



# **Budget and Policy Updates**

North Carolina Beach, Inlet & Waterway Association  
2018 Annual Conference

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# *NC Beach, Inlet and Waterway Association*



## *Overview*

- Long Term MOA
- Shallow Draft Navigation Channel and Aquatic Weed Fund
- 2018 Legislation Updates
- Program Updates
- Q&A



# *Long Term MOA for Maintenance Dredging of Federally Authorized Shallow Draft Navigation Channels in NC*



- 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

# *Long Term MOA for Maintenance Dredging of Federally Authorized Shallow Draft Navigation Channels in NC*

## Contributions Federal FY 2017-2018:

- Local governments match: **\$2,337,625.00**
- State match: **\$3,429,000.00**
- Maintenance work completed at:
  - Carolina Beach Inlet (multiple events)
  - Oregon Inlet (On-going)
  - Lockwood Folly Inlet (multiple events)
  - Bulkhead Channel
  - Bogue Inlet (multiple events)
  - Hatteras Inlet (Additional Work MOA)



# *Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund*

- Fund may only be used to provide the State's cost share of the costs associated with any dredging project designed to keep shallow draft navigation channels located in State waters or waters of the State located within lakes navigable and safe.

## No Changes To Cost-share Or Revenue Stream For FY 18-19:

### ➤ 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



# Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund

- Revenues FY18-19: **\$14,902,841.00** (as of 11/13/18)
  - \$4,152,925.00 - Fees from NCWRC Fund (boat tax)
  - \$7,429,559.00 - Fees from fuel excise tax
  - \$2,130,357.00 - NCGA session directed plus up's
  - \$1,190,000.00 - Matching funds for Corps maintenance work
- Outstanding Grant Balance (FY 17-18): **\$19,856,776.64** (11/13/18)
- Expenditures FY17-18: **\$4,596,759.29** (11/13/18)
- Funds earmarked for future awards: **\$18,892,776.16** (11/13/18)
- Funds available for award: **\$11,270,082.19** (11/13/18)



**SESSION LAW 2018-5**

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

**Section 13.6.(b) - INCREASE AQUATIC WEED CONTROL FUNDING**

- Funding for aquatic weed control projects is increased from five hundred thousand dollars (\$500,000) to one million dollars (\$1,000,000) in each fiscal year.

**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):**

#### **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

#### **Section 13.10.(a) - COASTAL STORM DAMAGE MITIGATION FUND**

- Five million dollars (\$5,000,000) in funds appropriated for the Coastal Storm Damage Mitigation Fund for the 2018-2019 fiscal year shall be allocated to a locally sponsored project that is (i) derived from a regional management plan and formal interlocal agreement and (ii) authorized under a multidecade, programmatic permit authorization issued to the local sponsor.





### **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.

**2018 Hurricane Florence Disaster Recovery Act – Senate Bill 3**

**SESSION LAW 2018-136 - SECTION 2.4.**

- Transfer \$2,000,000 for the 2018-2019 fiscal year from the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund to the Office of State Budget and Management to be credited to the Hurricane Florence Disaster Recovery Reserve.

**Committee Report On Hurricane Florence Disaster Recovery Fund**

- \$2,000,000 for Coastal Beach and Dredging Needs Assessment
- Allocates funds to the Department of Environmental Quality, Division of Water Resources, to conduct a survey of beaches and channels for hurricane related damage and to assess disposal areas for dredged material.

# 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
- \*Please provide updated information as it is received

**Beach Nourishment - \$380,649,206.00**

**Channel Dredging - \$87,080,000**

\*Future meetings with NCEM to discuss collaboration

*Department of Environmental Quality*



# Housekeeping:



- No portion of work or expenditure of funds for the project, plans or services shall begin prior to receiving a fully-executed contract from DEQ.
- 100% of the contract expenditures must be provided to DWR for the grant applicant to receive the full allowable amount for reimbursement.
- Program Updates:
  - Updated guidelines for the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund
  - New application for the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund
  - New Reimbursement Request Template for Financial Tracking

# QUESTIONS?



*Department of Environmental Quality/*

*Division of Water Resources*

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