

**Audit Subcommittee of the
Virginia Soil and Water Conservation Board
Wednesday, September 23, 2020, 9:00 a.m.**

TIME AND PLACE

The meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee took place via GoToMeeting on Wednesday, September 23, 2020.

VIRGINIA SOIL AND WATER CONSERVATION BOARD AUDIT SUBCOMMITTEE MEMBERS PRESENT

Adam Wilson, Subcommittee Chair
Charles Newton
Kristen Saacke Blunk

DCR STAFF PRESENT

Clyde E. Cristman, Director, DCR
Russell W. Baxter, Deputy Director, Soil and Water Conservation/Dam Safety and Floodplain Management
Darryl Glover, Director, Division of Soil and Water Conservation
Wendy Howard-Cooper, Director, Division of Dam Safety and Floodplain Management
Christine Watlington, Policy and Regulatory Coordinator
Blair Gordon, SWCD Liaison
Michael Fletcher, Board and Constituent Services Liaison

OTHER DCR STAFF IN ATTENDANCE

David Bryan, Agricultural Incentives Program Manager
Debbie Cross, Conservation District Coordinator
Jaclyn Friedman, Conservation District Coordinator
Lisa McGee, Policy Director
Amy Walker, Conservation District Coordinator

OTHERS PRESENT

Jay Ford, Virginia Soil and Water Conservation Board
Greg Wichelns, Culpeper SWCD

ESTABLISHMENT OF A QUORUM

With three (3) members of the Soil and Water Conservation Board Audit Subcommittee present, a quorum was established.

CALL TO ORDER

Mr. Wilson called the meeting to order and read the following remarks.

Good morning, I would like to call this virtual meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee to order.

Generally, public bodies are prohibited from meeting electronically under the provisions of the Freedom of Information Act (FOIA). However, emergency language approved by the Governor and General Assembly in the 2020 Appropriations Act allows us to move forward with certain restrictions that I will outline below.

Before I review those provisions, please let me take a moment to review how this meeting will work. We want to allow for participation by Board members, staff, and members of the public who wish to comment. However, it is essential that we are able to manage the conversation effectively.

I am chairing this meeting today from my home in Abingdon. In the DCR offices in downtown Richmond are Christine Watlington, Michael Fletcher, and Blair Gordon. They will assist with presentations, responding to comments, and the overall coordination of the meeting.

Please be patient with all of us as we work through this. We understand and appreciate the challenges.

Chapter 1289 of the 2020 Acts of Assembly, also known as the "Budget Bill," includes language addressing the ability of public bodies to conduct electronic meetings without the need for a quorum being present in a single physical location ("Electronic Meeting").

This language was submitted as an amendment by the Governor and approved by the General Assembly at their April 22, 2020 reconvened Session. The Governor subsequently signed the Budget Bill and the Bill was effective on July 1, 2020.

The Budget Bill allows public bodies to hold Electronic Meetings when the Governor has declared a state of emergency pursuant to §44-146.17 if:

"(i) the nature of the declared emergency makes it impracticable or unsafe for the public body or governing board to assemble in a single location;

(ii) the purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the public body...and the discharge of its lawful purposes, duties, and responsibilities..." §4-0.01(g).

The Budget Bill also has language regarding recordings and transcriptions of Electronic Meetings. Please be advised that this meeting is being recorded. This recording will be available to the public through the DCR website. The comments in the chat room will also be preserved as a public record. Official minutes of this meeting will be drafted and posted in accordance with regular procedures.

The Budget Bill does not allow the Subcommittee to hold an Electronic Meeting to discuss or transact business for *any purpose*. Rather, they may do so as long as the agenda items that the public body plans to take up are: (a) statutorily required or (b) necessary to continue operations and discharge lawful purposes, duties and responsibilities.

It is the Subcommittee's responsibility to determine whether "the nature of the declared emergency makes it impracticable or unsafe for the public body or governing board to assemble in a single location."

At the conclusion of my remarks, I will ask for a motion for the Subcommittee to make this determination. If that motion fails, this electronic meeting will end at that point.

The Budget Bill requires compliance with the provisions of § 2.2-3708.2. Therefore, in accordance with § 2.2-3708.2.D.2, public bodies must include a telephone number that may be used to notify the public body of any interruption in the telephonic or video broadcast of the meeting.

In the event that a disruption occurs, participants should contact Mr. Fletcher by phone or text at 804-317-8934.

Additionally, if there is an interruption in the broadcast, the meeting must be suspended until public access is restored.

Those provisions of the Virginia Freedom of Information Act not addressed by the Budget Bill remain in effect.

Before we continue with the business portion of the meeting, I will ask Mr. Fletcher to call the roll for Subcommittee members and anticipated staff. Other participants will be recorded through the chat window. If you are participating by phone and your name is not called, please call or text Mr. Fletcher at 804-317-8934.

In addition, if at any time you lose connection and are unable to reconnect, please contact Mr. Fletcher at the same number.

I will now turn to Mr. Fletcher for the calling of the roll.

Mr. Fletcher called the roll:

PRESENT: Wilson, Newton, Saacke Blunk

ABSENT: None

A quorum was declared present.

