

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 1561**

Short Title: Amend Interbasin Transfer Laws.

(Public)

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Sponsors: Senator Clodfelter.

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Referred to: Appropriations/Base Budget.

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May 18, 2006

A BILL TO BE ENTITLED  
AN ACT TO AMEND THE STATUTE GOVERNING THE REGULATION OF  
INTERBASIN TRANSFERS, AS RECOMMENDED BY THE  
ENVIRONMENTAL REVIEW COMMISSION.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 143-215.22G is amended by adding a new subdivision to read:

"(1a) "Safe yield" means the amount of water that can be continuously withdrawn from a source water body without adverse effects to water quality and aquatic habitat during 7Q10 conditions, as defined in G.S. 130A-295.01."

**SECTION 2.** G.S. 143-215.22I reads as rewritten:

**"§ 143-215.22I. Regulation of surface water transfers.**

(a) No person, without first securing a certificate from the Commission, may:

- (1) Initiate a transfer of 2,000,000 gallons of water or more per day from one river basin to another.
- (2) Increase the amount of an existing transfer of water from one river basin to another by twenty-five percent (25%) or more above the average daily amount transferred during the year ending July 1, 1993, if the total transfer including the increase is 2,000,000 gallons or more per day.
- (3) Increase an existing transfer of water from one river basin to another above the amount approved by the Commission in a certificate issued under G.S. 162A-7 prior to July 1, 1993.

(b) Notwithstanding the provisions of subsection (a) of this section, a certificate shall not be required to transfer water from one river basin to another up to the full capacity of a facility to transfer water from one basin to another if the facility was existing or under construction on July 1, 1993.

1 (c) An applicant for a certificate shall petition the Commission for the certificate.  
2 The petition shall be in writing and shall include the following:

- 3 (1) A description of the facilities to be used to transfer the water, including  
4 the location and capacity of water intakes, pumps, pipelines, and other  
5 facilities.
- 6 (2) A description of the proposed uses of the water to be transferred.
- 7 (3) ~~The~~ To assure the efficient use of the water and the avoidance of  
8 waste, the water conservation measures to be used by the applicant at  
9 the time of application and any additional water conservation measures  
10 that will be implemented by the applicant if the certificate is granted.  
11 ~~to assure efficient use of the water and avoidance of waste.~~
- 12 (4) The applicant's water supply plan and 25-year population projections,  
13 as appropriate.
- 14 (5) An itemized report detailing the source, volume, and maximum  
15 permitted capacity of all existing water withdrawals and interbasin  
16 transfers from the source river basin.
- 17 (6) A determination of whether the proposed interbasin transfer and  
18 existing, permitted, and other proposed withdrawals are within the safe  
19 yield of the source water body.
- 20 (7) A letter of support from each downstream public water supplier,  
21 including each water supplier in downstream states, that make  
22 withdrawals from the source water body stating that the proposed  
23 interbasin transfer will not negatively affect existing water users and is  
24 consistent with local water supply plans.
- 25 (8) The most recent information available from the Division of Water  
26 Quality of the Department concerning the water quality of the source  
27 river basin and the receiving river basin.
- 28 (9) The most recent information available from the Wildlife Resources  
29 Commission concerning aquatic habitat for rare, threatened, and  
30 endangered species in the source river basin and the receiving river  
31 basin.
- 32 (4)(10) Any other information deemed necessary by the Commission for  
33 review of the proposed water transfer.

34 (d) Upon receipt of the petition, the Commission shall hold a public hearing on  
35 the proposed transfer after giving at least 30 days' written notice of the hearing as  
36 follows:

- 37 (1) By publishing notice in the North Carolina Register.
- 38 (2) By publishing notice in a newspaper of general circulation in the ~~area~~  
39 areas of the river basin that withdraw water from the source water  
40 body downstream from the point of the proposed withdrawal.
- 41 (3) By giving notice by first-class mail to each of the following:
- 42 a. A person who has registered under this Part a water withdrawal  
43 or transfer from the same river basin where the water for the  
44 proposed transfer would be withdrawn.

- 1           b.     A person who secured a certificate under this Part for a water  
2           transfer from the same river basin where the water for the  
3           proposed transfer would be withdrawn.  
4           c.     A person holding a National Pollutant Discharge Elimination  
5           System (NPDES) wastewater discharge permit exceeding  
6           100,000 gallons per day for a discharge located downstream  
7           from the proposed withdrawal point of the proposed transfer.  
8           d.     The board of county commissioners of each county that is  
9           located entirely or partially within the river basin that is the  
10          source of the proposed transfer.  
11          e.     The governing body of any public water supply system that  
12          withdraws water downstream from the withdrawal point of the  
13          proposed transfer.

