

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

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

9:00 A.M. – 10:00 A.M.
Wednesday, May 13, 2009

Water Allocation Committee (WAC):

Commissioner Donnie Brewer

Commissioner Stephen Smith

Commissioner E. Leo Green, Jr., Chair

Commissioner David H. Moreau

Commissioner Darryl D. Moss

Frank Crawley, EMC Counsel

Commissioner Dickson Phillips, III

Commissioner Kenny Waldroup

Commissioner Forrest R. Westall, Sr.

Item I. Preliminary Matter

1. Committee Chairman, Commissioner E. Leo Green, Jr., 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. Commissioner Darryl D. Moss, Mayor of Creedmor, mentioned that he had a potential conflict of interest with regards to the Kerr Lake Regional Water System IBT due to Creedmor potentially being one of the water supply customers.

2. Minutes and Agenda

Upon motion and second, the Committee approved the minutes of the January meeting as a true and accurate summary of the proceedings. The Committee approved the printed agenda without change.

Item II. Action Item

IBT Petition for Greenville Utilities Commission

Mr. Steve Reed, DWR

Mr. Steve Reed presented a request for a public hearing to be held for the IBT Petition from the Greenville Utilities Commission (GUC). The GUC proposes to sell water to the Towns of Winterville and Farmville and to Greene County. This will result in IBT's from the Tar River basin to the Neuse River basin and to the Contentnea Creek basin. The Central Coastal Plain Capacity Use Area (CCPCUA) rules require Winterville, Farmville and Greene County to reduce their ground water withdrawals. The IBT's are requested to allow these communities to provide water to their customers and comply with the CCPCUA rules.

Mr. Reed asked the WAC to approve the request to schedule a public hearing for the GUC IBT petition to be held later in 2009 due to current budget constraints.

Action: The WAC unanimously approved the request to schedule a public hearing on the GUC IBT petition.

Item III. Information Items

Update on the Brunswick County and Kerr Lake Regional Water System IBT

Ms. Toya Fields, DWR

Ms. Toya Fields gave a brief update on the status of the IBT certificate requests for the Kerr Lake Regional Water System (KLRWS) and Brunswick County Public Utilities.

Kerr Lake Regional Water System IBT: The KLRWS partners are; Oxford, Warren County, and Henderson County, currently provide services to 15 additional communities. The KLRWS is asking for an IBT increase to provide for the population growth through 2040. They have a grandfathered capacity of 10 MGD. Their actual current transfers amount to 5 mgd from the Roanoke River basin to the Tar River basin and the Fishing Creek basin and 0.3 mgd from the Roanoke River basin to the Neuse River basin. The IBT request includes: An increase to 24 mgd from the Roanoke River basin to the Fishing Creek basin and 2.4 mgd from the Roanoke River basin to the Neuse River basin, a total of 26.4 mgd.

Public notice requirements have been met according to the statute. The notice included 36 North Carolina counties, 23 Virginia cities and counties, 37 North Carolina newspapers, 119 NPDES permit holders, and 45 registered withdrawers. Overall, 600 individual permit holders and 300 public officials were notified via first class mail or electronic mail at an estimated cost of \$22,000. The State will be required to repeat the notice in relation to the EIS and before the petition hearing. Following the notice, five public scoping meetings were held in source and receiving basins during the first week of April. An average of 15 people attended each meeting. However, one meeting in Virginia had 70 attendants.

Due to public demand, the comment period has been extended to May 31.

Ms. Fields said that the next step of this process is for the KLRWS to evaluate the comments and to prepare a draft EIS. The draft EIS is expected to be ready for agency review by early 2010.

Discussion: WAC members were interested to know the scope and content of comments from the public. **Ms. Fields** said that the comments focused on the impacts of the IBT on future water supply and recreation activities. **Ms. Fields** added that the biggest challenge was to explain that these were scoping meetings to provide information on what needs to be done and not public hearings.

Dr. Moreau asked if the KLRWS IBT EIS would also address other potential IBT's to the Tar River basin, such as the one proposed from the Neuse to the Tar in Franklin County. **Mr. Tom Fransen** responded and said that the statute requires that all community systems in the IBT area must be included in the needs analysis.

