

## Triennial NACWA Financial Survey Released

Since 1981, NACWA has conducted a triennial financial survey of its membership to provide clean water agencies, government officials, and the public, important insight into the financing and management of clean water utilities. For its latest release, the 2008 *Financial Survey (Survey)* includes a new published 24-page at-a-glance summary highlighting the key findings and conclusions from the *Survey*. Together the full downloadable *Survey* report and the new summary report provide a complete picture of how utility managers continue to balance providing an essential service with responsibly managing their community's resources.

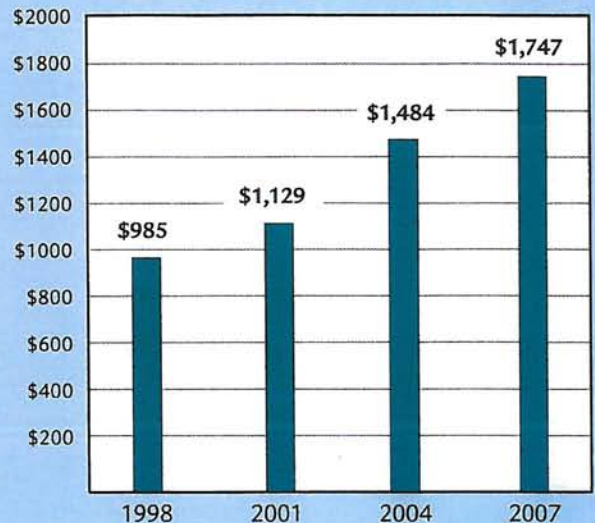
### Sustained Increases in Costs, Debt, and Needs Reported

The 2008 *Survey* shows that clean water utilities are facing sustained increases in capital and operations and maintenance costs, long-term debt, and capital needs. While expenses will naturally increase due to inflationary pressures and population growth, the *Survey* data reveal that clean water utilities have experienced cost increases at levels much higher than would be expected due to these factors alone. Some of the additional cost increases are due to new regulatory requirements and efforts to increase service levels. Other increases, such as those in energy and chemical costs, may be explained by external factors, including global demand and volatile oil prices (see figure at right).

The 2008 *Survey* data show that debt financing has continued to increase as a proportion of total utility expenditures. In fact, debt service increased from 22 to 28 percent of total expenditures over the past six years. These rising debt service levels can impact a utility's bond rating and its ability to get favorable conditions when they borrow. The current economic downturn and the impact it has had on credit markets will further complicate the ability of clean water agencies to meet their long-term needs.

With higher costs comes the need for additional revenue. The 2008 *Survey* shows that rates and charges for residential and industrial customers have increased at more than double the rate of inflation from 2005 to 2007. Data from NACWA's *Service Charge Index Survey* (see related article on the release of the 2008 *Index*) indicate that the nationwide average single-family residential service charge will eclipse \$400 by 2011. As the nation's economy slows, it will be-

Operation and Maintenance Cost per Million Gallons Treated (1998-2007)



come more difficult for some to pay these increased charges without some forms of assistance.

In the face of budgetary challenges, the 2008 *Financial Survey* shows that clean water utilities are continuing efforts to improve efficiency and sustainability through energy recovery initiatives, implementation of asset management programs, and implementation of effective utility management programs. Service levels also continue to steadily improve with increased provision of reclaimed water services and enhanced treatment.

### Survey Data an Added Benefit of NACWA Membership

Free 60-day access to the downloadable 2008 *Financial Survey*, and a complimentary copy of the valuable at-a-glance summary report, are just one more benefit of membership in NACWA. NACWA's 2008 *Financial Survey*, along with the 24-page summary report, is also available for purchase by visiting the *Publications* page at [www.nacwa.org](http://www.nacwa.org).



« Howard Neukrug, Office of Watersheds director at the Philadelphia Water Department, testified on behalf of NACWA before the House Transportation and Infrastructure (T&I) Subcommittee on Water Resources and Environment about green infrastructure techniques and efforts by his city and others to control stormwater. He said municipalities face many regulatory obstacles which make it difficult to implement innovative, cost-effective, and green technologies and called on policymakers and regulators to adopt a more holistic approach to watershed management that focuses on the interplay between land use and water quality. "Green cities can address water resource and quality concerns while also tackling the sustainability goals of air quality, waste product reuse, urban heat island mitigation, carbon sequestration, energy conservation, environmental justice and quality of urban life," Neukrug told the Subcommittee.