

Division of Water Resources Budget and Policy Updates

NC Beach, Inlet, and Waterway Association

October 22, 2026

Kevin Hart, Division of Water Resources



Budget and Policy Updates



- Navigation
- Nourishment
- Other WRDG programs





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

- 40% 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

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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 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.

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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)
  - Agreement ends in 2026
- March 2026 Submitted letter of Intent for New Long Term MOA.

Federal Projects

LTMOA

- 2016-2026
  - Expired September 2026
- New MOA
  - Letter of Intent March 2026
  - Congressional Notification October 2026
  - DEQ financial assurance form October 2026
  - Congressional Notification October 2026
  - SAD approval October 2026

  - Still To do
    - Wilmington District Approval
    - DEQ Secretary Signature
    - NC Attorney General Signature

- Remaining Funds- USACE has returned funds to the State
  - Will be returning local match to the local government

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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 $9,120,600 (11/13/2024)
- FY 2024-2025 $6,343,290 (7/31/2025)
- FY 2025-2026 $5,121,000 (10/20/2026)
- Federal Channels Include
  - Oregon Inlet
  - Lockwood Folly Inlet
  - Carolina Beach Inlet
  - Hatteras Inlet
  - Bogue Inlet
  - Cape Lookout



Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund

- Revenues FY 26-27 **$7,316,360.31** (as of 10/13/2026)
  - $ 4,710,039 DOT/DOR refunds
  - $2,597,700 WRC
  - $8,621.31 Local governments
- Expenditures
  - FY25-26: $13,812,303.31 (10/13/2026)
  - FY 26-27 $3,791,531.81 (10/13/2026)
- Funds available for award: **$85,564,759.88 (**10/13/2026)
  - Doesn't include: Positions, aquatic weeds, and contracts under development.



SDNF payment history
State funds only

- Average revenues $20M/year
- $12M in Project repeat awarded annually
- Larger contracts/projects past several years
  - FY 23/24 4 projects over $20M total (State)
  - FY 24/25 3 projects over $24M total (State)
  - FY 25/26 2 projects over $20M total (State)

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	Does not include $15M dredge
20/21	$14,444,863.63	
21/22	$8,065,065.90	
22/23	$15,516,317.20	
23/24	$34,537,031.4	
24/25	$**19,079,155.25**	
25/26	$13,812,303.31	
26/27	$3,791,531.81	As of 10/13/2026
Total	**$152,306,825.76**	
[1]Includes federal projects		
[2]Doesn't include Aquatic weed or salaries		

Repeat Projects

- Dredging Cycles
  - Can occur yearly or every 3-4 years
- Yearly projects
  - Oregon Inlet $10,000,000 per year
  - Hatteras Inlet $1,000,000 per year
  - Atlantic Beach Channels $150,000 per year
  - Carolina Beach Inlet $1,500,000 per year
- Other cycles
  - Topsail $16,000,000 every 4 years
  - Mason Inlet $8,500,000 every 4 years
  - Village of Bald Head Island $340,000 every 2 years
  - Holden Beach Channels $250,000 every 5 years
  - Whittaker Creek Oriental $115,000 every 4 years
  - Pierce Creek Oriental $210,000 every 4 years





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)
  - Tubbs Inlet (Brunswick County)



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 9 communities and Coastal Federation
- CSDM Funds- $10.5M for FY23-24 for 7 communities
- CSDM Funds- $10M for FY 24-25

Total to date: $80,984,111

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S.L. 2023-134 CSDM



- Dare County 4-Towns Beach Nourishment (Duck, Southern Shores, Kitty Hawk and Kill Devil Hills), $7.53 million
- Ocean Isle Beach East End Dune Construction, $1.019 million
- Topsail Island Vitex Eradication Project, $690,060.50
- Town of Oak Island Dune Planting, $440,000
- Town of Nags Head 2027 Nourishment Project Engineering Services, $301,000
- Bogue Banks Beach Nourishment Phase 2, $291,564
- Southern Hatteras Island Offshore Sand Assessment Study, $250,000

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FY 26-27 WRDG

WRDG CI projects

- Carolina Beach CSRM $3,320,250
- Holden Beach CSDR $1,250,000
- Kure Beach CSRM $6,257,230
- Oak Island CSRM $400,000
- Ocean Isle CSRM $1,976,154
- Wrightsville Beach CSRM $1,889,462
- Tar/Pam Flood Mitigation $8,000,000

