

**Virginia Soil and Water Conservation Board
September 24, 2015**

**Old Dominion Electric Cooperative
Glen Allen, Virginia**

DRAFT MINUTES

Virginia Soil and Water Conservation Board Members Present

Herbert L. Dunford, Jr., Chair	Daphne W. Jamison, Vice Chair
Gary Hornbaker	Jerry L. Ingle
Stephen Lohr	Raymond L. Simms
Richard A. Street	
Clyde E. Cristman, DCR Director, Ex Officio	
Chad Wentz for John A. Bricker, NRCS, Ex Officio	
Dr. Bobby Grisso, Virginia Cooperative Extension, Invitee	

Virginia Soil and Water Conservation Board Members Not Present

Thomas M. Branin	C. Frank Brickhouse, Jr.
Joan DuBois	

State Agency Staff Present

Rochelle Altholz, DCR, Deputy Director of Administration
Justin Bell, Office of the Attorney General
Robert T. Bennett, DCR, Division Director, Dam Safety and Floodplain Management
Jennifer Coleman, Office of the Attorney General
David C. Dowling, DCR, Deputy Director of Dam Safety and Soil and Water Conservation
Michael R. Fletcher, DCR, Board and Constituent Services Liaison
Darryl M. Glover, DCR, Division Director, Soil and Water Conservation
Matthew Gooch, Office of the Attorney General
Darrell Marshall, Virginia Department of Agriculture and Consumer Services
Stephanie Martin, DCR, SWCD Liaison
Lisa McGee, DCR, Director of Policy and Planning
Julie Morris, Department of Planning and Budget
Jason Powell, Virginia Senate Finance Committee
Toni Walker, Department of Planning and Budget
Christine Watlington, DCR, Senior Policy and Planning Analyst

Others Present

Dr. Kendall Tyree, Virginia Association of Soil and Water Conservation Districts
Wilmer Stoneman, Virginia Farm Bureau
Martha Moore, Virginia Farm Bureau
Brad Copenhagen, Virginia Agribusiness Council

Call or Order and Introduction

Chairman Dunford called the meeting to order at 9:36 a.m. and declared a quorum present.

Mr. Street led the Pledge of Allegiance.

Mr. Dunford welcomed members and guests to Henrico County.

Approval of Minutes from May 20, 2015

MOTION: Ms. Jamison moved that the minutes of the May 20, 2015 meeting of the Virginia Soil and Water Conservation Board be approved as submitted by staff.

SECOND: Mr. Simms

DISCUSSION: None

VOTE: Motion carried unanimously

Director's Report

Mr. Cristman advised the Board that specific information would be covered by the Division Directors and updated the Board on recent staff changes.

- Mr. Dave Dowling accepted the position of Deputy Director of Soil and Water Conservation and Dam Safety;
- Ms. Lisa McGee joined DCR as the Director of Policy and Planning; and
- Ms. Christine Watlington returned to DCR as a Senior Policy and Planning Analyst.

Division of Soil and Water Conservation - Mr. Darryl Glover, Division Director

Mr. Glover gave the following report:

Resource Management Plan (RMP) Program

The Resource Management Plan (RMP) Program has met both of the 2015 calendar year program goals which were 274 plans covering 47,000 acres. To date, 285 RMPs, covering just over 47,000 acres have been developed in the Chesapeake Bay watershed by contractors.

New contracts will be issued to develop additional RMPs in the Chesapeake Bay watershed, using \$120,000 in Environmental Protection Agency (EPA) Chesapeake Bay Grant funds, and to initiate plan development in the Southern Rivers/OCB, using \$100,000 in state funding, in calendar year 2016.

To assist Soil and Water Conservation District (District) Technical Review Committees (TRCs), the Department began hosting monthly RMP conference calls in June.

A full report on RMPs will be presented to the Board at the December 2015 meeting.

Farm Tours

Farm tours were hosted on September 2, 2015 by Piedmont Soil and Water Conservation District, and on September 9 by Culpeper Soil and Water Conservation District, for staff persons from the Department of Planning and Budget, the Chesapeake Bay Commission, the House Appropriations Committee, and Department managers and staff. Much of this tour focused on livestock stream exclusion and waste management practices. Farmers at these sites discussed both the operational and financial benefits they have experienced from participation in the Virginia Agricultural Cost-Share Program and encouraged continued support of the program.

Stream Exclusion

By the end of FY2015 on June 30, the backlog of SL-6 stream exclusion projects in pending status, i.e. awaiting state funding under the 100% guarantee, grew to a total of \$73 million. This backlog was comprised entirely from cost-share sign up in FY2015. Districts have begun using FY2016 cost-share to reduce this backlog.

Since July 1, 2015, per an agreement with the U.S. Department of Agriculture (USDA) Farm Services Agency (FSA), the Department began to offer a doubling of state match, from 25% to 50%, for Conservation Reserve Enhancement Program (CREP) planted riparian buffers on agricultural land. In combination with FSA incentives, the additional state match covers 100% of participants' costs.

A USDA Regional Conservation Partnership Program (RCPP) livestock stream exclusion grant has been awarded to the Department as part of a three state RCPP Critical Conservation Area (CCA) grant with Maryland (as the lead applicant) and Delaware. The Natural Resource Conservation Service (NRCS) is working closely with the Department, and our grant sub-recipients, both the Virginia Department of Forestry (VDOT), and the Chesapeake Bay Foundation (CBF), on this grant which will provide \$1.45 million for stream exclusion projects, in targeted Chesapeake Bay sub-watersheds with, or scheduled for, bacteria Total Maximum Daily Load Implementation Plans. It will be paid directly from NRCS to farmers via federal assistance (FA) over the next two federal fiscal years (2016 – 2017), plus an additional \$306K will be passed through the Department to VDOT and CBF for technical assistance (TA) to farmers related to the establishment of both planted and grass buffers in Virginia's portion of the Chesapeake Bay watershed. The FA will be divided in half, \$725,000 in FFY 2016, and another \$725,000 in FFY2017. NRCS agreed to prioritize applications for these grant funds to projects located in sub-watersheds with Total Maximum Daily Load (TMDL) Implementation Plans (IPs) for either bacteria impairments. The NRCS Virginia Office will issue guidance soon, and will have a special RCPP sign-up period.

