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Cooperative Extension South Dakota State University

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# Water Authorities in Seven States Their Organization and Management

Cooperative Extension Service  
South Dakota State University  
U.S. Department of Agriculture



# Water Authorities in Seven States Their Organization and Management

Charles E. Carl\*

Transporting water for domestic use from water storage sites to areas of water need has a long history of frustration and success in many areas of these United States. Frequently, the resources of the consumer are not sufficient to provide for development, installation, operation and maintenance of long distance transport systems.

Many states have legislated statewide water development programs tailored to meet urban and rural water needs for both citizens and industry. Representatives of SDSU funded under Title V, Rural Development Act of 1972 have been conducting a study entitled "Alternative Water Authorities to Enhance the Quality of Living in South Dakota."<sup>1</sup> Included was a review of water management and administration in several states. A complete copy of the study is available, but here are some highlights that tell how other states have tried to find solutions to water need problems.

At least 16 states have some kind of a state financial incentive program, loans and/or grants to assist local/rural domestic water development projects. A brief review of seven state programs shows two general categories of operations:

1) North Carolina, North Dakota, Washington, and Wyoming have financial incentive programs for water system development. The concept of the legislative and administrative philosophies in such programs may have some application to South Dakota pipeline development programs.

2) California, New York and Texas have long distance pipeline projects. The authorization, administration and operation of these projects are of significant interest to South Dakotans interested in long distance pipeline development as they proceed with their conceptual, reconnaissance and feasibility studies of the legal, financial, and operational alternatives.

## North Carolina

North Carolina passed a clean water bond act in 1971 to provide grants to local units of government for construction and improvement of water supply systems. The act is administered by the Division of Health, Department of Human Resources.

Emphasis is placed on creating systems for water supply; creative planning; compatibility with state, regional and local planning; matching other grants and loans; fiscal responsibility; compliance with appropriate laws and

regulations; eligibility and priority for participation; and environmental impact analyses.

## North Dakota

North Dakota passed the Community Water Facility Loan Act in 1977 creating a Water Facility Loan Fund. This program will be administered by the Bank of North Dakota and financed by future undivided profits of the bank with an authorized ceiling of \$10 million. Five million is to be transferred to the loan fund in quarterly payments July 1, 1978, through April 1, 1979.

Money from the loan fund is to be available for use by eligible applicants for financing water facility projects including planning and operation. Interest and principal payments may be deferred for up to 3 years.

## Washington

Part of the "Washington State Future Program" is a \$50 million, 6-year program. "Referendum 27" will provide financial assistance to local units of government to help plan and construct water works systems.

The referendum provides for coordination of water system planning through regional planning. The program is administered by the Water Supply and Waste Section, Department of Social and Health Services, and is assisted by a Water Supply Advisory Committee composed of members with broad interest representation.

A public review workshop of more than 50 people representing water utilities, city officials, consultants and citizens has endorsed the principles and continuation of the program.

## Wyoming

Wyoming has a program of loans for water projects with a \$20 million fund, \$17 million of which is to be used for small projects. The program is administered by the Department of Economic Planning and Development, but loan approval is by a separate Wyoming Farm Loan Board composed of the five elected state officials. This program is directed primarily to irrigation development, but the administration principles involved can apply to rural water development—one agency administering the program and another approving the loans.

In 1975 Wyoming amended the Water Loan Act enabling the Farm Loan Board to limit loans to that portion of the construction costs that will go to agricultural, municipal or industrial use.

## California

The California State Water Project conserves and distributes untreated water generally from northern to southern California, with major facilities serv-

ing the people of San Francisco Bay and other southern California areas. Thirty-one agencies contract for 4,230,000 acre feet of water annually, a supply sufficient to meet anticipated needs until about the year 2000.

The project is administered by the Department of Water Resources, California Resources Agency. After initial authorization (1951) and funding (1959) by the California state legislature, there have been numerous amendments, funding acts, court decisions, complicated repayment contract negotiations, and voter approval. First contracts were let in May 1957; construction was initiated on the South Bay and California Aqueducts in 1959; and water delivery started in 1962.

## New York - Onondaga County

The Onondaga County Water District, Onondaga County, New York, includes the entire county except the towns of Skaneateles and Spafford and two small county water districts. The District was established under New York County Law Article 5a which provides for establishment, financing and operation of special county districts. Following public hearings and approval by county voters, a local resolution by the county legislature supervisors on August 21, 1962, established the framework of the District.

The District is administered by the Metropolitan Water Board, comprised of seven citizens who meet monthly to determine policy. The original funding was by the legislative authorization of \$45 million in 30-year general obligation bonds to be paid for by a county water tax on benefited property. If these funds are insufficient, all taxable real property within the county is subject to assessment.

This District is a wholesale supplier of treated water to water distribution systems owned and operated by municipal corporations. The system design capacity is 25 million gallons per day (mgd) average, 36 mgd peak capacity, with 26 miles of 54-inch diameter pipeline with a capacity of up to 70 mgd. The 1976 average day was 14 mgd. Sufficient right of way was acquired to install a duplicate line whenever needed.

