

The Hindu 22.08.2013

## Nellai Corporation to raise water tax

### Special Correspondent

Bowing to pressure from Frankfurt-based public sector bank

Amid dissenting voices raised by Dravida Munnetra Kazhagam and Congress councillors, the Corporation council has resolved to accept the terms and conditions laid down by a German bank willing to partly fund a Rs 230 crore drinking water project. Among the conditions was a stipulation to raise the deposit for drinking water connections as well as water tariff.

The Frankfurt-based public sector bank, KfW, is ready to extend a loan of Rs 69 crore towards the project provided its conditions are met. The cash-starved Corporation will likely raise the monthly water tax from Rs. 100 to Rs. 200 and the deposit from the existing Rs. 6,500 to Rs. 10,000 per domestic connection. The deposit in the case of commercial connections will be Rs. 20,000.

During a power- point presentation at the council meeting here on Wednesday, Executive Engineer V. Narayanan Nair said the population, which stands at 4.75 lakh, is projected to be 4.95 lakh in 2014, 5.92 lakh in 2029 and 6.88 lakh in 2044. The Corporation, which was getting 55 million litres of drinking water a day (MLD) against the actual requirement of 67.11 MLD, was able to supply only 116 litres per day per person against the stipulated quantity of 135 litres, a shortfall of 50 million litres a day. The situation would be worse when the supply dwindles to 30 MLD.

The proposed drinking water project envisages drawing water from the Ariyanayagipuram check-dam, located at the confluence of the Tamirabharani, Manimuthar and Gadana rivers. A water treatment plant will be constructed on the Kamaraj Corporation Higher Secondary School premises at Pettai.

“Above all, the existing drinking water network will be integrated with the proposed new scheme so that the supply to every part of the Corporation will be effective,” Mr. Nair said. He estimated the cost per 1,000 litres of water supplied to the residents would be Rs. 11.52 under the new project.

Mayor Vijila Sathyananth said Rs. 69 crore (30 per cent of the total project cost) would be obtained from KfW as loan and Rs. 92 crore (40 per cent of the project cost) would be the grant released by the Integrated Urban Development Mission. The German bank will also sanction a subsidy of Rs. 46 crore (20 per cent of the total cost) in addition to the Rs 69 crore loan. The remaining 10 per cent of the project cost of Rs. 23 crore would be borne by the Corporation.

“We’ll have to bear the annual recurring expenditure of Rs. 11 crore for maintaining and operating the new scheme. Therefore, the upward revision of drinking water tax and deposit is unavoidable,” said Ms. Vijila amid protests by opposition councillors.

The council passed the resolution for an upward revision of deposits and water tax.