

Virginia Soil and Water Conservation Board
Virginia Transportation Research Council, Charlottesville
June 17, 2026; 11:30 a.m.

AGENDA

- A. Call to Order and Introductions
- B. Approval of Minutes from April 15, 2026
- C. Director's report

Dam Safety Division

- D. Division report
- E. Approval of projects funded by the Dam Safety, Flood Prevention and Protection Assistance Fund and provide exception for certain practices from reapplying for the next grant period
- F. Approval of Notice of Intended Regulatory Action (NOIRA) for Impounding Structure Regulations (4VAC50-20)

Soil and Water Conservation Division

- G. Division report
- H. Approval of funding for District dam rehabilitation project
- I. Approval of correction to Fiscal Year 2027 Virginia Agricultural Cost-Share Manual
- J. Approval of Desktop Procedures for District Operations
- K. Approval of District Director appointments and resignations

L. Old Business

M. New Business

N. Partner Reports

- I. Natural Resources Conservation Service
- II. Virginia Department of Agriculture and Consumer Services
- III. Virginia Cooperative Extension
- IV. Virginia Association of Soil and Water Conservation Districts
- V. Chesapeake Bay Commission
- VI. Virginia Agribusiness Council
- VII. Virginia Farm Bureau Federation

O. Public Comment

P. Next Meetings

- July 2026; date and location to be determined
- September 14-15, 2026; location to be determined
- December 10, 2026; Hotel Roanoke, Roanoke, Virginia

For copies of the Virginia Soil and Water Conservation Board meeting materials contact Breanne Lindsey, Board and Constituent Liaison at 804.786.8445 or by email at breanne.lindsey@dcr.virginia.gov.

Virginia Soil and Water Conservation Board

Charles Newton, Chair

Adam D. Wilson

Robert Mills

Leigh Pemberton

Kevin Dunn

Nikki Rovner, DCR, Ex Officio

Dr. Edwin M. Martinez, NRCS, Ex Officio

John Schick, Vice-Chair

Jason R. De La Cruz

Stephanie Cornell

Nicholas Thomas

Virginia Soil and Water Conservation Board

AGENDA

**Virginia Soil and Water Conservation Board
Wednesday, April 15, 2026
Pocahontas State Park – Swift Creek Banquet Hall
Chesterfield, Virginia**

TIME AND PLACE

The meeting of the Virginia Soil and Water Conservation Board took place at 10:00 a.m. on Wednesday, April 15, 2026, at Pocahontas State Park, Swift Creek Banquet Hall in Chesterfield, Virginia.

VIRGINIA SOIL AND WATER CONSERVATION BOARD MEMBERS PRESENT

John Schick, Vice Chair

Robert Mills

Kevin Dunn

Dr. Dan Goerlich, VCE, Invitee

Adam Wilson

Leigh Pemberton

Stephanie Cornell

Dr. Edwin Martinez, NRCS, Ex Officio

VIRGINIA SOIL AND WATER CONSERVATION BOARD MEMBERS NOT PRESENT

Charles Newton, Chair

Jason De La Cruz

Nick Thomas

VIRGINIA DEPARTMENT OF CONSERVATION AND RECREATION STAFF PRESENT

Nikki Rovner, DCR Director

Sarah Spota, DCR Deputy Director

Darryl Glover, Deputy Director, Soil and Water Conservation, Dam Safety and Floodplain Management

Christine Watlington Jones, Policy and District Services Manager

Dave Neudeck, Public Communications & Marketing Director

Breanne Lindsey, Board and Constituent Liaison

Paul Saunders, Senior Policy Analyst

Blair Gordon, District Operations Coordinator

Nico Robichaud, Policy and Program Assistant

Matt Sabas, Senior Public Relations & Marketing Specialist

Sara Bottenfield, DCR Ag Incentives Program Manager

OTHERS PRESENT

Amy Walker, Colonial SWCD

Kendall Tyree, VASWCD

Jake Tabor, Farm Bureau

ESTABLISHMENT OF A QUORUM

With six (6) members of the Virginia Soil and Water Conservation Board present a quorum was established.

CALL TO ORDER AND INTRODUCTIONS

Vice Chairman Schick called the meeting to order at 10:00 a.m. and asked for introductions.

DIRECTOR'S REPORT – *Nikki Rovner, DCR Director*

Director Rovner provided the Board with an update on the state budget, noting that a budget has not yet been finalized but expressing optimism that one will be in place soon. She advised that, if the budget is adopted in a timely manner, the next Board meeting is scheduled for June 17, at which time the Board will be able to complete funding allocations for the Soil and Water Districts.

Director Rovner also informed the Board that this year marks the 100th anniversary of the Department of Conservation and Recreation (DCR), whose predecessor agency was established in 1926. As part of the anniversary celebration, Governor Spanberger recently visited DCR's Richmond office. The agency plans to continue commemorating this milestone throughout the year with events across the Commonwealth, including recognition of DCR staff for their contributions. In addition, this year marks the 90th anniversary of State Parks and the 40th anniversary of the Natural Heritage Program. Director Rovner noted that these milestones will be celebrated in coordination with the boards, including the Soil and Water Conservation Board, and encouraged members to share any ideas for commemorating these occasions.

APPROVAL OF THE MINUTES FROM MARCH 20, 2026

BOARD ACTION

Mr. Pemberton moved to approve the March 20, 2026, Board meeting minutes as presented. Mr. Mills seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

SOIL AND WATER CONSERVATION DIVISION REPORT – *Darryl Glover, Deputy Director, Soil and Water Conservation, Dam Safety, and Floodplain Management*

Mr. Glover provided the division report on behalf of James Martin, Director of the Division of Soil and Water Conservation.

Grant Update

The enrollment period for the Alliance to Advance Climate-Smart Agriculture grant is currently underway, with the applications being accepted between April 1 and April 30. Two program options are available. The general program provides \$100 per acre for the implementation of a single eligible practice on up to 120 acres per producer; eligible practices include pasture and hay planting, nutrient management, and grazing management. The pasture renovation option offers a more comprehensive approach, allowing producers to implement all three practices on up to 50 acres, with a payment rate of \$300 per acre.

Draft Conservation Planning Curriculum

The Department is continuing to accept comments on the draft Conservation Planning Curriculum, which was developed in response to comments and concerns raised by individual Districts and the Virginia Soil and Water Conservation District Employees Association. This opportunity for input has been announced at area meetings held throughout the state.

Dam Safety Information

Mr. Glover informed the Board that, if the June 17 meeting proceeds as anticipated, Department staff will present the results of the Dam Safety, Flood Prevention, and Protection Assistance Fund grant cycle. He noted that a record number of 111 applications were received, requesting a total of \$19 million, while \$5 million is available for awards this year.

APPROVAL OF THE BOARD’S FISCAL YEAR 2027 VIRGINIA AGRICULTURAL COST-SHARE (VACS) BMP MANUAL – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided the Board with an overview of a revision needed in response to changes by the IRS related to the issuance of 1099-G forms and outlined two decisions required of the Board concerning the Virginia Agricultural Best Management Practices (BMP) Manual in relation to the TAC recommendations.

BMP Manual TAC Recommendations Discussion & Board Decision

There were 2 recommendations from the AgBMP TAC that the Department did not support.

1. Bundle Variance

5P	Any combination of BMPs that exceeds the participant cap should be eligible for a variance	<p>Update existing Bundle Variance process in the VACS Guidelines to allow a combination of BMPs, except a combination of only agronomic BMPs, that exceeds the participant cap to be eligible for a variance.</p> <p><i>If the <u>an</u> applicant qualifies for a Variance request and wishes to apply for additional non-Variance-eligible multiple practice(s) in the same Program Year (e.g., a Variance is being requested for a WP-4 that exceeds the participant cap and the participant also wants to apply for cover-crop practices) which in combination exceed the participant cap, the District may request a “Bundle Variance”. A Bundle Variance requests <u>consisting entirely of agronomic practices are not eligible</u> includes one or more Variance-eligible practices as well as non-Variance-eligible practice(s). All practices for consideration under a Bundle Variance must be included in a single request, with all required Variance documentation provided for each</i></p>
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	<i>practice as applicable. The Variance Committee may consider each practice separately for approval of the Variance request.</i>
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Department concern: This changes the variance process to simply be a means to avoid the participant cap, rather than a way for the program to accommodate very costly structural practices.

2. Timber Harvesting

14S	Specify in the program manual the limits on timber harvesting in riparian forest buffers. With some buffers now exceeding the 15 acre payment cap by 20 acres or more and 15-year lifespans in place, it needs to be specific whether tree cutting is prohibited, can only be done for maintenance, select cutting is allowed, or if clear cutting is allowed as long as the forest is replanted, etc., and if part of the buffer can be left out of the practice if it is planned to be harvested during the lifespan. This needs to be clear so staff can inform participants what they are enrolling in and there are no misunderstandings between participants, staff, directors, or DCR.	Update language in SL-6N/W/F, WP-2N/W to restrict timber harvesting within the minimum setback buffer area of the practice: The buffer must be maintained as perennial species for the practice lifespan. <u>Regardless of the actual installed exclusion fence location, timber harvesting is not allowed within the minimum fence setback as approved for the practice, unless otherwise approved by DCR, DOF, and the District.</u> Grazing (including flash grazing) and haying are not allowed in the protected riparian area during the lifespan of this practice.
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Department revised recommendation:

The buffer must be maintained as perennial species for the practice lifespan. Grazing (including flash grazing) and haying are not allowed in the protected riparian area during the lifespan of this practice. If at any time during the practice lifespan the participant is found to be grazing (including flash grazing) their livestock in the buffer, as documented by photographic evidence, the District shall require the repayment of the entire buffer payment (i.e. non-prorated).

i. When both sides of the stream are under the same ownership livestock must be excluded from both sides of the stream.

ii. Regardless of the actual installed exclusion fence location, timber harvesting is not allowed within the minimum fence setback as approved for the practice or within the area receiving a buffer payment, unless otherwise approved by DCR, DOF, and the District. The buffer payment area must be clearly marked with signs, posts, or some other identifiable method if timber harvest is planned in non-payment areas. Harvesting timber within the minimum setback or buffer payment areas will result in required repayment of the buffer payment.

Additional revisions:

The IRS has revised the threshold for issuing 1099 forms. In both the Guidelines section (Page II-36) and the CREP section (VI-9), language need to be revised to reflect the changing threshold. The IRS also anticipates adjusting the threshold each year for inflation.

Districts must provide an Internal Revenue Service Form 1099-G to any individual installing an agricultural practice who receives ~~\$600 or more in~~ payment(s) from cost-share or other funding sources (such as settlement funds) equal to or above the threshold established by the IRS per their federal taxpayer identification number or social security number during the calendar year.

BOARD ACTION

After discussion of the recommendations regarding timber harvesting, Mr. Mills moved to accept the Department's recommended language. Mr. Wilson seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

After discussion of the recommendations regarding bundle variance, Mr. Pemberton moved to accept the AgBMP TAC's recommendation. Mr. Wilson seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

Mr. Pemberton made the following motion: The Virginia Soil and Water Conservation Board (Board) approves the 2027 Virginia Agricultural Cost-Share BMP Manual as discussed. The Department is authorized to make non-substantive changes to include formatting and stylistic changes as necessary to all approved sections of the Manual. Mr. Mills seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

REVIEW OF BOARD POLICY ON SOIL AND WATER CONSERVATION DISTRICT ADMINISTRATION AND OPERATIONS FUNDING ALLOCATIONS FOR FISCAL YEAR 2027 – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided an overview of the Board Policy on Soil and Water Conservation District Administration and Operations funding allocations for Fiscal Year 2027. She noted that references to the budget will be updated once a final budget is adopted and that revisions have been made to reflect FY2027 rather than FY2026. The budget template includes a request for \$12.8 million in funding which reflects basic administrative costs required to manage a minimal VACS program. No additional funding has been proposed for administration and operations.

Ms. Watlington Jones further explained that in the scenario presented, funding increases for districts were capped at 27.5 percent. While some districts projected a need exceeding that cap, others indicated they could operate with less funding. She advised that the Board will need to take action at its next meeting to approve the funding allocation and determine whether to maintain the current distribution to each district or modify the allocations.

The Board held discussion regarding funding requests and considered their options, with the understanding that a decision will be necessary at the next meeting.

REVIEW OF ADMINISTRATION AND OPERATIONS SUPPORT GRANT AGREEMENT FOR FISCAL YEAR 2027 – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided an overview of the Administration and Operations Support Grant Agreement for Fiscal Year 2027. She noted that the agreement has been updated to reflect FY2027 rather than FY2026, including corresponding date revisions. The budget template has been reinstated as a required component, with a submission deadline of July 15, 2027, in accordance with every two-year grant deliverable requirement.

Ms. Watlington Jones also highlighted a revision to one of the deliverables, which now requires the full district board to review the Desktop Guide, rather than limiting the review to the Finance Committee. Additionally, Attachment E has been updated.

REVIEW OF BOARD POLICY ON SOIL AND WATER CONSERVATION DISTRICT COST-SHARE AND TECHNICAL ASSISTANCE FUNDING ALLOCATIONS FOR FISCAL YEAR 2027 – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided an overview of the updates to the Board Policy on Soil and Water Conservation District Cost-Share and Technical Assistance funding allocations for Fiscal Year 2027. She noted that references to the budget will be updated once a final budget is adopted and that the policy has been revised to reflect FY2027 rather than FY2026, including corresponding date changes.

She also explained that clarifying language has been added regarding non-industrial private forest lands. The revision allows an exemption from the \$1,000 requirement when such lands are managed for commercial production in accordance with a plan prepared by a professional forester. This language was discussed with the Department of Forestry.

With respect to funding allocations, Ms. Watlington Jones advised that the draft policy is based on budget language as amended by the House, which reflects a reduction of \$36.2 million in funding for VACS and technical assistance from the introduced budget. These figures will be updated once a final budget is in place. Based on the current draft, the allocations are as follows:

- Total VACS funding: \$304,217,459
- Total funding allocated to individual districts: \$203,465,049
 - Chesapeake Bay (Bay) allocation: \$212,465,049
 - Southern Rivers allocation: \$91,056,450
 - Whole Farm Approach (WFA): \$113,000,000
 - Cost-share implementation: \$100,000,000
 - Technical assistance: \$13,000,000

Ms. Watlington Jones further noted that a nonpoint source assessment was updated for 2026, resulting in changes to the high, medium, and low priority ratings for hydrologic units (HUCs) used to inform funding allocations. She stated that total technical assistance funding, in addition to the technical assistance included within WFA, is \$30,528,225. The Department is recommending that \$1,300,000 in recordation revenue for technical assistance be incorporated into the base technical assistance amount, bringing the total base technical assistance funding available to \$5,850,000.

REVIEW OF COST-SHARE AND TECHNICAL ASSISTANCE GRANT AGREEMENT FOR FISCAL YEAR 2027 – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided an overview of the Cost-Share and Technical Assistance Grant Agreement for Fiscal Year 2027, noting that the agreement has been updated to reflect FY2027 rather than FY2026, including corresponding date revisions.

She highlighted a clarification to a grant deliverable related to financial data reporting, explaining that one data entry requirement has been separated to ensure that financial data aligns with information in the Conservation Application Suite. Ms. Watlington Jones emphasized that payments should be made promptly and noted that a question had been raised regarding how to handle multiple payment

instances within a single contract. While a producer may prefer to receive a single combined payment, doing so could extend or conflict with the required 30-day payment timeframe.

She also stated that complete and accurate End of Year Cash Balance Reports and Carry Over Reports must be submitted by the established end-of-year reporting deadline.

REVIEW OF DESKTOP PROCEDURES FOR DISTRICT FISCAL OPERATIONS – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided an overview of the Desktop Procedures for District Operations. For the initial comment period, a draft was sent to Districts on February 24, 2026. The comments were requested by March 16, 2026. A call with the Districts was held on April 13, 2026, to discuss the changes and for Department staff to receive additional feedback.

Key Changes Include:

- **Title (Cover Page and Throughout):** Removed the word “Fiscal” to better reflect the document’s broader procedural guidance provided by the Department.
- **Page 2 – Directors:**
 - Added a citation from the Code of Virginia regarding Director compensation.
 - Included language on Associate Director policies and job descriptions, as recommended by the Office of the Attorney General (OAG).
- **Pages 3–4 – Conflict of Interest:**
 - Added a recommendation that all appointed and Associate Directors complete COIA training.
 - Clarified that a quorum remains intact if a Director leaves the room during a discussion or vote due to a COIA conflict (e.g., approval of their own cost-share contract).
- **Page 5 – Board of Directors Meetings:** Added language addressing FOIA requirements, including the posting of final meeting minutes.
- **Page 5 – Committees:** Clarified that the full Board may approve committee meeting minutes if the committee will not meet again in the near future.
- **Page 6 – Delegated Authority:** Defined delegated authority, including parameters for granting such authority and for ratifying actions taken by an individual or committee.
- **Page 8 – Best Practices for Operations:** Added recommended best business practices, including development of a long-term strategic plan, annual plan of work, annual reports, and continuity of operations (COOP). Included a reference to the VASWCD District Best Business Practices checklist and resource document.
- **Page 10 – Audits:** Clarified the process for Districts to submit additional information related to audit findings prior to meetings of the state board’s audit subcommittee.
- **Page 11 – Records Management:** Updated guidance to allow backups to cloud storage, network servers, or external hard drives.
- **Page 12 – Insured Accounts:** Updated SPDA language to reflect Department of the Treasury deadlines and recommended printing verification confirmations for audit purposes.
- **Page 18 – Sales:**
 - Added language permitting use of QuickBooks invoicing, credit card payments, and payment platforms such as Venmo and PayPal.

