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COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

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August 15, 2018

The Honorable S. Chris Jones
Chairman, House Appropriations Committee
Post Office Box 5059
Suffolk, Virginia 23435-0059

The Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Finance Committee
Post Office Box 2
Mount Solon, Virginia 23843-0002

The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance Committee
Post Office Box 6205
Williamsburg, Virginia 23188

**SUBJECT: Department of Conservation and Recreation's Fiscal Year 2018 End of Year Semi-Annual
Agricultural Cost-Share and Administration/Technical Assistance Funding Allocations Report**

Dear Delegate Jones, Senator Hanger, and Senator Norment:

This semi-annual Agricultural Cost-Share and Administration/Technical Assistance Funding Allocations report is submitted for your review in accordance with the requirements of Item 362 A.2. and A.3. of Chapter 2 of the 2018 Special Session 1 Acts of Assembly:

2. The department shall provide a semi-annual report on or before February 15 and August 15 of each year to the Chairmen of the House Appropriations and Senate Finance Committees on each Virginia soil and water conservation district's budget, revised budget, previous year's balance budget, and expenditure for the following: (i) the federal Conservation Reserve Enhancement Program, (ii) the use of Agricultural Best Management Cost-Share Program funds within the Chesapeake Bay watershed, (iii) the use of Agricultural Best Management Cost-Share Program funds within the Southern Rivers area, and (iv) the amount of Technical Assistance funding. The August 15 report shall reflect cumulative amounts.

3. As part of the semi-annual report, the department shall assess the impact of settlement agreements with the Commonwealth entered into between July 1, 2017, and June 30, 2018, on achieving an effective level of Soil and Water Conservation District technical assistance funding and the implementation of agricultural best management practices pursuant to §10.1-546.1.,

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Code of Virginia. The department shall include in its report any amounts from the settlements including: 1) estimation of the timeline and amount for each fiscal year to implement agricultural best management practices; and 2) estimation of the timeline and amount for each fiscal year of additional technical assistance provided as a result of the additional funding from the settlements.

Cost-share and technical assistance disbursements to Virginia's soil and water conservation districts (districts) for Fiscal Year 2018 are being made in accordance with the Virginia Soil and Water Conservation Board's *Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations (Fiscal Year 2018)*. This document specifies the Board's process for allocating funding by the Department to the Commonwealth's 47 local soil and water conservation districts for cost-share and technical assistance in FY 2018. A copy of this policy is available on the Department's policy webpage at: <http://www.dcr.virginia.gov/laws-and-regulations/lr8b>.

Included in this report, as it provides a more thorough picture of District payments, are administration and operations disbursements to districts for FY 2018 made in accordance with the Virginia Soil and Water Conservation Board's *Policy on Soil and Water Conservation District Administration and Operations Funding Allocations for Fiscal Year 2018*. This document specifies the Board's process for allocating funding by the Department to the districts for administration and operations in FY 2018. A copy of this policy is available on the Department's policy webpage at: <http://www.dcr.virginia.gov/laws-and-regulations/lr8a>.

Pursuant to Appropriation Act requirements, the attached spreadsheet reflects the disbursements to each district during FY 2018 in accordance with policy. Information is provided for the following:

Column 1	Soil and Water Conservation District
Column 2	2018 Total Administrative and Operations Assistance Budget
Column 3	2018 Total Administrative and Operations Assistance Disbursed (July 1, 2017–June 30, 2018)
Column 4	2018 Total Technical Assistance Budget
Column 5	2018 Total Technical Assistance Disbursed (July 1, 2017–June 30, 2018)
Column 6	2017 Virginia Natural Resources Commitment Fund (VNRCF) End of Year Balances
Column 7	2018 VNRCF Allocations Original Budget
Column 8	2018 Budget Adjustments
Column 9	2018 VNRCF Revised Budget Allocations to date (July 1, 2017–June 30, 2018)
Column 10	2018 Total Chesapeake Bay VNRCF BMP Disbursed (July 1, 2017–June 30, 2018)
Column 11	2018 Total Outside the Chesapeake Bay VNRCF BMP Disbursed (July 1, 2017–June 30, 2018)
Column 12	2018 Total Resource Management Plan Operating Support Disbursements (July 1, 2017–June 30, 2018)
Column 13	2018 Total Regional Conservation Partnership Program (RCPP) Match Disbursements (July 1, 2017–June 30, 2018)
Column 14	2018 Total Chesapeake Bay and Outside the Chesapeake Bay Conservation Reserve Enhancement Funds

