on penal provisions linked to family size.	Since the MWRRA Act has been passed in the Assembly by representatives of the people of the State, it is for the people and NGOs/CSOs to take up the issue directly with the State government.

9.	Rates in hot weather should be 200%.	This suggestion has also been made by WRD. This suggestion has been accepted for agriculture users.
10.	Agricultural tariff should be a much smaller part of the gross value of produce. This smaller part should be determined through study and public consultation meetings.	The ceilings of 3 to 5% for cereals and 8 – 10% for cash crops of gross value of produce as water tariff are recommended by various Committees set up in the past. The actual tariffs for different crops fixed for 2010-13 are in fact much less than these ceilings. If concessions are also considered the percentages will be even more less.
11.	In Annexure 7.1. clarification is needed whether $V_1$ is the total volume of water utilized by agriculture or is the water used by agriculture on a volumetric basis. If so, $V_3$ has to be only volume used by WUAs for a rational rate determination.	$V_1$ is the total volume of water released at canal head from projects for agriculture. $V_2$ is the volume of delivered to WUAs at minor head for which charging is done. $V_2$ is converted to canal head volume $V_3$ with an efficiency of 0.64. Thereafter the O&M cost for irrigation is apportioned to $V_3$ in the ratio $V_3/V_1$ .
12.	As beneficiaries having above 4 ha in PM's package districts are very less, the concession of 50% should be extended to them also.	This issue is open for discussion.
13.	<u>Note</u> : In response to making available copies of the Approach Paper in the talukas, nearly 650 farmers	Only 14% of the O&M cost is allocated to canal irrigation. There are many concessions linked to

<p>especially from Nagpur, Latur, Yatoamal, Nashik and Jalgaon districts have conveyed their comments in the register maintained at taluka offices. The general demand is that water rates especially for paddy should be affordable due to market considerations and calamities faced by farmers, extension of area based concessions given to naxalite affected areas and PMs districts to other areas, concession in tariff upto 50% for regularity in payment extension of concession of 50% for paddy areas in kharif under agreement to rabi also. Another difficulty expressed was that the methodology for fixing agricultural rates is difficult to follow. Water supply by volumetric method instead of area based was also stressed.</p>	<p>holding size. More importance is given for weightage of Affordability para-meter. Paddy rate concession in Vidarbha under agreement has now been extended to both seasons. The methodology will be explained in detail during public consultation meetings. Volumetric supply is linked to formation of WUAs and handing over system to them.</p>
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<b><u>G. GOVERNMENT LIFT SCHEMES</u></b>		
1.	Cost of O&M of Govt. operated LIS should be included in total cost of O&M for State. Flow and lift areas should be treated on par as lift area commands are drought affected. However, it should be ensured that water usage in lift is restricted to basic livelihood requirement and high head schemes or long distance schemes that are environmentally detrimental should not be included.	As per the State government tariff orders of 13/9/2001, the energy cost is recovered separately from the beneficiaries as a service tax depending on the type of crop and height of lift. It is for the State government to extend energy cost as subsidy to government lift schemes as it deems necessary.

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<b><u>H. PRIVATE LIFT SCHEMES</u></b>		
1.	In Para 4.4.6., a fixed charge for private lift schemes is proposed. Instead of such ad-hoc measures, water tariff for private lift schemes should be based on thorough study and public meetings.	The methodology proposed for working out area based rates is based on information collected from field officers and MERC. However, this issue is still open for discussion.
2.	There is no basis for any of the assumptions made in Para 4.9 and Annexure 4.1.9. on the methodology for working out tariff for private LIS. Public consultation meetings should be held on the Approach Paper, Criteria, Tariff Proposal and Tariff Orders.	In any case, in the public hearings scheduled for the draft Criteria issues on the Approach Paper can also be raised. The drill being followed for this tariff fixation is as per approved tariff Regulations.
3.	For other crops in kharif, rabi and hot weather (in Para 4.1.9), a normal increase in tariff is proposed. Specific information on proposed increase should be included in a consultation document.	Since M&R costs are increased by 10% and establishment by also 10% - 15%, a 10% increase in rates of 2010-13 is proposed.
4.	Lift rates may be reduced as less water is consumed as compared to flow rates.	Lift rates are already very low with concessions extended for capital investment, energy charges and O&M.

