

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1337
Committee Substitute Favorable 5/6/09

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,

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 139 of the General Statutes is amended by adding a new
Article to read:

"Article 5.



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"Grants for Water Resources Improvement Projects.

"§ 139-60. Water Resources Improvement Cost-Share Program.

(a) Program Established. – There is created the Water Resources Improvement Cost-Share Program. The Program shall be created, implemented, and supervised by the Commission.

(b) Purpose. – The purpose of the Program shall be to:

(1) Increase or preserve water storage capacity.

(2) Develop and improve surface and groundwater supplies.

(3) Implement water conservation and efficiency practices.

(c) Requirements. – The Program shall be subject to the following requirements and limitations:

(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 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. Program funding is limited to a maximum of one hundred fifty thousand dollars (\$150,000) per year to each applicant.

(3) Cost-share funds shall be used for any of the following purposes:

a. Expanding or constructing water storage structures.

b. Adoption of innovative water storage practices such as, but not limited to, aquifer storage and recovery systems.

c. Development of and improvements to surface and groundwater resources.

d. Conversion to more water-efficient equipment or practices.

(4) The Commission may approve additional types of projects or practices eligible for cost-share assistance, provided that such projects or practices are consistent with the purposes set forth in subsection (b) of this section.

(5) Participation in the Program shall be voluntary.

(6) Prioritization of Program funding shall be given to projects that accomplish the purposes identified in subsection (b) of this section.

(d) Report. – The Commission shall report on or before January 31 of each year to the Environmental Review Commission and the Fiscal Research Division. This report shall include a list of projects that received State funding pursuant to the Program, findings regarding the effectiveness of each of these projects in accomplishing its primary purpose, and any recommendations to assure that State funding is used in the most cost-effective manner and accomplishes the greatest improvement in water resources.

"§ 139-61. Water Resources Improvement Trust Fund.

(a) Fund. – The Water Resources Improvement Trust Fund is established as a 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 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; and any grants, gifts, or contributions to the State for this purpose. State funds for the Program shall remain available until expended for the Program. The Commission shall retain the authority to allocate the Program funds.

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

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

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

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