



### ABSTRACT

TNUDP III - Implementation of a Dedicated Water Supply Scheme to the Salem City – Revised administrative sanction and Sanction of Additional Grant– Orders – Issued.

### MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

**G.O.(Ms.)No. 258**

**Dated 30.12.2009**

**Read Again:**

- 1) G.O. Ms No. 127, Municipal Administration and Water Supply Department, dated 11-9-2007
- 2) The Director of Municipal Administration Lr. No.40007/ 06/WS.3, dated 21.12.2009

**Read Also:-**

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### ORDER:

In the G.O. first read above, administrative sanction has been accorded for implementation of a Dedicated Water Supply Scheme to Salem City at an estimated cost of Rs.168.00 crore.

2. In the letter second read above, the Director of Municipal Administration has stated that the Government had accorded Administrative Sanction for Rs.168.00 crore in G.O.(Ms) No. 127, Municipal Administration and Water Supply Department, dated 11-9-2007 with the following funding pattern:

Sl. No	Source of Fund	Amount (Rs. in crore)
1	Contribution from Salem Corporation by way of water supply connection deposits and enhanced tariff	35.00
2	Grant from Infrastructure Fund and Grant from Entertainment Fund for 2 years	25.00
3	Contribution from TWAD for surrendering the existing scheme	5.00
4	Grant from Grant Fund I of TNUDP III	25.00
5	Proposed allocation for water supply component under IHSDP Scheme for urban poor of slum area	20.00
6	Loan from TNUIFSL under TNUDP III	58.00
	<b>Total</b>	<b>168.00</b>

3. The Director of Municipal Administration has stated that the above Administrative Sanction was subsequently ratified in the 6<sup>th</sup> meeting of the SLPSC held on 20-11-2007. The details of the proposal are as follows.

1) The Detailed Project Report was forwarded to the World Bank for prior review and the World Bank suggested certain modifications in the DPR and after incorporating the suggestions of the World Bank, a revised estimate was prepared for Rs.283.09 crore. The main reason for the revision is due to the introduction of mild steel pipe in the place of pre stressed concrete pipe for long term sustainability as suggested by the World Bank for 41 kms length.

2) The estimate has been revised as per the current Schedule of Rates (2009-2010).

3) Meanwhile, the Salem Corporation made an effort to get funds to meet the revised cost under the UIDSSMT scheme of GoI. The Project was approved by the State Level Committee of the scheme and the proposal was forwarded to the GoI for release of funds among the 22 projects costing Rs. 954.63 crore. Because of the uncertainty in getting funds from the Government of India, the Corporation Commissioner suggested to take up the Project again under TNUDP III with additional grants to meet the revised cost. In the meeting held on 16-10-09 by the Hon'ble Deputy Chief Minister with the officials concerned it was decided to retain the project under TNUDP III and to examine the possibility of sanctioning additional grant after restructuring the CMDA component.

4. The Director of Municipal Administration has stated that the present water supply is effected to the Salem City Municipal Corporation from the following two sources:

(i)	Mettur-Salem Water Supply Scheme	12 MLD
(ii)	Salem-Attur combined Water Supply Scheme	60 MLD
	<b>Total</b>	<b>72 MLD</b>

The present water supply distribution is being strengthened at a cost of Rs.24.84 crore and the work is being executed by the TWAD Board in four phases since 1999. The expected equal distribution of 135 LPCD could not be achieved due to a) the uncontrolled tapping by wayside villagers, b) the designed quantity could not be achieved due to the age of the existing pumping main, c) depletion of ground water at source.

5. The Director of Municipal Administration has also stated that a short fall of 115.44 Mld is expected while designing to cater to the needs of the city in the designed ultimate period of 2039. Hence there is an urgent need for a new scheme to satisfy the water demand as well as the rectification of the system constraints. It has been proposed to implement a Dedicated Stand-alone Water Supply System for the Salem City Municipal Corporation to have more effective equitable distribution of water and also to have systematic monitoring. The CE/Water Resource Organization has recommended to the Water Utilization Committee for tapping the water from Cauvery River.

6. The Director of Municipal Administration has also stated that the summary of components included in the cost estimate is furnished below.

- (i) Raw water intake works including mechanical and electrical works
- (ii) Raw water force main to Water Treatment Plant
- iii) Water Treatment Plant of capacity 188.44 Mld including clear water tank, pump house and mechanical and electrical works
- iv) Clear water pumps and allied electrical works
- (v) Clear water force main to booster station
- (vi) Booster station with clear water tank, pump house and mechanical and electrical works
- (vii) Clear water force main to ridge sump
- (viii) Ridge sump.
- (ix) Gravity main up to Salem entry
- (x) Refurbishment works in Nangavalli WTPs
- (xi) Rehabilitation of existing distribution System and covering unserved areas, construction of Service Reservoirs, rezoning, SCADA etc.

