

**CHECKLIST OF REFORMS
USER CHARGES**

DESIRED OBJECTIVES:

Note: JNNURM requires certain reforms to be undertaken by states/ cities in the levy of User Charges on different municipal services, with an objective of securing effective linkages between asset creation and asset maintenance and ultimately leading to self-sustaining delivery of urban services.

1. **CURRENT STATUS**

- a. Please provide a list of services being delivered by municipalities/ parastatals and the status of user charges being levied for each.

Type of Service	Service Provider	Tariff Structure	Last Revision of Tariff
Water Supply & Sewerage	Surat Municipal Corporation	<p>Water Tax: (A) Residential Rs. 10/- monthly minimum. @ 2 % of the ratable value (B) Non-Residential: Rs. 20/- monthly minimum. @ 4 % of the ratable value. Water charges for 1/2" connection is Rs. 20/- per month (Rs. 240 Annually)</p> <p>Conservancy Tax (A) Residential : Minimum Rs.6/-per month @6% of the Annual Letting Value (ALV). (B) Non-Residential : Minimum Rs.8/- per month. @ 12 % of the ALV (C) Special: Factory, Dairy, Restaurant, Hotel, Club, Stable, Industrial premises and other premises engaged in manufacturing process, Cinema, Hospital, Pathological laboratory, Exhibition sale etc. @ 24% of ALV</p> <p>Connection & disconnection charges, road reinstatement charges, metered charges for non-residential users, Drainage connection fees + conservancy charges.</p>	<p>(April-2005)</p> <p style="text-align: center;">1997-98</p>
Solid Waste Management	Surat Municipal Corporation	Conservancy Tax, Charges for bio-medical waste from pvt. Hospitals and nursing homes, Admn. charges	2000-01
Public Transport Agencies	State Govt. Agency		
Others (please specify)	-	Details are mentioned in Table Below	

Water charge per month (01-04-2005)

Connection Size (inch)	Inside City Limits (Rs. per month)		Outside City Limits (Rs. per month)	
	Domestic / Religious purpose	Non-domestic / commercial / Industrial	Domestic / Religious purpose	Non-domestic / commercial / Industrial
½	20	20	240	560
¾	20	240	560	1020
1	20	600	1020	2240
1½	20	1200	2400	4000
2	420	1860	3600	6080
2 ½	540	3000	4750	8800
3	900	4560	8800	15200
4	1560	9000	15200	30400
6	3120	15000	36800	72000
9	7500	33600	81000	160000
10	9600	45000	101000	200000
12	14400	75000	152000	300000

- b. Please furnish the costs for providing the following services (total cost as well as per unit cost) and the total and per unit user charges collected in 2004-05

Service	Total O&M Cost (Please specify the unit)		Total user charges collected (Please specify the unit)		Revenue Loss due to	
	Per Unit Cost	Total Cost	Per Unit Recovery	Total Recovery	leakage/theft	free supply
Water Supply	Rs. 3.92 per KL	Rs. 7642.01 Lakhs	Rs. 2.61 per KL	Rs.3563.64 Lakhs	30%	
Sewerage	Rs. 3.98 per KL	Rs. 5596 Lakhs	Rs. 1.36 per KL	Rs.1915 Lakhs		
Solid Waste Management	Rs. 1414 per Tonne	Rs. 4904 Lakhs	Rs. 483 per Tonnes	Rs.1676 Lakhs		

