

**North Carolina Environmental Management Commission -
Water Allocation Committee
Meeting Summary**

512 N. Salisbury Street
Ground Floor Hearing Room, Archdale Building
Raleigh, NC

9:00-10:00 a.m.
Wednesday, September 8, 2010

Water Allocation Committee (WAC):

Commissioner Mayor Darryl D. Moss, Chair
Commissioner Stephen Smith, EMC Chair
Commissioner Frank Crawley, EMC Counsel
Commissioner Donnie Brewer
Commissioner William L. Hall, Jr.
Commissioner David H. Moreau
Commissioner Jeffrey Morse
Commissioner Dickson Phillips, III
Commissioner Forrest R. Westall, Sr.

Item I. Preliminary Matters

1. Committee Chairman, Commissioner Mayor Darryl D. Moss, called the meeting to order. Pursuant to Executive Order Number One, the committee chairman called upon committee members to evaluate the matters to come before the committee and to identify any known conflict of interest or the appearance of a conflict of interest. Donnie Brewer recused himself from any items related to the Greenville Utilities Commission or the Neuse Regional Water and Sewer Authority.

2. Minutes and Agenda

The Committee approved the minutes of the May meeting as a true and accurate summary of the proceedings.

Item II. Information Items

1. Update on Inter-basin Transfers- Mr. Steve Reed (DWR)

Session law 2010-155 directly affects pending and future inter-basin transfers. The existing provision to use the “old,” 22I statute for IBTs in the Central Coastal Plain Capacity Use Area (CCPCUA) has been extended to January 1, 2013. There is also a new provision for isolated river basins that affects four coastal river basins. Any systems transferring water into these isolated river basins are now allowed to pursue an IBT request under the old statutory provisions through July 1, 2020. [SL 2010-155](#) also mandates that the petitioner must pay the cost of all public hearings associated with an IBT request.

1.a. Greenville Utilities Commission

The hearing officer recommendations for this IBT request are currently being developed. A draft certificate should likely be ready for presentation at both the November Water Allocation Committee (WAC) and the Environmental Management Commission (EMC) meetings.

1.b. Neuse Regional Water and Sewer Authority

The deadline for Neuse Regional WASA to submit their IBT request under the old statutory requirements has been extended for two years because of the extension provision in Session Law 2010-155 for the CCPCUA. Neuse Regional WASA now plans on submitting an environmental document to the committee before submission of a formal petition. This is a reversal of the order that Neuse WASA requested in their presentation to the Committee several months ago.

1.c. Kerr Lake Regional Water System

Oxford, Henderson and Warren County are all partners involved in this inter-basin transfer request. The applicant has already submitted a modeling report and is in the process of developing a draft environmental impact statement that is expected to be completed this year.

1.d. Brunswick County

Brunswick County provides water for over 30,000 retail customers. The Shallotte basin is now defined as an isolated river basin in SL 2010-155. The division is currently in discussion with Brunswick County and the Attorney General's office about how to proceed with this potential IBT request as a result of the new legislation.

2. Legislative update- Tom Reeder (DWR)

The improved river basin hydrologic modeling bill (SL 2010-143) will significantly alter the way we manage water resources in N.C. This bill mandates that DWR develop models for all 17 major river basins in North Carolina and includes significant detail regarding the composition of the models. Completed models must be able to predict both inadequate water supplies to meet all essential needs, as well as any adverse effects on ecological flows. A scientific advisory board (SAB) will be created to assist the Department in developing a methodology to determine the ecological flows throughout North Carolina. The Session Law mandates that the members of the SAB must have substantial knowledge concerning aquatic ecology. There are a total of 16 spots for members on the SAB. These members will come from key stakeholder groups. The first meeting will be scheduled for early November. The Session Law also requires the division to work with other states when developing models for shared river basins. The Broad River Basin model is the next model to be started. [SL 2010-143](#) also requires that the models be approved by the EMC and includes a 60 day comment period.

