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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

HOUSE/SENATE BILL ____*

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A BILL TO BE ENTITLED AN ACT TO

The General Assembly of North Carolina enacts:

SECTION 1 G.S. 143-215.22H reads as rewritten:

"§ 143-215.22H. 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 two 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.

[Note: This draft reflects DENR's original proposal that agricultural water users be required to register water use of 100,000 gallons per day or more with the Division of Water Resources (consistent with other water users). Discussions with interested parties are continuing and the approach to

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registration of agricultural water use may be modified based on those discussions.]

- (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 one hundred dollars (\$5.00) (\$100.00). 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 fifty dollars (\$5.00) (\$50.00). 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. For each willful action or failure to act for which a penalty may be assessed under this subsection, the Commission may consider each day the action or inaction continues after notice is given of the violation as a separate violation; a separate penalty may be assessed for each such separate violation."

SECTION 2. G.S. 143-350 reads as rewritten:

" § G.S. 143-350. Definitions.

As used in this Article:

- (1) "Commission" means the Environmental Management Commission.
- (2) "Department" means the Department of Environment and Natural Resources.
- (3) "Large community water system" means a community water system, as defined in G.S. 130A-313(10), that regularly serves 1,000 or more service connections or 3,000 or more individuals.

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(4) "Essential water use" means the use of water necessary for firefighting, health and safety; water needed to sustain human and animal life; and water necessary to satisfy federal, state and local public health, safety or environmental protection requirements.

5. "Unit of local government" means a county, city, consolidated citycounty, sanitary district or other local political subdivision or authority or agency or local government.

SECTION 3 G.S. 143-354 reads as rewritten:

- "§ 143-354. Ordinary powers and duties of the Commission. [Note: Most of the powers proposed for repeal in this section will be recreated in a later section authorizing the Secretary to exercise those same powers. Some will be recreated in a new section authorizing the EMC to adopt minimum mandatory water conservation measures for extreme and exceptional drought.]
- (a) Powers and Duties in General. Except as otherwise specified in this Article, the powers and duties of the Commission shall be as follows:
 - (1) The Commission shall carry out a program of planning and education concerning the most beneficial long-range conservation and use of the water resources of the State. It shall investigate the long-range needs of counties and municipalities and other local governments for water supply storage available in federal projects.
 - (2) The Commission shall advise the Governor as to how the State's present water research activities might be coordinated.
 - (3) The Commission, based on information available, shall notify any municipality or other governmental unit of potential water shortages or emergencies foreseen by the Commission affecting the water supply of such municipality or unit together with the Commission's recommendations for restricting and conserving the use of water or increasing the water supply by or in such municipality or unit. Failure reasonably to follow such recommendations shall make such municipality or other governmental unit ineligible to receive any emergency diversion of waters as hereinafter provided.
 - (4) The Commission is authorized to call upon the Attorney General for such legal advice as is necessary to the functioning of the Commission.
 - (5) Recognizing the complexity and difficulties attendant upon the recommendation of the General Assembly of fair and beneficial legislation affecting the use and conservation of water, the

- Commission shall solicit from the various water interests of the State their suggestions thereon.
- (6) The Commission may hold public hearings for the purpose of obtaining evidence and information and permitting discussion relative to water resources legislation and shall have the power to subpoena witnesses therefor.
- (7) All recommendations for proposed legislation made by the Commission shall be available to the public.
- (8) The Commission shall adopt such rules and regulations as may be necessary to carry out the purposes of this Article Section.
- (9) Any member of the Commission or any person authorized by it, shall have the right to enter upon any private or public lands or waters for the purpose of making investigations and studies reasonably necessary in the gathering of facts concerning streams and watersheds, subject to responsibility for any damage done to property entered.
- (10) The Commission is authorized to provide to federal agencies the required assurances, subject to availability of appropriations by the General Assembly or applicable funds or assurances from local governments, of nonfederal cooperation for water supply storage and other congressionally authorized purposes in federal projects.
- (11) The Commission is authorized to assign or transfer to any county or municipality or other local government having a need for water supply storage in federal projects any interest held by the State in such storage, upon the assumption of repayment obligation therefor, or compensation to the State, by such local government. The Commission shall also have the authority to reassign or transfer interests in such storage held by local governments, if indicated by the investigation of needs made pursuant to subsection (a)(1) of this section, subject to equitable adjustment of financial responsibility.
- (b) Declaration of Water Emergency. Upon the request of the governing body of a county, city, or town, the Commission shall conduct an investigation to determine whether the needs of human consumption, necessary sanitation and public safety require emergency action as hereinafter provided. Upon making such determination, the Commission shall conduct a public hearing on the question of the source of relief water after three days' written notice of such hearing has been given to any persons having the right to the immediate use of water at the point from which such water is proposed to be diverted. After determining the source of such relief water the Commission shall then notify the Governor and he shall have the authority to declare a water emergency in an area including said county, city or town and the source or sources of water available for

