Information on Navigation and Beach Nourishment in NC

North Carolina Beach, Inlet & Waterway Association
NC Coastal Local Government Annual Meeting

April 29, 2019

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Overview

Navigation
- History of Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund
- Fund Information
- Project Information
- Legislation

Beach Nourishment
- Fund Information
- Project Information
- Legislation

Hurricane Florence Response
- Information
- Legislation

DEQ
Department of Environmental Quality
Navigation: Historical Perspective

- 2005 - Initial Shallow Draft Navigation Study requested by the Legislature. Study was completed in 8 months for $99,000.
  - Project Inventory And Historic Costs
  - Dredged Material Management
  - Regulatory Costs
  - Economic Impacts
  - Safety
  - Financing Options
  - Equipment And Operating Costs
  - Contracting Alternatives
- Recommendations included boat registrations and marine tax funding
- 2012 - Legislature asked for NCWRC/NCDMF to complete a funding options study
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 ($4.0 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)
  - Agreement ends in 2026
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)
- Typical match requirement is 65% Federal / 35% Non-Federal (17.5% State Match / 17.5% Local Match)

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

- 5 years: State and local governments provided $20.9 million to the U.S. Army Corps of Engineers to perform maintenance dredging at the following locations:
  - Shallotte River
  - Bulkhead Channel / Taylor’s Creek (multiple events)
  - Carolina Beach Inlet (multiple events)
  - Bogue Inlet (multiple events)
  - Topsail Inlet
  - Oregon Inlet (On-going)
  - New River Inlet
  - Lockwood Folly Inlet (multiple events)
Contributions Long-Term MOA Federal FY 18-19:

- Local governments match: $1,956,330.33
- State match: $2,546,485.00
- Maintenance work completed at:
  - Carolina Beach Inlet
  - Mason Creek Inlet
  - Morgan Creek Inlet
  - Bulkhead Channel
  - Oregon Inlet (On-going)
  - Lockwood Folly Inlet
Non-Federal Projects

Any navigation project that involves channels/waterways in state waters or waters of the state located within lakes

Dredging Cost-Share
- Tier 1 Counties 75% State / 25% Local
- Tier 2 & 3 Counties – 66% State / 33% Local
- 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
Non-Federal Projects

- 5 years: $23.2 million in financial support for various projects 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)
Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund

- Revenues FY18-19: $19,973,707.33 (as of 04/27/19)
  - $4,775,945.00 - Fees from NCWRC Fund (boat tax)
  - $11,111,075.00 - Fees from fuel excise tax
  - $2,130,357.00 - NCGA session directed plus up's
  - $1,956,330.33 - Matching funds for Corps maintenance work

- Outstanding Grant Balance (FY18-19): $10,969,152.91 (04/27/19)

- Expenditures FY18-19: $6,306,071.47 (04/27/19)

- Funds earmarked for future awards: $21,719,298.72 (04/27/19)

- Funds available for award: $30,024,473.63 (04/27/19)
SESSION LAW 2018-5

Section 13.7.(a-h) - Acquire Permanent Dredging Capacity

• Fifteen million dollars ($15,000,000) from the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund shall be allocated to Dare County (Local Partner) to provide a forgivable loan to a private partner for the purchase of a shallow draft hopper dredge.
Other Water Resources Development Grant Program Impacts (does not impact the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund):

SESSION LAW 2018-97 - SECTION 36.7.(f) - Funds carried forward from Manteo Old House Channel, Section 204 CAP in Section 36.3(b) of this act to:

- $1,919,000 for maintenance dredging of Range 1 to 4 of the Manteo Channel
- $300,000 to the North Carolina Wildlife Habitat Foundation for Oyster Highway Project on the New River in Onslow County.
Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund Amendment:

Introduced Legislation HB 246 (Introduced Language Only)

1. For the compensation of a manager to oversee financial management activities
2. To conduct assessments and maintain a database of dredge material disposal sites

House Appropriations Committee on Agriculture and Natural and Economic Resources (AgNER)

1. For administrative support of fund operations
2. For assessments and data collection regarding dredge material disposal sites located in the State.
Dredged Material Management Plan

Short-Term: Map navigation channels and disposal areas to use as a decision tool for execution of the Dredge Material Management Plan (DMMP)

Long-Term: Complete a DMMP:
1) Assessment of Current Capacity: An inventory of disposal areas to understand current control structures, berm heights, material quality, etc.
2) Assessment of Current Needs: Dredged material storage/placement requirements (i.e. future dredging quantity projections, characterization of sediment profiles, beneficial placement options, etc.)
3) Assessment of Future Capacity Needs (and work required for future capacity needs): Future dredge material storage requirements and if we need to expand capacity then determine if/where property acquisition or new development at current dredge material placement facilities is necessary.

