

The Virginia Agricultural BMP Cost-Share Program



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Training Overview

- VACS Program Guidelines
- Top VACS Practices
- CREP



Credit: NRCS VA

Special thanks to Stacy Horton and Gary Moore for much of the content of this presentation, which has been updated to be consistent with the FY2020 VACS Manual.

VACS: A Partnership

Partnership between SWCDs and DCR per Code of Virginia §10.1-104.1(B)

The Department shall be assisted in performing its nonpoint source pollution management responsibilities by Virginia's soil and water conservation districts. Assistance by the soil and water conservation districts in the delivery of local programs and services may include (i) the provision of technical assistance to advance adoption of conservation management services, (ii) delivery of educational initiatives targeted at youth and adult groups to further awareness and understanding of water quality issues and solutions, and (iii) promotion of incentives to encourage voluntary actions by landowners and land managers in order to minimize nonpoint source pollution contributions to state waters.

Program History

- In 1983, Ken Carter, a Loudoun County District Conservationist for SCS (now NRCS) was contracted by the Virginia Department of Conservation and Historic Resources (now DCR) to develop a cost-share program based on SCS Best Management Practices

Program History

- DCR BMPs were coded by category:
 - FR = Forestry
 - SL = Soil Loss
 - WP = Water Protection
 - WQ = Water Quality
- First state BMP was WQ-1, Grass Filter Strip, at \$0.10/ft in 1984
- Only funded in Chesapeake Bay and Chowan Basin



A grass filter strip functions as a conservation buffer along a small stream. Photo by Lynn Betts, NRCS.

Credit: agriflifeextension.tamu.edu

Program History

- Expanded to all SWCDs in 1984 with 14 different BMPs
- Funding levels have gone up and down through time, but the long-term trend has been upwards:
 - 1987 = ~\$1,280,000
 - 2020 = ~\$73,757,699
 - After Earmarks, ~\$61,218,849 in C-S & TA

Purpose of the Program

- Water quality improvement program
 - Not SWAPA+HE from our NRCS partners
- Meant to reduce nutrient, sediment and bacterial contamination of Virginia's waterways
- Funded by the taxpayers of Virginia
- Collectively, our goal is to maximize nutrient and sediment reductions while protecting the taxpayer's interest by implementing the most cost-effective BMPs possible in locations that achieve the greatest pollution reductions on a field by field basis.
- "Least cost, technically feasible"

Key VACS Funding Sources

- Water Quality Improvement Fund (WQIF)
 - 10% State Surplus Funds or Appropriations Act
- Virginia Natural Resources Commitment Fund (VNRCF)
 - Subfund of WQIF established in 2008
 - Where VACS dollars are placed for Cost-Share & TA after earmarks and reserve deposit are taken out of WQIF
- Real Estate Recordation Fees (2010)
 - Funds deposited into VNRCF
- Each year's funding comes from WQIP Surplus Deposit to VNRCF or WQIF Reserve, plus Recordation Fee

Review Questions – Set #1

- What was the first VACS practice?
- What is the key resource concern that VACS addresses?
- The General Assembly appropriates dollars to be deposited into which fund?
- Which Fee is used to help fund VACS?

Funding Admin and Distribution

- Administered via an annual grant agreement between the SWCD and DCR
- Grant agreement specifies deliverables in exchange for funds
- Allocations to SWCDs determined by the hydrologic unit ranking process
 - Watersheds Ranked: 20% High, 30% Medium, 50% Low
 - Funding Distribution: 50% to High, 30% to Medium, 20% to Low
 - The High, Medium and Low acreage in a SWCD as compared to that of the total drainage basin helps determine the funding distribution to each SWCD

Participant Recruitment Options

- Hold an advertised sign up period
 - Applications would be ranked at the close of the application period and approved for funding according to ranking
- Have a rolling sign up
 - Applications are taken throughout the year and brought before the Board for approval as funding allows
- Use a combination of the two methods if funding allows
 - Hold a sign up period and approve applications for funding
 - Continue to take applications and approve for funding until funds are depleted
- Continue to take applications after funding is all obligated
 - Have applications on hand in the event of cancellations of approved projects
 - Roll applications over to the next program year
 - Helps DCR to identify future funding needs

Determining Eligibility

- Definition of Ag Land:
 - Land used in a bona fide program of agricultural management and engaged in production of agricultural, horticultural or forest products for market;
 - Minimum of 5 contiguous acres;
 - Must be verifiable gross receipts in excess of \$1,000 per year from the production or sale of agricultural, horticultural or forest products produced on the applicant's agricultural land for each of the past 5 years.
- SWCD can request financial records to show proof of ag production.

Determining Eligibility

- Eligibility is tied to the land, not to the participant.
- To try and determine eligibility where a participant recently purchased land:
 - Check with county land use records;
 - Check with FSA to see if there are any production records for the previous owner;
 - Check to see if the previous owner participated in the VACS program in the past 5 years.
- Land owned by municipalities or state or federal government agencies is not eligible to receive cost-share or tax credit.

Land Falling Outside of SWCD Boundaries

- Land Crossing State Borders
 - Field is only eligible if a portion of the field being treated lies within the Commonwealth of VA; entire fields outside of the Commonwealth are not eligible
- Land Crossing County/ SWCD Borders
 - For the field being treated, the District having the largest amount of acreage within its boundaries should administer the program
 - Use county boundary layer in Ag BMP tracking program to determine which SWCD should administer the program

Signing Up a Participant

- Self-Certification Form: Optional but Strongly Suggested (see Glossary)
- W-9 Form: Required (Ag BMP Tracking Program)
- Contract Part I: Required (Ag BMP Tracking Program)
 - Ensure that:
 - Each blank at the top of the form is completed;
 - A box is checked regarding application for cost-share at another SWCD;
 - Form is signed and dated;
 - Personal information matches that provided on the W-9 Form;
 - The participant reads and understands of the language on Part I
- Ensure that the participant understands that cost-share funding is considered to be income (i.e. tax implications), but the District should NOT give tax advice

Farm Bill Compliance

- If the SWCD is notified by USDA that an applicant is in violation of any Farm Bill conservation provision, then the applicant is not eligible to receive cost-share funds.
 - If application has been received but not approved for funding, application is pulled.
 - If application has been received and approved for funding, approval of application is pulled.
 - In both situations, applicant is notified that he/ she is ineligible to participate as a result of being out of compliance with USDA.
 - Applicant can reapply once back in compliance with USDA.
 - As an alternative, farmers can participate in tax credit program regardless of USDA compliance

State Env'tal Law Compliance

- Eligible:
 - Problems identified as part of a founded Agricultural Stewardship Act (ASA) complaint if applicant is implementing an ASA plan to correct the problem
 - Problems identified as possibly being in violation of state environmental law or regulation as long as the participant is working with DEQ to come into compliance with state requirements or if the participant has independently identified needed actions.

