

# Rural Water Districts

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Position Paper

The National Ground Water Association, founded in 1948, is a not-for-profit professional society and trade association for the groundwater industry. Our international membership includes some of the leading public and private sector groundwater scientists, engineers, water well contractors, manufacturers, and suppliers of groundwater-related products and services. NGWA has been and continues to be a forum for discussing and promoting the responsible protection, utilization, and cleanup of the nation's groundwater.

## Subjects

Rural water districts, individual wells, cluster wells, rural development

## Audience

Local planners, government officials, homeowners

## Background

Rural water districts have been established to supply potable water to rural homes and farms. Because of their design, the consumer group they serve, and the number of regulations affecting them, rural water systems are complex and expensive mechanisms to maintain and administer. The majority of systems involve "long pipe" distribution systems spread over sparsely populated regions and present significant design, construction, and operation challenges.

Because many water users are not accustomed to nor able to pay large monthly bills for their water supply, financial assistance programs, in the form of low interest loans and grants, have been established to provide capital for the development of these systems. Some states give financial aid to rural water systems, but primary help comes through the federal government. The Rural Development Administration (RDA) is the principal federal agency that administers a grant and loan program. The federal subsidies provided by this program are intended to make water available to rural users at an affordable price.

Problems arise, however, when rural water systems encounter lower than expected water usage or increases in operating costs. A system may be unable to fund both operating expenses and meet their debt obligation under such conditions. Problems and delays in initial construction may increase capital commitment beyond per user estimates, thus placing systems in difficult financial positions at their outset.

Difficult choices must then be faced by both the rural water system and RDA. RDA is torn between the program objective of providing safe potable water to the rural community and stipulations in the program that require complete debt repayment by the rural water systems. Additionally, any hopes for increasing revenues through rate increases are often met with stiff opposition by water users unaccustomed to high (if any) water bills. Often, the resulting financial pressures cause systems to defer system maintenance, fall behind in repayment plans, and cut back on operating and administrative personnel. The General Accounting Office in its 1980 report on Rural



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Water Problems: An Overview states “. . . many systems’ distribution lines and storage and treatment facilities need repair or replacement. Lack of revenue has contributed to this situation. Water rates charged to users do not provide sufficient revenue to hire trained operators and maintain and operate systems properly.”

## **Issue**

What can be done to assure that rural residents’ need for safe, dependable water supplies is met?

## **Position**

The National Ground Water Association advocates the use of the most environmentally sound and cost-effective methods of providing safe water supplies to rural and farm communities. Individual domestic water systems in most areas of the country are the best method of bringing water to rural homes. In a few areas, where there are water quality and/or quantity problems, rural water districts may be a viable alternative. Rural water districts do not necessarily equate, however, with long-pipe distribution systems. Individual and cluster wells can be integrated into rural system designs in order to provide an alternative to reliance solely on long-pipe distribution and the huge capital expenditures.

The U.S. Department of Agriculture, in a final rule regarding community facility loans issued Feb. 22, 1985, recognized that individual and cluster wells are an option in community-owned water system design. NGWA feels we can no longer allow designers of community water systems to opt automatically for long-pipe distribution systems. Instead, we must require loan applicants to pursue all options vigorously and base water supply system design on water quality and quantity data, user needs, long-term operational and maintenance costs, and management considerations.

In addition, NGWA strongly advocates that feasibility studies be completed by engineering firms separate from the firms who would eventually design the water system or the extension of an existing system. NGWA surveys indicate that in most cases, both the feasibility study and design of the water system are completed by the same engineering firm. NGWA believes this presents an inherent conflict of interest for these firms.

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## **Date**

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