

Matthew J. Strickler  
*Secretary of Natural Resources*

Clyde E. Cristman  
*Director*



**COMMONWEALTH of VIRGINIA**  
**DEPARTMENT OF CONSERVATION AND RECREATION**

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*Deputy Director of  
Administration and Finance*

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February 15, 2019

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 2019 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 being submitted to satisfy 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., 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 2019 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 2019)*.<sup>1</sup> This document specifies the Board's process, by which funds are to be allocated by the Department to the Commonwealth's 47 local Soil and Water Conservation Districts for cost-share and technical assistance in FY2019.

We have also included in this report, as it provides a more thorough picture of District payments, the administration and operations disbursements to Districts for FY2019 that are being 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 2019*.<sup>2</sup> This document specifies the Board's process, by which funds are to be allocated by the Department to the Districts for administration and operations in FY2019. Pursuant to Appropriation Act requirements, the attached spreadsheet shows the disbursements to each District during FY2019 in accordance with policy.

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 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.

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<sup>1</sup> Virginia Soil and Water Conservation Board, "*Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations (Fiscal Year 2019)*", <http://www.dcr.virginia.gov/laws-and-regulations/lr8b>.

<sup>2</sup> Virginia Soil and Water Conservation Board, "*Policy on Soil and Water Conservation District Administration and Operations Funding Allocations for Fiscal Year 2019*", <http://www.dcr.virginia.gov/laws-and-regulations/lr8a>.

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District	Total Expected Payment	State Amount Requested	DuPont Funds Requested	Technical Assistance Provided to Districts
Headwaters	\$2,900,101	\$561,305	\$2,338,796	\$305,975
Lord Fairfax	\$382,869	\$19,226	\$363,644	\$43,384
Shenandoah Valley	\$2,380,672	\$1,055,949	\$1,324,723	\$218,287

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 focusing primarily on MVP funds. Districts are using this time 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.

We anticipate that discussions on how to distribute the funding provided by the Mountain Valley Pipeline and the Atlantic Coast Pipeline mitigation agreements will continue through this fiscal year.