Additional information on stream exclusion will be presented immediately following this division report.

Agricultural Needs Assessment

The Department greatly appreciates the assistance of James Davis-Martin, Virginia Department of Environmental Quality (DEQ), with the 2015 Agricultural Needs Assessment, which will be included in the Consolidated Water Quality Report. A stakeholder meeting was held on September 11, to discuss a new approach to the assessment. The projected pollution reduction benefits of both implemented and pending SL-6 practices were added to the 2014 Chesapeake Bay Watershed Implementation Plan (WIP)

progress then compared to the 2025 WIP targets. Projected needs for additional agricultural BMPs through 2025 were then estimated and the result was an increased although less accelerated agricultural BMP implementation program. The full report will be submitted to DEQ at the end of September.

Engineering Services

We are pleased to report that interviews for a second engineering position, an Agricultural BMP Engineering Specialist who will assist our Professional Engineer, Amanda Pennington, were completed in late August and we expect to have that position filled shortly.

Staff is working closely with the District Engineering Workgroup. This workgroup is currently striving to:

- Create checklists for design packages as well as contractor packages.
- Create guidance on surveys as well as structure designs.
- Prioritize engineering training needs for Districts, determine computer applications needed by Districts, and establish data file transfer protocols.
- Gather all of the standard drawings and programs that Districts need.
- Plan and schedule regionalized engineering training sessions for Districts as a first step towards establishing DCR Engineering Job Approval Authority for Districts.
- Make NRCS standard drawings more available for use by the Districts.

Shoreline Erosion Advisory Service

The Department is pleased to welcome back Mike Vanlandingham as our Shoreline Engineer for the Shoreline Erosion Advisory Service (SEAS). Since his rehire, the Department has met with DEQ Chesapeake Bay Preservation Act staff to discuss how best to keep each other informed about encroachments into Resource Protection Areas for the purpose of installing shoreline erosion control practices. We are also discussing possible ways to utilize Chesapeake Bay Preservation Act farm assessments in RMP development.

Agricultural BMP Technical Advisory Committee

The Agricultural BMP Technical Advisory Committee (TAC) began its annual meetings on August 20. The TAC's recommendations will be presented to the Board in early 2016.

BMP Verification Plan Status

As reported at an earlier meeting, the Department worked with DEQ on the plan for best management practice (BMP) verification, as required by the U.S. Environmental Protection Agency in order to continue to receive pollution reduction credit in the new Chesapeake Bay model. Two changes have been made to the proposal for agricultural BMP verification since your last meeting:

- In addition to several specific BMP spot check frequencies, the random draw, in addition to all other proposed verification measures, was reduced from 2% to a 1% of all non-annual agricultural BMPs that are still in lifespan.

- Voluntary BMPs – if to be credited for nutrient or sediment reductions, they will be re-inspected at different frequencies, to help satisfy the overall 95% confidence level that EPA requires. i.e. 2% random draw of out of contract/voluntary low risk, and 4% random draw of out of contract stream exclusion (e.g. SL-6). Resource Improvement voluntary BMPs have been proposed at 5% for low risk and 10% for exclusion.

The other aspects of the proposal remain essentially the same, specifically:

- Stream exclusion practices - beyond their initial lifespan (e.g. ≥ 11 yrs old) will be categorized as high risk of failure, all other agricultural BMPs, both in and out of lifespan, will be categorized as low risk in Virginia.
- Non-annual BMPs – will all be inspected upon installation and again the year before the end of their lifespan (e.g. SL-6s in year 9 of 10). They will be inspected again the year before the end of each “renewal (i.e. subsequent)” lifespan, i.e. year 14 of 15, or 19 of 20, and every five years after that. After their initial lifespan, SL-6s will be reevaluated on a component basis, e.g. fencing, buffer, troughs, etc., rather than as a system.
- Cover Crops – if receiving state cost-share or state tax credits - two inspections per year, one at planting to verify planting date and that no fertilizer was applied, a second at establishment. Eliminate the third inspection, previously at burn down.
- Nutrient Management Plans – a statistical survey every year, the first is currently underway (initially) of all nutrient management plans written by DCR employees or DCR contractors, that are up for either renewal or revision, reported as acres consistent with and not consistent with nutrient management plans. Q/A provided by other DCR staff, who will ride along with these planners on a statistically significant (by EPA standards) percentage of these surveys. Possible additional measures will be based on the result of the first survey which will establish a statewide baseline of consistency.
- Tillage Surveys – currently underway, proposed to be repeated every 5 years to update the rate of implementation of high residue tillage.

The full draft verification report can be found at
http://www.chesapeakebay.net/about/programs/bmp/additional_resources

Nutrient Management

We are continuing to make progress in having nutrient management plans written on golf courses. Currently, there are 121 golf courses with nutrient management plans totaling 13,046 acres.

Area Visits

As a follow up to the Spring Area meetings this year, additional meetings have been held with Areas I, II, III, IV, and VI. Due to difficulties in scheduling these meetings for the District Directors who attended, the next round of Area Visits will be scheduled for a different time of year.

Stream Exclusion Practice (SL-6) Overview

Mr. Glover reviewed a presentation entitled “SL-6 Stream Exclusion Status.”