Brunswick County Public Utilities IBT: **Ms. Fields** said that the **Brunswick County Public Utilities** has a grandfathered IBT allocation of 10.44 mgd from the Cape Fear River basin to the Waccamaw and Shallotte River basins. The Brunswick County Public Utilities' request is for 18.35 mgd from the Cape Fear to the Shallotte and 0.94 mgd from the Cape Fear to the Waccamaw to provide for population growth through 2040. Just as for the KLRWS, public notice requirements have been met.

Ms. Fields reported that four public meetings were held. However, there was a much lower public turn out as compared to the KLRWS. DWR staff members were only able to attend the last two of the four meetings due to travel restrictions. There were no members of the public who attended the last two public meetings. **Ms. Fields** explained that the "no show" should not be interpreted as an

Water Allocation Committee
Environmental Management Commission

May 13, 2009

Page 2 of 4

indication of lack of interest with the IBT. A likely explanation is that the meetings were held in close geographic proximity to each other. Hence, people might have attended the first two meetings.

The public comment period ends on May 28. There has been no request to extend the comment period. Just as for KLRWS, the next step is to prepare EIS which may be ready for review by early 2010.

More information on the **KLRWS** and the **Brunswick County Public Water System IBT** petitions can be found at: http://www.ncwater.org/Permits_and_Registration/Interbasin_Transfer.

Discussion: Mr. Tom Reeder clarified the IBT Bill as it relates to the Shallotte River basin: The Shallotte and Waccamaw are now in the Lumber River basin. But, an IBT amendment has been introduced to place the Shallotte in the Cape Fear River basin. The proposed amendment has been shelved and there will not be a re-delineation of North Carolina river basins from 38 to 17 river basins. More legislative discussions will be on the next agenda.

There was general discussion about whether or not the proposed bills would eliminate the need for IBT certificates from either applicant. Both applicants' proposals have multiple IBT's. The proposed bill would reduce the number of IBT's by one for each applicant, but each would still have an IBT between major basins and would require a certificate.

Update on Proposed Legislation resulting from the Water Allocation Study Mr. Tom Reeder, Director of DWR

Mr. Tom Reeder briefed the WAC on the 3 bills that have been written to implement proposals of the Water Allocation Study done last year:

1. Senate Bill 833: SB 833 proposes to re-delineate the NC river basins from the present 38 to 17 so that DWQ, DWR, and the federal government would all use the same river basin boundaries. The bill had crossed from the Senate to the House. However, it has been withdrawn following a backlash based on the standardization of the 38 river basins rather than 17 river basins. Some of the legislators felt that the high bar set for IBT was for good reasons and should be maintained. No more activities are expected on this bill this session.

2. Senate Bill 907: Mr. Reeder said that this bill proposes a permanent paradigm shift on water withdrawal and IBT in North Carolina. This is the main bill resulting from the Water Allocation Study. The OASIS model would be used to determine if water was over allocated in a river basin. If so, a series of actions and procedures would be used to re-allocate or to "balance" the water budget. **Mr. Reeder** pointed out that this complex bill has not come to the committee yet. It is not known if there will be revisions. Implementation of the bill will require additional staff and call for significant changes.

3. Water Resources Improvement Act of 2009 - House Bill 1337: The Bill proposes a cost-share program under which the government would provide a maximum of 75% of the average cost for projects that increase or preserve water storage capacity, develop and improve surface and groundwater supplies, or implement water conservation and efficiency practices. The maximum amount per year to a single applicant would be \$150,000. Any landowner can participate in the program. However, the agricultural community is expected to be the biggest customer.

Discussion: On the status of the relicensing of the Alcoa Hydroelectric Project, **Mr. Reeder** said that the last regulatory step, the Section 401 Certification, has been issued by DWQ.

Adjournment

There being no further business, **Chairman E. Leo Green, Jr.** dismissed the assembly at 9:50 A.M.

(Adjournment)