

abling legislation permitting joint exercise of powers. Usually the State laws allow two or more local units of government to create an instrumentality to provide water or sewer service. For example, California permits the formation of sewer districts containing contiguous territory both incorporated or unincorporated. In Colorado, State law makes it possible for two or more local units of government to establish sewage districts. North Carolina's water and sewer act establishes legal machinery by which two or more counties, cities, towns, incorporated villages, sanitary districts, or other political subdivisions or public corporations may organize for the operation of water and sewer systems. A few States, including Michigan and Florida, authorize counties to construct and operate water and sewage systems. New York law provides for a wide range of cooperative activities among local governments.

State governments have provided a wide assortment of enabling legislation to permit more flexibility in financing methods, to ease statutory restrictions on local indebtedness, and to provide indirect and direct financial assistance. A number of States, including New Mexico, Oregon, and New Hampshire, purchase local water bonds. Under a program enacted in 1962, New York will match 50 percent of Federal annual allocations to the State for 30 percent grants to municipalities to construction sewage treatment works, as well as provide State aid for up to one-third of the annual operating and maintenance costs of new sewage treatment plants. Since 1953, Pennsylvania has paid over \$3 million to municipalities in annual grants of up to 2 percent of the cost of sewage treatment facilities built after 1937. New Mexico has a small grant program for its unincorporated areas and a number of States, including Maine, Maryland, New Hampshire, and Vermont, supplement Federal grants for sewage treatment facilities made under the Water Pollution Control Act of 1956.

WATER RESOURCE DEVELOPMENT

Traditionally, the States have played a relatively minor role in the development of water resources, particularly in undertakings designed primarily to meet urban requirements. In recent years two States—New Jersey and California—have assumed responsibility for the development of water supply facilities to meet the growing needs of their heavily urban population.

The requirements for river basin development, problems of extraterritoriality, and the urbanization of all or the greater part of a State increase the prospects of State activity to provide urban water supplies. River basin planning and development is clearly beyond the capability of almost all metropolitan areas. When river basins are interstate, the State is the prime party in interstate agencies and in negotiations with Federal officials. The spread of urban development, the need to go farther afield for urban water supplies, and the increased capital requirements for such development, all reduce the capabilities of individual municipalities and metropolitan areas to secure and develop future sources of water.

The State arena offers advantages and disadvantages to the urban areas in their search for adequate future water supplies. Advantages include the States' greater scope for planning and development, their