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As ~~discussed~~ directed by M.S. on 5/11/91, I am submitting herewith original file of draft minutes of 52nd Board meeting held on 24/5/90. The minutes are being issued. This is for information please.

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MAHARASHTRA WATER SUPPLY & SEWERAGE BOARD



2nd Floor, CIDCO Bhavan,
(South Wing), Belapur,
New Bombay-400 614.

Dated : 20.12.1990

NO. MWSSB/Estt.5

Draft Minutes of 52nd meeting of the Board held on 24th September, 1990, are kept below for approval of Minister (Urban Development) and Chairman, Maharashtra Water Supply and Sewerage Board.

Y.S. Sonawani
(Y.S. Sonawani) 21/12/90

Chief Administrative Officer

Dv. Chief Accounts Officer(I)

Member Secretary

MINISTER (URBAN DEVELOPMENT DEPT)
CHAIRMAN, M.W.S.S. BOARD

Y.K.
29/12/90

Y.S.
31/12/90

Y.S. Sonawani
25/12/90

DRAFT MINUTES OF 52ND MEETING HELD ON SEPTEMBER, 24, 1990

Following were present:-

- 1) Shri Sushilkumar Shinde, Minister for U.D. & Chairman, M.W.S. & S. Board, was in the Chair
- 2) Shri Shivajirao Shendge, Minister of State for R.D. and Vice Chairman, M.W.S.S. Board.
- 3) Shri V. Ranganathan, Secretary, R.D.D.
- 4) Shri Satish Tripathi, Secretary, U.D.D.
- 5) Shri Anupam Das Gupta, Secretary (Exp.), Finance Deptt.
- 6) Shri N.V. Merani, Principal Secretary, Public Works Deptt. who attended as special invitee.
- 7) Shri S.S. Patwardhan, Member Secretary, M.W.S.S. Board.

Shri Mohan Gupte, Member could reach the meeting only after the meeting had concluded, because of total failure of transport services arising out of unprecedented rains. For the same reason Shri B.V. Rotkar and Shri V.D. Desai had intimated their inability to attend the meeting.

Minutes of the 51st Meeting of the Board held on 14th August, 1990 were confirmed

At the outset, Chairman requested Shri N.V. Merani, to highlight the features of the report submitted by the Merani Committee.

Shri Merani observed that the Board is suffering from basic handicaps of financial nature, shortage of manpower, problems in handing over of schemes etc. He added that Maharashtra Water Supply and Sewerage Board has not developed like other similar organisations viz. M.I.D.C., M.H.A.D.A. etc. He stressed the need that Board should be able to have more and meaningful control over the activities, so that it can gear up its activities. He further observed that the Board is unable to function properly because it is not allowed to exercise its powers. There are several reasons which are coming in the way of successful functioning of the Board such as raising of finance, release of funds, recovery of outstanding dues and



The fact that profit earning water works owned by the Board are being transferred. In short, he expressed that the Board is functioning under very severe financial constraints.

He also raised the point as to whether the Board should be wound up. He suggested that a separate Water Supply Deptt. could be formed and he also expressed the views of the Committee as regards formation of a separate Rural Water Supply Board. He referred to the views expressed by non-officials like MLA & MLC's who concluded that an honest trial should be given to the Board to function with all powers provided in the M.W.S.S. Board Act, to fulfil its duties and obligations.

He elaborated his views by comparing the position prior to formation of the Board (as ENE Organisation) and the one prevailing after the formation of the Board.

