

TAMILNADU WATER SUPPLY AND DRAINAGE BOARD



ABSTRACT

THE PROPOSAL FOR IMPLEMENTING THE WORK OF CONVEYING RAW WATER DIRECTLY FROM SRIVAIGUNDAM ANAICUT TO TREATMENT PLANT AT MANJANEERKAYAL THROUGH CLOSED CONDUIT SYSTEM UNDER 20 MGD WATER SUPPLY SCHEME- ORDERS ISSUED

PROGRAMME MANAGEMENT WING

B.P .Ms .No. 39

Dated: 13.4.06

Read: B.P.MsNo45
Dt 29.5.2003

Board's Resolution No 2.20 Dt 19.1.06

Order

The Government in G.O. Ms. No.160 /dated 30.07.1998 accorded administrative approval for the proposal of drawal of 23 MGD raw water from Srivaigundam Anaicut and conveying it to the existing sump at Iruvappapuram through closed conduit system for Rs. 2193.00 lakhs to install and Rs. 275.98 lakhs to maintain annually, subject to the following conditions.

1. The financial potentiality should be raised by levying water charges based on the capital investment and maintenance cost for the scheme.
2. Government funds or funds allotted by the Government from the financial institutions like LIC etc. should not be used for the implementation of the scheme.
3. On completion of the scheme, completion report and fund utilization certificate should be sent to Government.

The work could not be taken up for implementation for want of funds arrangement for implementation, on the conditions, stipulated above. The beneficiaries also expressed their inability to invest towards the capital cost. In turn, they requested TWAD Board to implement the scheme by arranging funds on its own and agreed to bear the water charges levied by TWAD Board towards the investment to be incurred by TWAD in addition to the regular water charges collected from them.

Now, taking into consideration of the actual drawal by the beneficiaries, the Chief Engineer, Southern Region, Madurai prepared a proposal for the drawal and conveyance of 20 MGD water through closed conduit at an estimated cost of Rs. 2410.00 lakhs to install and Rs. 200.00 lakhs to maintain annually.

The quantity earmarked for the beneficiary industries under the scope of the revised proposal is as follows:-

S.No	Name of beneficiary	Requirement in MGD
1	M/S.Southern Petro chemical Industries corporation (SPIC)	5.50
2	M/S. Tuticorin Alkali Chemicals (TAC)	0.60
3	M/S. Heavy Water Plant (HWP)	0.50
4	M/S. Tuticorin Thermal Power Project (TTPP)	3.50
5	M/S. Dharangadhara Chemical Works (DCW)	0.50
6	M/S. SIPCOT Thoothukkudi	1.70
7	M/S. Sterilite Industries	3.00
8	M/S. Zirconium & Titanium Sponge Plant	0.80
9	For future Industrial requirement & losses	3.90
	Total	20.00

The Chief Engineer, Southern Region, Madurai has now suggested that the Government has to be addressed to amend / revise the G.O. Ms. No. 160, dt. 30.7.98, so that TWAD could arrange for the loan from funding agencies on behalf of the beneficiaries for executing the scheme and the same can be collected from the beneficiaries as fixed charges for the loan repayment and variable charges for the commitment towards extra annual maintenance or water charges may be collected from the beneficiaries to match with the annual commitment towards installation and additional maintenance.

Accordingly the proposal was placed before the Board in its meeting dated 5.5.03 for consideration of the following

1. To recommend to the Government the revised proposal for the 20 MGD water supply scheme for Rs. 2410.00 lakhs, for permitting TWAD Board for availing loan assistance for implementation and to repay the loan availed either by collecting fixed charges from the beneficiaries for the annual commitment towards capital cost and variable charges towards annual maintenance.

or

2. To collect water charges from beneficiaries for the quantum of water supplied to match with the annual commitment towards repayment of loan for installation and commitment towards maintenance or at a fixed rate per 1000 litres to be fixed by the Board.

The Board after deliberations, ordered in B.P.Ms No 45/Dt 29.5.2003 that the TWAD Board would take up the proposal of implementation of 20 MGD water supply scheme through closed conduit system as a deposit work.

But, the eight beneficiaries again expressed their inability to participate in the capital investment of the scheme and a separate meeting was conducted by the Chief Engineer, TWAD Board, Southern Region, Madurai with the beneficiaries at Thoothukudi on 9.11.2004 to decide on the mode of mobilisation of fund for the scheme. In the meeting, it was decided to mobilise the required funds by collecting

the implementation share in convenient monthly installments from the beneficiaries as detailed below.

