

**North Carolina Agriculture Cost Share Program Review Summary
(December 2013)**

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|----------------------------|--|--------------------------------|-------------------|
| County | <u>Cabarrus</u> | Date of Previous Review/Report | <u>2000</u> |
| District Staff Name(s) | <u>Dennis Testerman, Daniel McClellan, Sarah Piper</u> | Date | <u>12/17/2013</u> |
| NRCS Staff Name(s) | <u></u> | | |
| Division Representative(s) | <u>Lisa Fine, Ralston James</u> | | |
| Additional Participants | <u></u> | | |

| Questions | Division Findings | | | | Division Comments | District Plan of Action Required | | SWCD Plan of Action | Proposed Timeline for Implementation | Division Response to Plan of Action (date) |
|---|-------------------|----------------|-------------------|-----------------------------|---|----------------------------------|----|---------------------|--------------------------------------|--|
| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| Section 1: Application Procedures and Tracking Progress (BMP Implementation and Payments) | | | | | | | | | | |
| Questions in this section focus on how the district advertises the program, how applications are developed, how contracts are developed, how funds are tracked and how the board approves each. | | | | | | | | | | |
| When do you schedule your board meetings? | | | | X | The board meetings are the first Tuesday of the month at 5:15 p.m. every month except in January because of the Annual Meeting. The district adopts the meeting schedule by calendar year. District does have special called meetings for easements or grants occasionally. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| How do you notify the public of the board meeting schedule and does it adhere to the Open Meetings Law? | X | | | | Notices are placed on the office building/county building at elevator and in hallway. It is also on county events online. Dennis uses Milton Heath's book and follows Open Meetings Law as required. The division commends the district for strictly following the Open Meetings Law and making good use of Milton Heath's book. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| <i>When do you develop a conservation plan for a potential applicant?</i> | | | | X | The application is approved first then sometimes the district already has the Conservation Plan to work with and develops the contract from that information and sometimes they start with creating the Conservation Plan as step one after application. | | X | | | |
| <i>How do you assess the resource concerns on the farm to determine if a BMP is needed and feasible?</i> | | | | X | The district starts with solving the biggest water quality problem first not what the cooperators want but "What are the needs for this farm"...The Conservation Plan is followed at this point. | | X | | | |
| <i>Are applications reviewed and approved by the Board as a separate action item?</i> | | | X | | I could not find a record of motions or voting only a list of what was done during that month's board meeting. Applications, contracts and RFPs were listed together in the minutes. Corrective action – the district should separate the applications, contracts and RFPs into separate action items with separate motions and decisions. | X | | Separate cost-share program applications, contracts and RFPs into separate action items with separate motions and decisions. | 1/2014 | Plan of Action accepted. |
| <i>Are application decisions/motions recorded in the board minutes?</i> | | | | | No, these motions/decisions were not recorded in the minutes. See question above: These motions and decisions should be recorded in the minutes with the application number, BMPs and cost estimates. | X | | Board actions are already taken on all contracts and are normally recorded in the minutes. Going forward, contracts will be discussed and voted on under New or Unfinished Business and recorded in the minutes. | 1/2014 | Plan of Action accepted. |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| Because applicants are limited when applying for incentive BMPs, how does your district track the applications for incentive BMPs? Is your district using the self-certification form provided by the division to track incentive BMPs. | | | | X | The district uses the spreadsheet to look back on to check past contracts. The district has very few incentives but Daniel is aware of the self certification form for incentives. They have not had any incentives recently since this form was created. | | X | | | |
| Please describe how the district tracks applicants who are applying for multiple incentive BMPs or consecutive incentive BMPs. | | | | X | The district looks back on the spreadsheet to check past contracts but has not had many. Daniel knows about the self certification form. | | X | | | |
| If multiple partners farm together, how the district tracks individual applicants as one operation? | | | | X | The district staff knows the farmers in the county. The farmers usually come in individually and not under the farm name so they are easier to track. They can use their spreadsheets as well. Note: if there is ever a question of ownership, staff can research it through FSA or the county Register of Deeds. | | X | | | |
| Once applications are approved, how do you develop a contract? | | | | X | The district staff goes back out to the farm and does the Conservation Plan and site visit to determine the resource concerns and then writes the contract. | | X | | | |
