

# Maharashtra Water Supply & Sewerage Board



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BOMBAY-400 021. (INDIA)

Phone Nos. 202 53 54, 202 62 49  
(STD.-022)

Dated 7/11/1988.

44th  
(43rd Board meeting was held on September 22, 1988. Minutes of the same are submitted herewith for perusal, after which these will be issued, so that the members would receive the minutes prior to the next meeting.

*Mej...*  
29/11/88  
M(UD) & CHAIRMAN  
M.W.S. & S.BOARD.

*[Signature]*  
MEMBER SECRETARY.

*Subj/Minis*  
*[Signature]*  
11/11/88

*[Signature]*  
11/11/88

*[Signature]*  
21/11/88

*[Signature]*  
31/11/88  
ST. 31

Draft Minutes of 44th Board Meeting held in the Chamber of Minister (Urban Development) and the Chairman, M.W.S. & S.Board on 22-9-1988.

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Following were present -

- 1) Minister (Urban Development) and Chairman, M.W.S. & S.Board in the Chair.
- 2) Minister of State (Rural Development Deptt.) and Vice Chairman, M.W.S. & S.Board.
- 3) Shri V. Venugopalan, Adviser, Govt. of India, Member
- 4) Shri Sangram pomde ..... Member
- 5) Shri S. T. Khare ..... Member
- 6) Shri Rajendra Singh, ..... Member  
Mun. Commissioner, Nagpur.
- 7) Shri Narayan Velluri, ..... Member  
Secretary (Expenditure)
- 8) Shri D.K. Jain, ..... Member  
Spl. Secretary, (U.D.D.)
- 9) Shri S. S. Patwardhan, Member Secretary.

Secretary, Rural Development Deptt. was represented by Shri Sakholkar, Dy. Secretary (R.D.D.)

Shri S.P. Unwala Member, had informed his inability to attend. Leave of absence was granted to him.

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At the outset, Member Secretary introduced the members of the Board to the new Chairman and Vice-Chairman of the Board.

Initiating discussion, Chairman, M.W.S. & S.Board welcomed all the members and he expected that the deliberations during the meeting would be very useful. He further suggested that the members should go through the contents of the Agenda, in the right earnest, and express their views without any reservations, so that the decisions could be taken.

He expressed that he was aware of the fact that the Board is being criticized at various levels, particularly, the elected representatives are not happy over the functioning of the Board. At the same time, he was of the view that the problems being faced by the Board, should also be understood before making complaints against the Board.

He further said that he intends to find the ways and means to help the local bodies in completing the water supply and sewerage schemes. He further mentioned that he was also aware of the good work done

by the Board, and in that context, he would be visiting the World Bank Project area soon.

Further discussion on the various Agenda Items was as under :-

Item No.1 :

Confirmation of the minutes of 43rd Board Meeting held on 31-3-1988.

Member Secretary informed that no corrections to the minutes have been communicated by the members. He, however added that as mentioned on page 1, typographical errors have been noticed and the same needs to be taken note of.

Shri Pomde, desired to say something pertaining to the item of fixing agency for the Morbe Dam. Chairman, however, ruled that this item is in respect of confirmation of the minutes of the discussions in the last meeting. As such, only corrections, as regards discussions which had taken place, would only be considered and Shri Pomde can make his suggestions when the item as regards 'Action taken' is discussed.

Action E-5.

With this, the minutes were approved.

Item No.2

Action taken, initiated or being taken on the actionable points in the minutes of 43rd Board meeting held on 31-3-1988.

As regards, the issue of handing over of water supply schemes belonging to the local bodies, Member Secretary informed that a policy decision was to be taken by the Board. He also informed that as per discussion, the proposal of handing over water supply schemes to the local bodies has been postponed. He further informed that the Board has been collecting water works-wise information and the position of each of the water works will be reviewed and further action in the matter will be taken.

Action C.E.(U)  
E-5.

To a query from Spl. Secretary, (U.D.D.), Member Secretary informed that this action is reported to the Board, since it involved policy decision.

Action FACAO

Municipal Commissioner, Nagpur and Spl. Secretary, U.D.D. wanted to know whether orders have been issued as regards the stamp duties and registration fees to be reimbursed to the employees. It was explained by F.A. & C.A.O. that, earlier, a suggestion was made to credit the amount payable by way of reimbursement, to the



G.P.F. account of the concerned employees. The question <sup>was</sup> examined and orders of the Chairman have been obtained very recently, to pay the amount in cash and the orders would be issued soon.

Shri Pomde suggested to take up discussion pertaining to construction of Morbe Dam first. It was however decided to take up the same as confidential agenda item No.I after regular agenda items are discussed.

Spl. Secretary (UD) wanted to know the developments as regards, the cabinet note <sup>to</sup> be prepared in respect of deployment of charges under World Bank Project Organisation. Member Secretary clarified that this issue is linked up with the report of restructuring M.W.S. & S.Board Organisation in the context of Zero based budget concept for which a Committee has already been appointed. He further clarified that the report of the Committee could not be received and therefore members of this Committee have been expedited.

