

Part VI
Attachments

**NOTICE OF PUBLIC HEARING for Jordan Lake Water Supply Storage Allocations
Round 2 and Proposed Increase in Interbasin Transfer
Towns of Cary, Apex, and Morrisville and Wake County (for RTP South)**

The North Carolina Environmental Management Commission (EMC) will hold two public hearings to receive comments on the Division of Water Resources' recommendations for Round 2 of Jordan Lake water supply storage allocations. The Commission will also receive comments on the petition for an increase in interbasin transfer from the Haw River Basin to the Neuse River Basin by the Towns of Cary, Apex, and Morrisville, and Wake County (for RTP South). This transfer is associated with increased water withdrawals from Jordan Lake. Notice of these hearings is given in accordance with North Carolina Administrative Code T15A:02G.0504(g) and N.C. General Statutes 143-354(a)(11) and 143-215.221(d).

The first public hearing will be conducted from 5:00 to 7:00 PM on March 5, 2001 at 512 N. Salisbury Street, Ground Floor Hearing Room, Archdale Building, Raleigh. The second public hearing will be conducted from 5:00 to 7:00 PM on March 6, 2001 at Fayetteville State University, Shaw Auditorium, Fayetteville. In addition, Division of Water Resources staff will be available to answer questions from 4:00 PM to 5:00 PM at each hearing location. The public may inspect the staff's recommendation report, the interbasin transfer petition, and the final Environmental Impact Statement (EIS) during normal business hours at the offices of the Division of Water Resources, 512 N. Salisbury Street, Room 1106, Archdale Building, Raleigh. These documents may also be viewed at the Division's web site: <http://www.ncwater.org/jordan/index.htm>.

The purpose of this announcement is to encourage those interested in these matters to provide comments and to comply with the public participation requirements regarding each of these matters. You may attend the public hearings and make relevant oral comments and/or submit written comments, data, or other relevant information. Written submissions of oral comments at the hearing are requested. The hearing officer may limit the length of oral presentations if many people want to speak. If you are unable to attend, written comments can be mailed to Tom Fransen, Division of Water Resources, DENR, 1611 Mail Service Center, Raleigh, NC 27699-1611. Comments may also be submitted electronically to Tom.Fransen@ncmail.net. All comments must be received before 5:00 PM, March 9, 2001.

Jordan Lake Water Supply Storage Allocations

Jordan Lake is a U.S. Army Corps of Engineers multi-purpose reservoir located primarily in Chatham County in the Haw River Basin. The State of North Carolina has contracted for the use of the entire water supply storage in Jordan Lake and, under G.S. 143-354(a)(11), can assign this storage to local governments having a need for water supply storage. Initial allocations of water supply from Jordan Lake were made in 1988. The State is currently in the second round of allocations. Ten communities have requested new or additional allocations from Jordan Lake. Several of those requests involve interbasin transfers between the Cape Fear River and Neuse River basins.

In December 1997, the EMC decided on allocation requests not involving a transfer. The EMC deferred its decision on those requests involving a transfer until the required environmental documentation could be completed. In addition, the EMC deferred its decision on Chatham County and Harnett County pending additional information.

The requested allocations were based on water demands in 2025, with some requests based on average daily demands and some based on maximum daily demands. The Division of Water Resources decided to base its recommendations on average daily demands in 2015, resulting in smaller allocations. Because long-range projections are so uncertain, the Division believes that a more conservative incremental allocation process is the best way to manage this important regional resource. If allocations are made as recommended, 56 million gallons per day (mgd) of the total estimated yield of 100 mgd will remain available for future allocations to local governments. The recommendation allocations include: an additional 5.0 mgd for the Towns of Cary and Apex, bringing their total allocation to 21.0 mgd; 2.5 mgd for the Town of Morrisville; 1.5 mgd for Wake County acting for RTP South; no additional allocation for Chatham County, keeping their allocation at 6.0 mgd; and no allocation for Harnett County.