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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SWCD	FY19 Total Administration & Operations Assistance Budget^	FY19 Total Administration & Operations Assistance Disbursements^	FY19 Total Technical Assistance Budget*	FY19 Total Technical Assistance Disbursements+	FY18 VNRCF EOY Allocation Balance	FY19 VNRCF Original Budget Allocation	FY19 VNRCF Budget Adjustments@	FY19 VNRCF Revised Budget Allocation#	FY19 Total CB VNRCF BMP Disbursements++	FY19 Total OCB VNRCF BMP Disbursements++	FY19 Total RMP Operating Support Disbursements	FY19 Total RCPP Match Disbursements	FY19 Total CREP Disbursements
APPOMATTOX RIVER SWCD	\$104,073.00	52,036.50	\$36,206.00	18,103.00	-	\$143,033.00	(\$28,850.59)	\$114,182.41	4,000.00	8,500.00	-	-	-
BIG SANDY SWCD	\$102,428.00	51,214.00	\$11,749.00	5,874.50	5,818.85	\$41,991.00	(\$491.77)	\$47,318.08	-	1,500.00	-	-	-
BIG WALKER SWCD	\$118,850.00	59,425.00	\$47,911.00	23,955.50	-	\$184,716.00	\$0.00	\$184,716.00	-	126,366.36	-	-	27,873.75
BLUE RIDGE SWCD	\$150,260.00	105,130.00	\$66,191.00	33,095.50	125,046.00	\$224,682.00	(\$70,000.00)	\$279,728.00	-	32,637.35	-	-	-
CHOWAN BASIN SWCD	\$148,500.00	74,250.00	\$101,501.00	52,750.50	8,791.70	\$987,110.00	(\$56,383.89)	\$939,517.81	-	36,500.00	-	-	-
CUNCH VALLEY SWCD	\$116,951.00	58,475.50	\$110,959.00	55,479.50	-	\$568,392.00	(\$105,285.58)	\$463,106.42	-	1,500.00	-	-	-
COLONIAL SWCD	\$146,733.00	73,366.50	\$62,213.00	31,106.50	-	\$308,260.00	(\$3,660.98)	\$304,599.02	91,500.00	-	-	-	-
CULPEPER SWCD	\$178,025.00	122,012.50	\$218,072.00	109,036.00	750,000.00	\$1,569,125.00	(\$8,079.77)	\$2,311,045.23	600,625.00	-	-	4,949.81	-
DANIEL BOONE SWCD	\$116,358.00	58,179.00	\$182,172.48	96,473.48	101,658.43	\$1,687,448.00	\$0.00	\$1,789,106.43	-	459,560.93	-	-	-
EASTERN SHORE SWCD	\$196,040.00	98,020.00	\$78,849.00	39,424.50	-	\$386,469.00	\$0.00	\$386,469.00	-	1,500.00	-	-	10,567.00
EVERGREEN SWCD	\$116,922.00	58,461.00	\$27,216.00	13,608.00	-	\$109,853.00	(\$4,244.10)	\$105,608.90	-	1,500.00	-	-	-
HALIFAX SWCD	\$118,040.00	59,020.00	\$43,104.00	21,552.00	-	\$145,769.00	\$0.00	\$145,769.00	-	126,500.00	-	-	-
HANOVER-CAROLINE SWCD	\$145,915.00	75,957.50	\$111,664.00	55,832.00	-	\$519,203.00	\$0.00	\$519,203.00	51,500.00	-	1,194.91	-	-
HEADWATERS SWCD	\$198,992.00	132,496.00	\$153,628.00	76,814.00	998,098.00	\$1,600,468.00	(\$127,887.94)	\$2,470,678.06	336,500.00	-	-	-	-
HENRICOPOLIS SWCD	\$104,228.00	52,114.00	\$14,761.00	7,380.50	-	\$99,793.00	(\$2,489.60)	\$97,303.40	1,500.00	-	-	-	-
HOLSTON RIVER SWCD	\$118,310.00	59,155.00	\$83,548.00	41,774.00	-	\$201,885.00	(\$5,676.35)	\$196,208.65	-	58,500.00	-	-	1,464.75
JAMES RIVER SWCD	\$105,652.00	52,826.00	\$46,829.00	23,414.50	2,052.95	\$422,652.00	(\$2,052.95)	\$422,652.00	10,000.00	11,500.00	-	-	-
JOHN MARSHALL SWCD	\$145,088.00	72,544.00	\$92,476.00	46,238.00	250,000.00	\$839,240.00	(\$276,887.48)	\$812,352.52	364,240.00	-	-	-	-
LAKE COUNTRY SWCD	\$109,384.00	54,692.00	\$40,017.00	20,008.50	-	\$319,416.00	(\$14,290.70)	\$305,125.30	-	141,500.00	-	-	-
LONESOME PINE SWCD	\$103,914.00	51,957.00	\$68,921.00	34,460.50	-	\$577,188.00	\$0.00	\$577,188.00	-	251,500.00	-	-	-
LORD FAIRFAX SWCD	\$153,201.00	82,600.50	\$194,073.00	97,036.50	200,000.00	\$1,305,473.00	\$0.00	\$1,505,473.00	605,473.00	-	-	-	-
LOUDOUN SWCD	\$119,590.00	59,795.00	\$75,229.00	37,614.50	-	\$405,616.00	(\$65,915.77)	\$339,700.23	205,616.00	-	-	-	-
MONACAN SWCD	\$105,802.00	52,901.00	\$31,366.00	15,683.00	-	\$213,231.00	\$0.00	\$213,231.00	51,500.00	-	-	-	-
MOUNTAIN SWCD	\$119,502.00	59,751.00	\$29,463.00	14,731.50	11,073.93	\$408,867.00	(\$12,656.68)	\$407,284.25	14,500.00	-	-	-	-
MOUNTAIN CASTLES SWCD	\$118,382.00	71,191.00	\$52,181.00	26,090.50	23,027.00	\$238,424.00	\$0.00	\$261,451.00	1,500.00	-	-	-	-
NATURAL BRIDGE SWCD	\$120,035.00	60,017.50	\$57,915.00	28,957.50	113,607.86	\$356,558.00	(\$33,403.13)	\$436,762.73	152,571.00	-	-	-	-
NEW RIVER SWCD	\$121,556.00	60,778.00	\$76,868.00	38,434.00	-	\$372,856.00	(\$91,223.87)	\$281,632.13	-	1,500.00	-	-	-