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the relief hereinafter provided; provided, however, that no emergency period shall exceed 30 days but the Governor may declare any number of successive emergencies upon request of the Commission.

- (c) Water Emergency Powers and Duties of the Commission. Whenever, pursuant to this Article, the Governor has declared the existence of a water emergency within a particular area of the State, the Commission shall have the following duties and powers to be exercised only within said area and only during such time as the Governor has, pursuant to this Article, designated as the period of emergency:
 - (1) To authorize any county, city or town in which an emergency has been declared to divert water in the emergency area sufficient to take care of the needs of human consumption, necessary sanitation and public safety. Provided, however, there shall be no diversion of waters from any stream or body of water pursuant to this Article unless the person controlling the water or sewerage system into which such waters are diverted shall first have limited and restricted the use of water in such water or sewerage system to human consumption, necessary sanitation and public safety and shall have effectively enforced such restrictions. Diversion of waters shall cease upon the termination of the water emergency. or upon the finding of the Commission that the person controlling the water or sewerage system using diverted waters has failed to enforce effectively the restrictions on use to human consumption and necessary sanitation and public safety. In the event waters are diverted pursuant to this Article, there shall be no diversion to the same person in any subsequent year unless the Commission finds as fact from evidence presented that the person controlling the water or sewerage system has made reasonable plans and acted with due diligence pursuant thereto to eliminate future emergencies by adequately enlarging such person's own water supply.
 - (2) To make such reasonable rules and regulations governing the conservation and use of diverted waters within the emergency area as shall be necessary for the health and safety of the persons who reside within the emergency area; and the violation of such rules and regulations during the period of the emergency shall constitute a Class 1 misdemeanor; provided, however, that before such rules and regulations shall become effective, they shall be published in not less than two consecutive issues of not less than one newspaper generally circulated in the emergency area.
- (d) Temporary Rights-of-Way. When any diversion of waters is ordered by the Commission pursuant to this Article, the person controlling the water or sewerage system into which such waters are diverted is hereby empowered to lay

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necessary temporary water lines for the period of such emergency across, under or above any and all properties to connect the emergency water supply to an intake of said water or sewerage system. The route of such water lines shall be prescribed by the Commission.

(e) Compensation for Water Allocated during Water Emergency and Temporary Rights of Way. Whenever the Commission, pursuant to this Article has ordered any diversion of waters, the person controlling the waters or sewerage system into which such waters are diverted shall be liable to all persons suffering any loss or damage caused by or resulting from the diversion of such waters or caused by or resulting from the laying of temporary water lines to effectuate such diversion. The Commission, before ordering such diversion, shall require that the person against whom liability attaches hereunder to post bond with a surety approved by the Commission in an amount determined by the Commission and conditioned upon the payment of such loss or damage."

SECTION 4 Part ___ of Article ___ of Chapter 143 of the General Statutes is amended by the addition of a new section to read:

"§ 143-354.1. Mandatory Water Conservation Measures; Severe, Extreme and Exceptional Drought.

(a) Mandatory Minimum Water Conservation Measures. – The Commission shall adopt rules establishing minimum water conservation measures to be implemented by units of local government located in areas designated by the Drought Management Advisory Council as areas of severe, extreme or exceptional drought. Rules adopted by the Commission shall prohibit use of potable water for uses that can be supplied by reclaimed water, recycled wastewater or treated gray water in areas that have been in exceptional drought for more than sixty days. Restrictions on water use shall not apply to use of reclaimed or recycled wastewater or to authorized use of treated or untreated gray water.