Interbasin Transfer Request

In conjunction with their request for a water supply allocation from Jordan Lake, the applicants (Towns of Cary, Apex, and Morrisville and Wake County acting for RTP South) have requested to increase their interbasin transfer from the Haw River Basin to the Neuse River Basin from 16.0 to 27.0 mgd. Water would be withdrawn from the Cary-Apex intake on Jordan Lake and discharged from existing permitted wastewater treatment plants located on tributaries of the Neuse River. Under the Regulation of Surface Water Transfers Act (G.S. 143-215.221), persons intending to transfer 2.0 mgd or more, or increase an existing must first obtain a certificate from the Environmental Management Commission. As part of the petition process,

the applicants completed an environmental impact statement. Review of the environmental impact statement by the Department of Environment and Natural Resources has been completed in accordance with the State Environmental Policy Act.

North Carolina G.S. 143-215.22I(e) requires the notice of public hearing include *a conspicuous statement in bold type as to the effects of the water transfer on the source and receiving river basins*. This statement follows in the next paragraph.

The proposed transfer is an increase of 11 million gallons per day (mgd) in a previously approved transfer of 16 mgd, for a total maximum day transfer of 27 mgd. The proposed increase in the transfer will reduce the average annual flow of the Cape Fear River downstream from B. Everett Jordan Lake at Lillington, NC by a maximum of 0.49 percent (about one-half of one percent). Any impacts on downstream water quality or water supplies would occur under low flow conditions. Low flows are augmented by water released from B. Everett Jordan Lake, where two-thirds of the Lake's storage capacity is set aside for this purpose. Because the water stored for flow augmentation will not be affected by use of the water supply storage, the transfer will not affect flows at low flow periods when downstream water availability is a concern.

Based on review of the operating rules for B. Everett Jordan Lake, the Environmental Impact Statement, and the Cape Fear hydrologic model analysis, the Department determined that the proposed transfer will have no significant direct environmental impacts in either the source or receiving basins. However, secondary impacts due to urban growth supported by the additional water supply will occur in both the source and receiving basins. These impacts include loss of wildlife habitat, increased stormwater runoff, and increased sedimentation. Existing local, state, and federal environmental protection programs will mitigate these impacts to some degree.

The public is invited to comment on the applicants' petition and supporting environmental documentation. The Commission is considering and seeking comments on three options with regard to the interbasin transfer request. The options, in no particular order, are: (a) grant the certificate for the 27.0 mgd interbasin transfer request; (b) deny the 27.0 mgd interbasin transfer request; or (c) grant the certificate, including any conditions necessary to achieve the purposes of the statute or to provide mitigation measures. The public is invited to comment on the following possible conditions and to suggest any other appropriate conditions, including other limitations on the amount of the transfer.

1. Allow the requested maximum day interbasin transfer amount of 27 mgd until 2010, but reduce it to 16 mgd after 2010.
2. Require Cary and Apex to have a wastewater plant discharging to the Cape Fear River on-line by 2010.
3. Require Apex, Morrisville, and Wake County to enact ordinances similar to the Neuse Buffer Rules for the parts of their jurisdictions that are within the Jordan Lake watershed. (Cary has already adopted a buffer ordinance.)
4. Require applicants to develop a compliance and monitoring plan for reporting maximum daily transfer amounts, compliance with certificate conditions, progress on mitigation measures, and drought management activities.

For more information, visit our project website at: <http://www.ncwater.org/jordan/index.htm>. You may also contact Tom Fransen in the Division of Water Resources at 919-715-0381, or email: tom.fransen@ncmail.net.

Statutory Authority for Regulating Interbasin Transfers

Part 2A. Registration of Water Withdrawals and Transfers; Regulation of Surface Water Transfers.

' 143-215.22G. Definitions.

In addition to the definitions set forth in G.S. 143-212 and G.S. 143-213, the following definitions apply to this Part.

(1) "River basin" means any of the following river basins designated on the map entitled "Major River Basins and Sub-basins in North Carolina" and filed in the Office of the Secretary of State on 16 April 1991. The term "river basin" includes any portion of the river basin that extends into another state. Any area outside North Carolina that is not included in one of the river basins listed in this subdivision comprises a separate river basin.