In December 2017, the Commonwealth of Virginia and US Fish and Wildlife Service announced several restoration projects approved for funding through the DuPont Natural Resource Damage Assessment and Restoration (NRDAR) settlement. The Honorable Michael F. Urbanski, United States District Judge

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for the Western District of Virginia, approved the settlement on July 28, 2017 for natural resource damages resulting from the release of mercury at the DuPont facility in Waynesboro. Approved projects include many critically needed agriculture best management practices in the Shenandoah Valley. DuPont settlement funding is offsetting state cost share needs for a limited number of farmers seeking composting facilities, grazing land management, stream exclusion with grazing land management, and animal waste control facilities. DuPont settlement funding provides technical assistance funding for the Headwaters, Shenandoah Valley, and Lord Fairfax Soil and Water Conservation District.

The table below shows the anticipated cost of approved practices, the funding being provided (both state cost-share funds and DuPont settlement funds), and the corresponding amount of technical assistance funding provided to the three districts. The technical assistance funds provided are based on 12% of the DuPont funds requested.

District	Total Expected Payment	State Amount Requested	DuPont Funds Requested	Technical Assistance Provided to Districts
Headwaters	\$3,109,790.13	\$560,000	\$2,549,790.13	\$305,974.82
Lord Fairfax	\$363,643.6	\$0	\$361,533.69	\$43,384.07
Shenandoah Valley	\$2,640,873.23	\$713,206.70	\$1,927,666.53	\$218,286.78

Additionally, Virginia developed mitigation agreements for forest fragmentation from construction of the Mountain Valley Pipeline (MVP) and Atlantic Coast Pipeline (ACP) pursuant to the Federal Energy Regulatory Commission’s (FERC) process under the National Environmental Policy Act (NEPA). Fourteen of the 47 local Soil and Water Conservation Districts will receive funding through the MVP and the ACP mitigation agreements. Funding will be managed by the Virginia Association of Soil and Water Conservation Districts (VASWCD), \$11,500,000 from ACP and \$3,850,000 from MVP, through written agreements with each participating district.

Only funding under the MVP mitigation agreement has been received by the VASWCD. Funding pursuant to the ACP mitigation agreement will not be released until FERC issues a final notice to proceed. The VASWCD is continuing dialogue and district stakeholder discussions through the end of

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the year focusing primarily on MVP funds. Districts are using this timeframe to engage local district stakeholders, including localities, on use of these funds and the VASWCD is assisting districts in this process. Funds for MVP will not be available for use prior to Fiscal Year 2020 and then contingent upon the percentage of tree clearing and grubbing activities performed as indicated in the mitigation agreement.

The Virginia Agricultural Best Management Practices Cost-Share Program is the lynchpin of the Commonwealth's efforts to reduce agricultural non-point source water pollution by encouraging the voluntary installation of agricultural BMPs that reduce nutrients (nitrogen and phosphorus) and sediment entering Virginia's rivers and the Chesapeake Bay. While progress continues to be made, additional cost-share and technical assistance will be necessary in the years ahead.

Respectfully submitted,


Clyde E. Cristman

cc: Anne E. Oman, Legislative Fiscal Analyst, House Appropriations Committee
Jason Powell, Legislative Analyst, Senate Finance Committee
Toni M. Walker, Associate Director, Department of Planning and Budget
Russell W. Baxter, Deputy Director, Department of Conservation and Recreation