- Specified that districts should not use software that retains credit card information.
- **Page 19 – Sales:** Added language allowing the use of bank-issued check scanners for deposits.
- **Page 20 – Expenditure Processing:** Clarified that an attached check stub is acceptable documentation to indicate an invoice has been paid.
- **Page 21 – Online Bill Paying:** Authorized the use of online bill pay via direct withdrawal, while limiting automatic drafts to employee payroll, benefits, and payroll taxes.
- **Page 21 – Direct Deposit:** Added a new section permitting direct deposit for cost-share payments (participants, TSPs, VRA) and for staff and Director reimbursements. Included required safeguards to reduce fraud risk.
- **Page 23 – IRS 1099 Forms:** Updated thresholds to align with current IRS requirements.
- **Page 27 – Use of Personal Credit Cards:**
 - Extended the receipt submission deadline to 60 days to align with the travel reimbursement policy.
 - Allowed reimbursements via direct deposit.
 - Clarified that Directors may not reconcile or approve their own expense reports or reimbursements.
- **Pages 28–29 – Non-Travel and Travel:**
 - Added language allowing reimbursement via direct deposit.
 - Clarified that Directors may not reconcile or approve their own expense reports or reimbursements.

REALLOCATION OF FUNDS FOR IMPLEMENTATION OF BMPS IN THE SOUTHERN RIVERS – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided an overview of the proposed reallocation of funds for the implementation of Best Management Practices (BMPs) in the Southern Rivers region. She presented funding recommendations for the Daniel Boone, Holston River, New River, Peaks of Otter, Robert E. Lee, Skyline, and Southside Soil and Water Conservation Districts. The Board was also provided with estimated cost-share payment amounts for each district, including revisions to the Robert E. Lee District's requests based on discussions between the Department and the District.

BOARD ACTION

After discussion, Mr. Wilson made the following motion: The Virginia Soil and Water Conservation Board (Board) directs the Department to redistribute a portion of the cost-share funds that were recovered by the Department via the reallocation procedures established for FY2025. There was \$15,255,382 in cost-share funds returned from the Virginia Soil and Water Conservation Districts (Districts) at the close of FY2025.

The Virginia Soil and Water Conservation Board directs the Department to redistribute up to \$5,405,593.70 of cost-share funding returned from the Districts for the implementation of best management practices in the Southern Rivers (Outside the Chesapeake Bay watershed). Additionally, the Board authorizes the use of up to \$810,839.06 of returned and unobligated cost share funds to be utilized as technical assistance (15%) for the Districts receiving additional cost-share funding.

Ms. Cornell seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

APPROVAL OF DISTRICT APPOINTMENTS AND RESIGNATIONS – *Christine Watlington Jones, Policy and District Services Manager*

The Board reviewed the following Soil and Water Conservation District Director resignation:

Tidewater

Resignation of Mr. T Jacob Kirby, of Middlesex County, effective 3/6/2026, elected director position (term of office expires 12/31/2027).

BOARD ACTION

After review, Mr. Mills made the following motion: The Virginia Soil and Water Conservation Board acknowledges the resignation being submitted.

Ms. Cornell seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

ACCEPTANCE OF INDIVIDUALS NOMINATED TO SERVE ON THE VIRGINIA SOIL AND WATER CONSERVATION BOARD – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones presented the names and backgrounds of those being nominated by the Virginia Association of Soil and Water Conservation Districts.

BOARD ACTION

Mr. Dunn made the following motion: The Virginia Soil and Water Conservation Board accepts the nominations of the Virginia Association of Soil and Water Conservation Districts and directs staff to forward these nominations to the Secretary of the Commonwealth for consideration for appointment.

Mr. Wilson seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

PARTNER REPORTS

Natural Resources Conservation Service – Dr. Edwin Martinez

Dr. Martinez gave the report for the Natural Resources Conservation Service.

Virginia Cooperative Extension – Dr. Daniel Goerlich, Virginia Cooperative Extension

Mr. Goerlich gave the report for the Virginia Cooperative Extension.

Virginia Association of Soil and Water Conservation Districts – Dr. Kendall Tryree, VASWCD Executive Director

Dr. Tyree gave the report for the Virginia Association of Soil and Water Conservation Districts.

Virginia Farm Bureau Federation – Jake Tabor

Mr. Tabor gave the report for the Virginia Farm Bureau Federation.

PUBLIC COMMENT

Amy Walker, Colonial Soil and Water Conservation District Operations Manager, gave a public comment regarding allocations within the Board Policy on Soil and Water Conservation District Administration and Operations Funding Allocations for Fiscal Year 2027. Ms. Walker encouraged the Board to ensure that the administration and operations allocations reflected the information provided in the template to at least some degree.

NEXT MEETINGS

The next Board meeting is scheduled for June 17, 2026, and the location is to be determined.

The September 2026 meeting will include a field trip to Mr. Mills' farm to observe his farm operations, similar to the Board's field visit to Mr. Wilson's farm in September 2025. Ms. Watlington Jones asked the Board to respond to the survey sent by Ms. Lindsey.

ADJOURN

The meeting adjourned at 11:37 a.m.

DCR Division of Dam Safety

June 17, 2026

Prepared by Andrea Henry, P.E.

Chief Engineer

Schnabel has developed an Emergency Action Plan (EAP) template, with a review checklist, tabletop exercise guidelines, and owner instructions, that reflects input from the following peer groups: DCR Dam Safety staff, DCR Soil and Water staff, VDEM, local emergency managers, and consulting engineers. They are currently in the process of using the template to update 6 EAPs that will be delivered to the dam owners for review. Significant changes to the existing EAP template include a reorganization of contents to place pertinent information for local emergency managers at the front of the document and inclusion of emergency action sheets that address short-term solutions to prevent dam failure in the event of a Stage I or II EAP activation. This project is scheduled to be completed by July 2026 and will be considered during the upcoming regulatory revision process to ensure that regulatory language and template requirements are aligned.

DCR Dam Safety staff conducted an impact analysis of the proposed incremental damage assessment (IDA) methodology on 16 dams – 10 with previous spillway design flood reductions and 6 with previous hazard classification reductions. The impact analysis found the proposed methodology results in similar, slightly more conservative results for reducing hazard classification and allows for greater reductions in spillway design floods (SDF). This impact analysis will be considered during the upcoming regulatory revision process. A results summary table is provided in Appendix A.

The 2024 HHPD grant award from FEMA included funding to 9 high hazard dam owners. To date, 8 dams have been deemed eligible for subawards but are still working their way through FEMA's review queue before funding is released, and 1 dam has been found to be ineligible for their respective award. The period of performance for this grant is 9/27/2024 to 9/26/2027, with at least a one-year extension available. The HHPD grant program has not been open for 2025 and 2026 applications, but we anticipate funding being available in 2027.

The 2026 Dam Safety Flood Prevention and Protection Assistance Fund (DSFPPAF) received 111 applications with over \$19M requested in grant funds. There are 42 eligible type 1 applications totaling almost \$2M with \$1M of funding available and 69 type 2 applications totaling over \$15M with \$4M of funding available. Awards are proposed in Appendix B for 10 type I grants and 7 type II grants. Notable non-awardees include several type I grants associated with dams on DCR's pre-enforcement list and a type II dam decommissioning project.

Justin Deel has accepted the Lead Dam Safety Engineer position and will oversee the daily operations of the regional engineering team starting on June 10th. He has 6 years of experience as the Region 5 Dam Safety Engineer in addition to a decade of experience in consulting, land

development, and geotechnical engineering. The Dam Safety Program will transition from 5 to 6 regions in July, with the 6th, smaller region managed by the Lead Engineer.

There are currently 25 dams on DCR's pre-enforcement list. One dam (Happy Creek Dam, #003186, Albemarle County High-Preliminary Hazard) has been removed from the list after requesting and receiving an agricultural exemption. Additional information about each of the dams can be found in Appendix C of this report.

Appendix A: Results Summary of IDA Impact Analysis

10 Dams using IDA to lower SDF:

Id Number	Dam Name	Hazard Class	Existing IDA SDF	Corrected IDA SDF	Schnabel IDA SDF
003146	Upper Mint Springs Dam	High	0.5 PMF	PMF	PMF
003154	Irish Langhorne Dam	Significant	100-yr	PMF	100-yr
031014	Pine Lake Dam	High	100-yr	PMF	100-yr
037004	Roanoke Creek Dam # 68	High	0.3 PMF	PMF	0.3 PMF
037015	Roanoke Creek Dam # 43A	High	0.49 PMF	PMF	0.7 PMF
061114	Valley Green Dam	High	0.6 PMF	0.6 PMF	0.7 PMF
087005	Echo Dam	High	0.28 PMF	100-yr	100-yr
107041	Moorefield Station West SWM Pond Dam	High	0.5 PMF	0.5 PMF	0.5 PMF
137011	Newman Dam	Significant	100-yr	PMF	100-yr
193011	Chandler's Mill Dam	High	100-yr	100-yr	100-yr

6 Dams using Acer-11 charts to lower hazard classification:

Id Number	Dam Name	ACER-11 Hazard Classification	Schnabel Hazard Classification
041039	Izaak Walton Park Dam	Low	Significant
059047	Hampton Forest Section 4 SWM Dam	Significant	Significant
085048	Charter Lake	Significant	Significant
107088	Sweetwater Lane Dam	Significant	Significant
149002	Butterworth Dam	Low	Low
810003	Stumpy Lake Dam	Significant	High

Appendix C: Enforcement Program Updates

Formal Enforcement

Afton Drive Dam (Prince George, 149027, High-Preliminary Hazard Potential): On May 1, 2026 Darryl Kuntz, Office of the Attorney General, argued and was granted the motion to dismiss the dam owners' petition for Judicial Review, filed on behalf of DCR, in Prince George General District Court. Official paperwork detailing the Order to Dismiss was received by the Office of the Attorney General on May 28, 2026, stating Ms. Nguyen failed to meet the procedural requirements necessary for the Court to hear the case. On May 13, 2026, a meeting was facilitated by DCR and the OAG with the dam owner and their attorney, the previous dam owner's attorney, and two of the residents of Afton Road and their attorney's. Darryl Glover, Darrell Kuntz, Andrea Henry and Chris Armstrong were in attendance for DCR. The intent of the meeting was to bring all parties together and discuss potential options to bring the dam back into compliance. The owner has not met any of the deadlines in the schedule of compliance issued by the Board on September 25, 2025. To date, the owner has accumulated civil penalties which are capped at \$25,000 according to the Dam Safety Action Section 10.1-609A.

Greene Mountain (Greene, 079014, Significant Hazard Potential): The owner began construction associated with a DCR-approved alteration permit to repair the downstream earthen embankment in May 2026. On May 15, 2026, Regional Engineer, Justin Deel, was informed that Greene County issued a stop work order for the project due to the owner's failure to obtain a land disturbance permit. Greene County allowed work to resume on May 18, 2026 and construction is ongoing.

Pre-Enforcement

REGION 1:

Omisol Dam (Prince William, 153007, High Hazard Potential): Prince William County emergency management communicated concerns regarding the dam's condition. Due to the lack of a recent inspection (10+ years), region 1 engineer will coordinate a site visit with notification provided to the confirmed dam owner, Omisol Homeowners Association.

Lake Culpeper Dam (Warren, 187017, High-Preliminary Hazard Potential): A pre-enforcement letter was sent to the dam owner (Virginia Tech) in September 2026 to identify the appropriate point of contact and alert the owner of the poor condition of the dam (assessed during a regional engineer site visit). A contact has been identified, and they have hired Dewberry to develop an inundation

study and conduct a safety inspection. This dam will remain on the pre-enforcement list until DCR receives the safety inspection with recommendations for remediation.

Lakeside Lake (Frederick, 069020, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. Dam ownership is confirmed as Frederick County Sanitation Authority and the region 1 engineer will coordinate a site visit to observe conditions.

Daley Dam (Loudoun, 107009, Significant Hazard Potential): A downstream homeowners association expressed concerns regarding the condition of the dam. Region 1 engineer issued a site visit coordination letter to the two (2) dam owners. A site visit was conducted on May 13, 2026. The RE noted the overall dam structure appears to be satisfactory with a few minor operation and maintenance deficiencies. The current inundation study occurred in 2011; however, residential development activity downstream has occurred; a preliminary screening level inundation study conducted on May 15, 2026, indicates the dam would now be classified as a High Hazard based on recent road and building footprint data. Owners have agreed to conduct a full hazard classification study and update the EAP accordingly.

REGION 2:

Burke Dam (Gloucester, 073006, High Hazard): Burke's Dam is in "Poor" condition per the past three annual inspections. Historically, VDOT has made repairs and upgrades to the road and bridge structure without a dam alteration permit. Additionally, VDOT regularly pours unsuitable material into the millrace as a patch. The dam appears to be owned jointly between VDOT and two private owners. VDOT's ownership has been sent to the Governor's office to determine.

Killarney Dam (Goochland, 075004, High-Preliminary Hazard Potential): A pre-enforcement letter was sent to the previous dam owner requesting a complete safety inspection and conditional O&M certificate by October 3, 2025, due to the unsafe condition of the dam. The property was auctioned in February 2026, and the new owner is working with the DCR Regional Engineer to develop a grant application for a safety inspection and dam break inundation study. This dam will remain on the pre-enforcement list until DCR receives the safety inspection with recommendations for remediation.

Ashbrook Dam (Chesterfield, 041065, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no record of prior communication between DCR and the dam owner. A Notice of Ownership was delivered to S & B Development Company of Virginia, Inc. on April 6, 2026. On May 4, 2026, the owner provided two (2) documents for review of ownership determination. Preliminary review of these documents indicates the easement paperwork (recorded in the courthouse 4/19/1995) establishes the responsibility of O & M on the owner, S & B Development, however, the second document indicates Chesterfield County adapted a watershed management plan and maintenance program and states a "critical part of the plan for the protection of Swift Creek Reservoir is maintenance of new regional BMPs". The enforcement team will discuss ownership responsibilities with Chesterfield County.

Waterford #1 Dam (Chesterfield, 041060, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no record of prior communication between DCR and the dam owner. A Notice of Ownership was issued to Waterford Association, Inc. on March 30, 2026, however USPS tracking indicates the letter has not yet been delivered.

Westham Dam (Henrico, 087025, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no record of prior communication between DCR and the dam owner. A Notice of Ownership was delivered to Raleigh Homeowners Association Inc. on April 1, 2026. The Community Manager of ACS West, Inc., responded via email. The next step will include coordinating a site visit.

Lake Louise Dam (Powhatan, 145049, Unknown Hazard Potential): On November 6, 2025, RE contacted the dam owner in response to a complaint. The owner communicated that the pond had been drained as the riser had been partially removed to prevent impounding water and that the stream flow was routed through a corrugated metal pipe under the dam/roadway. Based on recent photographs of the dam provided to our office (April 2, 2026), it appears conditions on the embankment adjacent to the spillway have worsened. A dam owner responsibilities letter has been drafted to address either decommissioning or repairing the dam, however we are awaiting receipt of clear direction from VDOT before issuance.

Lower Healys Dam (Middlesex, 119001, Low Hazard Potential): The dam owner indicated intent to repair the dam without a professional engineer or approved alteration permit. A permit requirement letter was issued January 2026, and in February 2026, Dam Safety staff met virtually with the dam owner to discuss regulatory requirements. As of June 1, 2026, DCR has not received an alteration permit.

Quarter Mill Lake Dam (Powhatan, 145047, Low-Preliminary Hazard Potential): A landowner expressed concerns regarding the dam condition. In December 2025, a Notice of Ownership was issued to 12 landowners, and in March 2026, a site visit was conducted with approximately eight (8) of the dam owners. The RE reported the overall condition of the dam to be satisfactory, with concerns including shoreline erosion, a few trees on dam, and erosion under primary spillway outfall. An inundation study is needed to verify the hazard class, and the owners were advised of DCR's simplified study. Owner engagement is ongoing, including procurement of a PE and submission of an emergency preparedness plan.

REGION 3:

Johnson Dam (Southampton, 175008, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no record of recent communication between DCR and the dam owner. A Notice of Ownership was issued to five (5) landowners on March 30, 2026. Two dam owners have received the certified mail letter, and one owner has responded with easement documents from VDOT and a telephone company asserting responsibility of ownership on them. Review of these

documents does not indicate that the dam is a necessary attachment or appurtenance associated with the operation and maintenance of the telephone line facilities.

Jones Dam (Dinwiddie, 053011, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no record of communication between DCR and the dam owner. A Notice of Ownership was delivered to one (1) landowner on April 6, 2026. A site visit was conducted on May 14, 2026. The RE noted the dam is in fair condition; observations included a few large trees on dam, channel erosion and a potential leak at the spillway, and woody vegetation on outfall. The RE discussed compliance options with the owner's son, Steve Garrett. Mr. Garrett indicated he may apply for an agricultural exemption.

Renneys Dam (Sussex, 183024, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no record of communication between DCR and the dam owner. A Notice of Ownership was delivered to two (2) landowners on April 7, 2026. As of date, there has been no response received from the dam owners; the next step will be a site visit.

Brisentine Dam (Prince Edward, 147020, Low-Preliminary Hazard Potential): A site visit in April 2026 found streambank erosion to be cutting into fill on the dam's downstream embankment. Next steps include communicating dam owner responsibilities and scheduling a site visit with the owner.

