

**NOTE:**

This is the first pioneering step taken by Maharashtra Water Resources Regulatory Authority to make Water Entitlement Transfer (WET) and Wastewater Reuse Certificates (WRC) Platform Regulations, 2019, in accordance with intent of the policies and the existing acts. This Authority, in discharge of its functions, role and responsibilities, found it prudent to take necessary steps in this regards and intends to launch a Wastewater Reuse and Recycling Trading Mechanism and / or all other aspects connected or incidental thereto as specified under these Regulations. **This is a draft Regulation hosted on the website and will be kept on the website at least till September 25, 2019 for suggestions/ comments.** After receiving suggestions/ comments from all, the draft Regulations will be sent to the State Government for final approval.

This exercise is a part of the public consultation which the Authority intends to undertake for the purpose of inviting suggestions/comments/ideas from all stakeholders in the water sector, so that the same can be examined and incorporated in the draft if the Authority so decides.

Please find attached herewith below the draft Regulations.

**DRAFT**

**MAHARASHTRA WATER RESOURCES REGULATORY AUTHORITY, MUMBAI  
9th Floor, Centre-1, World Trade Centre, Cuffe Parade, Mumbai 400 005  
dated the XX August 2019**

*NOTIFICATION*

**Maharashtra Water Resources Regulatory Authority  
Water Entitlement Transfer (WET) and  
Wastewater Reuse Certificates (WRC) Platform Regulations, 2019**

No. MWRRA 2019/CBR/(54).—In exercise of the powers conferred by Section 31 read with Section 11 sub-sections (a),(b),(d),(g),(k),(l),(m),(n),(o),(p),(q), (s), (t) and Section 12 sub-sections (1),(3),(4) & (5) read with the provisions contained in Section 15 & Section 16 of the Maharashtra Water Resources Regulatory Authority Act, 2005 (Mah. XVIII of 2005), the Maharashtra Water Resources Regulatory Authority (the Authority) hereby makes the following Regulations titled “**Maharashtra Water Resources Regulatory Authority Water Entitlement Transfer (WET) and Wastewater Reuse Certificates (WRC) Platform Regulations, 2019**”.

*Preamble –*

*Whereas, the Authority has been entrusted with the statutory responsibilities and obligations of various powers, functions and the duties as enumerated in Chapter III of the Act under which the Authority is duty bound to develop the State Water Entitlement data base that shall clearly record all Entitlements issued for the use of water within the State, any transfers of Entitlements and a record of deliveries and uses made as a result of those Entitlements;*

*And Whereas, the Authority is also mandated to implement the General policies of the Authority in respect of working according to the State Water Policy as formulated and adopted by the State Water Council(the Council), constituted under the provisions of Section 16 of the Act, under which the Council has approved the Integrated State Water Plan (ISWP) which further mandates the Recycle and Reuse of the treated water generated by the local bodies in the state and accordingly the Authority is duty bound to implement*

*the said mandate pertaining to the Recycle and Reuse of the treated water generated by the local bodies in the state*

***And Whereas, the Authority shall promote and implement sound water conservation and management practices throughout the State and shall support and aid the enhancement and preservation of water quality within the State in close co-ordination with the relevant State Agencies and in doing so the 'Polluter to Pay' principle shall be followed.***

***And Whereas, the Authority having consulted various groups & organizations, recognizes the need of implementation of the State Water Entitlement Database and the mechanism related to the transfer of such Entitlements in the interest of the stakeholders, resolved to specify the Regulations thereof which includes the mechanism for Waste Water Reuse and Trading of the Certificates thereof in order to promote water conservation, recycling and reuse in multiple sectors, as the discharge of untreated or inadequately treated wastewater causes environmental pollution and human health risks. Such discharge also amounts to loss of a valuable resource such as reusable wastewater – that can improve economic productivity.***

***And Whereas, given the fact that Maharashtra is having the highest number of water reservoirs, Entitlements Holders and vis-à-vis sewage-generating states in India, and yet the key urban centers in the state have only sub-optimal levels of sewage treatment.***

