Water & Sewer Infrastructure

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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

$0  $15,000,000  $30,000,000  $45,000,000  $60,000,000  $75,000,000  $90,000,000  $105,000,000  $120,000,000

Total Funding:
$38,485,660
Total Funding:
$56,503,551
Total Funding:
$58,099,272
Total Funding:
$161,684,257
Total Funding:
$102,935,849


Clean Water SRF  Drinking Water SRF
Clean Water Mgmt. Trust Fund  Rural Center
Commerce - IDF & IDF Utility

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Federal Stimulus

• State Revolving Funds
  – $65.6 million for Drinking Water SRF
  – $71.4 million for Clean Water SRF
  – No State match required
  – Anticipate ½ loans, ½ 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

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