REGION 4:

West Dam (Carroll, 035006, High-Preliminary Hazard Potential): A site visit conducted in April 2021 identified potential deficiencies and regulatory noncompliance. The dam owner was notified in November 2022; however, communication has since ceased. Region 4 engineer will issue a letter of dam owner responsibilities to re-establish contact and address compliance concerns.

Ferrell Edmunds Dam (Pittsylvania, 143043, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no record of communication between DCR and the dam owner. A Notice of Ownership was delivered to one (1) landowner on April 3, 2026. As of date, there has been no response received from the dam owner; the next step will be a site visit.

Melody Lake Dam (Franklin, 067007, High-Preliminary Hazard Potential): A preliminary screening study classified the dam as high hazard, and a desktop inspection indicates poor condition. There is no recent history of communication between DCR and the dam owner, Melody Lake Improvement Association. Region 4 engineer will coordinate a site visit with notification provided to the confirmed dam owner.

REGION 5:

Chisolm Farm Upper Dam (Albemarle, 003168, High Hazard Potential): A principal engineer (PE) inspection conducted in December 2016 indicated the dam is in poor condition. Region 5 engineer conducted a site visit with the new dam owners, Lonesome Pastures Farm, LLC on April 13, 2026.

RE confirmed the dam is in poor overall condition due to a partially failed principal spillway and significant erosion of the toe around the outfall. The RE indicated the owner is eager to get the dam into compliance, including installation of a new spillway, and has hired AMT engineering firm.

Buckingham County #2 Dam (Buckingham, 029053, High Hazard Potential): A PE inspection conducted in November 2019 indicated the dam is in unsatisfactory condition. Region 5 engineer conducted a site visit with C & S Retreats LLC on April 23, 2026 and reported the dam appears to be in fair condition. The RE addressed regulatory requirements via email.

Goshen Dam (Rockbridge, 163001, High Hazard Potential): Regulatory deficiencies include an expired O&M certificate (expired in July 2024), no owner's annual inspection for 2025, the 2026 engineer inspection is past due, and an updated EAP is needed. Dam ownership is confirmed as the Boys & Girls Scouts of America - National Capitol Area Council; the current point of contact has not been responsive since a response was received February 27, 2026. Attempts to obtain updates via email occurred in March and April with no reply. Region 5 engineer will issue a letter of dam owner responsibilities.

Bishops Dam (Greene, 003150, Significant-Preliminary Hazard Potential): Greene County staff reported a significant decrease in pool elevation. Two (2) site visits in 2025 determined the dam to be in unsatisfactory condition. A Notice of Ownership was issued to 43 landowners in January 2026. Owner-engagement is underway, including submission of a conditional O&M certificate, a grant application, and procurement of a PE. The PE inspection indicated that the dam is in poor condition.

Muddiman Dam (Appomattox, 011011, Low-Preliminary Hazard Potential): A landowner raised concerns for the dam condition and in September 2025, correspondence was sent via email to the dam owner requesting a PE inspection and conditional certificate application. The region 5 engineer will issue follow-up correspondence to initiate owner engagement of obtaining regulatory requirements.

Paines Dam (Albemarle, 003132, Low-Preliminary Hazard Potential): Following notification of an expired agricultural exemption, it was revealed that the area around the lake has undergone residential development. A Notice of Ownership was issued to 14 landowners on March 5, 2026, and 14 confirmed delivery receipt. Owner engagement is underway, including submission of a conditional O&M certificate and performance of a PE inspection rating the overall condition as fair.

Approval of 2026 Dam Safety, Flood Prevention and Protection Assistance Fund Grant Projects

§ 10.1-603.18. Administration of the Fund.

The Authority shall administer and manage the Fund, and establish the interest rates and the repayment terms of such loans as provided in this article, in accordance with a memorandum of agreement with the Director. The Director shall, after consultation with all interested parties, develop a guidance document governing project eligibility and project priority criteria, and the Director, upon approval from the Virginia Soil and Water Conservation Board, shall direct the distribution of loans and grants from the Fund to local governments and private entities. In order to carry out the administration and management of the Fund, the Authority may employ officers, employees, agents, advisers and consultants, including without limitation, attorneys, financial advisors, engineers, and other technical advisors and public accountants, and determine their duties and compensation without the approval of any other agency or instrumentality. The Authority may disburse from the Fund reasonable costs and expenses incurred in the administration and management of the Fund and may establish and collect a reasonable fee for its management services. However, any such fee shall not exceed one-eighth of one percent of any bond par, loan or grant amount.

Recommended Motion:

The Virginia Soil and Water Conservation Board approves the 17 grant applications, with an approval amount of \$4,964,092.69, as recommended by the Department.

Approval of these grants is conditioned on the following:

1. All grants are made on a reimbursement basis and will be governed by a Grant Agreement developed in consultation with the Virginia Resources Authority. All applicants will be given a period of 90 days to enter into a Grant Agreement following the Agreement being sent. The Department of Conservation and Recreation (Department) is authorized to further extend this date in its discretion and following consultation with VRA.
2. All grant agreements will require that projects be completed within 24 months of the date of execution of the Agreement. Upon receipt of a written request for a project extension with a specified completion date by the Grantee to the Department with a copy to VRA, the Department is authorized to consider such request and may amend the terms of the Agreement and allow a specified extension upon the Department's and the Authority's written approval. Extension requests must be received by the Department not later than 90 days prior to the expiration of the original agreement or grant funds are subject to rescission at the Department's discretion. No extensions shall exceed an additional year without specific Board approval.
3. In the event that any of the above applicants fail to execute a Grant Agreement with VRA within 90 days of such an Agreement being sent to the applicant, the Department, in consultation with VRA, is authorized to rescind those grant funds and allocate in subsequent grant rounds.

The Department is authorized to communicate this approval to the Virginia Resources Authority (VRA) so that VRA's review of applications may proceed. The Department is also authorized to take any action necessary to proceed with the closing and administration of grants subsequent to VRA's approval of the application.

Additionally, for the 85 applications that have been deemed eligible to receive funding, but were not recommended due to insufficient funds in this grant round, the Board waives the requirement to reapply for funding in the 2027 grant round. These applications are not guaranteed funding and will be scored against any other applications that are received in the future grant round.

Motion made by:

Motion seconded by:

Action:

Charles Newton, Chair

Nikki Rovner, Director

Dam safety projects recommended for funding						
Id Number	Dam Name	Project Type Description	Requested	Recommended	Difference	Reason for Difference
179002	Potomac Creek Dam #1 (Stafford Co.)	Intake Tower Inspection	\$81,000.00	\$81,000.00	\$0.00	
061001	Warrenton Dam (Warrenton Town)	DBIZ / PE inspection	\$82,431.58	\$82,431.58	\$0.00	
179002	Potomac Creek Dam #1 (Stafford Co.)	EAP/Tabletop Exercise	\$67,500.00	\$45,000.00	\$0.00	
179024	Lake Mooney Dam (Stafford Co.)	EAP/Tabletop	\$67,500.00	\$45,000.00	\$22,500.00	Cost estimate exceeded reasonable price for proposed activity
141014	Ararat River Dam #2 (Patrick Co.)	Survey/Geotech/Alternatives Analysis	\$322,200.00	\$232,200.00	\$90,000.00	Cost estimate exceeded reasonable price for proposed activity
179009	Aquia Creek Dam (Stafford Co.)	EAP/Tabletop	\$67,500.00	\$45,000.00	\$22,500.00	Cost estimate exceeded reasonable price for proposed activity
179009	Aquia Creek Dam (Stafford Co.)	DBIZ	\$45,000.00	\$45,000.00	\$0.00	
141013	Ararat River Dam #63 (Patrick Co.)	Survey/Geotech/Alternatives Analysis	\$297,900.00	\$207,900.00	\$90,000.00	Cost estimate exceeded reasonable price for proposed activity
141017	Ararat River Dam #28 (Patrick Co.)	Survey/Geotech/Alternatives Analysis	\$333,000.00	\$243,000.00	\$90,000.00	Cost estimate exceeded reasonable price for proposed activity
139002	Dry Run Dam #101	EAP/Tabletop	\$9,500.00	\$9,500.00	\$0.00	
171004	Woodstock Dam	Dam removal	\$101,120.00	\$101,120.00	\$0.00	
095052	Ford Colony Dam #2	Repair principle spillway, overtop protection - have permit	\$1,000,000.00	\$1,000,000.00	\$0.00	
163003	Moore's Creek Dam	Dam removal	\$500,000.00	\$500,000.00	\$0.00	
009006	Earley Dam	Install low-level drain and graded filter, grout conduit - have permit	\$171,500.00	\$171,500.00	\$0.00	
107034	Ashburn Dam	Overtopping protection - have permit	\$1,563,914.33	\$1,000,000.00	\$563,914.33	Grantee requested more than eligible maximum award
107035	Tippecanoe Dam	Overtopping protection - have permit	\$651,168.68	\$651,168.68	\$0.00	
107027	Pavilion Dam	Overtopping protection - have permit	\$504,272.43	\$504,272.43	\$0.00	

Requested	Recommended	Difference Between Requested and Recommended	Total Funding Available	Difference Between Total Funding and Recommended
\$1,373,531.58	\$1,036,031.58	\$337,500.00	\$ 1,000,000.00	
\$4,491,975.44	\$3,928,061.11	\$563,914.33	\$ 4,000,000.00	
\$5,865,507.02	\$4,964,092.69	\$901,414.33	\$5,000,000.00	\$35,907.31

Dam safety projects eligible; insufficient funds to recommend

Id Number	Dam Name	Project Type Description	Requested	Recommended
179009	Aquia Creek Dam (Stafford Co.)	Intake Tower Inspection	\$81,000.00	\$81,000.00
187019	Front Royal Raw Water Reservoir Dam	DBIZ / PE inspection	\$20,250.00	\$20,250.00
041035	Upper Beaver Pond Dam	Survey/Alternatives Analysis	\$8,010.00	\$8,010.00
003070	Old Trail Dam #1	Alternatives Analysis	\$17,930.00	\$17,930.00
075026	Broad Branch Dam	DBIZ / EAP / PE Inspection	\$96,844.00	\$96,844.00
097005	Corbin Mill Dam	PE Inspection / Alternatives Analysis	\$69,570.00	\$69,570.00
177016	Cool Spring Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$45,000.00	\$45,000.00
069042	Summit Golf Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$31,500.00	\$31,500.00
177017	Hazel Grove Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$45,000.00	\$45,000.00
003202	Peter Jefferson Place - Lake I Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$33,750.00	\$33,750.00
187019	Front Royal Raw Water Reservoir Dam	Geotechnical Investigation	\$25,250.00	\$25,250.00
107118	Round Hill Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$45,000.00	\$45,000.00
075004	Killarney Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$24,210.00	\$24,210.00
075004	Killarney Dam	Project Type 1: Eng. Studies - Emergency Plan Development (EAP Emergency Action Plan)	\$1,575.00	\$1,575.00
003150	Bishops Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$27,180.00	\$27,180.00
003150	Bishops Dam	Project Type 1: Eng. Studies - Emergency Plan Development (EAP Emergency Action Plan)	\$6,030.00	\$6,030.00
023002	Orchard Lake Dam	DBIZ	\$38,540.00	\$38,540.00
009049	Monacan Indian Dam	Project Type 1: Eng. Studies - Dam with unknown hazard classification	\$45,000.00	\$45,000.00
003166	Crozet Sportsman's Club Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$33,750.00	\$33,750.00
075001	Picketts Creek Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$26,730.00	\$26,730.00
075001	Picketts Creek Dam	Project Type 1: Eng. Studies - Emergency Plan Development (EAP Emergency Action Plan)	\$5,580.00	\$5,580.00
133011	Flyway Lake Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$22,477.50	\$22,477.50
133012	Eagle Lake Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$22,477.50	\$22,477.50

003132	Paines Dam	Project Type 1: Eng. Studies - Emergency Plan Development (EAP Emergency Action Plan)	\$6,750.00	\$6,750.00
133011	Flyway Lake Dam	Project Type 1: Eng. Studies - Emergency Plan Development (EAP Emergency Action Plan)	\$6,750.00	\$6,750.00
133012	Eagle Lake Dam	Project Type 1: Eng. Studies - Emergency Plan Development (EAP Emergency Action Plan)	\$6,750.00	\$6,750.00
061016	Clifton Farm Lower Dam	EAP/Tabletop/PE Inspection	\$5,000.00	\$5,000.00
047023	Attotek Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$67,500.00	\$67,500.00
023002	Orchard Lake Dam	Alternatives Analysis	\$28,910.00	\$28,910.00
095008	Barlows Pond Dam	Project Type 1: Eng. Studies - Dam Break Inundation Zone Analysis, Mapping, and Digitization	\$26,190.00	\$26,190.00
095008	Barlows Pond Dam	Project Type 1: Eng. Studies - Emergency Plan Development (EAP Emergency Action Plan)	\$6,390.00	\$6,390.00
031008	Wildwood Dam #1	Project Type 1: Eng. Studies - Prelim Eng. Study/Alternatives Analysis	\$12,285.00	\$12,285.00
810003	Stumpy Lake Dam	Raise embankment, add parapet wall, install toe drain - have permit	\$ 250,000.00	\$ 250,000.00
033024	Lake Caroline Dam	low-level drain, toe drain, grout conduit & auxiliary spillway - no permit	\$ 1,000,000.00	\$ 1,000,000.00
127004	Cattail Swamp Dam	Spillway alteration - have permit	\$ 500,000.00	\$ 500,000.00
141014	Ararat River Dam #2	low-level drain, trash rack installation - have permit	\$ 234,500.00	\$ 234,500.00
125027	Wintergreen Dam (Lower)	Final plans/permit for spillway alteration	\$ 14,000.00	\$ 14,000.00
125018	Nelson County Dam #4	Final design/permit for spillway repair/low-level drain	\$ 14,000.00	\$ 14,000.00
125027	Wintergreen Dam (Lower)	Spillway alteration - no permit	\$ 178,500.00	\$ 178,500.00
125018	Nelson County Dam #4	low-level drain, replace primary spillway riser and conduit	\$ 153,300.00	\$ 153,300.00
075027	Reservoir # 2	Raise embankment - have permit	\$ 496,786.50	\$ 496,786.50
127008	Old Forge Pond Dam	Finale design/permit for spillway alteration	\$ 58,465.00	\$ 58,465.00
175007	Whitefield Dam	Dam removal	\$ 102,717.30	\$ 102,717.30
141017	Ararat River Dam #28	low-level drain, trash rack installation - have permit	\$ 158,900.00	\$ 158,900.00
61114	Valley Green Dam	Spillway alteration - permit submitted	\$ 315,000.00	\$ 315,000.00
061001	Warrenton Dam	Final design/permit for concrete spillway deficiencies	\$ 57,107.68	\$ 57,107.68
061114	Valley Green Dam	Final design/permit spillway alteration	\$ 38,500.00	\$ 38,500.00
073009	Beaverdam Lake Dam	Final design: gate/valve replacement/repair intake structure	\$ 177,905.00	\$ 177,905.00
073009	Beaverdam Lake Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 500,000.00	\$ 500,000.00
3053	Ragged Mountain Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 500,000.00	\$ 500,000.00
107063	Richmond Square Dam	Toe drain installation and Hydro Turf repairs.	\$ 103,453.00	\$ 103,453.00
3154	Irish Langhorne Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 140,000.00	\$ 140,000.00
71004	Celanese Acetate Pond A	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 1,000,000.00	\$ 1,000,000.00
3070	Old Trail Dam #1	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 82,071.50	\$ 82,071.50

161008	Darr Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 36,400.00	\$ 36,400.00
199016	Queens Lake Dam	Spillway alteration, void repair - have permit	\$ 125,000.00	\$ 125,000.00
33018	Elliotts Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 250,000.00	\$ 250,000.00
137001	Veterans Memorial Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 46,900.00	\$ 46,900.00
33024	Lake Caroline Dam	Final design for repairs & non-routine maintenance	\$ 36,050.00	\$ 36,050.00
127004	Cattail Swamp Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 96,138.00	\$ 96,138.00
141013	Ararat River Dam #63	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 227,500.00	\$ 227,500.00
145003	Redford Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 350,000.00	\$ 350,000.00
89039	Hunt Country Farms Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 19,600.00	\$ 19,600.00
31002	Timberlake Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 35,420.00	\$ 35,420.00
59041	West Market Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 13,475.00	\$ 13,475.00
109027	Beaver Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 31,000.00	\$ 31,000.00
820001	South River Dam #8A	Project Type 2: Design, Repair, Removal, and Safety Modifications - Install of remote monitoring sys that transmits data to NWS	\$ 12,320.89	\$ 12,320.89
157002	Whippoorwill Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 441,000.00	\$ 441,000.00
69021	Lake Isaac Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 85,162.00	\$ 85,162.00
59041	West Market Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 46,989.60	\$ 46,989.60
820001	South River Dam #8A	Project Type 2: Design, Repair, Removal, and Safety Modifications - Submittal of complete alteration permit	\$ 5,974.50	\$ 5,974.50
3154	Irish Langhorne Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 35,000.00	\$ 35,000.00
177017	Hazel Grove Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 17,500.00	\$ 17,500.00
3166	Crozet Sportsman's Club Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 22,400.00	\$ 22,400.00
3116	Ida104 Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 22,400.00	\$ 22,400.00
137011	Newman Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 29,400.00	\$ 29,400.00
31035	Hydaway Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 246,708.60	\$ 246,708.60
85039	Mattawan Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 88,200.00	\$ 88,200.00
85004	Luck Pond Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 15,400.00	\$ 15,400.00

3129	Henleys Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 350,000.00	\$ 350,000.00
49001	Trices Lake Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 11,900.00	\$ 11,900.00
109036	Lake Ellen Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 255,573.24	\$ 255,573.24
59101	Springfield Golf & Country Club Lower Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Submittal of complete alteration permit	\$ 500,000.00	\$ 500,000.00
113018	DT Wade Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 210,000.00	\$ 210,000.00
177017	Hazel Grove Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 35,000.00	\$ 35,000.00

Dam safety projects ineligible						
Id Number	Dam Name	Project Type Description	Requested	Recommended	Difference	Reason for Difference
177017	Hazel Grove Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 70,000.00	\$ -	\$ 70,000.00	Insufficient proof of funds
19004	Stoney Creek Reservoir Dam (Bedford)	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 820,212.00	\$ -	\$ 820,212.00	Insufficient proof of funds
107061	Farmwell Hunt Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Other Repairs or Safety Modifications	\$ 71,785.88	\$ -	\$ 71,785.88	Insufficient proof of funds
107061	Farmwell Hunt Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 15,050.00	\$ -	\$ 15,050.00	Insufficient proof of funds
800009	Izaak Walton Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Final plans and specifications suitable for rehabilitation	\$ 22,390.00	\$ -	\$ 22,390.00	Insufficient proof of funds
95054	Kingspoint Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 250,000.00	\$ -	\$ 250,000.00	Insufficient proof of funds
157024	Rappahannock Dam #22	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 91,000.00	\$ -	\$ 91,000.00	Insufficient proof of funds
31014	Pine Lake Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 231,000.00	\$ -	\$ 231,000.00	Insufficient proof of funds
75068	Dovershire Dam	Project Type 2: Design, Repair, Removal, and Safety Modifications - Addresses Failure Modes (Static/Hydrologic/Seismic)	\$ 170,193.80	\$ -	\$ 170,193.80	Insufficient proof of funds
139002	Dry Run Dam #101	Final design/permit for graded filter	\$ 17,500.00	\$ -	\$ 17,500.00	Insufficient proof of funds

Authorization to initiate a Notice of Intended Regulatory Action for the Impounding Structure Regulations (4VAC50-20)

§ 10.1-605. Promulgation of regulations by the Board; guidance document.