State Env'tal Law Compliance

- Ineligible:
 - Problems identified as part of a founded ASA complaint where the Commissioner of Agriculture has issued a corrective order as a result of not implementing an approved ASA plan.
 - Problems identified as being in violation of a state environmental law or regulation if the applicant has received an enforcement order from DEQ, unless cost-share assistance was requested to correct the problem prior to commencement of the enforcement action.

Review Questions – Set #2

- What are the three critical VACS eligibility requirements?
- Is eligibility tied to land or participant?
- What happens when a field crosses District boundaries?
- What tax advice should the District give to participants?

Priority Considerations

- An application must meet one of the following criteria in order to be eligible for funding:
 - Field located in the highest ranking hydrologic unit
 - Field located within or upstream of an impaired stream segment
 - Field meets 1/3 HEL (highly erodible land) criteria
 - Application will implement a BMP within an approved Resource Management Plan
- Exceptions to the above criteria include:
 - Animal waste practices
 - Practices to protect groundwater, prevent gully erosion or critical areas (see Manual Page II-8)

Secondary Considerations

- Secondary considerations are developed and used by SWCDs to prioritize applications that address locally identified water quality concerns.
- Consist of a set of written narrative statements and is accompanied by a ranking worksheet.
 - The ranking worksheet assigns numerical values to the criteria in the secondary considerations document so applications can be ranked against each other.
- Specific practices cannot be prioritized for funding.
- SWCD must use CEF in the application ranking process.
- Must be approved by the SWCD Board and by DCR prior to July 1 and must remain in place throughout the entire program year; changes cannot be made during the year.

The Conservation Efficiency Factor (CEF)

- Calculated by the Ag BMP Tracking Program
- Composed of eleven different components
- Each component carries a different weight
- Good for comparing like practices
- Can also be used as part of secondary considerations and the ranking worksheet to rank practices that are not similar
 - Prioritize the project with the lower CEF value (lower CEF = higher conservation efficiency)

Average Cost List

- Each SWCD should annually develop an average cost list for BMP components. This is done prior to approval of first application of the fiscal year and provides the basis for estimates.
- SWCD can use the NRCS Average Cost List and make modifications so that it is more applicable locally.
 - Note: The NRCS Average Cost List is typically released around October 1 of each year. If the SWCD elects to use/ modify it, then the SWCD cannot change its cost list during the fiscal year to match the new NRCS cost list.
- Can use an abbreviated average cost list to include components for commonly used practices, but must have a contingency plan for handling costs for components not included on the list. This may be a statement at the bottom of the average cost list that notes that the SWCD will use the NRCS Average Cost List for unlisted components.

Engineering Job Approval Authority

- DCR Agricultural BMP Engineering Services Staff issue EJAA for each NRCS component
- 3 Categories of EJAA
 - I&E (Investigation & Evaluation): On site observations of an exploratory nature for planning and preparation of sound alternative solutions of sufficient intensity for the cooperators to make treatment decisions. May require assistance from higher levels for large or complex jobs.
 - Asks the question: “What is the best practice to use to solve the problem?”

Engineering Job Approval Authority

- 3 Categories of EJAA (continued)
 - Design: Designing and checking all aspects of the supporting data, drawings, and specifications to ensure that the planned practice will meet the purpose for which it is installed. Also includes setting any specific inspection requirements. Approval signature is required.
 - Construction: Surveys, layout, staking, inspection of materials and work, making tests to determine that the job meets specifications. Approval signature is required.

Methods for Acquiring a Design

- Structural Ag BMPs require engineering (See Manual II-23-25)
- Methods for acquiring an engineered design for a BMP:
 - Contact a P.E.
 - Required for some BMPs such as animal waste structures, composters, mortality incinerators and streambank stabilization practices
 - SWCD Staff
 - Can earn competency and then engineering job approval authority for BMP components
 - Can design and certify practices once they have achieved EJAA for needed components
 - DCR Ag BMP Engineering Services Staff
 - When SWCD staff do not have any EJAA or lack a sufficient EJAA level for a specific component, they can contact DCR to get assistance in performing I&E and for designing and certifying practices

Funding Caps

- Participant caps have been raised to \$100,000 per participant per year
- RMP-1 and RMP-2 do not effect this cap
- However, lower practice caps are still in place for some practices:
 - \$50,000 per participant per year for SL-7, WP-4C, WP-4F, WP-6
 - \$70,000 per participant per year for SE-2
- Tracking will not catch practice caps

Review Questions – Set #3

- Do Districts have to use CEF in ranking?
- Can Districts use the NRCS cost list?
- Which level of EJAA helps answer the question, “*what is the best practice to use to solve the resource problem?*”
- What is the current maximum amount of VACS dollars that any person can receive in one program year?

Variance Procedure

- Process in place to allow Districts to request an exemption to the practice cap when VACS dollars are already in their budget (i.e. this is not additional money!)
- Must be approved by the District Board before submittal to the DCR Variance Committee
- Eligible practices:
 - WP-4
 - WP-4B
 - (Will add in WP-4/WP-4C combo)



Variance Committee

- Variance requests are submitted to DCR Agricultural Incentives Program Manager who then convenes the Committee to consider the request
- DCR Variance Committee will consist of:
 - Agricultural Incentives Programs Manager
 - CDC
 - AG BMP Engineer

Variance Committee

- Committee can ask for a field visit or require extra documentation
- The Committee will respond to the District Board within 45 days of the receipt of request
- The District Board can only approve the practice **AFTER** the variance has been approved

Variance Documentation

- Narrative outlining resource concerns, including AWMS Plan
- Contract number
- Tract number
- BMP specification
- Conservation Plan
- Animal type and numbers



Credit: dairygood.org

Variance Documentation

- Quantity of waste treated
- Sizing calculations
- Size of storage facility
- If a feeding facility, how is the feeding being done? Percent confinement?
- Needs Determination Worksheet or Risk Assessment Form

Variance Documentation

- Plan map with proposed location of facility and all associated components
- Detailed total estimated project cost
- Estimated cost-share and tax credit
- Other sources of funding (partner agencies)
- Additional documentation such as pictures

Cost-Share Rates

- Three types of cost-share payment rates:
 - Percentage-based rate e.g. SL-6N
 - Flat per acre rate e.g. SL-8B
 - Combination of percentage-based and flat rate cost-share e.g. SL-1 practice which includes a 75% cost-share rate for eligible component costs plus a flat rate incentive payment which varies based upon lifespan.
- VACS funds can be combined/piggybacked with federal funds such as EQIP to pay the maximum cost-share rate as allowed in the VACS BMP specification.
- “Double-dipping” is not allowed, however.