As regards formation of the separate Boards or entrusting the works to the Zilla Parishads, he was of the view that cadre management is the most vital aspect to be considered, for which long-term proposals need to be considered. There are inherent disadvantages in having 2 separate organisations from the ^{point of} view of cadre management. He observed that, even if works are transferred to Zilla Parishads, the dependance of Zilla Parishads on Govt./Board in respect of the engineering staff is inevitable. He, therefore, suggested that it would be proper to follow the system already practiced in P.W.D./Irrigation Deptt. It is in this context that the Committee has suggested that at the local sector, rural schemes costing upto Rs. 25.00 lakhs should be entrusted to the Zilla Parishads. The administrative control over the implementation would be that of the Zilla Parishad while the staff, mainly the engineering staff (Executive Engineer, Dy. Engineer/Asstt. Engineer) would be obtained on deputation from the Board. This proposal further contemplated having a separate Chief Engineer (Rural) supported by Superintending Engineers at the head-quarters of Revenue Divisions, to have technical control over the schemes implemented by the Zilla Parishad. He added that the Committee's view is that there is no need for splitting the Board while there should be internal splitting of activities within the Board into Urban and Rural sectors.

He mentioned that as regards issue related to finance, the system of release of funds should be improved. The Local Bodies should be asked to pay all dues of the Board as their first charge and that a "Ways and Means Fund" can be created which will place the Board in a relatively comfortable position. He also mentioned that there is need to allow the Board to exercise more powers, particularly regarding creation of posts and appointment of staff etc.

He further added that the Committee is of the view that Govt. should look upon the water supply activity as a social service, since similar free services/facilities ^{like roads} are already available to the Public. ~~like roads~~. The water supply facility should be subsidised, but not free, and for this purpose he suggested that the power tariff for A to C class Municipal Councils should be on par with Village Panchayats for the rural water supply schemes as the difference in tariff in these two cases is very high.

Shri Merani explained that the Committee has recommended certain changes in the administrative setup of the Board. In addition to the existing 3 posts of Chief Engineers, 2 more posts of Chief Engineers have been suggested. One Chief Engineer is to be designated as Joint Secretary in the office of the Member Secretary, since the Member Secretary, is working single-handed. The Joint Secretary should be supported by a Superintending Engineer, as a Dy. Secretary. This suggestion is on the lines of administrative set-up in the P.W.D./Irrigation Deptt., and with this addition, the Member Secretary would be relieved of various issues consuming considerable time. The Committee has also recommended creation of a separate post of Chief Engineer to be incharge of operation of water works, in case, it is decided that all the water works presently owned and operated or, only operated by the Board would continue to be owned/operated by the Board.

Another important suggestion is regarding formation of a separate Designs Organisation to look after designs, preparation of schemes and drafting contract documents etc. A Quality Control-Cum-Vigilance Organisation has also been suggested to be created. Thus, the Joint Secretary in the

office of the Member Secretary would be incharge of Designs, Planning, Training and Quality Control aspects.

At the lower level, change in the present Sub-Divisional pattern is suggested by converting Sub-Divisions into unit system at the District head quarter. For the Divisions concerned with implementation of the schemes scattered over the district, present system of separate Sub-Divisions could be retained.

Secretary (Exp.) expressed that, from the experience of the schemes he had so far, it appears that the schemes have been formulated sitting in the office only, which should be avoided. Shri Merani mentioned that a separate "Stores purchase and Operation system" needs to be introduced in the divisional offices, so that the Engineers would be relieved from this task. He referred to the similar system existing in the Railways having separate procedure and control and this can be considered under this system.

The Chairman, at this stage, inquired about proposals related to quality control aspects. Shri Merani explained that, so far as material procurement is concerned, this used to be done through Directorate General of Supplies and Disposals (DGS&D). This responsibility of checking quality of materials has been now entrusted to M/s Engineers India Limited, (EIL), a Govt. of India concern, who are now charging fees at the rate of 1% of the cost of material as against $\frac{1}{2}\%$ previously charged by the DGS&D. Member Secretary replied to a query from the Chairman that, after the work was entrusted to E.I.L., there have been no complaints in regard to quality of material, during the last two years or so. The Chairman observed that there is no harm in spending a little more, if the main aspect of quality assurance is achieved.

Shri Merani also referred to other issues relating to the organisation such as, development of the cadres, role of deputationists in Finance and Accounts Wing, Direct recruitment through State Public Service Commission or having a separate recruitment channel etc.

