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COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

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August 15, 2024

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations Committee
Post Office Box 700
Portsmouth, Virginia 23705-0700

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 2024 Semi-Annual Agricultural Cost-Share and Administration/Technical Assistance Funding Allocations Report

Dear Senator Lucas 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 359 A.3. and A.4. of Chapter 2 of the 2024 Special Session 1:

3. 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 and Appropriations 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.

4. 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

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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 2024 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 2024)*.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 FY2024.

Included in this report, as it provides a more thorough picture of district payments, are administration and operations disbursements to districts for FY2024 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 2024*.² This document specifies the Board's process for allocating funding by the Department to the districts for administration and operations in FY2024.

The Conservation Reserve Enhancement Program (CREP) is a statewide partnership between the U.S. Department of Agriculture (Farm Service Agency and Natural Resources Conservation Service) and Virginia (the Department and the districts). CREP provides cost-share funding and other financial incentives to producers who implement certain practices, primarily riparian forest buffers, that improve Virginia's water quality and wildlife habitat. Currently, producers are eligible to receive 100% of the cost of installing approved practices, with 50% provided by their local district and 50% provided by the Farm Service Agency. The amount of funding disbursed to individual districts is provided in the table at the end of this report.

In December 2017, the Commonwealth of Virginia and the 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

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 2024)*", <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 2024*", <http://www.dcr.virginia.gov/laws-and-regulations/lr8a>.

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 Obligated Payment	State Amount Obligated	DuPont Funds Obligated	Technical Assistance Provided to Districts	Percentage of State Funds Obligated to Projects
Headwaters	\$5,795,948	\$3,054,323	\$2,741,625	\$345,817	53%
Lord Fairfax	\$407,727	\$22,042	\$385,685	\$43,384	5%
Shenandoah Valley	\$5,548,607	\$3,780,964	\$1,767,644	\$218,287	68%

Additionally, Virginia developed mitigation agreements for forest fragmentation from the 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 from the Atlantic Coast Pipeline project, and it is unlikely that any funds will be received from this project.

The MVP mitigation agreement provides \$3,850,000 in funding (\$3,435,740 available for practice implementation, \$298,760 for technical assistance for Districts, and \$115,500 for administrative support for the Virginia Association of Soil and Water Conservation Districts). Four districts have received 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 were executed with each participating district (Blue Ridge, Mountain Castles, Pittsylvania, and Skyline). The districts have worked with producers to determine the most effective and efficient best management practices for each agricultural operation. Three transfers of funds between districts have occurred in order to utilize these funds more effectively. Districts have obligated \$3.4 million from these funds.

District	MVP Funds Obligated
Blue Ridge	\$1,723,581
Mountain Castles	\$33,600
Pittsylvania	\$238,444
Skyline	\$1,435,611
Total	\$3,431,236

The Virginia Agricultural Best Management Practices Cost-Share Program is the keystone 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, additional cost-share and technical assistance will be necessary in the years ahead. DCR remains committed to working with our partners towards meeting Virginia's water quality goals.