Applications into Tracking

- An estimate is drawn up for each application. This is used to determine the amount of cost-share and/or tax credit being requested for approval. P.E. expenses can be included as part of the estimate.
- Applications are entered into the Ag BMP Tracking Program.
 - Includes input of measures and mapping the BMP, which in turn generates the CEF score used for ranking applications and allows for the resource review query to be completed.
 - A Contract Part II form is generated for the applicant.
- A Conservation Plan and/or Nutrient Management Plans are written for the practice (if applicable – see Manual).

Resource Reviews

- Evaluates potential impacts of BMP projects on resources of the Commonwealth.
- Review process is required for ground disturbing BMPs receiving state funds.
- Tracking program is set up to automatically run a query once all BMP components are mapped.
- SWCD is required to follow up with the appropriate agency if there is a hit when a query is run.
- Documentation of the review process and any follow up documentation should be maintained in the case file.



Credit: Susan Day,
from fws.gov

Resource Reviews

- Archeological sites & preservation easements:
 - VA Department of Historic Resources
- Rare, Threatened & Endangered Species & Communities:
 - VA Department of Conservation & Recreation & VA Department of Game & Inland Fisheries
- Active TMDL Implementation Plan Areas:
 - VA Department of Environmental Quality
- Floodplain: Guidance is being developed

Approval Process

- All applications are ranked.
- The Conservation Plan and the application is brought before the Board for approval.
- Contract Part II and the Conservation Plan must be signed and dated by a Board member.
- Contract Approval Date, Conservation Plan Approval Date and the Required Completion Date must be entered into the Ag BMP Tracking Program.

Notification of Contract Approval

- Once approved, the SWCD must notify the participant of contract approval via written correspondence.
 - Correspondence should include the amount approved and a deadline for completion.
 - Letter can be generated from the Ag BMP Tracking Program.
- For practices where a single subcontractor's scope of work is estimated to exceed \$30,000, the bid process must be followed. **Approval is contingent upon receiving the completed bid sheet.** The participant should be notified of this in a letter and the bid sheet should be included with the correspondence. Once the completed bid sheet has been received by the SWCD, a final approval letter should be issued and maintained on file.
- A copy of the correspondence and the completed bid sheet (if applicable) should be maintained in the case file.

Bid Solicitation Process

- Required where a single subcontractor's scope of work is estimated to be \$30,000.
- Three bids required. If three bids cannot be obtained, documentation must accompany the bid sheet.
- Approval contingent upon receipt of the completed bid sheet.
- Applicant's responsibility to complete the bid sheet.
- Bid sheet should be completed and returned in 60 days.
- Lowest bidder does not have to be selected but if not selected, justification must be attached to the bid sheet noting why the low bid was not accepted.
- A copy of the completed bid sheet must be sent to the CDC.
- Being revised for potential FY21 changes

Approval of Additional Cost-Share

- If available, additional cost-share funds and/or tax credit can be approved by a SWCD for a practice that has already received approval but certain conditions must be met.
 - Unforeseen circumstances that warrant design or construction changes or additional material expenses directly related to the unforeseen circumstance (e.g. dry well)
- Any additional cost-share or tax credit granted should be documented in the *Comments* box in the Ag BMP Tracking Program as well as in the minutes of the SWCD Board meeting. Minutes must include the amount and the reason for the increase.

Review Questions – Set #4

- A variance is only available for which practices?
- SL-6N is an example of which type of cost-share payment rate?
- Is a T&E review required for VACS projects?
- When does an applicant have to follow the bid process?

Carryover Process

- Starts on Page II-31 of Manual
- Practices have been split into three categories:
 - Practices with one program year completion dates eligible for carryover (see Page II-32)
 - Practices with two program year completion dates eligible for carryover (see Page II-32)
 - Practices not eligible for carryover (not listed... aka everything else)

Practices with One Program Year Completion Dates Eligible for Carryover

Practices with one-program year completion dates eligible for carryover	
FR-4	Woodland Erosion Stabilization
NM-3C	Split Application of Nitrogen on Corn Using Pre-Sidedress Nitrate Test
NM-5N	Precision Nitrogen Management on Cropland - Nitrogen Application
NM-5P	Precision Nitrogen Management on Cropland – Phosphorous Application
RMP-1	Resource Management Plan Development
RMP-2	Resource Management Plan Implementation
SL-1	Long Term Vegetative Cover on Cropland (May not be carried over more than two planting seasons, i.e. spring and fall.)

Practices with One Program Year Completion Dates Eligible for Carryover

- So What Does This Mean?
 - Prior to the end of a program year, the District must assess all BMPs
 - If justified, the District Board may take formal action to extend the completion date for one additional year, changing the BMP status to “carryover”
 - Practices on this list that are not completed by the end of the additional (2nd) program year will be cancelled; no further extension will be granted

Practices with Two Program Year Completion Dates Eligible for Carryover

Practices with two-program year completion date eligible for carryover	
FR-1	Afforestation of Crop, Hay and Pasture Land
FR-3	Woodland Buffer Filter Area
SE-1	Vegetative Stabilization of Marsh Fringe Areas
SE-2	Shoreline Stabilization
SL-4	Terrace Systems
SL-5	Diversions
SL-6N	Stream Exclusion with Narrow Width Buffer and Grazing Land Management
SL-6W	Stream Exclusion with Wide Width Buffer and Grazing Land Management
SL-7	Extension of Watering Systems
SL-9	Grazing Land Management
SL-11	Permanent Vegetative Cover on Critical Areas
SL-11B	Farm Road, Animal Travel Lane, Heavy Use Area Stabilization
WP-1	Sediment Retention, Erosion or Water Control Structures
WP-2A	Streambank Stabilization
WP-2B	Stream Crossings & Hardened Access
WP-2C	Stream Channel Stabilization
WP-2N	Stream Protection (fencing with Narrow Width Buffer)
WP-2W	Stream Protection (fencing with Wide Width Buffer)
WP-3	Sod Waterway
WP-4	Animal Waste Control Facilities
WP-4B	Dairy Loafing Lot Management System
WP-4C	Composter Facilities
WP-4F	Animal Mortality Incinerator Facilities
WP-5	Stormwater Retention Pond
WP-6	Agricultural Chemical & Fertilizer Handling Facility
WP-7	Surface Water Runoff Impoundment for Water Quality
WQ-5	Water Table Control Structures
WQ-11	Agricultural Sinkhole Protection

Practices with Two Program Year Completion Dates Eligible for Carryover

- So What Does This Mean?
 - Prior to the end of a program year in which a practice is approved, the District will need to change the status of all contracts that qualify for a two-year completion date to “carryover” to carry the contract into its 2nd program year
 - At the end of the 2nd program year, if justified, the District Board may take formal action to extend the completion date for one additional year (i.e. the 3rd program year), keeping the BMP status as “carryover”