[Note: The preceding language may require additional work; the intent is to put a floor under the minimum water conservation measures once drought conditions have reached a critical level.]

- (b) Each city, county or unified local government located in an area of severe, extreme or exceptional drought designated by the Drought Management Advisory Council Minimum shall implement the minimum water conservation measures set out in rules adopted by the Commission pursuant to this subsection. A city, county or unified local government may adopt water conservation ordinances pursuant to their general police power. A local ordinance that imposes water conservation requirements shall be at least as stringent and may be more stringent than the minimum water conservation measures adopted by the Commission.
- (c) A city, county or unified local government is authorized to apply water conservation measures to all water users within the local government's

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jurisdiction, including water users served by an investor-owned utility or private water supply well.

SECTION 5 G.S. 143-355(k) and (l) read as rewritten:

"§ 143-355. Powers and duties of the Department.

- Water Use Information. Any person using, withdrawing, diverting or obtaining water from surface streams, lakes and underground water sources shall, upon the request of the Department, file a monthly report with the Department showing the amount of water used, withdrawn, diverted or obtained from such sources. Such report shall be on a form supplied by the Department and shall show the identification of the water well or other withdrawal facility, location, total daily withdrawal capacity, average daily withdrawal for the days used, the number of days used and maximum daily withdrawal. Reports required to be filed under this subsection shall be filed on or before the fifteenth day of the month succeeding the month during which the using, withdrawing, diverting or obtaining water required to be reported occurred. This subsection does not apply to withdrawals or uses by individuals or families for household, livestock, or gardens. All reports required under this subsection are provided solely for the purpose of the Department. Within the meaning of this subsection the term "person" means any and all persons, including individuals, firms, partnerships, associations, public or private institutions, municipalities or political subdivisions, governmental agencies, and private or public corporations organized or existing under the laws of this State or any other state or country. In the event of drought or other water shortage, the Department may require each local government water system and each large community water system to report water use on a weekly basis and may require the reporting of additional information necessary to assess and manage the drought or water shortage.
- (l) For purposes of this subsection, "community water system" means a community water system, as defined in G.S. 130A 313(10), that regularly serves 1,000 or more service connections or 3,000 or more individuals. [Note: The definition is being moved to the definitions section of this Article because the term will also be used in other statute sections. The term will also be changed to "Large community water system" to avoid conflict with the definition of "community water system" in rules adopted under the Drinking Water Act; that definition covers smaller systems.] Each unit of local government that provides public water service or that plans to provide public water service and each community water system shall, either individually or together with other units of local government and community water systems, prepare a local water supply plan and submit it to the Department for approval. The Department shall provide technical assistance with the preparation of plans to units of local government and community water systems upon request and to the extent that the Department has resources available to provide assistance. At a minimum, each

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unit of local government and community water system shall include in local water supply plans all information that is readily available to it. Plans shall include present and projected population, industrial development, and water use within the service area; present and future water supplies; an estimate of the technical assistance that may be needed at the local level to address projected water needs; current and future water conservation and water reuse programs; a description of how the local government or community water system will respond to drought and other water shortage emergencies and continue to meet essential public water supply needs during the emergency; a water audit and leak detection program; identification of existing and planned interconnections to other water systems; and any other related information as the Department may require in the preparation of a State water supply plan. Local plans shall be revised to reflect changes in relevant data and projections at least once each five years unless the Department requests more frequent revisions. In any case, the local government or community water system shall submit a revised water supply plan that specifies how the water system intends to address foreseeable future water needs when eighty percent (80%) of a water system's available water supply based on average daily demand has been allocated to current or prospective water users or the seasonal demand exceeds ninety percent (90%) of available water supply. The revised plan shall include the current and anticipated reliance by the local government unit or community water system on surface water transfers as defined by G.S. 143-215.22G. Local plans and revised plans shall be submitted to the Department once they have been approved by each unit of local government and community water system that participated in the preparation of the plan. The Department shall review the local water supply plans and shall approve the plan if the Department finds:

- i. The plan addresses each of the elements required in this subsection, and
- ii. The water supply sources identified in the plan can be used to supply potable water and are adequate to meet the water supply needs projected in the plan.
- (m) In order to assure the availability of adequate supplies of good quality water to protect the public health and to support desirable economic growth, the Department shall develop a State water supply plan. The State water supply plan shall include the information and projections required to be included in local plans, a summary of water conservation and water reuse programs described in local plans, a summary of the technical assistance needs indicated by local plans, and shall indicate the extent to which the various local plans are compatible. The State plan shall identify potential conflicts among the various local plans and ways in which local water supply programs could be better coordinated.
- (n) The Secretary shall adopt such rules and regulations as may be necessary to carry out the purposes of this Section.

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SECTION 6. Part __ of Article __ of Chapter 143 of the General Statutes is amended by adding four new sections to read:

- § 143-355.2 Water Shortage Emergency Powers. [Note: This section shifts powers that currently reside in the Environmental Management Commission to the Secretary of DENR. The process for declaring a water shortage emergency has been streamlined, but otherwise the section reflects existing law.]
- (a) Declaration of Water Shortage Emergency. –If the Secretary determines that the needs of human consumption, necessary sanitation and public safety require emergency action, the Secretary shall notify the Governor. The Governor shall have the authority to declare a water emergency in the area affected by the water shortage emergency. No emergency period shall exceed 30 days but the Governor may declare successive emergencies upon recommendation of the Secretary.
- (b) Water Emergency Powers and Duties. Whenever, pursuant to this Article, the Governor has declared the existence of a water emergency within a particular area of the State, the Secretary shall have the following duties and powers within the designated water emergency area and only for the period of the water emergency:
 - (1) To require any water system that has water supply in excess of that required to meet the essential water uses of its customers to provide water to a water system experiencing a water emergency. The amount required to be supplied shall be limited to the amount necessary to supply essential water uses within the receiving system. The required diversion of waters shall cease upon the termination of the water emergency
 - (2) To adopt rules governing the conservation and use of water within the emergency area as shall be necessary for the health and safety of the persons who reside within the emergency area. Before such rules and regulations shall become effective, they shall be published in two consecutive issues of a newspaper generally circulated in the emergency area.
 - (3) To adopt rules governing conservation and use of water within the service area of the water system from which water is being diverted as shall be necessary to maintain essential water uses in the system while supplying water to the emergency area.

The duties and powers granted in this subsection shall be exercised by the Secretary only after the Secretary has consulted with the affected water systems and determined that the water emergency cannot be effectively managed in the absence of exercising these authorities.

(c) Temporary Rights-of-Way. – When any diversion of waters is ordered by the Secretary pursuant to this Article, the water or wastewater system into

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which such waters are diverted is authorized to lay necessary temporary water lines for the period of such emergency across, under or above any and all properties to connect the emergency water supply to an intake of said water or wastewater system without first acquiring right-of-way. The Department shall expedite the approval of temporary water lines needed to provide emergency water supply under this Section.

(d) Compensation for Water Allocated during Water Emergency and Temporary Rights-of-Way. — Whenever the Secretary, pursuant to this Article has ordered any diversion of waters, the water or wastewater system into which such waters are diverted shall reimburse the donor water system for the cost of the water. The cost charge to the receiving system shall not exceed the retail cost that would be charged to a customer of the supplying system for an equivalent amount of water and any additional costs incurred by the supplying system for alterations to its infrastructure to effectuate the diversion. The receiving water system shall be liable to all persons suffering any loss or damage caused by or resulting from the laying of temporary water lines to effectuate such diversion. The Secretary, before ordering such diversion, shall require that the water or wastewater system against whom liability attaches hereunder to post bond with a surety approved by the Secretary, in an amount determined by the Secretary and conditioned upon the payment of such loss or damage.