***And Whereas, Maharashtra's State Water Policy also encourages recycling or reuse of treated wastewater and mandates penal action of the polluter of water resources and the Act states that the polluter-pays-principle should be followed for preservation of water quality, and the ISWP as adopted and approved by the Council also mandates the Wastewater Treatment, Recycling and Reuse Policy and focuses on wastewater recycling in local body areas as per the standards prescribed by the Central Pollution Control Board and/or the State Pollution Control Board or as per the norms specified by Bureau of Indian Standards as may be applicable from time to time .***

***And Whereas, in accordance with the Government Resolution No.Misc-2017/19/(07/17)/WR(Est.) dated 18<sup>th</sup> May, 2017 as issued by the Water Resources Department, the State has constituted a multi stakeholder platform for promoting water use***

*efficiency and sustainability, creating framework for governance/policy reform, advising on innovative financing and partnerships under which this Authority is contributing for the cause of Wastewater Reuse and Management work stream and thus having studied the issue found it prudent to have separate Regulations.*

***And Whereas, in accordance with the mandate of the law and the intent of the policies, this Authority, in discharge of its functions, role and responsibilities, found it prudent to take necessary steps in this regards and having discussed & resolved, now intends to specify these Regulations.***

1. *Short Title, Object, Commencement and Application*

(1) These Regulations may be called the “**Maharashtra Water Resources Regulatory Authority Water Entitlement Transfer (WET) and Wastewater Reuse Certificates (WRC) Platform Regulations, 2019**”and will come in to effect from the date of publication of the notification in official gazette. These Regulations are applicable to the entire State of Maharashtra and to all matters connected or incidental thereto within the jurisdiction of the Authority in the interest of the stakeholders.

(2) The object of these Regulations is to set up a framework and mechanism for **Water Entitlement Transfer (WET) and Wastewater Reuse Certificates (WRC)Platform mechanism** in following parts:

(a) ***State Water Entitlement Database***: It shall be mandatory on the part of River Basin Agencies (RBAs) to maintain up to date of all Entitlements within their jurisdictions as per the guidelines framed by the Authority and for this work all officials of the RBAs shall work under the control and directions of the Authority as issued from time to time.

(b) ***Transfer of Entitlements***: The Authority shall provide platform and the framework for the transfer of the Entitlements in the interest of stakeholders as per the guidelines to be framed from time to time after having consulted the stakeholders and after giving opportunity of hearings to all concerned and the Authority shall be empowered to alter, modify and amend the guidelines pertaining to the said Transfer & Trading platform and the framework from time to time. In order to achieve the object of the Act

pertaining to the State Water Entitlements Database and the Transfer of Entitlements including the Transfer of Wastewater Reuse Certificates, the Authority shall be free to use suitable mechanism based on latest technology and the real time monitoring system in consultation with the RBAs and the stakeholders, apart from engaging the consultants/ auditors as well as rating agencies as per the guidelines to be issued from time to time.

(c) ***Targets for efficient use of fresh water Entitlements and Recycle and Reuse of the treated water generated by the Water User Entities in all sectors:***

The Authority shall issue suitable guidelines, procedure and directions on setting the targets and principles of compliance with the target and also issuance of Wastewater Reuse Certificates. As far as the efficient use of the fresh water as well as the Recycle and the Reuse of the Treated Wastewater, the target as set out and fixed in the ISWP as well as the Government Resolutions as may be issued from time to time shall be implemented and in order to give the breathing time to the Bulk Water Users Entity, the Authority may consider to implement it on a sliding scale, meaning it will vary depending on the entity that generates and/or treats wastewater (e.g., type of sector and type of the entity within that sector or a ULB) and also constraints pertaining to the various factors such as geographical, economical and other governing factors which will be considered on its merit on case to case basis by the Authority and nothing in this Clause shall prevent the Authority from issuing orders, directions and/ or advisories as may be necessary from time to time by either taking Suo Motu cognizance or upon the issue being brought to the notice of the Authority ,

(d) **Framework and Mechanism:** The Authority shall prepare the framework and mechanism for the transfer of the Entitlements as well as the transfer and trading of the Wastewater Reuse Certificates and for such mechanism the Authority shall take into the account to adopt the framework and mechanism either on state level or on respective RBA level.