The present proposal has been worked out for the drawal of 188.44 MLD of raw water from the River Cauvery for treatment and transmission. The project period may be 18 months from the date of commencement of the work.

7.The Director of Municipal Administration has stated that the project cost has been worked out based on the schedule of rates for the year 2009-10 as given below:

-Project Cost	Rs.283.09 crore
-Interest during construction	(to be funded by ULB)
<b>Annual Maintenance Cost</b>	
-Proposed & Existing scheme	Rs. 23.20 crore

The interest during the construction would be met by the Salem Municipal Corporation.

The Director of Municipal Administration has further stated that the annual O&M cost has been worked out as follows:

Sl.No.	Description	Cost (Rs.in crore.)
1	Manpower Cost	4.71
2	Power Cost	16.04
3	Chemical Cost	2.45
	Total	23.20

The local body will maintain the scheme after completion by resorting to privatization of components, whenever feasible.

8. The Director of Municipal Administration has also stated that the Salem Corporation Council has also resolved in its resolution No. 241 dated. 03-09-2007 to adopt the above financial pattern. The implementation of the scheme will be taken up by the Salem Corporation with the Technical Assistance of a separate Project Implementation Unit which has been formed as per the Government orders.

9. The Director of Municipal Administration has recommended the revised proposal for providing a Dedicated Water Supply Scheme to the Salem City Municipal Corporation at an estimated cost of Rs.283.09 crore and Rs.23.20 crore to maintain it annually and to go in for financial assistance according to the means of finance suggested by the TNUIFS. The details of funding pattern of the original proposal and the revised proposal are as follows:

Sl no	Details	Original proposal	Revised proposal Rs in crore
1	TNUDF Loan	58.00	58.00
2.	ULB / Public Contribution	35.00	35.00
3.	Salvage value for pipe handed over to TWAD Board	5.00	5.00
4.	Grant from State Government (Infr Gap & Entertainment Tax)	25.00	25.00
5.	TNUDF III Grant Fund-I	25.00	25.00
6.	Grant from IHSDP in slum	20.00	
6.	Additional Grant required from the restructured Grant		135.09
	<b>Total</b>	<b>168.00</b>	<b>283.09</b>

The Director of Municipal Administration has stated that the proposal has been approved by the 7<sup>th</sup> meeting of the State Level Project Sanctioning Committee held on 17.11.2009 and recommended to the Government for according Revised Administrative sanction with the above funding pattern and Finance Operating Plan. The State Level Project Sanctioning Committee has also recommended for the sanction of an additional grant of the Rs.135.09 crore from the restructured grant.

10. In view of the above, the Director of Municipal Administration has requested the Government to accord the Revised Administrative Sanction for the implementation of the Dedicated Water Supply Scheme in Salem City as a permanent solution to improve the water supply at a revised estimated cost of Rs.283.09 crore for installing and Rs.23.20 crore to maintain annually and to sanction an additional grant of Rs.135.09 crore from the restructured grant in relaxation of the Grant Fund I guide line. This expenditure will be met from the restructured fund of the TNUDF III.

11. The Government have carefully examined and the proposal of the Director of Municipal Administration and recommendation of the 7<sup>th</sup> State Level Project Sanctioning Committee and hereby accord the Revised Administrative Sanction for the implementation of the Dedicated Water Supply Scheme in Salem City Municipal Corporation as a permanent solution to improve the water supply at a revised

estimated cost of Rs.283.09 crore for installing and Rs.23.20 crore to maintain annually and also sanction an additional grant of Rs.135.09 crore under Grant Fund I of TNUDP III in relaxation of the Grant Fund I Guidelines.

**(BY ORDER OF THE GOVERNOR)**

**NIRANJAN MARDI,  
SECRETARY TO GOVERNMENT.**

To

The Director of Municipal Administration, Chennai – 5.

The Managing Director and Chief Executive Officer, Tamil Nadu Urban Infrastructure Financial Services Limited , Chennai-17.

The Commissioner, Corporation of Salem, Salem (Through Director of Municipal Administration)

The Pay and Accounts Officer, Chennai-9/35

The Accountant General Officer (Audit)Chennai-18/35

The Resident Audit Officer, PA), Chennai-9.

**Copy to:**

The Finance (MAWS )Department, Chennai-9.

The Senior Personal assistant to Minister (Finance), Chennai-9.

The Senior Personal Assistant to Deputy Chief Minister, Chennai-9.

The Private Secretary to Secretary, Municipal Administration and Water Supply Department, Chennai-9.

Sf/Sc

**/ Forwarded by Order/**

**SECTION OFFICER**