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NORTHERN NECK SWCD	\$199,058.00	99,529.00	\$142,301.00	71,150.50	-	\$576,720.00	\$0.00	\$576,720.00	351,500.00	-	2,969.24	-	-
NORTHERN VIRGINIA SWCD	\$105,183.00	52,591.50	\$1,922.00	961.00	29.61	\$26,676.00	(\$29.61)	\$26,676.00	1,500.00	-	-	-	-
PATRICK SWCD	\$116,235.00	58,117.50	\$16,874.00	8,437.00	-	\$46,828.00	\$0.00	\$46,828.00	-	1,500.00	-	-	-
PEAKS OF OTTER SWCD	\$106,566.00	53,283.00	\$39,467.00	19,733.50	996,759.00	\$148,827.00	\$0.00	\$1,145,586.00	12,436.80	401,500.00	-	-	44,117.33
PEANUT SWCD	\$148,098.00	74,049.00	\$161,907.00	80,953.50	-	\$1,289,286.00	(\$8,864.08)	\$1,280,421.92	140,000.00	131,500.00	-	-	5,272.00
PETER FRANCISCO SWCD	\$104,463.00	103,231.50	\$46,703.00	23,351.50	78,500.13	\$320,596.00	\$0.00	\$399,096.13	222,243.79	-	-	3,200.37	4,697.13
PIEDMONT SWCD	\$169,880.00	126,940.00	\$51,230.00	25,615.00	-	\$380,793.00	(\$5,371.45)	\$375,421.55	52,500.00	13,000.00	-	-	32,219.50
PITTSYLVANIA SWCD	\$120,108.00	60,054.00	\$45,127.00	22,563.50	-	\$219,635.00	\$0.00	\$219,635.00	-	1,500.00	-	-	29,177.10
PRINCE WILLIAM SWCD	\$104,559.00	52,279.50	\$17,978.00	8,989.00	-	\$161,458.00	(\$1,553.07)	\$159,904.93	1,500.00	-	-	-	-
ROBERT E. LEE SWCD	\$197,675.00	116,837.50	\$41,292.28	20,451.00	1,374,168.00	\$402,051.00	\$0.00	\$1,776,219.00	23,500.00	18,874.28	-	-	-
SCOTT COUNTY SWCD	\$118,230.00	59,115.00	\$114,719.00	57,359.50	-	\$956,405.00	(\$65,594.85)	\$890,810.15	-	346,500.00	-	-	-
SHENANDOAH VALLEY SWCD	\$173,132.00	110,566.00	\$179,324.00	89,662.00	1,186,505.00	\$1,855,718.00	(\$134,527.83)	\$2,907,695.17	656,600.00	-	-	-	7,133.50
SKYLINE SWCD	\$148,939.00	74,469.50	\$103,623.00	51,811.50	215,985.71	\$668,742.00	\$0.00	\$884,727.71	-	82,270.26	-	-	-
SOUTHSIDE SWCD	\$104,510.00	88,255.00	\$34,972.00	17,486.00	-	\$141,303.00	\$0.00	\$141,303.00	-	1,500.00	-	-	-
TAZEWELL SWCD	\$104,185.00	52,092.50	\$36,068.00	18,034.00	-	\$82,520.00	(\$54,397.84)	\$28,122.16	-	1,500.00	-	-	-
THOMAS JEFFERSON SWCD	\$150,635.00	99,317.50	\$153,939.00	76,969.50	800,000.00	\$784,620.00	(\$63,732.47)	\$1,520,887.53	284,620.00	-	-	-	1,392.75
THREE RIVERS SWCD	\$145,789.00	72,894.50	\$260,106.00	62,553.00	-	\$759,508.00	\$1,199,994.30	\$1,959,502.30	251,500.00	-	5,015.68	-	-
TIDEWATER SWCD	\$144,625.00	72,312.50	\$44,012.00	22,006.00	-	\$227,826.00	(\$39.33)	\$227,786.67	51,500.00	-	2,478.62	-	-
TRI-COUNTY/CITY SWCD	\$121,533.00	60,766.50	\$49,033.00	24,516.50	-	\$330,731.00	(\$62,424.65)	\$268,306.35	51,500.00	-	1,128.20	-	-
VIRGINIA DARE SWCD	\$122,957.00	61,478.50	\$62,958.00	31,479.00	-	\$380,176.00	(\$2,107.60)	\$378,068.40	-	21,500.00	-	-	-
<b>Totals</b>	<b>\$6,209,091.00</b>	<b>\$3,416,545.50</b>	<b>\$3,718,637.76</b>	<b>\$1,799,010.98</b>	<b>\$7,241,122.17</b>	<b>\$23,998,137.00</b>	<b>(\$108,129.63)</b>	<b>\$31,131,129.54</b>	<b>\$4,591,925.59</b>	<b>\$2,281,709.18</b>	<b>\$12,786.65</b>	<b>\$8,150.18</b>	<b>\$163,914.81</b>

^ Includes Operations and Administration and Dam Maintenance

\* Includes TA from FY16 Supplemental SL-6 and Transfers and FY17 and FY18 Remaining Balances

+ Includes TA from FY16 Supplemental SL-6 and FY17 and FY18 Remaining Balances

@ Includes FY19 VNRCF VACS Allocation Transfers, Voluntary Returns, including prior year deobligations and Reductions, also includes \$1.2M for Three Rivers Pilot BMP Project

# Includes FY19 VNRCF VACS Allocation, VNRCF Transfers, VNRCF Voluntary Allocation Returns and Reductions (column 6 + column 7 + column 8)

++ Includes VNRCF VACS and SL-6 Earmarks

