

**Environmental Management Commission  
Water Allocation Committee  
Minutes**

**May 10, 2017  
9:00 a.m.**

On May 10, 2017, the Water Allocation Committee or WAC met in the Ground Floor Hearing Room at the Archdale Building in Raleigh, North Carolina.

**WAC Members in Attendance:**

David W. Anderson  
Charlie Carter  
Tommy Craven  
Manning W. Bill Puette  
Clyde Smith  
JD Solomon  
Julie A. Wilsey

**Others Present:**

Steve W. Tedder  
Ms. Jennie Hauser, Attorney General's office

**I. Preliminary Matters:**

In accordance with North Carolina General Statute §138A-15, Chairman Smith asked if any WAC member knew of a known conflict of interest or appearance of conflict with respect to items on the May 10, 2017 WAC agenda; none of the committee members identified a conflict. Chairman Smith made a motion to approve the March 8, 2017 meeting minutes. David Anderson seconded. The March 8, 2017 minutes were unanimously approved.

**II. Informational Items:**

**A. Status of Final Determination for Union County's IBT Certificate Request  
(Kim Nimmer, N.C. Division of Water Resources)**

Union County is requesting a water transfer of up to 23 million gallons per day from the Yadkin River Basin to the Rocky River Basin. This figure is based on projected demands through the year 2050. A map was shown with the proposed movement of the transfer of water. The proposed source is Lake Tillery in the Yadkin River basin with water to be transmitted through southern Stanly County into northern Union County, where a new water treatment plant would be built and water distributed from there.

There are three primary steps which need to be completed for the IBT certificate to be approved: 1) submittal of notice of intent, 2) submittal of environmental document (in this case an environmental impact statement (EIS)), and 3) submittal of the petition.

Union County is in the final step of the process, with the final certificate determination needed from the EMC.

At the July 2016 WAC and EMC meetings, a draft determination was made on the petition which allowed the draft certificate to move forward for public comment and public hearings. Three public hearings took place with the public comment period lasting 30 days following the last public hearing. During this time, Montgomery County raised concerns, which led to a recommendation by the Department of Environmental Quality to initiate settlement discussions. At the November 2016 EMC meeting, the Commission authorized the use of a third-party mediator. At the end of February 2017, the parties reached an impasse and mediation was discontinued since it was determined that a settlement could not be reached. Subsequently, Union County decided to move forward with its IBT certificate request. A final determination is expected at the EMC meeting on May 11, 2017.

**B. Pender County IBT Update (Kim Nimmer, N.C. DWR)**

Pender County is requesting an interbasin transfer of up to 14.5 million gallons per day (MGD) from the Cape Fear River Basin to three IBT basins: the Northeast Cape Fear, the South River and the New River IBT basins to meet projected demands through the year 2045. Since 2012, Pender County has received water from the Lower Cape Fear Water and Sewer Authority. Raw water is piped to Pender County's Water Treatment plant just inside Cape Fear River basin boundary. Once treated, an IBT is required to distribute more than 2 MGD of water to the three different IBT basins located within Pender County.

Pender County has stated that a transfer is required to meet projected demand due to current and future growth. Pender County forecasts growth to be fueled by its proximity to the coast, the City of Wilmington, economic development along the US 17 highway corridor, as well as a system expansion to move residents off groundwater.

The proposed Pender County IBT certificate involves several co-applicants that currently rely on groundwater and are interested in getting off groundwater as their source: The Towns of Burgaw, Topsail Beach, Surf City, Wallace and Utilities, Inc.

Pender County is following subsection (w) of the IBT statute which outlines requirements for coastal counties to apply for an IBT certificate. Pender County submitted its notice of intent to the EMC in March 2016. An Environmental Assessment was submitted in September 2016 and the Department issued a

Finding of No Significant Impact (FONSI) in April 2017. Pender County has submitted the petition, which the Department is currently reviewing. Once the petition is determined to satisfy statutory requirements, the petition will be circulated for public review and comment, and a public hearing will be held. Final determination on whether to grant the IBT certificate will be made by the EMC.

Question from Mr. Puette: Why do the co-applicants want to get off groundwater? Ms. Nimmer responded that it was due to water quality and reliability concerns. Mr. Tedder asked about the different processes outlined in the IBT statute for obtaining an IBT certificate. Ms. Nimmer highlighted some of the main differences between the main body of the statute and the process outlined in subsection (w) for coastal counties. Ms. Wilsey asked about the differences in requirements for environmental documentation. Ms. Nimmer stated that an Environmental Assessment (EA) is required for coastal counties; under the main body of the statute, an Environmental Impact Statement is required when a transfer occurs between major river basins, otherwise an EA may be prepared. Mr. Puette asked about any opposition to the Pender County IBT. Ms. Nimmer responded that she had not been made aware of any opposition at this time.

**C. Legislative Update (Tom Fransen, N. C. Division of Water Resources)**

Tom Fransen provided a brief update on legislative activity. Mr. Fransen discussed the need for statutory changes to reflect the Division's current basin planning system, which focuses on basin planning for each of the state's 18 river basins.

**III. Concluding Remarks:**

Chairman Smith asked if there was anything else that needed to be discussed or if there were other comments. There were no additional comments by the committee members or staff. The meeting was adjourned.