14          (e)    The notice of the public hearing shall include a nontechnical description of  
15          the applicant's request and a conspicuous statement in bold type as to the effects of the  
16          water transfer on the source and receiving river basins. The notice shall further indicate  
17          the procedure to be followed by anyone wishing to submit comments on the proposed  
18          water transfer.

19          (f)    In determining whether a certificate may be issued for the transfer, the  
20          Commission shall specifically consider each of the following items and state in writing  
21          its findings of fact with regard to each item:

- 22               (1)   The necessity, reasonableness, and beneficial effects of the amount of  
23               surface water proposed to be transferred and its proposed uses.  
24               (2)   The present and reasonably foreseeable future detrimental effects on  
25               the source river basin, including present and future effects on public,  
26               industrial, and agricultural water supply needs, wastewater  
27               assimilation, water quality, fish and wildlife habitat, hydroelectric  
28               power generation, navigation, and recreation. Local water supply plans  
29               that affect the source major river basin shall be used to evaluate the  
30               projected future municipal water needs in the source major river  
31               ~~basin~~ basin and to determine whether the proposed interbasin transfer  
32               will have a detrimental impact on the future water supplies of local  
33               governments that make withdrawals from the source water body.  
34               (2a)  The cumulative effect on the source major river basin of any water  
35               transfer or consumptive water use that, at the time the Commission  
36               considers the application for a certificate is occurring, is authorized  
37               under this section, or is projected in any local water supply plan that  
38               has been submitted to the Department in accordance with  
39               G.S. 143-355(1).  
40               (3)   The detrimental effects on the receiving river basin, including effects  
41               on water quality, wastewater assimilation, fish and wildlife habitat,  
42               including wetlands, navigation, recreation, and flooding.  
43               (4)   Reasonable alternatives to the proposed transfer, including their  
44               probable costs, and environmental impacts.

1 (5) If applicable to the proposed project, the applicant's present and  
2 proposed use of impoundment storage capacity to store water during  
3 high-flow periods for use during low-flow periods and the applicant's  
4 right of withdrawal under G.S. 143-215.44 through G.S. 143-215.50.

5 (6) If the water to be withdrawn or transferred is stored in a multipurpose  
6 reservoir constructed by the United States Army Corps of Engineers,  
7 the purposes and water storage allocations established for the reservoir  
8 at the time the reservoir was authorized by the Congress of the United  
9 States.

10 (7) Any other facts and circumstances that are reasonably necessary to  
11 carry out the purposes of this Part.

12 (f1) An environmental assessment as defined by G.S. 113A-9(1) shall be prepared  
13 for any petition for a certificate under this section. The determination of whether an  
14 environmental impact statement shall also be required shall be made in accordance with  
15 the provisions of Article 1 of Chapter 113A of the General Statutes. The applicant who  
16 petitions the Commission for a certificate under this section shall pay the cost of special  
17 studies necessary to comply with Article 1 of Chapter 113A of the General Statutes. The  
18 environmental assessment or environmental impact statement shall include an  
19 evaluation of the applicant's ability to meet the applicant's water supply needs from  
20 sources that do not require an interbasin transfer and through the use of water  
21 conservation measures. The environmental assessment or environmental impact  
22 statement shall include an evaluation of measures to mitigate any damage that may arise  
23 from the proposed interbasin transfer. The environmental assessment or environmental  
24 impact statement shall be completed and made available to the public at least 30 days  
25 before the public hearing required by subsection (d) of this section.

26 (g) A certificate shall be granted for a water transfer if the proposed interbasin  
27 transfer will not supply more than five percent (5%) of the water used by the applicant,  
28 and the applicant establishes and the Commission concludes by a preponderance of the  
29 evidence based upon the findings of fact made under subsection (f) of this section that:  
30 (i) the benefits of the proposed transfer outweigh the detriments of the proposed  
31 transfer, and (ii) the detriments have been or will be mitigated to a reasonable degree.  
32 The conditions necessary to ensure that the detriments are and continue to be mitigated  
33 to a reasonable degree shall be attached to the certificate in accordance with subsection  
34 (h) of this section.

