

Report Card for North Carolina's Infrastructure – 2009 Update  
**DRINKING WATER**

**Overview**

North Carolina is currently growing at a rate to soon become the 8<sup>th</sup> most populous state in the Nation by 2010. North Carolina has over 530 public water systems statewide which serve approximately 67% of the state's population. The majority of these systems are owned and operated by incorporated municipalities. Based upon reports from the state's public water system managers, the actual number of people served by public water systems statewide is estimated to be over 5.5 million. The 2003 Environmental Protection Agency Drinking Water Survey documented a 20-year infrastructure need of \$10.98 billion for North Carolina. According to a study by the NC Rural Economic Development Center, Inc, the state's water systems had a documented funding need in excess of \$7 billion through year 2030. The quantity and quality of the drinking water is crucial to our continued growth, health and safety, and is the lifeblood of our state and its citizens. **As a result, the state's drinking water infrastructure is assigned a grade of B-.**

**Recommendations and Progress**

- Increased funding support has been provided through low interest loans, matching grants, special appropriations and trust funding, which has reduced the funding gap. Additional funding of this type is needed.
- Several towns and water utilities have undertaken projects to reduce the “unaccounted for water”. Several of the projects that have been funded via the State Revolving Loan Fund, the Rural Center Clean Water Partners Program and the United States Agricultural Department (USDA) Economic Rural Development loan program, as well as funding from the water system rate payers, have focused on reducing unaccounted for water.
- Most, if not all, the systems statewide currently have a rate structure that penalizes wasteful users and encourages thoughtful use. Additionally, drinking water utilities are becoming more skilled at establishing self sufficiency through rate making and proper budgeting for operational costs.

**Grade Breakdown**

<b>Ability to match required improvements with available funds</b>	B-	(33%)
<b>Physical condition</b>	B	(33%)
<b>Ability to meet funding needs without state subsidy</b>	C+	(33%)

**Overall: B-**