Respectfully submitted,



Matthew S. Wells

cc: David Reynolds, Legislative Fiscal Analyst, House Appropriations Committee
 Kendra Shifflett, 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	FY24 Total Administration & Operations Assistance Budget^A	FY24 Total Administration & Operations Assistance Disbursements^A	FY24 Base Technical Assistance Budget+	FY24 Adjusted Technical Assistance Budget@	FY24 Revised Technical Assistance Budget%	FY24 Total Technical Assistance Disbursements %%	FY23 EOY Cost Share Balance*	FY24 Original Cost Share Allocation	FY24 Adjusted Cost Share Budget@	FY23 Revised Cost Share Budget#	FY24 Total Chesapeake Bay Cost Share Disbursements ++	FY24 Total OCB Cost Share Disbursements ++	FY24 Total RMP Operating Support Disbursements	FY24 Total CREP Disbursements
APPMATTOX RIVER	\$126,532.00	\$126,532.00	\$54,530.00	\$159,544.75	\$214,074.75	\$255,609.39		\$1,796,626.00	(\$93,404.16)	1,703,221.84	\$401,500.00	\$1,668,036.00		
BIG SANDY	\$175,690.00	\$175,690.00	\$24,000.00	\$2,629.74	\$26,629.74	\$26,171.00		\$23,181.00	\$4,897.26	\$28,078.26		\$23,181.00		
BIG WALKER	\$209,531.00	\$209,531.00	\$31,500.00	\$46,737.87	\$78,237.87	\$96,504.00	\$9,614.54	\$693,950.00	(\$195,000.00)	\$508,564.54		\$497,420.53		\$23,705.76
BLUE RIDGE	\$238,845.00	\$238,845.00	\$55,776.00	\$139,422.07	\$195,198.07	\$196,410.06		\$1,372,657.00	\$115,744.30	1,488,401.30		\$1,394,799.08		
CHOWAN BASIN	\$172,887.00	\$172,887.00	\$105,935.00	\$859,819.33	\$965,754.33	\$948,987.00	\$75,000.00	\$9,000,000.00	\$179,000.00	\$9,254,000.00		\$9,075,000.00		
CLINCH VALLEY	\$166,528.00	\$166,528.00	\$68,443.00	\$60,047.00	\$128,490.00	\$128,490.00		\$641,034.00		\$641,034.00		\$641,034.00		
COLONIAL	\$208,840.00	\$208,840.00	\$110,282.00	\$150,793.99	\$261,075.99	\$299,201.75		\$2,689,088.00	(\$1,079,284.20)	\$1,609,803.80	\$1,627,294.00			
CULPEPER	\$488,653.00	\$488,653.00	\$365,416.00	\$655,707.00	\$1,021,123.00	\$1,021,123.00	\$2,910,567.78	\$7,000,000.00		9,910,567.78	\$6,800,000.00		\$645.00	
DANIEL BOONE	\$196,409.00	\$196,409.00	\$88,402.00	\$212,998.00	\$301,400.00	\$301,400.00	\$16,182.23	\$2,273,857.00		\$2,290,039.23		\$2,206,266.94		
EASTERN SHORE	\$196,040.00	\$196,040.00	\$88,652.00	\$470,526.00	\$559,178.00	\$559,178.00		\$3,897,579.00	\$811,000.00	\$4,708,579.00	\$2,772,088.00	\$1,936,491.00		
EVERGREEN	\$119,103.00	\$119,103.00	\$71,662.00	\$31,221.00	\$102,883.00	\$102,883.00		\$333,298.00		\$333,298.00		\$323,553.34		
