

**2013 Summer Study
Stakeholder Advisory Group
Thursday, May 30, 2013
DEQ Piedmont Regional Office
Glen Allen, Virginia**

Stakeholder Advisory Group (SAG) Members Present

Wade Biddix, Natural Resource Conservation Service (NRCS)
Kathie Clarke, Northern Neck Soil and Water Conservation District (SWCD)
Megan Dalton, Shenandoah Valley SWCD
James Davis-Martin, Department of Conservation and Recreation (DCR)
Elizabeth Dellinger, Shenandoah SWCD
Carmie Duer, Eastern Shore SWCD
Herb Dunford, Virginia Soil and Water Conservation Board
Deana Fehrer, Piedmont SWCD
Jack Frye, Chesapeake Bay Commission
Travis Hill, Deputy Secretary of Agriculture and Forestry
Jerry Ingle, Virginia Soil and Water Conservation Board
Ann Jennings, Chesapeake Bay Foundation
David A. Johnson, DCR
Darrell Marshall, VDACS
Anthony Moore, Deputy Secretary of Natural Resources
Martha Moore, Virginia Farm Bureau Federation
Kendall Tyree, Virginia Association of Soil and Water Conservation Districts (VASWCD)
Alyson Sappington, Thomas Jefferson SWCD
Bill Street, James River Association
Paul Van Lenten, House Appropriations Committee Staff
LuAnn Wallace, VASWCD
Don Wells, VASWCD
Chad Wentz, NRCS

Agency Staff Present

James Davis-Martin, DCR
David C. Dowling, DCR
Michael Fletcher, DCR
Darryl Glover, DCR
Stephanie Martin, DCR
Angela Nielen, Department of Environmental Quality (DEQ)
Michelle Vucci, DCR
Rick Weeks, DCR

Others Present

Jacob Powell, Virginia Conservation Network
Toni Walker, Department of Planning and Budget (DPB)
Greg Wilchels, Culpeper SWCD

Call to Order and Introductions

Mr. Weeks called the meeting to order and thanked members for their participation. He said that the format would be for the entire group to meet together and then break into the three subcommittees to discuss specific measures. Mr. Weeks said that Ms. Nielen would be facilitating the meeting.

Ms. Nielen asked members and guests to introduce themselves.

Ms. Nielen said that it would be important that everyone be able to voice their views. She said that staff had attempted to give each member their first choice of subcommittee assignments.

Ms. Moore asked how issues for subcommittees would be determined.

Ms. Nielen said that would be decided through a scoping exercise for the entire committee.

Ms. Jennings asked if it would be permissible to attend another subcommittee meeting if it did not conflict with the assigned committee.

Mr. Weeks said that the meetings were public meetings and as such were open meetings.

Ms. Nielen said that the subcommittees would plan their individual meeting schedules between this meeting and the July 19, 2013 meeting of the SAG.

Overview of 2013 SAG Charge

Ms. Nielen introduced Deputy Secretary Anthony Moore who gave an overview of the 2013 SAG Charge.

Mr. Moore thanked members for participating. He noted that in both the 2012 and 2103 General Assembly Sessions, language was included that formed this group and called for recommendations regarding:

- i. The historical distribution of funding for administration and operations, a projection of future funding needs and any recommended changes to distribution of these funds
- ii. The historical distribution of funding for technical assistance, a projection of the future funding and staffing needs
- iii. Operational and technical assistance needs in relation to the amount of Cost-Share dollars allocated to the districts
- iv. The process, timing and methodology for distribution of Cost-Share funds

Mr. Moore said that the 2013 General Assembly retained this language and called on the Secretary of Natural Resources to continue the work of the stakeholder group. He said that this year's group would focus on the following.

- i. Cost Reduction and Efficiency Improvement Strategies – The goal of this effort is to recommend strategies that will improve the efficiency of Cost-share program delivery, thereby reducing the costs of achieving the Commonwealth's water quality goals.
- ii. District and Programmatic Performance Measures and Standards – The goal of which is to identify specific measures and standards for districts to aid in evaluating the delivery of

Virginia's Cost-share program. To the extent possible, the recommendations should include suggestions for how to correct for under performance, and reward over performance.