Mr. Wilson presented the following recommended motion.

BOARD ACTION

The Audit Subcommittee of the Virginia Soil and Water Conservation Board certifies that the nature of the declared COVID-19 emergency makes it impracticable or unsafe for the Board to assemble in a single location and further that the agenda items to be taken up at this meeting are necessary to continue operations and discharge lawful purposes, duties, and responsibilities of the Board.

Ms. Saacke Blunk moved approval of the recommended motion. Mr. Newton seconded. The vote was as follows:

AYE: Newton, Saacke Blunk, Wilson

NAY: None

The motion carried.

Mr. Wilson continued.

I want to explain further how we will handle participation by subcommittee members, staff, and the public. Everyone, except the individual presenting materials for an agenda item, will be muted. Once the presentation is completed, the board members, and only board members, will be unmuted for discussion. Michael, Christine, and Blair will assist me with ensuring members are recognized when they have questions or comments. As needed, staff will be unmuted to address questions or concerns. Members of the public will be able to ask questions and provide input by utilizing the chat box function only. As time allows, we will respond to those questions and comments.

We will now proceed with the business of the Subcommittee as outlined in the agenda.

APPROVAL OF MINUTES FROM JUNE 3 2020

BOARD ACTION

Mr. Newton moved that the minutes of the June 3, 2020 meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee be approved as submitted by staff. Ms. Saacke Blunk seconded and the roll call vote was as follows:

AYE: Newton, Saacke Blunk, Wilson

NAY: None

The motion carried.

REVIEW OF 2020 ASSESSMENT RESULTS FOR GRANT AGREEMENT DELIVERABLES / *Christine Watlington, Policy and Regulatory Coordinator, DCR*

Ms. Watlington reviewed the 2020 Assessment Results. She advised that these assessments are conducted annually to ensure that districts have met the FY2020 grant deliverables. Subcommittee members were provided the assessment tables, as revised, in the mailing.

Ms. Watlington noted the following:

- The FY20 grant deliverables were revised in recognition of the challenges from the COVID-19 public health emergency. The Director was authorized under Executive Order 51 to take such action, with the concurrence of the Secretary of Natural Resources.
- The revised deliverables:
 - Adjusted timeframes for financial reporting;
 - Reduced meeting requirements;
 - Removed certain training requirements; and

- Revised process to allow additional time for producers to request cost-share and Districts to obligate funding.
- The assessments reflect the revised deliverables.
- All districts have been notified of their “scores”.

Approval of District Assessment Result Notification Letters

Ms. Watlington advised that one of the most common issues was district staff not completing the required Freedom of Information Act (FOIA) training. She noted that these trainings are typically conducted at an administrative training session in the spring. Due to the pandemic, that did not occur in 2020. All district staff have since completed the necessary training. Staff did not recommend the Subcommittee take any action regarding this deliverable .

Ms. Watlington referred to a draft letter to Henricopolis SWCD regarding financial reports. Over the course of the last year, the District financial reports have had consistent errors. Additionally, Board members were approving the financial reports containing these errors. The letter requests that the Henricopolis SWCD submit a corrective action plan.

A draft letter to the Henricopolis chair requiring that the submission of a corrective action plan in accordance with the grant agreements was provided to the Subcommittee.

Staff recommends that the corrective action plan include the following:

1. Review of existing process to determine where improvements should be made to ensure accurate reports are submitted to the Department as required;
2. Examine the existing review process to determine where improvements should be made to enhance the current process; and
3. Adopt a formal process based on the review of the current processes, to ensure all financial reports are submitted to the Department in an accurate and complete format, after being reviewed effectively by appropriate staff and District Board members.

The District Chair or a designated Director will be asked to present this plan at the December meeting of the Audit Subcommittee.

Director Cristman asked the nature of the errors on the financial reports.

Ms. Gordon replied that in several instances the cost-share numbers were confused by years. Some items were in the wrong column so the formulas were not correctly adding the numbers. She advised that these were not minor changes.

Ms. Saacke Blunk asked if there is a template provided for the Performance Improvement Plan (PIP).

Ms. Watlington responded that Districts are asked to provide the plans independently as situations vary with each district.

Mr. Newton asked what would happen if the PIP did not adequately address the concerns.

Ms. Watlington advised that the District would be asked to make specific changes and submit a revised plan.

BOARD ACTION

Ms. Saacke Blunk moved that the Soil and Water Conservation Board Audit Subcommittee approve the corrective action letter to Henricopolis Soil and Water Conservation District for the Subcommittee Chair's signature. Mr. Newton seconded and the vote was as follows:

AYE: Newton, Saacke Blunk, Wilson

NAY: None

Cost-share and Technical Assistance Assessments

Ms. Watlington reported that districts did a remarkable job of allocating cost-share dollars under the challenges due to COVID-19. The ability to transfer money back to the Department helped several districts.

While no action was recommended, Ms. Watlington noted that Mountain District did receive a "C" related to technical staff attendance at trainings; however, the individual had attended the most recent Department training electronically. .

NEXT MEETING

The next meeting of the Audit Subcommittee will be in December. The time and date is to be determined.

ADJOURN

There was no further business and the meeting adjourned at 9:32 a.m.