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Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14
SWCD	FY18 Total Administration & Operations Assistance Budget^	FY18 Total Administration & Operations Assistance Disbursements^	FY18 Total Technical Assistance Budget*	FY18 Total Technical Assistance Disbursements+	FY17 VNRCF EOY Balance Allocation - VNRCF Supplemental	FY18 VNRCF Original Budget Allocation	FY18 VNRCF Budget Adjustments@	FY18 VNRCF Revised Budget Allocation#	FY18 Total CB VNRCF BMP Disbursements++	FY18 Total OCB VNRCF BMP Disbursements++	FY18 Total RMP Operating Support Disbursements	FY18 Total RCPP Match Disbursements	FY18 Total CREP Disbursements
APPOMATTOX RIVER SWCD	\$104,073.00	\$104,073.00	\$47,470.68	\$50,361.11	\$0.00	\$82,815.00	(\$10,548.00)	\$72,267.00	\$52,285.00	\$81,134.00	\$0.00	\$0.00	\$0.00
BIG SANDY SWCD	\$102,428.00	\$102,428.00	\$6,566.95	\$10,135.00	\$0.00	\$24,321.00	(\$85,367.26)	(\$61,046.26)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIG WALKER SWCD	\$118,850.00	\$116,600.00	\$124,173.58	\$124,173.58	\$0.00	\$106,985.00	\$203,643.00	\$310,628.00	\$0.00	\$461,069.45	\$0.00	\$0.00	\$156,280.00
BLUE RIDGE SWCD	\$180,260.00	\$180,260.00	\$172,884.45	\$174,972.56	\$14,533.11	\$130,121.00	(\$476,875.96)	(\$332,221.85)	\$0.00	\$0.00	\$0.00	\$0.00	\$28,141.30
CHOWAN BASIN SWCD	\$148,500.00	\$148,500.00	\$155,133.85	\$153,491.85	\$79,635.00	\$571,719.00	(\$86,723.30)	\$564,630.70	\$0.00	\$939,096.00	\$751.31	\$0.00	\$0.00
CLUNCH VALLEY SWCD	\$116,951.00	\$116,951.00	\$115,293.26	\$115,293.28	\$0.00	\$329,204.00	(\$122,000.00)	\$207,204.00	\$0.00	\$363,974.00	\$0.00	\$0.00	\$0.00
COLONIAL SWCD	\$146,733.00	\$146,733.00	\$78,191.00	\$78,191.00	\$0.00	\$178,158.00	\$0.00	\$178,158.00	\$269,832.09	\$0.00	\$0.00	\$0.00	\$0.00
CULPEPER SWCD	\$211,025.00	\$211,025.00	\$439,010.25	\$439,010.25	\$22,886.25	\$906,870.00	\$0.00	\$929,756.25	\$2,176,870.00	\$0.00	\$5,406.45	\$0.00	\$1,150.85
DANIEL BOONE SWCD	\$116,358.00	\$116,358.00	\$132,711.49	\$121,937.01	\$5,453.65	\$977,344.00	\$145,299.28	\$1,128,096.93	\$0.00	\$1,020,984.85	\$0.00	\$0.00	\$0.00
EASTERN SHORE SWCD	\$196,040.00	\$196,040.00	\$99,490.21	\$99,490.22	\$0.00	\$223,561.00	\$99,388.00	\$322,949.00	\$194,317.00	\$128,632.00	\$2,327.35	\$0.00	\$0.00
EVERGREEN SWCD	\$116,922.00	\$116,922.00	\$48,568.65	\$48,568.67	\$8,275.15	\$63,625.00	\$0.00	\$71,900.15	\$0.00	\$63,625.00	\$0.00	\$0.00	\$1,506.50
