

Article 2.

Regional Water Supply Planning.

§ 162A-20. Title.

This Article shall be known and may be cited as the "Regional Water Supply Planning Act of 1971." (1971, c. 892, s. 1.)

§ 162A-21. Preamble.

The Legislative Research Commission was directed by Senate Resolution 875 of the 1969 General Assembly to study and report to the 1971 General Assembly on the need for legislation "concerning local and regional water supplies (including sources of water, and organization and administration of water systems)." Pursuant to said Resolution a report was prepared and adopted by the Legislative Research Commission in 1970 concerning local and regional water supplies. In this report the Legislative Research Commission made the following findings concerning the need for planning and developing regional water supply systems in order to provide adequate supplies of high quality water to the citizens of North Carolina, of which the General Assembly hereby takes cognizance:

- (1) The existing pattern of public water supply development in North Carolina is dominated by many small systems serving few customers. Of the 1,782 public water systems of record on July 1, 1970, according to Department of Health and Human Services statistics, over eighty percent (80%) were serving less than 1,000 people each. These small systems are often underfinanced, inadequately designed and maintained, difficult to coordinate with nearby regional systems, and generally inferior to systems serving larger communities as regards adequacy of source, facilities and quality. The situation which has developed reflects a need for better planning at both State and local levels.
- (2) The State's population balance is steadily changing. Sparsely populated counties are losing residents to the more densely populated counties, while the State's total population is increasing. As this trend continues, small towns and communities will find it increasingly difficult to build and maintain public water supply systems. Also, as urban centers expand, and embrace relatively large geographical areas, economic factors will dictate that regional water systems be developed to serve these centers and to meet the demands of commercial and industrial development. It is estimated that countywide or regional water systems are needed now by 50 counties.
- (3) If the future public water supply needs of the State are to be met, a change in the existing pattern of public water supply development and management must be undertaken. Regional planning and development is an immediate need. The creation of countywide or regional water supplies, with adequate interconnections, is necessary in order to provide an adequate supply of high quality water to the State's citizens, to make supplies less vulnerable to recurring drought conditions, and to have systems large enough to justify the costs of adequate facilities and of proper operation and maintenance.
- (4) The State should provide a framework for comprehensive planning of regional water supply systems, and for the orderly coordination of local actions, so as to make the most efficient use of available water resources and economies of scale for construction, operation and maintenance. The State should also provide

financial assistance to local governments and regional authorities in order to assist with the cost of developing comprehensive regional plans, and countywide plans compatible with a regional system. (1971, c. 892, s. 1; 1973, c. 476, s. 128; 1997-443, s. 11A.118(a).)

§ 162A-22. Definition of regional water supply system.

For the purposes of this Article "a regional water supply system" is defined as a public water supply system of a municipality, county, sanitary district, or other political subdivision of the State, or combination thereof, which provides, is intended to provide, or is capable of providing an adequate and safe supply of water to a substantial portion of the population within a county, or to a substantial water service area in a region composed of all or parts of two or more counties, or to a metropolitan area in two or more counties. (1971, c. 892, s. 1.)

§ 162A-23. State role and functions relating to local and regional water supply planning.

(a) It should be the role of State government to provide a framework for comprehensive planning of regional water supply systems, and for the orderly coordination of local actions relating to water supply, so as to make possible the most efficient use of water resources and to help realize economies of scale in water supply systems. To these ends, it shall be the function of State government to:

- (1) Identify major sources of raw water supply for regional systems, and raw water interconnections as may be desirable and feasible.
- (2) Identify areas suitable for the development of regional systems.
- (3) Establish priorities for regionalization.
- (4) Develop plans for connecting proposed regional systems to major sources of supply, and for such finished water interconnections as may be desirable and feasible.
- (5) Review and approve plans for proposed regional systems, and for proposed municipal and countywide systems which are compatible with a regional plan.
- (6) Administer a State program of financial assistance to local governments and regional planning agencies for the development of comprehensive plans for regional water systems, or county systems compatible with regional plans.
- (7) Provide technical assistance to local and regional planning agencies, and to consulting engineering firms.