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<b><u>I. DOMESTIC TARIFF</u></b>		
1.	Commercial use should be charged domestic rate.	From affordability considerations, this suggestion is not acceptable.
2.	Tariff for recycling should be 50% of basic rate (and not 75%). If more water is recycled revenue should be given to Corporation.	Please see Para 4.2.4. of the Approach Paper. The concession in Para 13.2.2. of earlier Criteria is now proposed to be withdrawn. Please see para 4.2.5 of Approach Paper for getting revenue to Municipal Corporations from the use of treated effluent.
3.	WRD should bear the cost of M&R of STP and electricity charges to run the STP should be charged at irrigation rates.	When WRD allocates water, there is a stipulation that the entity will treat the effluent to the required MPCB standards before letting it into the river. The question thus of WRD taking over operation & maintenance of STPs does not arise. As regards electricity charges, it is for the State government to take a decision on this and is not a water tariff issue.
4.	Municipal Corporations should be charged only basic rate and not 1.25 times this rate.	Out of 135 lpcd, only about 15 – 20 lpcd is for drinking and cooking and the rest is for washing, gardening, sanitation etc. Compared to a rural user with 40/70 lpcd norm, urban users have access to much more water.

		Also from affordability consideration, they can pay more. Hence, the distinction between GP, Nagar Palika & Corporation.
5.	During scarcity, for reservation made, only actual use should be charged without evaporation and transmission.	Reservation made in scarcity for domestic use is at the expense of irrigation. It is the experience that the reserved water is not fully used resulting in evaporation loss. Hence to convey the scarcity value of water such a provision is very essential.
6.	For delayed payments, time limit should be extended from 15 days to one month.	Permissible limit of 15 days has been fixed by WRD, the service provider and is not a part of the tariff fixation exercise.
7.	For agreements renewed after 5 years, additional quota should be sanctioned.	Stored fresh water is becoming scarce due to competing and increasing demands. Water user entities should take action to conserve water through recycling, water audit, review of norms, reducing losses etc. Automatic increase in quota will not incentivize action on water conservation.
8.	Penal rate for use beyond + 10% should not be charged.	Use beyond this limit will infringe on quota of other users. Hence has to be discouraged.

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<b><u>J. INDUSTRIAL TARIFF</u></b>		
1.	Para 4.2.5. of the Approach Paper proposes to permit ULBs to sell their treated sewage to any entity at rates fixed by MWRRA. However, this should be regulated and monitored as per schedule MWRRA prescribes. There should be a system to ensure ULBs are actually treating the water before discharge.	What was intended is only to operationalise a GR issued by UDD on 15/10/2010. Monitoring of effluent treatment to required standards is responsibility of MPCB.
2.	Para 4.3.4. of the Approach Paper proposes inclusion of corn processing industry in agro industry category. Details of meeting in which this decision was taken may be given. Corn processing is also used for production of alcohol in which case 5 times basic rate should be charged. (Another suggestion received is to keep out alcohol production out of concession).	The proposal is based on a request received from a corn processing industry and was not decided in any meeting. The suggestions will be kept in view while finalizing the concessions in the Criteria.
3.	Para 4.3.6. in Approach Paper proposes concessions to zero discharge industries. However, mechanism should be established to ensure true zero discharge.	This will be done in consultation with MPCB.
4.	Para 4.3.7. proposed to permit untreated sewage from ULBs to be provided to process industries interested in	Industry will draw untreated sewage directly from ULB by dedicated pipeline and hence there is no question

	using it. It needs to be ensured that such untreated sewage goes directly to industry without mixing with natural water or fresh water. It should not affect downstream water availability.	of any mixing with fresh water. Since the application for such use has to be made to WRD, they will ensure that downstream uses are not affected.
5.	Since future of industrial sector lies in recycling/reuse, more benefits are required to be extended.	This will be considered in subsequent tariff orders looking to the response of industries to the present concessions.
6.	Concessional rate for sugarcane as agro industry should be extended to ethanol production and co-generation of power.	This will imply concessional tariff to beverage industries also, on the same logic. Hence, this cannot be agreed to as ethanol / distillery production and co-generation are already accruing substantial income there from.
7.	MWRRA should work out reasonable water requirement per unit of production of different industries.	In the draft Criteria prepared by the Authority in June 2011 and circulated for Non-Irrigation Entitlements, this data has been included but no comments have been received on this aspect.
8.	Concession for industries linked to reduction in demand due to recycling should be charged to concession for actual water recycled by the industry.	The service provider would be only interested in how much the demand is reduced by an industry so that there is saving in its fresh water stock. If an industry claims recycling benefit without reducing total demand