(e) **Obligation of RBAs and the Bulk Water Users Entity for Compliance:**

The Authority shall create a framework for transfer of fresh water Entitlements and WRCs among different Water Users Entities and

wastewater-generating entities. This includes laying out the procedure for data collection and validation and a path for entities to treat the wastewater at a certain level and recycle or reuse it and its shall be obligatory on the part of the stakeholders to comply with the various directions given by the Authority. ..

2. *Definitions: In these Regulations, unless the context otherwise requires*

- 1) **“Act”** means the Maharashtra Water Resources Regulatory Authority Act, 2005 (Mah. XVIII of 2005) as amended from time to time;
- 2) **“Agricultural User”** means any Water User Association, where formed, at minor level, distributary level, canal level or project level, which is supplied bulk water for distribution among its members, or an individual farmer, where Water User Association has not been formed or formed but not become operational, who is supplied water directly by the project authority, primarily for growing crops;
- 3) **“Application”** means application submitted by the Bulk Water Supply Entity to the Authority for reviewing / revising / determination of the tariff system for bulk water supply or for entitlement;
- 4) **“Approach Paper”** means a document that prescribes detailed methodology that is adopted by the Authority from time to time for determination of the criteria for bulk water charges and establishing Water Tariff system pursuant to power under subsection (d) of the Section 11 of the Act;”
- 5) **“Auditor”** means the Chief Auditor – Water Audit of the Water Resources Department of the State or any other agency / audit consultant as approved and authorised by the Authority in consultation with the Auditor as per the specified Guidelines as may be notified from time to time.
- 6) **“Authority”** means the Maharashtra Water Resources Regulatory Authority established under Section 3 of the Act;
- 7) **“Bulk Water Supply Entity” (BWSE)** means any entity engaged in supply of Bulk Water, including the Water Resources Department of the State, the River Basin Agencies as defined in the Act, Any other State Government/Semi-Government/Local Self Government/ or any other Organization/ Company/ Society /Entity in Public or Private sector;

- 8) **“Bulk Water Tariff System”** means charges for supply of Bulk Water to various category of users and it shall also include incentives and disincentives set to facilitate certain strategic objectives provided in the Act;
- 9) **“Bulk Water Tariff”** means the Volumetric Tariff for the supply of Bulk Water;
- 10) **“Bulk Water User Entity” (BWUE)** means any entity to whom bulk water is supplied by the Bulk Water Supply Entity and shall include Water Users' Association, Utility, Industrial Users' Association or any other group;
- 11) **“Bulk Water”** means any water supplied on volumetric basis to Water User Associations (WUA) / Local Self Government / Industries / Townships or individual farmers from surface water resources produced by a project, river system or storage facility created or naturally available in the State either in Public or Private Sectors;
- 12) **“Category of Use”** means use of water for different purposes such as for domestic, agricultural irrigation, agro-based industries, industrial or commercial, environmental, etc.,
- 13) **“Certified Water Auditors”** means a cadre of technical and/or financial / accounting experts having passed a certain qualification criteria as notified by the Authority from time to time;
- 14) **“Conduct of Business Regulations”** means such Regulations as may be specified by the Authority pursuant to Section 31 of the Act;
- 15) **“Consultant”** includes any person not in the employment of the Authority who may be appointed as such, following the procedure to be notified and adopted by the Authority, to assist it on any matter required to be dealt by the Authority under the Act;
- 16) **“Control Period”** means the period for which the tariff order is applicable and shall be the three consecutive water years, starting from the water year in which the tariff order is issued and shall also include any extensions given by the Authority;

