

- 1 b. Implement remedial measures in the event that the audit statement
- 2 indicates a shortfall, including the submission of a written
- 3 explanation for the revenue shortfall from the governing body of the
- 4 system and the development of a plan to ensure that system revenues
- 5 cover system costs.
- 6 c. Maintain a capital reserve fund.
- 7 d. Provide notification to funding agencies when a system is failing to
- 8 operate in compliance with applicable State and federal water quality
- 9 standards.
- 10 (3) The Department of Environment and Natural Resources and the Local
- 11 Government Commission shall identify and consider other actions or
- 12 measures that would improve the oversight of the financial condition of
- 13 public water systems and wastewater systems.
- 14 **SECTION 2.** For the purposes of this act, "public water system" has the same
- 15 meaning as in G.S. 130A-313(10), and "wastewater system" has the same meaning as in
- 16 G.S. 159G-20(25).
- 17 **SECTION 3.** The Department of Environment and Natural Resources and the
- 18 Local Government Commission shall jointly report their findings and recommendations to the
- 19 Legislative Study Commission on Water and Wastewater Infrastructure no later than November
- 20 1, 2010.
- 21 **SECTION 4.** This act is effective when it becomes law.