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Clyde E. Cristman
Director



COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

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August 15, 2021

The Honorable Janet D. Howell
Chair, Senate Finance and Appropriations Committee
Post Office Box 2608
Reston, Virginia 20195

The Honorable Luke E. Torian
Chair, House Appropriations Committee
4222 Fortuna Plaza, Suite 659
Dumfries, Virginia 22025

SUBJECT: Department of Conservation and Recreation's Fiscal Year 2021 End of Year Agricultural Cost-Share and Administration/Technical Assistance Funding Allocations Report

Dear Senator Howell and Delegate Torian:

This semi-annual Agricultural Cost-Share and Administration/Technical Assistance Funding Allocations report is being submitted to satisfy the requirements of Item 373 A.2. and A.3. of Chapter 552 of the 2021 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.

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Natural Heritage • Dam Safety and Floodplain Management • Land Conservation*

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, 2022, 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 2021 were 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 2021)*.¹ 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 FY2021.

Included in this report, as it provides a more thorough picture of district payments, are administration and operations disbursements to districts for FY2021 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 2021*.² This document specifies the Board's process for allocating funding by the Department to the districts for administration and operations in FY2021.

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.

¹ Virginia Soil and Water Conservation Board, "*Policy and Procedures on Soil and Water Conservation District Cost-Share and Technical Assistance Funding Allocations (Fiscal Year 2021)*", <http://www.dcr.virginia.gov/laws-and-regulations/lr8b>.

² Virginia Soil and Water Conservation Board, "*Policy on Soil and Water Conservation District Administration and Operations Funding Allocations for Fiscal Year 2021*", <http://www.dcr.virginia.gov/laws-and-regulations/lr8a>.

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, Lord Fairfax, and Shenandoah Valley Soil and Water Conservation Districts.

The following table reflects 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 Obligated	DuPont Funds Obligated	Technical Assistance Provided to Districts
Headwaters	\$4,133,404.86	\$1,654,493.85	\$2,478,911.01	\$345,816.76
Lord Fairfax	\$385,685.45	\$22,041.85	\$363,643.60	\$43,384.00
Shenandoah Valley	\$3,628,762.42	\$2,397,458.79	\$1,231,303.63	\$218,287.00

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). However, on July 5, 2020, Dominion Energy and Duke Energy announced their decision to withdraw the Atlantic Coast Pipeline project.

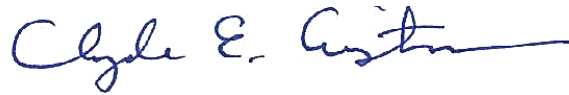
The MVP mitigation agreement provides \$3,850,000 in funding; four districts will receive funding through the agreement. The funds are being managed by the Virginia Association of Soil and Water Conservation Districts (VASWCD). While there is potential for some of the funding to be used in the Chesapeake Bay watershed, the majority of the land within these districts is outside of the Chesapeake Bay watershed. The amount of funds available for each district is contingent upon the percentage of tree clearing and grubbing activities performed as indicated in the mitigation agreement. Grant agreements have been executed with each of the participating districts (Blue Ridge, Mountain Castles, Pittsylvania, and Skyline). The districts finalized internal administrative procedures (i.e. ranking process), and are working with producers to determine the most effective and efficient best

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management practices for each agricultural operation. While the grants cover a three-year period, Districts have obligated approximately \$1.7 million from these funds this 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,

A handwritten signature in blue ink that reads "Clyde E. Cristman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Clyde E. Cristman

cc: David Reynolds, Legislative Fiscal Analyst, House Appropriations Committee
Jason Powell, Legislative Analyst, Senate Finance and Appropriations Committee
Toni M. Walker, Associate Director, Department of Planning and Budget
Darryl M. Glover, Deputy Director, Department of Conservation and Recreation

