



## **CARTERET COUNTY, NORTH CAROLINA: ACQUISITION ADDRESSES FINANCIAL CHALLENGES FOR SMALL, COUNTY-RUN SYSTEM**

Carolina Water Service of North Carolina (CWSNC) acquired the 1,200-connection Carteret County water system in December 2023.

Under County management, the system had faced years of financial challenges, regularly operating at a loss and forcing the local Board of Supervisors to continually provide funding support to supplement rate revenues. In sum, the system had accumulated an operating loss of more than \$5.5 million over 20 years, leading the state to consider listing the system as financially distressed and prompting the County to nearly double rates in June 2021.

With the sale of the system, the County was able to eliminate a special district water tax, which unfairly applied to 2,600 local property owners who were not even hooked up to the system.

Commissioner Robin Comer called selling the water system a “no-brainer,” noting that “we [the County] aren’t really in the water business” and the system was not set up for success under County management. Comer and others who voted in favor of selling the system said they felt rates would be lower and service would be more efficient under CWSNC.

County Manager Tommy Burns agreed that private ownership would enable infrastructure investments and continued high-quality service: “Carteret County didn’t enter into the decision to sell the water system lightly. We conducted our due diligence and found we were unable to continue delivering quality service to the community without continued, significant rate impact. Carolina Water is the local expert and will be able to support upgrades for quality service.”

Don Denton, President of Carolina Water Service of N.C., added, “We have a great partnership with the county and as our first FMV acquisition in N.C., we learned a lot about the process and look forward to additional opportunities.”

#### SOURCES:

1. Carteret County News-Times, “Carteret commission delays decision on county water system sale, bumps rates” 21 June 2021
2. Carteret County News-Times, “Carteret County commission tables decision on water system sale again” 21 June 2021
3. CoastalReview.org, “Carteret accepts \$9.5M offer for county water system” 21 September 2023
4. Nexus Water Group, “CWSNC and Carteret County First to Utilize Fair Market Value Law in N.C.” 21 December 2023