

**Virginia Soil and Water Conservation Board
Audit Subcommittee Meeting
Wednesday, December 11, 2019
Norfolk Sheraton Waterside, Norfolk, Virginia**

TIME AND PLACE

The meeting of the Audit Subcommittee of the Virginia Soil and Water Conservation Board convened at 8:30 a.m. at the Norfolk Sheraton Waterside, in Norfolk, Virginia.

AUDIT SUBCOMMITTEE MEMBERS PRESENT

Adam D. Wilson, Chair
Charles Newton
Cindy Smith

DCR STAFF PRESENT

Clyde Cristman, Director, DCR
Russell W. Baxter, Deputy Director, Soil and Water Conservation/Dam Safety and Floodplain Management
Rochelle Altholz, Deputy Director for Administration and Finance
Darryl Glover, Director, Division of Soil and Water Conservation
Wendy Howard Cooper, Director, Division of Dam Safety and Floodplain Management
Christine Watlington, Policy and Regulator Coordinator
Michael Fletcher, Board and Constituent Services Liaison
Denney Collins, Conservation District Coordinator
Jim Echols, Western Area Manager
Blair Gordon, SWCD Liaison
Mark Hollberg, Conservation District Coordinator
Amy Walker, Conservation District Coordinator

OTHERS PRESENT

Megan Dalton, Shenandoah SWCD
Elizabeth Dellinger, Shenandoah SWCD
Giannina Frantz, Tri-County/City SWCD
Stephen Hill, Culpeper, SWCD
James Horn, Big Sandy SWCD
Ruth Horn, Big Sandy SWCD
Michael Jimenez, Headwaters SWCD
Kate Lawrence, Mountain Castles SWCD
Grace Harwin, Mountain Castles SWCD
Bill Latham, Shenandoah SWCD
Martha Moore, Virginia Farm Bureau
Jeff Mutter, Mountain Castles SWCD
Marta Perry, Tri-County/City SWCD
Rich Shiflet, Headwaters SWCD

Tom Stanley, Natural Bridge SWCD
Josh Walker, Headwaters SWCD
Rachel Winter, Headwaters SWCD

ESTABLISHMENT OF A QUORUM

With three (3) members of the Subcommittee present, a quorum was established.

CALL TO ORDER AND INTRODUCTIONS

Chairman Wilson called the meeting to order at 8:30 a.m. and asked for introductions.

APPROVAL OF MINUTES FROM SEPTEMBER 27, 2019

Ms. Smith moved that the minutes from the September 27, 2019 meeting of the SWCB Audit Subcommittee be approved as submitted. Mr. Newton seconded and the motion carried.

REVIEW AND APPROVAL OF PERFORMANCE IMPROVEMENT PLANS SUBMITTED BY SOIL AND WATER CONSERVATION DISTRICTS

Big Sandy

Mr. Horn reviewed the November 19, 2019 response to the Audit Subcommittee and noted the activities that the District has undertaken or will undertake to market the VACS program. Those activities include:

- Creating a one-page information flyer to promote the VACS program.
- Using a mail distribution list of agricultural landowners already available to the District to notify the landowners about available funding opportunities.
- The Conservation Specialist will complete a minimum of two farm visits per week from December 1, 2019 through April 1, 2020.

Additional activities are outlined in the November 19, 2019 response. Mr. Horn advised that the District Board would closely monitor these activities.

Mr. Newton inquired regarding the delay in inputting practices into the tracking program. Mr. Horn replied that staff illness had caused a delay but that the information was being inputted.

SUBCOMMITTEE ACTION

Mr. Newton moved that the Audit Subcommittee of the Virginia Soil and Water Conservation Board agrees with the Performance Improvement Plan (PIP) as presented by Big Sandy Soil and Water Conservation District. At each monthly meeting of the Soil and Water Conservation District Board, the Board shall report progress made toward the successful implementation of the PIP to their Conservation District Coordinator. Failure to successfully implement the PIP may result in further action from the Audit Subcommittee or the Virginia Soil and Water Conservation Board. Ms. Smith seconded and the motion carried.

Headwaters

Mr. Shiflet reviewed the Performance Improvement Plan for Headwaters SWCD submitted on November 27, 2019. In addition to the written plan, Mr. Shiflet provided an update regarding the following items:

- A district employee accepted another job. The resulting vacancy will create an additional challenge to the district in obligating the large amount of funds allocated to the SWCD this year.
- The District Board voted to make \$1 million available to other districts.
- Additional measures have been taken to streamline the approval of animal waste designs.
- The limited success of aerial planting will have a significant impact on efforts to get more cover crops planted.

SUBCOMMITTEE ACTION

Mr. Newton moved that the Audit Subcommittee of the Virginia Soil and Water Conservation Board agrees with the Performance Improvement Plan (PIP) as presented by Headwaters Soil and Water Conservation District. At each monthly meeting of the Soil and Water Conservation District Board, the Board shall report progress made toward the successful implementation of the PIP to their Conservation District Coordinator. Failure to successfully implement the PIP may result in further action from the Audit Subcommittee or the Virginia Soil and Water Conservation Board. Ms. Smith seconded and the motion carried.