Action CE(P)  
S.E.(CPDM) &  
SR. A.O.

Item No.3

Purchase of land for the proposed complex at  
Shirur-Tajband and construction of Rest/Guest House.

Member Secretary informed that in the last meeting, the proposal of construction of staff quarters at this place has been already approved and the present proposal includes the addition of the construction of the Rest/Guest house.

Action C.E.(U)

With this, following resolution was passed. Resolved that 'the Board accords Ex-post-Facto sanction to acquire the additional area of land of 2,000 Sq.mt. at Shirur Tajband, at an approximate cost of Rs.20,000.00 for construction of Rest/Guest house. The Board also accords ex-post-facto approval to the construction of Rest/Guest house of 200 Sq. mt. built up area at an estimated cost of Rs.3,31,000.00

The total additional expenditure for the above two items, namely, Rs.3,51,000.00 (Rupees three lakhs fifty one thousand only) should be met out of the budget provision made in the budget for the year 1988-89. The Board also authorises the Member Secretary to take further action in the matter."

Item No.4

Amendment to M.W.S. & S.Board Act, 1976.

Initiating discussion on this issue, Member Secretary, explained that prior to transfer of staff to the Board, in 1979, the Class-I and II Engineers were recruited through the M.P.S.C. by conducting examinations and the recruitment was as per Govt. Resolution dated 19-12-1970. He informed that the M.P.S.C. has pointed out that it is not legally possible for them to recommend candidates for direct recruitment by the Board, as suggested, in the absence of specific provision to that effect in M.W.S. & S.Board Act. Member Secretary however pointed out that man-power development is an important activity and it is necessary to induct talented graduate engineers in the engineering cadre of the Board as is done by the Govt. and, he referred to the suggested amendment, as mentioned in the Agenda item.

Spl. Secretary (UD) was however of the view that this issue has not been finalised for a long time and referring the matter to M.P.S.C. may cause further delay. He therefore, suggested that conducting examinations for recruiting engineers could be done by the Board itself. The Member Secretary however brought to the notice of the Board that the work involves large-scale conduction of examinations of academic nature and Board would not be in a position to do it. He also cited the example of the difficulties experienced in conducting professional examinations. He therefore, preferred that the work be given to M.P.S.C. who have necessary experience and man-power. He also pointed out possible litigations, if such, recruitment is done by the Board though the Board is following other rules and regulations of the Govt.

Secretary (Expenditure) wanted to know the precedence followed by other organisations like CIDCO/MIDC. It was clarified that they follow their own recruitment system but the case of M.W.S. & S.Board is different, because, engineers have been drawn from Govt. and that all rules and regulations of Govt. are followed. Adviser, Govt. of India pointed out the system of direct recruitment by several other organisations in the country and suggested that the Board should also recruit the engineers itself, and not through M.P.S.C.



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Shri Pomde, however, wondered whether with the experience of the other cases, the Board will really be in a position to conduct the examinations and recruit the engineers. He supported his statement by quoting certain examples, including the pressure exerted by the outsiders in the certain cases.

At the end Chairman suggested that the Board should not be diffident and that we should correct earlier mistakes without bothering too much for the litigations, etc. It was ultimately decided that a committee headed by the Vice-Chairman of the Board should be appointed which would go into the aspects of framing recruitment procedure for the Board and in that process the Committee would also review whether, or not, it could be possible for the Board to conduct the examinations for recruitment of engineers to the engineering cadre of the Board. Other members of the Committee would be Adviser, Govt. of India, Spl. Secretary (U.D.), Shri S.T. Khare and the Member Secretary. The Chairman suggested that the advice of the Law and Judiciary Deptt. should also be obtained and efforts should be made to complete the work in two months.

Action Sr. A.O.

E- 6

Member Secretary, also pointed out other two amendments proposed to be recommended to Govt. Chairman desired that this aspect should also <sup>be</sup> considered by the Committee to be appointed. Shri Rajendra Singh, Municipal Commissioner, Nagpur supported the second amendment since it would provide protection to the Board employees. Secretary (Expenditure) desired to know whether such protection is available to other Boards. It was clarified that such protection is not available to other Boards. Spl. Secretary (UD) suggested that in any case all the amendments will have to be recommended to Govt. together and as such, decision can be taken after the report of the committee is received. This suggestion was accepted and the decision on the item was deferred.

Action Sr. A.O.

E-6

Item No.5.

Grant of pay and allowance for suspension period to Shri S.D. Bhide, Jr. Engineer, under rules 72 and 73 of MCSR 1971.

Member Secretary explained the background of the case for suspension of the concerned Jr. Engineer. He however, proposed to withdraw the item for the present so as to review the situation once again. A doubt was

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however raised whether the Departmental enquiry can be conducted after he is acquitted by the High Court. The Member Secretary informed that the Departmental enquiry can be conducted, but, in the present case, Superintending Engineer, ENE Circle Nagpur who has the authority to decide the cases of Jr. Engineers had, in the context of the points referred in Govt.(UDD)'s letter dated October 9, 1986, decided that there is no case for conducting Departmental enquiry, and he has also ordered that the suspension period is treated as duty for all purpose. Therefore it is now necessary to pay the amount of arrears of pay and allowance to the concerned incumbent and since the amount is more than Rs.2,000/- sanction of Board is required and for which the item has been put up.