- a. 1-1 Broad River.
- b. 2-1 Haw River.
- c. 2-2 Deep River.
- d. 2-3 Cape Fear River.
- e. 2-4 South River.
- f. 2-5 Northeast Cape Fear River.
- g. 2-6 New River.
- h. 3-1 Catawba River.
- i. 3-2 South Fork Catawba River.
- j. 4-1 Chowan River.
- k. 4-2 Meherrin River.
- l. 5-1 Nolichucky River.
- m. 5-2 French Broad River.
- n. 5-3 Pigeon River.
- o. 6-1 Hiwassee River.
- p. 7-1 Little Tennessee River.
- q. 7-2 Tuskasegee (Tuckasegee) River.
- r. 8-1 Savannah River.
- s. 9-1 Lumber River.
- t. 9-2 Big Shoe Heel Creek.
- u. 9-3 Waccamaw River.
- v. 9-4 Shallotte River.
- w. 10-1 Neuse River.
- x. 10-2 Contentnea Creek.
- y. 10-3 Trent River.
- z. 11-1 New River.
- aa. 12-1 Albemarle Sound.
- bb. 13-1 Ocoee River.
- cc. 14-1 Roanoke River.
- dd. 15-1 Tar River.
- ee. 15-2 Fishing Creek.
- ff. 15-3 Pamlico River and Sound.
- gg. 16-1 Watauga River.
- hh. 17-1 White Oak River.
- ii. 18-1 Yadkin (Yadkin-Pee Dee) River.
- jj. 18-2 South Yadkin River.
- kk. 18-3 Uwharrie River.

II. 18-4 Rocky River.

(2) "Surface water" means any of the waters of the State located on the land surface that are not derived by pumping from groundwater.

(3) "Transfer" means the withdrawal, diversion, or pumping of surface water from one river basin and discharge of all or any part of the water in a river basin different from the origin. However, notwithstanding the basin definitions in G.S. 143-215.22G(1), the following are not transfers under this Part:

- a. The discharge of water upstream from the point where it is withdrawn.
- b. The discharge of water downstream from the point where it is withdrawn. (1991, c. 712, s. 1; 1993, c. 348, s. 1; 1997-443, s. 15.48(b).)

' 143-215.22H. (V2)(Effective March 1, 2000) Registration of water withdrawals and transfers required.

(a) Any person who withdraws 100,000 gallons per day or more of water from the surface or groundwaters of the State or who transfers 100,000 gallons per day or more of water from one river basin to another shall register the withdrawal or transfer with the Commission. A person registering a water withdrawal or transfer shall provide the Commission with the following information:

- (1) The maximum daily amount of the water withdrawal or transfer expressed in thousands of gallons per day.
 - (1a) The monthly average withdrawal or transfer expressed in thousands of gallons per day.
 - (2) The location of the points of withdrawal and discharge and the capacity of each facility used to make the withdrawal or transfer.
 - (3) The monthly average discharge expressed in thousands of gallons per day.

(b) Any person initiating a new water withdrawal or transfer of 100,000 gallons per day or more shall register the withdrawal or transfer with the Commission not later than six months after the initiation of the withdrawal or transfer. The information required under subsection (a) of this section shall be submitted with respect to the new withdrawal or transfer.

(b1) Subsections (a) and (b) of this section shall not apply to a person who withdraws or transfers less than 1,000,000 gallons per day of water for activities directly related or incidental to the production of crops, fruits, vegetables, ornamental and flowering plants, dairy products, livestock, poultry, and other agricultural products.

(c) A unit of local government that has completed a local water supply plan that meets the requirements of G.S. 143-355(l) and that has periodically revised and updated its plan as required by the Department has satisfied the requirements of this section and is not required to separately register a water withdrawal or transfer or to update a registration under this section.

