Division of Water Resources Budget and Policy Updates
NC Beach, Inlet, and Waterway Association

November 12, 2019
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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 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

- 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
Contributions using Long-Term MOA:

- Federal FY 2019-2020 $640,030.00
- Total for Federal FY 2018-2019 $5,549,285.00
- Maintenance work completed at:
  - Carolina Beach Inlet
  - Mason Creek Inlet
  - Morgan Creek Inlet
  - Bulkhead Channel
  - Oregon Inlet (On-going)
  - Lockwood Folly Inlet
  - South Ferry Channel
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*
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)

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

- Revenues FY19-20: **$7,148,946.00** (as of 10/29/19)
  - $2,586,740.00  - Fees from NCWRC Fund (boat tax)
  - $3,960,759.00  - Fees from fuel excise tax
  - $0  - NCGA session directed plus up’s
  - $2,344,625.33  - Matching funds for Corps maintenance work

- Outstanding Grant Balance (FY18-19): **$16,128,525.21** (10/29/19)

- Expenditures FY19-20: **$7,444,002.44** (10/29/19)

- Funds earmarked for future awards: **$5,000,000.00** (10/29/19)

- Funds available for award: **$40,843,065.40** (10/29/19)

Department of Environmental Quality
SESSION LAW 2018-5

Impacts to the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund:

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.

• We now have a fully executed contract and the 1st and 2nd quarterly payment of $5,000,000.00 has been processed.
Other Water Resources Development Grant Program Impacts (Does not impact the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund):

SB 95 Section 13.9 (a) - DEQ GRANT-IN-AID
• Five million dollars ($5,000,000) shall be allocated in equal amounts to the Towns of North Topsail Beach, Surf City, and Topsail Beach for hurricane recovery projects in or benefitting the Towns and their adjoining coastline.
  • Fully executed contract for Surf City $1,666,666.66
  • Submitted contract for North Topsail $1,666,666.66
  • Request for project clarification for Topsail Beach
SESSION LAW 2018-136

2018 Hurricane Florence Disaster Recovery Act – Senate Bill 3

• Funds earmarked in the amount of $351,967.68 to compensate municipalities for surveys of beaches and channels completed because of hurricane related damage.

• Impacted Communities:
  • Bad Head Island $54,907.14
  • Oak Island $63,549.00
  • Kill Devil Hills $12,047.54
  • Holden Beach $21,264.00
  • Dare County $1,400.00
  • Bogue Banks $126,800.00
  • North Topsail $72,000
**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.
Dredged Material Management Plan

• DMMP would include the evaluation of federal and non-federal dredged material placement facilities (DMPFs)
  • Development of a GIS database to house all dredged material placement sites and mapping non-federal DMPFs.
  • Populating the database to include current facility conditions and capacities about the non-federal DMPFs.
  • Assessment of current dredging needs and frequencies of non-federal users.
• Geospatial database will serve as a central location for identifying all upland dredged material placement sites
DMPF database will include the following attributes about each placement site:

- Site manager and contact number
- Placement site name
- Adjacent waterbody name
- Placement facility type (upland, control of effluent, etc.)
- County name
- Coordinate location
- Acreage
- Average dike height
- Available capacity
- Number of weirs
- Last used (date)
- Status (Constructed or Unconstructed)
- Placement area condition (rating system)

- Repairs needed (Y/N)
- Known site issues
- Material type
- Site restrictions
- Adjacent regulatory classifications (water quality, essential fish habitats, primary nursery areas, etc.)
- Vegetation cover (e.g. grasses and herbaceous mix, hardwoods, pine, invasive species, etc.)
- Date of last vegetation management
HB 966: CSDM Funds

• Funds transferred FY 2019-2020:
  • Fund Code 2D32 (Hurricane Florence Disaster Recovery Fund) - $11,500,000.00

• Funds Transferred FY 2020-2021:
  • Fund Code 2182 (Shallow Draft Navigation Fund) – $10,000,000.00
  • Fund Code 2998 (PFAS Recovery Fund) - $10,000,000.00

CSDM - SECTION 4.6. (l) CSDM funds shall be used to provide grants in an amount not to exceed two million five hundred thousand dollars ($2,500,000) for each unit of local government during the 2019-2021 fiscal biennium. Notwithstanding G.S. 143-215.73M, no cost-share shall be required for these grants.
HB 966 – Budget Bill

• Vetoed by the Governor on June 28, 2019

• Placed on Senate Calendar 10/30/2019

• Re-referred to the Committee on Rules and Operations on 10/30/2019
Proposed Legislation HB 966: Other Impacts

- Water Resources Development Projects impacted:
  - Kure Beach CSRM $14,000
  - Planning Assistance to Communities $38,000
  - Wilmington Harbor DA Maintenance $6,550,000
  - Morehead City Maintenance $1,500,000
  - Surf City/North Topsail CSRM (Pre-Constr./Design) $148,000
  - West Onslow CSRM (Pre-Constr./Design) $148,000
  - NRCS EQIP/Stream Restoration $1,500,000
  - Manteo Old House Channel, Sec. 204, CAP, Design Comp. $73,000
  - North Topsail Beach Shoreline Protection – Phase 2 $500,000

Total $16,024,000.00
HB 966: Other Impacts

- Shallow draft navigation channel dredging and aquatic weed fund amendments section 12.4. G.S. 143-215.73f(b)
  - For administrative support of fund operations
  - To conduct assessments and maintain a database of dredge material disposal sites
Other Updates:

- North Carolina Coastal Conference – November 19-20th at the Hotel Ballast in Wilmington, N.C.

- Coastal Infrastructure Program Manager Position – Resume Review
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**
  • Fully Executed contract and payment is being processed
• $300,000 to the **North Carolina Wildlife Habitat Foundation for Oyster Highway Project** on the New River in Onslow County.
  • Fully executed contract and funds distributed
Session Law 2018-138: An Act to Provide Additional Disaster Relief in Response to Hurricane Florence

• Eighteen million five hundred thousand dollars ($18,500,000) to the Department of Environmental Quality for the Coastal Storm Damage Mitigation Fund.

• Funds in the amount of $18,500,00.00 have been earmarked for CSDM projects. Award letters stating that the municipality been tentatively approved for funding pending a successful execution of a grant contract are as follows:
  • Oak Island $3,157,377.00
  • Bogue Banks $15,342,623.00