

# Water Quality Improvement Fund Plan

Office of the Secretary of Natural Resources

Commonwealth of Virginia

December 2020

## Executive Summary

Item #373 P.1. of the 2020-2022 biennium budget (2020 Special Session 1 Va. Acts Ch. 56) appropriates “\$30,350,000 the second year from the general fund which shall be deposited to the Virginia Water Quality Improvement Fund established pursuant to the Water Quality Improvement Act of 1997.” This appropriation meets the mandatory deposit requirements associated with the fiscal year 2020 discretionary year-end general fund balances.

The Secretary of Natural Resources is required to submit this report pursuant to Item #373 P.1 which directed the Secretary to “develop and submit a plan for the allocation of these funds no later than November 1, 2020.”

The following plan directs the vast majority of the funding to agriculture and forest landowners and operators voluntarily implementing best management practices to improve water quality in their local rivers and streams. A portion of the funding supports conservation practices on nonagricultural lands; innovative practices; and critical mapping to prioritize wastewater needs.

### Water Quality Improvement Fund (WQIF) Plan

Each element of the Water Quality Improvement Fund (WQIF) plan is described below and a summary of the plan is provided in Appendix A.

#### Funding in support of agriculture and forest landowners and operators:

**\$500,000 to support the Commonwealth's match for participation in the Federal Conservation Reserve Enhancement Program (CREP).** This program is a partnership between the Department of Conservation and Recreation (DCR) and the USDA Farm Service Agency and Natural Resources Conservation Service. CREP aims to improve Virginia's water quality and wildlife habitat by offering financial incentives, cost-share and rental payments to farmers who voluntarily restore riparian forest buffers, grass and shrub buffers, and wetlands using CREP-approved agricultural best management practices.

**\$250,000 to support the Virginia Department of Forestry's (VDOF) water quality grants.** These grants offer financial assistance to working forest landowners, forest operators and communities implementing riparian planting projects and best management practices to protect water quality.

**\$250,000 to support the DCR development and continued maintenance of the Conservation Application Suite.** This funding supports data application development and annual updates for the implementation of DCR conservation programs, for both the Chesapeake Bay Phase III WIP and local water quality improvement, that enable DCR and SWCD staff to provide both financial and technical assistance to farmers and support their agricultural operations. This support includes annual costs related to cloud storage and necessary software licenses.

**\$1,000,000 to support DCR special nonpoint source reduction projects.** These projects include, but are not be limited to, poultry litter transport, grants related to the development and certification of Resource Management Plans developed pursuant to §10.1-104.7, and grants

related to development and implementation in the Chesapeake Bay watershed of nutrient management plans developed in accordance with regulations adopted under § 10.1-104.2.

**\$250,000 to support DCR and Virginia State University (VSU) Small Farm Outreach Program.** The goal of this program is to increase participation of socially disadvantaged farmers in DCR agriculture conservation programs to improve water quality and farm sustainability. The VSU Small Farm Outreach Program will work in 54 counties, state-wide to promote DCR agricultural incentive programs and services to Latin X, African-American, Native American, and Asian American farmers and ranchers, by distributing promotional materials, sponsoring field days and events for DCR staff to engage farmers directly, and one-on-one farmer visits. VSU will also monitor how many participants sign up and receive support through the Virginia Agriculture BMP Cost Share program or through state tax credits to implement agricultural best management practices.

**Transfer \$26,000,000 to the Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement Fund.** Notwithstanding any other provision of law, funds transferred to the Virginia Natural Resources Commitment Fund shall be distributed by DCR upon approval of the Virginia Soil and Water Conservation Board, in accordance with the board's developed policies, for matching grants totaling \$15,015,000 for agricultural best management practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed and for matching grants totaling \$6,435,000 for agricultural best management practices on lands in the Commonwealth exclusively outside the Chesapeake Bay watershed. Further, notwithstanding any other provision of law, \$4,550,000 will be provided for base technical assistance support provided by local SWCDs to farmers implementing agricultural best management practices.

Funding in support of best management practices on urban lands, innovative practices, tree planting, and priority mapping:

**\$500,000 to support the Virginia Association of Soil and Water Conservation Districts Virginia Conservation Assistance Program (VCAP).** This is an urban cost-share program that provides financial incentives and technical and educational assistance to property owners installing eligible best management practices in Virginia's participating Soil and Water Conservation Districts (SWCDs).