(d) Any person who is required to register a water withdrawal or transfer under this section shall update the registration by providing the Commission with a current version of the information required by subsection (a) of this section at five-year intervals following the initial registration. A person who submits information to update a registration of a water withdrawal or transfer is not required to pay an additional registration fee under G.S. 143-215.3(a)(1a) and G.S. 143-215.3(a)(1b), but is subject to the late registration fee established under this section in the event that updated information is not submitted as required by this subsection.

(e) Any person who is required to register a water transfer or withdrawal under this section and fails to do so shall pay, in addition to the registration fee required under G.S. 143-215.3(a)(1a) and G.S. 143-215.3(a)(1b), a late registration fee of five dollars (\$5.00) per day for each day the registration is late up to a maximum of five hundred dollars (\$500.00). A person who is required to update a registration under this section and fails to do so shall pay a fee of five dollars (\$5.00) per day for each day the updated information is late up to a maximum of five hundred dollars (\$500.00). A late

registration fee shall not be charged to a farmer who submits a registration that pertains to farming operations. (1991, c. 712, s. 1; 1993, c. 344, s. 1; c. 553, s. 81; 1998-168, s. 3.)

' 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.

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

(1) A description of the facilities to be used to transfer the water, including the location and capacity of water intakes, pumps, pipelines, and other facilities.

(2) A description of the proposed uses of the water to be transferred.

(3) The water conservation measures to be used by the applicant to assure efficient use of the water and avoidance of waste.

(4) Any other information deemed necessary by the Commission for review of the proposed water transfer.

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

(1) By publishing notice in the North Carolina Register.

(2) By publishing notice in a newspaper of general circulation in the area of the river basin downstream from the point of withdrawal.

(3) By giving notice by first-class mail to each of the following:

a. A person who has registered under this Part a water withdrawal or transfer from the same river basin where the water for the proposed transfer would be withdrawn.

b. A person who secured a certificate under this Part for a water transfer from the same river basin where the water for the proposed transfer would be withdrawn.

c. A person holding a National Pollutant Discharge Elimination System (NPDES) wastewater discharge permit exceeding 100,000 gallons per day for a discharge located downstream from the proposed withdrawal point of the proposed transfer.

d. The board of county commissioners of each county that is located entirely or partially within the river basin that is the source of the proposed transfer.

e. The governing body of any public water supply system that withdraws water downstream from the withdrawal point of the proposed transfer.

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

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

(1) The necessity, reasonableness, and beneficial effects of the amount of surface water proposed to be transferred and its proposed uses.

(2) The present and reasonably foreseeable future detrimental effects on the source river basin, including present and future effects on public, industrial, and agricultural water supply needs, wastewater assimilation, water quality, fish and wildlife habitat, hydroelectric power generation, navigation, and recreation. Local water supply plans that affect the source major river basin shall be used to evaluate the projected future municipal water needs in the source major river basin.

(2a) The cumulative effect on the source major river basin of any water transfer or consumptive water use that, at the time the Commission considers the application for a certificate is occurring, is authorized under this section, or is projected in any local water supply plan that has been submitted to the Department in accordance with G.S. 143-355(1).

(3) The detrimental effects on the receiving river basin, including effects on water quality, wastewater assimilation, fish and wildlife habitat, navigation, recreation, and flooding.

(4) Reasonable alternatives to the proposed transfer, including their probable costs, and environmental impacts.

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

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

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

(f1) An environmental assessment as defined by G.S. 113A- 9(1) shall be prepared for any petition for a certificate under this section. The determination of whether an environmental impact statement shall also be required shall be made in accordance with the provisions of Article 1 of Chapter 113A of the General Statutes. The applicant who petitions the Commission for a certificate under this section shall pay the cost of special studies necessary to comply with Article 1 of Chapter 113A of the General Statutes.

(g) A certificate shall be granted for a water transfer if the applicant establishes and the Commission concludes by a preponderance of the evidence based upon the findings of fact made under subsection (f) of this section that: (i) the benefits of the proposed transfer outweigh the detriments of the proposed transfer, and (ii) the detriments have been or will be mitigated to a reasonable degree. The conditions necessary to ensure that the detriments are and continue to be mitigated to a reasonable degree shall be attached to the certificate in accordance with subsection (h) of this section.

