

DRAFT

March 26, 2018

Senator Bill Rabon and Representative David Lewis, Co-Chairs, Legislative Research Commission

Dear Chairmen Rabon and Lewis,

This letter is to report to the Legislative Research Commission (LRC) on the 2018 work of the LRC Committee to Study Rates and Transfers/Public Enterprises (the "Committee") pursuant to G.S. 120-30.17(1), Section 24.3 of S.L. 2017-57, and the LRC authorization of November 9, 2017. To date, the Committee has met twice, with plans to continue its work in April and after adjournment of the 2018 Regular Session of the 2017 General Assembly.

The Committee has focused on education of its members with respect to public enterprises generally, and is honing in on water and sewer systems more specifically. The Committee has heard presentations that raise concerns regarding the continued financial viability of certain water and sewer systems in North Carolina, particularly those with small customer bases and/or large infrastructure needs. The Committee also has begun exploring proposed solutions to those concerns. The Committee remains committed to studying revenue authority and infrastructure maintenance and improvements to help ensure the viability of water and sewer systems to provide proper sanitation for the citizens of North Carolina, and to reviewing further issues affecting public enterprises that may become warranted either by the work of the Committee, or at the request of the Chairs.

At this time the Committee does not have recommendations for the 2018 General Assembly's consideration. However, the Committee is authorized to continue its work during the next interim and will provide recommendations to the 2019 Regular Session of the General Assembly.

Sincerely,

DRAFT

Rep. Chuck McGrady
Co-Chair, 2018

Sen. Paul Newton
Co-Chair, 2018

cc: Legislative Library (2)
Senator Phil Berger, President Pro Tem
Representative Tim Moore, Speaker