FISHERIES MANAGEMENT DIVISION EVALUATION, 4/21/26

DISCUSSION: Waterway Maintenance Fund FY26 Applications

BACKGROUND: In May 2018, the Virginia General Assembly established the Virginia Waterway Maintenance Fund (WMF) for the purpose of supporting shallow-draft dredging projects throughout the Commonwealth. In March 2025, the Virginia General Assembly transferred the administration of the Virginia Waterway Maintenance Grant Program and Fund from the Virginia Port Authority to the Virginia Marine Resources Commission, with an effective date of July 1, 2025.

In August 2025, the Commission formally adopted the administrative authority over the Virginia Waterway Maintenance Grant Program from the Virginia Port Authority and adopted all Virginia Port Authority approved grants approved prior to July 1, 2025. The Commission also prepared and posted a draft Guidance Document to establish the Grant Program Guidelines for administration by the Virginia Marine Resources Commission. The final adopted version of the guidance document was accepted by the Commission at the February 2026 meeting (Attachment 1).

Each fiscal year $4 million is allocated for use for the Virginia Waterway Maintenance Grant Program. In February 2026, the Commission voted to authorize a $2.6 million grant to the Northern Neck Planning District Commission for emergency dredging of the Little Wicomico River pursuant to the WMF Guidelines.

After accounting for this previously approved application and the accumulated interest, $1,576,807 are available for new projects for FY26. Applications for FY26 were due by February 1, and the Commission received two requests for funding.

APPLICATIONS: **Folly Creek Maintenance Dredging Project: $2.788 million**

The Accomack-Northampton Planning District Commission requests funding for the dredging of approximately 5,000 linear feet from the Folly Creek boat ramp to the east, restoring a functional navigation channel in in rural coastal Virginia supporting working waterfronts and the commercial fishing community. This proposal also includes accounting for the beneficial use of the dredged material. The application (Attachment II) details the background management efforts, waterway selection process, and economic need and urgency. The total estimated cost and request is $2.744

million. The applicants have indicated that if partial funding is offered, the project can proceed.

The project is currently in the process of securing permits through a Joint Permit Application, and any decision in favor of funding this project by the Commission would be contingent upon the project successfully securing all permits necessary.

Middle Peninsula Dredge Material Land Acquisition/Federal Lease and Placement Site Management Design: $900,000

The Middle Peninsula Chesapeake Bay Public Access Authority requests $900,000 from the WMF to advance a regionally coordinated, federally compliant Dredged Material Management Area strategy serving seventeen congressionally authorized federal navigation channels in rural coastal Virginia. This application supports waterway enhancement in rural coastal Virginia and the existing investment and leveraged funds secured by the applicant and partners listed exceed a three to one match (Attachment III).

The proposed approach consists of three phases of feasibility studies, pre-project engineering, and upland containment design for beneficial use of dredged material. The applicant did note that reduced scopes and budgets may be offered for consideration to provide VMRC with a funding level which can be accommodated due to anticipated excessive demand.

REVIEW:

The review by Commission staff has determined that there are no deficiencies in either applicants' request. Both have satisfied the requirement of the Virginia Waterway Maintenance Fund's guidance document for applications. Available funds are not sufficient for fully fund both projects at this time. Both applicants will be given the opportunity to present their projects.