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

(i) In cases where an applicant requests approval to increase a transfer that existed on July 1, 1993, the Commission shall have authority to approve or disapprove only the amount of the increase. If the Commission approves the increase, however, the certificate shall be issued for the amount of the existing transfer plus the requested increase. Certificates for transfers approved by the Commission

under G.S. 162A-7 shall remain in effect as approved by the Commission and shall have the same effect as a certificate issued under this Part.

(j) In the case of water supply problems caused by drought, a pollution incident, temporary failure of a water plant, or any other temporary condition in which the public health requires a transfer of water, the Secretary of the Department of Environment and Natural Resources may grant approval for a temporary transfer. Prior to approving a temporary transfer, the Secretary of the Department of Environment and Natural Resources shall consult with those parties listed in G.S. 143-215.22I(d)(3) that are likely to be affected by the proposed transfer. However, the Secretary of the Department of Environment and Natural Resources shall not be required to satisfy the public notice requirements of this section or make written findings of fact and conclusions in approving a temporary transfer under this subsection. If the Secretary of the Department of Environment and Natural Resources approves a temporary transfer under this subsection, the Secretary shall specify conditions to protect other water users. A temporary transfer shall not exceed six months in duration, but the approval may be renewed for a period of six months by the Secretary of the Department of Environment and Natural Resources based on demonstrated need as set forth in this subsection.

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

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

(m) It is the public policy of the State to maintain, protect, and enhance water quality within North Carolina. Further, it is the public policy of the State that the cumulative impact of transfers from a source river basin shall not result in a violation of the antidegradation policy set out in 40 Code of Federal Regulations ' 131.12 (1 July 1997 Edition) and the statewide antidegradation policy adopted pursuant thereto. (1993, c. 348, s. 1; 1997-443, ss. 11A.119(a), 15.48(c); 1997-524, s. 1; 1998-168, s. 4.)

Administrative Code for Interbasin Transfer

TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0400 - REGULATION OF SURFACE WATER TRANSFERS

.0401 APPLICABILITY

(a) Pursuant to G.S. 143-215.22G(3), the amount of a transfer shall be determined by the amount of water moved from the source basin to the receiving basin, less the amount of the water returned to the source basin.

(b) Pursuant to G.S. 143-215.22G(3)(a) and 143-215.22G(3)(b), and notwithstanding the definition of basin in G.S. 143-215.22G(1), the following are not transfers:

(1) The discharge point is situated upstream of the withdrawal point such that the water discharged will naturally flow past the withdrawal point.

(2) The discharge point is situated downstream of the withdrawal point such that water flowing past the withdrawal point will naturally flow past the discharge point.

(c) The withdrawal of surface water from one river basin by one person and the purchase of all or any part of this water by another party, resulting in a discharge to another river basin, shall be considered a transfer. The person owning the pipe or other conveyance that carries the water across the basin boundary shall be responsible for obtaining a certificate from the Commission. Another person involved in the transfer may assume responsibility for obtaining the certificate, subject to approval by the Division of Water Resources.

(d) Under G.S. 143-215.22I(b), a certificate is not 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. The full capacity of a facility to transfer water shall be determined as the capacity of the combined system of withdrawal, treatment, transmission, and discharge of water, limited by the element of this system with the least capacity as existing or under construction on July 1, 1993.

History Note: Statutory Authority G.S. 143-215.22G; 143-215.22I; 143B-282(a)(2); Eff. September 1, 1994.

.0402 JUDICIAL REVIEW

Judicial Review of the Commission's decision shall be as provided in G.S. 143-215.5.

History Note: Statutory Authority G.S. 143-215.5; 143B-282(a)(2); Eff. September 1, 1994.