Shri Merani also referred to other general issues on which action can be taken by the Board independently. These are listed as under:-

1. Administrative approval to the schemes. Due importance needs to be given to the aspect of Detailed Survey and Investigations, prior to preparation of the schemes. He also stressed the need to check the financial viability of the scheme.
2. The contractors executing the work should be compelled to operate the schemes for a period of 3 months, so that faults in the construction, if any, would be attended to by the concerned contractor. He also mentioned that detailed procedure has been suggested by the Committee in connection with transferring the works to the Local Bodies after completion, and formation of Committees has been suggested to sort out the disputes relating to the handing over of the schemes.
3. Quarterly meetings should be arranged with the Local Bodies which would ensure adequate liaison between the owner and the implementing agency.
4. Programming of the works should be realistic and not adhoc. He also stressed the need to prepare Bar-Charts for execution of the schemes related to the availability of funds, for which, the suggestion of the Committee to create a "Ways and means fund", needs to be accepted.
5. Considering experience with the Consultants engaged by the Board, it would be appropriate to have system of proof consultants.. Even though Board Engineers are competent, it is necessary to have a second look at the proposals prepared by the Consultants. At this stage the Chairman wanted to know whether Public Works Department engages consultants. Shri Merani replied that a separate Designs Organisation,

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termed" Central Design Organisation" looks after this aspect in the P.W.D. The Chairman, however, observed that it would be appropriate that a team of competent Engineers should be developed in the Board, which can look into such aspects. Secretary, Urban Development Department mentioned that fees charged by the Consultants are quite high.

Member Secretary clarified that Consultants are appointed only in case of major and large size projects which are financed by World Bank and similar financing institutions. Such consultants are required to be appointed as per the conditions of the financing institution and no Consultants are appointed for smaller schemes. He also pointed out that Consultants have been appointed for the proposed Rural Water Supply Project to be financed by World Bank having scope, along with the technical issues (including survey) to include social and sanitation aspects of the project. The suggestion of having a second look is only to locate the mistakes at appropriate time, which, if missed would otherwise cost heavily.

In this connection, Shri Merani also referred to the experience with the Consultants appointed for the first World Bank Project, in which case the matter had gone into Arbitration and that he himself was the Arbitrator, appointed by the Board.

Chairman observed that Board should identify experts within the organisation, to deal with the consultants and that Projects costing between Rs. 10.00 to 25.00 Crores should be dealt with by Senior field officers, while projects costing above Rs. 25.00 Crores should be looked after by Engineers in the Board's Head Office. Shri Merani supported this suggestion, since it would aim at accountability of Board Engineers. In this connection, Secretary (Exp.), F.D. was of the view that ^{the} output of the consultants should be reviewed before payment, or otherwise, it would not be possible to have any effective control over the Consultants. He also suggested that need of proof consultants arises only in respect of complicated works, while Shri Merani clarified that this is exactly the concept of the Committee in suggesting proof Consultants.

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The Chairman mentioned that in general he was agreeable to the various suggestions made by the Committee. He expressed that it would be desirable to give a free hand to the Board in respect of powers to create posts, providing required funds etc. so that the Board would first be developed into a strong organisation and thereafter one can consider the question, whether the Board should be split up or not.

Secretary (Exp.), Finance Deptt. mentioned that with due respects to Shri Merani, he was of the view that the issues have been softened. Board complains that they have no powers to create post of, and appoint even a peon, but what is surprising is, how Board alone is complaining like this. He was of the opinion that so far as technical posts are concerned, there should be no difficulty in creation of the posts, since justification for creation of required posts is possible. The Chairman questioned as to whether Board had such powers in the past. Member Secretary replied that Maharashtra Water Supply & Sewerage Board Act, 1976 does not provide any such powers to the Board.