Opinion was also expressed that since a period of 15 years has already lapsed it would not be desirable to conduct departmental enquiry at such a late stage and that it would be extremely difficult to bring home the charges. It was ultimately decided that for taking a review at the level of the Board to consider whether payment in full or part should be made during the suspension period, the case should be submitted to the Chairman after making necessary reference to the General Administration Department of GOM through the administrative Deptt. (UDD).

Action Sr.A.O.

E- 2

Item 6

M.W.S. & S.Board employees' Medical Benefit regulations - 1980- Reimbursement of Medical expenses incurred on specialists' treatment in respect of specified illness and grant of advance to the employees for meeting the probable expenses.

Member Secretary informed the Board that as per the Medical Benefit Rules and Regulation 1980 - Reimbursement of Medical expenses is made, to the employees to an extent of Rs.500/- and Rs.400/- per year as admissible. Hospital charges, as admissible, are also reimbursed as applicable in the rules. Govt. have now, in respect of four major ailments allowed reimbursement in full of medical expenses, as charged by the Hospital concerned, under which the treatment has been taken, except the expenses on travelling, as contained under Govt. Resolution dated 29-4-1985. Further, as contained under Govt. Resolution dated 21-8-1985 Govt. have also authorised Heads of Department to sanction an advance not exceeding Rs.45,000/-. The Board now intends to make applicable these rules to Board employees, and



Secretary (Expenditure) wanted to know whether the Board employees are on par with Govt. servants in all other respects and expected that near parity should be achieved in respect of such Semi-Govt. undertakings. Member Secretary informed that the Board employees are on par with Govt. for all aspects of M.C.S.R. except medical benefit rules.

Action  
Sr. A.D.  
E-2

It was ultimately decided that the proposal may be approved, subject to the condition that, the decision is referred to Govt. for formal clearance.

Following resolutions was passed :-

'RESOLVED THAT' the Board hereby approves, subject to formal clearance of Govt., the proposal to amplify the Maharashtra Water Supply and Sewerage Board Employees' Medical Benefit Regulations, 1980 and to incorporate therein Rule No.9 for reimbursement of medical expenses incurred on specialists treatment except expenses on travelling in case of ailments namely (i) By pass Coronary Surgery (ii) Kidney Transplant (iii) Blood Cancer and (iv) Heart Surgery cases and grant of advance to the Board employees in such cases subject to maximum limit of Rs.45,000/-. The Board further authorises the Superintending Engineers of the Board to sanction such advances in respect of the staff under their control, after scrutiny. The Member Secretary is also authorised to incorporate in Annexure V referred to in Rule 9, such other hospitals which will be recognised by the State Govt. in future for such specialists treatment in respect of ailments mentioned in the said rule.'

Item No.7

In the matter of Arbitration in the dispute arising out of the contract for the construction of sump and pump house and E.S.R. at Patlipada.

Member Secretary explained the background and the need for the matter going for arbitration. He also explained that since the award has been declared it is obligatory for the Board to make payment and no other option is available.

Secretary (Expenditure) wanted to know whether the award is speaking or non-speaking. Member Secretary clarified that it is a Non speaking award, and, as per the Arbitration Act, Non-speaking orders are allowed and the award can be challenged only under the exceptional circumstances. He also clarified that the cases of arbitration are only in respect of World Bank Assisted



Project as provided in the tenders. With that clarification, the proposal was approved and following Resolution was passed.

Action CE(P)

RESOLVED THAT 'the Board accords ex-post-facto sanction to the payment of Rs.9.60,951/- (Rupees Nine lakhs sixty thousand nine hundred and fifty one only) to the contractor M/s. Patel Construction Co. Bombay, on account of their claims and cost of reference as per award finalised by the Joint Arbitrators in this case. The Board approves the payment of Rs.20,220/- by way of interest for the period from 31.12.1987 to 16.2.1988'

Item No.8

Work load of the M.W.S. & S.Board for the year 1988-89.

Member Secretary mentioned that this item is put up to the Board only for information, so as to give an idea of the quantum of work being executed by the Board. He said that the work load has been increasing substantially from Rs.125.79 crores in 1984-85 to Rs.166.72 crores in 1987-88 (Provisional) and Rs.234.28 crores (proposed) for 1988-89. Member Secretary also added that inspite of such substantial increase in the work load, the Organisation, particularly of Engineering cadre, has not been strengthened, which is a long felt need. The Board noted this observation.

Action Sr.S.O.

E-7

Item No.9

Appointment of Arbitrators :

Member Secretary informed that the Board has already approved the panel of Arbitrators and the then Chairman had directed that after appointing an Arbitrator from this panel, the fact should be brought to the notice of Board for information.