Practices with Two Program Year Completion Dates Eligible for Carryover

- So What Does This Mean (continued)?
 - The District Board may only extend the completion date for one additional program year (i.e. the 3rd program year)
 - If a two-program year practice is still not completed by the end of the 3rd program year, an additional carryover into a 4th program year may be requested by the District for approval by DCR on a case-by-case basis.
 - Any additional carryovers granted by DCR must be complete by the end of the 4th program year or be canceled; no further extension will be granted

SL-6W Carryover Example

- SL-6W signs up in April 2020 (1st PY = FY2020)
 - Can be carried over by District into FY2021 starting July 1 (2nd PY)
 - Not done by June 30th, 2021? District (with justification) can approve a carryover into FY2022 (3rd PY)

SL-6W Carryover Example

- Still not done by June 30th, 2022? District can request a carryover from DCR for moving the project into FY2023 (4th PY)
- To make this work, DCR will pull LOGI reports in early spring and reach out to Districts to discuss projects that may need approval for carrying over into 4th PY
- All carryovers for all years will be formally approved at June District Board Meetings with a signed LOGI report – turned into CDC as a part of EOY reporting
- If approved by DCR, project must be finished in 4th FY (i.e. no carryover into a 5th+ PY)

Process

- All carryovers must be given justification on the Measurements tab – choose up to three options from a pull-down window
- For any carryover requests requiring DCR approval, planners must choose “Other (describe in BMP Comments)” as one of the three choices; give a full description for why a fourth fiscal year is needed in the Comments section on the General tab

Selection of Justifications

Potential Approval Date (Date)	
SWCD Assigned Staff (Text)	
Carryover Measures (for Carryover BMPs only)	
Amount of Completion (Percent) i	<< Select One >>
Estimated Completion Date (Date) i	Contractor backlog
Person Verifying Practice is Under Construction (Text) i	Contractor issues
Primary Carryover Justification (Reason) i	Dry well encountered
Secondary Carryover Justification (Reason) i	EQIP piggyback
Tertiary Carryover Justification (Reason) i	Family or health issues
	Federal partner contract
	Multi-phase project
	Other (describe in BMP Comments)
	Power company issues
	Seasonally restricted practice
	Weather related issues
	<< Select One >>
	<< Select One >>
	<< Select One >>

* indicates the measure is required

LOGI Report

- Use “Cost-share Program Carryover Report for BMPs Carried Over into FY20”
- This report is what needs to be printed and signed by District Board then turned in to CDC as a part of EOY reports
- Remember that LOGI updates every evening; you’ll need to wait a day to see your justification updates included from Tracking

LOGI Report Detailed

Amount of Completion (percent)	Estimated Completion Date	Person Verifying Practice is Under Construction	FY BMP Approved	FY Carryover Number	Carryover Justification
40	5/30/2019		FY17	3rd FY Carryover	
90	5/30/2019		FY17	3rd FY Carryover	
40	5/30/2019		FY16	4th FY Carryover	
30	5/30/2019		FY17	3rd FY Carryover	
10	5/30/2019		FY16	4th FY Carryover	

1st and 2nd Carryovers in Black, 3rd in Orange, 4th or More in Red

Cost-Share Payments

- May only be made to the entity (social security number or tax identification number) that signs the Contract Part I Form.
- May not be split between two participants.
- No two-party or co-payee checks where two signatures are required.
- IRS 1099 Form must be issued to the entity that receives a cost-share payment of \$600 or more.
- May not be made until the participant AND the SWCD has certified the practice as complete and meeting standards and specifications.

Issuing Tax Credits

- The current Virginia AgBMP Tax Credit is 25% of total eligible costs not to exceed \$17,500.
- Tax credit should be Board approved prior to implementation of a practice based on the total estimated cost.
- A Conservation Plan should be approved for the practice (required by Code of Virginia).
- Tax credit is calculated using field measures and receipts and is issued based on the lesser of the total estimated or total actual cost.
- A tax credit certificate must be provided to the participant and a copy maintained in the case file.
- For BMPs where a tax credit can be taken instead of a cost-share payment, please ensure that the form denoting such is included in the case file.

Review Questions – Set #5

- If a NM-5N practice is funded this FY, but is not completed by the end of the FY, what can the Board do?
- What is the maximum number of carryovers that a participant could possibly have per VACS rules?
- Which carryovers require DCR approval?
- Are two party checks allowed in VACS?

BMP Lifespan/Maintenance Requirements

- Responsible for maintenance of the BMP for the full length of the lifespan
 - Lifespan begins on January 1 of the year following BMP installation
- Changes in control of land such as sale or loss of lease do not exempt a participant from maintenance reqts
 - Encourage long term written lease agreements for BMPs with long lifespan requirements or encourage the owner to sign up for the BMP rather than the lessee
- In the case of participant death, the SWCD Board can waive the maintenance requirement

Damaged/Destroyed Practices

- Responsibility of the participant
- Once a practice is found to need maintenance or is destroyed, the SWCD must:
 - Verbally contact the participant and provide notification of the deficiency. Document the date and the conversation in the Con6 notes in the case file.
 - Provide written notice within two weeks via certified mail. Written notice should include the nature of the deficiency and the time allowed to bring the contract back into compliance, noting that repayment will be required if the contract is not brought back into compliance. A copy should be maintained in the case file.

Damaged/Destroyed Practices

- The SWCD can provide the participant with up to six months grace period for practice compliance.
- At the close of the grace period, the practice must be reinspected. If the deficiency has not been corrected, the SWCD will provide written notice that repayment of funds is required in 60 days. A copy should be maintained in the case file.
- If repayment is not received or deficiencies corrected in 60 days, the SWCD will contact the OAG for assistance in reclaiming funds.
- Tax credit must be returned for the Virginia Dept of Taxation
- Calculation for return of funds is based on a prorated formula (see Manual)

Practice Failures - Weather

- For certified practices that fail due to weather conditions such as drought or storms
- Participant may request additional cost-share in future sign-up periods
- Resets BMP instance lifespan
- Must be approved by Agricultural Incentives Program Manager
- See Manual for further details

Hardship Process

- Utilized in highly unusual situations where a participant requests that the Board forgive repayment of cost-share funds
 - Life-threatening illness, bankruptcy, or other highly unusual situation
- SWCD Board must determine that due to highly unusual circumstances beyond the participant's control, it is reasonable to forgive repayment of funds in whole or partially
- SWCD Board may make alternative recommendations for DCR's consideration
- All hardship requests shall be submitted to DCR's Ag Incentives Program Manager with a carbon copy to the CDC. An ad hoc committee will decide whether to grant hardship.
- SWCD may act as an advocate for the participant or the participant may present his/her own case (in person, in writing or via conference call) at the committee meeting.

