



North Carolina Department of Environment and Natural Resources

Beverly Eaves Perdue, Governor

Dee Freeman, Secretary

November 4, 2010

The Honorable Charles W. Albertson
Room 523
Legislative Office Building
Raleigh, N.C. 27603

The Honorable James W. Crawford, Jr.
Room 1326
Legislative Building
Raleigh, N.C. 27601

Re: Report on Financial Oversight of Water and Wastewater Systems

Dear Sen. Albertson and Rep. Crawford:

Enclosed please find a report on financial oversight of local government water and wastewater systems prepared by the Department of Environment and Natural Resources in consultation with staff in the State and Local Government Finance Division of the Department of State Treasurer (which provides staff support to the Local Government Commission). The report was prepared in response to Section 2 of S.L. 2010-144 which directed DENR and the Local Government Commission to report back to the Legislative Study Commission on Water and Wastewater Infrastructure on several issues related to the financial health of publicly owned water and wastewater systems.

The report concludes that the Local Government Commission provides a significant degree of financial oversight for these systems. Financial information collected by the LGC already provides a basis for comparing system expenditures to system revenues. The report identifies some ideas for improving communication among the LGC, infrastructure funding agencies and DENR regulatory programs. I hope the Study Commission will find the information and recommendations set out in the report helpful.

Sincerely,

Robin W. Smith
Assistant Secretary for Environment

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