Shri Rajendra Singh, wanted to know whether approval of present Chairman has been obtained from the panel. It was informed that approval of former Chairman was obtained and that the appointment of any person on the panel is made by the Member Secretary in consultation with the Secretary, U.D.D.

Spl. Secretary (U.D.D.) observed that the fees charge<sup>d</sup> by the Arbitrators are quite high and in that context, Secretary, P.W.D. had also concurred with his views. He also referred to a Court Judgement in this connection. He therefore suggested that a note be prepared for the consideration of Board in its next meeting, which should highlight all these aspects, including ceiling that should be considered and the complexities involved. Vice Chairman wanted to know

ACTION FACAO &  
C.E.(P)

whether experience is also the criterion for selecting the Members of the panel. It was replied that this aspect has been considered while empanelling the persons.

Action FACAO

Financial Adviser and Chief Accounts Officer clarified that he had gone through the copy of the Judgement of the Court and that these aspects would be covered in the note to be submitted to the Board. He further said that when 4 to 5 Arbitrators were contacted, it was revealed that the fees being charged by them were more or less the same. He also added that in the context of this Judgement, Board had requested Shri P.R.Gandhi, Arbitrator, to review the fees being charged by him and his reply is awaited.

Item No.10

Fixing of water rates for supply of water from Nhava Sheva Water Supply Scheme, Stage-I.

Member Secretary informed the Board that the Nhava Sheva Water Supply Project estimated to cost Rs.26.65 crores to supply water to the Nhava Sheva sub-region is nearing completion. The works are expected to be physically completed by December, 1988, while after testing etc. water supply is expected to be started by end of February, 1989. It was mentioned that CIDCO and Nhava Sheva Port Trust are the major consumers.

It was clarified that normally there is a system of the Board to pool water rates for all the water works.

Since the case of Nhava Sheva water supply project is different, involving OMB loan assistance, it is proposed to have separate water rate for this water works. It was further clarified that during the first year, supply from this water work is expected to be only 50% of the rated capacity, and therefore, it is proposed not to include the element of depreciation for the time being for fixing water tariff for this water works. The rate is proposed to be revised next year to account for depreciation.

It was added that 80% consumption from this water works is expected to be domestic, while the balance 20% would be non domestic. Although in certain cases, there is a practice to charge different rates for domestic and non domestic supply, depending upon the break up of this consumption, in the present case, it is proposed to charge only for the bulk supply at tariff of Rs.3.00 per 1000 litres. Bulk consumer would be at liberty to charge



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separately for the non-domestic consumption, so as to cross subsidise the domestic consumers.

Special Secretary (U.D) questioned about need for revising the water tariff frequently. It was clarified by Financial Adviser and Chief Accounts Officer that for the last few years, because of the hike of the tariff by M.S.E.B., water tariff had also to be revised. It was also added that in case of the World Bank Project Area, the tariff for water supply has to be revised so as to earn specified rate of return.

Vice-Chairman wanted to know whether any concession has been granted by M.S.E.B. for water supply. It was clarified by F.A.&C.A.O. that such concession is given in respect of Rural Water Supply Works, and no concession is given for Urban Water Supply Schemes. The Estimates Committee in their recommendations on the Budget Estimates for 1988-89 have, however, suggested to approach the M.S.E.B. for extending similar concession to Urban Water Supply Schemes and that the matter is being taken up with the Director of Municipal Admn.

ACTION C.E(P)  
& F.A.&C.A.O.

With this discussion, the proposal was approved and following Resolution was passed.

RESOLVED THAT "the following rates as per Alternative No.2 for supplying water through Nhava Sheva Water Supply Scheme Stage-I shall be made applicable with effect from the date of supply of water, as may be decided by the Member Secretary.

<u>Category of supply</u>	<u>Rate in paise per</u> <u>1000 litres</u>
Bulk supply of water to N.S.P.T.   C.I.D.C.O. etc	300

FURTHER RESOLVED THAT

1. The bulk consumer like C.I.D.C.O., N.S.P.T.C. etc. shall have to execute the agreement with the Board accepting usual terms and conditions of Board and shall have to sign in token of acceptance.

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2. A bulk consumer shall pay to the Board, a deposit in advance equivalent to demand registered for 3 months, and, unless this deposit is received, water supply shall not be commenced by the Board.

3. The water meter at tapping point on Board's transmission main will be fixed by the bulk consumer, and, responsibility of its maintenance shall rest with consumer himself.

4. The consumer who fails to pay water charges (including arrears) in a period of 45 days from the date of issue of bill, shall be liable to pay delayed payment charges, at the rate of 18% per annum on all the amounts outstanding against him, on the date on which the period of 45 days after issue of bill, ends. In case the consumer fails to pay the delayed payment charges for a continuous period of 6 months, his supply is liable to be discontinued."

ITEM NO.11

CONSTRUCTION OF EXECUTIVE ENGINEER'S (PROJECT DIVISION JALGAON AND MECHANICAL UNIT JALGAON) QUARTERS AT JALGAON.