- 17) **“Cost of Administration”** means the expenses of offices at division level and above on items such as but not limited to salaries and allowances of staff actually engaged in administration of irrigation management, office expenses, legal charges, audit fees, office rent if any, overheads etc;
- 18) **“Criteria for Bulk Water Tariff” (CBWT)** means key principles adopted by the Authority from time to time for determination of Bulk Water Tariff System for various category of users, after meeting the requirements prescribed under Section 11 (d) of the Act;
- 19) **“Designated Users”** means all the end-users of water who have been mandated by this Authority to recycle and reuse certain percentage of wastewater defined further as “Targets” or “Recycling Targets”;
- 20) **“Domestic User”** means any public or private body or organisation or local bodies (Gram Panchayat, Urban Local Bodies - Municipal Corporation, Municipal Councils, Nagar Panchayats, Industrial Townships, Cantonments Boards, any other planning & development authority as may be notified by the Central or the State Government and also includes the bodies like - Maharashtra Jeevan Pradhikaran, Maharashtra Industrial Development Corporation, CIDCO and such other organizations) to whom bulk water is made available by the WRD / Industrial Development Corporations (IDC) for distribution to domestic and other users, from time to time, with or without treatment;
- 21) **“Entitlement Holder”** means the holder of any authorization issued by any River Basin Agency to use water for the purposes of the Act;
- 22) **“Experts”** means experts in the field of water management, water use economics, law, any other expert as identified by the Authority;
- 23) **“Industrial User”** means any industry (including industrial development Corporations) to which Bulk Water is made available by the BWSE for industrial use or in process;
- 24) **“m<sup>3</sup>/day”** means cubic meters per day;
- 25) **“MLD”** means million liters per day;



- 26) **“Processing Fees”** means the applicable fees as notified by the Authority from time to time, required to be deposited by the Bulk Water Supply Entity, along with the application, for determination of the Bulk Water Tariff;
- 27) **“Recycling Targets”** OR **“Targets”** means targets of water recycling that are notified by the Authority and must be achieved by domestic, industrial, commercial and agricultural users;
- 28) **“Regulatory Fees”** means the fees to be collected by the BWSE from the BWUE along with the bulk water charges at the rate notified by the Authority from time to time and deposited to the Authority on pass through basis on quarterly basis;
- 29) **“Stakeholder”** means any bulk water user or Entitlement holder or any registered organization representing the interests of any of them;
- 30) **“State”** means the State of Maharashtra;
- 31) **“Utility”** means any Water User Entity responsible for the management, treatment and distribution of domestic or municipal water supplies (including water used for industries);
- 32) **“Water Year”** means the year starting from 1<sup>st</sup> of July of any calendar year and ending on the 30<sup>th</sup> of June in the next calendar year;
- 33) **“WRC”** means Wastewater Reuse Certificate as may be issued under the framework covered under the present Regulation based on the use of disruptive technologies or any other methodology as may be determined and notified by the Authority in consultation with the experts in the field and as may be modified, altered or amended from time to time..
- 34) Terms not defined in these Regulations will have the same meaning as assigned to them under the Act or under the Maharashtra Management of Irrigation System by Farmers Act, 2005 (Maharashtra Act No. XXIII of 2005) or under the Maharashtra Irrigation Act, 1976 (Maharashtra Act No. XXXVIII of 1976) or Companies Act 1956 or any other relevant statues as amended from time to time.