1. The beneficiaries will remit their implementation share as additional tariff at the rate of Rs.10.00 per cubic metre for 50% of their respective demand in addition to the existing tariff of Rs.15 per cubic meter every month for the implementation period of twenty two months towards the cost of installation.
2. The amount thus collected will be utilised for implementation of closed conduit proposal. An amount of about Rs.5.00 crores must be available in advance with TWAD Board in order to take up the work. Hence the work can be commenced after six months from the date of commencement of the collection of implementation share/additional tariff.

Considering the advantages of the closed conduit scheme to the beneficiaries and also to TWAD Board and PWD, the eight beneficiaries were therefore requested to give their consent to this proposal. Accordingly, the consent letters have been received from all the eight beneficiaries for taking up the closed conduit scheme as per the fund mobilisation outlined above.

In the consent letters given, the beneficiaries have demanded to ensure that the additional tariff is collected only for the implementation of the closed conduit scheme and will not be used for any regular maintenance or revamping works.

The above proposal for mobilisation of fund for implementation of the 20MGD closed conduit scheme was placed before Board at its meeting held on 19.1.06 for its approval and the Board vide its resolution No 2.20 dated 20.1.06 after detailed discussion, has resolved as follows on the above subject:

1. The beneficiaries will have to remit their implementation share as additional tariff at the rate of Rs.10.00 per cubic metre for 50% of their respective demand (as per the quantity finalised in the B.P.Ms. No.45 Dt 29-5-2003) in addition to the existing tariff of Rs.15 per cubic meter every month for the implementation period of twenty two months towards the cost of installation (Rs 2410.00 lakhs).
2. The amount thus collected will be utilised for implementation of closed conduit proposal only.
3. An MOU/Agreement shall be concluded with the beneficiaries duly incorporating the relevant conditions to safeguard the interest of TWAD Board

Accordingly, the Board after careful consideration approves to take up the proposal of implementing 20 MGD closed conduit through mobilisation of fund adopting the following methodology.

1. a) The beneficiary industries as indicated in the annexure-3 shall remit as additional tariff at the rate of Rs.10.00 per cubic metre for 50% of their respective demand (as per the quantity finalised in the B.P.Ms. No.45 Dt 29-5-2003) every month positively before 15th of

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succeeding month for the implementation period of twenty two months towards the cost of installation (Rs 2410.00 lakhs) as already agreed by above mentioned Industries irrespective of the quantity of water supplied, in addition to the existing tariff of Rs.15 per cubic meter being paid every month.

b) The beneficiaries are liable to pay the enhanced rate of regular tariff if any raised by TWAD Board from time to time for such beneficiaries as a tariff revision policy.

c) If any beneficiary industry fails to remit the above remittance in full / part within the stipulated period, or fails ultimately to remit the additional tariff, then the original allotment to the beneficiary will be cancelled notwithstanding anything contrary contained in any other agreement if any already entered and the beneficiary will be deleted from the list of beneficiaries and no compensation by any means will be entertained in such event. In such an eventuality, the balance amount required (balance amount corresponding to the amount to be paid by the defaulter) will be borne by the remaining beneficiaries in proportion to their allotment of water as indicated in Annexure-3 in the interest of completion of work.

d) In case the amount referred in the above para is not shared by the other beneficiaries, for the timely completion of the project, and the TWAD Board has to incur any expenditure by way of mobilisation of funds from any other sources, in the interest of completion of the scheme the industries shall be liable to pay such additional cost and interest thereof, if any, in proportionate basis along with their additional tariff.

2. The amount thus collected will have to be utilised for implementation of closed conduit proposal only.

3. All efforts will be taken by TWAD Board to complete the scheme within the stipulated period. But, if there is any delay in completing the works, due to non payment (or) delayed payment of implementation share (or) due to reasons beyond the control of TWAD Board, (or) due to 'Force Majeure' conditions, the beneficiaries shall agree to extend their full co-operation to revise the implementation schedule and the cost due to be arrived at based on mutual consent between the beneficiaries and TWAD Board.

4. If the total cost of the work during execution exceeds the estimate cost due to the reasons such as tender excess etc., beneficiaries will have to bear the additional cost on the above terms.