ACTION C.E.(U)

Member Secretary informed that land is available for construction of quarters and budget provision has been made and that Board is constructing these quarters through its own funds. Secretary, F.D.(Expenditure) suggested to verify the scale of accommodation proposed and that the quarters should be as per type design of the Government.

ACTION C.E.(U)

It was also expressed by Vice-Chairman that the rates provided for construction of quarters on per sq.meter basis appear high and should be checked. When it was informed that the quarters would also provide for other essential staff like Chowkidar, Drivers etc. it was suggested to verify again, the requirement of minimum number of units to be provided.

Finally, Board approved the proposal of construction of quarters and following Resolution was passed.

RESOLVED THAT " the Maharashtra Water Supply and Sewerage Board approves the proposal of construction of residential quarters at Jalgaon on Plot No. B/9 costing Rs. 10,07,300/- gross, with



(13)

17.5% E.T.P.Charges for Executive Engineer (Mech.) Jalgaon. The Board authorises the Member Secretary to take suitable steps in the matter, and to meet the expenditure for the construction of quarters under the head "Building Expenditure" from the budget grants approved by the Board".

ITEM NO. 12

SPECIAL PAY TO THE OFFICERS WORKING IN THE CENTRAL PLANNING, DESIGNING AND MONITORING CIRCLE.

Member Secretary informed the Board that, as already reported in the last meeting, a special circle termed as "CENTRAL PLANNING, DESIGNING AND MONITORING CIRCLE" has been established and is now functioning with its head quarters at C.I.D.C.O. Bhavan. The proposal of creation of this circle was initiated with a view that such an organisation is necessary on the lines of Central Design Organisation (C.D.O) already functioning in the Irrigation/Public Works Department.

Member Secretary then added that the Officers working in the C.D.O. of Irrigation/Public Works Department have been granted special pay as per Government orders dated 29.10.1959 which have been quoted at Appendix No.I. Since the Board is following all other Government Rules and Regulations including M.C.S.R.etc. it is proposed to make applicable this special pay to the officers working in the Central Planning, Designing and Monitoring Circle, particularly when the Board is managing its establishment affairs within the amount received by way of E.T.P.Charges.

Secretary (Expenditure) suggested that the case may be referred to Government for formal approval. Member Secretary expressed that since Government pay scales rules and regulations are made applicable to Board employees and that Government approval involves time due to scrutiny at various stages, it would be desirable that the proposal is approved by the Board. Secretary (Expenditure) hoped that since the Board is

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following Government Rules and Regulations, formal approval of Government could be expected without any delay. Special Secretary (U.D) also supported the view that formal Government concurrence is necessary, in the context of the fact that Government desires that special pay be granted by Semi-Government Organisations with the approval of Government. With this, following resolution was passed.

ACTION SR.A.O.

TS IN OFFICE OF MS

RESOLVED THAT " the Board has noted that Central Planning, Designing and Monitoring Circle of the Board has started functioning with effect from 4/1/1988. Board also noted that Officers of Government working in C.D.O.Design Circle are being paid special pay as per Government Resolution No.SPG-1058, dated 29/10/1959. Board hereby further approves, subject to formal approval of the Government the proposal of granting special pay to the officers of Central Planning, Designing and Monitoring Circle, as mentioned in Appendix-II from the date, the Organisation has started functioning that is 4/1/1988.

The expenditure would be met from the total budget provision approved by the Board.

Member Secretary is authorised to take further necessary action in the matter."

ITEM NO.13

RECOVERY OF OUTSTANDING DUES FROM MUNICIPAL CORPORATION|COUNCILS ARREARS|POSITION AS ON 31.3.1988.

The Board noted with concern that huge amount is due to Board from the various local bodies for various reasons. Secretary (Expenditure) wanted to know whether Board has taken any coercive action of stopping water supply. Chairman, however observed that such an action is not possible because it attracts lot of protests and agitations.

Shri Rajendra Singh suggested that the amount could be recovered through Government grants payable to the Councils. Member Secretary, however clarified that such an attempt has already been made, but with little effect, because the amount of arrears is so high that the deductions through grants do not match with the recoveries. He also wondered whether the present dues of Rs.71



crores, if the situation does not change, would reach a figure of Rs.100 crore in about 2 years' time. He also said that efforts were made in the past to recover the amount from the local bodies, but the desired recoveries could not be effected. Vice Chairman also mentioned that if the arrears are in crores and the recoveries are in lakhs, the situation would never improve.

Shri S.T.Khare, was of the opinion that the deteriorating financial position, in view of huge amounts remaining in arrears, has come in the way of the functioning of the Board. He was of the opinion that this situation arises because of the formation of the Board, while about 10 years back when the Board did not exist, even though the arrears were there, the same were not identified separately and were not visible.