		will not be useful to WRD.
9.	Mere penalty to be imposed on industries who pollute is not sufficient but should extend to other measures like reduction in supply in a graded manner leading finally to closure.	Such penalties fall in the domain of MPCB under the relevant water pollution control Act. Hence, MPCB has to take action for reduction in supplies or stopping it all together.
10.	Weightage for industry in allocation matrix is increased from 56 to 65 without any scientific basis. Earlier there was a GR for concession for rainy season flow in Konkan. This has to be continued.	The allocation to industry in Criteria 2010-13 was 63% and not 56% (56% is the share of industries in water tariff revenue as per past data considering both industrial and domestic drawal as is the case with MIDC). The basic rate in kharif is even now 50% and thus concession in a different form has been continued.
11.	The two tier system of charging industries for process and for raw material may be continued.	This is agreed to and the proposal to treat industries with pollution potential as a separate category is now proposed to be dropped.
12.	For recycling, 50% of applicable rate instead of 75% should be given.	The response to the earlier concession has been lukewarm from industries. If industries respond positively, this can be considered in future.

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<b><u>K. POLLUTION AND ENVIRONMENTAL FLOWS</u></b>		
1.	No effective initiative proposed in the Approach Paper to coordinate with MPCB for effective pollution control as mandated in Act. Polluter should be made accountable and charged for compensating the entire damage caused by pollution and for restoring environmental degradation. Definition of 'polluter pays' given by Supreme Court should be included.	The Authority can only use tariff as a tool to help the appropriate Authority in enforcing water pollution standards. For other measures like recovery of cost of damaged to environment, it is for MPCB to invoke the provisions in Water Pollution Act and take required measures.
2.	Cost of water supply for environmental restoration should not be loaded on farmers. Base flow for environment should not be treated as loss and not accounted in tariff determination.	In the Approach Paper, there is no proposal to treat environmental needs as a separate user on whom tariff is leviable nor is there any proposal to make releases from storage for base flow. These issues need policy decision first by State Govt.
3.	Environmental flow is a bulk water entitlement and should be included in calculation of tariff. Krishna, Cauvery Tribunals and the National Water Policy have recommended environmental flows.	Reservation of environmental flows in storages as a policy has not yet been decided by the State government. The Authority can take this into consideration only after this policy decision and accordingly the question of tariff for such flows does not arise at this stage.

4.	MWRRA should make regulations such that urban bodies do not divert funds meant for sewage treatment and also charge a tariff which takes care of expenditure on sewage treatment.	There is no provision in the MWRRA Act which empowers the Authority to make such interventions in the affairs of urban local bodies. The MWRRA Act provides for recovery of O&M cost incurred by service provider (WRD) from water tariff supplying bulk water through water tariff. It is expected on the part of urban local bodies to recover the cost of sewage treatment from their consumers.
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<b><u>L. NON TARIFF ISSUES</u></b>		
1.	Steps taken by MWRRA to remove physical backlog of 2.5 lakh ha in Amravati may be clarified.	Hon'ble Governor has assigned the task of monitoring the 106 on-going projects in Amravati region and quarterly progress reports are being submitted to his office by MWRRA.
2.	Vidarbha's share in Godavari and Tapi is still to be utilized by storage constructions. Authority's stand to be clarified. Injustice done by diversion of water and funds from Vidarbha may be removed.	For clearance of new projects under Section 11 (f), the Authority has to comply with the Directives of the Hon'ble Governor. As per MWRRA Amendment Act of April 2011, sectoral allocation changes in projects are with the State Govt. Similarly, provision of funds as per Directives to the three regions is also with the State Govt.
3.	KT weirs & MI / storage tanks need renovation. 'Phad' system of irrigation may be developed with NGOs. Malgajari tanks should be renovated.	Such works are planned, funded and executed by WRD subject to availability of funds.

4.	Average irrigation in State as a whole is 80 ha/Mm <sup>3</sup> . Figures of 155 ha/Mm <sup>3</sup> for Yavatmal and 170 ha/Mm <sup>3</sup> for Chandrapur are not acceptable. There is no data on actual irrigation.	Source for all data is the Water Audit, Benchmark and Irrigation Status Reports brought out annually by WRD. Annual figures of actual irrigation from canals & wells is given in the Irrigation Status Reports.
5.	Bulk water tariff should include annual depreciation of machinery and 1% of capital cost so that funds for new capital investment become available.	Section 11 (d) provides recovery of only O&M cost of irrigation system of water resources projects. Inclusion of depreciation and part of capital cost in tariff calculation is not provided in Act.
6.	Water use and cost recovery from hydro power stations in the State should be included in the paper. In cases like Koyna, water use is consumptive use as it goes to the sea.	Maintenance of hydro power stations is done under a separate head and is not a part of irrigation management. Certain cess for hydro power is separately levied on projects handed over to MAHAGENCO and projects allotted to private developers. Westward diversion from Koyna is a part of Krishna Tribunal Award based on thorough consideration.