



# Division of Water Resources Budget and Policy Updates

## AIWW Meeting

November 15, 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

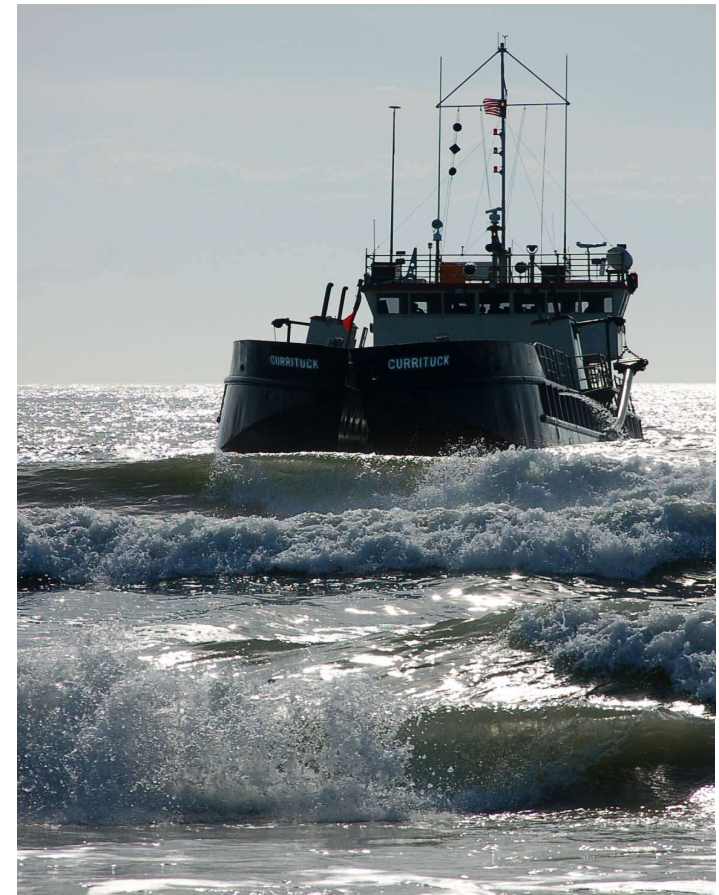
- MOA signed November 14, 2013 between Corps & NCDENR (NCDEQ)
  - Allows State and Local Governments to contribute funds to the Corps for maintenance dredging of SDNCs (\$4.0M annual cap, 4 year expiration)
- In 2013, the NCGA established the “Shallow Draft Navigation Channel Dredging and Lake Maintenance 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: **\$78,064.36** (10/31/2023)
  - \$23M in grants being discussed/executed at this time.



## *SDNF payment history State funds only*

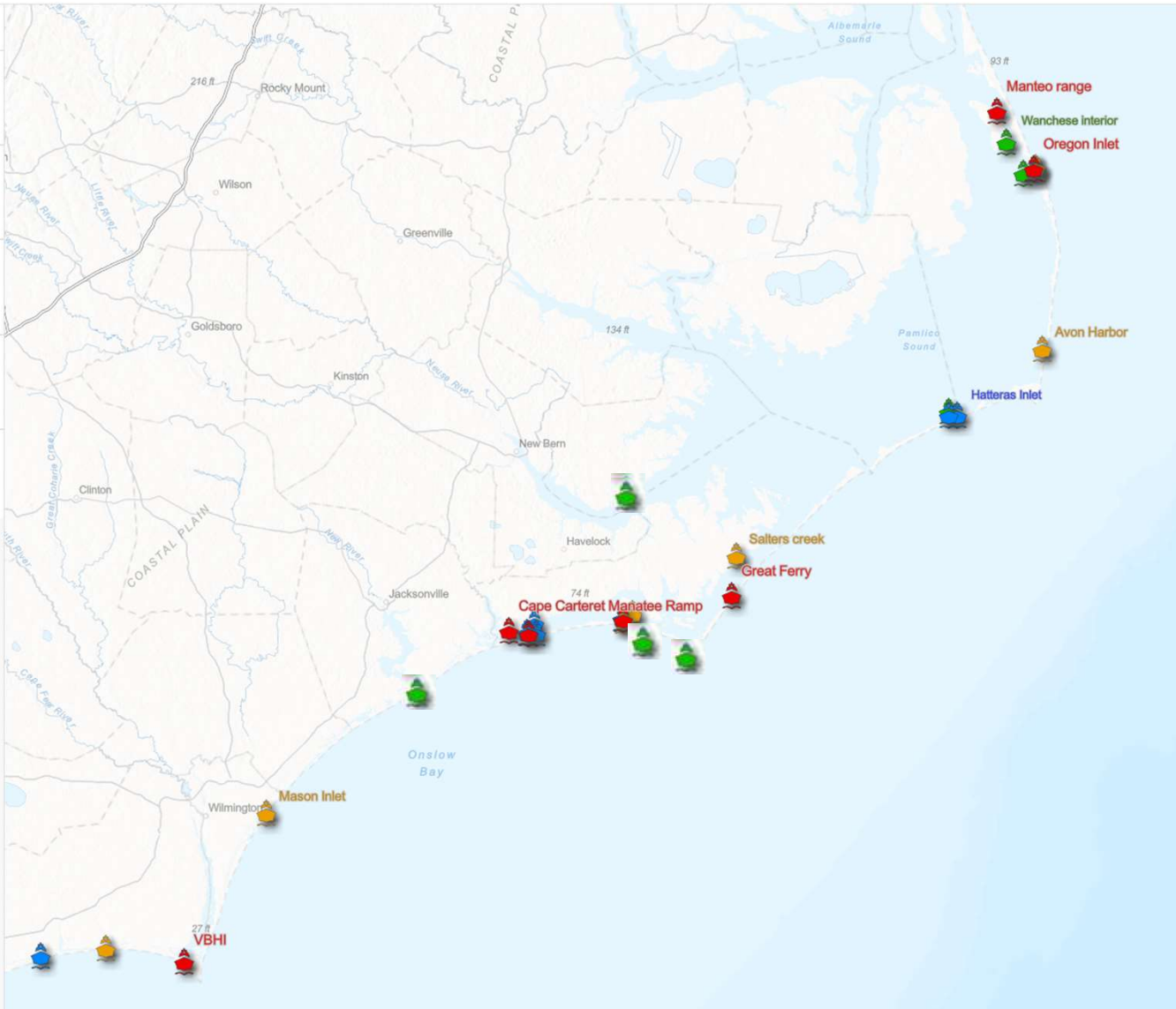
State FY	YTD payments <sup>1,2</sup>	Notes
16/17	\$8,527,153.61	
17/18	\$7,021,604.96	
18/19	\$13,461,251.71	
19/20	\$14,050,546.98	\$15M dredge
20/21	\$14,444,863.63	
21/22	\$8,065,065.90	
22/23	\$15,516,317.20	
Total	<b>\$81,086,803.99</b>	
<sup>1</sup> Includes federal projects		
<sup>2</sup> Doesn't include Aquatic weed or salaries		