15A NCAC 2G.0501, INTRODUCTION

NORTH CAROLINA ADMINISTRATIVE CODE
TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0500. ALLOCATION OF JORDAN LAKE WATER SUPPLY STORAGE

.0501 INTRODUCTION

To increase the availability of municipal and industrial water supplies, the State of North Carolina requested the U.S. Army Corps of Engineers to designate 32.62 percent of the Jordan Lake conservation storage, between the elevations 202 mean sea level (msl) and 216 msl, as water supply storage.

The State, acting through the Environmental Management Commission, will assign to local governments having a need for water supply capacity any interest held by the State in such storage, with proportional payment by the user to the State for the state's associated capital, interest, administrative and operating costs.

Upon signing the water supply storage contract with the U.S. Army Corps of Engineers, the Commission will apply the following procedures in allocating Jordan Lake water supply storage.

History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-215.38 through 143-215.43; 143-354(a)(11); 143B-282; Eff. March 1, 1988.

Editor's Note: Title 15, Department of Natural Resources and Community Development, has been recodified as Title 15A, Department of Environment, Health, and Natural Resources effective November 1, 1989. The recodification was pursuant to G.S. 143B-279.1.

15A NCAC 2G.0502, DEFINITIONS

NORTH CAROLINA ADMINISTRATIVE CODE
TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0500. ALLOCATION OF JORDAN LAKE WATER SUPPLY STORAGE

.0502 DEFINITIONS

As used throughout this Subchapter:

- (1) "Capital costs" means initial costs of the project;
- (2) "Commission" means Environmental Management Commission;
- (3) "Department" means the North Carolina Department of Natural Resources and Community Development;
- (4) "Division" means the Division of Water Resources;
- (5) "Effective date of allocation" means the date the Commission approves the allocation;
- (6) "Interest costs" means interest accrued on the unpaid balance;
- (7) "Local government" means any city, county, authority, sanitary district, metropolitan water district, or other local unit;
- (8) "Operating costs" means Jordan Lake's state and federal operating, maintenance, replacement, and administrative costs associated with water supply storage;
- (9) "State" means the state of North Carolina; and
- (10) "Water supply storage" means storage of water for municipal or industrial use.

History Note: Statutory Authority G.S. 143-354(a)(11); Eff. March 1, 1988.

Editor's Note: Title 15, Department of Natural Resources and Community Development, has been recodified as Title 15A, Department of Environment, Health, and Natural Resources effective November 1, 1989. The recodification was pursuant to G.S. 143B-279.1.

15A NCAC 2G.0503, FORMAL APPLICATION

NORTH CAROLINA ADMINISTRATIVE CODE
TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0500. ALLOCATION OF JORDAN LAKE WATER SUPPLY STORAGE

.0503 FORMAL APPLICATION

(a) The Commission may receive initial allocation requests from local governments beginning on this Section's effective date. In order to be reviewed, applications must contain the following information:

- (1) Projected population and water use, including a detailed map of the existing and projected water service areas;
- (2) A listing of water sources presently available, including estimated yields of these sources;
- (3) An analysis of the yield, quality, and cost of alternative sources of water supply other than Jordan Lake that could meet or partially meet projected needs, including regionalization of systems;
- (4) A description of conservation and demand-management practices to be used;
- (5) An outline of plans to use water from Jordan Lake, including proposed location of intake and water treatment plant(s), location of wastewater treatment plant(s), any proposed sharing of facilities or other cooperative arrangements with other local governments, and a proposed schedule of development;
- (6) A plan for monitoring the quality of the raw and finished water in accordance with the requirements of North Carolina's Department of Human Resources and the U.S. Environmental Protection Agency;
- (7) The estimated cost of developing water supply facilities at Jordan Lake, also costs of alternative sources of supply; and
- (8) A letter of intent to enter into a financial commitment for Jordan Lake water storage.

(b) The Commission or the department may request such additional information as may be reasonably necessary for a complete understanding of the allocation request.

(c) Local governments may apply for two levels of allocation: Level I allocations are for applicants which have demonstrated an immediate need and will commence withdrawals within five years of the effective date of allocation; Level II allocations are for applicants with documented longer range needs for water.