Verifications

- Field Verifications:
 - Conducted annually by SWCD staff and DCR
 - Inspection of BMPs in lifespan to ensure they are functioning and maintained
 - Randomly selected by DCR
 - Additional verifications may be added by the SWCD at any time during the year (if needed)
 - Does not include CREP contracts
- Administrative Reviews:
 - Randomly selected by the CDC – 10% of projects selected for field verifications
 - Conducted by the CDC
 - Review of case files to ensure completeness



Credit: miracowaterers.com

Case File Maintenance

- All correspondence with the participant should be discussed in the Conservation Planning Notes that are maintained in the case file.
- Contract Part I, II and III Forms.
- All designs, job related worksheets and as built.
- All plans, worksheets, plan maps, agreements.
- W-9 form, copy of check, payment calculation worksheet, tax credit certificate, receipts/ bills

Federal 1619

- Federal 1619 protects federal participant information
- 1619 includes maps, plans, and farm, tract and field information for a participant (anything that comes from USDA)
- Federal 1619 form required by USDA to access and review USDA records
- 1619 Form required in order to be able to access the Ag BMP Tracking Program.
- Items covered under 1619 cannot be discussed in an open Board meeting or recorded in the minutes. This includes farm, tract and field numbers.

Voluntary Reporting

- Designed to capture and provide credit for practices installed without public funding assistance and those that are out of contract lifespan
- Must meet minimum specifications referenced in the Voluntary BMP Specifications section
- Requires the use of a signed assessment form 199-206 (manual pages V-4 and V-5)
- Practices are recorded in the Ag BMP tracking program using the appropriate practice specification listed in the “Agricultural Voluntary Reporting Program” section of the manual
- Reported practices are subject to inspection for compliance during the lifespan of the practice
- Collection of voluntary practices is encouraged in the cost-share grant agreement deliverables

Equipment Tax Credits

- Conservation Tillage Equipment
 - §58.1-334 and §58.1-432
 - Cannot exceed \$4,000 in the year of purchase
 - Purchaser determines eligibility of equipment in meeting specifications outlined in Section IV of the manual
 - Does not require a Board approved Nutrient Management Plan
- Precision Ag Equipment
 - §58.1-337 and §58.1-436
 - Cannot exceed \$3,750 in the year of purchase
 - Purchaser determines eligibility of equipment in meeting specifications outlined in Section IV of the manual
 - Requires a Nutrient Management Plan approved by the SWCD Board
 - SWCD issues a letter to the participant documenting approval of the Nutrient Management Plan

Review Questions – Set #6

- When do BMP practice lifespans begin?
- If a damaged practice is not fixed within six months, the District will notify the participant in writing that repayment of state cost share funds is due within how many days?
- Give an example of a situation where a participant might make a hardship request?
- Who randomly selects BMPs for annual verification?

15 Minute Break



Top VACS Practices

- Stream Protection/Exclusion
- Forestry
- Nutrient Management
- Long Term Vegetative Cover
- Cover Crops
- Critical Areas
- Sod Waterway
- Animal Waste Control Facility

Stream Exclusion



Credit: Headwaters SWCD

SL-6N/SL-6W Stream Exclusion with Grazing Land Management

- Require stream exclusion fencing and an off-stream watering facility
- Includes a grazing management plan if more than three grazing units are created by installation of interior fencing
- Limited to pastureland that borders a live stream, CBPA-RPA, or in cases of severe environmental degradation occurring in and around springs, seeps, ponds, wetlands, sinkholes, etc.

SL-6N/SL-6W Stream Exclusion with Grazing Land Management

- *Connected* features should be included in the buffer with the minimum setback distance met
- Isolated features may be fenced, but do not require full buffer
- Grazing (including flash grazing) and haying are not allowed in the buffer
- When participant owns both sides of the stream, the livestock must be fenced out from both sides
- No cost-share/tax credit allowed for any installation of interior fencing and watering facilities to distribute grazing in fields not receiving exclusion fence. (Applicant may apply for SL-7).

“N and W”

- SL-6, WP-2 and CCI practices have been split into “N and W” versions
- N = “Narrow” buffer options <35 feet
- W = “Wide” buffer options 35+ feet
- Wide buffer options include a buffer payment (for a max of 10 acres) as well as cost-share, whereas narrow buffer options include cost-share only

SL-6W Stream Exclusion with Wide Width Buffer and Grazing Land Management

Minimum fence setback (from the top of streambank)	Lifespan	Cost-share rate	Buffer payment rate	Buffer payment cap
50'	15 years	100%	\$80 per acre per year	\$12,000 per contract
	10 years	95%	\$80 per acre per year	\$8,000 per contract
35'	15 years	90%	\$80 per acre per year	\$12,000 per contract
	10 years	85%	\$80 per acre per year	\$8,000 per contract

Note: For the purposes of calculating buffer acres, measurements are capped at 100 feet from the top of the streambank or 1/3 of the floodplain up to 300 feet.

SL-6W Example

- Participant willing to do a 50 foot buffer, totaling 12 acres, for 15 years
- Using the table, cost-share rate for practice installation will be 100%
- Also receives buffer payment of \$80/acre/year
- $\$80/\text{acre}/\text{year} \times 12 \text{ ac} \times 15 \text{ years} = \$14,400$
- Buffer payment will max out at \$12,000 for this contract

SL-6N Stream Exclusion with Narrow Width Buffer and Grazing Land Management

Minimum fence setback (from the top of streambank)	Lifespan	Cost-share rate
25'	15 years	75%
	10 years	70%
10'	15 years	65%
	10 years	60%

SL-6N Example

- Participant willing to do a 10 foot buffer, totaling 2 acres, for 10 years
- Using the table, cost-share rate for practice installation will be 60%
- No buffer payment in SL-6N

WP-2N/WP-2W Stream Protection

- Protects streams by fencing out livestock except for at stream crossings and/or hardened limited access points.
- Watering systems are not eligible (would use an SL-6N/SL-6W)
- Grazing (including flash grazing) and haying are not allowed in the buffer
- When participant owns both sides of the stream, the livestock must be fenced out from both sides

WP-2W Stream Protection (Fencing with Wide Width Buffer)

For stream protection without watering system (i.e. using limited access).

Minimum fence setback (from the top of streambank)	Lifespan	Cost-share rate	Buffer payment rate	Buffer payment cap
35'	10 years	80%	\$80 per acre per year	\$8,000 per contract
	5 years	75%	\$80 per acre per year	\$4,000 per contract

Note: For the purposes of calculating buffer acres, measurements are capped at 100 feet from the top of the streambank or 1/3 of the floodplain up to 300 feet.

WP-2N Stream Protection (Fencing with Narrow Width Buffer)

For stream protection without watering system (i.e. using limited access).

Minimum fence setback (from the top of streambank)	Lifespan	Cost-share rate
25'	10 years	70%
	5 years	65%
10'	10 years	60%
	5 years	55%

SL-7 Extension Of Watering Systems

- No longer *only* for CREP; has been renamed accordingly
- For farms where livestock are previously excluded or concurrently excluded with a minimum 35' setback from all surface waters
- Can be used in addition to stream exclusion practices which do not authorize cost-share for any installation that is for interior fencing and watering facilities to distribute grazing in fields *not receiving exclusion fence*.