Status of Livestock Stream Exclusion

- 100% guarantee began last calendar 2012
- Sign up ended June 30, 2015
 - Only for SL-6 practice
 - No expiration on guarantee of funding
 - Must sign contract within 90 days of offer of funds
- Sign up after June 30, 2015 – three options
 - State cost share alone – 80% w/\$70K cap
 - 100% + w/USDA-CREP if plant buffer
 - RCPP - \$1.45 million w/state match through Sept '17
- As of August 31, 2015
- Approved (extended/obligated) \$53.5M
 - ChesBay \$30.5M
 - Includes \$1.7M from Bay Grants
 - Outside ChesBay/So. Rivers \$23M
- Benefits in Chesapeake Bay from \$30.5M
 - 2.5M linear feet of stream bank protected
 - 30,000 animal units excluded
- Changing every few days
- SWCDs have begun using FY2016 funds
- Backlog (Pending) SL-6 sign up - \$68M
- Outside ChesBay/So. Rivers > \$34M
- Additional benefits to Chesapeake Bay
 - 3.2M more feet of stream bank protected
 - 42,000 more animal units excluded
- Benefits statewide of SL-6 initiative
 - \$121M expended/obligated/or still needed
 - 9.9 M feet of stream protected
 - 131,000 animal units excluded

Reductions from SL-6 Initiative

- Estimated 2025 WIP benefit of \$64M of SL-6 in Chesapeake Bay
- Gain 34% of the Nitrogen gap
- Gain 13.6% of the Sediment gap
- Plus considerable bacteria reductions to help local TMDLs

Agricultural Needs Assessment Process

- Calculated reduction benefit from SL-6
- Remaining 2025 reduction needs
- Evaluated projected funding needs
- Extended projections
- Made adjustments to funds needed as necessary

Mr. Hornbaker asked where urban runoff was accounted for in the model and if construction was being included. Mr. Glover responded that construction was not being included in the agricultural assessment costs but is included in the Bay model and noted that the urban sector is the furthest behind in meeting goals. Mr. Cristman further commented that a growth factor was factored into making the model dynamic and to take into account growth and construction.

Approval to Transfer Unobligated Balances to SL-6 Pending Applications

Mr. Dowling reviewed the staff request to transfer the unobligated district balances to SL-6 pending applications. He reviewed a document that had been mailed to members showing unobligated VACS balances in both the Chesapeake Bay and non-Bay regions in the state (See Attachment 1).

Mr. Dowling said that per the Cost-Share and Technical Assistance Policy of the Board, at the end of a fiscal year, the unobligated balances become a pool of funds (CTI or cash transfer in) to bring to the Board for reallocation. He said that the recommendation would have been for these balances to be reallocated to SL-6 practices; however, administratively they had already been allocated to SL-6 practices absent direct Board concurrence. Mr. Dowling requested the Board to approve the reallocation as presented and added that the approval of these funds would be retroactive.

Ms. Jamison asked if this had any effect on district rankings and the use of the FY 2016 allocations. Mr. Dowling responded that it did not and that these were older FY 2015 allocations that were being applied to FY 2015 pending SL-6 applications and were not part of the District's FY2016 allocations.

- MOTION:** Mr. Lohr moved that the Virginia Soil and Water Conservation Board approve the transfer of unobligated balances to SL-6 pending applications as submitted by staff and that the remaining unobligated balances become CTI in accordance with Board Policy.
- SECOND:** Mr. Street
- DISCUSSION:** None
- VOTE:** Motion carried unanimously

District Budget Template/Funding Update

Mr. Dowling presented the following update regarding the District Budget Template:

- The 2012 Summer Study called for DCR to develop a District budget template. This is the 3rd year the template has been utilized.
- In June of 2015, DCR received from the Districts funding needs estimates utilizing a budget template.
- A Soil and Water Conservation District Budget Partner Committee worked with the Department in reviewing the results.
- The results have been utilized by the Department in developing an FY 2017 District Operations rebenchmarked funding request.

Mr. Dowling reviewed with the Board a summary of the 2014 and 2015 results (See Attachment 2) and explained how the identified fiscal needs varied from current amounts budgeted to the Districts. The results suggested a need for an additional \$2,679,463 in general funds for District Administration and Operations. He further mentioned how the template was utilized to determine that if the Districts were rebenchmarked to have sufficient operational support to deliver a \$30 million dollar cost-share program that they would need an additional \$6 million in general funds for District Administration and Operations. In total, this would result in a District Administration and Operations budget of \$15,520,554.

Mr. Dowling presented the FY 2017 budget request overview which represents DCR's requests for fiscal consideration in no specific order. Portions of these requests were based on results from the District Budget Template exercise:

- \$2,679, 463 to rebenchmark District Administration and Operations [based on budget template]. Includes Operations (essential operations, other expenses, environmental education, RMP, and CREP), Dam maintenance and administration, Small Dam Repair, and District Support.
 - TOTAL = \$9,520,554; CURRENT FUNDING = \$6,841,091; NEED = \$2,679,463
- Additional \$3,000,000 in FY 2017 and \$6,000,000 in FY 2018 to further rebenchmark District Administration and Operations (based on budget template) in order to stabilize District funding and to eliminate TA fluctuations from year to year. This is based on an average 16.89% TA rate applied to a \$30M program.
 - CURRENT FUNDING = \$6,841,091; BASE NEED = \$2,679,453; ADDITIONAL NEED = \$6,000,000; TOTAL ADMIN and OPS = \$15,520,554 (used in Water Quality Needs Assessment) [\$12,520,554 in FY 2017]
- \$61,700,000 from the FY 2015 surplus deposit, for Water Quality needs. Combined with Recordation Fee deposits (\$8,500,000 estimate) would result in the following cost-share program amounts.
 - TOTAL \$60,324,000 Cost-Share \$8,226,000 TA = \$68,550,000 (C-S and TA) [\$30 M VACS; \$30.3 M SL-6] [\$1.65 M allocated to other water quality needs]
- \$10,000,000 from 2nd half of the \$20 recordation fee to be dedicated to SL-6. (\$8,500,000 estimated revenue)
 - TOTAL \$67,804,000 Cost-Share \$9,246,000 TA = \$77,050,000 (CS and TA) [\$30 M VACS; \$37.8 M SL-6]
- \$1,000,000 from annual recordation fee transfer restored to VACS.
- \$240,000 and 2 FTEs to fund additional support within the agricultural BMP engineering services program.
- Rename Program 50301 from "Nonpoint Pollution Prevention" to "Soil and Water Conservation."
- \$546,080 to rebenchmark the Dam Safety and Floodplain Management Division to provide basic program services once delivered.
- \$3,742,490 in nonfederal match for the rehabilitation of three high hazard dams [Upper North River 77 (Hearthstone), \$800,000; Mountain Run 50 (Pelham), \$1,352,535; and Mountain Run 11 (Mountain Run), \$1,589,955].
- \$91,078 to fund a Business Manger that will provide comprehensive business services to Soil and Water Conservation and Dam Safety and Floodplain Management Divisions.

- \$158,000 to support annual operations and maintenance expenses (server fees, contractor support fees, and licenses) for water quality data applications.
- \$58,500 to support manure analysis, nitrate samples, adopt-a-stream, and clean water farm awards.
- \$6,500 in additional support for the Rappahannock River Basin Commission.

Mr. Cristman commented that what was presented by Mr. Dowling was what DCR was authorized to submit as part of the budget decision process by the Secretary of Natural Resources but that this was only the beginning step and that many other decisions are made between now and the release of the Governor's budget in December.

Mr. Dowling reiterated that the numbers were based on the budget template process, on water quality goals, on SL-6 backlog, and feedback from the Districts and other stakeholders.

Update on District Director and Staff Cost-Share Inquiry

Mr. Dowling said that the Board had previously been briefed regarding an issue concerning District board members and other staff receiving cost-share dollars.

He reported that at the June 24, 2015 meeting of the Virginia Association of Soil and Water Conservation District Board of Directors, they passed a motion to instruct their Executive Director to work with DCR and to ask the Chairman of the Virginia Soil and Water Conservation Board to seek a formal opinion from the Attorney General.

Mr. Dowling said that on September 8, 2015, Mr. Dunford sent a request to the Office of the Attorney General requesting that opinion. He noted that the request was a fairly detailed document and that certain exemptions were sought and the matter is currently under review by the Office of the Attorney General. Mr. Cristman added that the hope was that guidance would be received in time to address the need for legislation in the next Session of the General Assembly.

District Annual Assessments

Ms. Martin presented a review of the District Annual Assessments.

Ms. Martin reviewed the DCR assessment of SWCD Compliance with DCR/SWCD FY14-15 Administrative and Operation Support Grant Agreement Deliverables. She noted that the Board approved the contracts and the deliverables. She reviewed the overall ranking of the Districts.

Ms. Martin noted that there were two deliverables that had larger numbers of Districts who only partially satisfied the requirements. Those deliverables were 1) preparing and following an annual plan of work, and 2) submitting quarterly reports and electronic Attachment E. One District did not submit Attachment D for the budget template until after the deadline. When it was submitted, it was incomplete. Ms. Martin said that the attempt had been made to make the evaluation more objective based on the criteria.

Ms. Martin reviewed the DCR Assessment of SWCD Compliance with DCR/SWCD FY14-15 Cost-Share and Technical Assistance Grant Agreement Deliverables. She noted that in previous years there were only

three deliverables in this category. She advised that the grant agreement was revised to address more specific concerns on a more objective basis.

Mr. Dunford suggested that a member of the Board work with staff to bring recommendations to the March meeting regarding what could be done to address Districts who did not meet certain deliverables.

Mr. Hornbaker asked if it could be the Policy of the Board to ask underperforming Districts to come before the full Board. He noted that the agreement was a contract and that it was a major concern if Districts were not fulfilling their obligations.

Mr. Cristman recommended that staff continue the discussion with the Board and the Association leadership between now and the December meeting. He added that should a Policy be put in place to withhold funding that the decision should be made with due process so that Districts are fully aware of the change.

Mr. Dunford will represent the Board in those discussions.

Mr. Hornbaker noted that an election was coming in November and that there would be many new directors. He said that more emphasis should be placed on director responsibilities and reporting during New Director Training.

District Director Resignations and Appointments

Ms. Martin presented the District Director Resignations and Appointments.

Headwaters

- Resignation of Stephen E. Talley, City of Staunton, effective 9/30/15, elected director position (term of office expires 1/1/16).
- Recommendation of Brenda O. Mead, City of Staunton, to fill unexpired term of Stephen E. Talley (term of office to begin upon qualifying * - 1/1/16).

Henricopolis

- Resignation of Lisa T. Sanderson, Henrico County, effective 5/8/15, appointed Extension Agent director position (term of office expires 1/1/17).

Lonesome Pine

- Resignation due to the death of Carolyn Baker, Dickenson County, effective 6/3/15, elected director position (term of office expires 1/1/16).
- Recommendation of Johnny Sawyers, Dickenson County, to fill unexpired term of Carolyn Baker, (term of office to begin upon qualifying - 1/1/16).¹

¹ To qualify, an appointed Director shall complete and file the Oath of Office prior to assuming the title and responsibilities of District Director. An appointed Director may not act in the office or function before taking the oath.