Secretary (Exp.), Finance Deptt. also commented as regards the role of the Financial Adviser, since the Board has not mobilised any funds for the Board except raising of O.M.B. loan which is also approved by the Govt. In fact, no raising of institutional finance is expected from the Board since the role of the Board cannot be compared with other organisations like SICOM. Except processing of L.I.C. and O.M.B. loan, which is well channelised by now, there is hardly anything different expected from the Financial Adviser. At this stage, Chairman observed that in such case there should be no difficulty as far as the Finance & Accounts Wing is concerned. The Member Secretary, however, explained that though there are no difficulties in raising the loan, there are difficulties as regards repayment of the loan and recovering the dues from the beneficiaries. Secretary, U.D.D. observed that under the circumstances, though the Board gets money for work 'A' it diverts the same for use for 'B'.

Secretary (Exp.), Finance Deptt. was of the opinion that Board is required to work on "No profit No loss" basis, which is achieved by charging 17.5% E.T.P. charges to meet

organisational expenditure. Major source of the funds is Govt. grant-in-aid (which is 100% for rural schemes) and institutional finance (L.I.C.). Because the beneficiary Local Bodies do not pay their dues, Govt. funds are locked up for which the Board has only two options. One is to divert funds, and the other , not to make payment to the Creditors. The Chairman mentioned that steps have been taken to recover dues from the Local Bodies. Member Secretary, however, clarified that there has not been any material change in the situation. Secretary (Exp.) was, therefore, firm that the main problem faced by the Board is that of finance and until this issue is solved, the difficulties are bound to crop up every now and then, and there is no use taking actions on other fronts, if this main financial issue is not resolved.

Secretary (Exp.) further pointed out that on the basis of information made available by Board's officers it is clear that few Corporations/Councils are responsible for major portion of dues. He also listed out names of such Corporations/Councils. In short, the picture was as under:-

1. Loan Repayment-94% (Rs. 27.56 Crores) dues from 15 Corporations/Councils.
2. Sale of Water - 94.7% (Rs. 39.81 Crores out of Rs. 42 Crores) dues from 15 Corporations/Councils.
3. Popular Contribution-72% (Rs. 11.19 Crores) dues from top 15 Corporations/Councils.
4. M & R of Rural Water Works - 90% (Rs. 19.32 Crores out of Rs. 21.42 Crores) dues from 15 Zilla Parishads.

Secretary, Rural Development Department observed that it should be possible for the Board to make regular payments by arranging incurring substantial expenditure after October every year. He also wanted to know why such system could not be developed by the Board so far. Secretary, U.D.D. desired to defend the Board, since it was the U.D.D., which should have taken action to insist on the Local Bodies to revise their water tariff suitably from time to time, so as to enable them to make payments to the Board.

In this connection, he referred to the case of Tuljapur, where average water bill was hardly Rs. 5/- per month, which has been now raised to Rs. 7/- per month. He was of the opinion that unless harsh steps are taken by the Govt. the situation cannot improve, for which political will is absolutely essential. He further expressed that ~~the~~ Board officers have taken all possible steps in this connection and in spite of approaching the Local Bodies with folded hands, no positive results are observed.

Chairman wanted to know whether any statutory directives could be given in this respect by relating the taxation structure to the size of population. Secretary (Exp.) pointed out that the suggested taxation details are normally incorporated in the Board's reports and are well known to the local bodies. The Local Bodies are, however, reluctant to enforce the revision of tariff. Chairman observed that in the present democratic set up, it would be almost impossible to expect any action from the Local Bodies and it would be advisable to enforce certain requirements at Govt. level itself. Secretary, U.D.D. clarified that bye-laws have been recently amended by raising the minimum water charges but the same are required to be revised further.

