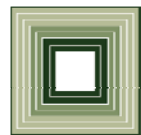


# Water & Sewer Infrastructure



**Kristin Walker**  
**Fiscal Research Division**  
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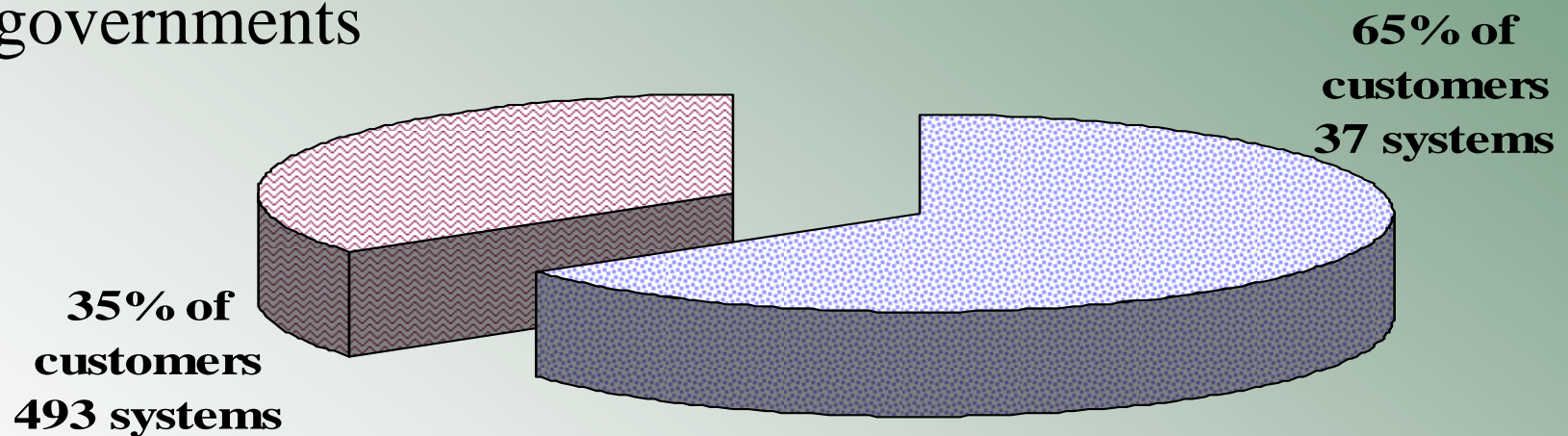
**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Water & Sewer Overview

- **What is the status of the infrastructure?**
- **What is the financial situation?**
- **What are the funding sources?**
- **How much has the State funded?**
- **What does the Federal Stimulus contain?**
- **Which issues does the General Assembly need to consider?**

# Status of Infrastructure

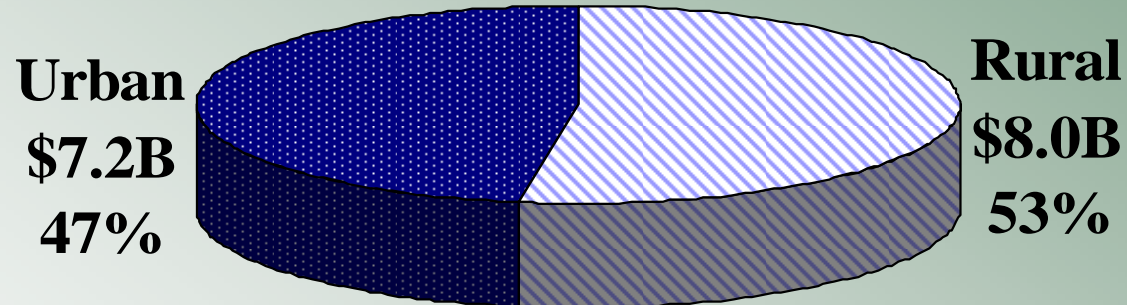
- 400+ sewer systems owned by local governments
- 500+ public water systems owned by local governments



- Most NC customers served by local government owned utilities or not-for-profit water corporations

# Financial Situation

- Since 1986, price paid for water has increased 160%
- \$15.2 billion in needs by 2030



- Federal funding has declined
- 1998 Bond - \$800 million – almost all grants
- Past few years, State has funded both grant and loan programs

# Funding Sources

- **Federal Government**

- USDA
- Economic Development Administration
- Appalachian Regional Commission
- EPA (through State Revolving Funds)
- HUD (through Community Development Block Grant)

