



Division of Water Resources Budget and Policy Updates

NCBIWA Fall Meeting

November 16, 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

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: **\$78,064,000.36** (10/31/2023)
 - \$23M in grants being discussed/executed at this time.

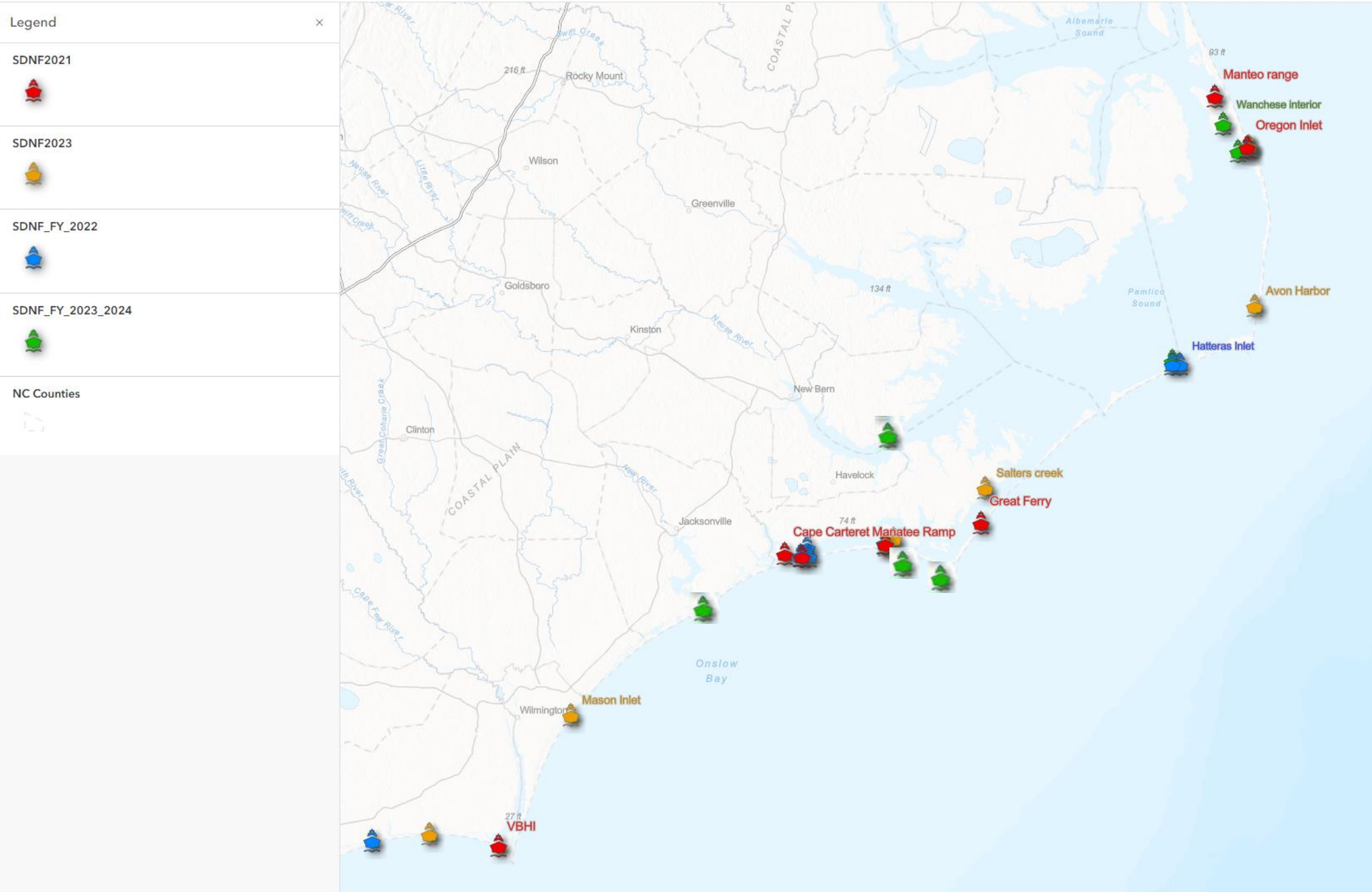


SDNF payment history

State funds only

State FY	YTD payments ^{1,2}	Notes
16/17	\$8,527,153.61	
17/18	\$7,021,604.96	
18/19	\$13,461,251.71	
19/20	\$14,050,546.98	\$15M dredge
20/21	\$14,444,863.63	
21/22	\$8,065,065.90	
22/23	\$15,516,317.20	
Total	\$81,086,803.99	
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)



