Division of Water Resources Budget and Policy Updates
AIWW Meeting
November 15, 2023
Kevin Hart, Division of Water Resources
Budget and Policy Updates

- Navigation
- Nourishment
- Rules
- 2023-24 General Assembly Session updates
Any navigation project that involves channels/waterways in state coastal waters or waters of the state located within lakes

Dredging Cost-Share
- 75% State / 25% Local
- Tier 1 DOT maintained – 100% State
- Tier Designation – Department of Commerce annual ranking of economic well-being

Sources of Revenue
- 50% of each 1 year and 3-year boat certificate fee
- $10 of each new or transfer of boat title fee
- 1% of the fuel excise tax on motor fuel
- General Assembly Plus-Ups
Project Types:

**Federal Projects**
- Funding provided to USACE under a Memorandum of Agreement (MOA)
- There are 24 Federally authorized navigation projects in North Carolina, 22 shallow draft projects (<16 feet depth) and 2 deep draft projects (>16 feet depth)
- Match requirement is 75% State/25% non-State
- Funds provided prior to the work being started.

**Non-Federal Projects**
- State Funds used as match are from Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund
- Dredging of non-federally authorized navigation channels/waterways
- Municipalities provide match under grant contracts. Funds distributed to the grantee on a reimbursement basis from the Fund.
Federal Projects

- **MOA signed November 14, 2013 between Corps & NCDENR (NCDEQ)**
  - Allows State and Local Governments to contribute funds to the Corps for maintenance dredging of SDNCs ($4.0M annual cap, 4 year expiration)

- In 2013, the NCGA established the “Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund” (SL 2013-360) as the State funding stream in support of the MOA.

- In 2016, §143-215.73F. “Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund”

- On July 16, 2016 - Amendment to MOA finalized
  - Annual cap is $12 million (Federal FY)
  - Up to $140 million over term of MOA
  - Agreement ends in 2026

Department of Environmental Quality
Long Term MOA for Maintenance Dredging of Federally Authorized Shallow Draft Navigation Channels in NC

Contributions using Long-Term MOA:

- FY 2019-2020 $6,521,022 (5/3/2023)
- FY 2021-2022 $5,539,708 (5/3/2023)
- FY 2022-2023 $1,945,500 (5/3/2023)*
  - Miss Katie/ARPA/IJA
- FY 2023-2024 $7,390,000 (11/13/2023)
- Federal Channels Include
  - Cape Lookout Bight
  - Lockwood Folly Inlet
  - Carolina Beach Inlet
  - Hatteras Inlet
  - Bogue Inlet
  - Bulkhead Channel

*Department of Environmental Quality
Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund

- Revenues FY 23-24 **$7,768,831** (as of 10/31/2023)
  - $2,540,235 - Fees from NCWRC Fund (boat tax)
  - $4,748,555 - Fees from fuel excise tax
  - $0.00 - NCGA session directed plus up’s
  - $480,041 - Matching funds for Corps maintenance work

- Outstanding Grant Balance (FY22-23): **$37,960,544.35** (10/31/2023)

- Expenditures FY23-24: **$9,338,401.18** (10/31/2023)

- Funds available for award: **$78,064.36** (10/31/2023)
  - $23M in grants being discussed/executed at this time.
## SDNF payment history

**State funds only**

<table>
<thead>
<tr>
<th>State FY</th>
<th>YTD payments(^1,2)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>16/17</td>
<td>$8,527,153.61</td>
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<tr>
<td>17/18</td>
<td>$7,021,604.96</td>
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<td>18/19</td>
<td>$13,461,251.71</td>
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<tr>
<td>19/20</td>
<td>$14,050,546.98</td>
<td>$15M dredge</td>
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<tr>
<td>20/21</td>
<td>$14,444,863.63</td>
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<tr>
<td>21/22</td>
<td>$8,065,065.90</td>
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<tr>
<td>22/23</td>
<td>$15,516,317.20</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$81,086,803.99</strong></td>
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</tbody>
</table>

\(^1\)Includes federal projects

\(^2\)Doesn't include Aquatic weed or salaries
Non-Federal Projects

- State financial support to various local government at the following locations:
  - Pine Knoll Shores Channels (Carteret County), multiple projects
  - Topsail Inlet (Pender County)
  - New River Inlet (Onslow County), multiple projects
  - Atlantic Beach Channels (Carteret County), multiple projects
  - Pelletier Creek (Carteret County)
  - Sunset Beach (Brunswick County)
  - Mason Inlet (New Hanover County), multiple projects
  - Spooner's Creek (Carteret County), multiple projects
  - Wainwright Slough (Carteret County)
  - Lake Lure (Rutherford County)
  - Whittaker Creek (Pamlico County)
  - Mason Inlet (New Hanover)
  - Oregon Inlet (Dare County)
**Beneficial Use**

- Encouraged but not required
- Funding structures is exempt
- Past examples
  - Beach Nourishment
    - Emerald Isle
    - Topsail Beach
  - Living Shoreline fill
    - Lake Adger
    - White Point
Dredged Material Management Plan

• Plan for remaining funds ($1,648,032.32) to be used to assess DMPF in a Planning Assistance to States partnership with USACE.