Details are mentioned in Table Below

Surat Municipal Corporation, Surat 
Checklist of Reforms: User Charges

Sr. No	Sector	Cost Recovery Tool (Present)	Cost Recovery
1	Water Supply	Water tax , connection & disconnection charges, road reinstatement charges, metered charges for non-residential users	46.63% of O & M cost recovery in year 2004/05 Total cost (Operation & Maintenance and debt repayment) incurred in delivering water. 2003/04 2004/05 Rs.5692.95 Lakhs Rs. 7642.01 Lakhs Total recoveries from the sale of water 2003/04 2004/05 Rs.2992.81 Lakhs Rs.3563.64 Lakhs
2	SWD including lakes, river etc.,	Conservancy tax and user fees for recreation	34.20% of O & M cost recovery in year 2004/05
3	Sewerage	Drainage connection fees + conservancy charges	Total cost (Operation & Maintenance) 2003/04 2004/05 Rs. 8554 Lakhs Rs. 10500 Lakhs
4	Solid waste management and Health	Charges for bio-medical waste from pvt. Hospitals and nursing homes, Admn. charges	Total recoveries 2003/04 2004/05 Rs. 3342 Lakhs Rs. 3591 Lakhs
		Preventive health – conservancy tax and Admn. Charges, Hospitals-user charges	
5	Roads	Vehicle tax/Road reinstatement charges /Rent/ Advertisement tax	65.79% of O & M cost recovery in year 2004/05 Total cost (Operation & Maintenance) 2003/04 2004/05 Rs. 2138 Lakhs Rs.2549 Lakhs
6	Street Lights		Total recoveries 2003/04 2004/05 Rs. 1188 Lakhs Rs. 1677 Lakhs
7	Transport		
8	Education	Education Cess & Grant	Education Grant Received by SMC 2003/04 2004/05 Rs. 3049 Lakhs Rs. 3959 Lakhs Where as 80% grant is given for primary education to the school board
9	Parks & Play Grounds	User fees/Outlets for commercial activities	

c. Please provide metrics and current service levels

Surat Municipal Corporation, Surat 
Checklist of Reforms: User Charges

Water		
Water availability	Installed Capacity (MLD)	718
	Released/daily (MLD)	580
	With in city limits	580
Source of Water supply	10-50 sq. km	100%
Water coverage	Population covered by public water supply %	95%
	Per capita supply (lpcd) with losses & industrial use	195
	Supply duration (hrs.)	2-3
Wastewater Disposal		
	Water generated daily (MLD)	590
	Disposal (underground sewerage) capacity (mld)	562
	Present operating capacity (mld)	562
	Households connected to underground sewerage %	97%
Solid Waste		
	Waste generation daily (tonnes/day)	980
	Collection daily (tonnes/day)	950
Storm water Drainage		
	Annual rainfall (cms)	114.3
	Length of storm water drains (kms)	313.93
Roads and road Transport		
	Municipal roads (kms)	1133.37
Public Transport	Buses (number)	148
	Bus capacity/ Per lakh population	6
	Private registered vehicles	110260
Street Lighting		
	Number	48098
	Average distance Mts.	25.05

2. TIMELINE FOR ACTION ON REFORMS

a. The State/ULB must formulate and adopt a policy on user charges which should include proper targeting of subsidies, if any, for all services; ensuring the full realization of O&M cost by the end of the Mission period. (Note: This resolution should be passed within 6 months of signing of MOA under JNNURM and a copy submitted to MOUD.)

b. Establishment of proper accounting system for each service so as to determine the O&M cost separately. Please specify the timeline for each service separately

i. Water Supply and Sewerage

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ii. Solid Waste Management

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

iii. Public Transport Services

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

iv. Other (please specify)

c. The State/ULB should define service standards and timelines for achieving these

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

d. The State/ULB should define user charge structure and timelines for achieving these

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

e. The State should set up a body for recommending a user charge structure.

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

f. The State should quantify/study the impact of subsidies for each service on a periodic basis.

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

g. Time table to achieve full recovery of O&M costs from user charges .
 (Please indicate proposed recovery level for each year)

Year1	Year2	Year3	Year4	Year5	Year6	Year7
35	45	55	65	75	90	100

h. Any other reform steps being undertaken (please use additional space to specify) Year1 Year2 Year3 Year4 Year5 Year6 Year7

- SMC is exploring the possibility of introduction of 24 by 7 water supply with metered connection. Study will be completed in year 2 and then it will be executed in phased manner.
- SMC is also introducing the concept of recycling of domestic waste after tertiary treatment. Study will be completed by year 2 and then it will be executed in phased manner.