Discussion

Mr. Westall stated that there are existing FERC facilities that have mandated minimum releases. Where there is an existing river basin model from the FERC relicensing process, it is important for any new hydrologic models to incorporate the FERC model to the maximum extent practicable, or not even develop a model if the results satisfy your needs. Mr. Westall also asked if the division plans to identify those basins that have suspected ecological flow issues and develop models for those basins first. The response was that the division has already completed or initiated hydrologic models for the Neuse, Cape Fear, Roanoke, and Tar-Pamlico river basins.. In addition, the division will commence the Broad model next. Those models encompass basins with some of the most critical water issues in the state right now. The Broad River Basin Plan and Hydrologic Model kick-off meeting will be a public meeting to discuss the planning process, model development and stakeholder involvement. It will be conducted on October 7th at Isothermal Community College in

Spindale, NC. DWR will send an invitation to the committee. All the meetings regarding the modeling process and the meetings of the Scientific Advisory Board will be publically noticed and available through webcast. Dr. Moreau asked that if the commission is asked to approve models, does that include approval of ecological flows or just the models. The response was that the EMC will approve the entire package. They may not have to approve all the targeted flows within the models, but the EMC will have a critical role in how it turns out.

Other legislation included the water infrastructure information bill, which mandates the possible development of a statewide water and wastewater infrastructure needs survey that would be incorporated into the water supply planning process.

The capacity planning bill applies to water systems that prepare a Local Water Supply Plan (LWSPs). This bill requires those systems to prepare a plan detailing their sources of future water when their existing daily water needs are 80% of their available sources or their seasonal demands exceed 90% of their available sources. DWR would review the plan as part of the LWSP process and then incorporate it into the hydrologic model. This bill will encourage local governments to plan for future water supply needs. Dr Moreau asked for an update on the status of the LWSP's. The 2002 Catawba plans are on the website, but he could not locate the more recent ones.

Water funding priorities modifies criteria for loans and grants for local governments. DENR is working with the Department of Agriculture and various stakeholders to identify agricultural water needs.

3. Basin Models- Tom Fransen (DWR)

Tom Fransen discussed Session Law 2010-143 with the committee. This law redefines essential water use and tasks the division to develop hydrologic models. DWR is currently performing an update to the Cape Fear model. DWR is also working with Virginia and South Carolina where appropriate. There is not much guidance in the Session Law regarding how the EMC will approve the completed hydrologic models. Our proposal, worked out with Chairman Smith and Dr Moreau, is to create a Technical Advisory Group (TAG) that will be a sub-committee to the Water Allocation Committee and will be chaired by Dr. Moreau. Dr. Moreau mentioned that there had not been a lot of discussion yet. He stated that there are limited experts on hydrologic modeling that would not have a conflict of interest. Dr. Moreau will touch base with Chairman Moss and Chairman Stephen Smith about other members to consider for this group. The question that will confront this group is how to effectively deal with proprietary models? The algorithms of the model are often covered by proprietary rules, which is an issue. Mr. Forrest Westall asked if the modeling was being done internally or externally. The Division responded that it is being done externally and that we have to contract for it, but DWR does not need any additional funding for two to three years. After that, the plan is to ask for money on an annual basis. DWR may eventually do the models in house, but two modelers are not enough to do it internally right now.

4. Jordan Allocation- Tom Fransen (DWR)

There were a series of meetings conducted in June and July and a series of applicants for Round. DWR will develop a scope of work for updating the Cape Fear model. The General Assembly did provide funding for a model update. Right now, the division is working on the contract. All systems are required to have a Water Shortage Response Plan. The Division plans to eventually merge the

Cape Fear and the Neuse models into one to get a better picture of the resources in that area. The earliest the commission could be requested to make a decision on the final allocations for this round would be March of 2013.

Adjournment

There being no further business, **Chairman Mayor Darryl D. Moss**, dismissed the assembly at 10:00 A.M.