- **Non Profits**

- Rural Economic Development Center
- Golden LEAF

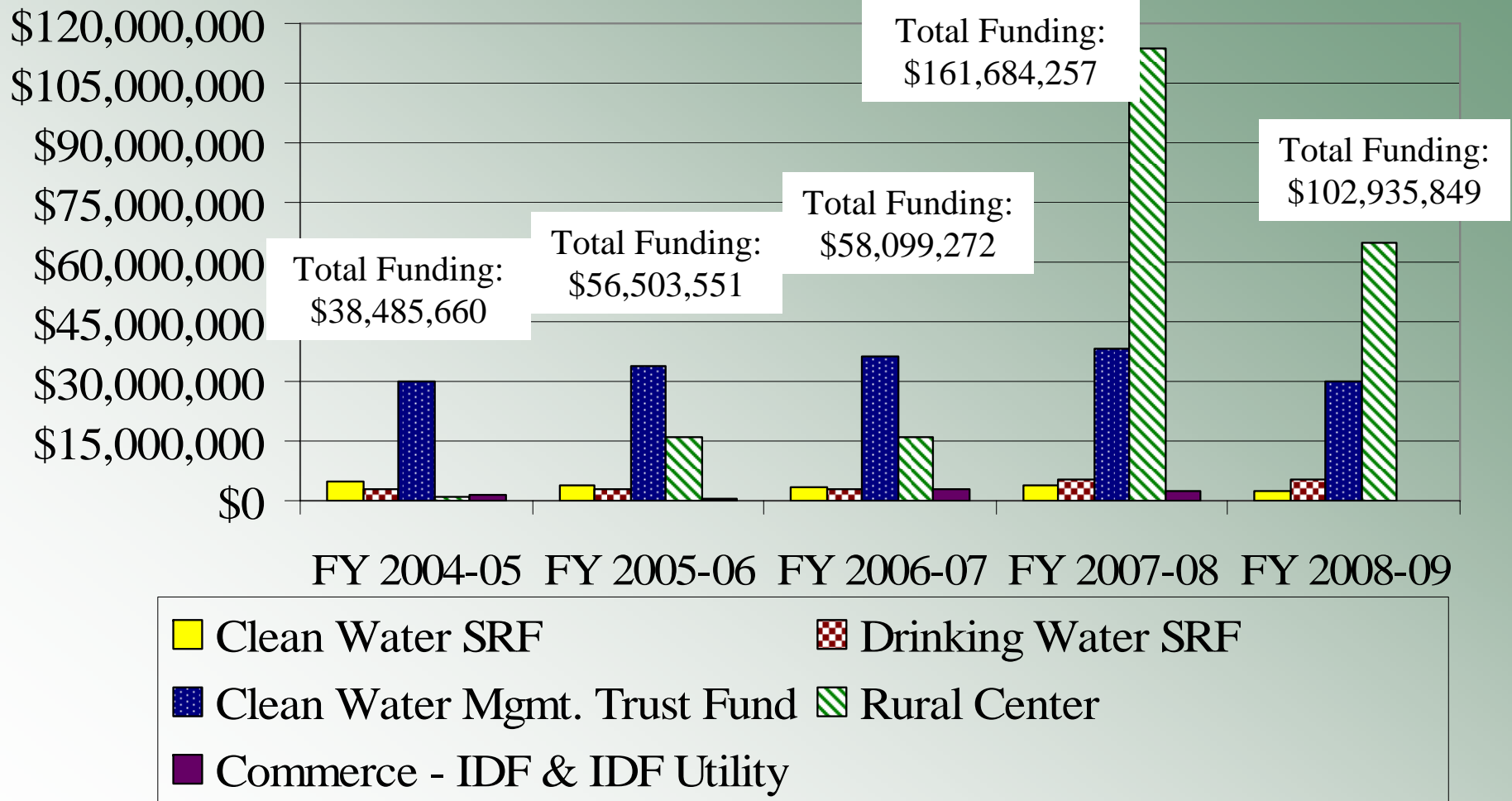


# Funding Sources (cont.)

- **State Government**
  - Dept. of Environment & Natural Resources
    - Clean Water State Revolving Fund
    - Drinking Water State Revolving Fund
  - Clean Water Management Trust Fund
  - Department of Commerce
    - Community Development Block Grant
    - Industrial Development Fund
    - Industrial Development Fund Utility Account

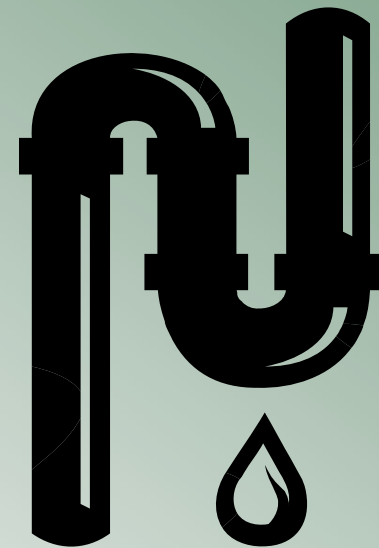
# State Funding

## FY 2003-04 – FY 2008-09



# Federal Stimulus

- State Revolving Funds
  - \$65.6 million for Drinking Water SRF
  - \$71.4 million for Clean Water SRF
  - No State match required
  - Anticipate 1/2 loans, 1/2 grants
- USDA Rural Development
  - ~ \$100-120 million for loans
  - ~ \$40 million for grants



# Issues for the General Assembly

- What are the proper funding sources?
  - General Fund?
  - Bonds?
  - Find a dedicated revenue source?
- What is the right mix of grants and loans?
  - Grants offer no-cost option to localities
  - Loans create future revenue stream
- Who should be eligible for funding?
  - All communities?
  - Economically distressed?
  - Rural v. urban?

# Issues for the General Assembly

- Should there be a lead water & sewer agency/authority?
- Is there a need for a strategic plan or vision for water and sewer infrastructure?
  - Who should create such a plan?
- If desired, how can State funding criteria foster other goals such as regionalization or sustainable rates?

# For additional information

Kristin Walker

Fiscal Research Division

[kristin.walker@ncleg.net](mailto:kristin.walker@ncleg.net)

919-733-4910

Room 619 LOB