Chairman again stressed that a system should be so developed that it would leave no option for the Local Bodies and he suggested to arrange a conference of the Local Bodies to discuss this issue with the elected representatives. Secretary (Exp.) suggested that it would be more appropriate to concentrate efforts on the top 15 Local Bodies, as pointed out by him. Chairman was, however, of the view, that it would be necessary to impress upon all the Local Bodies, the need to revise water tariff from time to ~~time~~^{time}, and, to make the payments to the Board regularly. He also commented that, the experience is that for some years, no increase is effected in the tariff and then all of a sudden, the tariff is revised involving steep rise. He further expressed that the increase in tariff should be commensurate with the natural escalation of the order of 10% per year or so. Secretary (Exp.) also observed that such review of tariff has to be carried out every year.

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Chairman also expressed that he was happy with the contents of the report since it has helped in projecting true version of the situation. Since taking over as Chairman of the Board, he had come across several complaints about the Board, from which one could only conclude that the Board is not effective in meeting the challenges. By going through the report, however, he is now convinced that the Board has done quite a lot in the sector of water supply and sanitation. Certain shortcomings are, however, due to the various handicaps as pointed out in the report.

Chairman then enquired about the position in respect of the Rural Water Supply Schemes. Secretary, Rural Development Department clarified that the basic difference in implementation of rural water supply schemes is that, no Popular Contribution is now payable as against 10% P.C. required to be paid earlier which was subsequently reduced to 5%. He also said that the total dues in respect of maintenance, and repairs receivable from Zilla Paarishads now standing at Rs. 21.00 Crores are reducing slowly, but steadily. Infact, he is seized of the problem of handing over of the water supply schemes, and therefore, he has issued clear-cut instructions to the Zilla Parishads that all the rural schemes must be taken over from the Board, before the end of October, 1990, failing which recovery would be effected from "Ways and Means funds".

He also expressed his concern that funds meant for implementation of the rural water supply schemes are diverted by the Board for other purposes and such diversion stands at Rs. 20.00 Crores by now. The implementation programme suffers and difficulties arise in the utilisation certificate to be given by the State Govt. to the Govt. of India, in June, every year, that, funds received from the Govt. of India for A.R.P. schemes are utilised. Thus, for this reason, the State Govt. was deprived of reimbursement from Govt. of India to the tune of Rs. 15 Crores or so.

Secretary (Exp.) was very critical about the outstanding dues from Local Bodies quoted at Rs. 100 Crores and he was certain that these arrears would go on increasing very fast. At this stage, Chairman expressed that even splitting the Board in-to two factions, would not be a

solution to this chronic problem. Perhaps ^{the} rural sector would be relieved but the Govt. cannot overlook that ^{the} Urban sector would continue to face financial problems. He was of the view that ultimately, some way or the other, funds will have to be provided to the Board. He also referred to the recommendations of Godbole Committee in this respect and stressed that it would perhaps be better to accept the proposal that 'C' class Municipal Councils be exempted from the payment of popular Contribution.

Secretary (Exp.) was, however, worried as to whether the suggestion contained in the report of Merani Committee would really strengthen the financial position of the Board. He expressed that it would not be possible for the Govt. to provide 100% financial assistance to the schemes. Chairman observed that after providing such assistance, it would perhaps be possible to transfer the schemes to the Local Bodies. Secretary (Exp.) further expressed apprehension that it would not be possible to handover the schemes to the Local Bodies, because basically the Local Bodies are not interested in raising adequate revenue for operation of the schemes and that they also point out shortcomings in the implementation of the schemes. In effect, the Board is burdened with the responsibility of operation of the schemes.

At this stage Chairman suggested that the contractors should be required to maintain the scheme for 3 months and thereafter some arrangements could be considered. Secretary (Exp.) referred to the Cabinet decision of 16th April, 1990 that District-wise Committees are to be appointed to locate shortcomings, if any, in the implementation of the schemes, so that corrective measures could be taken and schemes are handed over to the Local Bodies. The Chairman, however, pointed out the case of Jalna scheme and admitted that orders to the contrary are given at Govt. level. Secretary (Exp.) then expressed that it is for the Govt. to take a conscious decision on the issue.