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	FY21 Total Administration & Operations Assistance Budget^	FY21 Total Administration & Operations Assistance Disbursements^	FY21 Base Technical Assistance Budget+	FY21 Adjusted Technical Assistance Budget@	FY21 Revised Technical Assistance Budget%	FY21 Total Technical Assistance Disbursements	FY20 EOY Cost Share Balance*	FY21 Original Cost Share Allocation	FY21 Adjusted Cost Share Budget@	FY21 Revised Cost Share Budget#	FY21 Total Chesapeake Bay Cost Share Disbursements ++	FY21 Total OCB Cost Share Disbursements ++	FY21 Total RMP Operating Support Disbursements	FY21 Total CREP Disbursements
APPOMATTOX RIVER	\$104,073.00	\$104,073.00	\$43,200.00	38,283.00	\$81,483.00	\$81,483.00		\$374,593.00	\$275,956.00	\$650,549.00	\$117,956.00	\$532,593.00		
BIG SANDY	\$102,428.00	\$102,428.00	\$35,000.00	\$250.00	\$35,250.00	\$35,250.00		\$6,609.00		\$6,609.00		\$6,609.00		
BIG WALKER	\$118,850.00	\$118,850.00	\$35,000.00	\$7,490.00	\$42,490.00	\$42,490.00		\$198,179.00		\$198,179.00		\$182,382.40		\$97,702.55
BLUE RIDGE	\$180,260.00	\$180,260.00	\$50,705.00	\$11,102.15	\$61,807.15	\$61,807.15		\$312,807.00	(\$19,047.00)	\$293,760.00		\$293,760.00		\$41,151.20
CHOWAN BASIN	\$148,500.00	\$148,500.00	\$82,552.00	\$167,515.30	\$250,067.30	\$250,067.30		\$2,000,000.00	\$586,793.00	\$2,586,793.00		\$2,586,793.00	\$6,615.63	
CLINCH VALLEY	\$116,951.00	\$116,951.00	\$91,258.00	\$12,201.00	\$103,459.00	\$103,459.00		\$322,840.00		\$322,840.00		\$322,840.00		
COLONIAL	\$146,733.00	\$146,733.00	\$122,536.00	\$53,516.00	\$176,052.00	\$176,052.00		\$498,369.00	\$317,790.00	\$816,159.00	\$816,159.00		\$5,803.95	
CULPEPER	\$211,025.00	\$211,025.00	\$406,018.00	\$96,500.00	\$502,518.00	\$502,518.00	1,997,098.22	\$2,553,371.00		4,550,469.22	\$2,053,371.00		\$24,860.82	
DANIEL BOONE	\$116,358.00	\$116,358.00	\$117,869.00	\$23,228.00	\$141,097.00	\$141,097.00	293,423.74	\$614,597.00		\$908,020.74		\$608,041.00		
EASTERN SHORE	\$196,040.00	\$196,040.00	\$82,308.00	\$96,071.26	\$178,379.26	\$178,379.26		\$846,243.00	\$378,103.00	\$1,224,346.00	\$1,113,373.00	\$110,973.00	\$10,765.29	
EVERGREEN	\$116,922.00	\$116,922.00	\$79,624.00	\$13,037.00	\$92,661.00	\$92,661.00		\$344,955.00		\$344,955.00		\$344,955.00		
HALIFAX	\$118,040.00	\$118,040.00	\$86,131.00	\$14,897.00	\$101,028.00	\$101,028.00		\$244,269.00	\$51,832.00	\$296,101.00		\$296,101.00		
