From December 2001 until December 2003 I served as School Health Peace Corps volunteer at Songea Boys Secondary School in Songea, Tanzania. Songea is located in the Southwest of Tanzania at the end of one of the only paved roads in the country and is a city of roughly 300,000. Despite the large population, two to three miles from the "city" center there is no access to electricity, potable water, or sanitation of any kind. One of my major projects during my time there was working with an NGO called The Rivuma Mission to the Poor and Disabled (or PADI) to construct 11 wells. Seven of these wells were in one very active village named Liwumbu B and the other four were pilot projects—one in each of four villages that surrounded Liwumbu B. All of the materials, with the exception of cement, were gathered locally by the villagers who were also the main source of labor for the actual construction. They were not paid for any of this. A local well expert was hired to oversee the construction of the wells and a town politician arranged for PADI to have use of town lorries for one day for free to transport materials to the construction sites. The wells are built next to streams and are essentially hydro batteries that separate surface and ground water, thereby drastically reducing the number of infectious organisms in the drinking water of the villagers using the well. An average well costs around $200 and lasts 10-15+ years depending on how well it is maintained. The project was funded by a combination of the monies from the United States Peace Corps and private individuals.

The website to see pictures of the process is:  
http://flickr.com/photos/zosimos/  
click on the window for "village projects/Songea Boys"