

**North Carolina Agriculture Cost Share Program Review Summary
(March 2016)**

County	<u>Orange</u>	Date of Previous Review/Report	<u>July 2006</u>
District Staff Name(s)	<u>Gail Hughes, Todd Roberts, Kenny Ray</u>	Date	<u>March 2016</u>
NRCS Staff Name(s)	<u></u>		
Division Representative(s)	<u>Julie Henshaw, 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.										
How/when are the district board meetings scheduled?				X	Set monthly – different schedules dependent on the time of year. The board generally meet 11 times a year.		X			

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How do you notify the public of the board meeting schedule? Does it adhere to the Open Meetings Law?				X	The district puts notices on the district website, on the Orange County website and on the office door. Changes are made through the county's public meeting calendar. These notices ensure that the board follows the open meetings law.		X			
<i>Please describe the district's process for providing assistance to applicants by assessing resource concerns to determine if a BMP is "needed and feasible" and then developing the conservation plan.</i>				X	The district publicizes funding availability for all Cost Share Programs and talks with potential cooperators. Staff meet with them on site to address resource concerns. Initial sign up is advertised at the start of the fiscal year by publishing in the paper. Sometimes district staff just provide technical assistance.		X			
<i>In what instances does the district provide technical assistance without cost share funds?</i>				X	The district provides technical assistance in many cases, some specific examples include helping set row patterns because of increases in the acreage of organic tobacco grown and interest in CCAP.		X			
<i>Are applications reviewed and approved by the Board as a separate action item?</i>				X	They are captured separately in the board minutes.		X			
<i>Are application motions/decisions recorded in the board minutes?</i>				X	Yes.		X			

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<p>Applicants are limited when applying for incentive BMPs. How does your district track applicants so they do not go over the practice caps and to be sure they haven't already "adopted" the practice?</p> <p>Is your district using the self-certification for incentives form provided by the division?</p>	X				<p>Good tracking form – goes back 31 years!</p> <p>The division recommends using the self-certification form available here: http://www.ncagr.gov/SWC/costshareprograms/Forms.html</p> <p><i>Division staff are working on improving the directions based on district staff feedback.</i></p>		X			
<p>If multiple partners farm together, how does the district track individual applicants as one operation or entity?</p>				X	<p>District staff check files, refer to their knowledge of operators, review their contract tracking spreadsheet with 31 years of data, and call surrounding districts.</p>		X			
<p>At what point in the application process does the district develop the contract? Describe this process.</p>				X	<p>The district process is as follows: Talk with or meet the potential cooperator, conduct the site visit, then determine eligibility. If the project is eligible, then develop the application, complete the ranking worksheet, take to the board for approval, and then move into contract development. Sometimes the board acts on both the application and contract at the same meeting.</p>		X			

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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	District staff mails a copy of the contract to the cooperator and does another site visit to share all paperwork including designs and to discuss the process with the cooperator. Staff then calls the cooperator after receiving the approval email from the division. When working with CCAP projects, staff communicates in email often and provides cost estimates as CCAP clients have less familiarity with how cost share programs work since it a much younger program.		X			
Describe the district/board's procedure for approving supervisor contracts.				X	The district tries to plan ahead because of the requirement that the contract be approved by the Commission. Staff ranks the application and contract. The supervisor whose contract it is abstains from voting on their own contract. After district board approval, staff submits the contract including the 1B form and waits for Commission and division approval.		X			
<i>Are contracts reviewed and approved by the Board as a separate action item?</i>				X	Yes.		X			
<i>Are contract motions/decisions recorded in the board minutes?</i>				X	Yes		X			

