

**North Carolina Agriculture Cost Share Program Review Summary
(month, year)**

County	<u>New Hanover</u>	Date of Previous Review/Report	<u>April 24, 2006</u>
District Staff Name(s)	<u>Dru Harrison, Ellissa Riley</u>	Date	<u>August 27, 2014</u>
NRCS Staff Name(s)	_____		
Division Representative(s)	<u>Kelly Ibrahim, Kristina Fischer, Tom Hill</u>		
Additional Participants	_____		

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?					<u>Third Tuesday every month</u> , the meeting time was adjusted recently to accommodate a Board member		X			
How do you notify the public of the board meeting schedule and does it adhere to the Open Meetings Law?					The district website, it is posted at the district office, municipal cable channel, and office calendar.		X			

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<i>When do you develop a conservation plan for a potential applicant?</i>				X	The plan is developed when the person applies for cost share assistance and before the contract is written. Works with DC for agriculture. Make site visits and determine what resource concerns are present and what practices are needed for the contract.		X			
<i>How do you assess the resource concerns on the farm to determine if a BMP is needed and feasible?</i>				X	Google earth is used to determine natural resources and stream sites within proximity of the project. Site visits are made and photos are taken of the issues present. The Web Soil Survey is used to determine the soils and their characteristics.		X	(email google EC to Dru),		
<i>Are applications reviewed and approved by the Board as a separate action item?</i>				X	Yes. Applications and contracts are not approved in the same meeting. Names of the person/business applying are not on the contract until after the Board vote is taken.		X			
<i>Are application decisions/motions recorded in the board minutes?</i>				X	Yes, actions are noted in the meeting minutes..		X			
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		Yes. The district does almost all incentive BMPs. The district keeps an excel spreadsheet of all producers and BMPs. Note: an issue with this was found on the field site visits. This will be discussed more fully on page 8.	See Page 8				

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Please describe how the district tracks applicants who are applying for multiple incentive BMPs or consecutive incentive BMPs.			X		There are only four farms in New Hanover County. Note: an issue with this was found on the field site visits. This will be discussed more fully in that section. This item is shown as a Corrective Action on page 8 and will therefore be grouped with this item and will not be treated separately.	See Page 8				
If multiple partners farm together, how does the district track individual applicants as one operation?			X		Note: an issue with this was found on the field site visits. This will be discussed more fully in that section. This item is shown as a Corrective Action on page 8 and will therefore be grouped with this item and will not be treated separately.	See Page 8				
Once applications are approved, how do you develop a contract?				X	The conservation plan is developed before the application approval. The application goes through the ranking system. Contracts are batched, and those ranking high or medium are taken to the board for approval. Low rankings are then batched for the next period and are taken to the next Board meeting if no other higher ranking contracts come in.		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 district reviews the contract in person with the applicant when they sign it and staff discusses with them not to begin work until the division		X			

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					approves the contract. The spot check process is also explained to the applicant.					
What procedures do you follow for notifying the applicant that work can begin?				X	District staff discusses this with the applicant when going over the contract with them in person and tells them that work cannot begin until the division approves the contract.		X			
What information do you provide the applicant?				X	The applicant is provided a copy of the plan, the contract and is also provided a list of contractors. The district keeps a copy on file.		X			
<i>Are contracts reviewed and approved by the Board as a separate action item?</i>				X	Yes		X			
<i>Are contract decisions/motions recorded in the board minutes?</i>				X	Yes		X			
Describe the district/board's procedure for approving supervisor contracts.				X	The New Hanover district has not had any contracts for supervisors. Should this occur in the future, the Board will follow division policy regarding.		X			
<i>Is it documented in the Board minutes that the supervisor abstained from discussing his/her own contract and from voting?</i>				X	N/A		X			
What technical assistance do you provide during the BMP installation process to ensure the BMP is installed by the contract deadline?				X	With ACSP a check is made during installation, then after again after the practice is completed. With CCAP contracts staff goes out regularly to		X			

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					ensure the practice is being installed.					
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	This is tracked by spreadsheet and site visits; to date the district has not had to invoke the 1/3 rule. This is now being tracked through CS2.		X			
Is the district recording 6-month extensions in the board minutes?				X	N/A		X			
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	The district notes the compliance on the forms that the practice is installed according to standards and specification. The applicant is not given the RFP until the practices are finished according to specifications. The practices are certified in the field.		X			
Are BMPs measured then certified before the request for payment is approved? How is this documented?				X	Yes, for each practice. This is documented on the RFP and on the checkout forms.		X			
Are receipts received and reviewed for CSP BMPs that are based on actual cost?				X	Yes, the district keeps all receipts in files and pays accordingly.		X			
Are request for payments reviewed and approved by the board as a separate action item?				X	Yes		X			