MOTION: Mr. Ingle moved that the Virginia Soil and Water Conservation Board approve the list of District Director Resignations and Appointments as presented by staff.
SECOND: Mr. Lohr
DISCUSSION: None
VOTE: Motion carried unanimously

Division of Dam Safety and Floodplain Management, Mr. Robert Bennett, Division Director

Mr. Bennett provided the following report:

The Probable Maximum Precipitation (PMP) study was continuing and that the results would be available to present to the Board by December 1, 2015 in accordance with 2014 legislation. The new study would be based on numbers derived from 78 storms and different durations of time. The Commonwealth would be divided in grids of 2.5 square miles. Each grid will have multiple PMP numbers calculated for general storms, local storms, and tropical storms. The new numbers may reclassify some dams and may assist dam owners by not requiring them to expend funds to rehabilitate their spillways to higher design standards. The study has been ongoing for approximately sixteen months and will conclude with the report on December 1, 2015.

Mr. Cristman advised that the official report will be available to the Board at the December meeting. He further noted that the General Assembly has charged the Board with determining if the information presented is valid and that the revised values could result in cost savings if new PMP values are adopted.

Mr. Dowling added that the discussion of the official report could take a good amount of time at the December meeting and that there are generally time concerns regarding the December meeting following the end of the Association Annual meeting.

Discussion followed for the consideration of a special called meeting prior to the beginning of the Annual Meeting of the Association of Soil and Water Conservation Districts on Sunday afternoon. Staff will consider when the final report will be available and make a recommendation to the Board regarding the need to add an additional meeting.

At this time the Board recessed for lunch.

Following lunch, the meeting reconvened

Enforcement Cases

Mr. Bennett provided the Board with an update on the following enforcement cases:

- Rainbow Forest Dam: The Dam owner is complying with the terms of the Special Order, and DCR is working with Dam owner and monitoring compliance with requirements.
- Ivy Hill Lake Dam: The Dam owner is cooperating with DCR and outstanding compliance issues are being resolved through the permitting and certification process without formal enforcement action.

- Little Lake Arrowhead Dam and Lake Arrowhead Dam: DCR is working with subdivision residents and the local government to bring the Dams into compliance with the Virginia Dam Safety Act and Regulations.
- Kalnasy Dam: DCR is working with the Dam owners to bring the Dam into compliance with the Virginia Dam Safety Act and Regulations.
- Corti-Jencen Dam: DCR is working with the Dam owners to bring the Dam into compliance with the Virginia Dam Safety Act and Regulations.

Partner Reports

Natural Resources Conservation Service

Mr. Wentz gave the report for NRCS. A copy of the report is included as Attachment #3

Virginia Association of Soil and Water Conservation Districts

Dr. Tyree thanked Mr. Street, Mr. Ingle, Mr. Cristman, and other DCR staff for attending the Association Board meeting the preceding day. She said that the Association appreciates the opportunity for dialogue with Board members and staff.

Dr. Tyree reported that the Association Board approved the draft legislative agenda for the General Assembly Session and budget and financial needs for Districts are the top priorities of the Association. She said that the Association would also be addressing the Conflict of Interest issue discussed earlier in this meeting.

Dr. Tyree distributed information regarding the Association Annual Meeting to be held in Richmond in December. The Virginia Soil and Water Conservation Board will meet at the conclusion of the Association meeting.

Virginia Cooperative Extension

Dr. Grisso reported that the Cooperative Extension is seeking to hire an irrigation director. He commented that budget issues have slowed down the hiring process but noted that the University has two new administrators and a new provost and hoped that hiring could resume soon.

Public Comment

There was no public comment.

New Business

There was no new business.

Administrative Hearing:

Following the conclusion of the official meeting the Board conducted a formal administrative hearing with regard to an appeal of Agricultural Stewardship Act Case #558. Minutes from the hearing are attached.

Next Meeting

The next meeting of the Virginia Soil and Water Conservation Board is scheduled for Wednesday, December 9 at the conclusion of the Annual Meeting of the Association of Soil and Water Conservation District Directors. The meeting will be held at the Omni Hotel in Richmond.

Due to the upcoming PMP Study as discussed in Mr. Bennett's report, the Board may require additional meeting time to be fully briefed on that study. Consideration was given to meeting in Richmond prior to the beginning of the Association Annual Meeting for this purpose. Staff will review options and work with the Association and the Chairman regarding this possibility.

Adjourn

There was no further business and the meeting was adjourned.