(d) The applicant should include in the application the assumptions and the methodology used to develop projections. The Commission will assist applicants by providing a copy of departmental procedures for projecting water supply demands and determining yields.

(e) Using departmental procedures for projecting water supply demands and determining yields, the department will provide the Commission an independent assessment of the applicant's water supply needs.

History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-354(a)(11); 143B-282; Eff. March 1, 1988.

Editor's Note: Title 15, Department of Natural Resources and Community Development, has been recodified as Title 15A, Department of Environment, Health, and Natural Resources effective November 1, 1989. The recodification was pursuant to G.S. 143B-279.1.

15A NCAC 2G.0504, ALLOCATION OF WATER SUPPLY STORAGE

NORTH CAROLINA ADMINISTRATIVE CODE
TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0500. ALLOCATION OF JORDAN LAKE WATER SUPPLY STORAGE

.0504 ALLOCATION OF WATER SUPPLY STORAGE

(a) The segment of Jordan Lake proposed for a water supply withdrawal must be classified by the Commission as a drinking water source prior to any allocation of Jordan Lake water supply storage. Prior to the first allocation of water supply storage at Jordan Lake, the Commission shall hold one or more public meetings on the amount(s) requested by each applicant, the suitability of Jordan Lake water for public water supply use, the availability of alternative water sources, and the best utilization of the water resources of the region. For future allocation decisions, additional public meetings may be held as determined by the Commission.

(b) The Commission will assign Level I allocations of Jordan Lake water supply storage based on an intent to begin withdrawing water within five years of the effective date of allocation, on consideration of projected water supply needs for a period not to exceed 20 years, and on the design capacity of the associated withdrawal and treatment facilities.

(c) The Commission will make Level II allocations of Jordan Lake water supply to applicants based on projected water supply needs for a period not to exceed 30 years.

(d) The Commission will initially keep 50 percent of the water supply storage unallocated to meet future water supply needs as they develop.

(e) If additional storage is requested by holders of Level II allocations, these parties must submit an application addendum to the Commission for review.

(f) When holders of Level II allocations have documented an immediate need and wish to commence withdrawals within five years, their Level II allocations will be changed to Level I upon review and approval by the Commission.

(g) The department will issue a notice that it has received applications for Level I and Level II allocations and requests for increases in allocations, with a 30-day period for comment. If there is significant public interest, the department may hold a public meeting to obtain comments and information, with appropriate notice.

***19253** (h) To protect the yield of Jordan Lake for water supply and water quality purposes, the Commission will limit water supply allocations that will result in diversions out of the lake's watershed to 50 percent of the total water supply yield. The Commission may review and revise this limit based on experience in managing the lake and on the effects of changes in the lake's watershed that will affect its yield. For applicants whose discharge or intake represents a diversion pursuant to G.S. 153A-285 or 162A-7, the Commission will coordinate the review of the diversion with the review of the allocation request.

(i) Where applications for allocations exceed storage capacity, the Commission will assign, reassign, or transfer allocations based on the applicants' or holders' need(s) and alternative water sources available (as defined in the application requirements), the existing or proposed average degree of utilization of the resource (relative to the total allocation application), the level of financial commitment (relative to the applicant's or holder's total costs in developing Jordan Lake as a water supply source), the effects on the lake's yield, and the level of sharing facilities or other cooperative arrangements with other local governments.

History Note: Statutory Authority G.S. 143-54(a)(11); 143-215.3(a)(1); 143B-282; 153A-285; 162A-7; Eff. March 1, 1988.

Editor's Note: Title 15, Department of Natural Resources and Community Development, has been recodified as Title 15A, Department of Environment, Health, and Natural Resources effective November 1, 1989. The recodification was pursuant to G.S. 143B-279.1.

15A NCAC 2G.0505, NOTIFICATION AND PAYMENT

NORTH CAROLINA ADMINISTRATIVE CODE
TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0500. ALLOCATION OF JORDAN LAKE WATER SUPPLY STORAGE

.0505 NOTIFICATION AND PAYMENT

(a) The Commission will notify applicants of the decisions made regarding their allocation requests.

