## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2009

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## HOUSE BILL 1337 PROPOSED COMMITTEE SUBSTITUTE H1337-PCS10934-TA-9

Short Title: Water Resources Improvement Act of 2009. (Public) Sponsors: Referred to: April 9, 2009 A BILL TO BE ENTITLED AN ACT TO CREATE A WATER RESOURCES COST-SHARE PROGRAM TO ASSIST LANDOWNERS TO: INCREASE OR PRESERVE WATER STORAGE CAPACITY; DEVELOP AND IMPROVE SURFACE AND GROUNDWATER SUPPLIES; AND IMPLEMENT WATER CONSERVATION AND EFFICIENCY PRACTICES. Whereas, water is fundamental to the health, safety, and economy of our State; and Whereas, North Carolina has abundant surface and groundwater resources to sustain a growing population if managed properly; and Whereas, North Carolinians are known for their innovative approach to solving environmental and economic challenges; and Whereas, many water resources such as mining pits, borrow pits, salt water resources, and treated wastewater can be better utilized to meet our water resource needs; and Whereas, innovative systems such as aquifer storage and recovery need to be implemented in other parts of the State when appropriate; and Whereas, landowners depend on adequate water resources; and Whereas, the Water Allocation Study, as authorized by S.L. 2007-518, recommended that North Carolina increase its water storage capacity; and Whereas, the Water Allocation Study also recommended that our State ensure that our water infrastructure is maintained; and Whereas, there are financial and regulatory hurdles that impede construction of both small- and large-scale water impoundments; and Whereas, the Water Allocation Study also recommended that North Carolina address critical water resource research and study needs; and Whereas, the Water Allocation Study also recommended rewarding practices that promote water efficiency; and Whereas, it is in the public interest to promote water efficiency and the expansion of water storage capacity; and Whereas, North Carolina needs to act now to solve our long-term water resource needs; and Whereas, landowners need assistance in constructing new and expanding existing water storage structures; and Whereas, landowners need assistance in converting to more water-efficient equipment; Now, therefore,

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The General Assembly of North Carolina enacts:

**General Assembly Of North Carolina** Session 2009 **SECTION 1.** Chapter 139 of the General Statutes is amended by adding a new 1 2 Article to read: 3 "Article 5. 4 "Grants for Water Resources Improvement Projects. 5 "§ 139-60. Water Resources Improvement Cost-Share Program. Program Established. - There is created the Water Resources Improvement 6 7 Cost-Share Program. The Program shall be created, implemented, and supervised by the 8 Commission. 9 (b) Purpose. – The purpose of the Program shall be to: 10 Increase or preserve water storage capacity. <u>(1)</u> 11 (2) Develop and improve surface and groundwater supplies. Implement water conservation and efficiency practices. 12 (3) 13 Requirements. – The Program shall be subject to the following requirements and (c) 14 limitations: 15 (1) Funding of the Program is available for landowners within North Carolina. (2) Cost-share assistance shall be limited to seventy-five percent (75%) of the 16 17 average cost for each project with the landowner providing twenty-five percent (25%) of the cost, which may include in-kind support of the project. 18 Program funding is limited to a maximum of one hundred fifty thousand 19 20 dollars (\$150,000) per year to each applicant. 21 (3) Cost-share funds shall be used for any of the following purposes: 22 Expanding or constructing water storage structures. <u>a.</u> 23 Adoption of innovative water storage practices such as, but not b. 24 limited to, aquifer storage and recovery systems. 25 Development of and improvements to surface and groundwater <u>c.</u> 26 resources. 27 Conversion to more water-efficient equipment or practices. 28 <u>(4)</u> The Commission may approve additional types of projects or practices 29 eligible for cost-share assistance, provided that such projects or practices are 30 consistent with the purposes set forth in subsection (b) of this section. 31 Participation in the Program shall be voluntary. (5) 32 Prioritization of Program funding shall be given to projects that accomplish (6) 33 the purposes identified in subsection (b) of this section. 34 Report. – The Commission shall report on or before January 31 of each year to the 35 Environmental Review Commission and the Fiscal Research Division. This report shall include 36 a list of projects that received State funding pursuant to the Program, findings regarding the 37 effectiveness of each of these projects in accomplishing its primary purpose, and any 38 recommendations to assure that State funding is used in the most cost-effective manner and 39 accomplishes the greatest improvement in water resources. "§ 139-61. Water Resources Improvement Trust Fund. 40 Fund. - The Water Resources Improvement Trust Fund is established as a 41 42 nonreverting fund within the Department of Environment and Natural Resources. The Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer 43 44 pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Fund shall consist of funds appropriated to it by the General Assembly; any federal funds available for the purposes set out in G.S. 139-60; 45 and any grants, gifts, or contributions to the State for this purpose. State funds for the Program 46

(b) <u>Disposition of Funds. – The Fund shall be used for implementation of the Water Resources Improvement Cost-Share Program as enacted in G.S. 139-60. At least fifty percent</u>

shall remain available until expended for the Program. The Commission shall retain the

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authority to allocate the Program funds.

1 2 3 (50%) of Program funds shall be used to assist persons actively engaged in agriculture as defined in G.S. 106-581.1."

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**SECTION 2.** The Soil and Water Conservation Commission may adopt rules to implement the Program created by Section 1 of this act and may establish a technical advisory committee to assist with implementation of the Program.

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**SECTION 3.** The Soil and Water Conservation Commission shall evaluate statutory and regulatory impediments to constructing water impoundments for agricultural purposes and make recommendations, including legislative proposals, to the Environmental Review Commission on or before December 31, 2009.

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**SECTION 4.** This act is effective when it becomes law.