§ 143-355.3 Water System Efficiency

- (a) For purposes of maintaining accurate records of water use, local government and community water systems shall ensure that water delivered by the water system is metered to the maximum extent practicable.
- (b) Local government water systems and community water systems shall require separate meters for in-ground irrigation systems. [Note: the effective date clause in the bill will need to describe how this requirement will be implemented with respect to new versus existing systems.]
- (c) To be eligible for state water infrastructure funds to extend water lines or to expand water treatment capacity, a water system must demonstrate the following:
- 1. A water rate structure that is adequate to pay the cost of maintaining, repairing, and operating the system, including reserves for such purposes and payment of principal and interest on indebtedness incurred for maintenance or improvement of the water system during periods of normal use and periods of reduced water use due to implementation of water conservation measures. The funding agency shall apply guidelines developed by the State Water Infrastructure Commission in determining the adequacy of the water rate structure to support operation and maintenance of the system.
 - 2. Implementation of a leak detection and repair program;
 - 3. An approved water supply plan pursuant to G.S. 143-355.

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The requirements of this subsection shall apply to loans and grants from the Drinking Water Revolving Fund, the Drinking Water Reserve Fund, and to any other grant or loan of funds allocated by the General Assembly whether the allocation of funds is to a state agency or to a nonprofit organization.

(d) No water system shall use a rate structure that gives residential water customers a lower per unit water rate as water use increases.

§ 143-355.4 Enforcement

- (a) The Secretary may assess a civil penalty of not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00) against any person who:
 - (1) Fails to report water use or other information required under G.S. 143-355(k);
 - (2) Fails to act in accordance with the terms, conditions, or requirements of an order issued by the Secretary under G.S. 143-355.2.
 - (3) Violates any provision of this Article or any rule adopted by the Commission or the Department implementing this Article.
- (b) For each willful action or failure to act for which a penalty may be assessed under this subsection, the Secretary may consider each day the action or inaction continues after notice is given of the violation as a separate violation; a separate penalty may be assessed for each such separate violation.
- (c) A civil penalty of not more than one thousand dollars (\$1,000) per month may be assessed against any local government that fails to adopt a water conservation ordinance that meets the mandatory minimum standards for extreme and exceptional drought established by the Commission as required by G.S. 143-354.1 or willfully fails to administer or enforce the provisions of its program in substantial compliance with the minimum water conservation standards.
- (d) The violation of emergency water conservation rules adopted by the Secretary pursuant to G.S. 143-355.3(b) shall constitute a Class 1 misdemeanor.
- (e) The Secretary shall notify any person assessed a civil penalty of the assessment and the specific reasons therefor by registered or certified mail, or by any means authorized by G.S. 1A-1, Rule 4. Contested case petitions shall be filed within 30 days of receipt of the notice of assessment."

SECTION 7 Part___of Article ___ of Chapter 130A of the General Statutes is amended by the addition of a new section as follows:

"§ 130A-329 Reporting

Reports required to be submitted under this Article or under rules adopted by the Commission shall be submitted electronically on a form specified by the Department. The Department may waive the requirement for electronic

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submission of a report if the water system demonstrates that it lacks the technical capability to report electronically."

SECTION 8 G.S. 130A-355(a) reads as rewritten:

"§ 130A-335. Wastewater collection, treatment and disposal; rules.

(a) A person owning or controlling a residence, place of business or a place of public assembly shall provide an approved wastewater system. All wastewater from water-using fixtures and appliances connected to a water supply source shall discharge to the approved wastewater system. A wastewater system may include components for collection, treatment and disposal of wastewater."

Note: Versions of the language added above already appears in rules that the Commission for Public Health has adopted to implement this statute and in the Plumbing Code. Inserting the language into 130A-335 made it easier to then create the exception for hand-watering with gray water that appears in the next section.

SECTION 9 Part ____ of Article ____ of Chapter 130A is amended by the addition of a new section as follows:

"G.S. 130A-345. Untreated gray water; allowed uses.

- (a) For purposes of this section, "gray water" means waste water removed from household wash basins, bathtubs, and showers.
- (b) Notwithstanding G.S. 130A-335(a), untreated gray water may be used in periods of drought to hand water trees, shrubs and inedible plants under the following conditions:
 - (1) Gray water shall be applied as soon as practicable. Untreated gray water should not be stored for later use.
 - (2) Gray water containing hazardous chemicals, including but not limited to residue from solvents, shall not be used.
 - (3) Use of untreated gray water is restricted to the residential property where the gray water originates. Untreated gray water shall not be allowed to runoff onto adjoining property, roadways or into drainage features such as ditches and storm drains.
 - (4) Untreated gray water shall be applied using buckets, watering cans or other hand-held containers. Gray water may not be used in an irrigation system unless the gray water has been treated in accordance with standards set out in the State Plumbing Code.
 - (5) Gray water shall not be applied closer than 100 feet to surface waters or a water supply well."