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<i>Is it documented in the Board minutes that the supervisor abstained from discussing his/her own contract and from voting?</i>				X	Yes		X			
What procedures do you follow for notifying the applicant that work can begin?		X			District staff call, email or make a personal visit. They provide the cooperators copies of designs and jobsheets. Staff send hardcopies after the district approves the contract, with notice that they can't start the construction process until the division approves the contract. The division recommends that the district include a cover letter to specifically describe the approval process and timeline.	X				
What information do you provide the applicant?				X	See above.		X			
What technical assistance do you provide during the BMP installation process to ensure the BMP is installed correctly and by the contract deadline?				X	Staff conducts site visits throughout the layout and construction process. Staff complete layout, stakeouts, meet with contractors prior to construction, and do site visits during construction.		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	District staff refer to tracking spreadsheets and follow up with cooperators as needed. The district also appears before the Commission when requesting additional time.		X			

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If 1/3 of the work has not been completed within 12 months and the cooperators requests additional time, is the district recording 6-month extensions in the board minutes?	X				Yes. Great job maintaining records and ensuring follow up!		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			Some contracts include check out notes, as-builts, JAA signatures and field notes. From the contracts reviewed, the division recommends more information in the contract files to support the BMPs that are needed and feasible and supporting information on the design process, construction oversight and cooperator communications.	X				
Are BMPs measured then certified before the request for payment is approved? How is this documented?		X			Yes, and is included in checkout notes. Some of the contracts were lacking in conservation notes to support installation. The Division recommends improving the quantity and quality of notes in contract files.	X				
Are receipts received and reviewed for CSP BMPs that are based on actual cost?				X	Yes, and the district provided an example.		X			

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Are request for payments reviewed and approved by the board as a separate action item?				X	Yes.		X			
Are payment motions/decisions recorded in the board minutes?				X	Yes.		X			
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.										
Who participates in annual spot checks? When are they conducted?				X	At least one supervisor participates. They are completed at the end of May or early June.		X			
How does the district randomly select which contracts to spot check?				X	Contract selection is done randomly. A set number is used to pick each selected contract.		X			
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.				X	Yes		X			
Are all agriculture new ponds, pond repair/retrofits, and water collection systems being spot-checked every year during the maintenance period?				X	Question is not applicable as the district does not have any active contracts for these BMPs.		X			
Are all agriculture road repair/stabilizations being spot-checked at least every 2 years during the maintenance period?				X	Question is not applicable as the district does not have any active contracts for these BMPs.		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	District staff work through their NRCS DC. He completes the engineering spot check and forwards the request to the Area engineer. CCAP has not had any contracts in this category to date.		X			

<p>The 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."</p> <p>How does your district notify individuals that have destroyed or mismanaged a BMP?</p>				X	The district sends certified letters. Last year, three contracts were found out of compliance, and the district was able to use the repaid funds for additional contracts.		X			
<p>How are supervisors notified of BMPs that are found to be destroyed or mismanaged at any time throughout the year?</p>				X	Staff informs district supervisors during board meetings.		X			
<p>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 in the contract file?</p>				X	Yes – staff shared examples.		X			
<p>If the BMP was not repaired or re-implemented, was repayment requested? Please provide documentation.</p>				X	Yes – staff shared examples		X			
<p><i>Is the district notifying the division of non-compliance and resolutions?</i></p>				X	Yes – working with Ken Parks.		X			
<p>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.</p>										
<p>How does the district track BMP funds?</p>				X	Spreadsheets, database reports and CS ² .		X			
<p>In what instances does the district use the division on-line (website & CS²) reports?</p>				X	The district uses these tools to confirm contract amounts and payment processed.		X			