Mountain Castles

Ms. Lawrence reviewed the PIP for Mountain Castles SWCD. She noted that the Subcommittee had been provided with the full written plan. She noted the following:

- The District is a small office with two full time staff and an educational coordinator.
- Both technicians and the office manager left within the last year. New staff is getting up to speed and have begun the process for conservation planning certification.
- The District has currently obligated about 65% of the funds allocated to the SWCD this year.
- The allocation was nearly double the prior year's allocation.
- In addition to other activities, the District has partnered with the FSA, VCE, and NRCS to host a Women in Ag Workshop Series.

SUBCOMMITTEE ACTION

Mr. Newton moved that the Audit Subcommittee of the Virginia Soil and Water Conservation Board agrees with the Performance Improvement Plan (PIP) as presented by Mountain Castles Soil and Water Conservation District. At each monthly meeting of the Soil and Water Conservation District Board, the Board shall report progress made toward the successful implementation of the PIP to their Conservation District Coordinator. Failure to successfully implement the PIP may result in further action from the Audit Subcommittee or the Virginia Soil and Water Conservation Board. Ms. Smith seconded and the motion carried.

Natural Bridge

Mr. Stanley reviewed the PIP for Natural Bridge SWCD. He noted that District concerns were similar to other districts along the I-81 corridor.

Mr. Stanley noted that Natural Bridge SWCD has the benefit of more experience staff. He advised that the District Board is reviewing their role in terms of promoting the District programs and outreach. He also reported that the District works very closely with NRCS to determine which programs are best for landowners.

Mr. Stanley advised that it presents a challenge when the landowner the farmer are two different people.

SUBCOMMITTEE ACTION

Mr. Newton moved that the Audit Subcommittee of the Virginia Soil and Water Conservation Board agrees with the Performance Improvement Plan (PIP) as presented by Natural Bridge Soil and Water Conservation District. At each monthly meeting of the Soil and Water Conservation District Board, the Board shall report progress made toward the successful implementation of the PIP to their Conservation District Coordinator. Failure to successfully implement the PIP may result in further action from the Audit Subcommittee or the Virginia Soil and Water Conservation Board. Ms. Smith seconded and the motion carried.

Shenandoah Valley

Mr. Latham reviewed the PIP for Shenandoah Valley SWCD. He noted that the District's issues were much the same as those mentioned by other districts.

Mr. Latham noted that DuPont was required to provide \$50 million in response to an environmental settlement related to releasing mercury into the rivers and streams; the district has received some funding from this environmental settlement. The funding helps to address the backlog of conservation work but also presents a greater workload for district staff. He noted that staff turnover was the district's greatest problem.

SUBCOMMITTEE ACTION

Ms. Smith moved that the Audit Subcommittee of the Virginia Soil and Water Conservation Board agrees with the Performance Improvement Plan (PIP) as presented by Shenandoah Valley Soil and Water Conservation District. At each monthly meeting of the Soil and Water Conservation District Board, the Board shall report progress made toward the successful implementation of the PIP to their Conservation District Coordinator. Failure to successfully implement the PIP may result in further action from the Audit Subcommittee or the Virginia Soil and Water Conservation Board. Mr. Wilson seconded and the motion carried with Mr. Newton abstaining.

REVIEW OF CORRECTIVE ACTION PLAN SUBMITTED BY TRI-COUNTY/CITY SOIL AND WATER CONSERVATION DISTRICT

Ms. Perry reported on actions taken by Tri-County/City SWCD following the prior year's audit. Since the September meeting, the District has adopted improvements to its policies and procedures as well as an additional amendment regarding tax exempt status.

Ms. Perry noted that the District has had no out of sequence checks since July, 2018. This coincides with staff turnover.

Ms. Perry advised that the District was requesting that the Board waive the requirement for a special audit noting that a regular two-year audit will be performed in 2020. The District believes that a special audit at this time would not adequately demonstrate the corrective actions the District has taken. Waiving the special audit would save additional taxpayer funds.

Mr. Newton noted that, as the corrective actions had just been implemented, there would not be ample time for an effective audit review. Waiting until the 2020 audit would allow the auditor to review a year of implementation as opposed to one month.

SUBCOMMITTEE ACTION

Ms. Smith moved that the Audit Subcommittee of the Virginia Soil and Water Conservation Board reverse its decision from March 20, 2019 and not require Tri-County/City Soil and Water Conservation District to undergo a special audit. The District will receive a regular two-year audit in 2020. Mr. Newton seconded and the motion carried.

NEXT MEETINGS

The Audit Subcommittee will meet in March and April 2020 in conjunction with the regular meetings of the Virginia Soil and Water Conservation Board.

ADJOURN

There was no further business and the meeting adjourned 9:29 a.m.