



SENATE BILL 673: Wastewater Regulatory Relief Act.

2023-2024 General Assembly

Committee:		Date:	November 21, 2023
Introduced by:		Prepared by:	Kyle Evans Staff Attorney
Analysis of:	S.L. 2023-55		

OVERVIEW: *S.L. 2023-55 allows permittees for new or expanded wastewater treatment systems to use alternative wastewater flow calculations, to expand beyond the system's hydraulic capacity if the system meets certain requirements; and makes changes to how a local government can impose a system development fee.*

Section 12.15 of S.L. 2023-134 amends Section 1 of this act to clarify that if a permittee for a wastewater treatment system exceeds its currently permitted monthly flow more than once in any 12-month period, the permittee may not allocate more than 100% of the existing system's hydraulic capacity until the permittee complies with the permitted monthly flow for at least 12 consecutive months.

This act became effective June 23, 2023.

BACKGROUND LAW & BILL ANALYSIS:

ALLOW ALTERNATIVE PEAK DAILY SEWAGE FLOW RATES AND PERMIT WASTEWATER TREATMENT SYSTEM EXPANSIONS BEYOND EXISTING ALLOCATION IN CERTAIN CIRCUMSTANCES

As a part of its NPDES wastewater permit, a wastewater treatment system must meet certain minimum design and capacity requirements, including a requirement that the system can handle the proposed flow of the various users and uses of the system. For new dwelling units, the "daily design flow" prior to the enactment of this act was 120 gallons per day per bedroom.

Section 1:

- Provides that the permittee for a wastewater treatment system can calculate its wastewater flows for new dwelling units at 75 gallons per day per bedroom, or at a lower rate approved by the Department of Environmental Quality (DEQ).
- Requires that applicants for sewer line extensions, prior to actual flow exceeding 80% of the system's permitted capacity, submit an engineering evaluation of its future wastewater needs, including: outlining plans to meet those needs by expansion of the existing system, elimination or reduction of extraneous flows, or water conservation; and must include the source of funding for the improvements. Previously, 15A NCAC 02T .0118(1) tied the trigger for obtaining a sewer line extension permit to permitted capacity.
- Requires that applicants for sewer line extensions, prior to actual flow exceeding 90% of the system's permitted capacity, obtain all other permits required for expansion of the system and, if construction is needed, submit final plans and specifications for the expansion. Previously, 15A NCAC 02T .0118(2) tied this requirement to permitted capacity.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578

Senate Bill 673

Page 2

- Codifies existing rules to allow DEQ to issue sewer line extension permits to facilities exceeding the 80% or 90% disposal capacity thresholds if the additional flow is not projected to result in the facility exceeding its permitted hydraulic capacity, the facility is in compliance with all other permit limitations and requirements, and adequate progress is being made in developing the required engineering evaluations or plans and specifications.
- Allows a wastewater treatment system permittee, who has signed a contract for expansion of its wastewater system, is in a fast-growing county, and is meeting current permitted flow and pollutant discharge limits, to allocate 110% of its hydraulic capacity and to increase that allocation to 115% when the system expansion is within 24 months of completion. A permittee is not allowed to allocate more than the permitted capacity after expansion without approval by DEQ, but nothing in this act prevents DEQ from authorizing allocations above 115% of a system's hydraulic capacity. Section 12.15 of S.L. 2023-134 amended this section to clarify that if a permittee for a wastewater treatment system exceeds its currently permitted monthly flow more than once in any 12-month period, the permittee may not allocate more than 100% of the existing system's hydraulic capacity until the permittee complies with the permitted monthly flow for at least 12 consecutive months.

SYSTEM DEVELOPMENT FEE CHANGE

Local governments are authorized to adopt system development fees for water and sewer service. System development fees can be imposed on “new development to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs....”

Section 2 provides that a local government can impose a system development fee to recoup costs incurred by the local government unit to purchase capacity in, or reserve capacity supplied by, capital improvements or facilities owned by another local government unit, but clarifies that the system development fee does not include any charge or fee paid for such capacity. This section further provides that purchased capacity must be included in the written analysis used to calculate the system development fee and that revenue from system development fees can be used to pay contractual obligations to a local government for capacity in facilities owned by the local government.

This section of the act became effective June 23, 2023. It clarifies and restates the intent of existing law and applies to ordinances adopted before, on, and after June 23, 2023.

EFFECTIVE DATE: Except as otherwise provided, this act became effective June 23, 2023.