Special Secretary (U.D) was however critical about the functioning of the Board Officers in respect of recovering the arrears from the local bodies. He referred to his experience while he was Member Secretary of the Board earlier, that, the Finance and Accounts Wing was to pursue the matter by sending a team of officers so that he could have an analytical picture. No such information has been received by him so far. Shri Rajendra Singh supported the views of Special Secretary (U.D) and informed that as far as Nagpur Corporation was concerned, he had no idea about the recoveries from his Corporation, till the time a meeting was arranged.

ACTION CE(U)  
CE(P)

Special Secretary (U.D) was further critical that while making the attempts to recover the amount from the local bodies due attention is not given to the complaints and the grievances of the local bodies. When the matter comes to the Government level for sorting out the issue, these complaints and grievances are noticed, and, though there is a strong case of the Board about the recoveries, Government finds it difficult to impress upon the local bodies to make prompt payments to the Board. He therefore suggested that a closer and critical review should be taken at all levels.

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Financial Adviser and Chief Accounts Officer made it clear that the observations of Special Secretary, U.D. had been noted and that the Member Secretary has already written confidential D.O. letters to the officers instructing them to devote personal attention to this matter. He also mentioned that in the first three months of the year, recovery of about Rs. Seven crores had been effected. Spl. Secretary (UD) was still of the opinion that major organisations like CIDCO, Thane Corporation etc. should be pursued vigorously for making payments. He therefore suggested that each case should be studied carefully and then only Board should request for a meeting at a higher level. Member Secretary assured that needful will be done in the matter.

To a query of Shri S.T. Khare, it was replied that by and large, recoveries in respect of direct consumers are better while the major problem is in respect of only bulk supply, since the local bodies had not made payments to the Board. Member Secretary also quoted his experience with the Akola Municipal Council where concerted efforts were made by Board Engineers to recover the amount. Appreciating such attempt, Special Secretary (UD) stressed that Board Officers should develop personal contact with the Municipal Bodies and do their best in recovering the amounts and thereafter Board should take a micro view of the situation.

Shri Rajendra Singh observed that Councils like Jalgaon spend huge amounts on the shopping complex etc. and U.D.D. should impress upon them to give priority for making payments to the Board. Secretary (Expenditure) again suggested the action of stoppage of water supply. Vice Chairman suggested that after taking a micro view of the situation a time bound programme should be chalked out to recover the amount in a period of 5 years, making it explicitly, clear that, if the amount is not paid within that time, water supply would be stopped.

Action FACAO.

It was decided to take further action on the lines of discussion.



Item No.14

Continuation of the Establishment of M.W.S.&  
S.Project Organisation beyond 29-2-1988.

Member Secretary informed that in continuation of the clarification given by him under item No.2 (Action taken) as regards deployment of the charges, approval to the continuation of the Organisation under Chief Engineer (P) is necessary.

In the mean time, as mentioned in the Agenda Item continuation to these posts till 31.8.1988 was sought from Minister (UD) and Chairman, M.W.S. & S. Board. The Chairman has approved this proposal subject to the condition that ex-post-facto approval of the Board would be obtained in the next meeting of the Board and that Govt. is also kept informed of the action taken. Accordingly, this item has been put up to the Board.

It was also clarified that Board has already approached Govt. on 8.9.1988 with a request to grant extension to the posts and that after approval of the Board as now requested, further reference would be made to the Govt.

With that, the Board approved the action taken in continuing the posts and following Resolution was passed.

'RESOLVED THAT the Board has noted that the posts created under the Project Organisation for implementation of the World Bank Assisted M.W.S. & S.Project, which were last continued upto 29-2-1988 and further approves continuance of the posts (as included in G.R.No.EST.1087/645/CR-149/UD-15, dated 4-1-1988) upto 28-2-1989 and the Govt. be moved to accord necessary sanction to continue these posts upto 28-2-1989'.

ACTION E-7 (IB)  
SR. A.O. C.E.(P)

CONFIDENTIAL  
ITEM NO.1.

FIXING OF AGENCY FOR CONSTRUCTION OF MORBE DAM.

The Member Secretary introduced the subject saying that in the last meeting of the Board, it was decided that the work of earth work portion of the dam should be entrusted to the Mechanical Organisation of Irrigation Department on actual cost basis. Accordingly, the tenders for the work were rejected and the earnest money was refunded. Subsequently discussions were held with the officers of Mechanical

Organisation of Irrigation Department and Board's Officer also visited the construction of Warna Dam under execution with the Irrigation Department. When the rates at which the work is being carried out by them were considered, it has come to the notice that, we may have to pay to Irrigation Department at least Rs.10.00 crore more than what was worked out earlier.

It was also noticed that as per the advice given by the Central Designs Organisation of the Irrigation Department, in view of the characteristics of the Soil available, larger sections of the dam will have to be proposed resulting into increase in cost of the work. Moreover as indicated by the land acquisition Officer, the rates likely to be declared for the land to be acquired were far more than the rates adopted by the Irrigation Department, when they had framed the project report. On the item of land acquisition itself the excess involved is of the order of Rs.15.00 crore.

