

MEMORANDUM

TO: Alan Clark
THROUGH: Dianne Reid
FROM: Elizabeth Kountis
DATE: May 9, 2011
SUBJECT: **Proposed Reclassification of the New River in Ashe and Watauga Counties (New River Basin) to include Class WS-IV CA and WS-IV**

The Division of Water Quality (DWQ) is requesting that the Environmental Management Commission (EMC) grant staff permission to proceed to public hearing with a proposed reclassification of the South Fork New River. The Town of Boone (Town) has requested that portions of the South Fork New River in Ashe and Watauga Counties (New River Basin) be reclassified to include the WS-IV CA and WS-IV (PA) designations. The reclassification is needed in order to construct a potable water supply intake, and thus, serves the public interest per Executive Order #70. The Town's water system has surpassed 80 percent of capacity, which is the Department of Environment and Natural Resources' trigger for requiring a plan for expansion. The project's intake is unique to North Carolina, given it will be placed nearly five feet below the elevation of the channel.

Division of Water Resources staff and Division of Environmental Health staff do not object to the proposal. A Finding of No Significant Impact (FONSI) has been issued for this project, and the waters to be reclassified meet water supply water standards according to 2010 DWQ studies.

The proposed Critical Area (CA) would extend along the river from the proposed intake, which is to be placed approximately 0.5 miles upstream of SR 1100, to a point approximately 0.5 miles upstream of the proposed intake, which is located approximately 875 feet downstream of SR 1351. There are no named tributaries to the South Fork New River in the proposed CA. The proposed Protected Area (PA) would extend along the river from a point approximately 875 feet downstream of SR 1351 to a point approximately 1.8 miles upstream of SR 1351. The proposed PA includes several entire named tributaries to the South Fork New River, and these tributaries are proposed to be reclassified to WS-IV. Approximately 180 acres of land are included in the proposed CA and 13,300 acres of land are included in the proposed PA.

If reclassified, wastewater discharge and new development restrictions will apply. There are currently no permitted land application sites or wastewater discharges in the proposed water supply watershed. There are not any known planned land application sites, wastewater discharges or developments in the proposed reclassification area according to DWQ staff in the Winston-Salem Regional Office and local government staff. The proposed area is rural in character, with primarily forested lands, agricultural lands, and residences.

Ashe County and Watauga County are the local governments with jurisdiction in the reclassification area, and these local governments would need to modify water supply watershed protection ordinances within 270 days after the reclassification effective date. Each county has provided 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 fiscal analysis for this proposal has been drafted, and the analysis' quantifiable results revealed a one-time cost of approximately \$1,200 to the state, \$5,100 to Watauga County, and \$725 to Ashe County due to the proposal.

The Town of Boone secured an USDA - Rural Development loan and grant as well as a municipal bond in order to fund the planned project. The Town has until September 2012 to have final plans and specs submitted to applicable agencies for review per the conditions associated with the USDA funding, and thus, requests that the reclassification become effective prior to that deadline. Considering this timeline request, staff recommends sending this item to the March 2011 WQC meeting to request permission to proceed to the full EMC at their May 2011 meeting. The proposed effective date of this reclassification is estimated to be May 1, 2012.