

The Pitfalls of "Local Control"

Local politicians are under political pressure to keep water rates low, but failing to properly fund a system puts drinking water and public health at risk. Experts worry that this push for "local control" – keeping a system under government control without independent regulatory oversight – can politicize utility decision-making and lead to under-investment in infrastructure.

David Switzer (University of Missouri) and Manuel Teodoro (University of Wisconsin)
February 2025

"Political concerns might be expected to influence the ways that democratic governments set public enterprise prices ... Several studies link local governments' water pricing decisions specifically to concerns for electoral support."

Katy Hansen (Environmental Policy Innovation Center) and Megan Mullin (Duke University)
August 2022

"...concern about public opposition to rate increases is an important constraint on decisions to invest in water infrastructure ... We show that the challenge of providing robust water services while maintaining affordable rates is not just financial and managerial; it is also political."

David Switzer (U. of Missouri)
March 2020

"Rate adoption in the United States is an inextricably political process ... In the case of municipal governments, elected political officials ultimately make rate structure decisions, which can be politically risky due to potential resident backlash."

David Konisky (Indiana University) and Manuel Teodoro (Texas A&M University)
July 2016

"Government agencies ... are politically constrained from raising revenue to meet regulatory requirements."

Shadi Eskaf (UNC); Katy Hansen and Megan Mullin (Duke University)
February 2021

"Fear of electoral punishment can also be an important barrier to service provision ... Infrastructure deteriorates without investment. Poorly maintained water systems pose significant public health risks, with disparate outcomes by race and class."

Jordi Honey-Rosés (University of British Columbia) and Claudio Pareja (Universidad de los Lagos)
August 2018

"Utility rate structures are subject to political constraints that may limit the speed or magnitude of tariff reforms ... Elected officials may have an incentive to defer rate increases for fear of political backlash."

One often-overlooked benefit of working with a water company is that water rates and infrastructure investments are de-politicized. Rate decisions are made by experts at the public utility commission in fields such as engineering and finance through an exhaustive, evidence-based process – not by politicians worried about their next election. And while local officials have many competing priorities and a vast array of services to provide, private water professionals can focus solely on running an efficient utility that delivers safe drinking water.