Secretary, R.D.D. cited his experience of commissioning of water supply even though certain works such as service reservoir are not completed. He was of ^{the}

opinion that the Board should not continue with the operation of the schemes and that ^{the} staff should be appointed strictly by the Local Bodies (including Councils and Village Panchayats) and not by the Board. Similarly, electric bills should also be paid by the Local Bodies. Chairman then observed that under the circumstances no material advantages are likely, if the Board is split up into two factions. He was of the firm opinion that major problem posed before the Board is that of finance and other issues are secondary.

Secretary, Rural Development Deptt. was of the view that there are other issues also, in respect of which, no recommendations have been made by the committee. He pointed out reference to the TOR as regards improvement in the functioning of the Board. He mentioned that Superintending Engineers are exclusively available to look after Zilla Parishad works while Zilla Parishad officers complain that they do not have any experience as regards implementation and operation of the water supply schemes. It was in this respect, that the Superintending Engineers of the Board were empowered to visit the rural water supply schemes to have technical supervision over the implementation. Nothing in this respect has been done while Superintending Engineers pleaded that they are unable to find time for this purpose.

He also complained about overall neglect and apathy of the Board's Engineers towards rural sector and commented that Board Engineers do not visit and supervise rural schemes, not only the smaller ones, but also larger regional schemes costing around Rs. 1 to 2 Crores. He was of the view that, because of the vociferous nature of the urban sector, complaints are immediately attended to, which is not so in respect of the rural sector.

Secretary (Exp.) pointed out constraints in the matter of transferring employees of the Board to Zilla Parishads and stressed that such transfer cannot take place without consent of the incumbent. He also stressed the need to have adequate technical control to be exercised by

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senior officers of the Board, over the schemes implemented by the Zilla Parishads.

Secretary, Rural Development Deptt. mentioned that it should be possible to segregate separate sub-divisions, Divisions and Circles exclusively for implementation of rural water supply schemes. Shri Merani clarified that recommendations of the Committee are in line with these requirements. Secretary, Urban Development Deptt. then observed, that in that case, splitting of the Board could be withheld for some more period.

Secretary, Rural Development Deptt. also stressed the need to have adequate and effective control of the Rural Development Department over the implementation of the Rural Water Supply Schemes. In this respect, he pointed out that during the last 3 years, several references were made to the Board as regards shortcomings in execution. He expressed dissatisfaction that, though the Board keeps on replying that the matter is being investigated, no action has so far been taken in respect of 155 cases pointed out to the Board. Chairman, however, was of the view that some action has been taken by the Board, but the Member Secretary clarified that action taken is not in respect of complaints pointed out by the Rural Development Department, but is in respect of cases of revised administrative approval to the schemes.

Secretary, Rural Development Deptt. further elaborated his views by pointing out a specific case, where P.V.C.pipes were originally proposed in the scheme, but the type of pipe was converted into A.C./G.I. for reasons not known, involving lapse of considerable time. Ultimately, however, the scheme was implemented with PVC pipes as originally contemplated. He thus brought to the notice of the Board that either the Board Engineers keep on making changes so as to suit their convenience or adequate control of the superior officers is almost absent. He also referred to the case of Pargaon Water Supply Scheme of Kolhapur District, which was sanctioned in 1983, but has not been completed for want of adequate source. He mentioned that it is in this context that Finance Department and Planning Department are insisting on taking action against the persons concerned.

Secretary, Rural Development Deptt. also pointed that 80% of the Legislative Assembly Questions received by his Department, pertain to rural water supply schemes implemented by the Board. He expressed total dis-satisfaction that, inspite of lodging complaints whith the Board, there is inaction on the part of the Board officers. Replying to the query from the Chairman, he appreciated that there have been remarkable changes and improvements in the Board's functioning during the last two years. No action, however, has been taken by the Board officers over pending issues. He added that the impression carried out by elected representatives like MLA/MLC as regards implementation of the schemes, by the Board, is veery poor. He also criticised that, whenever thre are cases of increase in the cost of the scheme, no sincere efforts are made by the Board officers for restricting the expenditure by curtailing expenditure on avoidable items. Such situation also gives rise to the cases of inordinate delay in implementation.