• Session Law 2019-241: funds allocated to coastal beach and dredging needs assessment may be used for a dredge material management plan to assess any nonfederal disposal area for dredged material in the State.
PAS Study Facility Results

- Identified 227 waterfront facilities
  - Responses from 206 facilities (91% response rate)
  - 62% of the marine facilities located in 2 Counties (Carteret, New Hanover)
  - 77.5% of the marine facilities located in 3 Counties (Brunswick, Carteret, New Hanover)
Non-Federal DMPF Sites

– 26 Existing Non-federal Placement Sites
  • Extend across 35 individual parcels
    – 12 parcels owned by the State of North Carolina
    – 22 parcels are privately owned
      • 13 parcels are available for use
      • 5 parcels are not for public use
    – 1 federally owned parcel (MOTSU)
    – Located in 7 counties

<table>
<thead>
<tr>
<th>County</th>
<th># of Sites</th>
<th>Site Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunswick</td>
<td>3</td>
<td>Southport, Bald Head Island</td>
</tr>
<tr>
<td>Carteret</td>
<td>4</td>
<td>Bogue Sound, Brandt Island, Marsh Island, Harlowe Creek</td>
</tr>
<tr>
<td>New Hanover</td>
<td>9</td>
<td>Fort Fisher, Carolina Beach Inlet, Masonboro Channel, Shinn Creek, Motts Channel, Mason’s Inlet, Nixon Channel</td>
</tr>
<tr>
<td>Onslow</td>
<td>6</td>
<td>Surf City, Sneads Ferry, New River, Bear Inlet</td>
</tr>
<tr>
<td>Pamlico</td>
<td>1</td>
<td>Whittaker Creek</td>
</tr>
<tr>
<td>Pender</td>
<td>3</td>
<td>Howards Creek, Topsail Creek, Surf City</td>
</tr>
<tr>
<td>Tyrrell</td>
<td>1</td>
<td>Alligator River</td>
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</table>
**PAS Study Phase 2**

- **Goal (Phase 2):** Assess the 20-year dredged material capacity needs and identify general environmental concerns associated with upland placement

- **Project Tasks**
  - Assess 20-year dredged material placement needs for 206 identified marine facilities
  - Identify Counties which have the greatest placement need
  - Map 70 to 75 potential non-federal placement sites not being utilized
  - Outline general environmental requirements associated with dredge material placement
    - Material composition; Jurisdictional wetlands; Vegetation removal/management; Spillway and cribbing design/construction; Recommended facility size; Beneficial use of dredged material; Permitting requirements
  - Summary report

- **Cost Share** has been signed and payment has been made.
  - $112,000 total
Coastal Storm Damage Mitigation

- § 143-215.73M. Coastal Storm Damage Mitigation Fund - Special revenue fund.
- (b) Uses of the Fund. – Costs associated with beach nourishment, artificial dunes, and other projects to mitigate or remediate coastal storm damage to the ocean beaches and dune systems of the State.

- CSDM Funds: $5 Million - Carteret County (Bogue Banks)
- CSDM Funds – $18.5 M (Bogue Banks & Oak Island)
- HFDR Funds – $351,805 to coastal communities for surveys
- HFDR Funds – $133,500 for Dredge Material Management Plan
- HFDR Funds – $1.6 M to North Topsail, Surf City, Topsail Beach
- HFDR Funds – $11.5 M for CSDM projects in 10 coastal communities
- CSDM Funds- $40M for CSDM projects in 9 coastal communities

Total to date: $80,484,111
Allocated $20M for CSDM
  • $10M for FY 23-24
  • $10M for FY 24-25
Follow CSDM guidelines and 15A NCAC 01T .0300
  • At least $1 State:$1 non-State
Date TBD
SDNF and Aquatic Weed/CSDM rulemaking

“Rules. – The Department shall adopt rules to implement the grant programs authorized under subsection (b1) of this section.”

- Temp and Permanent
- No Rule Review Committee review
- No fiscal note

Formalizing guidelines into rule.

