OCTOBER 30, 2025

To: Wake County Economic Strength, Growth and Sustainability Committee

From: Nancy Daly, Water Resources Program Manager

CC: Ashley Jacobs, Deputy County Manger; Tim Maloney, Planning Development & Inspections Director; Caroline Loop, Interim Director Environmental Services; Theo Udeigwe, Water Quality Director

RE: **Upper Neuse River Basin Association-Falls Lake Rules Update**

Overview

The Upper Neuse River Basin Association (UNRBA) is group of local governments and utilities that work collaboratively to protect and improve water quality in Falls Lake. Wake County is represented on the UNRBA Board by Commissioner Don Mial (Chair), Commissioner Shinica Thomas (Alternate) and Nancy Daly (Second Alternate). The NC Division of Water Resources (DWR) actively participates in UNRBA meetings and has worked closely with UNRBA and research partners throughout the rules re-evaluation process. The collaborative process between local governments and DWR is a strength of UNRBA, however, differences in recommendations to key components of proposed rule revisions recently came to light and led UNRBA to engage legal counsel in the rulemaking process.

Background

UNRBA has existed since 1996, however, in 2010-2011, it became actively engaged in a collaborative effort to re-evaluate Falls Lake Rules put forth by state in response to water quality concerns. The re-evaluation process involved extensive investment in monitoring and research to better understand water quality in Falls Lake and inform future rules. In December 2024, UNRBA initiated an informal stakeholder process and drafted a set of recommended rules for presentation to the NC Environmental Management Commission (EMC) in November 2025. In August 2025, DWR shared a draft set of rules with significant areas of disagreement. Due to concerns with DWR's proposed rule language and the potential impact on the rule implementation timeline, UNRBA engaged legal counsel to support rules review and prepare a petition for rulemaking. If pursued, the petition for rulemaking would result in a set of rules proposed by UNRBA, distinct from DWR, for consideration by the EMC and puts the collaborative relationship with DWR at risk.

To date, discussions between the parties have achieved compromises with exception of the Wastewater Rule. The Wastewater Rule applies to wastewater treatment plants (Town of Hillsborough, North Durham Water Reclamation Facility, and South Granville Water and Sewer Authority) and currently includes nutrient limitations that are not feasible and prohibitively expensive. If wastewater treatment plants are unable to meet nutrient requirements as set forth in the DWR proposed rule, it could potentially result in a moratorium on future growth in areas served by these facilities.

Timeline and Next Steps

UNRBA and DWR continue to work towards a compromise on the Wastewater Rule so that one set of mutually supported Falls Lake Rules may be submitted to the EMC. If successful, UNRBA hopes to have a single set of rules for UNRBA Board in January 2026, with submission to the EMC in May 2026. Based upon the state rules review process timeline, the earliest potential date for final rules would be March 2027.

Given the delay in rulemaking, UNRBA is submitting a request for an extension of the Falls Lake Interim Alternative Approach (IAIA), which is currently set to expire in June 2026. Wake County's annual commitment to the IAIA is $89,968 and has supported implementation of several watershed improvement projects. If approved, this will extend the IAIA for five years or until the Falls Lake Rules are adopted.

Updates on the Falls Lake Rules, including any future potential legal decisions, will continue to be shared with Wake County Manager's Office and Board of Commissioners as the rule readoption process proceeds. In the interim, I am available to answer any questions or provide further information as needed.