

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 637

Short Title: Clarify Regional Water and Sewer Funds. (Public)

Sponsors: Representatives K. Hall, Bert Jones, Blust, and Hardister (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Energy and Public Utilities, if favorable, Appropriations

April 10, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE ADDITIONAL FLEXIBILITY FOR CERTAIN REGIONAL
3 WATER AND SEWER INFRASTRUCTURE FUNDING.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Section 14.20A of S.L. 2016-94 reads as rewritten:

6 **"REGIONAL WATER AND SEWER AUTHORITY FUNDING**

7 **"SECTION 14.20A.(a)** Of the funds appropriated to the Department of Environmental
8 Quality, Division of Water Infrastructure, by this act, the sum of fourteen million five hundred
9 forty-eight thousand nine hundred eighty-one dollars (\$14,548,981) shall be used ~~by the~~
10 ~~Division to fund interconnection and interconnection, extension of water lines to participating~~
11 ~~counties and municipalities undertaken by a Regional Water and Sewer Authority established~~
12 ~~pursuant to Article 1 of Chapter 162A of the General Statutes, provided that the Authority~~
13 ~~includes lines, and related water system modification and expansion involving the Counties of~~
14 ~~Rockingham and Guilford and one or more municipalities within those counties. The funds~~
15 ~~allocated by this section may also be used for one or more regional interconnections with~~
16 ~~municipalities in Rockingham or Guilford Counties that do not join the Authority described by~~
17 ~~this subsection if the interconnections are necessary to provide sufficient water resources to~~
18 ~~support the water system expansion needed to meet current and planned future needs of the~~
19 ~~Authority.~~ the municipalities of Oak Ridge, Stokesdale, Summerfield, Reidsville, Madison, and
20 Mayodan. Of the funds allocated by this section, no more than twenty-five percent (25%) of the
21 funds shall be used for Guilford County and may include one or more of the municipalities
22 listed in this section located in Guilford County, and no more than seventy-five percent (75%)
23 shall be used for Rockingham County and may include one or more of the municipalities listed
24 in this section located in Rockingham County. The funds allocated by this section may be spent
25 for planning, design, survey, real property acquisition, construction, repair, and any other
26 activities necessary to improve the performance and reliability and expand the capacity and
27 service footprint of participating water systems in Rockingham and Guilford Counties. The
28 Counties of Rockingham and Guilford and the municipalities participating in the
29 interconnection and extension of water lines within each county funded by this section shall
30 agree on the use of the funds allocated by this section through any combination of (i) interlocal
31 agreements under Article 20 of Chapter 160A of the General Statutes that specify, at a
32 minimum, the ownership of the water lines and infrastructure funded by this section and
33 long-term maintenance, repair, and replacement responsibility or (ii) one or more regional
34 water and sewer authorities under Article 1 of Chapter 162A of the General Statutes.



1 ~~"SECTION 14.20A.(b) If the Regional Water Authority described by this section is~~
2 ~~formed prior to June 30, 2017, the Division of Water Infrastructure shall transfer the funds~~
3 ~~allocated by this section to the Authority for the purposes described in subsection (a) of this~~
4 ~~section. Otherwise, the funds allocated by this section shall revert to the General Fund.~~
5 Notwithstanding G.S. 143C-6-23(f1)(1), G.S. 143C-6-23(f1)(1) and G.S. 143C-1-2, funds
6 allocated to the Authority but not used by this section shall be held in reserve by the Office of
7 State Budget and Management and the allocations to each County shall be released when the
8 County and one or more of the municipalities specified in subsection (a) of this section reach
9 agreement on the funds allocated to that County by this section through interlocal agreements
10 or the formation of regional water and sewer authorities or a combination of interlocal
11 agreements and regional water and sewer authorities. Funds not spent or encumbered by June
12 30, 2020, shall be returned by the local governments or regional water and sewer authority to
13 the Office of State Budget and Management and revert to the General Fund."

14 **SECTION 2.** This act is effective when it becomes law.