SL-7 Extension Of Watering Systems

- Cost-share on infrastructure to facilitate rotational grazing in fields where livestock are previously or concurrently excluded with a minimum 35' setback
- On the CREP side, can be installed in conjunction with CP-22 Riparian Forest Buffer or CP-29 Wildlife Habitat Buffer
- 10 year practice lifespan
- 75% cost-share up to \$50,000/participant/year (one of a very few practices that don't match participant cap of \$100,000/participant/year)

Review Questions – Set #7

- What are the two key elements which determine which cost-share rate a SL-6W participant will receive?
- What is the buffer payment on WP-2N?
- What is the major difference between WP-2N/W variants and SL-6N/W variants?
- A 2014 SL-6 participant wants to extend his watering system into fields without live water. What practice can he use?

CCI Highlights

- CCI = Continuing Conservation Initiative
- Meant to keep track of stream exclusion practices while also offering maintenance help to the farmer
- There are now five CCI options for stream fencing:
 - CCI-SL-6N = <35 ft buffers with exclusion & watering system
 - CCI-SL-6W = 35+ ft buffers with exclusion & watering system
 - CCI-WP-2N = <35 ft buffers with protection and limited access
 - CCI-WP-2W = 35+ ft buffers with protection and limited access
 - CCI-SE-2 = <10 ft buffer with top of bank fencing

CCI Highlights

- No minimum fencing or other standards required – practices merely need to be working and effective in judgment of the Conservation Planner
- Practices must not be in lifespan from any other conservation program; however, following discussions with USDA, DCR has decided to allow CCI on CREP renewals

CCI Highlights

- Practices paid after District staff makes field visit and confirms all components are functioning as intended and needed maintenance has been addressed
- Whether the participant needs maintenance dollars or not at time of enrollment, he/she should be paid in full... At some point, maintenance will be needed.
- Practices eligible for re-enrollment
- Practices subject to spot checks from District annually for the lifespan of the practice (5 years)

Example: CCI-SL-6W

- Single payment rate of \$1.25 per linear foot of stream bank protected plus:
 - \$250 per trough
 - \$500 per stream crossing
 - \$1,000 per water system
- Participant has 10,000 linear feet of streambank protected, four troughs, one stream crossing and two watering systems.
 - Payment would be $(\$1.25 \times 10,000) + (\$250 \times 4) + (\$500 \times 1) + (\$1,000 \times 2) = \$16,000!$

CCI-SE-1 Stream Exclusion – Maintenance Practice

- Our stream exclusion maintenance practice with no buffer distance requirements (i.e. can be top of bank)
- Effectively the same as in past years; however, state cost share has been lowered to \$0.50 per linear foot of stream bank

Forestry Practices



FR-1 Afforestation of Crop, Hay and Pastureland

- For planting hardwoods and/or conifers on crop, hay or pastureland
- Land must have been in production 2 out of past 5 years to be eligible
- No longer subject to NRCS specs; instead, DOF Forester will develop Form 7.8 (new name for Form 75) plan specifying tree species and density
- Plantings must be protected from grazing
- Not authorized for Christmas tree production
- Failures: SWCD must be notified within 6 months of the failure; cost-share available one time to address failure due to circumstances outside of participant control

FR-1 Afforestation of Crop, Hay and Pastureland

- State per acre rates substantially increased in FY20:
 - \$100/acre for a 10 year lifespan
 - \$150/acre for a 15 year lifespan
 - Plus 75% cost-share on eligible components

FR-3 Woodland Buffer Filter Area

- For planting hardwoods and/or conifers on a minimum of 35 feet from the edge of the streambank (up to the width of the entire floodplain, capped at 100 feet)
- Land (crop, hay or pasture) must have been in production 2 out of past 5 years to be eligible
- No longer subject to NRCS specs; instead, DOF Forester will develop Form 7.8 (new name for Form 75) plan specifying tree species and density
- Plantings must be protected from grazing
- Not authorized for Christmas tree production
- Failures: SWCD must be notified within 6 months of the failure; cost-share available one time to address failure due to circumstances outside of participant control

FR-3 Woodland Buffer Filter Area

- State cost-share rate substantially increased to 95% on eligible components in FY 20, but buffer rates haven't changed:
 - Conifers: \$100/acre for a 10 year lifespan and \$150/acre for a 15 year lifespan
 - Hardwoods: \$100/acre for a 10 year lifespan and \$250 for a 15 year lifespan

Review Questions – Set #8

- For CCI, should a District pay maintenance costs on troughs even if they are working properly?
- Can CCI participants re-enroll?
- Which CCI option is for “top of bank” fencing?
- What form should DOF write for all FR-1 and FR-3 plantings, specifying tree species and density?

Nutrient Management Practices



All NM Practices – Defines “Fully Implemented” for Glossary

1. The plan is written by a current, Virginia Certified Nutrient Management Planner

2. The producer agrees, by a signed document, that as the plan is written, the producer will be able to follow the crop rotation and all the nutrient recommendations on all fields signed up for this practice (at sign up or prior to payment). The producer signature on Plan cover sheet is sufficient to meet this requirement.

3. The “fully implemented nutrient management plan”:
 - a. Applies to only those practice fields eligible for payment or tax credit.
 - b. Those fields must meet the requirements of the practice specifications
 - c. Crops in the plan must accurately match actual crops in the field, and management practices in the plan must be current with field treatments.

NM-1A Nutrient Management Plan Writing and Revisions

- Used for the development of a new NMP or the revision of an existing plan
- Applies to crop, hay and pasture lands
- Plan must cover at least 12 months of crop and management practices

NM-1A Nutrient Management Plan Writing and Revisions

- Must be developed based on recent soil samples within three years prior to the start date of the plan
- NMPs approved by DCR as part of a VPA or VPDES permit meet the NMP component of this practice
- Participants may redirect cost-share to a private certified NM Planner by signing a written statement (in Manual)

NM-1A Nutrient Management Plan Writing and Revisions

- New plans written for 1-3 years. Plans verified at 1 year intervals to assure accurate and up to date match of actual field crops or pasture management practices.
- Before payment, the District should receive a complete copy of the plan (with planner certification #), an invoice of the planner's services, a completed Imported Manure Supplied Verification Form (if applicable) and the acreage receiving animal manure and/or commercial fertilizer.