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FY 23-24 and 24-25

WRDG CI projects

HB 529

• Cape Fear River Basin Flood Mitigation Feasibility Study	$1.5M
• Carolina Beach CSDR	$911,667
• Holden Beach CSDR Feasibility	$750,000
• Ocean Isle CSDM	$27,784
• State/Local	$3M/$3M
• EQIP	$2M/$2M
• Dan River Water Supply	$107,667
• Planning Assistance to States	$5,387

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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

Legislative updates

- BIMP- S257
  - $400,000
    - Directed to DCM
- Blue Green Algae S257
  - $1,200,000 from SDNF
    - Staff position and treatment
      - Not funded
- SDNF- plus ups S257
  - removed
- S257 reduced revenue from boat titles
  - 50%→40%
  - Increased title costs
- CSDM
  - No updates for next year
- DCNR- Elizabeth II
  - $1,250,000

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WRDG STATE & LOCAL PROJECTS

50% Match

- ❑ 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

Contact:
Amin Davis
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919-707-9132

Application period open until 6/30/2026

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

S/L Funded Projects FY 25-26

- Town of Mayodan Washington Mills Park Phase I, $200,000. tubing access point, multi-use granite path and public river access
- Mitchell County Soil and Water Conservation District Grassy Creek Stream and Wetland Restoration, $200,000. repair of nearly a quarter of a mile of stream, planting vegetation along the stream banks and restoration of 1.3 acres.
- Morehead City Spooner Creek $200,000. Acquisition of 22.9 acres of undeveloped land to create a publicly owned nature park to provide public waterfront access and conserve shoreline including rare, maritime forestland.
- Town of West Jefferson Downtown Stormwater Control, $200,000. The project in Ashe County includes installation of several stormwater control and treatment measures.
- Town of Windsor Hoggards Mill Pond, $200,000. Reconstruction of a breached mill dam, removal of damaged mill infrastructure and replacement of a naturalized fish passage structure to reconnect more than 50 miles of potential stream habitat.
- Wake County Soil and Water Conservation District Jerry Jordan Stream Restoration, $199,313. Restore a degraded stream channel, plant vegetation and enhance a wetland, as well as install stormwater control measures.
- Henderson County Soil and Water Conservation District Whittaker Farm, $131,074.94. Restore and stabilize two-tenths of a mile along the South Fork Mills River riverbank and floodplain, plant 3 acres of trees and shrubs along the river bank and install a stream crossing.
- Wake County Soil and Water Conservation District NC State University Lake Wheeler Beef Unit Watershed Restoration, $105,000. Construct stormwater control measures to reduce erosion, sedimentation and pollutant transport from a cattle-grazing operation upstream of Yates Millpond in the Swift Creek basin.
- High Country Council of Government Aho Branch, $95,000. Stabilize and restore 0.15 miles of Aho Branch, plant vegetation along a section of the stream bank and add vernal pools, a type of seasonal wetland, on former pastureland on the Blue Ridge Conservancy Conservation Campus.

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Problems Associated with Aquatic Weeds

- Divert water flows causing erosion and flooding.
- Impede recreational activities like swimming, fishing, boating, and water sports.
- Displace native vegetation which can alter community structure and degrade ecological functions.
- Form dense growths that become navigation hazards.
- Clog water intake systems of industries, municipalities and irrigators.
- Create/expand breeding habitat for mosquitoes and other pests.

Aquatic Weed Control Program mission and philosophy

- The purpose of the Aquatic Weed Control Program is to provide units of local government and citizens of North Carolina with resources that will promote the prevention and management of noxious aquatic weed infestations. The philosophy is that by responding early to localized outbreaks we can mitigate the long-term economic and environmental impacts that noxious aquatic weeds impose.
- The two primary objectives are:
  - Respond to localized infestations to mitigate the long-term economic and environmental impacts that noxious aquatic weeds impose.
  - Reduce the frequency of aquatic weed introductions through education and public awareness.