Temp Rules in affect Feb 2023
- No public Comments

Permanent Rules process starting
- Public Hearing December 6, 2023
  - WARO
• SDNF
  • Removes language exempting USACE projects
    • Non-federal
      • Tax form
      • Signed invoice
    • Outlines procedures for federal projects.
      • Local funds received
      • Map
      • USACE estimate
      • Letter requesting the funds
        • Timeline
        • Existing conditions
        • Disposal area

• CSDM
  • Proposed same as temporary rules

• Comment Period
  • 11/2/2023-1/2/2024
• No cost share directed grants
  • Lake Gaston $600,000 over FY 23-25
  • Lake Tabor $50,000
  • Walden Pond $700,000
  • Town of Robbins $548,000
## S.L. 2023-134
### WRDG Capital Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>FY 2023-2024</th>
<th>FY 2024-2025</th>
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<tbody>
<tr>
<td>Cape Fear River Basin Flood Mitigation</td>
<td>$1,500,000.00</td>
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<tr>
<td>Carolina Beach CSDM</td>
<td>$911,667.00</td>
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<tr>
<td>Dan River Regional Water Supply</td>
<td>$107,667.00</td>
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<tr>
<td>Holden Beach CSDR</td>
<td>$750,000.00</td>
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<tr>
<td>EQIP</td>
<td>$2,000,000.00</td>
<td>$2,000,000.00</td>
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<tr>
<td>Ocean Isle CSDM</td>
<td>$27,784.00</td>
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<tr>
<td>Planning Assistance</td>
<td>$5,387.00</td>
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<tr>
<td>State and Local</td>
<td>$3,000,000.00</td>
<td>$3,000,000.00</td>
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<tr>
<td></td>
<td>$8,302,505.00</td>
<td>$3,000,000.00</td>
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## S.L. 2021-180

FY 21-22 and FY 22-23

<table>
<thead>
<tr>
<th>Name of Project</th>
<th>FY 2021-2022</th>
<th>FY 2022-2023</th>
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<tbody>
<tr>
<td>(1) Princeville Flood Damage Reduction</td>
<td>$5,197,500</td>
<td>$5,197,500</td>
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<tr>
<td>(2) Carolina Beach CSDM</td>
<td>$4,750,000</td>
<td>$1,083,333</td>
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<td>(3) Wilmington Harbor DA Maintenance</td>
<td>$3,663,642</td>
<td>$7,334,000</td>
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<td>(4) Kure Beach CSDM</td>
<td>$4,889,423</td>
<td>$825,641</td>
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<td>(5) Surf City/North Topsail Beach CSRM</td>
<td>$14,537,000</td>
<td>$14,537,000</td>
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<tr>
<td>(6) Ocean Isle CSDM</td>
<td>$494,599</td>
<td>$1,534,615</td>
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<tr>
<td>(7) WRD Grant Program–State &amp; Local Projects</td>
<td>$2,750,000</td>
<td>$1,500,000</td>
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<tr>
<td>(8) WRD Grant Program–EQIP Projects</td>
<td>$2,000,000</td>
<td>$2,750,000</td>
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<tr>
<td>(9) Manteo Old House Channel, Sec. 204 (65/35)</td>
<td>$2,700,000</td>
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<tr>
<td>(10) Wrightsville Beach CSDM</td>
<td>$3,487,500</td>
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<td><strong>TOTALS</strong></td>
<td><strong>$44,469,664</strong></td>
<td><strong>$35,231,560</strong></td>
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- Matches $220,526,000 in Federal Funds
S.L. 2023-137
HB600

- 16ft \rightarrow 18\text{ft} \text{ max depth including over depth}
- Added specific channels
  - Mason Inlet, Rich Inlet, Tubbs Inlet, Southport small boat harbor
    - Still needs to meet other criteria of rules and statute
Stream Restoration
- Stream Restoration & Stabilization
- Aquatic Barrier Removals > Dams, Culverts
- Shoreline Stabilization, Living Shorelines
- NRCS-EQIP > On Agricultural Lands

Water Management
- Stormwater BMPs: Nature-Based/Green Infrastructure
- Drainage/Flood Control

Water-Based Recreation
- Trails/Greenways along Streams, Rivers & Lakes
- Boardwalks, Fishing Docks, Piers, Treehouses
- Land Acquisition & Park Development

Feasibility/Engineering Studies
- Implementation of Eligible Projects Above
- Small Watershed Assessments, Water Management Studies

Note: Yellow highlighting indicates most common types of projects since 2016.

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QUESTIONS?

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