NM-1A Nutrient Management Plan Writing and Revisions

- In order to verify implementation of the NMP, applicant must provide a completed verification form to the District or a statement signed by the NM Planner and producer that nutrients were applied during this period according to the NMP
- Rates are \$2/acre for acres receiving commercial fertilizer or a combination of commercial fertilizer and imported manure
- Rates are \$4/acre for acres that receive on-farm generated manure or a combination of on-farm manure with commercial fertilizer

SL-1 Long Term Vegetative Cover on Cropland

- Establishes grass and/or legume vegetation on cropland with existing cover of less than 60% (converts cropland to pasture or hayland)
- Cannot pay for planting of pure stands of alfalfa
- Requires implementation of a Nutrient Management Plan during the year of cover establishment (optional afterwards)
- 3 year minimum cropping history required

Long Term Cover and Cover Crops



Credit: agronomator.wordpress.com

SL-1 Long Term Vegetative Cover on Cropland

- Each field is eligible to receive cost-share and tax credit one time under the same ownership
- Cannot be used to reseed or improve hay or pastureland
- Lifespan: 5, 10 or 15 year options for farmer
- 75% cost-share rate on eligible components + an incentive payment of \$25, \$100 or \$150/acre depending on chosen lifespan

Cover Crop Practices

- SL-8, SL-8B, SL-8H and WQ-4
- All used to establish vegetative cover on cropland to reduce erosion and loss of nutrients
- Annual practice; can sign up every year
- Requires multiple field checks (planting & end of season)
- Farmer can elect for cost-share or tax credit, but not both... use form in Manual

SL-8 Protective Cover for Specialty Crops

- For vegetables, tobacco and small grains
- Flat rate per acre payment of \$30 per acre OR tax credit; not both
- Seeding must be planted and certified by November 30
- Must be in the ground 90 days after certification
- May be left on the land or incorporated
- Pasturing is permissible; no hay or seed harvest
- Seed types and rates prescribed in the manual

SL-8B Small Grain and Mixed Cover Crop for Nutrient Management & Residue Management

- Flat rate per acre payment OR tax credit only; not both.
 - \$15 per acre
 - \$25 per acre early planting bonus
 - \$8 per acre bonus for planting rye from the cultivars listed in the Manual
- Early and Standard planting dates vary by area of VA
- Seed types and rates prescribed in the Manual
- Nutrient Management Plan required
- Nutrients cannot be applied at planting

SL-8B Small Grain and Mixed Cover Crop for Nutrient Management & Residue Management

- Minimum of 60% cover must be obtained by December 1.
- SWCDs must check each field
- Harvesting for hay, haylage, silage, grain, straw or seed is not permitted
- 60% cover required to be maintained through March 14
- Crop must be killed by grazing, mechanical or chemical means no earlier than March 15 and no later than June 1. Residue may be left or tilled under. Pasturing is permitted as long as 60% cover is maintained thru March 14.
- If producers anticipate a need for additional harvest, they should be applying for SL-8H instead.

SL-8H Harvestable Cover Crop

- \$20 per acre flat rate payment OR tax credit only; not both
- 600 acre cap per applicant per District per year
- Seed types and rates prescribed in the Manual
- Planting dates listed in the Manual
- Nutrient Management Plan required
- Nutrients cannot be applied at planting
- Manure can be used on up to 300 acres but must meet conditions listed in the Manual

SL-8H Harvestable Cover Crop

- Minimum of 60% cover must be obtained by December 1.
- SWCDs must check each field.
- 60% cover required to be maintained through March 14
- Pasturing is permitted as long as 60% cover is maintained thru March 14
- Harvesting for hay, haylage, silage, grain, straw or seed is permitted after March 14
- Crop may also be tilled or left in field at that point

WQ-4 Legume Based Cover Crop

- Used as a natural source of nitrogen to reduce applied soil amendments
- \$30 per acre flat rate payment OR tax credit only; not both
- Seed types and rates prescribed in the Manual
- Seeding dates are listed in the Manual
- Nutrient Management Plan required
- Grazing and removal of residue are not permitted; cover crop must be left on surface, intact, to serve as mulch for no-till planting of grain crops (at which point practice can be certified)

Review Questions – Set #9

- Can VACS participants redirect NM-1A cost-share to a private certified NM planner?
- What are the three lifespan options for SL-1?
- What is the maximum payment for SL-8B and how can it be obtained?
- For SL cover crop practices, the participant must achieve 60% cover by what date?

SL-11: Permanent Vegetative Cover on Critical Areas

- For stabilizing critically eroding areas, thus reducing the movement of sediment and nutrients from the site
- Allows for grading, shaping, filling, grass and/or tree establishment
- Does not require engineering
- Not interchangeable with WP-3 Sod Waterway
- Not to be used in areas where water concentrates and flows
- 75% cost-share rate with tax credit
- Minimum of 5 year lifespan

WP-3 Sod Waterway

- Reduces the movement of sediment and nutrients via concentrated flow from cropfields into water bodies
- Requires engineering!
 - Know when to use a WP-3 and a SL-11; if you do not know, ask DCR Ag BMP Engineering Services for assistance in determining the correct practice (this goes back to I&E)
- Site preparation, grading, shaping, filling and establishing permanent vegetation
- 75% cost-share with tax credit
- 10 year lifespan



WP-3



versus

SL-11

The Difference?

Concentrated flow is causing the erosion for the potential grassed waterway.



WP-4 Animal Waste Control Facilities

- A planned system designed to manage liquid and/or solid waste from areas where livestock or poultry are confined
- First step: Determine if feeding area can be moved to another location to address the resource concern; if the owner does not want to relocate based on location it is not acceptable to continue for producer convenience... “least cost, technically feasible”
- Consider all existing waste storage facilities when sizing the new storage facility as long as the facility is structurally sound.
- Number of livestock that would be used to design the animal waste control facility must be present before cost-share consideration is given

WP-4 Animal Waste Control Facilities

- Requires a minimum score of 120 points on the “Risk Assessment for Water Quality Impairment from Heavy Use Areas/Animal Concentrated Areas” form
 - Should be filled out to evaluate risk where the producer should be feeding, not necessarily where they are currently feeding
- Requires participant signature on the “Dry Manure Storage Structure Agreement” form
 - Note that District must select an Option on Part 5 of this form
- Poultry Dry Stack Facility: Requires completion of a “Poultry Dry Stack Needs Determination Worksheet”
- Requires implementation of a Nutrient Management Plan

WP-4 Animal Waste Control Facilities

- Key Eligible Components:
 - Waste Storage Facility
 - Design for up to 6 months of storage need (with capacity to be reviewed by DCR Ag BMP Engineering Services)
 - For liquid waste, storage may be provided up to 7 months
 - Roofs and covers over dry stack storage and feeding areas associated with the facility
 - Fencing to exclude livestock from live streams (mandatory exclusion)
- Standard designs from DCR cannot be changed; if producers want a specific layout/design they must hire a private PE; this design must be reviewed by DCR Ag BMP Engineering Services Staff. (Note: Even when a PE is involved, the Conservation Planner should still have I&E for planning prior to Board approval).
- 15 Year Lifespan
- 75% Cost-Share with Tax Credit

Note: Not covering WP-4B today, but note it is only for dairies!!!

