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June 3, 2020

The Honorable Donny Lambeth
NC House of Representatives
300 N. Salisbury Street, Room 303
Raleigh, NC 27603

Dear Representative Lambeth,

On behalf of the N.C. League of Municipalities, I want to express our gratitude to you for your support of HB 1087 Water/Wastewater Public Enterprise Reform. We very much appreciate your continued support of this important legislation and the leadership of Representative Chuck McGrady during the yearlong legislative study committee and stakeholder process last session that resulted in this recommendation.

HB 1087 does many things to recognize the more-than [\\$17B of water and sewer infrastructure needs statewide](#), including the creation of the Viability Reserve Fund – a new grant fund to facilitate viable utility operations and encourage regionalization.

As the state Treasurer has pointed out, the loss of manufacturing, mills and the resulting loss in population in the rural parts of our state has led to this situation. Now a global pandemic is hastening the pace of serious trouble for these towns and cities. We appreciate the work of legislators, other stakeholders, and staff in creating this critically needed solution that recognizes the need for a funding structure that will put utilities in a viable position where continued operation, merger, regionalization, or a sale of the system can be possible.

Declining populations and manufacturing losses have dealt huge blows to many rural municipalities and their utility systems, and we appreciate your continued attention to these critical issues and support in creating the Viable Utility Reserve Program. If the municipalities with these struggling systems fail and are no longer financially or physically viable, their debts will not go away and the needs of their citizens and remaining businesses for utility and other services will not go away. They will become the state's problem. Your attention to this issue now takes significant steps toward preventing this from happening.

Respectfully,

Jennifer Robinson
President, NC League of Municipalities

Cc: Representative Chuck McGrady