

1 particularly with regard to economic development and growth-related
2 infrastructure needs, water system efficiency measures, and costs related to
3 the development of new water sources.

4 **SECTION 1.(b)** Study. – The Environmental Finance Center at the University of
5 North Carolina at Chapel Hill School of Government (EFC) shall study and report on the benefits,
6 costs, and financial, statutory, or regulatory obstacles to regionalization of water and wastewater
7 services across the State. In the report, the EFC shall provide recommendations regarding all of
8 the following:

- 9 (1) Legislative or regulatory changes in financial, auditing, or oversight
10 requirements imposed on public water and wastewater systems that will lead
11 to more informed decision making on financial stability of those systems, and
12 the potential of various regionalization measures to address financial
13 instability.
14 (2) Particular public water or wastewater systems in the State that would benefit
15 significantly from various regionalization measures.

16 **SECTION 1.(c)** Consultation. – In compiling its report and recommendations, the
17 EFC shall consult with the State Water Infrastructure Authority, the Local Government
18 Commission, the North Carolina League of Municipalities, the North Carolina Association of
19 County Commissioners, and any other entity the EFC finds relevant to the issues it is studying.

20 **SECTION 1.(d)** Report. – The EFC shall report its findings and recommendations
21 no later than April 1, 2026, to the chairs of the House Oversight Committee, the chairs of the
22 Senate Committee on Regulatory Reform, and the Joint Legislative Commission on
23 Governmental Operations.

24 **SECTION 1.(e)** Definitions. – For the purposes of this section, "public water system"
25 has the same meaning as in G.S. 130A-313 and "wastewater system" has the same meaning as in
26 G.S. 159G-20.

27 **ELIMINATE SUBBASIN DESIGNATIONS FOR IBT PROCESS**

28 **SECTION 2.(a)** Legislative Findings. – The General Assembly makes the following
29 findings with respect to eliminating the Haw River, Deep River, and Contentnea Creek subbasin
30 designations:
31

- 32 (1) These subbasins serve rapidly growing areas facing urgent water supply and
33 economic development pressures.
34 (2) Flexibility in intrabasin transfers within the Neuse and Cape Fear major river
35 basins strengthens drought resilience and supports emergency water
36 management.
37 (3) Reducing unnecessary regulatory barriers allows municipalities and utilities
38 in these subbasins to better plan and finance regional water infrastructure,
39 improving affordability for consumers.
40 (4) Existing watershed planning and management systems within the Cape Fear
41 River and Neuse River major river basins mitigate potential environmental
42 impacts caused by intrabasin transfers.

43 **SECTION 2.(b)** G.S. 143-215.22G reads as rewritten:

44 **"§ 143-215.22G. Definitions.**

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

47 ...

- 48 (1b) "River basin" means any of the following river basins designated on the map
49 entitled "Major River Basins and Sub-basins in North Carolina" and filed in
50 the Office of the Secretary of State on 16 April 1991. The term "river basin"
51 includes any portion of the river basin that extends into another state. Any area

- 1 outside North Carolina that is not included in one of the river basins listed in
- 2 this subdivision comprises a separate river basin.
- 3 a. 1-1 Broad River.
- 4 ~~b. 2-1 Haw River.~~
- 5 ~~c. 2-2 Deep River.~~
- 6 d. 2-3 Cape Fear River-River, which includes Haw
- 7 River (2-1) and Deep River (2-2).
- 8 e. 2-4 South River.
- 9 f. 2-5 Northeast Cape Fear River.
- 10 g. 2-6 New River.
- 11 h. 3-1 Catawba River.
- 12 i. 3-2 South Fork Catawba River.
- 13 j. 4-1 Chowan River.
- 14 k. 4-2 Meherrin River.
- 15 l. 5-1 Nolichucky River.
- 16 m. 5-2 French Broad River.
- 17 n. 5-3 Pigeon River.
- 18 o. 6-1 Hiwassee River.
- 19 p. 7-1 Little Tennessee River.
- 20 q. 7-2 Tuskasegee (Tuckasegee) River.
- 21 r. 8-1 Savannah River.
- 22 s. 9-1 Lumber River.
- 23 t. 9-2 Big Shoe Heel Creek.
- 24 u. 9-3 Waccamaw River.
- 25 v. 9-4 Shallotte River.
- 26 w. 10-1 Neuse River-River, which includes
- 27 Contentnea Creek (10-2).
- 28 ~~x. 10-2 Contentnea Creek.~~
- 29 y. 10-3 Trent River.
- 30 z. 11-1 New River.
- 31 aa. 12-1 Albemarle Sound.
- 32 bb. 13-1 Ocoee River.
- 33 cc. 14-1 Roanoke River.
- 34 dd. 15-1 Tar River.
- 35 ee. 15-2 Fishing Creek.
- 36 ff. 15-3 Pamlico River and Sound.
- 37 gg. 16-1 Watauga River.
- 38 hh. 17-1 White Oak River.
- 39 ii. 18-1 Yadkin (Yadkin-Pee Dee) River.
- 40 jj. 18-2 South Yadkin River.
- 41 kk. 18-3 Uwharrie River.
- 42 ll. 18-4 Rocky River.

...."

SECTION 2.(c) This section is effective when it becomes law and applies to water withdrawals or transfers initiated or modified on or after that date.

REVISE 2020 FARM ACT TMDL TRANSPORT FACTOR CALCULATION APPLICABILITY

SECTION 3. Section 15 of S.L. 2020-18, as amended by Section 14 of S.L. 2023-137, reads as rewritten:

1 "SECTION 15.(a) Notwithstanding 15A NCAC 02B .0701 (Nutrient Strategies
2 Definitions), 15A NCAC 02B .0703 (Nutrient Offset Credit Trading), and 15A NCAC 02B .0713
3 (Neuse Nutrient Strategy: Wastewater Discharge Requirements), nutrient offset credits shall be
4 applied to a wastewater permit by applying the TMDL transport factor to the permitted
5 wastewater discharge and to the nutrient offset credits as specified in the 1999 Phase I TMDL.

6 "SECTION 15.(b) Subsection (a) of this section applies only to wastewater discharge permit
7 applications for a local government located in the Neuse River Basin with a customer base of
8 fewer than 15,000 connections. ~~Basin.~~

9 "SECTION 15.(c) The Department of Environmental Quality, in conjunction with affected
10 parties, may begin the modeling necessary to determine new transport zones and delivery factors
11 for the Neuse River Basin for point source discharges and nutrient offset credits. Once the
12 Department has completed the watershed modeling, ~~it shall provide the Environmental~~
13 ~~Management Commission a list of qualified professionals from which the Commission shall~~
14 ~~select at least two to validate the modeling. If each of the professionals selected by the~~
15 ~~Commission validate the model,~~ the Commission may use the modeling and other information
16 provided during the public comment period to adopt new transport zones and delivery factors, if
17 warranted, by rule.

18 "SECTION 15.(d) This section is effective when it becomes law. Subsection (a) of this
19 section shall expire when the rule required by subsection (c) of this section becomes effective."
20

21 EFFECTIVE DATE

22 SECTION 4. Except as otherwise provided, this act is effective when it becomes
23 law.