A. The Board shall adopt regulations to ensure that impounding structures in the Commonwealth are properly and safely constructed, maintained and operated. Dam safety regulations promulgated by the State Water Control Board shall remain in full force until amended in accordance with applicable procedures.

§ 2.2-4007.01. Notice of intended regulatory action; public hearing.

A. In the case of all regulations, except those regulations exempted by § 2.2-4002, 2.2-4006, 2.2-4011, or 2.2-4012.1, an agency shall (i) provide the Registrar of Regulations with a Notice of Intended Regulatory Action that describes the subject matter and intent of the planned regulation and (ii) allow at least 30 days for public comment, to include an on-line public comment forum on the Virginia Regulatory Town Hall, after publication of the Notice of Intended Regulatory Action.

Whenever a Virginia statutory change necessitates a change to, or repeal of, all or a portion of a regulation or the adoption of a new regulation, the agency shall file a Notice of Intended Regulatory Action with the Registrar within 120 days of such law's effective date.

An agency shall not file proposed regulations with the Registrar until the public comment period on the Notice of Intended Regulatory Action has closed.

B. Agencies shall state in the Notice of Intended Regulatory Action whether they plan to hold a public hearing on the proposed regulation after it is published. Agencies shall hold such public hearings if required by basic law. If the agency states an intent to hold a public hearing on the proposed regulation in the Notice of Intended Regulatory Action, then it shall hold the public hearing. If the agency states in its Notice of Intended Regulatory Action that it does not plan to hold a hearing on the proposed regulation, then no public hearing is required unless, prior to completion of the comment period specified in the Notice of Intended Regulatory Action, (i) the Governor directs the agency to hold a public hearing or (ii) the agency receives requests for a public hearing from at least 25 persons.

Recommended Motion:

The Virginia Soil and Water Conservation Board authorizes the Department to convene a regulatory advisory panel to make recommendations on potential regulatory changes, to hold other stakeholder group meetings as it deems necessary, and to prepare a draft proposed regulation and any associated documents for the Board's review and consideration. The Board directs the Department to conduct these activities in accordance with the Administrative Process Act, Executive Order 19 (2022), and all other applicable laws, policies, and procedures. Additionally, the Board authorizes the Department to coordinate, as necessary, with the Office of Regulatory Management and other reviewing agencies to develop any additional documents needed to file this Notice of Intended Regulatory Action.



townhall.virginia.gov

Notice of Intended Regulatory Action (NOIRA) Agency Background Document

Agency name	Virginia Soil and Water Conservation Board
Virginia Administrative Code (VAC) Chapter citation(s)	4VAC50-20
VAC Chapter title(s)	Impounding Structure Regulations
Action title	Amend provisions of the regulations to improve clarity and enhance consistency
Date this document prepared	June 17, 2026

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of the subject matter, intent, and goals of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation).

The Virginia Soil and Water Conservation Board intends to amend portions of 4VAC50-20, Impounding Structure Regulations, to improve regulatory clarity, enhance consistency in implementation, and align certain provisions with current engineering practices. This regulatory action will focus on revisions to definitions used to determine maximum impounding capacity, updating hazard potential classification criteria and the definition of significant hazard potential, revising the methodology used for conducting incremental damage analysis, establishing minimum design standards for dam decommissioning projects, and updating the emergency action plan requirements for high and significant hazard potential dams.

The intent of this regulatory action is to ensure that impounding structures are classified and regulated based on current risk assessment practices and clearly defined criteria, while providing dam owners and engineers with more consistent and predictable regulatory requirements. The amendments are expected to improve public safety by supporting more accurate evaluation of potential downstream consequences

associated with dam failures, establishing design standards for dam decommissioning activities, and improving the effectiveness and usability of emergency action plans for high and significant hazard potential impounding structures.

Acronyms and Definitions

Define all acronyms or technical definitions used in this form.

"Board" means the Soil and Water Conservation Board.

"Dam Safety Act" means Article 2 (§ 10.1-604 et seq.) of Chapter 6 of Title 10.1 of the Code of Virginia.

"Regulation" means the Regulations governing Impounding Structures under Authority of the Dam Safety Act (4VAC50-20).

"Impounding structure" means a man-made structure, whether a dam across a watercourse or other structure outside a watercourse, used or to be used to retain or store waters or other materials. The term includes: (i) all dams that are twenty-five feet or greater in height and that create an impoundment capacity of fifteen acre-feet or greater, and (ii) all dams that are six feet or greater in height and that create an impoundment capacity of fifty acre-feet or greater. The term "impounding structure" shall not include: (a) dams licensed by the State Corporation Commission that are subject to a safety inspection program; (b) dams owned or licensed by the United States government; (c) dams operated primarily for agricultural purposes which are less than twenty-five feet in height or which create a maximum impoundment capacity smaller than 100 acre-feet; (d) water or silt retaining dams approved pursuant to §45.2-618 or 45.2-1301; or (e) obstructions in a canal used to raise or lower water.

"Annual average daily traffic" or "AADT" means the total volume of vehicle traffic of a highway or road for a year divided by 365 days and is a measure used in transportation planning and transportation engineering of how busy a road is.

"Emergency Action Plan" or "EAP" means a formal document that recognizes potential impounding structure emergency conditions and specifies preplanned actions to be followed to minimize loss of life and property damage. The EAP specifies actions the owner must take to minimize or alleviate emergency conditions at the impounding structure. It contains procedures and information to assist the owner in issuing early warning and notification messages to responsible emergency management authorities. It also contains the results of inundation analyses conducted pursuant to 4VAC50-20-54.

"Maximum impounding capacity" means the volume of water or other materials in acre-feet that is capable of being impounded at the top of the impounding structure.

Hazard potential classifications of impounding structures are as follows:

1. High hazard potential is defined where an impounding structure failure will cause probable loss of life or serious economic damage. "Probable loss of life" means that impacts will occur that are likely to cause a loss of human life, including impacts to residences, businesses, other occupied structures, or major roadways. Economic damage may occur to, but not be limited to, buildings, industrial or commercial facilities, public utilities, major roadways, railroads, personal property, and agricultural interests. "Major roadways" include interstates, primary highways, high-volume urban streets, or other high-volume roadways, except those having an AADT volume of 400 vehicles or less in accordance with 4VAC50-20-45.

2. Significant hazard potential is defined where an impounding structure failure may cause the loss of life or appreciable economic damage. "May cause loss of life" means that impacts will occur that could cause a loss of human life, including impacts to facilities that are frequently utilized by humans other than

residences, businesses, or other occupied structures, or to secondary roadways. Economic damage may occur to, but not be limited to, buildings, industrial or commercial facilities, public utilities, secondary roadways, railroads, personal property, and agricultural interests. "Secondary roadways" include secondary highways, low-volume urban streets, service roads, or other low-volume roadways, except those having an AADT volume of 400 vehicles or less in accordance with 4VAC50-20-45.

3. Low hazard potential is defined where an impounding structure failure would result in no expected loss of life and would cause no more than minimal economic damage. "No expected loss of life" means no loss of human life is anticipated.

"ACER-11" refers to the United States Department of Interior, Bureau of Reclamation's ACER Technical Memorandum No. 11, Downstream Hazard Classification Guidelines, December 1988.

"Incremental Damage Analysis" is the process of reducing either the hazard classification or spillway conveyance requirement for the dam by separating the dam breach impacts from the impacts of the storm event.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation, (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

This regulatory action is being initiated to address priority issues with the regulations, including several issues that were unable to be fully addressed during the previous regulatory action (2024-2025). The Board continues to strive to ensure the Dam Safety Act and regulations are implemented consistently across the state and to balance the risk dams may pose to public safety with the financial responsibilities of the dam owner.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The Dam Safety Act is established in §10.1-604 et seq. of the Code of Virginia. The Virginia Soil and Water Conservation Board is designated as the promulgating regulatory authority in §10.1-605. Section 10.1-605 of the Code of Virginia requires the Board to "adopt regulations to ensure that impounding structures in the Commonwealth are properly and safely constructed, maintained, and operated". Section 10.1-604.1 authorizes the Board to adopt "regulations in accordance with §10.1-605 to establish a simplified methodology for dam break inundation zone analysis.

Section 10.1-605.1 authorizes the Board to delegate to the Director or his designee any of the powers and duties vested in the Board by the article, except the adoption and promulgation of regulations. In §10.1-605.2, the Board is required to adopt regulations that consider the impact of downstream limited-use or private roadways with low traffic volume and low public safety risk on the determination of the hazard potential classification of an impounding structure. Section 10.1-605.3 allows the Board to develop

a general permit for the regulations of low hazard potential impounding structures in accordance with §10.1-605.

At the June 17, 2026 meeting, the Virginia Soil and Water Conservation Board approved the initiation of revisions to definitions used to determine maximum impounding capacity, updating hazard potential classification criteria and the definition of significant hazard potential, revising the methodology used for conducting incremental damage analysis, establishing minimum design standards for dam decommissioning projects, and updating the emergency action plan requirements for high and significant hazard potential dams.

Purpose

Describe the specific reasons why the agency has determined that this regulation is essential to protect the health, safety, or welfare of citizens. In addition, explain any potential issues that may need to be addressed as the regulation is developed.

As outlined in the section above, the adoption of these regulations is required in several sections of the Code of Virginia. These regulations protect public safety by establishing the appropriate construction, operation, and maintenance standards for impounding structures regulated by the Board.

The current regulations contain provisions that have resulted in inconsistent interpretation and application regarding the determination of maximum impounding capacity, hazard potential classification, and incremental damage analysis methodology. In addition, the regulations do not currently establish minimum design standards for dam decommissioning projects, which can be utilized as a risk reduction strategy and as a mechanism to comply with the Act and regulations. Revisions to these items will improve the technical basis for regulatory decisions, establish minimum standards for dam decommissioning projects, and enhance emergency preparedness through improved alignment of emergency action plan requirements.

Substance

Briefly identify and explain the new substantive provisions that are being considered, the substantive changes to existing sections that are being considered, or both.

This regulatory action will focus on revisions to definitions used to determine maximum impounding capacity, updating hazard potential classification criteria and the definition of significant hazard potential, revising the methodology used for conducting incremental damage analysis, establishing minimum design standards for dam decommissioning projects, and updating the emergency action plan requirements for high and significant hazard potential dams.

Revisions will be made to section 4VAC50-20-30 (Definitions) related to maximum impounding capacity. Section 4VAC50-20-40 (Hazard potential classifications of impounding structures) will be revised to provide clarification on the definition of significant hazard potential and what should be considered when determining hazard potential classification. Additional criteria to be considered during this regulatory action include serious economic damage, appreciable economic damage, major rail lines, or minor rail lines, and the potential impacts of single-access roadways serving residential structures.

Revisions are anticipated to 4VAC50-20-52 (Incremental damage analysis) to update the methodologies and thresholds used in the analysis to ensure the results are supported by current engineering practices.

New standards related to dam decommissioning will be established including the minimum requirements for partial breach and notching configurations and design criteria involving roadway embankments, including provisions related to permanent pool elimination and minimum drainage infrastructure requirements.

Finally, amendments to section 4VAC50-20-175 (Emergency Action Plan (EAP) for high and significant hazard potential impounding structures) to revise emergency action plan requirements for high and significant hazard potential impounding structures. Amendments will improve the effectiveness and usability of emergency action plans for these impounding structures.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

There are no functional alternatives to amending these regulations. The Board is unable to address these issues through the issuance of guidance documents or other similar mechanisms. Amending the regulations will strengthen the Dam Safety Program and ensure the safety of both the regulated impounding structure and the public.

Periodic Review and Small Business Impact Review Announcement

If you wish to use this regulatory action to conduct, and this NOIRA to announce, a periodic review (pursuant to § 2.2-4017 of the Code of Virginia and the ORM procedures), and a small business impact review (§ 2.2-4007.1 of the Code of Virginia) of this regulation, keep the following text. Modify it as necessary for your agency. Otherwise, delete the paragraph below and insert “This NOIRA is not being used to announce a periodic review or a small business impact review.”

This NOIRA is not being used to announce a periodic review or a small business impact review.

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below. In addition, as required by § 2.2-4007.02 of the Code of Virginia, describe any other means that will be used to identify and notify interested parties and seek their input, such as regulatory advisory panels or general notices.

The Virginia Soil and Water Conservation Board is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, and (iii) the potential impacts of the regulation.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: <https://townhall.virginia.gov>. Comments may also be submitted by mail or email to:

Christine Watlington Jones
Policy and District Services Manager
Virginia Department of Conservation and Recreation
600 E. Main Street, 24th Floor
Richmond, VA 23219
Email: Christine.Watlington@dcr.virginia.gov

In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will not be held following the publication of the proposed stage of this regulatory action.

A regulatory advisory panel will be appointed to assist with this regulatory action. Persons interested in assisting in the development of a proposal should notify Christine Watlington Jones by the end of the comment period and provide their name, address, phone number, email address and the organization represented (if any).

Approval of Funding from the Water Quality Improvement Fund for Rehabilitation Project at Leatherwood Creek #5

Chapter 1 of the 2023 Special Session 1 Acts of Assembly; Item 374

W.1. Notwithstanding §10.1-2129 A., Code of Virginia, and any other provision of law, \$25,000,000 the second year from the general fund shall be deposited into the Virginia Water Quality Improvement Fund. This amount shall be used for major modification, upgrade, or rehabilitation of dams owned or maintained by the department and the Virginia Soil and Water Conservation Districts.

Background Information

Leatherwood Creek Dam #5 is owned by the Blue Ridge Soil and Water Conservation District. It is located in Henry County, Virginia near Martinsville, Virginia. Completion of this rehabilitation project will bring the dam into compliance with the Dam Safety Act and Impounding Structure regulations.

This project includes:

1. The construction of a new permanent access road for construction use;
2. Installation of intake tower improvements low-level slide gate, mid-level slide gate with custom noise reduction trash rack, ladder, and handrails;
3. Installation of a new roller compacted concrete (RCC) stepped chute spillway with ogee weir crest and basin within the dam embankment; and
4. Closure of the existing auxiliary spillway by placement and compaction of earth fill including a core trench.

Recommended Motion:

The Virginia Soil and Water Conservation Board (Board) approves \$24,000,000 in funding for the rehabilitation project at Leatherwood Creek Dam #5.

Prior to any funding being disbursed to the District for this project, a grant agreement must be fully executed by the Department and the District.

BID FORM

DATE: 05/18/2026
[Bidder fill in Date]

PROJECT: *Leatherwood Creek Dam #5
Rehabilitation
Henry County, VA*
Project Code: *2026_LC5_Const*

To: Blue Ridge Soil & Water Conservation District
1299 State Street
Rocky Mount, VA 24151

In compliance with and subject to your Invitation for Bids and the documents therein specified, all of which are incorporated herein by reference, the undersigned bidder proposes to furnish all labor, equipment, and materials and perform all work necessary for construction of this project, in accordance with the Plans and Specifications dated 7/10/2025, and the Addenda noted below, as prepared by Freese & Nichols for the consideration of the following amount:

BASE BID (including the following parts but excluding work in Additive Bid Items):

PART A.

Lump sum price for construction of the dam, riser, and surrounding appurtenances, complete, *except for the excavation and replacement of additional unsuitable material in PART C*, and in accordance with the Plans and Specifications:

PART A = Seventeen Million Six Hundred Ninety One Dollars (\$ 17,691,000.00).
Thousand Dollars and No Cents

PART B.

