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## Community and Economic Development in North Carolina and Beyond Blog: How much does connecting to a water and wastewater system cost?

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Article: <https://ced.sog.unc.edu/how-much-does-connecting-to-a-water-and-wastewater-system-cost/>

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It varies and it depends. Need more details? It may cost as little as a few hundred dollars to connect to a rural water system in some areas of the state or \$10,000 or more in other areas such as the coast or fast growing urban centers that are facing high infrastructure costs to add capacity. If \$10,000 sounds excessive, consider that connection charges in certain communities in the country facing severe water supply and infrastructure challenges can run as much as \$35,000 to \$50,000 for a new connection. The median combined connection cost for a single family water and sewer connect charged by the 328 utilities who provide both services and were included in a connection charge survey completed last month came out to be just under \$2,400.

The cost of water and wastewater service in many areas has become a significant component of new housing costs and is likely to grow as communities cope with the rising costs of infrastructure. For organizations like the UNC Environmental Finance Center (EFC) that study how communities pay for environmental services, one of the interesting questions related to providing water and wastewater service is how a particular community decides to pass those costs on to customers. Some communities only charge their new customers modest “tap fees” designed to cover the actual cost of making the connection, while other communities choose to charge capacity or capital charges to help offset the cost of their major facilities (treatment plants, major transmission lines etc.) that will be devoted to serving the new customers. Some communities, particularly those in rural areas that are trying to build their customer base, have new customers cover a fraction of the actual costs of their new service. Putting aside the portion of treatment facilities devoted to new customers, just covering the costs of setting a water and sewer tap (excavation, piping, meter, meter box etc.) can cost anywhere from \$1,000 to \$3,000 for a new connection, yet a third of NC utilities charge under \$600 for tapping onto a system.

Utilities across the state also vary in how they choose to allocate costs among different new homes. Homes come in all shapes and sizes – consider an 800 square foot modest home on a 1/8 acre or a 3,000 mini-mansion on an acre or more. In most situations, both of these homes would require the same basic meter size. Since meter size is the dominant method of determining fees this results in the two homes described above paying the same fee in most utility areas. Approximately 75% of utilities in the state treat all typical single family homes the same and charge the same connection charge regardless of the size of home or yard. The remainder of utilities use other information such as size of house, size of yard, and actual usage to determine connection charge for a particular property. Fortunately as with many areas of water finance, utilities have a considerable flexibility in designing their connection charge approaches. Some utilities will be driven by a philosophical belief that “growth should pay for growth,” others will be driven by affordability concerns, and still others will simply try





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How will your community decide how much it costs to connect each of these homes?

to assure they have the resources necessary to cover their costs. As infrastructure costs and community needs change over time, utilities are able to adapt their approaches to meet the ever changing challenges they face.

To see more information on the costs of connecting to water and sewer systems in North Carolina, visit [here](#).