

Bond Case Briefs

Municipal Finance Law Since 1971

U.S. Water Systems Capital Spending to Rise 11 Percent by 2027: Report

NEW YORK — Capital expenditures on U.S. municipal water, wastewater and stormwater infrastructure will rise 11 percent in the next 10 years, in part to cope with poor water quality, environmental mandates and crumbling systems in some areas, according to a report on Tuesday.

Total capital spending in the U.S. municipal water sector is projected to exceed \$683 billion by 2027, to \$72.2 billion annually from \$64.9 billion this year, the report from Bluefield Research, which focuses on the water sector, found.

“The public’s growing concerns about U.S. water infrastructure are real and increasingly reflected in utility planning documents,” Bluefield’s research director Erin Bonney Casey said in a statement.

Cities have a wide range of capital needs, from manhole covers and fire hydrants to information technology, she said. The report analyzed planned spending by water systems in 100 major cities.

In many places pipes are old and in need of replacement. Of the total estimated future spending, \$376 billion, or more than half, is planned for the pipes, pumps and waterways that make up collection and distribution networks.

In areas where projected water capital spending is high, often an environmental consent decree to remediate stormwater overflows or acute water quality problems are driving the costs, for instance in Jackson, Mississippi or Pittsburgh, Pennsylvania, the report found.

Utilities are also increasingly using more expensive, sophisticated data-based technology, including smart pumps and electric drives.

By REUTERS

APRIL 3, 2018, 7:10 P.M. E.D.T.

(Reporting by Hilary Russ; editing by Susan Thomas)