<p>How are technical assistance and operating funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?</p>				<p>X</p>	<p>Funds are managed by the County. They are audited by the County CPA with Orange County Finance Dept., and an external audit is completed by McGladrey & Pullen LLP. The most recent audits were completed as an initial audit in May 2015, and final audit in September 2015.</p>		<p>X</p>			
<p>Who in the office is funded by Cost Share Technical Assistance (TA) from the State?</p>				<p>X</p>	<p>Todd Roberts and Kenny Ray</p>		<p>X</p>			
<p>How are matching funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?</p>				<p>X</p>	<p>The district maintains a separate line item for matching funds. Lisa Pope tracks expenditures from that line, and each month the district treasurer gets a report on payments made and balances. The audit process is the same as described above with internal and external auditing.</p>		<p>X</p>			
<p>Is proper job approval authority (JAA) documented for each technical and cost share position? Please provide a copy of the latest approved JAA.</p>				<p>X</p>	<p>All technical positions in the district had copies of their JAA. However, the state version had a newer date. It is recommended that district staff review their JAA and correspond with the NRCS Area Office if any revisions are needed.</p>		<p>X</p>			

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. **General Comments for the majority of the contracts:** Many of the files were missing important information to document how the contracts were developed, when information was communicated to cooperators and backup documentation to support cost share contracts. The division recommends that contract files be much more complete in the future and include conservation plans, technical support documents (ex. Job sheets, practice designs, worksheets, etc); water quality benefit calculations (RUSLE II, PLAT, etc); District ranking form; Field notes (documenting field visits, payment maintenance notes and all correspondence with the cooperator about the contract); and any supplemental required forms for each BMP.

Please respond to this recommendation below:

<p>Contract Number: 68-2006-005 Applicant Name: Tate, Inc. BMP: Waste application equipment</p> 				X	BMP in compliance.		X			
<p>Contract Number: 68-2007-002 Applicant Name: John Ward, Jr. BMP: Cropland Conversion</p> 				X	BMP in compliance. No conservation plan in the contract file.		X			

<p>Contract Number: 68-2008-015 Applicant Name: Ray Nichols BMP: Pasture Renovation</p> 				X	BMP in compliance.		X			
<p>Contract Number: 68-2009-516 Applicant Name: Orange County Schools BMP: Critical Area Planting</p> 				X	BMP in compliance.		X			
<p>Contract Number: 68-2011-014 Applicant Name: Sue Gates BMP: Prescribed grazing</p> 				X	BMP in compliance.		X			

<p>Contract Number: 68-2012-002 Applicant Name: William Homer, Jr BMP: Agricultural Pond Restoration/Repair</p> 				X	BMP in compliance.		X			
<p>Contract Number: 68-2012-057 Applicant Name: Dennis Brooks BMP: Livestock exclusion system, tank, well, riparian buffer</p> 	X				BMP in compliance, the buffer is growing well. This is a wonderful partnership project using CREP!		X			
<p>Contract Number: 68-2013-005 Applicant Name: Tate, Inc. BMP: Dry stack</p> 				X	BMP in compliance.		X			

<p>Contract Number: 68-2013-006 Applicant Name: David Walker BMP: Livestock exclusion system, watering tanks, well, heavy use area</p> 				X	BMP in compliance.		X			
<p>Contract Number: 68-2014-009 Applicant Name: Tate, Inc. BMP: Field border, grassed waterway</p> 				X	BMP in compliance.		X			
<p>Contract Number: 68-2014-014 Applicant Name: Ronald Parker BMP: Grassed waterway</p> 			X		Maintenance is needed on this BMP. The grassed waterway will need to be reseeded.	X				

<p>Contract Number: 68-2015-003 Applicant Name: Tate, Inc. BMP: Field border, grassed waterway</p> 				X	BMP in compliance.		X			
<p>Contract Number: 68-2015-004 Applicant Name: Shambley Dairy, Inc. BMP: Sod-based rotation</p> 				X	BMP in compliance. Contract file was missing the incentive self-certification form.		X			
<p>Contract Number: 68-2015-006 Applicant Name: Shambley Dairy, Inc. BMP: Sod-based rotation</p> 				X	BMP in compliance.		X			

<p>Contract Number: 68-2016-002 Applicant Name: Tate, Inc. BMP: Field border, grassed waterway</p> 				X	BMP in compliance.		X				
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