| Describe how the district reviews the contract with the applicant. Do you explain that work cannot begin until the contract is approved by the division? | X | | | | The staff goes in person, sits down with the cooperator and explains everything including average costs, deadlines, standards, specs, maps, | | X | | | |

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| | | | | | gives them the folder with all this information in it. The staff follows up as contracts progress. The board has a policy that spells out when the cooperators has to have items done. Commendation: the district's efforts to inform and track progress with cooperators is commended. | | | | | |
| What procedures do you follow for notifying the applicant that work can begin? | | X | | | The staff calls the cooperator and meets them in person and gives the folder of information to them and tells them work can begin. Recommendation: the district should consider sending an official letter notifying them that work can begin and when his 1/3 date is and his expiration date as a reinforcement of the in-person communication. | X | | Letters will be sent notifying landowners when work can begin. Include date of contract expiration and date when 1/3 of work must be completed. | 1/2014 | Plan of Action accepted. |
| What information do you provide the applicant? | | | | X | A folder is given to the cooperator containing standards, specs, maps. | | X | | | |
| <i>Are contracts reviewed and approved by the Board as a separate action item?</i> | | | X | | No, there was no evidence that they are done as a separate action item and motions/decisions recorded in the minutes. Corrective Action – contracts must be presented to the board as separate action items from applications and RFPs. These motions should be recorded in the minutes. | X | | See also above. Contracts are now being presented to the board as separate action items from applications and RFPs. These separate motions are being recorded in the minutes. | 1/2014 | Plan of Action accepted. |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
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| Are contract decisions/motions recorded in the board minutes? | | | | X | See above. No, no notation was found in the minutes where motions/decisions were made. Motions and decisions including the contract number, BMP and amount should be included in the minutes. | X | | Board is now voting on contracts separately from applications and RFPs. Votes are now being recorded in the minutes with contract numbers, BMPs, and amounts. | 1/2014 | Plan of Action accepted. |
| Describe the district/board's procedure for approving supervisor contracts. | | | | X | No points are given or taken away for being a supervisor. | | X | | | |
| Is it documented in the Board minutes that the supervisor abstained from discussing his/her own contract and from voting? | | X | | | No, there was no mention of supervisor abstaining from voting on their own contracts. Recommendation: the district should record in the minutes when a supervisor abstains from voting on a contract that he/she has an interest in. | X | | Existing protocol calls for board members to abstain from voting when there is a conflict of interest. Normally abstentions are recorded in minutes and a renewed effort is being made to consistently record votes. | 1/2014 | Plan of Action accepted. |
| What technical assistance do you provide during the BMP installation process to ensure the BMP is installed by the contract deadline? | | | | X | The district does not usually do "hands on" implementation due to County Safety Liability issues. Staff does check on progress for BMPs or has the contractor take pictures to show progress. | | X | | | |
| How do you track the Commission's interim performance milestone? One-third of the work must be completed within 12 months of division approval. | | X | | | The district utilizes its' spreadsheet to track contract status. Recommendation: the district should consider adding a column to include the 1/3 date – 12 months from division | X | | A column is already in place for when the contract is approved. There is no need for an added column with the 1/3 rd date. | | No change made. |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| | | | | | approval. | | | | | |
| Is the district recording 6-month extensions in the board minutes? | | X | | | There is evidence of a 6 month extension in the board minutes but there was nothing about the motion/decision. Recommendation – the district should also record the motion for the extension in the minutes. | X | | Existing protocol calls for motions on contract extensions to be recorded in minutes and a renewed effort is being made to consistently record all such votes. | 1/2014 | Plan of Action accepted. |
| What documentation do you include in the contract file that certifies that the BMP was inspected and is installed to the standards and specifications? | X | | | | Information is included in the Conservation 6 notes. There are also “as built” and it is marked on the NC 11 form with date. Commendation – there is excellent documentation of the work done and measured. | | X | | | |
| Are BMPs measured then certified before the request for payment is approved? How is this documented? | | | | X | The BMPs are measured then the RFP is completed. The field book includes measurements then that is transferred to the RFP. | | X | | | |