Reviewing the situation, the Board Office ultimately came to the conclusion that the cost of the construction of Morbe Dam <sup>would</sup> shoot up from Rs.17.00 crores to Rs.65.00 crores. Since such large scale excess is involved, it was thought desirable not to issue the formal letter of acceptance to the Irrigation Department, till the time this fact is brought to the notice of the Board.

In the meantime, the Contractor M/s. R.M.Mohite & Co. Kolhapur informed the Board that they are still willing to execute the work at the rates finally quoted by the lowest bidder, M/s. Bhagyalaxmi Construction and Engineering Co. Legal opinion was therefore sought from the Law and Judiciary Department as to whether the case can be reopened in the context <sup>of</sup> tenders already



rejected and the offer of M/s. R.M.Mohite and Co. could also be considered. The Law and Judiciary Department have informed that since the tenders have been rejected it would not be proper to reopen the issue and that the only course of action would be to issue a notice inviting fresh tenders for the above work.

The Member Secretary concluded that this item has been put up to the Board to seek the directives to proceed further.

Shri Rajendra Singh wanted to know what is the reaction of the Irrigation Department, particularly when they had also tendered for the work.

Chairman enquired as to whether the Irrigation Department can carry out the work at the rates quoted by the lowest bidder. Member Secretary informed that since lowest rates were considered as unworkable, the Board decided that it would be better to entrust the work to Irrigation Department for which discussions were held with them. Member Secretary, added that the Irrigation Department has reintereated that it would not be possible for them to take up the work departmentally at the rates quoted by the lowest bidder. Shri Pomde at this stage mentioned that the work should not be entrusted to the Irrigation Department.

Secretary, [Expenditure] wanted to know whether with the increase in cost of the Dam to Rs.65.00 crores the Project would be financially viable. The Member Secretary informed that these details are being verified and it appears that when a full supply of 300 m.l.d. is made from the dam, the rate works out to Rs.3.00 per cu. m. which appears fairly viable.

Vice-Chairman suggested that these rates should be indicated to C.I.D.C.O. to enquire whether C.I.D.C.O. would be agreeable to pay these rates.

During further discussions following views were expressed.

- (a) Chairman observed that instead of spending Rs.17.00 crore more by giving

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the work of Irrigation Department, there is an alternative of reinvitation of offers.

- (b) Shri Pomde wanted to know the minimum time for invitation of tenders which was clarified as about three months.
- (c) Vice-Chairman wanted to know as to why the cost for land acquisition should go up so high. It was clarified that originally, the provision made by Irrigation Department in the design report was only Rs.3.58 crore, while the same would now be Rs.18.39 crore as indicated by the land acquisition authorities. The excess is mainly due to higher rates to be paid to the land owners in the context of similar high rates paid to them for the Nhava Sheva Project.
- (d) Vice Chairman also observed that the land required for the construction of the dam is far away from the location of the Nhava Sheva Port Trust and lower rates should be possible. Member Secretary, however, clarified that it is for the land acquisition authorities to declare the rates in their award, which the Board will be paying.
- (e) Shri S.T.Khare, wanted to know why the work should not be entrusted again to the Irrigation Department, since a period of almost one and half year is over in tendering process. Shri Pomde had some reservations about the way in which the tenders were handled, resulting into further delay. He was therefore of the opinion that the work should not be given to Irrigation Department and that the tenders should be invited without further delay.
- (f) Special Secretary (U.D) insisted that the financial viability of the project could not be over looked at any stage.



He also raised following points :-

- 1) Whether it would not be necessary to approach Govt. of Maharashtra, in view of the increase in the cost?
- 2) Who would pay 10% Popular contribution?
- 3) Since lot of time has already lost, quick action should be taken for re-invitation of tenders.
- 4) In the last case, evaluations of the offers on certain conditions has become very critical. In order to avoid similar complications, the Board should lay down certain criteria on the basis of which the agencies should be pre-qualified on a sound technical Judgement. Such pre-qualification would ensure that after pre-qualification, all the bidders would be competent and that there would be no doubt about the competency of the lowest bidder selected thereafter.

It was replied that instructions have been already given to the field officers to prepare revised estimate for obtaining revised administrative approval of the Govt. for the increased cost. It was added that the financial pattern permitted by Govt. while according administrative approval envisaged GIA at 23% and balance as loan.

It was also added that efforts will be made to take quick action for re-invitation of the offers and pre-qualify the tenders prior to invitation.

Action C.E.(P)  
TS (MS OFFICE)

The Board ultimately decided that processing the Project for revised administrative approval and invitation of tenders after pre-qualification should be done simulateneously to save time.

CONFIDENTIAL AGENDA ITEM NO.2.

Ichalkaranji Sewerage Scheme - Providing, lowering, laying and jointing R.C.C.Pipes for outfall sewer "A"

Terminating the tender of M/s. Khemson Builders, Ulhasnagar accepted by the S.E.Sangli Circle.

