

State Water Infrastructure Authority
Meeting Date: December 13, 2017
Agenda Item H – Town of Fair Bluff Initiative

Division of Water Infrastructure Staff Report

Background

The Department of Environmental Quality (DEQ) has developed an initiative in response to the significant and substantial Hurricane Matthew-related wastewater infrastructure impacts currently affecting the financial and overall economic health of the town of Fair Bluff in Columbus County. The initiative is led by DEQ's Division of Water Infrastructure (Division), working in conjunction with the Local Government Commission (LGC), the University of North Carolina's Environmental Finance Center (EFC), and Compass Services, LLC to leverage the important resources of each team member. Hurricane Matthew-related impacts to Fair Bluff have jeopardized the ability of its wastewater utility to operate as a self-sufficient business which also affects the area's regional wastewater system which includes Fairmont, Cerro Gordo, Boardman and Proctorville.

The goal of this initiative is to:

- Assess the water and wastewater infrastructure and financial impacts in Fair Bluff that have resulted from Hurricane Matthew.
- Assess the associated financial impacts, including those on nearby communities.
- Develop potential permanent alternatives that address long-term infrastructure, organizational and financial management, such that adequate and safe water and wastewater services are provided for the involved communities.

The scope of work includes:

- Assess the general condition of water and wastewater infrastructure assets.
- Conduct financial reviews.
- Estimate general costs to upgrade/replace/repair infrastructure.
- Determine the level of funding needed to function as long-term, self-sufficient utilities.
- Develop potential alternatives for the provision of water and wastewater services for the involved communities under a viable utility structure.
- Prepare a summary report.

These circumstances represent an important opportunity to create a template for long-term, realistic solutions for the infrastructure, organizational and financial needs of towns similar to Fair Bluff. This initiative creates an approach that may be used by many towns across the state that experience utility financial distress, organizational issues, and physical infrastructure challenges. It accomplishes this goal by bringing together multiple state agencies to conduct a unique, comprehensive analysis that combines the best aspects of already successful financing tools such as construction loans and grants and the Asset Inventory and Assessment and Merger/Regionalization Feasibility grants.

Current Work

The project team has recently completed an initial draft assessment of the water and wastewater infrastructure assets, and conducted initial financial reviews. In addition, the Division will be contracting with HDR Engineers, Inc., to provide engineering services related to this work.

Purpose

The purpose of this Agenda Item is to:

1. Provide the Authority with a brief overview of the information developed to date
2. Provide time for the Authority to discuss the types of information that would be useful to consider as the team moves forward with this work, including potential alternatives and potential future actions towards viability

Goal

Staff is seeking guidance from the Authority on potential alternatives and potential future actions towards viability, not only for this project (Fair Bluff) but also when thinking about developing a template that can be used as part of the Troubled System Protocol.