**\$1,000,000 to support the Department of Environmental Quality (DEQ) Clean Water Financing and Assistance Program "pay for documented performance" pilot program.** The program will incentivize contracting and construction of highly effective and efficient innovative nutrient removal technologies to meet the Commonwealth's Phase III Watershed Implementation Plan (WIP) for the Chesapeake Bay. Funding can support bioreactors in the Shenandoah Valley to address legacy nitrogen in groundwater and meet Phase III WIP goals. Contracting protocols can provide incentives for measured performance that exceeds expected performance.

**\$500,000 to support application of VDOF's Virginia Trees for Clean Water program on lands owned or managed by state agencies and public institutions of higher learning as well as for community and nonprofit lead projects.** The Virginia Trees for Clean Water program objectives are to plant trees that restore and improve the waters of the Chesapeake Bay for the

benefit of current and future citizens of the Commonwealth, achieve long-term improvements in water quality through long-lived tree cover and increased public involvement, and to raise public awareness about the benefits of planting trees for the health of our citizens, streams, wildlife and rivers. Funds will be prioritized for tree planting projects on state lands, but also used to produce tree seedlings for application on state lands and for community or nonprofit led tree planting projects. Grant funds are available on a 50/50 match basis.

**\$100,000 to support Virginia Department of Health (VDH) to document, map, assess and prioritize failing/failed onsite and community septic systems.** The funding would support the ongoing VDH and Virginia Institute of Marine Science Center for Coastal Resources Management (VIMS) collaboration to document and map onsite/community septic system “hot spots” in the coastal plain and to extend the analysis statewide, to complete the VDH/VIMS interactive mapping tool by collecting information provided by environmental health experts about onsite and community system problem areas in their local health districts, and to continue the VDH ongoing effort to create and maintain a complete inventory of all onsite systems in the VDH Environmental Health Database (EHD) and in non-EHD data systems.

## Appendix A.

### Water Quality Improvement Fund (WQIF) Plan

<b>Program</b>	<b>Funding</b>
<b>Support for Agriculture and Forest Landowners and Operators</b>	
Virginia Department of Conservation and Recreation (DCR) match for federal Conservation Reserve Enhancement Program (CREP).	\$500,000
Virginia Department of Forestry (VDOF) water quality grants.	\$250,000
Virginia DCR development and continued maintenance of the Conservation Application Suite.	\$250,000
<b>Subtotal</b>	<b>\$1,000,000</b>
DCR special nonpoint source reduction projects to include, but not be limited to, poultry litter transport, grants related to the development and certification of Resource Management Plans developed pursuant to <a href="#">§10.1-104.7</a> , and grants related to development and implementation in the Chesapeake Bay watershed of nutrient management plans developed in accordance with regulations adopted under § 10.1-104.2.	\$1,000,000
<b>Subtotal</b>	<b>\$1,000,000</b>
DCR and Virginia State University Small Farm Outreach Program to increase participation of socially disadvantaged farmers in DCR agriculture conservation programs to improve water quality and farm sustainability.	\$250,000
<b>Subtotal</b>	<b>\$250,000</b>
Base level of support to local Soil and Water Conservation Districts for technical assistance to farmers implementing conservation practices.	\$4,550,000

<p>Transfer to the Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the Department upon approval of the Virginia Soil and Water Conservation Board in accordance with the board's developed policies for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed and for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively outside the Chesapeake Bay watershed.</p>	<p>\$15,015,000 for bmps on lands in the Chesapeake Bay watershed.</p> <p>\$6,435,000 for bmps on lands outside the Chesapeake Bay watershed.</p>
<p><b>Subtotal</b></p>	<p><b>\$26,000,000</b></p>
<p align="center"><b>Support for Best Management Practices on Urban Lands, Innovative Clean Water Practices, Tree Planting, and Priority Mapping</b></p>	
<p>Virginia Association of Soil and Water Conservation Districts Virginia Conservation Assistance Program.</p>	<p>\$500,000</p>
<p>Virginia Department of Environmental Quality (DEQ) Clean Water Financing and Assistance Program to pilot “pay for documented performance” contracting and construction of highly effective and efficient nutrient removal technologies to meet the Commonwealth’s Phase III Watershed Implementation Plan for the Chesapeake Bay.</p>	<p>\$1,000,000</p>
<p>VDOF “Virginia Trees for Clean Water” program on state lands (state agencies and public institutions of higher learning).</p>	<p>\$500,000</p>
<p>Virginia Department of Health (VDH) collaboration with Virginia Institute of Marine Science Center for Coastal Resources Management (VIMS) on analysis of statewide septic hot spots and map communities with failing/failed onsite wastewater treatment.</p>	<p>\$100,000</p>
<p><b>Subtotal</b></p>	<p><b>\$2,100,000</b></p>
<p><b>Total</b></p>	<p><b>\$30,350,000</b></p>