Member Secretary explained the case in brief. He informed that a portion of work estimated to cost Rs.35.15 lakhs allotted to M/s. R.S.Patel, Contractor could not be completed by the contractor and since no progress was achieved

inspite of imposing a fine, the work was withdrawn from the contractor under Clause-3(c) of the contract. The balance left over portion was estimated to cost Rs.13.62 lakhs and this work was to be got executed at the cost of M/s. R.S.Patel.

After inviting tenders for this particular portion of the work, the then Superintending Engineer accepted offer of M/s. Khemsons, Builders at Rs.72.37 lakhs. Board considered that in this case the Superintending Engineer has exceeded his powers because the tendered amount was more than Rs.50.00 lakhs and that it was not within 5% of the estimated amount at current D.S.R's. Board has come to the conclusion that there would be financial loss if the work is carried out at the rates quoted by M/s. Khemsons Builders and therefore Board proposes to terminate the contract with M/s. Khemsons Builders under clause 15(i). Further, reasons given by the then Superintending Engineer for acceptance of offer of M/s. Khemsons Builders as listed in para-6 of the Agenda Item, are not acceptable to the Board and Board therefore proposes to initiate Departmental Enquiry against the then Superintending Engineer.

The Special Secretary (U.D) enquired whether the then Superintending Engineer had reported the matter to the higher officers. Member Secretary clarified that the then Superintending Engineer did not report this matter to his higher officer, because, he considered that the normal rules are not applicable to the work to be executed at the cost of the contractor. However, since he had not referred the matter to the Board, Board also came to know about this only when the objection was raised by Finance Wing.



To a further query of Special Secretary (UD) Member Secretary explained that the reasons given by the then Superintending Engineer as listed in para-6 of the Agenda note, are not acceptable to the Board.

Secretary (Exp.) enquired about recovering the amount from the agency that had failed. Member Secretary explained that practically it would not be possible to recover from that agency, the total expenditure to be incurred if the work is carried out as per the tender of M/s. Khemsons Builders. Secretary (Exp.) however maintained that efforts should be continued to recover maximum amount from the first agency against their assets, if any. Member Secretary further clarified that amount equivalent to 10% of cost has already been recovered as fine from the first agency.

Member Secretary again pointed out that the decision to be taken by the Board is in respect of discontinuing the present work and to take action against the then Superintending Engineer.

As desired by Special Secretary (U.D), powers of various officers in accepting the tenders were explained. Vice-Chairman wanted to know, as to how the irregularity of the then Superintending Engineer, could not be noticed by the Chief Engineer. It was replied that since the Superintending Engineer has accepted the tenders at his level, no idea could be had at Board level.

Special Secretary (U.D.) suggested that Chief Engineer should go to the site and study the case. It was clarified that this has been done and it is now proposed to change the design and other details to reduce the extent of work and limit the expenditure. Special Secretary (UD) further maintained that the case has to be examined critically to include clarification of M/s. Khemson Builders as to how their rates were justified.

ACTION CE(U)

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Ultimately it was decided that Secretary (U.D) alongwith Secretary (Exp.) would closely review the case. It was also decided to given an opportunity to Shri B.V.Vibhute, then Superintending Engineer to explain his stand, for which he should be given necessary time (one week) and provide access to the concerned documents.

CONTINUED



(24)

TABLE ITEM NO.1 :- Fixing of water rates for supply of water from Temghar Water Works during 1/7/1988 to 30/6/1988

Member Secretary explained that supply from Temghar Water Works has started from 1/5/1987. As decided in the Board meeting this supply is being charged as under:-

- i) For supply to Rural Areas. Rs.0.90/1000 litres.
- ii) For Urban Areas Rs.1.00/1000 litres.
- iii) For non-domestic use Rs.6.70/1000 litres.

This tariff does not account for either of depreciation or the loan repayment.

As discussed in the item note, the formation of the company to take over the operation of Temghar Water Works would take some more time. Since supply made to be made after 1/7/1988 is to be charged, it is proposed to fix water tariff. In this connection, three proposals have been indicated at page-4 of the item note. It was explained that it would not be desirable to have sharp increase in water tariff to include operation expenses and depreciation should be approved. Board approved this proposal and following resolution was passed.

hence second alternative to fix water tariff to include operation expenses and

ACTION

F.A.&.C.AO

C.E(P)

"RESOLVED THAT " the Board hereby resolves that the following water rates for supply of water through Temghar Water Works shall be made applicable with effect from 1/7/1988, or such other date as may be decided by Member Secretary.

Category of Bulk Supply	(Rate in paise per 1000 litres)
To-Rural Areas	110
To-Urban Areas	130
For non-domestic (Direct supply by the Board)	700

2. It is further Resolved that the consumer who fail to pay water charges (including arrears) in a period of 45 days from the date of issue of bill, shall be liable to pay delayed payment charges at the rate of 18% per annum on all the amount outstanding against him on the date on which the period of 45 days after issue of bill ends. In case he fails to pay the delayed payment charges for a continuous period of 6 months, his supply is liable to be discontinued."

The meeting ended with a vote of thanks to the Chair.