Respectfully submitted,

Herbert L. Dunford, Jr.
Chairman

Clyde E. Cristman
Director

Attachment 1

Funding Reallocation Discussion Document – 09-11-15

District (CB)	2015 VACS Unobligated as of June 30, 2015	2014 VACS Unobligated as of June 30, 2015	2013 VACS Unobligated as of June 30, 2015	Total Unobligated Funds	Unobligated funds dedicated to SL-6 pending backlog	Total Unobligated Remaining (Becomes CTI)
APPOMATTOX RIVER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COLONIAL	\$19,396.49	\$0.00	\$0.00	\$19,396.49	\$19,396.49	\$0.00
CULPEPER	\$7,752.16	\$28,062.03	\$0.00	\$35,814.19	\$35,814.19	\$0.00
EASTERN SHORE	\$0.58	\$0.00	\$0.00	\$0.58	\$0.00	\$0.58
HANOVER-CAROLINE	\$0.00	\$83.39	\$0.00	\$83.39	\$83.39	\$0.00
HEADWATERS	\$115,981.95	\$11,294.51	\$0.00	\$127,276.46	\$127,276.46	\$0.00
HENRICOPOLIS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
JAMES RIVER	\$6,048.53	\$6,188.73	\$0.00	\$12,237.26	\$12,237.26	\$0.00
JOHN MARSHALL	\$2,056.95	\$37,962.25	\$0.00	\$40,019.20	\$40,019.20	\$0.00
LORD FAIRFAX	\$44,839.03	\$44,698.24	\$0.00	\$89,537.27	\$89,537.27	\$0.00
LOUDOUN	\$21,427.08	\$25,693.28	\$0.00	\$47,120.36	\$47,120.36	\$0.00
MONACAN	\$2.51	\$0.00	\$0.00	\$2.51	\$0.00	\$2.51
MOUNTAIN	\$2,243.04	\$31,651.05	\$0.00	\$33,894.09	\$33,894.09	\$0.00
MOUNTAIN CASTLES	\$14,773.20	\$0.00	\$0.00	\$14,773.20	\$14,773.20	\$0.00
NATURAL BRIDGE	\$49,675.92	\$55,881.79	\$0.00	\$105,557.71	\$105,557.71	\$0.00
NORTHERN NECK	\$148,400.51	\$1,533.15	\$0.00	\$149,933.66	\$149,933.66	\$0.00
NORTHERN VIRGINIA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PEAKS OF OTTER	\$8.06	\$0.00	\$0.00	\$8.06	\$8.06	\$0.00
PEANUT	\$19,114.04	\$0.00	\$0.00	\$19,114.04	\$19,114.04	\$0.00
PETER FRANCISCO	\$13,575.04	\$754.72	\$0.00	\$14,329.76	\$14,329.76	\$0.00
PIEDMONT	\$1,321.08	\$7,206.04	\$8,566.50	\$17,093.62	\$17,093.62	\$0.00
PRINCE WILLIAM	\$138.46	\$0.00	\$0.00	\$138.46	\$138.46	\$0.00
ROBERT E. LEE	\$17,568.68	\$19,739.27	\$0.00	\$37,307.95	\$37,307.95	\$0.00
SHENANDOAH VALLEY	\$65,872.02	\$32,380.47	\$10,064.24	\$108,316.73	\$108,316.73	\$0.00

THOMAS JEFFERSON	\$1,505.57	\$5,051.13	\$0.00	\$6,556.70	\$6,556.70	\$0.00
THREE RIVERS	\$69.24	\$0.00	\$0.00	\$69.24	\$69.24	\$0.00
TIDEWATER	\$48,822.44	\$1.82	\$0.00	\$48,824.26	\$48,824.26	\$0.00
TRI COUNTY CITY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VIRGINIA DARE	\$1,580.55	\$0.00	\$0.00	\$1,580.55	\$0.00	\$1,580.55
	\$602,173.13	\$308,181.87	\$18,630.74	\$928,985.74	\$927,402.10	\$1,583.64

District (OCB)	2015 VACS Unobligated as of June 30, 2015	2014 OCB SL-6 Pending Earmark- FY 15 Unobligated as of June 30, 2015	2014 VACS Unobligated as of June 30, 2015	2013 VACS Unobligated as of June 30, 2015	Total Unobligated Funds	Unobligated funds dedicated to SL-6 pending backlog	Total Unobligated Remaining (Becomes CTI)
APPOMATTOX RIVER	\$0.00		\$3,753.94	\$0.00	\$3,753.94	\$3,753.94	\$0.00
BIG SANDY	\$9,171.76	\$0.00	\$0.00	\$0.00	\$9,171.76	\$0.00	\$9,171.76
BIG WALKER	\$125.90	\$0.00	\$17,052.73	\$0.00	\$17,178.63	\$17,178.63	\$0.00
BLUE RIDGE	\$13,262.20	\$14,549.77	\$10,883.94	\$0.00	\$38,695.91	\$38,695.91	\$0.00
CHOWAN BASIN	\$2,449.55		\$0.00	\$0.00	\$2,449.55	\$2,449.55	\$0.00
CLINCH VALLEY	\$2,252.42	\$21,815.06	\$0.00	\$0.00	\$24,067.48	\$24,067.48	\$0.00
DANIEL BOONE	\$365.95	\$0.00	\$0.00	\$0.00	\$365.95	\$365.95	\$0.00
EASTERN SHORE	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EVERGREEN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HALIFAX	\$1,537.58	\$0.00	\$20,280.34	\$0.00	\$21,817.92	\$21,817.92	\$0.00
HOLSTON RIVER	\$5,069.12	\$140.00	\$0.00	\$0.00	\$5,209.12	\$5,209.12	\$0.00
JAMES RIVER	\$3,306.30		\$0.00	\$0.00	\$3,306.30	\$0.00	\$3,306.30
LAKE COUNTRY	\$79.39		\$190.48	\$0.00	\$269.87	\$269.87	\$0.00
LONESOME PINE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MOUNTAIN CASTLES	\$15.58		\$1.65	\$0.00	\$17.23	\$17.23	\$0.00
NEW RIVER	\$2,428.72	\$4,769.46	\$3,825.76	\$0.00	\$11,023.94	\$11,023.94	\$0.00
PATRICK	\$19.71	\$0.00	\$0.00	\$0.00	\$19.71	\$19.71	\$0.00
PEAKS OF OTTER	\$884.46		\$93.40	\$0.00	\$977.86	\$977.86	\$0.00
PEANUT	\$27,303.45		\$0.00	\$0.00	\$27,303.45	\$0.00	\$27,303.45