(b) Recipients of Level I allocations are required to pay a proportional share of the state's total water supply storage capital and interest costs over a term suitable to the recipient and the Commission, but by 2012. Interest rates will vary with the payback term, and will be based on the state recovering the total federal capital and interest costs associated with water supply storage by 2012. After 2012, the Commission may review and adjust repayment requirements to assure equitable and efficient allocation of the resource. Level I recipients are also required to pay annually a proportional share of operating costs.

(c) Holders of Level II allocations are required to pay a proportional share of the project's water supply storage interest and operating costs.

History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-354(a)(11); 143B-282; Eff. March 1, 1988.

Editor's Note: Title 15, Department of Natural Resources and Community Development, has been recodified as Title 15A, Department of Environment, Health, and Natural Resources effective November 1, 1989. The recodification was pursuant to G.S. 143B-279.1.

15A NCAC 2G.0506, RECIPIENTS' REQUIREMENTS

NORTH CAROLINA ADMINISTRATIVE CODE
TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0500. ALLOCATION OF JORDAN LAKE WATER SUPPLY STORAGE

.0506 RECIPIENTS' REQUIREMENTS

(a) Holders of Level I allocations must provide documentation meeting the requirements of the North Carolina Environmental Policy Act, G.S. 113A-1 thru 113A-10, at the time the holders propose to build facilities to use water from Jordan Lake. Such documentation shall include the environmental impacts of the proposed withdrawal, treatment, distribution, and disposal of the holders' allocated water.

(b) Local governments must install and maintain suitable meters for the measurement of water withdrawn, report these withdrawals to the department on a monthly basis, and obtain the department's approval for the design, location, and installation of associated withdrawal facilities.

(c) Holders of Level I and Level II allocations must pay the required capital, interest, and operating costs when due.

History Note: Statutory Authority G.S. 113A-1 through 113A-10; 143-215.3(a)(1); 143-354(a)(11); 143B-282; Eff. March 1, 1988.

Editor's Note: Title 15, Department of Natural Resources and Community Development, has been recodified as Title 15A, Department of Environment, Health, and Natural Resources effective November 1, 1989. The recodification was pursuant to G.S. 143B-279.1.

15A NCAC 2G.0507, LOSS OF ALLOCATION

NORTH CAROLINA ADMINISTRATIVE CODE
TITLE 15A. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
RESOURCES
CHAPTER 2. ENVIRONMENTAL MANAGEMENT
SUBCHAPTER 2G. WATER RESOURCES PROGRAMS
SECTION .0500. ALLOCATION OF JORDAN LAKE WATER SUPPLY STORAGE

.0507 LOSS OF ALLOCATION

(a) The Commission will review the Level I and Level II allocations at five year intervals, beginning on the effective date of the first allocation.

(b) Level I allocations will be reviewed for possible reassignment if the recipient does not begin to withdraw water within five years of the effective date of allocation or is not using and withdrawing the water as proposed in the application.

(c) Level I and Level II allocations will be rescinded upon failure by the local government to meet the regulation requirements in .0506 (a), (b), and (c).

(d) The Commission may adjust, reassign, or transfer interests in water supply storage held by local governments, if indicated by an investigation of needs or changes in the project's water supply storage capacity. Capital, interest, and operating costs will be equitably adjusted to reflect the allocation recipients' proportion of total capacity.

Holders of Level I and Level II allocations will receive appropriate refunds for any payments made if their allocations are adjusted, reassigned, or otherwise amended with the approval of the Commission. Rescinded allocations will not be refunded.

(e) The Commission shall hold a public meeting to obtain comments and information regarding the proposed loss of allocation.

History Note: Statutory Authority G.S. 143-215.3(a)(1); 143-354(a)(11); 143B-282; Eff. March 1, 1988.

Editor's Note: Title 15, Department of Natural Resources and Community Development, has been recodified as Title 15A, Department of Environment, Health, and Natural Resources effective November 1, 1989. The recodification was pursuant to G.S. 143B-279.1.

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