Lump sum price for the access road, Ford, fencing and all other sitework, exclusive of the dam area (*except for work described in PARTS C, D, and E*) complete and in accordance with the Plans and Specifications:

PART B = Six Million Five Hundred Thousand Dollars Dollars (\$6,500,000.00).
and No Cents

Base Bids for PARTS C, D and E shall be based on the estimated quantities indicated to be provided complete and in accordance with the applicable portions of the plans and specifications. Payment amounts for each of these items will be based on the actual quantities authorized, provided and approved times the unit prices indicated by the bidder. The final contract amount shall be adjusted upward or downward based on the actual payment amounts versus the bid amounts for PARTS C, D and E.

PART C. - EXCAVATION OF ADDITIONAL UNSUITABLE MATERIAL

Excavation of unsuitable material, where authorized or directed, below or in addition to the levels required for the Work in Parts A and B, properly disposed of off-site, and backfill with compacted aggregate material per specifications. (Price per cubic yard) Final amount shall be adjusted upward or downward based on actual quantity authorized.

Estimated quantity of (850) cy @ \$ 50.00 per cy = \$ 42,500.00

PART C = Forty Two Thousand Five Hundred Dollars and No Cents Dollars (\$ 42,500.00)

PART D. - EXCAVATION OF ROCK MATERIAL

Excavation of ROCK material to plan subgrade, where authorized or directed, and proper disposal off-site of excess material, complete per specifications. (Price per cubic yard) Final amount shall be adjusted upward or downward based on actual quantity authorized.

Estimated quantity of (100) cy @ \$ 225.00 per cy = \$ 22,500.00

PART D = Twenty Two Thousand Five Hundred Dollars and No Cents Dollars (\$ 22,500.00)

PART E. – SUPPLEMENTAL STONE FOR FARM ROAD ON OTHER SIDE OF CREEK

Adding additional #357 stone to supplement the amount and locations shown on the plans for the farm road across the creek. (price per cubic yard) (Final amount shall be adjusted upward or downward based on actual quantity authorized.)

Estimated quantity of (100) cy @ \$ 50.00 per cy = \$ 5,000.00

PART E = Five Thousand Dollars and No Cents Dollars (\$ 5,000.00)

TOTAL BASE BID AMOUNT (Sum of PARTS A, B, C, D & E) IS:

Twenty Four Million Two Hundred Sixty One Thousand Dollars and No Cents DOLLARS (\$ 24,261,000.00)

Contract award will be based on the **TOTAL BASE BID AMOUNT shown above** (including any properly submitted bid modifications) plus as many Additive Bid Items taken in sequence as the Owner in its discretion decides to award.

The bidder has relied upon the following public historical climatological records:
Henry County, VA

Code of Virginia, § 2.2-4376.2 shall be applicable to the Work of the Contract.

The undersigned understands that time is of the essence and agrees that the time for Substantial

Completion of the entire project shall be 300 consecutive calendar days from the date of commencement of the Work as specified in the Notice to Proceed, and Final Completion shall be achieved within 60 consecutive calendar days after the date of Substantial Completion as determined by the Engineer.

* * * * *

Acknowledgment is made of receipt of the following Addenda: Addenda 1 - 04.10.26,
Addenda 2 - 04.21.26, Addenda 3 - 04.24.26, Addenda 4 - 05.04.26, Addenda 5 -
05.06.26

If notice of acceptance of this bid is given to the undersigned within 30 days after the date of opening of bids, or any time thereafter before this bid is withdrawn, the undersigned will execute and deliver a contract in the prescribed form (Commonwealth of Virginia Contract Between Owner and Contractor, Form CO-9) within 10 days after the contract has been presented to him for signature. The required payment and performance bonds, on the forms prescribed, shall be delivered to the Owner along with the signed Contract.

Immigration Reform and Control Act of 1986: The undersigned certifies that it does not and shall not during the performance of the Contract for this project violate the provisions of the Federal Immigration Reform and Control Act of 1986, which prohibits employment of illegal aliens, or knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

DISQUALIFICATION OF CONTRACTORS: By signing this bid or proposal, the undersigned certifies that this Bidder or any officer, director, partner or owner is not currently barred from bidding on contracts by any Agency of the Commonwealth of Virginia, or any public body or agency of another state, or any agency of the federal government, nor is this Bidder a subsidiary or affiliate of any firm/corporation that is currently barred from bidding on contracts by any of the same. We have attached an explanation of any previous disbarment(s) and copies of notice(s) of reinstatement(s).

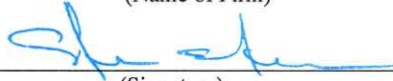
Either the undersigned or one of the following individuals, if any, is authorized to modify this bid prior to the deadline for receipt of bids by writing the modification and signing his name on the face of the bid, on the envelope in which it is enclosed, on a separate document, or on a document which is telefaxed to the Owner:

I certify that the firm name given below is the true and complete name of the bidder and that the bidder is legally qualified and licensed by the Virginia Department of Professional and Occupational Regulation, Board for Contractors, to perform all Work included in the scope of the Contract.

Virginia License No.: 2705054375

Bidder: Thalle Construction Co., Inc.
(Name of Firm)

Contractor Class: Class A

By: 
(Signature)

Specialty: Classifications H/H

Valid until: 01.31.2028

FEIN/SSN: 13-1734206

Title: President, COO

If General Partnership (List Partners' Names)

Business Address:

900 NC Highway 86 N.
Hillsborough, NC 27278

Telephone # (919) 245-1490

If Corporation, affix Corporate Seal & list State of Incorporation

State: New York

(Affix Seal)



Virginia State Corporation Commission ID No.: F1353988 ; or

If Contractor is a foreign business entity not required to be authorized to transact business in the Commonwealth under Titles 13.1 or 50 of the Code of Virginia, or as otherwise required by law, please provide an explanation as to why such entity is not required to be so authorized: _____

Agency Small Business Participation Goal: 42%

Contractor's Proposed Small Business Participation: 2.03 % [Contractor insert percentage]

THALLE
CONSTRUCTION COMPANY
A TULLY GROUP COMPANY

BOARD OF DIRECTORS CORPORATE RESOLUTION

THALLE CONSTRUCTION CO., INC.
900 NC Highway 86 North
Hillsborough, NC 27278

June 27, 2025

A duly constituted meeting of the Board of Directors of Thalle Construction Co., Inc., a corporation organized under the laws of the State of New York was held on June 27, 2025, at which meeting a quorum was present and voting throughout.

WHEREAS, Peter K. Tully is the CEO of Thalle Construction Co., Inc., Stephen E. Kohler is the President and COO of Thalle Construction Co., Inc., and Dennis Brian Parces is the Vice President and Assistant Secretary of Thalle Construction Co., Inc.

IT IS HEREBY RESOLVED that Peter K. Tully, Stephen E. Kohler, and Dennis Brian Parces of Thalle Construction Co., Inc. are authorized, empowered, and directed to execute on behalf of Thalle Construction Co., Inc. for bid and contract documents.

In witness whereof, I have hereunto set my hand and affixed the seal of the Corporation.



THALLE CONSTRUCTION CO., INC.

Dennis Brian Parces
Assistant Secretary
Vice President

**COMMONWEALTH OF VIRGINIA
STANDARD BID BOND**

KNOW ALL MEN BY THESE PRESENTS: That Thalle Construction Co., Inc., the Contractor
("Principal") whose principal place of business is located at 900 NC Highway 86 North
Hillsborough, NC 27278 and

Federal Insurance Company ("Surety") whose address for delivery of 'Notices' is located at 202B Hall's Mill Road
Whitehouse Station, NJ 08889

are held and firmly bound unto the Commonwealth of Virginia, Henry County the Owner ("Obligee")
in the amount of five percent (5%) of the Amount (Total Base Bid plus all Additive Bid Items)
Bid by Principal, for the payment whereof, Principal and Surety bind themselves, their heirs,
executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for BRV24586 – Leatherwood Creek Dam #5 Rehabilitation, Henry County, VA

NOW, THEREFORE, the conditions of this obligation are as follows. This Bid Bond shall
guarantee that the Principal will not withdraw his bid during the period of thirty (30) days
following the opening of bids; that if his bid is accepted, Principal will enter into a formal
contract with the Owner in accordance with the Contract Between Owner and Contractor, Form
CO-9, included as a part of the Invitation for Bids (IFB Documents); that Principal will submit a
properly executed and authorized Standard Performance Bond and Standard Labor and Material
Payment Bond on the forms included in the IFB documents; and that in the event of the
withdrawal of said bid within said period, or failure to enter into said contract and give said
bonds within ten (10) days after Principal has received notice of acceptance of his bid, Principal
and Surety shall be jointly and severally liable to the Owner for the difference between the
amount specified in said bid and such larger amount for which the Owner may contract with
another party to perform the work covered by said bid, up to the amount of the bid guarantee.
This amount represents the damage to the Owner of account of the default of the bidder in any
particular thereof.

The Surety represents to the Principal and to the Obligee that it is legally authorized to do
business in the Commonwealth of Virginia.

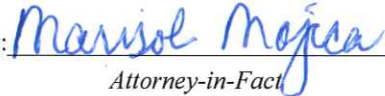
Signed and sealed this 4th day of May, 2026.

Witness


Thalle Construction Co., Inc.
Contractor / Principal (SEAL)

By: 
Typed Name: Peter K. Tully
Title: Chief Executive Officer

Federal Insurance Company
Surety (SEAL)

By: 
Attorney-in-Fact
Typed Name: Marisol Mojica, Attorney-In-Fact

AFFIDAVIT AND ACKNOWLEDGEMENT OF ATTORNEY-IN-FACT

COMMONWEALTH / STATE OF NJ)
CITY/COUNTY/TOWN of MORRIS

I, the undersigned notary public, do certify that Marisol Mojica, whose name is signed to the foregoing bid bond in the amount of five percent (5%) of the Total Bid Amount and which names the Commonwealth of Virginia, Henry County, as Obligee, personally appeared before me today in the above jurisdiction and made oath that he/she is the attorney-in-fact of *, a ** corporation which is the Surety in the foregoing bond, that he/she is duly authorized to execute on the above Surety's behalf the foregoing bond pursuant to the Power of Attorney noted above and attached hereto, and on behalf of the surety, he/she acknowledged the foregoing bond before me as the above Surety's act and deed.

* Federal Insurance Company ** Indiana

She/he has further certified that her/his Power of Attorney has not been revoked.

[Complete if Power is recorded: Clerk's Office: _____;

Deed Book/Page No. or Instrument No.: _____.]

Given under my hand this 4th day of May, 2026

My name (printed) is: Sandy S. James-Browne, Notary Public

My registration number is: 2349824

My commission expires: September 19, 2026


Notary Public (SEAL)

Sandy S. James-Browne
Notary Public
State of New Jersey
My commission expires **September 19, 2026**

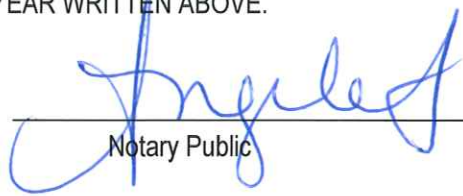
ACKNOWLEDGEMENT OF CONTRACTOR - IF A CORPORATION

STATE OF NEW YORK

COUNTY OF NASSAU

ON THE 4th DAY OF May, 2026 BEFORE ME PERSONALLY APPEARED Peter K. Tully TO BE KNOWN, WHO, BEING BY ME DULY SWORN, DID DEPOSE AND SAY; THAT (S)HE IS THE Chief Executive Officer OF Thalle Construction Co., Inc. THE CORPORATION THAT EXECUTED THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE SAME.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY OFFICIAL SEAL, AT MY OFFICE IN THE ABOVE COUNTY, THE DAY AND YEAR WRITTEN ABOVE.



Notary Public

ANGELA ACKERLY
Notary Public, State of New York
No. 01AC6339437
Qualified in Suffolk County
Commission Expires March 28, 2028

FEDERAL INSURANCE COMPANY
STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

December 31, 2025

(in thousands)

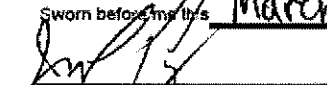
<i>ASSETS</i>		<i>LIABILITIES AND SURPLUS TO POLICYHOLDERS</i>	
Cash, Cash Equivalents and ST Investments	\$ (579,525)	Outstanding Losses and Loss Expenses	\$ 11,088,245
U.S. Government Bonds	335,089	Reinsurance Payable on Losses and Expenses	1,740,572
Non-US Government Bonds	354,457	Unearned Premiums	3,393,935
Issuer Credit Obligations ("ICO") Bonds	7,795,356	Ceded Reinsurance Premiums Payable	413,131
Asset Backed Securities ("ABS") Bonds	5,133,641	Other Liabilities	<u>677,572</u>
Stocks	458,376		
Other Invested Assets	<u>1,630,548</u>		
TOTAL INVESTMENTS	<u>15,125,940</u>	TOTAL LIABILITIES	<u>17,313,455</u>
Investments in Affiliates:		Capital Stock	20,980
Great Northern Ins. Co.	458,456	Paid-In Surplus	2,711,474
Vigilant Ins. Co.	406,475	Unassigned Funds	<u>2,719,103</u>
Chubb National Ins. Co.	210,054	SURPLUS TO POLICYHOLDERS	<u>5,451,557</u>
Chubb Indemnity Ins. Co.	187,377		
Chubb Ins. Co. of New Jersey	42,766		
Chubb Lloyds Ins. Co. of Texas	6,321		
Other Affiliates	72,521		
Premiums Receivable	2,656,438		
Other Assets	<u>3,598,664</u>		
TOTAL ADMITTED ASSETS	<u>\$ 22,765,012</u>	TOTAL LIABILITIES AND SURPLUS	<u>\$ 22,765,012</u>

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners. At December 31, 2025 investments with a carrying value of \$574,475,305 were deposited with government authorities as required by law.

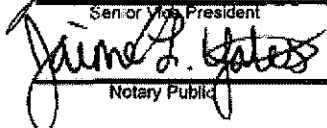
STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

John Taylor, being duly sworn, says that he is Senior Vice President of Federal Insurance Company and that to the best of his knowledge and belief the foregoing is a true and correct statement of the said Company's financial condition as of the 31st day of December, 2025.

Sworn before me this March 11, 2026



Senior Vice President



Notary Public

September 19, 2027
My commission expires

Commonwealth of Pennsylvania - Notary Seal
Jaime L. Yates, Notary Public
Philadelphia County
My commission expires September 19, 2027
Commission number 1357070
Member, Pennsylvania Association of Notaries

CHUBB

Power of Attorney

Federal Insurance Company | Vigilant Insurance Company | Pacific Indemnity Company
Westchester Fire Insurance Company | ACE American Insurance Company

Know All by These Presents, that FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, PACIFIC INDEMNITY COMPANY, a Delaware corporation, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY corporations of the Commonwealth of Pennsylvania, do each hereby constitute and appoint Ryan Gray, Marisol Mojica, Andreah Moran, Krystal L. Stravato, Jaclyn Maffey and Kevin T. Walsh Jr. of Whippany, New Jersey; Andrea E. Gorbert and Mariya Leonidov of Jericho, New York; Neil C. Donovan and Gerard Leib of Berwyn, Pennsylvania -----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY have each executed and attested these presents and affixed their corporate seals on this 7th day of October, 2024.

[Handwritten signature of Rupert HD Swindells]

Rupert HD Swindells, Assistant Secretary

[Handwritten signature of Warren Eichhorn]

Warren Eichhorn, Vice President



STATE OF NEW JERSEY

County of Hunterdon

SS.

On this 7th day of October, 2024 before me, a Notary Public of New Jersey, personally came Rupert HD Swindells and Warren Eichhorn, to me known to be Assistant Secretary and Vice President, respectively, of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY, the companies which executed the foregoing Power of Attorney, and the said Rupert HD Swindells and Warren Eichhorn, being by me duly sworn, severally and each for himself did depose and say that they are Assistant Secretary and Vice President, respectively, of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY and know the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of said Companies; and that their signatures as such officers were duly affixed and subscribed by like authority.

Notarial Seal



Albert Contursi
NOTARY PUBLIC OF NEW JERSEY
No 50202369
Commission Expires August 22, 2027

[Handwritten signature of Albert Contursi]
Notary Public

CERTIFICATION

Resolutions adopted by the Boards of Directors of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY on August 30, 2016; WESTCHESTER FIRE INSURANCE COMPANY on December 11, 2006; and ACE AMERICAN INSURANCE COMPANY on March 20, 2009:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into in the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
(2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such person's written appointment as such attorney-in-fact.
(3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(4) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing to any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested."

I, Rupert HD Swindells, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, PACIFIC INDEMNITY COMPANY, WESTCHESTER FIRE INSURANCE COMPANY and ACE AMERICAN INSURANCE COMPANY (the "Companies") do hereby certify that

- (i) the foregoing Resolutions adopted by the Board of Directors of the Companies are true, correct and in full force and effect,
(ii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Whitehouse Station, NJ, this May 4, 2026.



[Handwritten signature of Rupert HD Swindells]

Rupert HD Swindells, Assistant Secretary

IN THE EVENT YOU WISH TO VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT:
Telephone (908) 903-3493 Fax (908) 903-3656 e-mail: surety@chubb.com

Attachment to Bid Proposal– Small Business Plan

Project: Leatherwood Creek Dam #5 Rehabilitation

Contract Issued by: Blue Ridge Soil and Water Conservation District

IFB # DGS-30-054

Offeor Name: Thalle Construction Co Inc.

DEFINITIONS:

DSBSD: Virginia Department of Small Business and Supplier Diversity.