(b) Responsibility for carrying out the role of State government in regional water supply planning shall be assigned to the Department of Environmental Quality. (1971, c. 892, s. 1; 1973, c. 476, s. 128; 1989, c. 727, s. 212; 1997-443, s. 11A.123; 2015-241, s. 14.30(u).)

§ 162A-24. Regional Water Supply Planning Revolving Fund established; conditions and procedures.

(a) There is established under the control and direction of the Department of Administration a Regional Water Supply Planning Revolving Fund, to consist of any moneys that may be appropriated for use through the fund by the General Assembly or that may be made available to it from any other source. The Department may make advances from the fund to any county, municipality, sanitary district, or to counties and municipalities acting collectively or jointly as a regional water authority, for the purpose of meeting the cost of advance planning and engineering work necessary or desirable for the development of a comprehensive plan for a

regional water supply system as defined in this Article. Such advances shall be subject to repayment by the recipient to the Department from the proceeds of bonds or other obligations for the regional water supply system, or from other funds available to the recipient including grants, except when, in the judgment of the Department of Environmental Quality, a proposed plan for development and construction of a countywide or other regional water system is not feasible because of design and construction factors or because available sources of raw water supply are inadequate or because construction of a proposed system is not economically feasible, (but not if the applicant decides not to proceed with construction that has been planned and which the Department of Environmental Quality have declared to be feasible).

(b) The Department of Administration shall not make any advance pursuant to this section without first referring the application and proposal to the Department of Environmental Quality for determination as to whether the following conditions have been met:

- (1) The proposed area is suitable for development of a regional water supply system from the standpoint of present and projected populations, industrial growth potential, and present and future sources of raw water.
- (2) The applicant proposes to undertake long-range comprehensive planning to meet present and projected needs for high quality water service through the construction of a regional water supply system as defined in this Article. The determination by the Department of Environmental Quality that the proposed system would be a "regional system," as defined by this Article, shall be conclusive.
- (3) The applicant proposes to coordinate planning of the regional water supply with land-use planning in the area, in order that both planning efforts will be compatible.
- (4) The applicant proposes to employ an engineer licensed to practice in the State of North Carolina to prepare a comprehensive regional water supply plan, which plan will provide detailed information on source or sources of water to meet projected domestic and industrial water demands; proposed system, including raw water intake(s), treatment plant, storage facilities, distribution system, and other waterworks appurtenances; proposed interconnections with existing systems, and provisions for interconnections with other county, municipal and regional systems; phased development of systems to achieve ultimate objectives if economic feasibility is in question; projected water service areas; proposed equipment; estimates of cost and projected revenues; and methods of financing.

(c) In addition to the above conditions, the Department of Administration shall not make any advance to any applicant until the following conditions have also been met:

- (1) The Department has determined that there is a reasonable prospect of federal (or State) aid in the financing of the projected work if the undertaking is one that will be dependent upon federal (or State) aid.
- (2) The Department has received firm assurances from the applicant that the works or project, if feasible, will be undertaken.

(d) All advances made pursuant to this section shall be repaid in full, within one year of the start of construction on the projected system, or within six months after the issuance of bonds for the financing of construction of the system, or within six years from the date of the making of the

advance, whichever comes first. The Department may, in its discretion, require the repayment of any advance in installments.

(e) The Department of Administration may adopt such rules and regulations with respect to the making of applications or the receipt of advances as are consistent with the terms and purpose of this section.

(f) The provisions of Chapter 159 of the General Statutes of North Carolina (Local Government Acts) shall not apply to advances made from the Regional Water Supply Planning Revolving Fund as authorized in this Article. (1971, c. 892, s. 1; 1973, c. 476, s. 128; 1989, c. 727, ss. 213, 214; 1997-443, s. 11A.123; 2015-241, s. 14.30(u).)

§ 162A-25. Construction of Article.

This Article shall be construed as providing supplemental authority in addition to the powers of the Department of Environmental Quality under Chapter 130A and Articles 21 and 38 of Chapter 143 of the General Statutes, the powers of the North Carolina Utilities Commission under Chapter 62 of the General Statutes, and any other provisions of law concerning local and regional water supplies. (1971, c. 892, s. 1; 1973, c. 476, s. 128; 1989, c. 727, s. 215; 1997-443, s. 11A.123; 2015-241, s. 14.30(u).)