PIEDMONT	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PITTSYLVANIA	\$1,794.39	\$0.00	\$506.45	\$0.00	\$2,300.84	\$2,300.84	\$0.00
ROBERT E. LEE	\$1,728.10		\$6,013.00	\$0.00	\$7,741.10	\$7,741.10	\$0.00
SCOTT	\$9,711.80	\$0.00	\$0.00	\$0.00	\$9,711.80	\$9,711.80	\$0.00
SKYLINE	\$11,611.08	\$0.00	\$90,568.31	\$0.00	\$102,179.39	\$102,179.39	\$0.00
SOUTHSIDE	\$422.63		\$14,454.89	\$67,500.01	\$82,377.53	\$82,377.53	\$0.00
TAZEWELL	\$107.31	\$26,498.03	\$24,578.53	\$0.00	\$51,183.87	\$51,183.87	\$0.00
VIRGINIA DARE	\$14,112.90		\$0.00	\$0.00	\$14,112.90	\$0.00	\$14,112.90
	\$107,760.30		\$192,203.42	\$67,500.01	\$435,236.05	\$381,341.64	\$53,894.41

Attachment 2: Calculation of Funding for District Operations and Administration and Technical Assistance (September 20, 2015 Version)

1	2	3	4	5
Funding Categories	2016 Appropriations Awarded	PRELIMINARY District Budget Template June 2014 (for FY2016)	PRELIMINARY District Budget Template June 2015 (for FY2017)	Funding discussion values
FTE (Admin and Cost-Share)	167.60	191.93	192.63	
Additional Positions for Enhanced Cost-Share		57.07	53.62	
Base Personnel and Fringe Benefits		\$3,002,151	\$3,307,394	
Total Office Rent and Utilities		\$657,625	\$619,349	
Total Director Travel and Training		\$268,809	\$296,162	
Total Equipment		\$333,039	\$317,183	
Total Office Support		\$511,634	\$542,577	
Base Staff Training and Meetings		\$113,664	\$98,137	
Base Travel/ Vehicles		\$146,597	\$97,486	
ESSENTIAL OPERATIONS SUBTOTAL		\$5,033,519	\$5,278,288	
Other Expenses		\$148,275	\$36,735	
Environmental Education		\$1,824,820	\$2,144,930	
RMP		\$767,381	\$668,243	
CREP Administration		\$280,400	\$350,358	
ADMINISTRATION AND OPERATIONS SUBTOTAL	\$6,209,091	\$8,054,395	\$8,478,554	\$8,478,554
Dam Maintenance and Administration	\$312,000	\$585,785	\$579,028	\$572,000 (\$5,500/dam)
Dam Repair Small	\$150,000	\$303,500	\$593,500	\$300,000
DCR Managed Funds for District Support	\$170,000	\$180,000	\$170,000	\$170,000
ADMINISTRATION AND OPERATIONS TOTAL	\$6,841,091	\$9,123,680	\$9,821,082	\$9,520,554
(Increased Administration and Operations Need)				[\$2,679,463]
Personnel and Fringe Benefits		\$4,403,140	\$4,622,696	
Staff Training and Meetings		\$130,831	\$115,481	
Travel/ Vehicles		\$224,618	\$227,459	
TOTAL COST-SHARE TECHNICAL ASSISTANCE	\$2,782,551	\$4,758,589	\$4,965,636	\$6,000,000
TOTAL FISCAL PROGRAM DELIVERY SUPPORT	\$9,623,642	\$13,882,269	\$14,786,718	Transferred to Admin and Ops
VACS Base Cost-Share Total	\$21,799,337	\$26,499,337	\$21,799,340	
(% TA of Total C-S + TA)		15.22%	18.55%	16.89% for \$30 M C-S Program
Personnel and Fringe Benefits		\$3,128,344	\$2,928,824	
Staff Training and Meetings		\$110,743	\$87,241	
Travel/ Vehicles		\$184,132	\$174,171	
TOTAL COST-SHARE TECHNICAL ASSISTANCE		\$3,423,219	\$3,190,236	
TOTAL ENHANCED FISCAL PROGRAM DELIVERY SUPPORT		\$17,305,488	\$17,976,954	
VACS Enhanced Cost-Share Total		\$50,675,040	\$50,675,040	
(% TA of Total C-S + TA)		13.90%	13.86%	
SL-6 Earmark	\$3,073,745			
CREP	\$700,000	\$771,815	\$1,049,863	\$800,000
NMP Golf Courses	\$100,000			\$100,000
DOF Water Quality Grants	\$0			\$250,000
WQIF Surplus/ Recordation estimate / Reserve/ Special GF Deposit Total (C-S+TA)	\$24,581,888			

Attachment #3

NRCS REPORT
Virginia Soil and Water Conservation Board Meeting
September 24, 2015 ♦ Glen Allen, VA

EQIP, CSP, RCPP and Easement Programs

Environmental Quality Incentive Program (EQIP)

- 424 applications were contracted in the following fund pools: Forestry, Seasonal High Tunnel, Cropland, Beginning Farmer, Socially Disadvantaged, GWW, livestock, Long Leaf Pine Initiative (LLPI), National Water Quality Initiative (NWQI), and Wildlife.

Conservation Stewardship Program (CStP)

- For the 2015 Signup, 98 applications were evaluated and we were able to fund 37 new contracts.

Regional Conservation Partnership Program (RCPP)

- RCPP-DOF project: \$1.3 million awarded to DOF.

Agricultural Conservation Easement Program (ACEP)

- We closed 2 FRPP, 1 GRP and 2 WRP during FY15.
- 7 other prior year easements are in the acquisition process.
- 6 ACEP FY15 applications (2 WRE, 4 ALE) were funded in FY15 for \$1.5 million.

