A BILL TO BE ENTITLED
AN ACT TO ESTABLISH STANDARDS FOR ADVANCED TREATMENT UNITS FOR MUNICIPAL, COMMUNITY, OR PRIVATE WASTEWATER SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-335 is amended by adding a new subsection to read:

"(f3) The Commission shall adopt rules establishing standards for discharge to surface waters and for spray irrigation of highly treated wastewater. For purposes of this subsection, "highly treated wastewater" means liquids discharged from a system designed to treat septage through natural or mechanical processes to meet standards for carbonaceous biochemical oxygen demand, total suspended solids, ammonia, total nitrogen, and fecal coliform as will be protective of human health and the environment."

SECTION 2.(a) With the funds appropriated by this section, the Department of Environmental Quality shall establish the Innovative Highly Treated Wastewater Pilot Program. To implement the Program, the Department shall do the following:

(1) Identify areas of the State featuring either (i) a failure rate of septic tank systems that is significantly higher than the State average or (ii) a wastewater system that is a distressed unit, as defined by G.S. 159G-20.

(2) Work with the units of local government with jurisdiction over the areas identified under subdivision (1) of this subsection to design, permit, and install four wastewater treatment systems using wastewater treatment technologies that produce highly treated wastewater prior to discharge or reuse. As part of the permitting process for these systems, the Department shall require the vendor of the wastewater treatment system within five days of issuance of the permit for the system to file with the Department a performance bond or other surety with a minimum term of five years to be executed in favor of the permittee in the amount sufficient to cover system replacement.

SECTION 2.(b) There is appropriated from the General Fund to the Department of Environmental Quality the sum of twenty million dollars ($20,000,000) in nonrecurring funds for the 2021-2022 fiscal year to be allocated to the Wastewater Reserve for the Innovative Highly Treated Wastewater Pilot Program established by this section. The Department may use up to one hundred fifty thousand dollars ($150,000) of the funds appropriated by this subsection for administrative costs.

SECTION 2.(c) This section becomes effective July 1, 2021.

SECTION 3.(a) The Commission for Health Services and the Department of Health and Human Services shall adopt rules to streamline the approval process for wastewater treatment
system technologies under Article 11 of Chapter 130A of the General Statutes. These rules shall include, at a minimum, the following:

1. Wastewater treatment systems with certification from a nationally recognized body, as defined in G.S. 130A-343(a), and demonstration of compliance with the applicable treatment standard for a minimum of two years either with an approved verification program from the body or from field testing of the treatment technology from any state may apply for approval as an innovative wastewater system under G.S. 130A-343.

2. Wastewater treatment systems without certification from a nationally recognized body may apply for provisional approval and conduct field testing for a two-year period to demonstrate compliance with treatment standards in order to qualify for approval as an innovative wastewater system.

3. Reductions in horizontal and vertical restrictions to property lines or limiting conditions that are proportional to the stringency of treatment standards the system meets.

4. Approval of designs that eliminate or reduce required repair areas in the case of wastewater treatment technologies that discharge highly treated wastewater to soil texture groups I and II.

5. Standards for operator training and for tracking of system operation and maintenance.

6. Coordination with rules for discharges to surface waters, spray irrigation, or drip dispersal of reclaimed wastewater adopted by the Environmental Management Commission in a manner that will encourage consistency in the oversight of discharges of highly treated wastewater for beneficial use.

SECTION 3.(b) The Commission and the Department of Health and Human Services shall report quarterly on their implementation of this section beginning no later than May 1, 2022, and continue until rulemaking activities required by this section have been completed.

SECTION 4. Except as otherwise specified, this act is effective when it becomes law.