Small Business: A business certified as a small business by the DSBSD

Final Compliance Report: A report where the Contractor shall certify and report on its compliance with the Small Business Procurement Plan, submitted by the Contractor in its Bid for the Contract, to the Owner through DGS' eVA system

Supplier: A manufacturer, fabricator, distributor, supplier or vendor who provides material or equipment for the Project but does not provide on-Site labor.

SWaM/SDV Business: All subcategories of Small Businesses certified by the DSBSD including Micro Business, Minority-Owned Business, Service-Disabled Veteran-Owned Business, Small Business, and/or Women-Owned Business together as a group

SMALL BUSINESS SUBCONTRACTING PLAN:

If the Total Contract Amount of the Contract is greater than \$10,000 and the Contractor is a SWaM/SDV Business; then the Contractor shall include a Small Business Procurement Plan in its Bid (if subcontracting work is intended by the Contract as part of its performance of the Work).

Offeor Name: Thalle Construction Co Inc.

SWaM/ SDB Status Thalle Construction Co Inc is NOT a small Business

If the Total Contract Amount of the Contract is greater than \$100,000, then the Contractor shall include in its Bid a Small Business Procurement Plan and report on the involvement of SWaM/SDV Businesses in the Contractor's performance of the Contract as follows:

Small Business Participation (Percent of Total Contract Value)	2.03%
---	-------

Thalle Construction Co. Inc. affirms to participate in the following:

- 1 Periodic Progress Reports: The Contractor shall report on involvement of SWaM/SDV Business with each periodic invoice submitted by the Contractor. The report shall identify each subcontract or agreement with a SWaM/SDV Business, including the total contract value, and state the total amounts paid to each SWaM/SDV Business in connection with the Contract as of the report date. The report shall provide this information separately for each type of SWaM/SDV Business and shall clearly indicate those SWaM/SDV Businesses which were identified in the Contractor's Small Business Procurement Plan submitted by the Contractor in the procurement phase for the Contract. The Contractor shall provide two (2) copies of each periodic report to the Owner. Failure to submit the report with each invoice will result in the invoice being rejected by the Owner without payment.

- 2 Final Compliance Report: Prior to or with its final invoice for payment, the Contractor shall certify and report on its compliance with the Small Business Procurement Plan, submitted by the Contractor in its Bid for the Contract, to the Owner through DGS' eVA system. In the Final Compliance Report, the Contractor shall:
 - Provide a written explanation to the Owner of any variances between the Contractor's Small Business Procurement Plan and the actual participation of SWaM/SDV Businesses in the Contractor's performance of the Contract; and

 - Report on the involvement of other SWaM/SDV Businesses in the Contractor's performance of the Contract, including the contract value, the type of SWaM/SDV Business, a comparison of the actual amount paid with the planned amounts, the total amount paid to each type of SWaM/SDV Business, and a calculation of the percentage of the Total Contract Amount paid to SWaM/SDV Business.

A format for the Final Compliance Report will be provided by the Owner.

The Owner may withhold final payment to the Contractor until the Contractor has complied with the requirements of its Small Business Procurement Plan submitted by the Contractor in the procurement phase for the Contract.

Commonwealth of Virginia



State Corporation Commission

CERTIFICATE OF GOOD STANDING

I Certify the Following from the Records of the Commission:

That THALLE CONSTRUCTION CO INC., a corporation incorporated under the laws of New York, is authorized to transact business in the Commonwealth of Virginia

That the corporation obtained a certificate of authority to transact business in Virginia from the Commission on September 25, 1998; and

That the corporation is in good standing in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

October 30, 2025

A handwritten signature in cursive script, reading "Bernard J. Logan".

Bernard J. Logan, Clerk of the Commission

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON
01-31-2028

NUMBER
2705054375

BOARD FOR CONTRACTORS
CLASS A CONTRACTOR
CLASSIFICATIONS H/H



THALLE CONSTRUCTION CO INC
900 NC 86 NORTH
HILLSBOROUGH, NC 27278



James B. Wilkinson, Jr.
James B. "Jeb" Wilkinson, Jr., DIRECTOR

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

(DETACH HERE)



CLASS A BOARD FOR CONTRACTORS
CONTRACTOR

CLASSIFICATIONS H/H
NUMBER: 2705054375 EXPIRES: 01-31-2028

THALLE CONSTRUCTION CO INC
900 NC 86 NORTH
HILLSBOROUGH, NC 27278



(FOLD)

Status can be verified at <http://www.dpor.virginia.gov>

DPOR-PC (02/2017)

Virginia Soil and Water Conservation Board Approval of Fiscal Year 2027 Virginia Agricultural Cost-Share (VACS) BMP Manual

§ 10.1-505. Duties of Board.

In addition to other duties and powers conferred upon the Board, it shall have the following duties and powers:

3. To oversee the programs of the districts.

§ 10.1-546.1. Delivery of Agricultural Best Management Practices Cost-Share Program.

Districts shall locally deliver the Virginia Agricultural Best Management Practices Cost-Share Program described under §10.1-2128.1, under the direction of the Board, as a means of promoting voluntary adoption of conservation management practices by farmers and land managers in support of the Department's nonpoint source pollution management program.

Board action taken on April 15, 2026:

After discussion of the recommendations regarding timber harvesting, Mr. Mills moved to accept the Department's recommended language. Mr. Wilson seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

After discussion of the recommendations regarding bundle variance, Mr. Pemberton moved to accept the AgBMP TAC's recommendation. Mr. Wilson seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

Mr. Pemberton made the following motion: The Virginia Soil and Water Conservation Board (Board) approves the 2027 Virginia Agricultural Cost-Share BMP Manual as discussed. The Department is authorized to make non-substantive changes to include formatting and stylistic changes as necessary to all approved sections of the Manual. Mr. Mills seconded the motion, which was unanimously approved by: Cornell, Dunn, Mills, Pemberton, Schick, and Wilson.

Background information:

1. There are two BMP specifications that need to be revised to reflect NRCS specifications.
 - WP-4LC Animal Waste Control Facility for Confined Livestock Operations:
 - Add NRCS practice standards for watering system components to the list of applicable standards, consistent with eligibility stated in the specification: 516 Livestock Pipeline, 533 Pumping Plant, 614 Watering Facility, 642 Water Well.
 - SL-11B Farm Road, Animal Travel Lane, Heavy Use Area Stabilization:
 - Add NRCS practice standard 578 Stream Crossing to the list of applicable standards, consistent with eligibility stated in the specification.

2. With the Board's approval of the new WP-9 (Decommissioning of Liquid Waste Storage Facilities), the Department contacted the agencies involved with resource reviews. Those agencies requested this practice require the digitization of components, as there could be ground disturbance activities with the removal of the facility.
 - Add new WP-9 Decommissioning of Liquid Waste Storage Facilities to the list of practices requiring digitizing of components, per feedback from reviewing agencies.

Recommended Motion:

The Virginia Soil and Water Conservation Board (Board) approves these corrections to the 2027 Virginia Agricultural Cost-Share BMP Manual.

Approval of 2026 Desktop Procedures for District Fiscal Operations

§ 10.1-505. Duties of Board.

In addition to other duties and powers conferred upon the Board, it shall have the following duties and

powers:

3. To oversee the programs of the districts.

Recommended Motion:

The Virginia Soil and Water Conservation Board approves the 2026 Desktop Procedures for District Operations as presented by the Department. The Department is authorized to make nonsubstantive changes to include formatting and stylistic changes as necessary to the document.

Summary of Updates to the 2026 Desktop Procedures for District Operations

- *Cover page and throughout, Title* – Removed the word “Fiscal” from the title to better reflect the broader procedural guidance provided by the document.
- *Pg. 2, Directors* – Added a citation from the Code of Virginia regarding Director compensation
- *Pg. 2, Directors* – Added language regarding Associate Director policies and job descriptions as has been recommended by the OAG.
- *Pg. 3-4, Conflict of Interest* – Added language that recommends all appointed and associate Directors take COIA training.
- *Pg. 4, Conflict of Interest* – Added language to clarify that quorum remains established even if a Director leaves the room during a vote or discussion that could be a COIA conflict for the Director (i.e. cost share contract approval of their own contract).
- *Pg. 5, Board of Directors Meetings* – Clarified FOIA required positing of final meeting minutes.
- *Pg. 5, Committees* – Clarified that the full board can approve committee meeting minutes if the committee is not scheduled to meet in the near future.
- *Pg. 6, Delegated Authority* – Defined Delegated Authority, the parameters for granting delegated authority and ratifying the actions taken by the person/committee.
- *Pg. 7, Budget Development* – Removed language that required the Treasurer to review the budget monthly because it was duplicative of the Treasurer’s Report to the Board which requires a monthly review of the budget.
- *Pg. 8, Best Practices for Operations* – Recommended best business practices added: long-term strategic plan, annual plan of work, annual reports, and continuity of operations (COOP), are described. A reference to the VASWCD District Best Business Practices checklist and resource document is also included.
- *Pg. 10, Audits* – Clarified the current process for Districts to provide additional information related to audit issues prior to the meeting of the audit subcommittee of the state board.
- *Pg. 11, Records Management* – Updated language to reflect backups to cloud storage or network server, or external hard drives are allowed.
- *Pg. 12, Insured Accounts* – Updated SPDA language to reflect Dept. of Treasury deadlines and suggests printing the confirmation of the verification to help with audits.
- *Pg. 18, Sales* – Added language to reflect QuickBooks invoicing, credit card payments, and payments via apps like Venmo and PayPal are acceptable. Noted that no district should use software that retains credit card information.
- *Pg. 19, Sales* – Added language that allows the use of bank issued check scanners for depositing checks.
- *Pg. 20, Expenditure Processing* – Clarified that the approval process for invoices paid with a District credit card and that an attached check stub is an acceptable way to show an invoice has been paid.
- *Pg. 21, Online Bill Paying* – Opens up the use of online bill pay through direct withdrawal but limits the use of auto draft to only employee payroll, benefits expenses, and payroll taxes.
- *Pg. 21, Direct Deposit* – Added a new section allowing the use of Direct Deposit payments for cost share contract payments to participants, TSPs, VRA, and to reimburse staff and Directors for purchases and travel expenses. Outlines the steps a District needs to implement to help reduce the risk of fraud using Direct Deposit.
- *Pg. 23, IRS 1099 Forms* – Updated to meet the new IRS threshold for issuing 1099s.

- *Pg. 27, Use of Personal Credit Cards* – Increased receipt submission date to 60 days from the time of purchase to match the travel reimbursement policy. Also added language allowing reimbursement through direct deposit and added language that a Director should not reconcile or authorize their own expense report or reimbursement.
- *Pg. 28-29, Non-Travel and Travel* – Added language allowing reimbursement through direct deposit and that a Director should not reconcile or authorize their own expense report or reimbursement.
- *Pg. 40, Telework* – included language to clarify that telework hours must be logged as working hours on an employee timecard but do not have to specify “telework.”

*Note: this is not a fully comprehensive list of all edits; other grammatical corrections and minor clarifications have been made throughout the document.

SOIL AND WATER CONSERVATION DISTRICTS

**Desktop Procedures for
District ~~Fiscal~~ Operations**

Adopted by the Virginia Soil and Water Conservation Board
~~June 26~~ June 17, 20264

Effective Date
July 1, 20264

Issued by:
The Virginia Department of Conservation and Recreation

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Soil and Water Conservation Districts
Desktop Procedures for District ~~Fiscal~~ Operations

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Soil and Water Conservation Districts
Desktop Procedures for District ~~Fiscal~~ Operations

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Soil and Water Conservation Districts
Desktop Procedures for District ~~Fiscal~~ Operations

Section I – Introduction

The Virginia Soil and Water Conservation Board’s (VSWCB) Desktop Procedures for District ~~Fiscal~~ Operations (Procedures) are provided to assist Soil and Water Conservation District (SWCD or District) Boards of Directors (BOD) and staff in obtaining a full and rapid understanding of their ~~fiscal~~ duties and fiduciary responsibilities so they can appropriately execute their ~~fiscal~~ operations. The Procedures shall be reviewed annually by the District BOD ~~or its Finance Committee~~ and documented in the official minutes.

Development of and Revisions to the Desktop Procedures for District Fiscal Operations

The Virginia Department of Conservation and Recreation (DCR), Division of Soil and Water Conservation, contracted with professional staff of private accounting organizations to develop and, later, refine the contents of these Procedures. It is the intention of DCR to continue to revise the Procedures as needed and share these revisions with each District. Any questions regarding the information in the Procedures should be directed to the DCR Conservation District Coordinators (CDC).

Version History

Version	Effective Date
Original	August 1998
Revision 1	December 2001
Revision 2	December 2003
Revision 3	July 2006
Revision 4	October 2014
Revision 5	July 2016
Revision 6	July 2017
Revision 7	July 2019
Revision 8	July 2020
Revision 9	July 2022
Revision 10	July 2024
<u>Revision 11</u>	<u>July 2026</u>

Section II – Board Requirements and Responsibilities

Directors

Each District is required to have a Board of Directors (BOD) comprised of local citizens elected or appointed to four-year terms of office. -The Directors are not public employees and do not receive compensation a salary for their District work. However, Directors may receive reimbursement for expenses associated with performance of their District functions (Code of Virginia §10.1-531).

The District BOD may appoint Aassociate Directors who do not have voting capabilities at board meetings; but augment the Directors' knowledge and experience. Associate Directors may serve on District committees when requested, are encouraged to attend at least 75 percent of the monthly BOD meetings, and may receive reimbursement for District-related expenses. Districts utilizing Associate Directors are strongly recommended to have an Associate Director Policy and Job Description in place to better outline the role and responsibilities granted to the Associate Directors by the BOD. If the BOD chooses to reimburse Associate Directors for District-related expenses, it must be acknowledged in the policy.

Responsibilities of BOD members include, but are not limited to, the following:

- Identify local conservation needs
- Ensure the proper management of the District's financial and personnel resources
- Represent local citizens in conservation issues
- Educate others about conservation issues and programs
- Work effectively with local, state, and federal agencies to resolve conservation problems
- Attend regularly scheduled BOD meetings and meetings of allied organizations
- Serve on standing and ad-hoc District committees

DCR has produced a Soil and Water Conservation District Director Resource Notebook. All new Directors should obtain this notebook and read it thoroughly. The Director Resource Notebook is also available online (<https://www.dcr.virginia.gov/soil-and-water/document/2024-Director-Resources-Notebook-combined.pdf>). It provides guidance that should be helpful in performing the Director responsibilities and covers the following topics:

- Roles and Responsibilities of Directors
- Administration of the Districts
- District Issues
- Conservation Programs
- A list of common acronyms
- Partners and contact information
- Quick guides for Parliamentary Procedure, the Freedom of Information Act, and the Conflict of Information Act

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In order to be adequately prepared to serve the District, all new Directors are ~~expected~~required to complete Director training within six months of qualifying for office as a BOD member. The online training is available on the VASWCD website: <https://vaswcd.org/leadership-course/>.

As an elected or appointed official, Directors are required to take an oath of office and make a personal commitment to fulfill the responsibilities of the position. Further, as public officials, Directors must uphold laws of the Commonwealth. Among the many state laws and regulations that are directly applicable to Districts and their boards of Directors, the Virginia Freedom of Information Act (FOIA) has particular significance to the ways Districts as “Public Bodies” must conduct business.

Freedom of Information Act (FOIA)

Newly elected, re-elected, appointed and reappointed Directors should receive a copy of the current FOIA law within two weeks following their election, re-election, appointment or reappointment. Pursuant to § 2.2-3704.3 of the *Code of Virginia*, each elected Director is required to complete the biennial FOIA training for local elected officials. ~~An~~Live webinars and/or a pre-recorded online training course ~~is~~are provided by the Virginia Freedom of Information Advisory Council (<https://foiacouncil.dls.virginia.gov/training.htm>). ~~http://foiacouncil.dls.virginia.gov/foiacouncil.htm~~. ~~It~~Training registration requires an individual email address. In-person, group training is also available by request from the Virginia Freedom of Information Advisory Council or the local government attorney. This training must be completed within two months of assuming office and every other year thereafter. It is recommended that all appointed Directors and associate Directors take the training as well.

Furthermore, each District is required to designate a FOIA Officer, who may be staff or a Director, and have that person complete required biennial training for FOIA Officers. Once designated, the FOIA Officer information must be reported to the Virginia FOIA Council; instructions for reporting this information can be found on the FOIA Council webpage (<http://foiacouncil.dls.virginia.gov/foiacouncil.htm>). When questions arise, counsel may be sought from the Attorney General’s Office or from the Virginia FOIA Council. The FOIA Council can be reached via telephone at 866-448-4100 or via email at foiacouncil@dls.virginia.gov.

Conflict of Interest Act (COIA)

The State and Local Government Conflict of Interests Act ("COIA"), § 2.2-3100 et seq. of the *Code of Virginia*, prohibits a range of behavior relating to impermissible conflicts. COIA, along with federal corruption statutes, applies to public officials and employees of the Districts. Newly elected, re-elected, appointed, and reappointed Directors, as well as recently hired staff, should receive a copy of the current COIA law within two weeks of their election, re-election, appointment, reappointment, or hire. Familiarity with provisions of this law is expected of every District Director and employee. Each District elected ~~or appointed~~Director must complete the required biennial COIA training provided online or in person by the Virginia Conflict of Interest and Ethics Advisory Council. The online training is available at <http://ethics.dls.virginia.gov/index.asp> (Directors should select “Local elected officials or

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EDAs/IDAs” when registering). It is recommended that all appointed Directors and Associate Directors take the training course as well.