Secretary, Rural Development Deptt. explained that the financial limit of the schemes implemented in the local sector has been increased in stages from Rs. 1.00 lakh to Rs. 3.00 lakhs and finally to Rs. 5.00 lakhs. He was of the opinion that the Zilla Parishads could be expected to implement the schemes costing only upto Rs. 10.00 lakhs and not beyond. Chairman enquired with Shri Merani as regards practices in the P.W.D. in respect of road works. Shri merani replied that the Superintending Engineers accord technical sanctions for the schemes costing less than Rs. 50.00 lakhs while technical sanction is accorded by the Chief Engineer in respect of schemes costing more than Rs. 50.00 lakhs. The Chairman opined that an exception be made in case of rural water supply schemes and the Chief Engineers of the Board should be directed to accord technical sanction to the schemes costing above Rs. 25.00 lakhs. Secretary, Rural Development Deptt. suggested that a beginning should be made with scheme costing Rs. 10.00 lakhs or more, which was supported by Secretary (Exp.) referring to the views of the Committee headed by Shri Godbole, then principal Secretary, Finance Department.

As regards organisation, for implementation and transfer of the schemes involved, Secretary, Rural Development Department suggested that the organisation should be like the G.S.D.A. and further suggested that segregation of Circles and divisions should be attempted for exclusive implementation of rural water supply schemes. He clarified that there should be a Directorate with one Chief Engineer at the State level and 4 to 5 Superintending Engineers, with required divisions for each of the Zilla Parishad.

He further elaborated his ideas that Class-IV and Class-III staff should be from local cadre and Class-I and Class-II staff should be from a State level cadre. He suggested that Chief Engineers and Superintending Engineers should look after both local and State level schemes. Separate divisions, headed by Executive Engineers, are, however, necessary for independently handling both local sector and State Sector Schemes. Chairman observed that this proposal is similar to what has been recommended by the Merani Committee. Secretary, Rural Development Deptt. pointed out that GSDA is a separate organisation with workload of Rs. 15.00 crores and separate Directorate is justified for rural water supply schemes, with workload of Rs. 100.00 Crores or so. He explained that formation of a separate Directorate is nothing but logical advancement of the recommendations of the Merani Committee.

At this stage, Secretary, Urban Development Deptt. suggested that his Department has already offered that the entire administrative control of the Board could go to the Rural Development Department. Secretary, Rural Development Deptt. however, clarified that the suggestion is not acceptable to his Department. Chairman observed that for M.S.E.B. and the organisation responsible for roads or water, nature of work is different and criticism is not only inevitable, but it cannot be avoided by making few changes in the Organisation at the top level. He, therefore wanted to have the views as regards splitting the Board into rural and urban factions. Secretary (Exp.) was of the view that control of Rural Development Department could be

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ensured even without splitting the Board. He suggested that the Chief Engineer in-charge of rural schemes should be made responsible to report to the Rural Development Department through the Member Secretary, and the system could be formalised to provide that the Confidential Report of the Chief Engineer (Rural) should be reviewed by the Secretary Rural Development Department. Member Secretary pointed out that, even now, Chief Engineer (Rural) works with Rural Development Department. Then Chairman observed that formalisation exists even now. Secretary, Rural Development Department, however, was of the view that mere writing or reviewing C.R.s is not vital, but what really matters is that, there should be complete administrative ladder to have adequate and effective control over the entire set-up. Chairman also observed that basically, on one hand, the Member Secretary does not have adequate powers, while on the other hand Minister concerned does not have adequate time to exercise control. Secretary (Exp.) was of the view that the Minister need not be bothered with such issues and pointed out the case of Chairman of the M.S.E.B. in this respect. Chairman felt the need to consider delegating more powers to the Member Secretary and to the Board, which he preferred to discuss during the proposed meeting with the Chief minister.

