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Jobs could be lost as Perdue takes \$100M from Clean Water Management Trust Fund **By Lee Weisbecker**

RALEIGH – Some 192 water and sewer projects, many of them already under construction, have been halted across the state in the wake of Gov. Beverly Perdue's decision to strip \$100 million from the state's Clean Water Management Trust Fund to help balance the budget. Trust fund officials say they are trying to assess the impact of the decision.

"Funds have been spent and people have been hired," says trust fund Executive Director Richard Rogers. "We don't have hard data, but yes, I'd say jobs will be lost."

Formed in the mid-1990s, the Clean Water Management Trust Fund, or CWMTF, receives about \$100 million a year from the General Assembly to make grants to rural communities in the state that need help installing, expanding or repairing water and sewer lines.

Looking to make up for an expected \$2 billion budget gap this fiscal year, Perdue took the agency's 2009 grant cycle money, plus \$200 million more from the State Lottery Reserve and other special funds.

"This is a cash flow issue," says Perdue spokeswoman Chrissy Pearson. "The governor pledged not to affect any current projects ... but is also obligated to make certain that the general fund is adequate to support the budget."

The definition of what is and what isn't a current project is a big issue at CWMTF.

The 192 projects affected by the stop order had been approved in November, and the towns receiving grants had been given the go-ahead to begin work. Formal contract approval was to come later, however, when the final specs were drafted and all documents were signed. Rogers says there are 500 other CWMTF projects that have made it all the way through that approval process with funds formally encumbered. Those will be allowed to move forward.

But for the towns that won the 192 grants – and the engineering, surveying and contracting firms they hired to do the work – the spigot has been turned off.

One of those firms is Garner-based David Dickenson Engineering Services, which now holds six canceled contracts for jobs in Scotland Neck, Enfield, Lilesville and other rural communities. The company was expecting \$1 million in revenue from the work and is holding unpaid bills "in the five figures" on some of them.

"We really didn't see this coming," says company owner David Dickenson, who adds that he doesn't think the stop order will force him to cut his staff of 10. "We have other contracts, but this is going to hurt unless this situation somehow changes."

How it might somehow change, Rogers says, will be with the arrival of North Carolina's \$6 billion share of the federal stimulus package. Some of the 192 halted projects, he hopes, might fit into the stimulus formula when the money is divided.

"It's possible," he says. "We are going to have to see."