| Are receipts received and reviewed for CSP BMPs that are based on actual cost? | | | | X | Yes, receipts are in the CPO files. | | X | | | |
| Are request for payments reviewed and approved by the board as a separate action item? | | | | | RFPs are not always done as separate action items. See above information for separating out applications, contracts, and RFPs as separate action items and recording decisions in minutes. | X | | As notes above, all votes related to cost share contracts are now focusing on single actions, including RFPs, and recorded in the minutes accordingly. | 1/2014 | Plan of Action accepted. |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| If the BMPs are not installed by the end of the third program year per Commission policy, how does the district request a one-year extension? | | | | X | Yes, written extension letter with explanation and timeline were provided. | | X | | | |
| <i>Are payment decisions/motions recorded in the board minutes?</i> | | | | | RFP decisions were not always noted in the minutes – <u>see above notifications.</u> | X | | RFP's will be presented as separate action items and recorded in the minutes accordingly. | 1/2014 | Plan of Action accepted. |
| Section 2: Spot Checks and Compliance Issues Questions in this section focus on how the district reviews BMPs for compliance and how maintenance and/or non-compliance issues are addressed. | | | | | | | | | | |
| <i>Who participates in annual spot checks? When are they conducted?</i> | | | | X | Most of the supervisors participate but at least a quorum. It's an all day trip with county manager and board of Commissioners invited. All staff except NRCS participate. They are completed in March or April usually. | | X | | | |
| How does the district select which contracts to spot check? | X | | | | The district puts the active contract numbers in a hat and picks out the 5% number to review. If they pick the same cooperator that was done last year, they still go for the spot check. <u>Commendation</u> – I believe this system is a completely random system and would like to recognize that you continue to spot check if they come up in the random pick even if they were done last year which helps ensure a totally random sample. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| Are all BMPs under the waste management category spot checked for the first five years after installation? This applies to all farms that fall under the thresholds that are regulated by DWQ. | | | | X | Yes, Daniel has a list of all special things that need reviewed and if not picked randomly they add the waste contracts in to the total. | | X | | | |
| How does the district review five percent of all waste utilization plans? | X | | | | The district reviews the Waste Management Plans every 5 years for farms that don't get cost share. Commendation – the division wants to commend you for going this step and reviewing the waste plans even if they do not qualify for or request cost share. | | X | | | |
| How does the district notify the NRCS area office (for ACSP contracts) or division (for CCAP contracts) to conduct spot checks on lands owned or operated by a district, county, division or NRCS employee or district supervisor? This includes CPOs, revisions, supplements or repairs. | | | | X | The district notifies Chris (DC) who notifies the Area Office. Ralston and I checked Dennis's cistern when we were there performing the program review and it was good. The district is aware that these contracts need spot checked. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| The North Carolina Statute 02 NCAC 59D.0107(f) states "If the technical representative of the district determines that a BMP for which program funds were received has been destroyed or has not been properly maintained, the applicant will be notified that the BMP must be repaired or re-implemented within 30 working days. For vegetative practices, applicants are given one calendar year to re-establish the vegetation" How does your district notify individuals that have destroyed or mismanaged a BMP? | | X | | | I could find no recent copies of these letters in my files here in Raleigh. The district writes the cooperator a letter. Daniel goes in person to contact the cooperator. I did receive a copy of a letter during the program review. Recommendation – a letter signed by the chair should be sent to the cooperator and a copy sent to Raleigh cost share staff. Follow-up should be done on these letters as well. | X | | A letter signed by the chair will be sent to the cooperator and a copy sent to Raleigh cost share staff. Follow-up will be done on these letters as well. | 1/2014 | Plan of Action accepted. |
| How are supervisors notified of BMPs that are found to be destroyed or mismanaged at any time throughout the year? | | | | X | The issues are taken to the board to discuss as an information item. | | X | | | |
| When does the district provide a written notice that the BMP must be repaired or re-implemented within 30 working days? (Vegetative practices have to be reestablished within one calendar year.) Is a copy of the notification kept with the CPO? | | | | X | If the staff finds issues during the spot check or when out driving around, they come back in and call cooperator and send letter. A copy is kept in the CPO file. | | X | | | |
