

N.C. ENVIRONMENTAL MANAGEMENT COMMISSION QUARTERLY REPORT TO THE ENVIRONMENTAL REVIEW COMMISSION

Covering the period January 1, 2010 to March 31, 2010

This quarterly report is submitted to the Environmental Review Commission on the EMC operations, activities, programs, and progress pursuant to the requirements of G.S. 143B-282(b). This report is for the months of January 1, 2010 to March 31, 2010 and provides information on the actions of the EMC.

I: Nutrient Control Strategies Sections 2, 3 and 4 of Session Law 2005-190 (as amended by SL 2006-259 and SL 2009-486)

Falls Lake - Section 2. (b) of Session Law 2005-190

The EMC is required to report its progress in assessing and identifying nutrient control strategies and criteria necessary to prevent excess nutrient loading in the Falls Lake water supply reservoir. The following is an update on the progress.

In 2005 the NC General Assembly passed SL 2005-190 (S981), which includes a requirement for the Commission to adopt a nutrient strategy for Falls Lake. The 2009 regular session produced Senate Bill 1020, a bill devoted to water quality improvements in Falls Lake. This bill revises the EMC adoption deadline to January 15, 2011 and adds certain requirements aimed at water quality improvement in the watershed. The bill was ratified and signed into law on August 26, 2009. A stakeholder process began in late 2008 to provide input on draft rule language.

Division of Water Quality (DWQ) staff provided an update on the rule development process to the EMC at their January 14, 2010 meeting. A ninth and final stakeholder meeting was held on January 21, 2010 to review the proposed draft rule language and receive additional stakeholder comments.

On March 11, 2010 the EMC approved the draft Falls Lake rules to proceed to public hearing and comment. The public hearings will take place in the spring and summer of 2010. The schedule for action is as follows:

- April 2010 – submit fiscal note to Office of State Budget & Management for review and approval.
- Spring / Summer 2010 - public comment period, public hearings, hearing officer meetings and draft report.
- November 2010 EMC meeting - hearing officer report and recommendation to EMC.

Jordan Reservoir - Section 4 of Session Law 2005-190

The EMC is required to report its progress in developing and implementing nutrient management strategies for the B. Everett Jordan Reservoir. The following is an update on that progress.

The Jordan rules were approved and adopted by the EMC and RRC in 2008. They were then reviewed by the 2009 General Assembly. Eight of the rules were approved, and the other five rules were revised or replaced by two session laws. All of the rules were effective by August 11, 2009.

The DWQ continues to implement the initial requirements of the Jordan rules and perform outreach activities. DWQ is reviewing Stage 1 existing development programs that were submitted by local governments at the end of 2009 for EMC approval and implementation as early as July 2010. Contractors continue to develop a new accounting method and a model ordinance, under the stormwater rule, for EMC approval in January 2011. DWQ produced a first annual report summarizing the results of the monitoring of Jordan Lake during 2009 in February. Wastewater dischargers submitted nitrogen optimization reports in February for DWQ approval and implementation. Local governments submitted Jordan buffer programs to DWQ in March. The DWQ is reviewing the programs and will submit them for EMC approval and implementation as early as November 2010. The Watershed Oversight Committee, which will administer requirements of the agriculture rule, held its first meeting in February and second meeting in March.

II: EMC Rulemaking Actions

- Approved proceeding to Public Hearing to amend 15A NCAC 02D .0530, Prevention of Significant Deterioration, and 15A NCAC 02D .0531, Sources in Nonattainment Area, rules. Both rules are being amended to clarify the level of control that applies to new natural gas fired electric generating units that have claimed cost recovery under the Clean Smokestacks Act.
- Approved proceeding to Public Hearing to Amend Volatile Organic Compound (VOC) Reasonably Available Control Technology (RACT) rules to address updated or new RACT requirements for certain categories of VOC emissions.
- Approved proceeding to Public Hearing with proposed Nutrient Offset Payment Actual Cost Rate rule for the North Carolina Ecosystem Enhancement Program and Amendments to the Nutrient Offset Payment rule.
- Approved proceeding to Public Hearing on Proposed Amendments to Surface Water Quality Standards in accordance with federal review requirements (Triennial Review).

- Approved the Hearing Officers' Recommendations on the Proposed Revisions to Buffer Rules (15A NCAC 02B .0248, .0250, and .0252) for the Randleman Lake Water Supply Watershed.
- Approved proceeding to Public Hearing with the Proposed Falls Lake Nutrient Strategy.

III: Other EMC Actions

- Made Decisions on Phase II Stormwater Designations for 17 municipalities. (did designate Benson, Butner, Clayton, Creedmoor, Elizabeth City, Roxboro, Rutherfordton, Shelby, Spindale, Trent Woods, Wendell and Zebulon; and, did *not* designate, at this time, Havelock, Kinston, New Bern, Smithfield and Wilson).
- Approved delegating authority to Mecklenburg County to implement portions of the site-specific water quality management plan for the Goose Creek Watershed within the Town of Mint Hill.
- Approved the request to initiate Round 4 Jordan Lake Water Supply Allocation without the Interbasin Transfer (IBT) component.
- Renewed the cooperative agreement between the Environmental Management Commission, the Division of Water Resources and the Lumber River Council of Governments.
- Approved the Interbasin Transfer Settlement Guidance Document.
- Approved the Lumber River Basin Plan.
- Approved delegating approval of Local Sewer Line Permitting Programs to the DWQ Director.
- Approved a report to the legislature from the EMC's Renewable Energy Committee concerning potential impacts to the state's forest resources from the developing woody biomass power industry. The report focuses on the potential natural resource impacts that would likely arise from increased harvesting, changes in harvesting practices, and land use conversions to meet a growing demand for wood to serve the new state-created market for biopower.

March 18, 2010

Stephen T. Smith
Chair
N.C. Environmental Management Commission