HANOVER-CAROLINE	\$148,915.00	\$148,915.00	\$126,206.00	\$82,575.22	\$208,781.22	\$208,781.22		\$1,280,442.00	\$313,206.00	\$1,593,648.00	\$1,593,648.00		\$5,243.58	
HEADWATERS	\$231,992.00	\$231,992.00	\$206,513.00	\$84,812.00	\$291,325.00	\$291,325.00	1,715,927.93	\$2,244,112.00	(\$140,000.00)	3,820,039.93	\$1,831,500.00			
HENRICOPOLIS	\$104,228.00	\$104,228.00	\$54,938.00	\$6,598.00	\$61,536.00	\$61,536.00		\$149,761.00	\$8,507.00	\$158,268.00	\$158,268.00			
HOLSTON RIVER	\$118,310.00	\$118,310.00	\$128,066.00	\$15,130.00	\$143,196.00	\$143,196.00		\$359,233.00	\$14,141.00	\$373,374.00		\$373,374.00		\$25,944.19
JAMES RIVER	\$105,652.00	\$105,652.00	\$35,000.00	\$18,856.00	\$53,856.00	\$53,856.00		\$498,912.00	(\$165,000.00)	\$333,912.00	\$164,563.00	\$169,349.00		
JOHN MARSHALL	\$145,088.00	\$145,088.00	\$182,000.00	\$46,107.00	\$228,107.00	\$228,107.00	792,353.07	\$1,219,985.00		\$2,012,338.07	\$1,669,985.00			
LAKE COUNTRY	\$109,384.00	\$109,384.00	\$60,725.00	\$43,995.00	\$104,720.00	\$104,720.00		\$654,616.00	\$201,397.00	\$856,013.00		\$856,013.00	\$887.31	
LONESOME PINE	\$103,914.00	\$103,914.00	\$63,000.00	\$12,357.00	\$75,357.00	\$75,357.00		\$281,610.00		\$281,610.00		\$297,227.00		
LORD FAIRFAX	\$159,201.00	\$159,201.00	\$164,808.00	\$85,617.00	\$250,425.00	\$250,425.00	1,991,993.14	\$2,265,383.00	(\$150,000.00)	\$4,107,376.14	\$2,065,383.00			
LOUDOUN	\$119,590.00	\$119,590.00	\$160,000.00	\$46,741.00	\$206,741.00	\$206,741.00	385,820.51	\$740,712.00	\$436,030.00	\$1,562,562.51	\$1,466,353.78			
MONACAN	\$105,802.00	\$105,802.00	\$110,400.00	\$18,952.78	\$129,352.78	\$129,352.78		\$509,731.00	(\$16,470.00)	\$493,261.00	\$493,261.00			
MOUNTAIN	\$119,502.00	\$119,502.00	\$44,000.00	\$21,925.00	\$65,925.00	\$65,925.00		\$580,124.00		\$580,124.00	\$251,500.00	\$100,000.00		
MOUNTAIN CASTLES	\$130,382.00	\$130,382.00	\$36,800.00	\$15,167.00	\$51,967.00	\$51,967.00	300,612.86	\$401,311.00		\$701,923.86	\$201,500.00	\$23,132.00		\$18,095.05
NATURAL BRIDGE	\$120,035.00	\$120,035.00	\$92,738.00	\$19,710.00	\$112,448.00	\$112,448.00	424,397.63	\$521,522.00	\$140,000.00	\$1,085,919.63	\$885,500.00			
NEW RIVER	\$121,556.00	\$121,556.00	\$61,080.00	\$15,993.00	\$77,073.00	\$77,073.00		\$423,159.00		\$423,159.00		\$423,159.00		\$194,673.19