3. *Framework and Mechanism for Fresh Water Entitlements Data and the recycling and Reuse targets monitoring and guidelines and principles of compliance.*

- (1) The Authority shall issue guidelines and procedures for Fresh Water Entitlements Data, Transfer of Entitlements and the recycling and Reuse targets monitoring in consultation with various agencies / departments and set up mechanism thereof, as may be notified from time to time. The Authority shall further review, establish and issue targets, as the case may be but such targets shall not be inconsistent with the targets specified in the ISWP, as may be modified from time to time by the Council. Such targets shall be issued for entities that generate wastewater, which include the domestic, industrial, and agricultural sectors and further issue guidelines for Wastewater Reuse Certificates to incentivize the efficient local bodies or the industries or other Bulk Water Users Entity including housing complexes and townships.
  - (2) For setting up the mechanism for review and fixing the Targets, the Authority shall develop mechanism based on the following principles and procedures: i) To be expressed as percent volume of fresh water used, wastewater treated, recycled and/ or reused, ii) Shall vary based on the prevalent end-use technologies as may be selected in consultation with the RBA and various stakeholders and to be used iii) Costing parameters of applicable technologies and considering the financial difficulties;
4. Application for Review of Orders, directions and advisories as issued by the Authority:
- (1) *The Authority shall have powers to review the Orders, directions and the advisories issued under these Regulations*
  - (2) *The Application for such review may be filed with the Authority within a period of 60 days from the date of pronouncement and hosting on website of such orders, directions, or the advisories and such applications for review shall be supported by the Affidavit stating reasons thereof and such application including the application for condonation of delay for review may be entertained by the Authority, if it is satisfied that there exist the cause for the review.*
  - (3) *The decision taken by the Authority on such review shall be conclusive, final and binding.*
5. Saving of inherent power of the Authority

- (1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Authority to make such orders as may be necessary for meeting the ends of justice or to prevent the abuse of the process of the Authority.
- (2) Nothing in these Regulations shall deem to limit or otherwise bar the Authority from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, in view of special circumstances of a matter or class of matters and for reasons to be recorded in writing, which the Authority deems necessary or expedient.
- (3) Nothing in these Regulations shall, expressly or impliedly, bar the Authority to deal with any matter or exercise any power under the Act for which no Regulations have been framed, and the Authority may deal with such matters, powers and functions in a manner it thinks fit.

6. Interpretation. The Authority shall be the final authority for interpretation of these Regulations

7. General Power to Amend/Rectify.

The Authority may, at any time and on such terms as to costs or otherwise, as it may think fit, amend any defect or error in any Proceedings before it (including any clerical or arithmetical error in any order passed by the Authority), and all necessary amendments, rectifications shall be made for the purpose of determining the real question or issue arising in the Proceedings.

*Provided* that if the Authority desires to make amendments or rectifications in order to determine the real question or issue arising, the Authority shall provide an opportunity to the parties affected by such amendment or rectification, touching the real question or issue, to make representations and submissions with respect to the proposed amendment or rectification.

8. Power to remove difficulties.

In case of any difficulty which arises in giving effect to any of the provisions of these Regulations, the Authority may, by general or special order, do anything not being

inconsistent with the provisions of the Act or rules made thereunder, which appears to be necessary or expedient for the purpose of removing the difficulties.

9. Extension or abridgement of time prescribed.

Subject to the provisions of the Act and the Rules made thereunder, the time prescribed by the Guidelines issued under these Regulations or by order of the Authority for doing any act may be extended (whether it has already expired or not) or abridged for sufficient reason by an order of the Authority on case to case basis on its own merit.

10. Effect of non-compliances :

The failure to comply with any requirement of these Regulations or the Guidelines issued thereunder shall attract such penalties as provided under the guidelines or by following the lawful provisions pertaining to the Principles governing Polluter to pay and shall not be restricted considering the adverse impact of such non- compliance

11. Enforcement of orders passed by the Authority.

The Secretary of the Authority or the officer authorized by the Authority shall ensure proper enforcement and compliance of the orders, directions or the advisories as issued by the Authority from time to time, by the entities concerned in accordance with the provisions of the Act and regulations and if necessary, may seek further orders of the Authority, as per the Conduct of Business Regulations, 2013 as modified from time to time.

**Mumbai**  
**XX August 2019**

**Er. Rasik Chauhan**  
**Secretary**  
**Maharashtra Water Resources Regulatory Authority**