Aquatic Weed Program

- October 15 deadline for applications
- $1:$1
- Contact Rob Emens
  - Rob.emens@deq.nc.gov
  - 919-707-9012

- Toxic Algal blooms
  - Added to Aquatic Weed available uses
  - Be on lookout for rules



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Algal Bloom Funding

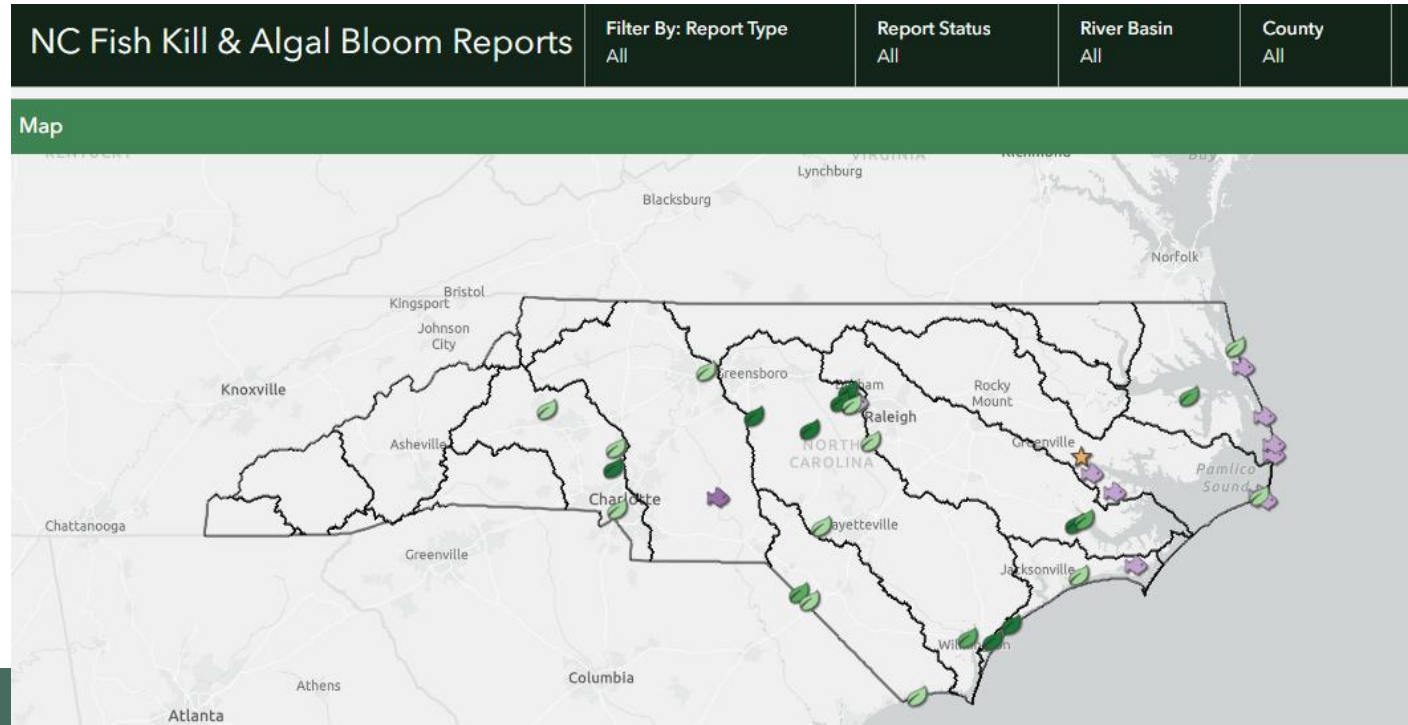
- HAB tracking dashboard
- HAB/Lyngbya added to Aquatic Weed Fund available use.
- Rules in final stage of development.



Lake Gaston *Lyngbya. Lake Gaston Weed Control Council.*



Decaying HAB bloom. NCDWR Algae lab.



QUESTIONS?

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Department of Environmental Quality/Division of Water Resources

S.L. 2023-134
CSDM
FY 25-26

- Dare County: Buxton nourishment, $3.6 million
- Town of Oak Island: Beach nourishment, $3 million
- Dare County: Avon Beach nourishment, $2 million
- Carteret County: Bogue Banks 2025-2026 beach nourishment design, $663,537
- Currituck County: Beach management plan, $120,568