HALIFAX SWCD	\$118,040.00	\$118,040.00	\$53,418.07	\$53,418.07	\$0.00	\$84,427.00	\$97,497.30	\$181,924.30	\$0.00	\$181,924.30	\$0.00	\$0.00	\$0.00
HANOVER-CAROLINE SWCD	\$148,915.00	\$148,915.00	\$107,187.60	\$107,187.60	\$3,377.60	\$300,071.00	\$0.00	\$303,448.60	\$715,200.00	\$0.00	\$1,404.53	\$0.00	\$0.00
HEADWATERS SWCD	\$231,992.00	\$231,992.00	\$165,339.25	\$147,089.23	\$212,492.75	\$924,984.00	\$0.00	\$1,137,476.75	\$1,168,525.00	\$0.00	\$0.00	\$0.00	\$107,264.50
HENRICOPOLIS SWCD	\$104,228.00	\$104,228.00	\$14,167.00	\$14,167.00	\$0.00	\$57,675.00	\$0.00	\$57,675.00	\$57,675.00	\$0.00	\$0.00	\$0.00	\$0.00
HOLSTON RIVER SWCD	\$118,310.00	\$118,310.00	\$128,748.62	\$128,748.62	\$9,138.40	\$116,929.00	\$214,807.00	\$340,874.40	\$0.00	\$331,736.00	\$0.00	\$0.00	\$15,296.37
JAMES RIVER SWCD	\$105,652.00	\$105,652.00	\$42,088.09	\$35,098.03	\$0.00	\$244,620.00	(\$147,923.00)	\$96,697.00	\$134,426.16	\$107,418.78	\$0.00	\$0.00	\$0.00
JOHN MARSHALL SWCD	\$145,088.00	\$145,088.00	\$132,493.54	\$132,493.53	\$23,685.78	\$485,036.00	(\$140,000.00)	\$368,721.78	\$995,036.00	\$0.00	\$0.00	\$0.00	\$2,994.75
LAKE COUNTRY SWCD	\$109,384.00	\$109,384.00	\$37,583.89	\$41,683.51	\$0.00	\$185,001.00	\$7,000.00	\$192,001.00	\$0.00	\$240,351.00	\$0.00	\$0.00	\$0.00
LONESOME PINE SWCD	\$103,914.00	\$103,914.00	\$40,846.50	\$40,846.52	\$0.00	\$334,298.00	\$0.00	\$334,298.00	\$0.00	\$334,298.00	\$0.00	\$0.00	\$0.00
LORD FAIRFAX SWCD	\$159,201.00	\$159,201.00	\$206,251.42	\$206,251.42	\$5,060.25	\$754,493.00	\$526,000.00	\$1,285,553.25	\$1,180,493.00	\$0.00	\$0.00	\$0.00	\$1,744.44
LOUDOUN SWCD	\$119,590.00	\$119,590.00	\$80,341.00	\$80,344.16	\$0.00	\$234,424.00	\$107,004.39	\$341,428.39	\$391,428.39	\$0.00	\$0.00	\$0.00	\$0.00
MONACAN SWCD	\$105,802.00	\$105,802.00	\$61,612.52	\$61,612.48	\$0.02	\$123,236.00	\$0.00	\$123,236.02	\$450,363.00	\$0.00	\$0.00	\$0.00	\$0.00
MOUNTAIN SWCD	\$119,502.00	\$119,502.00	\$18,563.58	\$21,232.50	\$0.00	\$236,303.00	(\$330,000.00)	(\$93,697.00)	\$266,316.32	\$0.00	\$0.00	\$0.00	\$0.00
MOUNTAIN CASTLES SWCD	\$130,382.00	\$130,382.00	\$56,847.63	\$53,679.38	\$204,324.35	\$137,854.00	(\$33,500.00)	\$308,678.35	\$148,220.00	\$230,857.20	\$0.00	\$0.00	\$0.00
NATURAL BRIDGE SWCD	\$120,035.00	\$120,035.00	\$57,801.50	\$57,801.48	\$0.00	\$206,071.00	\$0.00	\$206,071.00	\$258,000.00	\$0.00	\$0.00	\$4,109.16	\$5,505.00
NEW RIVER SWCD	\$121,556.00	\$119,306.00	\$94,872.15	\$94,872.17	\$0.00	\$215,952.00	(\$22,798.50)	\$193,153.50	\$0.00	\$655,931.50	\$0.00	\$0.00	\$0.00