Legend

- SDNF2021 
- SDNF2023 
- SDNF\_FY\_2022 
- SDNF\_FY\_2023\_2024 
- NC Counties 



# 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)

*Department of Environmental Quality*



## *Beneficial Use*

- Encouraged but not required
- Funding structures is exempt
- Past examples
  - Beach Nourishment
    - Emerald Isle
    - Topsail Beach
  - Living Shoreline fill
    - Lake Adger
    - White Point



## *Dredged Material Management Plan*

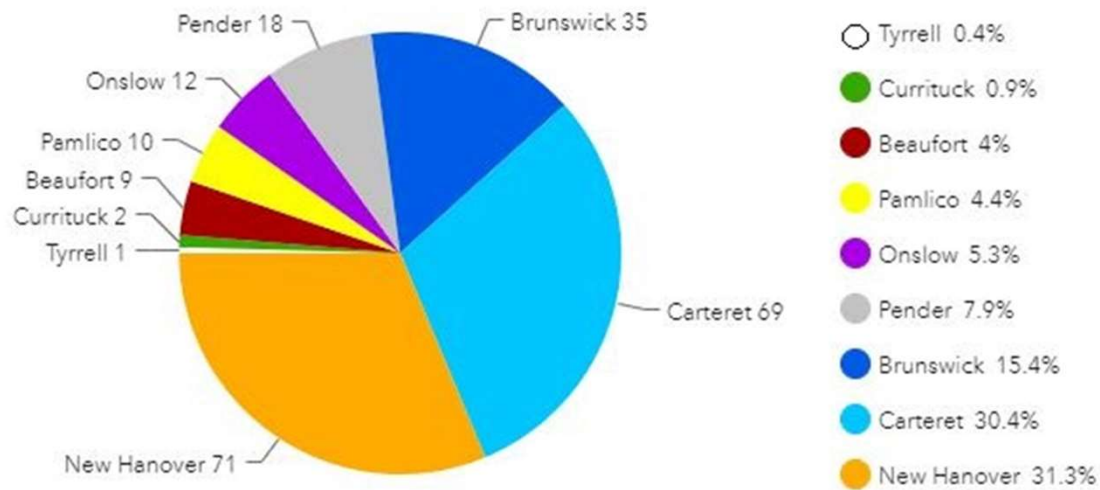
- Plan for remaining funds (\$1,648,032.32) to be used to assess DMPF in a Planning Assistance to States partnership with USACE.
- Session Law 2019-241: funds allocated to coastal beach and dredging needs assessment may be used for a dredge material management plan to assess any nonfederal disposal area 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)
  - **Summary report**
- **Cost Share has been signed and payment has been made.**
  - \$112,000 total



# *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 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



# 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 process starting
  - Public Hearing December 6, 2023
    - WARO
    - <https://www.deq.nc.gov/permits-regulations/rules-regulations/proposed-main/proposed-rules>



# *S.L. 2022-74*

15A NCAC 01T .0100-.0308

- 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



## *S.L. 2023-134*

- 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

<u>Project</u>	<u>FY 2023-2024</u>	<u>FY 2024-2025</u>
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	
<u>State and Local</u>	<u>\$3,000,000.00</u>	<u>\$3,000,000.00</u>
	\$8,302,505.00	\$3,000,000.00



# 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



## *S.L. 2023-137*

HB600

- 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*