

**State Water Infrastructure Authority**  
**Meeting Date: April 14, 2021**  
**Agenda Item J – Emergency Operating Grant for Town of Robersonville**

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**Division of Water Infrastructure Staff Report**

**Background**

G.S. 159G-32(d)(6) and 159G-34.5(a)(4) enable DEQ to make funds available from the Viable Utility Reserve for emergency grants for operating deficits at local government units that have been taken over by the Local Government Commission and do not have sufficient revenue to pay operating expenses.

The Town of Robersonville was taken over the Local Government Commission (LGC) pursuant to G.S. 159-181. The grant application contains revenue and expense line items for the General Fund, the Water Fund, and the Sewer Fund. The expenses exceed the revenues in both the General Fund and the Sewer Fund. There is an estimated shortfall for the Temporary Town Manager of \$30,000. There is also an expense line item in the amount of \$30,000 each for estimated system repairs that may be needed to continue operations of the water system and the sewer system. Since some of the expenses are budgetary projections, they may or may not be incurred. However, these expenses exceed revenues, which has created a significant shortfall. The town's combined water and sewer bill for 5,000 gallons is \$111.25, and rates cannot be raised to generate sufficient revenue. Pursuant to G.S. 159G-31(e), the LGC has applied for an emergency grant for operating deficits on behalf of the Town of Robersonville.

The funding application indicates a deficit of \$100,000 for this calendar year. This grant funding will be allocated from the Viable Utility Reserve.

**Staff Recommendation**

Staff recommends the award of a \$100,000 emergency grant for operating deficits to the Town of Robersonville.