

WATER INFRASTRUCTURE COMPETITIVENESS ANALYSIS

BUSINESS PRIORITIES & INSIGHTS

The Water Infrastructure Competitiveness Analysis provides the first comprehensive statewide assessment that integrates hydrologic limits, infrastructure capacity, and economic development needs.

Across sectors, from advanced manufacturing and life sciences to agriculture and logistics, North Carolina's employers emphasized the increasing importance of:

- Reliable and predictable water supplies to support business growth
- Infrastructure capacity that aligns with development timelines
- Proactive and coordinated planning to keep water a competitive advantage
- Clear, integrated data that improves permitting, site readiness, and risk assessment

These insights reflect the operational realities of businesses that depend on consistent water availability and permitting certainty.

They form the context for understanding how water infrastructure challenges influence the state's competitiveness today and in the decades ahead.



SCAN TO VIEW THE
ENTIRE REPORT.

SUMMARY

North Carolina consistently ranks among the national leaders for business and industrial growth and investment over the past decades—a reflection of its strong programs, people, policy, and institutions driving economic growth. These rankings are bolstered by the state's strengths of a strong local economy and workforce, business-friendly regulations and low corporate taxes. To ensure the state sustains this momentum, the NC Chamber Foundation commissioned a report to explore the connection between economic development and water and wastewater infrastructure and availability; a topic not often immediately at the forefront of investment but one that is critically important for business development and growth.

KEY INFRASTRUCTURE CHALLENGES

- **Incomplete and inconsistent data** on water supply, withdrawals, and system capacity.
- **Fragmented governance and coordination**, leaving no unified framework to manage growth or water risk statewide.
- **Limited staffing and analytical capacity** within state agencies.
- **Aging and financially strained utilities**, particularly small and rural systems.
- **Natural-system constraints** including low streamflows, aquifer depletion, and limited assimilative capacity.
- **Increasing climate and drought pressures**, raising risk and uncertainty.
- **Complex and lengthy permitting processes**, creating delays in project delivery and economic development timelines.
- **Uncertain long-term funding** as temporary federal ARPA resources expire.
- **A shrinking water workforce**, reducing operational capacity.

ECONOMIC DEVELOPMENT IMPLICATIONS

The analysis makes clear that water availability and wastewater capacity directly affect:

- Site selection
- Permitting feasibility and timing
- Project risk assessments
- Regional competitiveness

Communities without clear, up-to-date assessments of regional water availability face higher uncertainty, longer approval timelines, and reduced attractiveness for industrial prospects.

RECOMMENDATIONS

The report's recommendations are intended to translate analysis into action by addressing identified challenges and leveraging opportunities for improvement. Collectively, these recommendations provide a roadmap for continuing and strengthening economic growth within the state

- **Strengthen Data Collection and Water Availability Studies**
Improve statewide water data, including withdrawals, streamflows, aquifer conditions, and ecological needs, to support reliable long-term planning. Strengthening DWR's data and analytical capacity is essential to understanding regional water availability and managing growth, drought, and competing demands.
- **Incentivize and Fund Regionalization Studies**
Encourage and fund regional studies and partnerships that improve system reliability, financial stability, and long-term affordability. Regional planning and shared infrastructure help communities address constraints, identify interconnection opportunities, and better support economic development.
- **Expand the Existing Readiness Programs**
Increase investment in programs like Megasites and SelectSite Readiness to accelerate the preparation of industrial sites and ensure that water and wastewater capacity align with development needs. Strengthening these programs keeps North Carolina competitive for major projects and supports proactive infrastructure planning.
- **Create a State Water Competitiveness Plan**
Create a statewide framework that integrates hydrologic limits, infrastructure capacity, and regional growth forecasts. A coordinated plan will help guide future investment priorities, improve permitting predictability, and ensure decisions across agencies and regions support sustainable economic growth.
- **Fund Infrastructure Investments and Promote Public-Private Partnerships**
Pursue diversified, durable funding strategies—including public-private partnerships, infrastructure banks, and enhanced loan programs—to modernize systems and build resilient, sustainable water infrastructure. Expanding financing tools will accelerate project delivery and strengthen North Carolina's competitiveness.

“

WATER INFRASTRUCTURE UNDERPINS EVERY FACET OF NORTH CAROLINA'S ECONOMIC VITALITY. AS OUR STATE GROWS, PRESSURE ON OUR WATER SYSTEMS IS INCREASING. THIS ANALYSIS DELIVERS A CLEAR, DATA-DRIVEN ROADMAP TO STRENGTHEN INFRASTRUCTURE, CLOSE INFORMATION GAPS, AND KEEP WATER A STRATEGIC ADVANTAGE—NOT A CONSTRAINT—FOR NORTH CAROLINA'S LONG-TERM ECONOMIC GROWTH”

— MEREDITH ARCHIE, PRESIDENT, NC CHAMBER FOUNDATION

MOVING FORWARD

This Water Infrastructure Competitiveness Analysis offers:

- A clear picture of the challenges facing North Carolina's water systems
- A data-driven understanding of how these challenges affect growth
- A set of actionable recommendations for policymakers and stakeholders