HALIFAX	\$128,680.00	\$128,680.00	\$104,500.00	\$116,718.00	\$221,218.00	\$221,218.00		\$1,246,021.00		\$1,246,021.00		\$1,168,362.47		
HANOVER-CAROLINE	\$327,366.00	\$327,366.00	\$138,826.00	\$486,660.85	\$625,486.85	\$625,486.85		\$5,189,089.00	\$4,514.24	\$5,193,603.24	\$5,193,603.24		\$10,717.53	
HEADWATERS	\$473,590.00	\$473,590.00	\$185,862.00	\$310,991.74	\$496,853.74	\$560,551.60	\$1,657,386.66	\$5,000,000.00	(\$1,680,006.67)	4,977,379.99	\$2,934,884.67			
HENRICOPOLIS	\$186,492.00	\$186,492.00	\$49,444.00	\$67,972.00	\$117,416.00	\$117,416.00		\$725,638.00		\$725,638.00	\$519,476.10			
HOLSTON RIVER	\$152,323.00	\$152,323.00	\$115,260.00	\$128,347.21	\$243,607.21	\$243,607.21	\$1,300.75	\$774,023.00	\$429,555.40	\$1,204,879.15		\$1,203,578.40		
JAMES RIVER	\$155,600.00	\$155,600.00	\$31,500.00	\$111,173.49	\$142,673.49	\$158,452.61		\$1,705,281	(\$518,449.78)	\$1,186,831.22	\$564,000.00	\$604,000.00	\$4,371.00	
JOHN MARSHALL	\$228,030.00	\$228,030.00	\$163,800.00	\$448,694.00	\$612,494.00	\$612,494.00	\$1,433,899.13	\$4,790,033.00		\$6,223,932.13	\$5,140,033.00			
LAKE COUNTRY	\$192,331.00	\$192,331.00	\$146,633.00	\$212,098.00	\$358,731.00	\$358,731.00		\$2,264,258.00		\$2,264,258.00		\$2,264,258.00		
LONESOME PINE	\$144,610.00	\$144,610.00	\$47,250.00	\$27,782.00	\$75,032.00	\$75,032.00		\$296,589.00		\$296,589.00		\$287,482.20		
LORD FAIRFAX	\$324,810.00	\$324,810.00	\$173,048.00	\$515,198.00	\$688,246.00	\$688,246.00	\$985,929.76	\$5,500,000.00		\$6,485,929.76	\$3,969,702.99			
LOUDOUN	\$119,590.00	\$119,590.00	\$168,000.00	\$242,811.00	\$410,811.00	\$410,811.00	\$249,859.52	\$2,592,126.00		\$2,841,985.52	\$2,412,126.00			
MONACAN	\$182,032.00	\$182,032.00	\$121,440.00	\$108,137.16	\$229,577.16	\$301,131.00		\$1,918,295.00	(\$763,874.49)	\$1,154,420.51	\$1,091,500.00			
MOUNTAIN	\$150,700.00	\$150,700.00	\$39,600.00	\$250,860.00	\$290,460.00	\$290,460.00	\$2,510,829.09	\$2,678,055.00		\$5,188,884.09	\$3,851,660.37			\$2,730.84
MOUNTAIN CASTLES	\$147,820.00	\$147,820.00	\$38,640.00	\$96,733.71	\$135,373.71	\$207,199.00		\$1,799,450.00	(\$766,770.16)	\$1,032,679.84	\$748,650.57	\$212,678.64		\$24,813.55
NATURAL BRIDGE	\$189,408.00	\$189,408.00	\$64,000.00	\$97,831.87	\$161,831.87	\$256,689.00	\$892,010.43	\$2,057,055.00	(\$1,012,649.10)	\$1,936,416.33	\$1,782,231.72			
NEW RIVER	\$216,206.00	\$216,206.00	\$45,000.00	\$174,982.81	\$219,982.81	\$172,607.58	\$396,139.45	\$996,763.00	\$789,337.09	2,182,239.54		\$1,657,563.10		\$162,867.85