- iii. Process for Distribution of Cost-Share Implementation Funds to Districts – The goal of this effort is to recommend changes to the current process for distributing Cost-share funds among the 47 soil and water conservation districts, to better align these allocations with state water quality goals and commitments.

Mr. Moore said that there would be separate work groups to report back to the full group with recommendations. He said that the timing was short and that the hope was to accomplish as much as possible within that time frame.

Mr. Moore asked if there were any questions.

Ms. Jennings asked if an efficiency was related to specific cost share practice dollars.

Mr. Moore said the concept was to look at ways to improve the entire process.

Mr. Frye asked about the process for the subcommittee meetings. He asked if subcommittees would be structured at different times in the event there was an overlap of discussion.

Mr. Weeks said that the work of the SAG was to be completed in a compressed time frame. He said that Mr. Frye's request would be accommodated to the extent practical, but that each subcommittee would work out their own schedule. He said that there may be some overlap but cautioned that the benefit of a subcommittee may be lost if the entire committee showed up for subcommittee discussions.

Mr. Weeks said that when possible, some of the work of the subcommittee would be done by conference call. He noted that in those cases there would still be a public location. He said that staff hoped to limit excessive travel.

Mr. Wells asked about the time frame for the committee work.

Mr. Moore said that the report was due to the Governor and the General Assembly on October 1, 2013. He said that the group and staff had basically two months to assemble and review the report.

Ms. Nielen said that the committee would be building on the previous year's work.

Ms. Jennings said that in 2012 the group looked at the needs assessment as an ongoing reassessment. She said that she did not see that in discussions for this group and asked how that would be addressed.

Mr. Moore said that there would be another needs assessment study outside of this process.

Ms. Jennings asked if there would be opportunity for stakeholder participation.

Mr. Moore said that the needs assessment group had not been developed but that there would be opportunities for public participation.

Ms. Moore asked if the distribution of the cost-share fund was really focused on technical assistance.

Mr. Davis-Martin said that the focus was on the allocation of cost-share funding among districts. He said that technical assistance and operations had been dealt with in the 2012 study.

Review and Status Update of 2012 Study Action Items

Mr. Davis-Martin reviewed the 2012 Summer Study Work List.

Recommendation: Modify Appropriation Act language to include three service areas for District Funding:

- District Technical Assistance
- District Financial Assistance
- Cost-Share Program Funding

Mr. Davis-Martin said that the budget language for Fiscal Year 2014 included service areas as follows:

- District Financial Assistance – 50320
- District Technical Assistance – 50322
- Cost-Share Program Funding – 50323

Recommendation: 2014 State Funding Recommendations

Mr. Davis-Martin said that this had been considered. He noted that overall funding levels were lower than recommended by the 2012 SAG, but higher than previous years.

Mr. Street asked if the summary of funding presented to the Virginia Soil and Water Conservation Board showed the history of what had been appropriated.

Mr. Dowling said that the summary was developed to guide the expenditures for the current year.

Mr. Street asked if an updated table could be provided for reference.

Mr. Davis-Martin said that discussion may be more appropriate for the needs assessment study.

Recommendation: Initiate use of District budget forecasting for operations and technical assistance to inform FY2015-16 Biennial budget. Budget submissions to DCR by July 15, 2013 (June 15th in subsequent years).

Mr. Davis-Martin said that this was underway. He noted the progress:

- 2014 Grant Agreement modified
- Guidance and template distributed to Districts
- User training scheduled
 - 5/22/13 @ 2 pm
 - 5/27/13 @ 9 am
 - 6/19/13 @ VASWCD Training
- Peer review process defined

Recommendation: Identify solution to expanding demand for engineering support to Districts.