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	FY21 Total Administration & Operations Assistance Budget^	FY21 Total Administration & Operations Assistance Disbursements^	FY21 Base Technical Assistance Budget+	FY21 Adjusted Technical Assistance Budget@	FY21 Revised Technical Assistance Budget%	FY21 Total Technical Assistance Disbursements	FY20 EOY Cost Share Balance*	FY21 Original Cost Share Allocation	FY21 Adjusted Cost Share Budget@	FY21 Revised Cost Share Budget#	FY21 Total Chesapeake Bay Cost Share Disbursements ++	FY21 Total OCB Cost Share Disbursements ++	FY21 Total RMP Operating Support Disbursements	FY21 Total CREP Disbursements
NORTHERN NECK	\$199,058.00	\$199,058.00	\$118,400.00	\$105,105.79	\$223,505.79	\$223,505.79		\$1,359,713.00	\$492,327.00	\$1,852,040.00	\$1,852,040.00			
NORTHERN VIRGINIA	\$105,183.00	\$105,183.00	\$35,000.00	\$918.00	\$35,918.00	\$35,918.00		\$24,289.00	(\$24,289.00)	\$0.00	\$0.00			
PATRICK	\$116,235.00	\$116,235.00	\$44,146.00	\$3,170.00	\$47,316.00	\$47,316.00		\$83,895.00		\$83,895.00		\$83,895.00		\$17,408.38
PEAKS OF OTTER	\$106,566.00	\$106,566.00	\$38,400.00	\$5,843.06	\$44,243.06	\$44,243.06		\$193,606.00	(\$64,000.00)	\$129,606.00	\$2,302.00	\$127,304.00		\$58,393.25
PEANUT	\$148,098.00	\$148,098.00	\$127,680.00	\$87,615.70	\$215,295.70	\$215,295.70		\$1,978,262.00	\$475,982.00	\$2,454,244.00	\$1,120,496.00	\$1,365,777.26		
PETER FRANCISCO	\$155,463.00	\$155,463.00	\$69,816.00	\$30,485.16	\$100,301.16	\$100,301.16		\$561,976.00	\$19,047.00	\$581,023.00	\$685,739.00			\$5,506.15
PIEDMONT	\$211,880.00	\$211,880.00	\$73,200.00	\$29,778.00	\$102,978.00	\$102,978.00	75.85	\$787,923.00		\$787,998.85	\$757,631.00	\$30,291.00		
PITTSYLVANIA	\$120,108.00	\$120,108.00	\$35,000.00	\$24,243.00	\$59,243.00	\$59,243.00	12,344.89	\$641,470.00		\$653,814.89		\$637,333.62		\$60,538.99
PRINCE WILLIAM	\$104,559.00	\$104,559.00	\$44,096.00	\$8,902.00	\$52,998.00	\$52,998.00	200,000.00	\$235,555.00		\$435,555.00	\$285,555.00			
ROBERT E. LEE	\$215,675.00	\$215,675.00	\$96,800.00	\$28,377.00	\$125,177.00	\$125,177.00		\$750,838.00		\$750,838.00	\$901,500.00	\$237,359.73		
SCOTT COUNTY	\$118,230.00	\$118,230.00	\$90,000.00	\$26,424.00	\$116,424.00	\$116,424.00		\$209,698.00	\$169,463.00	\$379,161.00		\$379,161.00		
SHENANDOAH VALLEY	\$197,132.00	\$197,132.00	\$251,053.00	\$100,047.00	\$351,100.00	\$351,100.00	517,989.02	\$2,647,219.00	(\$140,000.00)	\$3,025,208.02	\$908,123.96			
SKYLINE	\$148,939.00	\$148,939.00	\$148,800.00	\$58,861.89	\$207,661.89	\$207,661.89		\$329,337.00	\$424,703.00	\$754,040.00		\$751,367.68		\$16,078.90
SOUTHSIDE	\$140,510.00	\$140,510.00	\$35,000.00	\$18,162.70	\$53,162.70	\$53,162.70		\$280,582.00	\$280,000.00	\$560,582.00		\$410,230.00		\$13,248.25
TAZEWELL	\$104,185.00	\$104,185.00	\$51,520.00	\$3,588.00	\$55,108.00	\$55,108.00		\$94,936.00		\$94,936.00		\$94,936.00		
THOMAS JEFFERSON	\$174,635.00	\$174,635.00	\$169,674.00	\$52,848.00	\$222,522.00	\$222,522.00	716,025.47	\$1,398,348.00	\$50,000.00	\$2,164,373.47	\$1,498,348.00			
THREE RIVERS	\$145,789.00	\$145,789.00	\$98,524.00	\$86,810.99	\$185,334.99	\$185,334.99		\$1,430,883.00	\$300,000.00	\$1,730,883.00	\$1,730,883.00		\$25,867.32	
TIDEWATER	\$144,625.00	\$144,625.00	\$67,840.00	\$30,019.64	\$97,859.64	\$97,859.64		\$346,780.00	\$498,780.00	\$845,560.00	\$501,780.00		\$10,429.95	
TRI-COUNTY/CITY	\$121,533.00	\$121,533.00	\$127,400.00	\$23,454.00	\$150,854.00	\$150,854.00		\$620,586.00		\$620,586.00	\$620,586.00			
VIRGINIA DARE	\$122,957.00	\$122,957.00	\$47,814.00	\$37,590.00	\$85,404.00	\$85,404.00		\$539,485.00	\$157,487.00	\$696,972.00	\$54,371.00	\$642,601.00		
Totals	\$6,521,091.00	\$6,521,091.00	\$4,528,638.00	\$1,830,870.64	\$6,359,508.64	\$6,359,508.64	\$9,348,062.33	\$34,962,826.00	\$4,872,738.00	\$49,183,626.33	\$25,801,675.74	\$12,287,557.69	\$90,473.85	\$548,740.10

^ Includes Operations and Administration plus Dam Maintenance budgets
+ FY21 Base TA established by the Soil and Water Conservation Board
@ Includes additional FY21 funds made through Board allocations and voluntary transfers
% Adjusted totals based on Column 4
* Includes approved carryover balances from prior years
Adjusted totals based on (column 7 + column 8 + column 9)
++ FY21 Cost Share disbursements itemized between Chesapeake Bay and Outside the Bay