5. An MOU/Agreement shall be concluded with the beneficiaries duly incorporating the relevant conditions to safeguard the interest of TWAD Board

6. The Chief Engineer, TWAD Board, Southern Region, Madurai may take action to accord technical sanction after taking into account

the correct logistics for the implementation of this scheme in accordance with Chapter II Clause 183, Sub clause 2 of D'Code for the proposal, as the cost of proposal (Rs. 24.10 Crores) now worked out is within 10% excess over the cost of Rs.21.93 Crores for which administrative sanction has been accorded vide G.O.Ms.No 160/Dt 30.7.98, after getting the MOU/Agreement signed by all the beneficiaries.

The Chief Engineer ,Southern Region, Madurai is requested to act accordingly on the decision of the Board.

Sd/ - S. Karuthiah Pandian, 13.4.
Managing Director,
TWAD Board,
Chennai.600 005.

(By Order of the Board)

To

The Chief Engineer, TWAD Board, Southern Region, Madurai,

Copy to:

The Managing Director, TWAD Board, Chennai - 5.

✓ The Finance Director, TWAD Board, Chennai - 5.

The Engineering Director, TWAD Board, Chennai - 5.

The Superintending Engineer, TWAD Board, T.V.Circle, Kovilpatty

The Executive Engineer, TWAD Board, Urban Division, Thoothukudi.

The Executive Engineer, TWAD Board, Maint. Division, Thoothukudi.

The Joint Chief Engineer(PM), The Joint Chief Engineer(O & M),

TWAD Board, Chennai

The Deputy Chief Engineer(U), TWAD Board, Chennai - 5.

Board cell(3 copies)

/t.c.f.b.o/

P. Shwetha 18/4/06
Assistant Executive Engineer (Urban)
TWAD Board, Chennai 600005

18/4/06

ANNEXURE. I

**PROVIDING 20 MGD WATER SUPPLY SCHEME THROUGH CLOSED
CONDUIT SYSTEM FROM SRIVAİKUNDAM ANAICUT.****GENERAL ABSTRACT**

Sl. No.	Description	Amount (Rs.in lakhs)
1	Head works	270.00
2	Conveying main	1633.60
3	Construction of 10 lakh litre sump	34.15
	Sub Total	1937.75
	Petty Supervision charges at 2 1/2%	48.44
	Unforeseen items at about 2 1/2%	47.57
	Sub Total	2033.76
	Centage 18 1/2%	376.24
	TOTAL	2410.00
(Rupees Two thousand four hundred and ten lakhs)		

Annexure 2

PROVIDING 20 MGD WATER SUPPLY SCHEME THROUGH CLOSED CONDUIT

ABSTRACT OF ANNUAL MAINTENANCE ESTIMATE

Sl. No	Description of work	Amount (in Rs.)
1	Establishment Charges	679500
2	Electrical energy charges	23700000
3	Repairs and renewals and spares to pumpset valves etc., at 10% cost of pumpset	297000
4	Provision for periodical inspection of pumping plant by reputed agency at 1%	128000
5	Provision for lubricants and inspection charges	30000
6	Provision for removal of silt at Head works twice in a year	5000
7	Provision for telephone charges	15500
	TOTAL	24900000

Rs.249.00 lakhs

WORKING SHEET

Estimate cost:Rs.2410.00 lakhs

Annual maintenance cost:Rs.249.00 lakhs

Sl. No.	Beneficiaries	50% of demand furnished by the beneficiaries on 5.2.03.	Monthly installment at Rs.10 per month./1000lts (Rs. in Lakhs)
1	Southern Petro Chemicals Industries Corporation	2.75 MGD	37.50
2	Tuticorin Alkali Chemicals	0.30 MGD	4.09
3	Heavy water plant	0.25 MGD	3.40
4	Tuticorin Thermal Power Project	1.75 MGD	23.87
5	Dharangadara chemical works	0.25 mgd	3.41
6	SIPCOT	0.85 MGD	11.59
7	Sterlite Industries	1.50 MGD	20.46
8	Zirconium & Titanium Sponge plant	0.40 MGD	5.46
	Total	8.05	109.78

For one month revenue realised will be = Rs.109.78 lakhs

For Twenty two months the revenue realised will be

= 109.78 Lakhs x 22

= 2415.16 Lakhs

= 24.15 Crores.