



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT
Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

April 9, 2020

MEMORANDUM

TO: Senator Phil Berger, President Pro-Tempore of the Senate
Representative Tim Moore, Speaker of the House of Representatives

FROM: Charles Perusse *Charles Perusse*

SUBJECT: Retirement of Wilmington Harbor Project Debt

Per Section 6.4 of S.L. 2018-5, the Office of State Budget and Management (OSBM) is reporting the retirement of debt associated with the Wilmington Harbor 96 Act Project Cooperation Agreement executed between the State of North Carolina and the Army Corps of Engineers on March 26, 1999. The Office of State Controller electronically paid the total amount of the debt, \$37,837,824.57, on April 8, 2020. The original appropriation of these funds occurred in S.L. 2016-94, House Bill 1030, Money Report item 12 on page L-6.

Please see the attached letter from the Army Corps of Engineers for additional information.

If you have any questions or concerns, please contact me by telephone (984) 236-0601 or email to charles.perusse@osbm.nc.gov.

cc: Kristin Walker
Thomas Cheek
Mark Bondo
Mark Trogdon



DEPARTMENT OF THE ARMY
WILMINGTON DISTRICT, CORPS OF ENGINEERS
69 DARLINGTON AVENUE
WILMINGTON, NORTH CAROLINA 28403-1343

March 18, 2020

Mr. Danny Smith, Director
North Carolina Division of Water Resources
North Carolina Department of Environmental Quality
1611 Mail Service Center
Raleigh, NC 27699-1600

Dear Mr. Smith:

In accordance with paragraph II.H and II.I of the Wilmington Harbor 96 Act Project Cooperation Agreement (PCA) executed with the state of North Carolina as the non-Federal sponsor on March 26, 1999, we request a payment of \$37,837,824.57 which is the 10% amount due reduced by the available non-Federal funds. We request that these funds be provided by electronic funds transfer. Please contact Mr. William Webb, telephone 910-251-4806, if you need more information on the electronic funds transfer process.

As discussed with Dr. Coley Cordeiro, the Government has completed a final accounting of the expenses related to the Wilmington Harbor – 96 Act Navigation Project. Funds received from the State of NC for this project are balanced 75% Federal and 25% non-Federal in accordance with the PCA. The Federal and non-Federal costs of general navigation features are shown in Table 1. The total Federal and non-Federal costs for this Project were applied to pre-construction engineering and design (PED), confined disposal, construction, fish passage mitigation, and fish and wildlife mitigation lands, easements, rights-of-way, relocation, and disposal areas (LERRD). Per the PCA, the Government has determined the non-Federal Sponsor's 10% reimbursement is \$37,863,381.16. After balancing the cost share there is \$25,556.59 in excess non-Federal funds that must be refunded. After deducting the excess funds from the 10% amount the Sponsor will reimburse the Government \$37,837,824.57 as shown in Table 2.

Table 1: Federal & non-Federal Costs of General Navigation Features

	Federal (75%)	non-Federal (25%)	Total
Pre-construction, Engineering and Design (PED)	\$ 4,067,700.00	\$ 1,355,900.00	\$ 5,423,600.00
Confined Disposal	\$ 18,115,582.49	\$ 6,038,527.49	\$ 24,154,109.98
Construction	\$ 253,636,533.24	\$ 83,801,239.16	\$ 337,437,772.40
Fish Passage Mitigation	\$ 8,155,543.00	\$ 2,718,514.33	\$ 10,874,057.33
Fish & Wildlife Mitigation LERRD	-	\$ 744,271.92	\$ 744,271.92
Total Cost of Expenses	\$ 283,975,358.73	\$ 94,658,452.90	\$ 378,633,811.63

Table 2: Sponsor's Excess Funds

Non-Federal Funds Provided	\$	93,939,737.57
LERRD Provided	\$	744,271.92
Total	\$	94,684,009.49
Non-Federal Portion of Costs	\$	(94,658,452.90)
Available Balance	\$	25,556.59

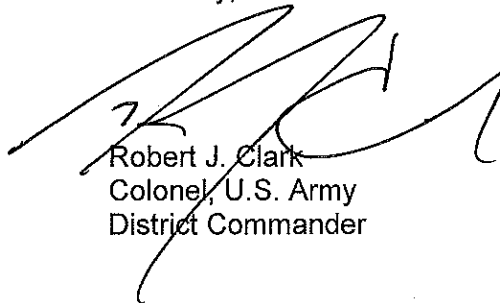
Table 3: Sponsor Reimbursement

10% of General Navigation Fund Expenses	\$	37,863,381.16
Excess non-Federal Funds	\$	25,556.59
Sponsor 10% Reimbursement to Government	\$	37,837,824.57

This letter is for close-out of costs up to this point in the Project, therefore, additional upland disposal area work will be cost-shared and reimbursement is required in accordance with the PCA.

If you have any questions or concerns, please contact Mr. Timothy Jones, 910-251-4749, or by email at timothy.c.jones@usace.army.mil.

Sincerely,



Robert J. Clark
Colonel, U.S. Army
District Commander

cc:

Coley Cordeiro, DWR Water Projects Manager
Laura Poirier, SAW Resource Management
Robert Keistler, SAW Programs and Project Management Branch