The COIA law provides for both civil and criminal penalties for violations. District officers or staff who are concerned that certain conduct might violate COIA should ask legal counsel at the Office of the Attorney General or the Virginia Conflict of Interest and Ethics Advisory Council for an opinion and may rely on such advice as a shield to prosecution pursuant to § 2.2-3121 of the *Code of Virginia*.

District Directors are not permitted to decide or vote on matters in which they have a personal or professional stake. Directors with potential conflicts of interest must disclose to the BOD or other committee members the material facts as to their personal interest in the transaction and/or in any corporation, partnership, association, or other organization that may receive financial benefit as a result of the decision of the BOD or committee.

After disclosure of the possible conflict of interest, the Director or staff person (interested individual) shall leave the room prior to the discussion of the issue. The temporary absence of a Director due to a potential conflict of interest discussion and/or vote shall not change the established quorum of the meeting. —The interested individual shall not participate in any discussion or the making of any decision or recommendation associated with the subject issue. Such action shall be noted in the minutes of the BOD or committee. The interested individual may return to the room and resume participation in the proceedings once all discussions have concluded and decisions and recommendations have been rendered pertaining to the issue.

Specific questions pertaining to conflicts of interest should be directed to the District’s assigned Assistant Attorney General. District Directors should take care to maintain their professional independence in both fact AND appearance.

Records Management

Records generated and/or received, regardless of format (electronic or hard copy), within the course of a District’s operations must be maintained in accordance with the Library of Virginia Records Retention Schedules available at http://www.lva.virginia.gov/agencies/records/sched_local/index.htm.

All District BODs are required by the *Code of Virginia* §42.1-85 to designate a Records Retention Officer, who may be staff or Director. This officer is responsible for ensuring that all supporting documentation is maintained according to the record retention policy and schedule and serves as the liaison to the Library of Virginia. A Virginia RM-25 form must be completed and submitted to the Library of Virginia to formalize the Records Retention Officer designation. This form and accompanying instruction can be found at <http://www.lva.virginia.gov/agencies/records/forms.asp>. Additionally, record retention training courses are available on the Commonwealth of Virginia Learning Center (COVLC).

Board of Directors Meetings

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The BOD should meet on a monthly basis, and minutes of each meeting must be prepared and maintained by the District in accordance with FOIA. Minutes ~~should~~ must capture the essence of the meeting and the decisions reached, not the content of every conversation. The minutes must document attendance, any motion that is made and by whom, whether it is seconded and by whom, the motion, discussion of the motion, and the final vote or disposition. The final minutes must be typed and signed by either the Secretary or Chair or both and approved by the District BOD at the following meeting.

All Board and committee meeting minutes must be publicly posted, in accordance with FOIA, within 7 working days of final approval. Minutes may be posted to the District website, however, if the District does not have a website, copies of the minutes must be posted at a prominent public location where meeting notices are regularly posted, at the office of the clerk of the public body, and, in the case of a public body with no clerk, at the office of the chief administrator.

Committees

All committees established by a District must prepare and maintain committee meeting minutes in accordance with FOIA. Each time a committee meets, a committee report ~~should~~ shall be presented to the BOD at the BOD meeting following the committee meeting. Final c Committee minutes ~~should~~ must be typed and approved by the committee at the next committee meeting and signed by the committee Chair; ~~however, they. If no committee meeting is scheduled for the near future, the committee meeting minutes should be approved by the full BOD and signed by the committee Chair. can be reviewed by the full BOD if no committee meeting is scheduled for the near future, in which case they should be signed by the committee Chair.~~

Finance Committee

Each District is expected to have a Finance Committee (or group charged to fulfill this function) and a Treasurer to oversee all financial activities of the District and advise the BOD in financial matters. Responsibilities of the Finance Committee (or designated group) include the following:

- Review all sources of funding and develop acquisition strategies
- Work with staff to develop budgets and budget reports
- Ensure finances are handled according to generally accepted accounting principles (GAAP)
- Arrange for required audits
- Check the reliability of financial information
- Formulate and recommend policies for consideration by the District BOD (such as a purchasing policy or a check-signing policy)
- Establish a system to ensure prompt, accurate payment of invoices and other financial obligations
- Ensure compliance with surety bond requirements
- ~~Annually review~~ Be familiar with the Desktop Procedures for District ~~Fiscal~~ Operations to ensure the District maintains compliance and fulfills its responsibilities

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The Finance Committee (or designated group) ~~should~~ shall meet at least twice a year to establish a budget and to review financial statements. Minutes of these meetings must be prepared and maintained by the District in accordance with FOIA.

Delegated Authority

If business decisions must be made in between board meetings, the BOD may delegate authority to a committee, Director, Associate Director or staff person. Authority may be delegated to make decisions, approve conservation plans, cost-share contracts and tax credits (VACS), or sign a document on behalf of the BOD. Delegated authority should only be granted when absolutely necessary and shall only be delegated for a specific purpose within a specified period of time. A formal motion to delegate authority must be approved by the BOD and include the specific task that authority is granted for, who is being granted the authority, and the specified period of time. The committee or person acting with delegated authority cannot act outside of the parameters of the motion. A report of actions taken with delegated authority shall be presented and ratified by the BOD at the next board meeting and documented in the minutes.

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Section III – Accountability

District Directors are responsible for the proper stewardship of all District assets and resources, including direct accountability for actions taken by staff employed by the District and all funds, property, and equipment belonging to the District. Accountability also requires promoting the integrity of staff actions in executing District functions, especially District financial functions.

Proper financial stewardship requires

- accurate and detailed documentation of all financial transactions
- installation of and compliance with proper internal controls
- clearly established policies and procedures and adherence to such
- timely and sufficient corrective actions to resolve known or identified issues
- utilization of all District funds in a manner that best serves the public’s interest

Bonding

All employees and BOD members with access to District funds must be bonded. Bonding provided through DCR covers all SWCD Directors, associate Directors, and employees that handle District monies. Bonding guidelines require that District fiscal practices comply with the policies and procedures established in this document.

In dealing with both clients and employees, the District must comply with all federal and state laws established to protect citizens’ civil rights and employment opportunities.

Budget Development

As stated in Section II, the Finance Committee, or acting body, must should develop a budget for each fiscal year. The budget should include the following elements:

- Consideration of unexpended funds from the previous year as presented in the financial statements and plans for their use
- Projected revenue and expenses
- A detailed statement of the actual revenue and expenses of the previous year
- An estimate of staff ~~and volunteer~~ time and costs to accomplish proposed activities
- ~~A narrative summary that ties planned expenditures to the District’s Annual Plan of Work~~

The budget shall be reviewed and approved by the District BOD and included as part of minutes. The Treasurer should review the budget on a monthly basis and If, during a review of the budget, the Treasurer identifies any significant variances between budget and actual revenue and expenses ~~should~~, the discrepancies must be researched and reconciled.

Treasurer’s Report

On a monthly basis, the Treasurer, working closely with appropriate staff, ~~should shall~~ prepare and disseminate to the Board the following financial statements and documentation:

- Monthly and year-to-date budget-to-actual expenses by funding source
- Monthly and year-to-date projected-to-actual revenues by funding source

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- Notes for any significant budget-to-actual variances or individual transactions
- Changes in cash
- Anticipated obligations of a material amount
- List of outstanding checks

This information should be used by the District to provide quarterly and annual reports to DCR as required by SWCB policies and grant agreements.

~~Annual reports should be developed and provided as public record for information regarding accomplishments, financial status, and volunteer support.~~

~~All supporting documentation (such as records and reports documenting volunteer time and match requirements) must be maintained on file by the District or in accordance with the Library of Virginia record retention schedules.~~

Best Practices for Operations:

It is highly recommended that District BODs develop and approve several tools considered to be best business practices. A long-term strategic plan provides clear direction, identifies goals, optimizes resources, and helps the District maintain momentum in accomplishing those goals. It is suggested that strategic plans be reviewed annually and revised as frequently as needed but at least every four years. It is also a best practice to allow for stakeholder and community input through a public meeting or survey to help develop a strategic plan and ensure the District is working to address the needs of the community.

An annual plan of work provides a strategic roadmap that aligns the goals of the long-term strategic plan with daily operations. It increases productivity by translating long-term goals into actionable short-term goals and identifies the financial and human resources needed to accomplish them. An annual plan of work may be developed and BOD approved at the beginning of each fiscal year. It is also suggested that the annual plan of work be reviewed quarterly to ensure productivity and accountability towards meeting the District's goals.

Annual reports can be developed and provided as public record for information regarding accomplishments, financial status, and volunteer support. It is a critical tool that boosts transparency, showcases achievements, and reinforces the District's public image. It can help strengthen current partnerships, attract future partners, and boost public awareness of District programs. All supporting documentation (such as records and reports documenting volunteer time and match requirements) must be maintained on file by the District or in accordance with the Library of Virginia record retention schedules.

A Continuity of Operations Plan (COOP) is another recommended best practice to have in place. A COOP is a documented strategy to ensure the District maintains essential functions during emergencies, natural disasters, or pandemics. A COOP should define emergency procedures and activate alternate operating locations. FEMA provides some valuable tools and training videos on continuity planning on their website:
<https://www.ready.gov/business/emergency-plans/continuity-planning>.

Additional best business practices and resources have been compiled by the VASWCD. The District Best Business Practices checklist and resource document can be found in the VASWCD

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drop box:

<https://virginiaassociationofsoilandwa.app.box.com/s/sbirfalts2h2a6av8vxt6jljeazf315d>.

SWCD Policies

All District-specific policies ~~should~~must be reviewed and approved by the BOD before implementation by staff; updates and revisions to approved policies ~~should~~must likewise be reviewed and approved by the BOD. A comprehensive manual of all current approved District policies ~~shall~~ould be maintained in the District office and all policy updates and revisions approved by the BOD ~~must~~should be reflected in board meeting minutes.

Districts ~~shall~~ould **conduct an annual review of all current District policies and record the review/approval** of these policies in Board meeting minutes. The documented policies ~~should~~must be updated to show the most current review/revision date listed on each policy document.

Debt/Leases

The BOD must approve any lease agreement to be entered into by the District *prior to the District's making the commitment with the leaser*, and the approval must be documented in District BOD meeting minutes. All lease agreements must be written agreements and ~~should~~ be maintained with District records according to the Library of Virginia records retention policy and schedule.

Soil and Water Conservation Districts are not authorized by the Code of Virginia to incur debt. All property must be acquired through full purchase or lease agreements.

Audits

All Districts are required to accommodate an audit of accounts, ~~of~~ receipts, and disbursements on an annual basis by the Auditor of Public Accounts or a certified public accountant approved by Auditor of Public Accounts in accordance with the *Code of Virginia* § 10.1-535.

DCR has currently contracted to have each SWCD audited on a two-year rotating basis. Additional audits may be requested by the Virginia Soil and Water Conservation Board or Audit Subcommittee or to meet federal requirements. These audits are designed to gain reasonable assurance of the following:

- The reliability of the financial statements and records
- The adequacy of internal controls
- Compliance with established policies, procedures, generally accepted accounting procedures (GAAP), and applicable laws and regulations for designated funding

To accommodate the significant time constraints on the auditors to perform all designated District audits within the required performance period, Districts should make every effort to provide timely responses and submissions to ~~them~~the auditors. In the event of scheduling conflicts for the proposed District audit period, the District should notify the auditors and DCR as soon as possible to ensure the annual audit schedule is not delayed.

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Prior to the beginning of an audit, each District should have completed and have available the following items:

- BOD member listing
- Signed BOD meeting and committee meeting minutes
- Lease agreements
- ~~Debt agreements~~
- Property (inventory) listing
- Financial statements that roll forward by line item [i.e., (beginning balance) + (receipts) – (disbursements) = (ending balance)]. The current year beginning balance must equal the prior year ending balance in total and by financial statement line item. The statements must agree in total and by line item with the general ledger (e.g. Quick Books)
- Reports submitted to DCR that agree with the financial statements and the general ledger
- Detailed listing of cash receipts that agree in total and by line item with the financial statements
- Detailed listing of cash disbursements that agree in total and by line item with the financial statements
- List of authorized bank signatories
- Bank reconciliations with the bank balance agreeing with the bank statement and the checkbook balance agreeing with the general ledger
- Reserved fund(s) list with balance(s)
- Unreserved fund balance
- Determination of FLSA exempt and non-exempt statuses by position description
- Supporting documentation for all transactions within the audit period (cancelled checks, receipts, letters, invoices, etc.). If cancelled checks are not returned to the SWCD, the District ~~should~~ must request printed or electronic bank copies of the cancelled checks.
- Documentation of sources for funds (i.e., local, state, and federal)
- Payroll tax returns and personnel records (IRS Form 941, timesheets, W-4s, personnel files, W-2s, and 1099s issued)
- All additional questionnaire responses, documentation, or account analysis requested by the auditors within the time frame requested

During the course of the auditor's field work and upon completion of the audit, District management will be advised of identified or potential issues of concern. ~~and Districts~~ will be given an opportunity to provide additional information related to the issue and concerns prior to the issues being discussed with the Audit Subcommittee of the SWCB. ~~address and correct the issues before the issues become formal findings within the auditor's final report.~~ At the end of the auditor's field work and/or upon completion of the audit, an exit interview will be conducted. It is expected that District staff (in person) and a Director (in person or by phone) will participate in the exit interview. DCR Conservation District Coordinators (CDC) will participate (in person or by phone) when schedules allow. Upon completion of the audit, DCR and the SWCB will be advised of identified or potential issues of concern.

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The District Board must act upon any findings that are formalized in the final audit report, as directed by the SWCB, the Audit Subcommittee of the SWCB, and DCR. If the audit report identifies any significant areas of concern or material weakness, more frequent audits of the District may be required by the Audit Subcommittee of the SWCB and DCR.

Records Management

Records generated or received, regardless of format (electronic or hard copy), within the course of a District's operations must be maintained in accordance with the Library of Virginia records retention schedules available at

http://www.lva.virginia.gov/agencies/records/sched_local/index.htm, as well as any federal or funding specific requirements. The Records Retention Officer is responsible for ensuring that all supporting documentation is maintained according to the record retention policy.

Records include, but are not limited to the following:

- General ledger reports at the summary and detail levels
- Cancelled checks or check images from the bank
- Check registers
- Invoices or other support as applicable for disbursements
- Receipt logs
- Check copies for receipts
- Letters or other support as applicable for receipts
- Personnel folders including salary approvals
- Bank statements and reconciliations
- Payroll records
- Leave records
- Meeting minutes
- Financial reports
- Contracts
- Grant agreements
- SWCD policies

Electronic files, including the general ledger system (i.e., QuickBooks), ~~should~~must be backed up on a regular basis (most auditors would recommend at least weekly, preferably daily). The backup ~~should~~must be maintained on a secure cloud or network server or on an external hard drive kept either in a fireproof, heat-resistant cabinet or safe at the District office, ~~or at an off-site location (e.g., bank lock box or post office box).~~

Section IV – Cash Control

Bank Accounts and Signatories

The opening of all bank accounts, as well as ~~the~~ list of all check signatories, must be authorized by the BOD and recorded in the District BOD minutes. ~~Check signatories should be updated~~

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~~whenever a signatory is added or deleted~~ Any bank account or check signatory changes must be approved by the District BOD and recorded in the minutes.

Insured Accounts

All funds are to be maintained in fully insured bank accounts. Generally, the Federal Deposit Insurance Corporation (FDIC), through the local bank, provides such insurance coverage. Each bank the SWCD does business with ~~should~~ must be informed that the District accounts contain public funds and ~~should~~ must be insured accordingly.

All ~~accounts~~ ~~funds~~ ~~should~~ shall be kept in accounts that are interest-bearing to the extent possible. The District shall maintain a separate bank account for Agricultural BMP Cost-Share Program funds. Interest earned from this account must be applied to additional program practices and expenses and must be logged in the ~~Agriculture BMP Tracking Module~~ Conservation Application Suite.

All cash ~~should~~ must be maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, § 2.2-4400 et seq. of the *Code of Virginia* and covered by FDIC (The following website may be helpful with addressing questions that pertain to the Virginia Security for Public Deposits Act: <http://www.trsvirginia.gov>). Under the Act, banks holding public deposits in excess of the amounts insured by FDIC (\$250,000) must pledge collateral in the amount of 50% of the excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying Districts of compliance by banks. Accounts maintained in National Credit Union Accounts (NCUA) ~~should~~ must ~~be~~ also be insured up to \$250,000. Districts that maintain investment funds with a broker ~~should~~ must be insured by Securities Investor Protections Corporations (SIPC) up to \$500,000.

To ensure all SWCD bank accounts are classified by the bank as public funds and secured by the Virginia Security for Public Deposits Act (SPDA), SWCDs are required to verify all bank account information through the Virginia Department of Treasury SPDA Account Balance Search system (<https://trsvirginia.gov/Operations>) quarterly or by the deadline assigned by the Virginia Department of Treasury and should maintain documentation of the verification on file. - If a District finds that its account(s) has not been reported or if balances are reported inaccurately, it ~~should~~ will address the issue with the financial institution.

In accordance with § 2.2-4518 of the *Code of Virginia*, Districts can elect to participate in the IntraFi Network Deposits program (formerly Insured Cash Sweep, or ICS) and Certificate of Deposit Account Registry Services (CDARS), which allow large deposits of funds to be placed across multiple participating institutions in increments below the standard FDIC insurance maximum of \$250,000 so that both principal and interest are eligible for FDIC insurance. Visit this link for more information: <https://www.intrafinetworkdeposits.com/>.

