



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

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Secretary

October 1, 2014

MEMORANDUM

TO: ENVIRONMENTAL REVIEW COMMISSION
The Honorable Brent Jackson, Chair
The Honorable Ruth Samuelson, Co-Chair
The Honorable Mike Hager, Co-Chair

HOUSE OF REPRESENTATIVES APPROPRIATIONS SUBCOMMITTEES ON NATURAL
AND ECONOMIC RESOURCES

The Honorable Tom Murry, Co-Chair
The Honorable Roger West, Co-Chair

SENATE APPROPRIATIONS SUBCOMMITTEES ON NATURAL AND ECONOMIC
RESOURCES

The Honorable Stan Bingham, Co-Chair
The Honorable Andrew C. Brock, Co-Chair

FISCAL RESEARCH DIVISION

FROM: Neal Robbins, Director of Legislative Affairs

SUBJECT: 2014 The Bernard Allen Emergency Drinking Water Fund Report.

DATE: October 1, 2014

Pursuant to G.S. 87-98(e), the Department, in consultation with the Commission for Public Health and local health departments, shall report no later than 1 October of each year to the Environmental Review Commission, the House of Representatives and Senate Appropriations Subcommittees on Natural and Economic Resources, and the Fiscal Research Division of the General Assembly on the implementation of this section. Please consider the attached as the formal submission of this report. If you have any questions or need additional information, please contact me by phone at (919) 707-8618 or via e-mail at neal.robbsins@ncdenr.gov.

cc: Mitch Gillespie, Assistant Secretary for Environment, NCDENR
Linda Culpepper Director, DWM, NCDENR
Cathy Ackroyd, Public Information Officer, DWM, NCDENR

**Annual Report to the
Environmental Review Commission
North Carolina General Assembly**

Bernard Allen Emergency Drinking Water Fund

(July 1, 2013 to June 30, 2014)

Division of Waste Management



**NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES**

<http://portal.ncdenr.org>

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Executive Summary

The Bernard Allen Emergency Drinking Water Fund (Fund), administered by the Division of Waste Management, was created in 2006 by the General Assembly to improve the state's response to groundwater contamination and to provide low-income households with a safe drinking water supply.

The Fund outlined three authorized uses: 1) to pay for notice to persons whose wells were at risk from groundwater contamination, 2) to pay the costs of testing private wells, and 3) to provide an alternate drinking water supply to well owners affected by the contamination.

The Fund continues to help provide critical services for many citizens of North Carolina through paying for well testing, providing emergency bottled water and assisting in the payment of permanent waterline connections or point-of-entry treatment systems. In FY 2013-14, the Fund's resources continued to be focused primarily on providing alternate water to affected citizens and investigating potentially contaminated wells across the state through sampling. Fifty-four households have received alternate water this fiscal year using the Bernard Allen Fund. A total of 113 households to date have received alternate water through this fund.

FY 2013-14 Activities Update

In FY 2013-14, the Bernard Allen Memorial Emergency Drinking Water Fund (the Fund), administered by the Division of Waste Management (Division), has continued to focus on three major priorities: 1) providing permanent alternate water sources, 2) reviewing and researching of sites in the state that may be eligible for funding for sampling or alternate water supplies under the program, and 3) testing of private wells with suspected contamination. Fund activities conducted in FY 2013-14 are summarized below.

Alternate Water Provided

The Fund had been used to provide bottled water to residents in the southeastern area of Richmond County while a waterline extension is under construction. The Fox Road Phase 2 extension of waterlines in Richmond County was completed in 2013. The Fund contributed \$200,000 towards the Fox Road waterline extension, which includes Phase 1 and Phase 2.

A waterline under construction in Montgomery County will benefit six residences currently dependent upon bottled water provided by the Fund. A total of \$60,000 in Fund revenue is committed to the project, which is expected to be complete in late 2014.

The Fund has been used to provide bottled water to 21 residences in Henderson County while waterline extension is under construction. Financial assistance for this extension has been committed in the amount of \$287,000.

The Fund connected one residence to municipal water services in Wake County in FY 2013-14 and provided point-of-entry treatment systems to three other residences: one in Wake County, one in Randolph County, and one in Chatham County. The Fund provided maintenance for existing point-of-entry treatment systems at 20 additional residences: two in Stokes County, two in Pender County, two in Mecklenburg County, one in Gaston County, three in Randolph County, one in Person County, two in Rockingham County, one in Richmond County, one in Union County, two in Guilford County, one in Durham County, and two in Wake County.

Thirty -seven residences have received bottled water through the Fund in FY 2013-14:

- Richmond County 1
- Moore County 1
- Montgomery County 6
- Wake County 2
- Gaston County 1
- Iredell County 1
- Henderson County 21
- Chatham County 1
- Durham County 1
- Randolph County 1
- Stanly County 1

Site Review and Research

The Division has been researching a catalog of sites with drinking water wells with known or suspected contamination. Local government and other records are researched to determine if any affected residences have been connected to municipal water systems, to see if other wells are in the area of concern and may potentially be affected, to identify potential sources of contamination, and to determine ownership of affected residences. Plans are then made to test the wells, followed by work with owners and local governments on alternate water supplies. An owner is required to meet the statutory requirement that annual household income not exceed 300% of the poverty level. Approximately 94 site files, most with multiple residences and wells,

were reviewed during this fiscal year using Fund monies. Review of each file includes the following activity:

- Review of the file for historical information about previous sampling and work done on the site(s).
- Identification of locations of the affected properties.
- Identification of additional properties using drinking water wells within 500 foot and 1000 foot rings of potentially affected properties.
- Identification of potential sources of contamination.
- Location of public waterlines in the area to see if properties have been connected to the public water system.