35 (h) The Commission may grant the certificate in whole or in part, or deny the  
36 certificate. The Commission may also grant a certificate with any conditions attached  
37 that the Commission believes are necessary to achieve the purposes of this Part. The  
38 conditions may include mitigation measures proposed to minimize any detrimental  
39 effects of the proposed transfer and measures to protect the availability of water in the  
40 source river basin during a drought or other emergency. The certificate shall include a  
41 drought management plan that specifies how the transfer shall be managed to protect the  
42 source river basin during drought conditions. The certificate shall indicate the maximum  
43 amount of water that may be transferred. No person shall transfer an amount of water  
44 that exceeds the amount in the certificate.

1 (i) In cases where an applicant requests approval to increase a transfer that  
2 existed on July 1, 1993, the Commission shall have authority to approve or disapprove  
3 only the amount of the increase. If the Commission approves the increase, however, the  
4 certificate shall be issued for the amount of the existing transfer plus the requested  
5 increase. Certificates for transfers approved by the Commission under G.S. 162A-7  
6 shall remain in effect as approved by the Commission and shall have the same effect as  
7 a certificate issued under this Part.

8 (j) In the case of water supply problems caused by drought, a pollution incident,  
9 temporary failure of a water plant, or any other temporary condition in which the public  
10 health requires a transfer of water, the Secretary of Environment and Natural Resources  
11 may grant approval for a temporary transfer. Prior to approving a temporary transfer,  
12 the Secretary shall consult with those parties listed in G.S. 143-215.22I(d)(3) that are  
13 likely to be affected by the proposed transfer. However, the Secretary shall not be  
14 required to satisfy the public notice requirements of this section or make written  
15 findings of fact and conclusions in approving a temporary transfer under this subsection.  
16 If the Secretary approves a temporary transfer under this subsection, the Secretary shall  
17 specify binding conditions to protect other water users. A temporary transfer shall not  
18 exceed six months in duration, but the approval may be renewed for a period of six  
19 months by the Secretary based on demonstrated need as set forth in this subsection. A  
20 temporary transfer may be renewed no more than two times after the initial approval.

21 (k) The substantive restrictions and conditions upon surface water transfers  
22 authorized in this section may be imposed pursuant to any federal law that permits the  
23 State to certify, restrict, or condition any new or continuing transfers or related activities  
24 licensed, relicensed, or otherwise authorized by the federal government.

25 (l) When any transfer for which a certificate was issued under this section equals  
26 eighty percent (80%) of the maximum amount authorized in the certificate, the applicant  
27 shall submit to the Department a detailed plan that specifies how the applicant intends to  
28 address future foreseeable water needs. If the applicant is required to have a local water  
29 supply plan, then this plan shall be an amendment to the local water supply plan  
30 required by G.S.143-355(l). When the transfer equals ninety percent (90%) of the  
31 maximum amount authorized in the certificate, the applicant shall begin implementation  
32 of the plan submitted to the Department.

33 (m) It is the public policy of the State to maintain, protect, and enhance water  
34 quality within North Carolina. To that end, there is a presumption that a certificate for  
35 an interbasin transfer shall not be granted unless the interbasin transfer is necessary to  
36 protect and promote public health and welfare. Further, it is the public policy of the  
37 State that the cumulative impact of transfers from a source river basin shall not result in  
38 a violation of the antidegradation policy set out in 40 Code of Federal Regulations §  
39 131.12 (1 July 1997 Edition) and the statewide antidegradation policy adopted pursuant  
40 thereto.

41 (n) The Commission may modify any certificate granted for an interbasin transfer  
42 if the Commission determines that:

- 1           (1) The cumulative impact of existing, permitted, and proposed  
2           withdrawals has exceeded or will exceed the safe yield of the source  
3           water body;  
4           (2) The cumulative impact of existing, permitted, and proposed  
5           withdrawals has caused or contributed to or will cause or contribute to  
6           the deterioration of water quality in either the source river basin or the  
7           receiving river basin; or  
8           (3) The projections of population growth, water supply, or water demand  
9           upon which the certificate for the interbasin transfer was granted were  
10           inaccurate."

11           **SECTION 3.** This act is effective when it becomes law and applies to any  
12 petition for a certificate or for the modification of a certificate for an interbasin transfer  
13 that is submitted to the Environmental Management Commission on or after that date.