Dam Rehabilitation Current Project Updates:

- Secured additional dam rehabilitation funding and obligated it in amendments to existing project agreements (\$19.34 million) for construction of Upper North River 77, and design and construction of Mountain Run 11 and 50.
- Cherrystone Creek 1 and 2A, Town of Chatham – NRCS staff has begun gathering resource data for these two dam rehabilitation plans.
- Johns Creek 1, Craig County - NRCS staff has begun gathering resource data for this dam rehabilitation plan
- Mountain Run 11 and 50, Town of Culpeper – The Town has hired Schnabel Engineering to assist NRCS with some of the engineering planning and design of these two projects. A Dwarf Wedge Mussel survey was completed and no T&E species were found; therefore a Categorical Exclusion can be pursued and a Plan-Environmental Evaluation can be developed for these two dams. The goal is to have the draft plans completed by December 30, 2015 and final plans by April 1, 2016. The design will be completed in 2016 and construction will begin in the spring of 2017.
- Pohick 8 – managed and coordinated Sponsor led completion of construction
- Upper North River 10, Augusta County - Todd Lake Dam: This project is under construction and should be finished in late November. This is the 10th dam rehabilitation project that NRCS has assisted to construction. The winning bid was \$2,976,062.20 by Howdysshell Excavating, Inc. of Augusta County.
- Upper North River 77, Augusta County – Hearthstone Lake Dam: This plan has been completed, signed by the Headwaters SWCD, Augusta County, and NRCS State Conservationist and submitted to NRCS headquarters requesting the Chief's authorization. The design is being done by NRCS engineers. Construction is expected to begin in 2016.

Watershed

- We are in the process of officially closing out five land treatment watershed projects in Virginia. Additional paperwork is being finalized for the Chestnut Creek Watershed in Grayson and Carroll Counties and for the Little Reed Island Creek in Carroll, Pulaski and Wythe Counties. The final reports and close-out supplements have been prepared and submitted to NHQ for these watershed projects:
 - Three Creek, Washington County
 - Sandy Creek, Halifax and Pittsylvania Counties
 - Hays Creek, Augusta and Rockbridge Counties
- Smith Creek Showcase Watershed - NRCS continues to work actively with the Smith Creek Partnership as together we work to improve water quality in this showcase watershed. In FY15, we had 9 contracts for \$403,759 in War Branch and Mountain Run in National Water Quality Initiative (NWQI). National Fish & Wildlife Foundation's RCPP Project will focus on the Dry Fork sub-watershed in Smith Creek, beginning in FY16. Philip Davis has been appointed as the new Smith Creek Showcase Watershed Coordinator.

**VIRGINIA SOIL AND WATER CONSERVATION BOARD
FORMAL ADMINISTRATIVE HEARING
DRAFT MINUTES**

CALL TO ORDER: The Virginia Soil and Water Conservation Board (Board) convened on Thursday, September 24, 2015 at 1:30 p.m. at the Old Dominion Electric Cooperative, 4201 Dominion Boulevard, Glen Allen, Virginia.

MEMBERS PRESENT: Herbert L. Dunford, Jr., Chair
Daphne W. Jamison, Vice Chair
Gary Hornbaker
Jerry L. Ingle
Stephen Lohr
Raymond L. Simms
Richard A. Street
Chat Wentz for John A. Bricker, NRCS, Ex Officio
Dr. Bobby Grisso, Virginia Cooperative Extension, Invitee

BOARD COUNSEL: Matthew Gooch, Assistant Attorney General

STAFF PRESENT: Robert T. Bennett, DCR, Division Director, Dam Safety and Floodplain Management
Jennifer Coleman, Office of the Attorney General
David C. Dowling, DCR, Deputy Director of Dam Safety and Soil and Water Conservation
Michael R. Fletcher, DCR, Board and Constituent Services Liaison
Darryl S. Glover, DCR, Division Director, Soil and Water Conservation
Matthew Gooch, Office of the Attorney General
Stephanie Martin, DCR, SWCD Liaison
Lisa McGee, DCR, Director of Policy and Planning
Christine Watlington, DCR, Senior Policy and Planning Analyst

ESTABLISHMENT OF A QUORUM: With 7 members of the Board present, a quorum was established.

FORMAL HEARING: Charles C. Underwood vs. Virginia Department of Agriculture and Consumer Affairs (VDACS). Agriculture Stewardship Act (ASA) Case #558

APPELLANT: Mr. Charles C. Underwood

PARTIES ON BEHALF OF THE COMMONWEALTH: Darrell Marshall, Agricultural Stewardship Program Manager, Virginia Department of Agriculture and Consumer Services
Justin Bell, Office of the Attorney General
Kevin Schmidt, Director, Office of Policy, Planning and Research, Virginia Department of Agriculture and Consumer Services

Erin P. Williams, Senior Policy Analyst, Virginia Department of Agriculture and Consumer Services

Tim Higgs, Agricultural Stewardship Program Coordinator, Virginia Department of Agriculture and Consumer Services

COMMONWEALTH'S EXHIBITS: VDACS Exhibit A – ASA Case #558 Record
VDACS Exhibit B – Amended Corrective Order

APPELLANT'S EXHIBITS: None

DISCUSSION: Mr. Underwood testified by telephone in accordance to the Board's Notice of Hearing dated September 10, 2015. The Board conducted a review of the case record and heard testimony and final arguments from both parties. The Commonwealth submitted an amended Corrective Order in response to the concerns presented by Mr. Underwood.

ACTION: Mr. Dunford moved that the Board **affirm** the decision by the Commissioner of Agriculture and Consumer Services as it relates to Agriculture Stewardship Act Case #558 that Charles C. Underwood violated §3.2-402 of the *Code of Virginia* by failing to complete the implementation of the approved stewardship plan and by failing to maintain the measures established pursuant to the plan.

Further that the Board **affirm as amended** the Commissioner's decision regarding the Corrective Order issued to Mr. Charles C. Underwood as it relates to Agriculture Stewardship Act Case #558.

The motion was seconded by Mr. Street and carried unanimously.

ADJOURNMENT: The Board adjourned at 2:47 p.m.

Herbert L. Dunford, Jr. Board Chair

Date

Clyde E. Cristman, DCR Director

Date