

RURAL WATER AND WASTEWATER INFRASTRUCTURE: FISCAL AND INTERNAL MANAGEMENT AND SUSTAINABILITY

Community water and wastewater systems, both publicly and privately owned, are central to the physical and economic health and well-being of rural North Carolina. However, challenges to these water systems in rural areas of our state have mounted as rural economies have changed. Fewer major private purchases of public water, from manufacturing plants in particular, have decreased available working capital for public utilities management. Additionally, outmigration and the decline of rural population density reduces the ratepayer base, and many communities did not charge high enough rates to set aside long-term repair and upgrades.

The majority of our state's small water systems—those serving less than 10,000 users—serve only 17 percent of the population using community water systems. What's more: is that a single private company owns 800 of these systems. Many of these systems, too, were created when there was more public grant funding available than there is today—or will be available in the future. The North Carolina State Water and Wastewater Infrastructure master plan notes that utilities must transition to self-sustaining financing if they are to survive. The master plan outlines these self-sustaining systems as functioning as *“a long-term, self-sufficient business enterprise, establishes organizational excellence, and provides appropriate levels of infrastructure maintenance, operation, and reinvestment that allow the utility to provide reliable water services now and in the future.”*

Rural North Carolina cannot advance without a major commitment to find holistic solutions to significant rural water needs. Increased funding is necessary but not sufficient –there must also be sustained effort to regionalize and reorganize management of community systems to achieve long-term viability. This transition will not be easy. It will require new partnerships and collaborations, as well as new grant and loan resources with incentives to regionalize operations to create more effective management structures. But we must act now. The longer the wait, the more difficult and expensive, the solutions.

1,858

SMALL COMMUNITY WATER SYSTEMS
(those serving less than 10,000 customers)

MAKE UP 93%

OF SYSTEMS

BUT SERVE ONLY 17%

OF THE STATE POPULATION
served by community water.

WATER AND WASTEWATER INFRASTRUCTURE NEEDS FOR NORTH CAROLINA

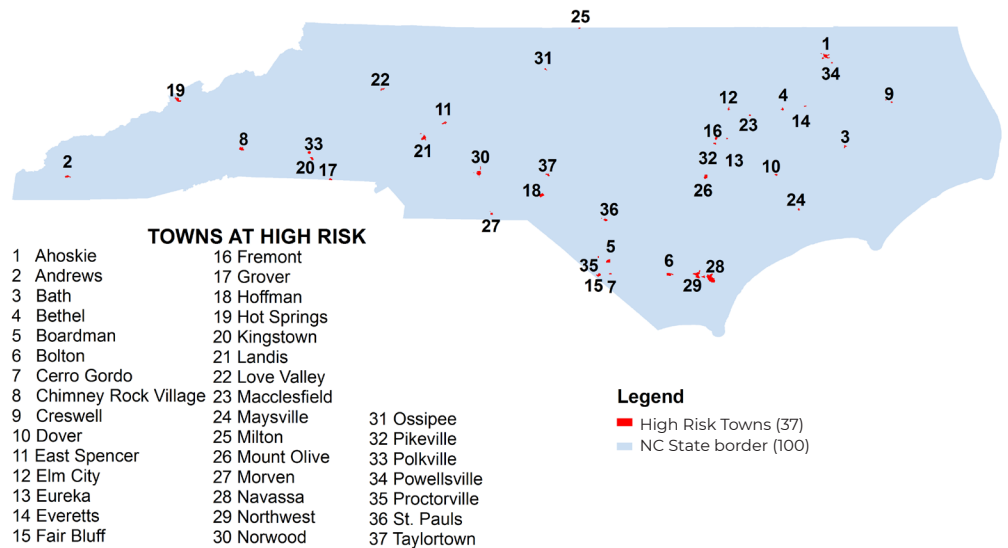
OVER THE NEXT **20** YEARS

TOTAL BILLION: **\$17-\$26**

\$0.9-1.3 BILLION PER YEAR

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Source: North Carolina Water and Wastewater Infrastructure Master Plan: The Road to Viability

37 NORTH CAROLINA TOWNS SUFFER "HIGH RISK" WATER FUNDS



Source: Local Government Commission, NC Treasurer's Office

RECOMMENDED ACTIONS

- Implement the infrastructure, organizational, and financial management recommendations detailed in the 2017 State Water Infrastructure Authority Master Plan.
- Passage of H1087, the Water/Wastewater Public Enterprise Reform to strengthen, restore, and protect our rural wastewater systems.
- Establish partnerships with higher education institutions to develop a workforce pipeline that is better prepared to manage water utilities.
- Provide increased training and supports for local elected officials on utility finances.
- Create a disaster and hazard mitigation response and recovery plan to address the growing needs of rural communities impacted by natural disasters.

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