| If the BMP was not repaired or re-implemented, was repayment requested? Please provide documentation. | | | | X | Yes, the district has refunded money to the state for contracts out of compliance. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| <i>Is the district notifying the division of non-compliance and resolutions?</i> | | | | X | There were no copies in the history file here in Raleigh but they could be with the contract files. The procedure to copy the cost share staff was recommended earlier in this summary. | | X | | | |
| Section 3: Record Keeping | | | | | | | | | | |
| Questions in this section focus on how funds are managed and accounted for, maintaining proper design and job approval authority, as well as disclosure forms. | | | | | | | | | | |
| How does the district track BMP funds? | | | | X | The district has a spreadsheet they use to track BMP funds. | | X | | | |
| How does the district use the division on-line (website) reports? | | | | X | The website reports are checked all the time and especially at the end of the year for closing out. | | X | | | |
| How are your BMP funds audited? What is the date of the last audit? Who performed the audit? Was the BMP audit form completed and notarized? | | | | X | The district completes the BMP certification form by the board and it is notarized. Last one done was May 2013. | | X | | | |
| How are technical assistance funds tracked? Are they audited? What is the date of the last audit? Who performed the audit? | | | | X | The district does a spreadsheet in their office but the funds are audited by the county. Last audit done May 2013 by an outside CPA firm. | | X | | | |
| Who in the office is funded by Cost Share Technical Assistance (TA) from the State? | | | | X | Daniel | | X | | | |
| How are operating funds tracked? Are they audited? What is the date of the last audit? Who performed the audit? | | | | X | Same as TA. Audited by county. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| How are matching funds tracked? Are they audited? What is the date of the last audit? Who performed the audit? | | | | X | The matching funds go to the county and are a part of the county audit. May 2013 was the date the outside CPA firm did the audit. | | X | | | |
| How much time is spent on cost share program (ACSP, CCAP, AgWRAP) contracts and BMP implementation? How is that tracked? | | | | X | Approximately 85% of Daniel's time is spent on state cost share program implementation. | | X | | | |
| Is proper job approval authority (JAA) documented for each technical and cost share position? | | | | X | Yes, JAA for Dennis and Daniel was reviewed during the program review. | | X | | | |
| Do district supervisors complete supervisor forms when they have a financial interest in an entity requesting a cost share contract? | | | | X | The supervisors sign this form every year. Currently, no one on the board is a contractor providing services to cooperators. | | X | | | |
| Section 4: Contract Reviews and Site Visits Below is a list of the contracts the division reviewed. Spot checks were also conducted. Notes include recommendations and/or corrective action for contract files as well as the BMP. Contracts/BMPs are listed by contract number. | | | | | | | | | | |
| Contract Number: 13-2010-505/13-2012-501/13-2013-501 Applicant Name: Cabarrus County Schools BMP: stormwater wetland | | X | | | This practice is in the process of being designed/repared by the division engineer and district staff due to erosion. Recommendation: the district should keep the division cost share specialist informed of progress on this repair as it goes forward. | X | | This need for repair was noted during 2 previous spot checks. DSWC engineering staff placed BMP slope grade flags during 3-27-14 visit. District staff and school system staff met to discuss BMP repairs. A new contract will be written to cover cost of repair. | 3/2014-6/2014 | Plan of Action accepted. |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
|  | | | | | Contract file complete. | | | | | |
| Contract Number: 13-2005-001 Applicant Name: Clifton Mowrer, Jr. BMP: cropland conversion to trees | | | | X | No concerns. Contract file complete. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
|  | | | | | | | | | | |
| <p>Contract Number: 13-2009-006 Applicant Name: Porter Farms, Inc. BMP: pasture renovation</p>  | | | | X | No concerns. Contract file complete. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
| Contract Number: 13-2011-003 Applicant Name: Porter Farms, Inc. BMP: cropland conversion to grass  | | X | | | There are some bare areas in the field but cooperators are going to replant in spring. Recommendation: The district should update the division cost share specialist on the replanting success. Contract file complete. | X | | Contract Number: 13-2011-003 Fields will need to be replanted in the spring due to lack of cover. Division cost share specialist will be notified when replanting has been completed. | 3/2014-4/2014 | Plan of Action accepted. |
| Contract Number: 13-2009-004 Applicant Name: Porter Farms, Inc. BMP: well/pump | | | | X | No concerns. Contract file complete. | | X | | | |
| Contract Number: 13-2009-015/ 13-2010-001 (s) Applicant Name: Rolling Hills Farm BMP: drystack/composter 13-2012-009 - spreader | | | | X | No concerns. Contract file complete. | | X | | | |

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| | Commendation | Recommendation | Corrective Action | No Concerns/ Not Applicable | | Yes | No | | | |
|  | | | | | | | | | | |
| Contract Number: 13-2012-801 Applicant Name: Tommy Barbee BMP: irrigation well/pump AgWRAP | | | | X | No concerns. Contract file complete. | | X | | | |