



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

November 18, 2024

Kevin Hart, Division of Water Resources



Budget and Policy Updates

- Navigation
- DMMP
- Nourishment
- Rules



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

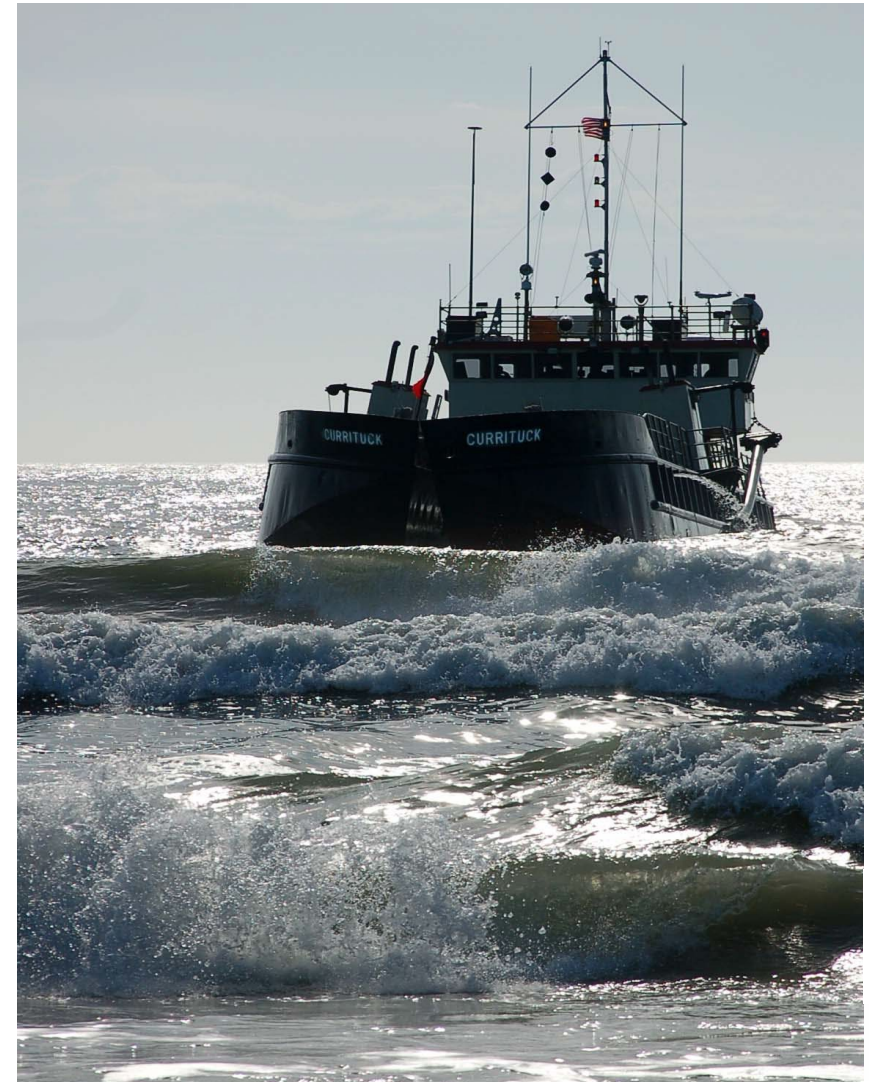
- MOA signed November 14, 2013 between Corps & NCDENR (NCDEQ)
 - Allows State and Local Governments to contribute funds to the Corps for maintenance dredging of SDNCs (\$4.0M annual cap, 4 year expiration)
- In 2013, the NCGA established the “Shallow Draft Navigation Channel Dredging and Lake Maintenance 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)
 - 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 \$9,120,600 (11/13/2024)
- Federal Channels Include
 - Oregon Inlet
 - Lockwood Folly Inlet
 - Carolina Beach Inlet
 - Hatteras Inlet
 - Bogue Inlet
 - Cape Lookout

Department of Environmental Quality



Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund

- Revenues FY 24-25 **\$9,753,151** (as of 11/12/2024)
 - \$ 4,881,707 - Fees from NCWRC Fund (boat tax)
 - \$5,460 - Fees from fuel excise tax
 - \$532,589 - NCGA session directed plus up's
 - \$ 4,333,395 - Matching funds for Corps maintenance work
- Expenditures FY24-25: **\$6,005,017** (11/12/2024)
- Funds available for award: **\$69,407,415.59** (11/12/2024)