Sampling of Private Wells

At the conclusion of FY 2013-14, the Division of Waste Management’s Inactive Hazardous Sites Branch listed a total of 159 sites where there was no clear responsible party for groundwater contamination affecting drinking water wells. Most sites involved multiple residences and drinking water wells. Some detections were above and some below the federal drinking water standards. In many cases sources of contamination cannot be determined and it can be hard to predict whether concentrations will rise or fall in the future. Contamination levels change with time as groundwater migrates and the water table rises and falls.

An additional 97 sites with water supply wells located less than one-quarter mile from potential sources of contamination have no responsible party. These sites have one or more residential properties/wells associated with them.

During FY 2013-14, the Fund requested permission to sample 799 wells. The Fund collected 378 drinking water well samples from 59 sites across the state. The remaining wells were not sampled because owners did not give permission for sampling, did not respond to the request, were determined to now be connected to an alternate water supply or the property was vacant. Locations of the sites are shown below.

Site Locations of Drinking Water Wells Sampled in FY 2013-2014

| <u>County</u> | <u># of Sites</u> | <u># of Wells</u> | <u>County</u> | <u># of Sites</u> | <u># of Wells</u> |
|---------------|-------------------|-------------------|---------------|-------------------|-------------------|
| • Alamance | 1 | 13 | • Henderson | 2 | 31 |
| • Beaufort | 1 | 4 | • Iredell | 3 | 17 |
| • Bertie | 1 | 2 | • Lincoln | 1 | 1 |
| • Brunswick | 2 | 14 | • Martin | 1 | 3 |
| • Buncombe | 2 | 19 | • Mecklenburg | 8 | 25 |
| • Caswell | 1 | 4 | • Orange | 1 | 8 |
| • Chatham | 1 | 1 | • Robeson | 1 | 8 |
| • Cleveland | 2 | 5 | • Rowan | 6 | 64 |
| • Columbus | 2 | 6 | • Stanly | 2 | 8 |
| • Craven | 1 | 1 | • Union | 2 | 5 |
| • Cumberland | 2 | 12 | • Wake | 6 | 63 |
| • Duplin | 1 | 3 | • Wayne | 2 | 8 |
| • Durham | 1 | 32 | • Wilson | 1 | 2 |
| • Gaston | 3 | 17 | • Vance | 1 | 1 |
| • Guilford | 1 | 1 | | | |

Summary of the Bernard Allen Memorial Drinking Water Fund

In FY 2013-14, the Fund received appropriations and revenue from interest. Expenditures from the Fund continue to be primarily used for contributions to local government waterline projects, provision of bottled water, sampling/analyzing of drinking water wells for potential contamination, connection of residences to existing municipal water systems, installation of point-of-entry treatment systems, and maintenance of existing point-of-entry treatment systems. A summary of the Fund expenditures can be found in the Bernard Allen Memorial Emergency Drinking Water Fund Accounting Summary found below. In FY 2014-15, the program plans to make use of contracting to expand the number of wells that can be tested.

Bernard Allen Memorial Emergency Drinking Water Fund

Accounting Summary FY 2013-14

| | |
|--------------------------------------|---------------|
| BALANCE FORWARD: | \$ 490,507.17 |
| INCOME: | |
| <u>Description</u> | <u>Amount</u> |
| Scrap Tire Tax | \$ 114,154.41 |
| Appropriations from General Fund | \$ 400,000.00 |
| Interest | \$ 2,826.47 |
| Total Income | \$ 516,980.88 |
| EXPENDITURES: | |
| <u>Description</u> | <u>Amount</u> |
| Lab Testing | \$ 36,800.00 |
| Bottled Water | \$ 17,011.85 |
| Water Service Connections | \$ 7,998.00 |
| Well Abandonments | \$ 0.00 |
| Point of Entry Treatment Systems | \$ 64,708.66 |
| Sampling, Equipment & Supplies | \$ 26,875.30 |
| Staffing ¹ | \$ 106,589.87 |
| Other Operating Expenses | \$ 6,001.03 |
| Total Expenses | \$ 272,941.94 |
| CURRENT Balance as of June 30, 2014 | |
| BALANCE: | \$ 734,546.11 |
| Obligated to Contracts & Commitments | \$ 598,000.00 |
| Effective Cash Balance | \$ 136,546.11 |

¹ Includes Sampling Prep, Research, Field Work and Fund Administration

Conclusions

The Bernard Allen Emergency Drinking Water Fund, administered by the Division of Waste Management, continues to serve a valuable role for citizens in North Carolina with contaminated drinking water wells. The Fund's ability to pay for sampling and analyzing drinking water wells and providing notification for residents has been instrumental in helping the state respond to emergency situations statewide. The Fund's ability to provide bottled water to citizens as a temporary water supply has helped as a short-term solution, providing time for longer-term alternatives to be evaluated. Prior to the creation of the Fund, the state had no source for providing emergency temporary water supplies in many situations. Legislation, including The Private Well Water Education Act, is anticipated to increase the number of private wells tested statewide. DENR will continue to evaluate the eligibility of projects that can be served by the Fund as demands change.