Mr. Davis-Martin said that this was underway. He noted:

- Survey to quantify engineering backlog
- Up to \$125,000 approved for additional engineering support in 2014

Mr. Davis-Martin said that the survey of the districts had been to quantify the need. He said that the specific recommendation was to include funding for one engineer per SWCD area.

Ms. Dalton noted that engineering needs were not consistent across the state. She said that she would caution against saying the same level of support was needed statewide.

Mr. Van Lenten said that there was already money in the budget that was used for the contract with NRCS.

Mr. Davis-Martin said that the contractual agreement with NRCS was to support the engineering demand. He said that the demand had increased, but that the contract had not.

Recommendation: Identify solution for information technology at Districts.

Mr. Davis-Martin said that this was underway. He noted that \$300,000 in additional funding had been provided for IT procurement in 2013.

Mr. Davis-Martin noted that the Association had presented the IT challenges of districts at a meeting of the 2012 study group.

Mr. Wells noted that while the districts appreciated the \$300,000 that the actual need was at \$900,000.

Ms. Moore asked how the funds were being distributed to districts.

Ms. Tyree said that the money came to the Association to use for hardware, software and training. She said that half of the funds had been distributed to districts for hardware upgrades.

Recommendation: 2014 Ag BMP Cost-Share dollars should be allocated to districts using the same methodology utilized in 2013.

Mr. Davis-Martin said that this was under consideration. He said that the final allocations would be presented to the Soil and Water Conservation Board at the June 6, 2013 meeting.

Recommendation: Develop an internal training and certification program for District staff to replace or augment the current NRCS Conservation Planning Certification training agreement. This initiative overlaps with work for RMP conservation planner certification.

Mr. Davis-Martin said that this was under consideration. He said the alternatives analysis is being developed for consideration in 2015-2016 budget process.

Ms. Jennings said that this would suggest that the training is under the 2015-2016 budget but the Resource Management Plan (RMP) regulations go into effect in December of 2014.

Mr. Davis-Martin said that the RMP regulations currently allow for plan developers to qualify with NRCS certification or with adequate education and experience in the same areas of study.

Mr. Davis-Martin said that the following recommendations were pending:

Recommendation: Commit the entirety of the Recordation Fee to the VNRCF to add an estimated \$9.1M of stable funding for the Agricultural Cost-Share program.

Recommendation: Consider changes to recordation fees to allow for expanded use of this stable funding source to pay district TA beyond the authorized 8%.

Recommendation: Identify alternative mechanisms to provide sufficient stable, predictable funding for the Cost-Share program, technical assistance and essential district operations.

Recommendation: Continue work refining Technical Assistance and Essential Operations

- Assumption of 8% of cost-share funds as the technical assistance need
- Impact of RMP regulations

Mr. Davis-Martin said that the following recommendations were topics for the 2013 Summer Study:

Recommendation: Develop District performance measures and standards.

Recommendation: Consider alternative approach to distribution of District funds that better aligns with TMDL implementation needs for use in FY 2015 program year.

Recommendation: Study cost reduction and efficiency improvement strategies to include an evaluation of:

- District boundaries
- Develop Regional Workforce
- District funding alternatives for purchasing vehicles
 - Master Equipment Lease Program (MELP)
 - Virginia Resources Authority (VRA)

Ms. Jennings asked if the 2012 study also looked at operations and technical assistance needs with regard to the voluntary BMP tracking program.

Ms. Martin said that was a pilot project. She said the Agriculture BMP tracking program was modified to allow all 47 districts to gather voluntary BMPs.

Mr. Davis-Martin said that the RMP development was being considered as the mechanism to gather BMP information on farms.

Mr. Moore said that the concern is that data was not being collected on voluntary practices. He said that was very important in terms of getting appropriate credit.

Mr. Johnson said that DCR had been attempting for several years to obtain that information from the Farm Service Agency (FSA). DCR has also asked EPA for assistance. He noted that this information is collected as part of the FSA crop insurance program.

Mr. Van Lenten said that part of the problem was that the FSA could not share how much was actually spent on the Conservation Resource Enhancement Program (CREP).