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	FY24 Total Administration & Operations Assistance Budget [^]	FY24 Total Administration & Operations Assistance Disbursements [^]	FY24 Base Technical Assistance Budget ⁺	FY24 Adjusted Technical Assistance Budget [@]	FY24 Revised Technical Assistance Budget [%]	FY24 Total Technical Assistance Disbursements [%]	FY23 EOY Cost Share Balance [*]	FY24 Original Cost Share Allocation	FY24 Adjusted Cost Share Budget [@]	FY23 Revised Cost Share Budget [#]	FY24 Total Chesapeake Bay Cost Share Disbursements ⁺⁺	FY24 Total OCB Cost Share Disbursements ⁺⁺	FY24 Total RMP Operating Support Disbursements	FY24 Total CREP Disbursements
NORTHERN NECK	\$270,475.00	\$270,475.00	\$130,240.00	\$647,347.00	\$777,587.00	\$777,587.00		\$6,189,089.00		\$6,189,089.00	\$6,709,089.00		\$37,628.56	
NORTHERN VIRGINIA	\$277,061.00	\$277,061.00	\$12,020.00	\$1,383.48	\$13,403.48	\$13,403.48		\$85,109.00	(\$70,339.00)	\$14,770.00	\$14,770.00			
PATRICK	\$116,235.00	\$116,235.00	\$74,514.00	\$41,811.00	\$116,325.00	\$116,325.00	\$2,136.68	\$446,354.00		\$448,490.68		\$291,512.20		\$72,627.50
PEAKS OF OTTER	\$124,050.00	\$124,050.00	\$40,320.00	\$67,050.67	\$107,370.67	\$135,090.00	\$53,367.11	\$1,011,716.00	(\$295,917.40)	\$769,165.71	\$37,624.00	\$717,489.88	\$7,047.33	\$359,406.17
PEANUT	\$148,098.00	\$148,098.00	\$134,064.00	\$1,199,054.15	\$1,333,118.15	\$1,333,118.15		\$8,471,862.00	\$3,119,033.00	\$11,590,895.00	\$4,661,820.00	\$6,929,075.00		
PETER FRANCISCO	\$232,943.00	\$232,943.00	\$73,307.00	\$220,694.00	\$294,001.00	\$294,001.00		\$2,356,020.00		\$2,356,020.00	\$2,273,326.20			
PIEDMONT	\$279,888.00	\$279,888.00	\$80,520.00	\$215,440.92	\$295,960.92	\$357,457.00		\$2,956,438.00	(\$656,500.79)	\$2,299,937.21	\$2,049,036.31	\$227,998.50	\$600.00	\$31,780.00
PITTSYLVANIA	\$173,368.00	\$173,368.00	\$148,200.00	\$92,509.71	\$240,709.71	\$302,665.66		\$2,000,000.00	(\$1,012,413.35)	\$987,586.65		\$1,007,533.48		
PRINCE WILLIAM	\$182,830.00	\$182,830.00	\$39,686.00	\$28,101.61	\$67,787.61	\$86,233.50		\$993,840.00	(\$693,840.00)	\$300,000.00	\$268,840.00			
ROBERT E. LEE	\$224,675.00	\$224,675.00	\$68,842.00	\$247,958.53	\$316,800.53	\$355,535.00	\$1,549,967.56	\$2,847,084.00	(\$2,000,000.00)	\$2,397,051.56	\$350,814.41	\$800,209.93		
SCOTT COUNTY	\$202,149.00	\$202,149.00	\$67,500.00	\$115,355.88	\$182,855.88	\$145,480.00		\$832,478.00	\$399,006.25	\$1,231,484.25		\$832,478.00		
SHENANDOAH VALLEY	\$458,718.00	\$458,718.00	\$225,948.00	\$360,638.91	\$586,586.91	\$648,146.78	\$1,885,772.76	\$4,500,000.00	(\$650,000.00)	5,735,772.76	\$3,836,549.10			
SKYLINE	\$169,825.00	\$169,825.00	\$111,600.00	\$135,880.12	\$247,480.12	\$247,480.12		\$1,493,144.00	(\$42,552.00)	\$1,450,592.00	\$261,925.62	\$1,383,503.84		\$140,562.50
SOUTHSIDE	\$176,695.00	\$176,695.00	\$73,649.00	\$134,623.62	\$208,272.62	\$196,593.20		\$1,502,819.00	(\$65,647.45)	\$1,437,171.55		\$1,312,488.00		
TAZEWELL	\$174,208.00	\$174,208.00	\$54,096.00	\$44,641.00	\$98,737.00	\$98,737.00		\$476,567.00		\$476,567.00		\$476,567.00		
THOMAS JEFFERSON	\$495,920.00	\$495,920.00	\$178,157.00	\$514,441.00	\$692,598.00	\$692,598.00	\$1,811,030.86	\$5,491,913.00		\$7,302,943.86	\$5,641,913.00		\$1,107.00	
THREE RIVERS	\$256,248.00	\$256,248.00	\$103,450.00	\$720,158.48	\$823,608.48	\$823,608.48		\$6,189,089.00	\$1,080,088.34	\$7,269,177.34	\$7,269,177.34		\$28,193.91	
TIDEWATER	\$224,528.00	\$224,528.00	\$61,056.00	\$180,361.90	\$241,417.90	\$320,230.50		\$3,689,089.00	(\$1,763,636.00)	\$1,925,453.00	\$3,689,089.00			
TRI-COUNTY/CITY	\$212,980.00	\$212,980.00	\$130,000.00	\$93,836.08	\$223,836.08	\$295,519.00	\$42,103.97	\$2,355,995.00	(\$1,354,248.94)	\$1,043,850.03	\$1,043,850.03			
VIRGINIA DARE	\$257,551.00	\$257,551.00	\$43,033.00	\$134,049.49	\$177,082.49	\$179,556.00		\$1,457,449.00	(\$26,406.78)	\$1,431,042.22	\$113,308.40	\$1,305,144.00		
Totals	\$10,277,091.00	\$10,277,091.00	\$4,547,603.00	\$11,381,776.14	\$15,929,379.14	\$16,635,454.92	\$16,483,098.28	\$124,600,001.00	(\$7,808,764.39)	\$133,274,334.89	\$78,029,883.07	\$40,447,704.53	\$90,310.33	\$818,494.17

[^] Includes operations and administration plus dam maintenance budgets

⁺ FY24 Base technical assistance established by the Soil and Water Conservation Board

[@] Includes additional FY24 funds made through Board allocations, voluntary transfers, special funding for the implementation of pilot projects, and supplemental federal grants.

[%] Adjusted totals based on Column 4

^{%%} Total reflects total disbursements; it does not reflect transfers or return of funds to the Department

^{*} Includes approved carryover balances from prior years

[#] Adjusted totals based on (column 7 + column 8 + column 9)

⁺⁺ FY24 Cost Share disbursements itemized between Chesapeake Bay and Outside the Bay