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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?										
<i>Are payment decisions/motions recorded in the board minutes?</i>				X	Yes, these are always brought to a board meeting for approval.		X			
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?										
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	At least two supervisors and one to two staff. Spotchecks are usually conducted in April or May.		X			
<i>How does the district select which contracts to spot check?</i>				X	The contract numbers are put in a hat and the contracts to spot check are drawn by a board member. The New Hanover has only have 4 ACSP contracts and 20 CCAP contracts.		X			
<i>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 DWR.</i>				X	N/A		X			
<i>How does the district review five percent of all waste utilization plans?</i>				X	N/A		X			

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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 was not aware of this policy. The district will begin to comply with this policy.	X				

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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		No issues. The district would follow this compliance policy should this become an issue. Note: an issue with this was found on the field site visits (after this was discussed in the office per above). Upon further review, it appears as if the cooperators has received more than the cap designated for the long-term no-till (LTNT). The cooperators tend farms in an adjoining (Pender) county where they received additional LTNT incentive payments. We are currently reviewing the policy as it was stated at the time of the contract to determine the best course of action for the exceeding the the cap. New Hanover does need to follow through with the non-compliance of the residue requirements for the following contracts: 65-2011-002 (12.75 acres = \$1,913) 65-2011-003 (32.08 acres = \$4,812) 65-2011-004 (18.46 acres = \$2,769) A total sum of 63.29 acres totaling \$9,494 of cost shared funds have been found out of compliance.	X				

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How are supervisors notified of BMPs that are found to be destroyed or mismanaged at any time throughout the year?					This is discussed at a board meeting.					
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		This has not been an issue to date. Note: an issue with this was found on the field site visits. This will be discussed more fully on page 8 above. This item is shown as a Corrective Action above and will therefore be grouped with this item and will not be treated separately.	X				
If the BMP was not repaired or re-implemented, was repayment requested? Please provide documentation.					As part of letter if not in compliance.					
Is the district notifying the division of non-compliance and resolutions?				X	Haven't had issues with non-compliance, only maintenance issues. Note: an issue with non-compliance was found on the field site visits. This was unknown by the district at this time therefore no Corrective Action is necessary. The non-compliance issue is discussed above on page 8.		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 utilizes the new online contracting system (CS2).		X			

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How does the district use the division on-line (website & CS²) reports?				X	The district utilizes them to check balances and to verify their own system.		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? (do we need this now that we require them to upload?)										
How are technical assistance funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?				X	Staff keeps the audit materials and keeps the requests. Audit was in June 2014, Thompson, Price, Scott and Adams, a private CPA firm, is hired to provide the audit.		X			
Who in the office is funded by Cost Share Technical Assistance (TA) from the State?				X	Dru Harrison		X			
How are operating funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?				X	These funds are a part of the operations and education budget. They are tracked monthly and audited by the same CPA firm.		X			
How are matching funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?				X	These funds are also a part of the operations and education budget, they are tracked monthly, and they use the same CPA firm.		X			

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How much time is spent on cost share program (ACSP, CCAP, AgWRAP) contracts and BMP implementation? How is that tracked?										
Is proper job approval authority (JAA) documented for each technical and cost share position? Please provide a copy of the latest approved JAA.		X			Currently the staff has no JAA; they are working on obtaining JAA for CCAP practices. It is recommended that staff follow up on obtaining JAA for at least two CCAP practices.		X			
Do district supervisors complete supervisor forms when they have a financial interest in an entity requesting a cost share contract?		X			The district just completed one for a new supervisor so this is now being complied with. It is recommended that the district determine if any other supervisors have a financial interest in other contracts and comply with this policy should this be necessary.		X			

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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: 65-2010-518 Applicant Name: NC Coastal Federation BMP: Bioretention area Please see separate form for additional information <i>Insert Picture</i>	X				Excellent project at Bradley Creek Elementary with a good partnership joining together to work on this project! Great job!		X			
Contract Number: 65-2010-519 Applicant Name: NC Coastal Federation BMP: Stormwater wetland Please see separate form for additional information <i>Insert Picture</i>					See above note. This is another contract on the same property. The commendation will be for both of these projects combined.		X			
Contract Number: 65-2010-513 Applicant Name: NC Wildlife Resources Commission BMP: Marsh sill Please see separate form for additional information <i>Insert Picture</i>	X				This is a classic example of a marsh sill. Installed very well, good design, and effective BMP. This receives a commendation as well for the excellent quality work and the partnership formed with this project!		X			

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<p>Contract Number: 65-2011-003 Applicant Name: Lou Hall BMP: Long-term no-till Please see separate form for additional information</p> <p><i>Insert Picture</i></p>			X		<p>This BMP was not functioning as the residue was effectively non-existent. The other contracts with this individual are in the same situation, the residue does not meet specifications. Upon further inquiry, it appears that the cap for this practice has been exceeded as well as this individual's husband appears to have contracts in Pender County. The non-compliance issue was found on the program review and the district had no prior knowledge about the condition of the BMP. Additionally, the cap exceedance was unknown as well. Corrective action is necessary, discussed again on page 8.</p>	X				
<p>Contract Number: Applicant Name: BMP:</p> <p><i>Insert Picture</i></p>										
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