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Note: Does this section need specific language about enforcement by local health departments?

SECTION 10 G.S. 159G-23 reads as rewritten:

"§ 159G-23. Common criteria for loan or grant from Wastewater Reserve or Drinking Water Reserve.

The criteria in this section apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Division of Water Quality and the Division of Environmental Health must each establish a system of assigning points to applications based on the following criteria:

- (1) Public necessity. An applicant must explain how the project promotes public health and protects the environment. A project that improves a system that is not in compliance with permit requirements or is under orders from the Department, enables a moratorium to be lifted, or replaces failing septic tanks with a wastewater collection system.
- (2) Effect on impaired waters. A project that improves designated impaired waters of the State has priority.
- (3) Efficiency. A project that achieves efficiencies in meeting the State's water infrastructure needs <u>or reduces vulnerability to drought</u> by one of the following methods has priority:
 - a. The combination of two or more wastewater or public water systems into a regional wastewater or public water system by merger, consolidation, or another means.
 - b. Conservation or reuse of water, <u>including bulk water reuse</u> <u>facilities and water lines to supply reuse water for irrigation and other approved uses.</u>
 - <u>c.</u> Construction of an interconnection between water systems intended for use in drought or other water shortage emergency.
 - d. Repair or replacement of leaking water lines.
 - <u>e.</u> Replacement of meters and installation of new metering <u>systems.</u>
- (4) Comprehensive land-use plan. A project that is located in a city or county that has adopted or has taken significant steps to adopt a comprehensive land-use plan under Article 18 of Chapter 153A of the General Statutes or Article 19 of Chapter 160A of the General Statutes has priority over a project located in a city or county that has not adopted a plan or has not taken steps to do so. The existence of a plan has more priority than steps taken to adopt a plan, such as adoption of a zoning ordinance. A plan that exceeds the minimum State standards for protection of water

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resources has more priority than one that does not. A project is considered to be located in a city or county if it is located in whole or in part in that unit. A land-use plan is not considered a comprehensive land-use plan unless it has provisions that protect existing water uses and ensure compliance with water quality standards and classifications in all waters of the State affected by the plan.

(5) Flood hazard ordinance. – A project that is located in a city or county that has adopted a flood hazard prevention ordinance under G.S. 143-215.54A has priority over a project located in a city or county that has not adopted an ordinance. A plan that exceeds the minimum standards under G.S. 143-215.54A for a flood hazard prevention ordinance has more priority than one that does not. A project is considered to be located in a city or county"

SECTION 11 The State Water Infrastructure Commission, in consultation with the Department of Environment and Natural Resources and UNC's School of Government, shall develop guidelines for water rate structures that are adequate to pay the cost of maintaining, repairing, and operating the system, including payment of principal and interest on indebtedness incurred for maintenance or improvement of the water system. The guidelines shall also consider the effect of water rates on water conservation and recommend rate structures that support water conservation. Copies of the guidelines shall be made available to the Department of Environment and Natural Resources, the North Carolina Utilities Commission and to all local government water systems and community water systems that serve more than 1,000 connections. The Commission shall report to the General Assembly by February 1, 2009 on development of the guidelines

SECTION 12 The Department of Environment and Natural Resources shall develop recommendations for water efficiency standards for water-using fixtures in residential and commercial building and in-ground irrigation systems. The Department shall also develop recommendations for efficient metering of water use by local government and community water systems. The Department shall report its recommendations to the Commissioner of Insurance, to the Chair of the Building Code Council and to the Environmental Review Commission of the General Assembly by February 1, 2009.

SECTION 13 This Act shall become effective

Note: There will likely be different effective dates for different sections of the bill. Some could go into effect immediately, but others -- such as those that require local government action – will require some lead time. For example, the requirement that in-ground irrigation systems have separate meters will likely be effective as applied to new construction after a certain date.