Local Government Investment in Public Water and Sewer Hits a Record $123.7 Billion in 2016

*Long-term infrastructure investment commitment to clean water and sewer/stormwater management tops $1.99 Trillion from 1993 to 2016.*

By Rich Anderson

Public spending on water and sewer/stormwater management continues to set new nominal dollar highs according to recently released local government Census data for 2016. Overall there was a 4 percent increase in spending from 2015 to 2016, and a 2 percent growth in revenues. Expenditures for water and sewer follow similar trajectories with some important distinctions, (Chart 1). For example, local governments consistently spend between $5 Billion to $15 Billion more on water than on sewer/stormwater management. Other distinctions are noted below.

**Chart 1**

**Local Government Investment in Water and Sewer Systems, 1993-2016**

- Water expenditures grew 2.8 times from $24.4 billion in 1993 to $69.3 billion in 2016.
- Robust long-term growth rate at 4.2%, 2016 under-performed at 2.7%.

**Water Expenditures**

- Recent trend in water expenditures continues to be a deceleration in growth to about 2 to 3% annually.
- $1.1 Trillion in expenditures from 1993 to 2016
Sewer Expenditures

- Sewer expenditures grew 2.5 times from $21.6 billion in 1993 to $54.3 billion in 2016.
- Robust long-term growth rate at 4.2%, 2016 out-performed at 5.8%.

- Sewer expenditures experienced declining annual spending by 2 to 3.5 percent in 2012 and 2013.
- $884 Billion in expenditures from 1993 to 2016

Revenues Continue to Increase

An overall increase of about 2 percent in revenues from 2015 to 2016, maintaining an upward trend since 2009, (Chart 2).

Chart 2

Local Government Revenues as a Percent of Expenditures on Public Water and Sewer, 2000-2016

Break Even 100%
Water Revenues

- Water revenues tripled from $20.3 billion in 1993 to $61.5 billion in 2016.
- Robust long-term growth rate at 5.0%, 2016 under-performed at 0.8%.

Recent trend (2014-2016) indicates declining revenue collection.
- $944.9 Billion collected in revenues from 1993 to 2016.

Sewer Revenues

- Sewer revenues more than tripled from 1993 at $15.9 billion to $54.8 billion in 2016.
- Robust long-term growth rate at 5.5%, 2016 under-performed at 3%.

Recent trend in sewer revenues exceeding expenditures in 2014 - 2016, (Chart 2).
- $800.8 Billion in revenues from 1993 to 2016

Local Government is Spending on Public Water and Sewer/Stormwater Every:

- Day $338 Million
- Week $2.37 Billion
- Month $10.3 Billion