Given the limited resources the State currently has available for an inventory, we are examining the potential to using the Planning Assistance to States (PAS) to provide 50% match for a partnership with USACE.
Beach Nourishment

- Historical Perspective
- Fund Information
- Project Information
- Legislation
Beach Nourishment – Historical Perspective

2000 - Legislation passed by the NC General Assembly in (Section 13.9c of HB 1840)
- Develop a plan

2005 - Coastal Habitat Protection Plan
- Addressed habitat and water quality efforts

2009 - Comprehensive Beach and Inlet Management Plan (BIMP)
- Identification of regions
- Management strategies
- Dedicated funding

2015 - Update to the BIMP was authorized (HB 97)
- New coastal and socio-economic data
- Incorporated beach nourishment and dredging activities completed over the past seven years
- Updated accurate estimate of the funding needed to maintain the State’s beaches and inlets
Beach Nourishment

FY 18-19 – State has contributed $10.6 million through special appropriations and Coastal Storm Damage Mitigation funds for beach nourishment projects.

- Wrightsville Beach (4-year cycle, typically), average placement per cycle is 870,000 cy/event
- Carolina Beach (3-year cycle, typically), average placement per cycle is 770,000 cy/event
- Kure Beach (3-year cycle, typically), average placement per cycle is 440,000 cy/event
- Ocean Isle Beach (3-year cycle, typically), average placement per cycle is 550,000 cy/event
- Bogue Banks (placement of 945,446 cy)
Hurricane Florence Response

9/25 - Office of State and Budget Management (OSBM) requested information for Hurricane Florence Recovery funding for dredging and beach nourishment projects.

Updates were requested on 10/16 and 11/8 for areas in the process of completing surveys

Received Information from 21 Beach Communities:
- Identified 15 Beach Nourishment Projects
- Identified 34 Channel Dredging Projects

Beach Nourishment - $351,274,798
Channel Dredging - $61,115,000

Department of Environmental Quality
SESSION LAW 2018-136

2018 Hurricane Florence Disaster Recovery Act:

Committee Report On Hurricane Florence Disaster Recovery Fund

• $2,000,000 for Coastal Beach and Dredging Needs Assessment
• The funds will be used to compensate municipalities (ineligible for FEMA reimbursement) for surveys completed to assess beaches and navigation channels as a result of Hurricane Florence related storm damage. Remaining funds will be used to assess disposal areas for dredged material.
• Applications and guidelines sent on March 1, 2019 and due by March 31, 2019
• Award letters distributed by May 3, 2019
SESSION LAW 2018-138: AN ACT TO PROVIDE ADDITIONAL DISASTER RELIEF IN RESPONSE TO HURRICANE FLORENCE.

- $18,500,000 for the Coastal Storm Damage Mitigation Fund
  - Funds allocated by this subdivision may be used to provide no more than fifty percent (50%) of the cost of an eligible project.
  - Mitigates or remediates coastal storm damage to the ocean beaches and dune systems of the State.
  - Applications and guidelines distributed April 1, 2019 due by April 30, 2019
Other Hurricane Florence related Session Law:

Session Law 2018-5 Section 13.9 (a) - DEQ GRANT-IN-AID

- Five million dollars ($5,000,000) shall be used to provide a grant-in-aid to Resource Institute, Inc., for the purpose of working with coastal local governments and engineering firms to explore opportunities for the development and implementation of emerging techniques that can extend the useful life of beach nourishment projects. Report on findings required by October 1, 2019

- Updated in Session Law 2018-138 Section 2.9 to repurpose the funds to work with the government of Topsail Island to develop, plan, or implement projects to mitigate impacts of future hurricanes.

- New Legislation Introduced – SB 95 Section 13.9 (a) $3.4 million to RI and $1.6 million to the Town of North Topsail