Ms. Jennings said that the 2012 report had suggested a continued look for stable funding sources.

Mr. Moore said that the first task was to develop an efficient process. He said that there would be several opportunities to discuss funding needs.

Mr. Street said that every year the funding needs were not met the problems were compounded.

Ms. Nielen said that the real work of the group would happen in subcommittees. She said that the group should take the opportunity to discuss the tasks and delegate them to the appropriate subcommittees.

Ms. Nielen led a discussion of the issues to be assigned to each subcommittee.

Mr. Dunford noted that he would like to see one Soil and Water Conservation Board member on each subcommittee.

Mr. Moore noted that subcommittee assignments were made based on member interests.

Cost Reduction and Efficiency Improvement Strategies

Mr. Davis-Martin and Mr. Dowling will staff this subcommittee.

Issues considered for this subcommittee were:

- District boundaries
- How various practices and procedures are administered
- Is there too much effort spent on administration of a practice vs. trying to put more BMPs on the ground
- Clarify what state funding is supposed to cover. What does the 8% cover
- Is there a different way to do overall marketing
- NRCS relationships with districts and planning
- State/federal coordination
- Other efficiencies in overall costs

District and Programmatic Performance Measures and Standards

Mr. Glover and Ms. Vucci will serve as staff for this committee.

- What is the expectation for the 8%
- Measurement of effort outside of the cost-share money
- Conservation vs. program dollars. What is best for the land, not where the money is coming from?

- Performance measures for districts and programs related to market saturation.
- When is a practice reportable

Process for Distribution of Cost-share Implementation Funds

- BMP task force priorities
- Should the Hydrologic Unit Code (HUC) continued to be used or is there a better system.
- Should bacterial impairments be part of the formula
- Can more be accomplished working with larger farms
- Cost reduction and how to get more practices on the ground
- Cost share percentage distribution
- What fits one district will not fit all

At this time the larger committee recessed for subcommittee meetings. It was decided the group would reconvene at 2:00 and that subcommittees would break for lunch on their own schedule.

At 2:00 p.m. the larger group reconvened for reports from the subcommittees.

Ms. Neilen called on subcommittees to report.

Distribution of Cost-Share

Mr. Weeks said that the subcommittee spent time discussing the current method for allocating funds. He said that the general consensus was that the process was working.

Mr. Weeks said that the subcommittee wanted to see if there was a match allocation to the Watershed Implementation Plan (WIP) and to determine whether there was a way to compare the performance between the WIP and cost-share.

Mr. Weeks said there was considerable discussion of voluntary practices.

Mr. Weeks said that the subcommittee discussed working with large farms and whether caps should be according to practice or according to the size of the farm.

Mr. Weeks said the subcommittee discussed cost share and whether there was overlap with technical assistance.

Mr. Weeks said that the subcommittee had not yet determined the date of their next meeting.

Performance Measures

Mr. Glover said the committee looked at the draft work plan schedule. The committee will meet again on Monday, June 10 and on July 8.

Mr. Glover said that the committee began a review of attachments A and C of the Operations and Administration Agreement. He said the committee grouped issues according to the existing measure or deferred some issues to the cost-share discussion.

Mr. Glover said that the subcommittee felt that the scoring criteria are not clear. He said that in some cases the actual performance measures are also not clear.

Efficiency Improvement

Mr. Davis-Martin said that the subcommittee discussed regional coordination as well as budget implications.

Mr. Davis-Martin said that the subcommittee discussed the ability to share best practices. He said that one idea was to facilitate a skilled data base for district employees. (Is this a skilled database of a “skill” database?)

Mr. Davis-Martin said that the committee discussed state and federal coordination. He said that the committee did not have the opportunity to discuss the gap analysis. (Just a question: What is the gap analysis? Maybe James could answer.)

Mr. Davis-Martin said that the subcommittee spent considerable time discussing engineering capacities. He said that with regard to general cost reduction the subcommittee discussed various procurement practices.

Next Meeting

The next meeting of the full SAG is scheduled for July 19, 2013.