Dredged Material Management Plan

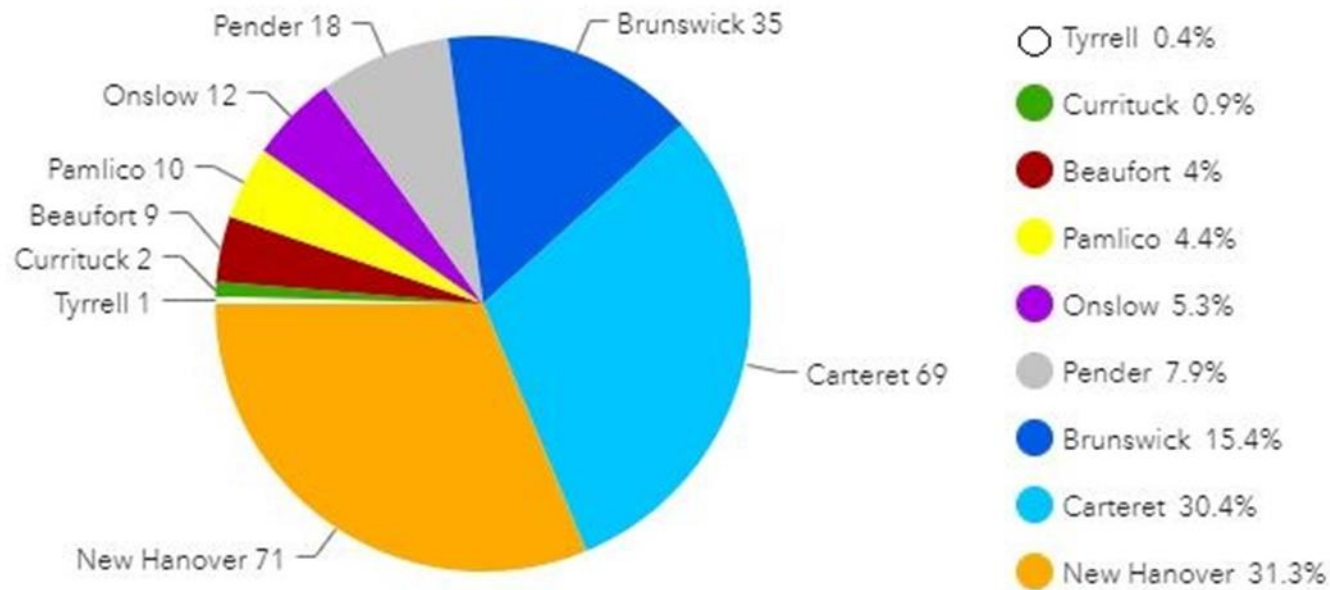
- Plan for remaining funds (\$1,648,032.32) to be used to assess DMPF in a Planning Assistance to States partnership with USACE.
- Session Law 2019-241: funds allocated to coastal beach and dredging needs assessment may be used for a dredge material management plan to assess any nonfederal disposal area 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 DMPP 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

County	# of Sites	Site Locations
Brunswick	3	Southport, Bald Head Island
Carteret	4	Bogue Sound, Brandt Island, Marsh Island, Harlowe Creek
New Hanover	9	Fort Fisher, Carolina Beach Inlet, Masonboro Channel, Shinn Creek, Motts Channel, Mason's Inlet, Nixon Channel
Onslow	6	Surf City, Sneads Ferry, New River, Bear Inlet
Pamlico	1	Whittaker Creek
Pender	3	Howards Creek, Topsail Creek, Surf City
Tyrrell	1	Alligator River



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)
- Cost Share has been signed and payment has been made.
 - \$112,000 total
- 48 letters.
 - 14 replies, 10 yes, 2 no and 2 undecided



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.
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- 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



CSDM S.L. 2023-134

- 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
 - <https://www.deq.nc.gov/permits-regulations/rules-regulations/proposed-main/proposed-rules>



- 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

Project	FY 2023-2024	FY 2024-2025
Cape Fear River Basin Flood Mitigation	\$1,500,000.00	
Carolina Beach CSDM	\$911,667.00	
Dan River Regional Water Supply	\$107,667.00	
Holden Beach CSDR	\$750,000.00	
EQIP	\$2,000,000.00	\$2,000,000.00
Ocean Isle CSDM	\$27,784.00	
Planning Assistance	\$5,387.00	
State and Local	\$3,000,000.00	\$3,000,000.00
	\$8,302,505.00	\$5,000,000.00



S.L. 2021-180

FY 21-22 and FY 22-23

Name of Project		FY 2021-2022	FY 2022-2023
(1)	Princeville Flood Damage Reduction	\$5,197,500	\$5,197,500
(2)	Carolina Beach CSDM	\$4,750,000	\$1,083,333
(3)	Wilmington Harbor DA Maintenance	\$3,663,642	\$7,334,000
(4)	Kure Beach CSDM	\$4,889,423	\$825,641
(5)	Surf City/North Topsail Beach CSRM	\$14,537,000	\$14,537,000
(6)	Ocean Isle CSDM	\$494,599	\$1,534,615
(7)	WRD Grant Program—State & Local Projects	\$2,750,000	\$1,500,000
(8)	WRD Grant Program—EQIP Projects	\$2,000,000	\$2,750,000
(9)	Manteo Old House Channel, Sec. 204 (65/35)	\$2,700,000	—
(10)	Wrightsville Beach CSDM	\$3,487,500	\$469,471
TOTALS		\$44,469,664	\$35,231,560

- Matches \$220,526,000 in Federal Funds



- 16ft → 18ft 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



WRDG STATE & LOCAL PROJECTS

50% Match; Jan 1-June 30 (Spring), July 1-Dec 31 (Fall)



☐ Stream Restoration

- ✓ Stream Restoration & Stabilization
- ✓ Aquatic Barrier Removals > Dams, Culverts
- ✓ Shoreline Stabilization, Living Shorelines
- ✓ NRCS-EQIP > On Agricultural Lands

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☐ 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.

QUESTIONS?

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Department of Environmental Quality/Division of Water Resources