Secretary (Exp.) observed that, if the suggestion of entrusting to the Zilla Parishads rural water supply schemes costing upto Rs. 25 lakhs is implemented, almost 75% of the work-load would go to the Zilla Parishads and perhaps size of the problem ^{would be} reduced considerably.

Joint Secretary, Urban Development Deptt. commented that those Local Bodies which are financially better, must pay towards services rendered. Supporting this suggestion, Member Secretary, however, pointed out that it is the Board, which is responsible for loan repayment on behalf of the Local Bodies. Discussing about the financial viability, Joint Secretary, Urban Development Deptt. referred to the case of Sillod Municipal Council, which cannot afford to take up a scheme costing Rs. 10.00 crores. Secretary (Exp.) pointed out that as per the Maharashtra Municipal Councils

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Act, the Municipal Councils are responsible for making available water supply to their residents. Chairman, however, differed with this view, saying that ultimately, it is the responsibility of the Govt. to provide water and that Govt. cannot afford to keep silent merely allowing the things to happen. Joint Secretary pointed out that some Municipal Councils desire that the council should be converted into village panchayat, so that the financial burden is reduced. Secretary, Rural Development Deptt. was of the opinion that, if Govt. wants to assist the 'C' Class Municipal Councils, treating them at par with the rural areas, there is no reason why schemes for such councils should contemplate supply rate of 100 LPCD, while it can be 40 LPCD being supply rate for the rural areas. Secretary (Exp.) was of the view that these issues should be considered not as short-term measures, but as long-term policy decisions.

Secretary, Urban Development Deptt. pointed out that the case of Vasai Council has to be treated as a special case, (where the anticipated water tariff is as high as Rs. 13 per thousand litres) and that Govt. has to be selective in approving such schemes considering all complexities and compulsions. Secretary (Exp.) was, however, critical that there is a tendency of advocating even normal schemes as special case. Chairman then expressed that once the rules for taxation are finalised at Govt. level, the same should be ruthlessly enforced. Secretary, Urban Development Deptt. also mentioned the case of Malvan Water Supply Scheme, where Local Body desires that the P.C. may be allowed to be paid in 40 instalments.

The Joint Secretary, Urban Development Deptt. mentioned that financial viability of the scheme is the most important aspect to be considered. From the experience of the water supply schemes, he had so far, he was of the view that enforcing stringent rules for achieving financial discipline among Local Bodies is only a theoretical concept and it cannot be implemented in practice. Secretary (Exp.) agreed with this observation saying that the Local Bodies are aware of the water tariff to be enforced, (which is brought out in the scheme) but the General Body Resolution is blindly passed bearing in mind that in reality, such tariff is not likely to be enforced. Shri Merani mentioned

that the Committee had made a recommendation to subsidise operational part of the water supply scheme which was supported by the Chairman saying that Govt. has to take steps so that all the residents receive adequate quantity of water.

Secretary, R.D.D. reiterated his suggestion that the grant-in-aid pattern could be revised in the up-ward direction, but per capita supply rate should be reduced, so that with the reduced cost of the scheme, total Govt. liability for grant-in-aid part remains the same.

Reviewing the discussions so far held, the Chairman concluded that a number of issues are involved as regards implementation of the water supply schemes in the rural and urban sector vis-a-vis role and responsibility of the Board. Shri Merani, however, pointed out that the report covers only those issues which were included in the specific Terms of Reference and solution to each and every problem faced by the Board, may not be available in the recommendations of the Committee.

Secretary, R.D.D. , however, requested that it would be of utmost importance that decision as regards organisation for implementation of rural water supply schemes be taken at the earliest. He pointed out that the World Bank Mission is due to arrive on 15th of October, 1990 and it is desirable that the final decision on this vital issue is taken by 1st October, at the earliest. He also pointed out that the Mission had categorically stated earlier that no finance could be made available for the proposed project unless final decision on the structure of the implementing organisation is known.

The item of "Action taken /being taken on actionable points" was deferred to the next meeting.

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