CREP

- Conservation Reserve Enhancement Program



Credit: nps.gov

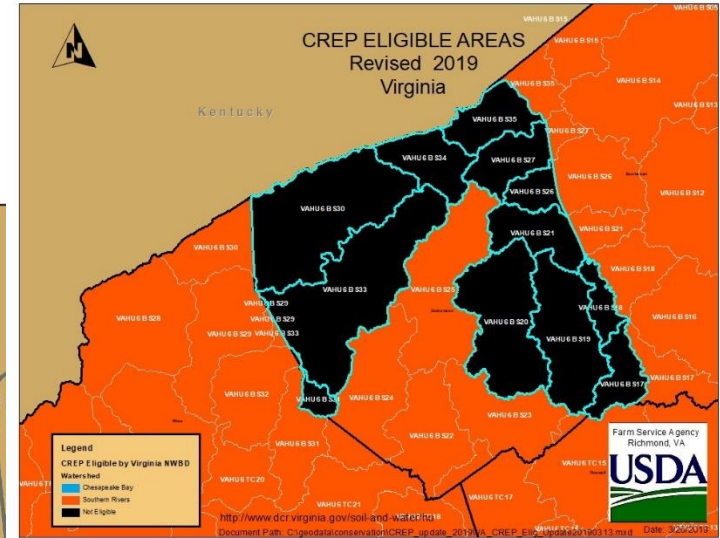
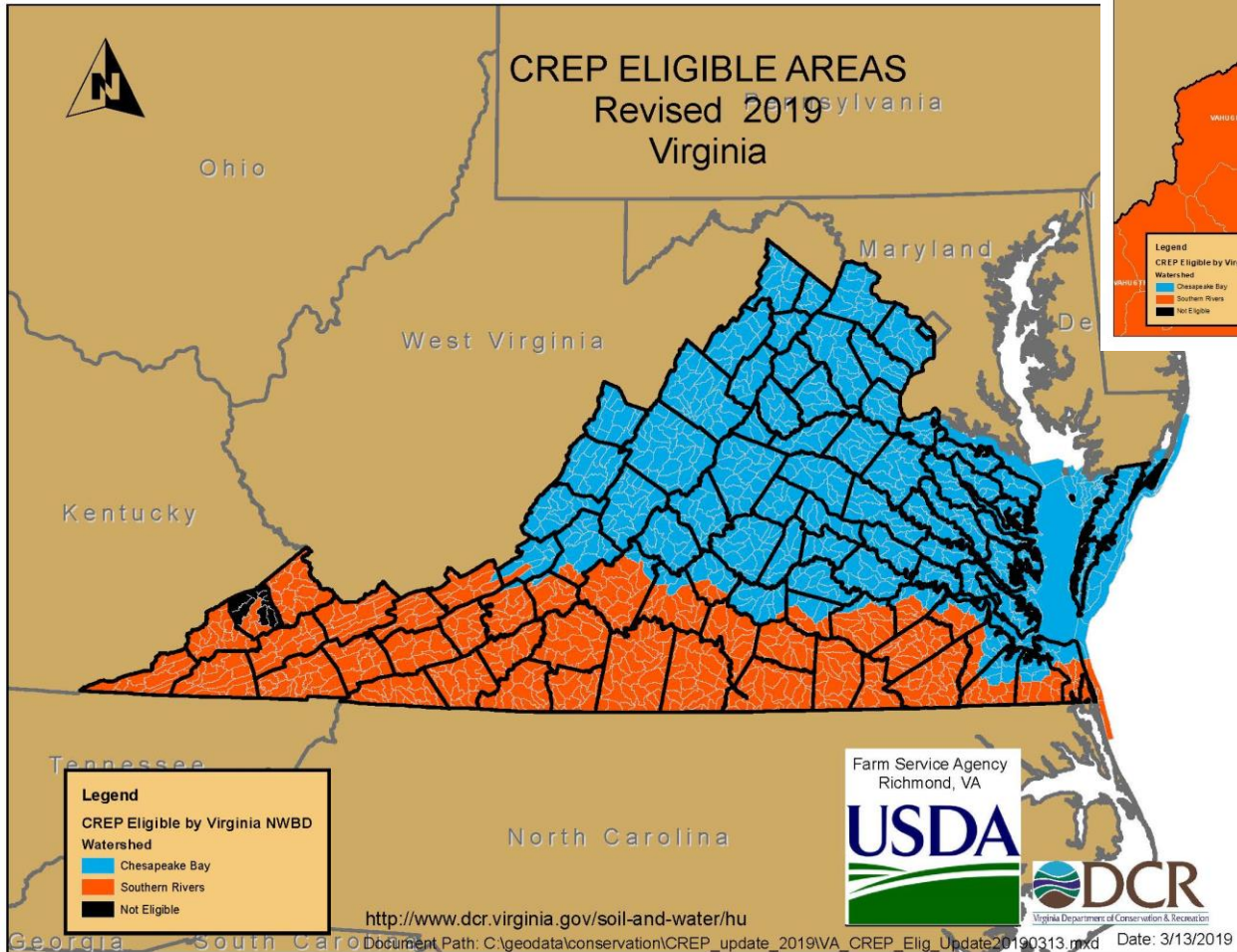
- Involves several agencies:

- FSA: Determines eligibility, draws up federal contract, pays federal funds to applicant
- NRCS: Conducts field work and planning
- DOF: Assists with planning and planting of the riparian forest buffer
- SWCD: Gets Contract Part I signed, puts information from FSA in Ag BMP Tracking Program in order to confirm state funds for the contract, approves funds once confirmed by DCR, issues SWCD portion of payment, maintains a case file for the contract

CREP

- SWCD case file should contain:
 - FSA Forms (CRP-1 and 848 forms)
 - Conservation Plan & Plan Map
 - Contract Part I, II and III (Part II and III forms should all be signed) & W-9 Form
- SWCD portion of payment is equal to 35% of eligible cost (for a total of 85% to the producer when added to FSA's 50% cost-share)
- Minimum contract size is a tenth of an acre (0.1 acre)
- SWCD only pays on new enrollments not on re-enrollments; however, CREP renewals are eligible for Stream Exclusion CCIs (e.g. CCI-SL-6W)
- Payment issued after FSA has completed FSA Form 848 and submitted copies to the SWCD

CREP



Review Questions – Set #10

- Should SL-11 be used in areas where water concentrates and flows?
- Do both SL-11 and WP-3 require engineering?
- If a farmer has 200 head of cattle and is thinking of buying 200 more, should the WP-4 be designed for 200 or 400 head?
- What is the Commonwealth's cost-share rate for CREP (state portion only)?

QUESTIONS?



Credit: cdf.org