Significant dates are 1962, Onondaga County Water District formed; 1963, Metropolitan Water Board created; 1964, June, first contracts let; 1967, June, system put in operation.

## Texas

Texas voters approved an amendment to the state's constitution on November 5, 1957, Sect. 49c, Article III, creating an eight-member Texas Water Development Board and empowering the Board to issue \$200 million in Texas Water De-

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<sup>1</sup> Organization and management of South Dakota water authorities, Charles E. Carl, November 1977; and South Dakota aqueduct financing options, George Morse, July 1977.

velopment G. O. bonds. The amendment further created the Texas Water Development Fund.

This revolving fund receives all monies from the sale of bonds. Loans are provided to local political subdivisions for the construction of dams, water storage projects, and necessary systems for treatment and distribution to wholesale purchasers of water.

The basic concepts of this program resulted from recommendations of the Texas Water Resources Committee, composed of legislators and other citizens. It was appointed in 1955 to make specific recommendations to the 1957 state legislature, following the great drought which began in 1949.

Voters approved expanding both the responsibilities and funding authorization of the Board on November 8, 1966, and May 18, 1971.

Basic concepts of the Texas Water Development Board include:

1. Optimum development of a limited number of feasible reservoir sites;
2. Financial participation when costs exceed financing capabilities of political subdivisions;
3. All loans to be repaid with interest;
4. Board staff reviews project design and feasibility and provides inspection during construction and after operation;
5. Loans generally consist of buying paper securities or bonds that cannot be sold. Such paper is to be redeemed when political subdivision is financially able, such negotiations usually being prompted by the Board staff.

#### Texas Water Authorities

Separate and apart from the Texas Water Development Board are the authorization and operation of local water authorities or districts. These authorities generally function as a water wholesaler of either untreated or treated water, developing a water supply source or sources and constructing necessary facilities to transport water from the source to the retail distributor or customer. Where untreated water is sold, water treatment is the responsibility of the customer.

There are many of these authorities operating. An activity review of three such districts follows.

#### Canadian River Municipal Water Authority of Texas

The Canadian River Municipal Water Authority is located in the panhandle plains area of northwest Texas, and delivers untreated (except for chlorination) water to member cities.

A federal study of this project was authorized by Congress, PL 81-898, on December 29, 1950; the authority was created by the Texas legislature, Chap. 243, May 27, 1953; construction was started by the Bureau of Reclamation on June 30, 1962; and the project was turned over to the authority on July 1, 1968.

The repayment contract with the Bureau is dated November 28, 1960, and provides 1) a 50-year repayment period, 2) low interest, and 3) up to 10 years interest free for future use capacity (30% of capacity) built into the reservoir—this does not apply to any pipeline construction.

The 118 mgd system includes about 322 miles of 96- to 20-inch pipeline with ten pumping stations and three regulating reservoirs.

The executive committee consists of 18 citizens from the member cities.

#### Colorado River Municipal Water District

The Colorado River Municipal Water District is located in west central Texas and includes the three member cities of Big Spring, Odessa and Snyder; five other contract cities; and several industrial accounts. The District was authorized by Chap. 340, 51st Texas legislature, 1949. The member cities voted confirmation of the District, Big Spring and Odessa March 1, 1949, and Snyder January 27, 1951. The administrative board consists of four members from each of the original three member cities, appointed for 2-year terms each.

The District is authorized to procure and distribute untreated water to its members and customers. Water delivery started in 1952. There are five major water sources, surface and underground, 400 miles of 42- to 16-inch pipelines, 13

pumping stations plus right of way. The average day use in 1976 was 52 mgd, with a maximum of 78 mgd. The office, operation, and maintenance staff is 50 persons in several locations.

There are no federal or state funds in this project. All funding is authorized by the Board, without voter affirmation or approval, and funding has been by revenue bonds.

#### North Texas Municipal Water District

The North Texas Municipal Water District is located northwest of Dallas and includes 10 member cities and additional customer cities, including a portion of the Dallas water demand.

The District was authorized by the Texas legislature in 1951, and the 10 member cities voted confirmation of the District on May 19, 1951, with a vote of 1,994 for and only 14 against. First construction contracts were let in February 1955, and treated water delivery started on March 21, 1957—this District furnished treated water to its member cities and customers.

Management is by a board of directors. Each member city of over 5000 population has two directors, and each member city under 5000 population has one director.

The water supply is Lavon Reservoir; the water system includes about 200 miles of 60- to 12-inch pipeline, necessary pumping stations and right of ways, and water treatment facilities. A new raw water collecting and storage reservoir is under contract with the Corps of Engineers, but further developments have been halted pending resolution of environmental issues.

There are no federal or state funds in this project. All funding is authorized by the Board, without voter affirmation or approval, and funding has been by revenue bonds.

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