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NORTHERN NECK SWCD	\$199,058.00	\$199,058.00	\$197,378.00	\$109,141.00	\$0.00	\$333,313.00	\$0.00	\$333,313.00	\$333,313.00	\$0.00	\$238.00	\$0.00	\$0.00
NORTHERN VIRGINIA SWCD	\$105,183.00	\$105,183.00	(\$703.36)	\$547.26	\$0.00	\$15,417.00	(\$28,715.39)	(\$13,298.39)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PATRICK SWCD	\$116,235.00	\$116,235.00	\$43,900.50	\$43,900.52	\$0.00	\$27,122.00	\$0.00	\$27,122.00	\$0.00	\$262,893.00	\$0.00	\$0.00	\$35,546.50
PEAKS OF OTTER SWCD	\$106,566.00	\$106,566.00	\$375,365.75	\$329,629.39	\$0.03	\$86,165.00	(\$45,125.45)	\$41,039.58	\$0.00	\$76,529.00	\$0.00	\$0.00	\$74,568.85
PEANUT SWCD	\$148,098.00	\$148,098.00	\$200,016.00	\$200,016.00	\$0.00	\$746,180.00	(\$135,029.70)	\$611,150.30	\$274,176.39	\$497,069.38	\$0.00	\$0.00	\$0.00
PETER FRANCISCO SWCD	\$155,463.00	\$155,463.00	\$53,377.20	\$53,377.18	\$0.00	\$185,288.00	\$245,982.13	\$431,270.13	\$389,295.00	\$0.00	\$0.00	\$101,445.05	\$15,150.56
PIEDMONT SWCD	\$211,880.00	\$211,880.00	\$50,126.44	\$50,389.48	\$1,356.00	\$220,102.00	(\$94,964.26)	\$126,493.74	\$208,817.00	\$11,285.00	\$0.00	\$34,827.91	\$27,068.25
PITTSYLVANIA SWCD	\$120,108.00	\$120,108.00	\$68,086.18	\$68,086.18	\$0.00	\$127,209.00	\$62,679.00	\$189,888.00	\$0.00	\$218,610.00	\$0.00	\$0.00	\$111,234.87
PRINCE WILLIAM SWCD	\$104,559.00	\$104,559.00	\$19,441.66	\$19,441.68	\$0.00	\$93,314.00	(\$30,000.00)	\$63,314.00	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00
ROBERT E. LEE SWCD	\$215,675.00	\$215,675.00	\$253,561.28	\$270,843.00	\$0.00	\$232,529.00	\$15,490.00	\$248,019.00	\$358,778.00	\$211,211.68	\$0.00	\$0.00	\$0.00
SCOTT COUNTY SWCD	\$118,230.00	\$118,230.00	\$120,585.30	\$120,585.32	\$9,256.90	\$553,935.00	(\$25,250.28)	\$537,941.62	\$0.00	\$553,935.00	\$0.00	\$0.00	\$27,234.00
SHENANDOAH VALLEY SWCD	\$197,132.00	\$197,132.00	\$167,673.07	\$158,837.05	\$212,066.00	\$1,072,505.00	(\$386,000.00)	\$898,571.00	\$748,380.00	\$0.00	\$0.00	\$54,955.38	\$20,520.00
SKYLINE SWCD	\$148,939.00	\$148,939.00	\$126,492.34	\$126,492.34	\$5,146.86	\$387,325.00	\$109,879.48	\$502,351.34	\$0.00	\$495,242.77	\$0.00	\$0.00	\$0.00
SOUTHSIDE SWCD	\$140,510.00	\$140,510.00	\$36,116.00	\$36,116.00	\$0.00	\$81,840.00	\$45,000.00	\$126,840.00	\$0.00	\$160,193.26	\$0.00	\$0.00	\$0.00
TAZEWELL SWCD	\$104,185.00	\$104,185.00	\$57,002.83	\$70,415.25	\$10,909.50	\$47,794.00	(\$430,348.28)	(\$371,644.78)	\$0.00	\$47,794.00	\$0.00	\$0.00	\$0.00
THOMAS JEFFERSON SWCD	\$174,635.00	\$174,635.00	\$326,803.50	\$326,803.52	\$22,473.00	\$453,468.00	\$0.00	\$475,941.00	\$1,869,584.73	\$0.00	\$482.02	\$9,603.82	\$91,197.84
THREE RIVERS SWCD	\$145,789.00	\$145,789.00	\$139,527.00	\$81,436.00	\$0.00	\$438,955.00	\$0.00	\$438,955.00	\$438,955.00	\$0.00	\$0.00	\$0.00	\$0.00
TIDEWATER SWCD	\$144,625.00	\$144,625.00	\$66,891.00	\$66,891.00	\$0.00	\$131,671.00	\$0.00	\$131,671.00	\$168,993.54	\$0.00	\$0.00	\$0.00	\$0.00
TRI-COUNTY/CITY SWCD	\$121,533.00	\$121,533.00	\$54,234.50	\$49,488.47	\$2,223.00	\$191,145.00	(\$44,779.00)	\$148,589.00	\$231,424.00	\$0.00	\$712.70	\$13,451.25	\$0.00
VIRGINIA DARE SWCD	\$122,957.00	\$122,957.00	\$84,004.18	\$84,004.18	\$0.00	\$220,163.00	(\$49,585.00)	\$170,578.00	\$31,000.00	\$460,379.80	\$0.00	\$0.00	\$0.00
Totals	\$6,521,091.00	\$6,516,591.00	\$5,157,536.10	\$4,958,591.05	\$852,293.60	\$13,881,537.00	(\$845,863.80)	\$13,887,966.80	\$13,561,703.62	\$8,136,174.97	\$11,322.36	\$218,392.57	\$722,404.58

^ Includes Operations and Administration and Dam Maintenance

* Includes TA from FY16 Supplemental SL-6 and Transfers and FY17 Remaining Balances

+ Includes TA from FY16 Supplemental SL-6 and FY17 Remaining Balances

@ Includes FY18 VNRCF VACS Allocation Transfers, Voluntary Returns and Reductions

Includes VNRCF Supplemental, FY18 VNRCF VACS Allocation, VNRCF Transfers, VNRCF Voluntary Allocation Returns and Reductions (column 6 + column 7 + column 8)

++ Includes VNRCF VACS, SL-6 Earmarks & VNRCF Supplemental SL-6