SDNF payment history

State funds only

- Average revenues \$20M/year
- Larger contracts/projects past several years
 - FY 23/24 4 projects over \$20M total (State)
 - FY 24/25 3 projects over \$24M 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	\$26,924,875.24	
24/25	\$6,005,017.14	As of 11/13/2024
Total	\$114,016,696.37	
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)
 - Tubbs Inlet (Brunswick County)

Department of Environmental Quality



Dredged Material Management Plan

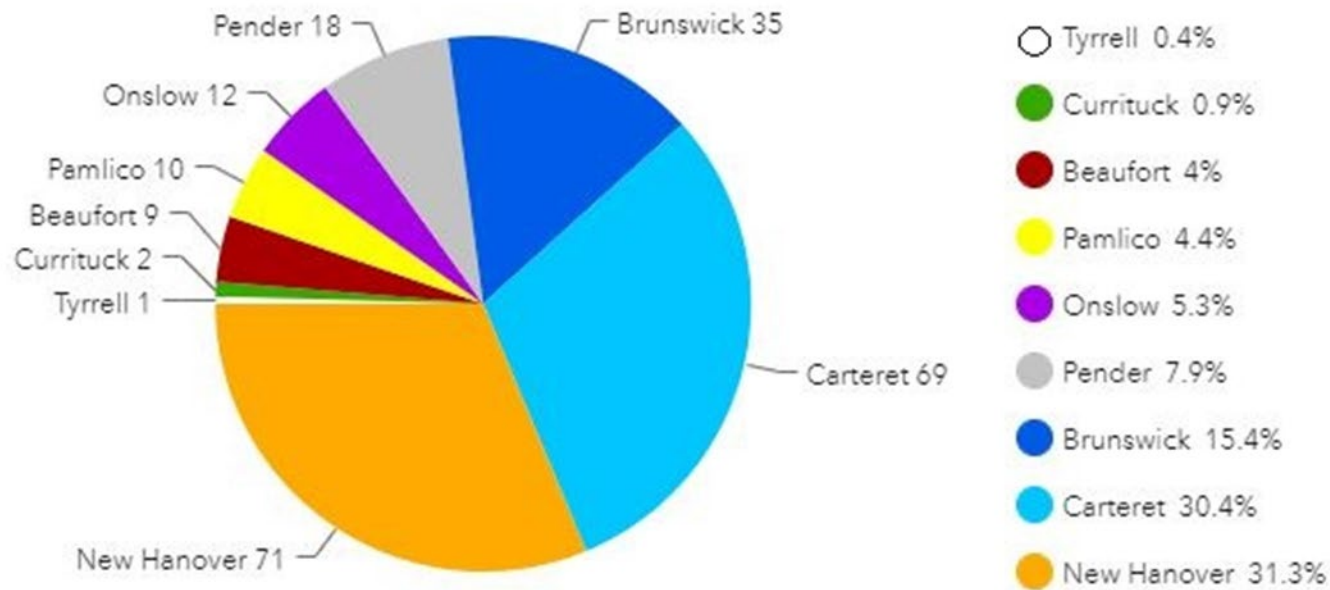
- Plan for remaining funds to be used to assess DMPF in a Planning Assistance to States partnership with USACE.
- Session Law 2019-241: funds allocated to coastal beach and dredging needs assessment may be used for a dredge material management plan to assess any nonfederal disposal area for dredged material 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)
 - **Summary report**
- USACE is finalizing the draft report.



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

Total to date: \$80,984,111



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



S.L. 2022-74

Rulemaking

- 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 15A NCAC 01T .0100
 - Effective June 1, 2024



15A NCAC 01T. 0100

Aquatic Weed

- Outlined application requirements
- Defined members of the NC Aquatic Weed Control Council
- Set application deadline of Oct 15



15A NCAC 01T. 0200

SDNF

- Removed USACE exemption language
- Outlines processes for federal and non-federal authorized channels
 - USACE work vs. local government
 - Signed invoices for payments
 - Local governments funds received prior to transfer to USACE



Topsail Inlet 2023-2024



15A NCAC 01T.0300

CSDM

- Took guidelines and made permanent
- No major changes



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



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 |



DEQ Staff Updates

- Secretary
 - Mary Penny Kelley
- Legislative Liaison
 - Emma Hennen



QUESTIONS?

Kevin Hart

919-707-3607

Kevin.hart@deq.nc.gov



Department of Environmental Quality/Division of Water Resources