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North Carolina Department of Agriculture
and Consumer Services
Division of Soil and Water Conservation

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Director

THE NORTH CAROLINA AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM

AgWRAP Review Committee: Teleconference/Webinar

Thursday, March 1, 2018: 1:30 pm – 3:30 pm

Webinar: <https://ncag.adobeconnect.com/arc/>

Teleconference number: (919) 420- 7945

NCD&CS Ballentine Building, Conference Room; 2109 Blue Ridge Road, Raleigh, NC

Draft Meeting Minutes

Attendees: Julie Henshaw, Autumn Romanski, Kelly Hedgepeth, Lisa Fine, Ken Parks, Rachel Smith, Jeff Young, Cindy Safrit, Daphne Cartner, J'Que Jones, Cyndi Karoly, Tom Ellis, Dewitt Hardee, and Josh Pate

- I. Welcome and introductions – Autumn Romanski and Julie Henshaw co-hosted the meeting and opened with introductions, and a review of the meeting agenda.
- II. The committee reviewed the November 2, 2018 AgWRAP Review Committee Meeting Minutes and approved the minutes by consensus.
- III. Julie Henshaw reviewed items from the January 2018 Soil and Water Conservation Commission (SWCC) meeting.
 - A. [FY2017 Annual Report](#)
 - B. [Update from July](#): Just-in-time Reallocation for any remaining district AgWRAP funding (AG) after February 1, 2018. [Request Form available](#).
- IV. Regional Application Reviews: Batching Period 2 Recommendations
The committee reviewed recommendations for batch two regional applications for new ponds and pond repair/retrofits. A spreadsheet was reviewed that covered the total number of applications (31) reviewed, the total amount of funding requested (\$802,000), and the current dollars available (\$369,978) for the batch two allocation. A total of (14) Batch 2 applications were presented to the AgWRAP Review Committee for funding consideration at the upcoming Soil and Water Conservation Commission Meeting to be held on March 27-March 28, 2018. A consensus was reached to convene an Internal AgWRAP Review Committee for an additional technical review to discuss the applications presented for funding, and make a final funding recommendation.

Autumn Romanski reviewed the Batch 2 application ranking process in detail. A list of the Committee's comments on the Batch 2 application ranking process and funding selections are summarized below:

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- Rachel Smith – Identified an error on water balance points in the ranking spreadsheet for the Helms pond repair application. The error was corrected and the Helms pond repair gained points in the ranking determination. The Murray new pond application ranked below the Helms pond repair application, so the final funding recommendation was updated to reflect the corrections.
- Jeff Young- Discussed the need to move towards a ranking strategy that includes a cost to benefit analysis. The current ranking strategy can result in high scores that do not take into account cost of constructing a new pond, or repairing a pond versus the return on funding a given a project. For example: What would be the cost in dollars per gallon of storage, what storage volume is gained/per acre of irrigation realized for a given project? This approach could facilitate the selection of applications that would provide the most efficient use of taxpayer dollars. Also discussed was funding warranted repairs, and constructing new “excavated” ponds at lower funding amounts than the average costs, currently \$25,000, and \$30,000. If the project does not need the full average cost amount, then the applicant should be able to apply and be funded at a lower cost.
- Cindy Safrit- Discussed the need to move towards a ranking strategy that is strongly tied to technical merit of the pond construction or pond repair. The current ranking strategy rewards on-site conservation efforts of the applicant with up to 30 points. This can sometimes skew the ranking score in favor of a project when the technical merits of the project are not favorable. The end result would be funding the highest ranking score, but funding a project that is not technically sound or viable long-term due to site constraints, design, cost, etc.
- Tom Ellis- Commented on the points given for conservation efforts, and reminded the AgWRAP Review Committee that AgWRAP is a water quantity program aimed at helping agriculture producers meet water demand and to provide water storage. Therefore, the ranking strategy should provide a points system that is reflective of highest points for producers with the highest water demand needs, and/or storage needs. Julie Henshaw mentioned a possible solution is to reduce the percentage weight attributed to on-site conservation.
- General Discussion on requiring irrigation to be on-site, possibly have a minimum number of current acres on-site to irrigate, or minimum number of current livestock on-site to be eligible for AgWRAP funding. This discussion summary is continued under the agenda topic , “ Minimum threshold for program eligibility and use of AgWRAP BMPs.”

V. Extension requests for FY2016 contracts – Julie Henshaw discussed continuing the policy of the past year as follows:

DRAFT 2016 AgWRAP Contract Extension Request

Request for policy exception of the District Supervisor requirement to attend the first Commission meeting of the new fiscal year and request an extension for 2016 Agricultural Water Resources Assistance Program (AgWRAP) contracts for new ponds and pond repair/retrofits. Districts will need to follow the process to request a contract extension as described in the [Criteria for Extension of Previous Program Year Contracts Policy](#). The division is requesting that supervisors not need to appear in person to make the extension request based on the time delay inherent in the regional application process, and the engineering needs associated with these AgWRAP projects.

VI. Julie Henshaw provided an update the Cost Share Programs Rule Making Process. The Cost Share Committee will meet on March 12, 2018 to review comments. The Cost Share Program Rules will be presented as an informational item at the March 28, 2018 Soil and Water Conservation Commission

Meeting. The rules may be approved at the July 2018 Soil and Water Conservation Commission Meeting. The Rules Review Committee would likely review in August 2018 and the allocation rules would be effective date July of 2019.

- VII. Minimum threshold for program eligibility and use of AgWRAP BMPs was discussed and is summarized below:

AgWRAP Priority Ranking strategies and questions were discussed as summarized below:

- Can we set a minimum threshold for program eligibility like minimum number of acres to irrigate, minimum number of livestock to water? How do you allow the cooperator/farmer to have flexibility, while at the same time, ensure BMPs are installed and being using as intended?

Spot checks are being used for ponds, but currently the contract language does not require that the number acres irrigated or livestock watering at the time of application is being maintained over the life of BMP. There are many variables involved over time, ie. economy, finances, generational turnover, family emergencies, etc. The contract language also does not require an expansion, if one was intended at the time of application. The flexibility of contract language as is, allows the cooperator to stay in compliance over time, so how do we address issues, public perception that a pond wasn't needed, cooperator sells all the cattle, reduces crop production etc.?

- Can we look at costs for excavated ponds?

Excavated pond cost tend to be lower than the current average cost and impoundment pond cost tends to be higher. Staff will be reviewing the current AgWRAP Average Cost in the coming months, as it is done annually, so this discussion fits well with the timing of the review. Staff will pull data and check receipts on costs being reported in the previous year(s) AgWRAP contracts.

- Can we look at ranking applications heavily by technical merit? Location suitable for a pond, cost efficient design and construction, probability of success, etc.

We currently include up to 30 points for on-site conservation measures, but those measures do not have anything to do with technical merit or design and cost effectiveness of installing a pond.

- VIII. Items from committee members & open discussion – Discussion was captured in item above. Staff thanked attendees for their participation and closed the meeting.