

MEMORANDUM FOR MAY 11, 2016 WATER QUALITY COMMITTEE (WQC) MEETING

SUBJECT: Proposed Reclassification of a Segment of the Catawba River (including Lake James) in Burke and McDowell Counties (Catawba River Basin) to Class WS-IV Critical Area (CA) and WS-IV (Protected Area or PA)

The Division of Water Resources (DWR) is requesting that the Environmental Management Commission (EMC) grant staff permission to proceed to public hearing with the proposed reclassification of a segment of the Catawba River. McDowell County has requested that a Catawba River segment, including Lake James, in Burke and McDowell Counties (Catawba River Basin) be reclassified: one portion of the segment is to be reclassified from Class C to Class WS-IV CA and WS-IV (PA), and the remaining portion (Lake James) is to be reclassified from Class WS-V & B to Class WS-IV CA & B. The reclassification is needed to construct a public water supply intake. This new water supply source will allow McDowell County to meet local water demands; thus, this proposal serves the public interest per Executive Order #70 and complies with G.S. 150B, the Administrative Procedures Act (APA). The waters to be reclassified meet water supply water quality standards according to 2015 DWR studies. A National Environmental Policy Act (NEPA) document for this project will most likely be required as federal funding is planned to be utilized for this project, and such a document has not yet been submitted to the state; as a reminder, a Record of Decision (ROD) granted for such a document would indicate that the project will not result in significant impacts to the environment. No State Environmental Policy Act (SEPA) document for this project is required.

The proposed CA would extend approximately 0.5 mile from and draining to Lake James as measured from the normal pool elevation (NPE) of that reservoir; it would include nearly 13,213 acres around the lake. The proposed PA would extend approximately 5 miles from and draining to Lake James as measured from the NPE of that reservoir; it would include nearly 45,099 acres. There are 26 tributaries to the Catawba River included in this reclassification proposal ranging in classification from C and C Tr to B Tr, C Tr HQW, B HQW, and C HQW. Waterbodies within 0.5 mile and 5 miles of the NPE of the reservoir would be reclassified to WS-IV CA and WS-IV (PA), respectively.

If reclassified, new development restrictions will apply throughout the proposed watershed. Other requirements, which apply only in the proposed CA, are additional treatment for new industrial process wastewater discharges as well as no new landfills and no new residual or septage land application sites. There are no permitted or planned wastewater discharges located in the entire proposed watershed that would be impacted by the proposal, and no known planned developments located in the entire watershed that would be impacted by the proposal, according to Asheville Regional Office and local government staff and data. In addition, there are not any known planned septage or residual land application sites or landfills in the proposed CA. The subject watershed is comprised mainly of forested lands, with limited developed lands.

Burke and McDowell Counties along with the City of Marion are the only local governments with jurisdiction in the reclassification area, and are the only local governments that would need to modify their water supply watershed protection ordinance within the required 270 days after the reclassification effective date. Burke County and the City of Marion have provided a resolution to the Division, and given that McDowell County requested the reclassification, it did not need to provide a resolution. As a reminder, the purpose of a resolution is to indicate whether or not a potentially impacted local government will implement the water supply rules within its jurisdiction once a reclassification becomes effective. A regulatory impact analysis for this proposal, which has yet to be submitted to OSBM, shows a one-time cost of approximately \$2,700 to the state, \$2,000 to Burke County, \$2,000 to McDowell County, and \$10,000 to the City of Marion.

Staff recommends sending this item to the May 2016 WQC meeting to request permission to proceed to the full EMC at their July 2016 meeting. The estimated effective date of this proposal is May 1, 2017.