Districts are also authorized to participate in the Virginia Department of Treasury's Local Government Investment Pool (LGIP). However, cost-share funds must be invested separately from all other districts funds and interest ~~ed~~ earned on cost-share funds must be applied to

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program practices and expenses. When funds are transferred from the LGIP they must be transferred into bank accounts that meet the requirements of the Virginia Security for Public Deposits Act. For more information about the LGIP, contact the Department of Treasury at (800) 643-7800 or <https://trs.virginia.gov/Cash-Management-Investments/LGIP>.

Check-Signing Policy

A check-signing policy ~~should~~must be developed and adopted by the District BOD and reviewed annually. Checks issued over \$1,000 shall require dual signatures. All authorized check signers ~~should~~must be approved by the BOD and included as check signatories in the appropriate documentation at the bank. Check signers should sign only checks presented with vouched invoices. Check signers ~~should~~shall never sign any check that does not have appropriate documentation or is to be paid to themselves. Check signers ~~should~~shall never sign incomplete checks (those where date, payee, or amount is left blank). Electronic or stamped signatures shall not be used for signing checks.

All checks ~~should~~must be preprinted with the name and address of the District and pre-numbered.

The supply of unused checks ~~should~~must be maintained in a locked cabinet or desk at the District office. To safeguard against loss or theft, individuals who have check-signing authorization should **not** have access to the supply of unused checks.

Outstanding Checks

The recipient of any check that has been outstanding for six months ~~should~~must be contacted; if the recipient cannot be contacted, issuance of a stop payment should be considered. If a substitute payment will not be issued, documentation ~~should~~must be made to ensure the original transaction is reversed. If a substitute payment will be issued, all accounting records ~~should~~must be updated to note the change.

Per the Commonwealth of Virginia's Unclaimed Property Act, a check that is outstanding for more than one year must be tracked in a liability account and the amount of the check remitted to the Commonwealth of Virginia per § 55.1-2500 of the *Code of Virginia*. Due diligence must be shown prior to reporting unclaimed property to the Virginia Department of Treasury; see Virginia's Unclaimed Property website <http://vamoneysearch.org/> for additional information, including the required reporting schedule.

Voided Checks

Voided checks ~~should~~shall have "VOID" written or stamped on them and the signature lines obliterated to ensure alteration of the check does not occur. They should then be stapled back into the check register. If checks are printed, rather than hand-written, and a check register is not maintained, voided checks ~~should~~must be placed in a voided checks file. The transaction/expense related to the voided check should be reversed.

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Bank Reconciliations

Bank statements ~~should~~shall be reconciled to the District's accounting records on a monthly basis within 30 days of the statement closing date. Bank reconciliations ~~should~~must be prepared by an individual authorized by the District to perform this task, and that person ~~should~~must initial and date each completed reconciliation. Any unrecorded bank transactions identified during the bank reconciliation process (e.g., interest earned or service charges) ~~should~~must be posted in a timely manner (i.e., prior to the next bank statement being received). **A second individual other than the preparer ~~should~~shall review, initial, and date the reconciliations and periodically review canceled checks for proper signatures and authority.** When reviewing bank reconciliations, the reviewer should check the prior month's statement and reconciliation to ensure all outstanding items from the previous month have been properly accounted for.

Segregation of Duties

Segregation of duties is an important aspect of a sound internal control system. Proper segregation of duties provides a system of checks and balances so that the functions of one member (employee, Director, or other empowered individual) of the District are subject to review through the performance of interrelated functions of another member. The following list provides examples of adequate segregation of duties:

- Check signers should not have access to the unused check supply.
- One individual should not be responsible for both opening the mail and recording and depositing receipts.
- One individual should not be responsible for approving, recording, preparing, and mailing disbursements.
- Employees or Directors should never be the check signers for payroll and/or reimbursement checks made payable to themselves.
- Bank reconciliations should be performed monthly and reviewed and approved by someone other than the preparer.

Due to the small size of some Districts, it may be unreasonable to expect segregation of all duties as outlined above. Districts should keep in mind that the bookkeeper and BOD members need not be the only people assigned to perform these procedures. Conservation specialists and District managers (program personnel) may also play a key role in the internal control structure. Here are two examples of how program personnel might play a role in segregation of duties:

- The bookkeeper and the program person sign all checks below \$1,000, and the bookkeeper and the Treasurer sign all checks greater than \$1,000.
- A program person provides the review of bank reconciliations performed by the bookkeeper.

Whenever the size of the District's staff precludes the proper segregation of duties, compensating controls ~~should~~must be established to ensure adequate review and oversight of financial transactions and timely detection of errors and irregularities. In these cases, the BOD may need

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to provide oversight and independent review functions in the day-to-day financial affairs of the District. Established roles for Board members should be designated for these functions.

Section V – Cash Management

Accounting Method of Cash Basis Versus Accrual Basis

Cash basis – Revenue is recorded when the funds are received, and expenses are recorded when payment is issued. It is easiest to account for transactions using the cash basis since no complex accounting transactions such as accruals and deferrals are needed. Given its ease of use, the cash basis is widely used in small businesses.

Accrual basis – Revenue is recorded when earned and expenses are recorded when incurred. Its use is required for tax reporting when sales exceed \$5 million.

Based on SWCD auditor recommendations, Districts shall maintain their financial records based on a cash basis. This will enable Districts to easily reconcile their accounting records with the DCR Attachment E reporting form. For QuickBooks users, this is a simple change in the preferences to the Cash Basis setting and will automatically generate QuickBooks reports that correspond to Attachment E reporting.

Reserve Fund Balances

Each District should ~~limit~~ its level of unobligated reserve funds. Unobligated funds are monies maintained in the District account(s) that may be spent on reasonable business-related purposes by the District. It is unadvisable for any District to accumulate more than 12 months of undedicated reserve funds. Funds beyond this level must be accumulated for specific dedicated purposes (for example, vehicles, equipment, dam maintenance, computers, or funding unanticipated staff severances) as directed by an action of the BOD and recorded in the minutes of the District; these funds are not to be used for routine operating expenses. At the end of each fiscal year, the District ~~should~~ shall review its reserve funds and determine which funds are to be dedicated for specific future expenses. A list ~~should~~ must be maintained of these dedicated reserves and the list shall be reviewed, ~~and~~ updated, and approved annually. Public funds from local, state, and federal sources are provided to Districts strictly for performance of conservation, not for savings. DCR will monitor the growth of unexpended funds through grant agreement-required audit reports and report situations of concern to the VSWCB.

Reserve funds can be maintained in CDs or MMAs; however, Districts are also encouraged to participate in the Virginia Department of Treasury's Local Government Investment Pool (LGIP). For more information about the LGIP, contact the Department of Treasury at 800-643-7800 or <https://trs.virginia.gov/Cash-Management-Investments/LGIP>.

Petty Cash Accounts

Petty cash accounts should contain no more than \$100 at any given time, and one individual should be designated as the custodian of the fund. The custodian is the person responsible for properly securing the fund, for approving each transaction, and for ensuring proper documentation (receipt or invoice) is received for each transaction. Petty cash should be used only for small purchases of supplies, food, postage, etc., and its use limited as much as possible.

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A person independent of the petty cash function should perform surprise counts of the petty cash at least twice a year and document these counts to ensure funds are intact. Alternatively, a system may be established in which an individual independent of the petty cash account is responsible for reconciling the account monthly. The reconciliation must be conducted in the presence of the petty cash custodian to maintain proper oversight of the fund; at no time should the custodian allow unsupervised access to the fund. This arrangement can replace the petty cash surprise counts since counting the cash on hand and the supporting receipts is part of the monthly reconciliation process.

Gift Cards

Gift cards are often given to recipients of District awards or winners of competitions (i.e., District Envirothon and poster contest winners and District-level awards for conservation-friendly farms). Gift cards are a form of currency and should be managed with the same sensitivity as cash or checks. A policy ~~should~~must be developed by the Board that includes the following information:

- Which funding source may be used to purchase gift cards (must be allowable under the regulations of the funding entity/award)
- Clear and detailed criteria or categories for the awarding of gift cards, such as for competitions, recognitions, and/or events
- Amounts associated with each criterion or category
- Restrictions on eligibility of recipients
- Required approval for issuance of cards
- Detailed procedures for purchasing and securing cards
- An annual log for purchase and issuance of cards, noting their type, value, and purpose, along with the name of the recipients and the dates awarded
- Procedure for reconciliation of expenses for cards purchased, the log, and the count of cards on hand that is documented, dated, and maintained with the annual log

The purchase of all gift cards ~~should~~must be approved by the Board and recorded in the Board meeting minutes with the purpose and value of each gift card.

Gift cards given to District employees are considered taxable income and ~~should~~are required to be reported as such to the IRS. For that reason, gift cards are not recommended for employee compensation.

Transfers

When transfers are made between bank accounts, including ~~to open~~the opening of new bank accounts, these amounts should not be reflected as receipts or disbursements for financial reporting purposes. These transfers should be shown in the transfer in/out column on the Attachment E.

Section VI – Receipts Processing

Direct Deposit (EDI)

Pursuant to the State Appropriation Act, all Districts shall be set up to receive electronic payments from the Commonwealth. See Chapter 732: § 4-5.04 Goods and Services H. Electronic Payments: “Any recipient of payments from the State Treasury who receives six or more payments per year issued by the State Treasurer shall receive such payments electronically. The State Treasurer shall decide the appropriate method of electronic payment and, through [their] warrant issuance authority, the State Comptroller shall enforce the provisions of this section.”

Sales

When receipts (cash, ~~or~~ checks, or online payments) are received by Districts, the following procedures should be followed:

Checks

- Each check should be endorsed with a stamp including the phrase “For Deposit Only,” the name of the District bank account, and the bank account number.
- Each check should be immediately recorded in a pre-numbered, three-part receipt book, specifically citing the following information:
 - the name of payer or name associated with the accounts receivable account
 - check number of the check received
 - purpose or fund associated with the receivable
- The three copies of the individual, numbered receipt should be used as follows:
 - Top copy provided to the payer, if present
 - Second copy placed with the deposit documentation maintained in the files
 - Third copy maintained in the receipt book
- Each check should be placed in the secure location or lockbox designated for pending deposits.

Cash

- Cash receipts should be immediately recorded in a pre-numbered, three-part receipt book, specifically citing the following information:
 - the name of payer or name associated with the accounts receivable account
 - the purpose or fund associated with the receivable
- The three copies of the individual, numbered receipt should be used as follows:
 - Top copy provided to the payer, if present
 - Second copy placed with the deposit documentation maintained in the files
 - Third copy maintained in the receipt book
- Cash should be placed in the secure location or lockbox designated for pending deposits.
- ***Cash pending deposits should never be comingled with the petty cash fund.***

In the instance the sales receipts are received directly through immediately entered to QuickBooks, by credit card (i.e. Square), or payment application (i.e. Venmo, PayPal, Cash App), a copy of the sales receipt should be immediately ~~printed-generated~~ and ~~given-provided~~ to

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the payer ~~if present~~ (printed, emailed, or auto-generated by the payment application), and a copy should be printed and maintained with the deposit documentation files. The District should never retain credit card numbers through any payment method or application.

If the District makes deposits into multiple bank accounts, the pending deposit items ~~should~~ must be separately maintained in the secured location or lockbox until the time of deposit.

Any documentation (i.e., letter or check stub) received with the cash or check ~~shall~~ should be date-stamped when received and maintained in a deposits file. The receipt number ~~should~~ must be noted on the supporting documentation.

As an accounting safeguard, each day's receipts ~~should~~ must be recorded/logged in the general ledger (i.e., QuickBooks) ~~on a daily basis~~, and each ~~day's~~ log reconciled to the (cumulative) bank deposit.

Deposits should be made once a week or when the District has collected \$500, whichever occurs first. Deposits ~~should~~ must be recorded in the QuickBooks ~~on the day of deposit~~.

Deposit of checks through a bank's mobile application ("mobile deposit") is prohibited. All checks received by the SWCD ~~should~~ shall be deposited at the bank or via a bank issued check scanner and a deposit slip/confirmation retained with the SWCD's financial records.

Collection of State Retail Sales and Use Tax

As political subdivisions of the Commonwealth, Districts must collect sales tax on sales of their tangible personal property unless such property is otherwise exempt. The *Code of Virginia* and Virginia regulations provide for certain exemptions.

Questions concerning the collection of sales tax and specific instances that may provide exemptions should be directed to the Department of Taxation, Office of Tax Policy, 804-367-8037.

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Section VII – Expenditure Processing (~~Non-Payroll~~)

Depending on the source of specific funds, there may be restrictions on how the funds are used and required accounting treatment for the funds. *The BOD and District staff should familiarize themselves with the limitations and requirements for all funds they receive.* As an example, state and federal funds may not be used to support charitable activities or to purchase alcoholic beverages of any type. Failure to adhere to specific funding regulations may result in a requirement to repay funds used or ~~in~~ ineligibility for future funding awards.

Disbursements are to be made only with proper supporting documentation, such as invoices, receipts, or receiving slips. To prevent double payments of balances, all documentation ~~should~~ shall be original, not copies. If an original is not available, the copy must be marked on its face with the phrase “certified original” and a note explaining why the original cannot be provided.

A voucher system (or invoice approval system) ~~should~~ must require invoices to be vouched (or approved) before the District issues payment. Prior to issuing payments, invoices must be endorsed by two individuals (ideally, the person requesting the disbursement to verify the invoice is legitimate and that person’s supervisor or other authorized individual to verify the requestor has authority to make the request). The Virginia Agricultural BMP Incentives Programs Contract Parts I, II, and III serve as the invoice for payments issued to ~~farmers~~ producers participating in the Virginia Agricultural BMP Cost-Share Program. ~~An~~ An employee expense report with attached receipts serves as an invoice for payment when submitted with appropriate signatures and documentation. If an invoice was paid with a District credit card, the invoice may be approved as part of the credit card reconciliation process.

Invoices should be mathematically verified before payment.

To prevent duplicate payment of expenses, invoices ~~should~~ must be ~~stamped~~ marked “PAID” ~~with upon payment.~~ In addition, the check number and check date ~~should be~~ written on the invoice or a check stub should be stapled to the invoice upon payment.

Ideally, the individual who accounts for cash disbursements (i.e., records the disbursement in the accounting records and/or signs the checks) should not prepare and mail the checks.

A District employee should **never** make personal purchases with District funds or use the District’s tax-exempt status for personal purchases.

Disbursements ~~should~~ must be recorded in the checkbook and/or QuickBooks when the check is written. Individual disbursements should be recorded in the general ledger (i.e., QuickBooks) on a weekly basis.

Online Bill Paying

Generally, authorizing an individual to make a direct withdrawal from the bank account to settle a claim provides an opportunity for abuse of the payment system. Given the limited number of personnel and the limited opportunities for segregation of duties and internal control, the use of

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online bill payment ~~is discouraged~~ can be easily misused. It is preferred that all online bill payments be made with the District credit card, following all rules and reconciliations required by the District's credit card and purchasing policies.

~~If the circumstances dictate and there is no other viable option—including use of a District credit card—~~If the District chooses to utilize online bill pay through direct withdrawal, the controls surrounding this type of transaction should be carefully considered. Important elements of the control system ~~should~~ must include the following:

- ~~• Documented justification why no other payment option is available~~
- Two approvals on the invoice prior to initiating the online payment
- Processing or transmitting of the online payment by a third individual, to the extent possible based on the District's segregation of duties.
- Attaching a copy of the online payment confirmation to the invoice
- Careful review of all bank statements with special scrutiny given to the propriety of any direct withdrawals from the bank account
- The use of auto draft or automatic bill pay is prohibited, except for employee payroll, benefit expenses, and taxes.

Larger organizations that utilize online payments typically have one person initialize the payment of the transaction and another person review the online transaction using the bank's software prior to actually releasing or transmitting the payment. Banks may provide a chip or electronic token that offers a dynamic code to enter prior to releasing a transaction. Banks may call an authorized individual prior to releasing larger online payments. While sound internal controls can be implemented around online payments, building adequate controls in a local District with limited staff might be challenging.

Direct Deposit

A District may choose to utilize Direct Deposit Automated Clearing House (ACH) bank transfers. These payments may be issued to Directors, Associate Directors and staff for payroll and reimbursements, and to cost-share participants, or to the Technical Service Provider (TSP) or VRA (Virginia Resource Authority), if the assignment of payment form is signed and on file.

It is important to note that a direct deposit is a specific type of ACH bank transfer that offers a low risk of fraud. There are other types of ACH transfers, but only direct deposit shall be used by the District.

All banks have a slightly different process for setting up direct deposits for organizations and businesses. The District will need to work closely with the bank to confirm all of the necessary steps to set up the District accounts for sending direct deposit transfers and the information needed from the participant in order to receive the direct deposit. At a minimum, the district must implement the following practices to help reduce the risk of fraud for direct deposit payments:

1. **Multi-Factor Authentication:** Ensure that the bank requires multi-factor authentication for all users involved in processing payments to add an extra layer of security.

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2. **Transaction Limits:** Work with the bank to establish transaction limits. Any increases to the transaction limit must be approved by the Board and documented in Board meeting minutes. On occasion, a transaction limit may need to be temporarily increased (ie: payment of a large cost-share contract, or numerous cost-share contract payments in one day). The District should outline a process in their Direct Deposit Policy to authorize a temporary increase of the daily transaction limit.

3. **Authorization Form (vendor verification):** Implement an authorization form for the recipient to complete, providing their bank information and granting approval for the electronic payment. Ensure the information matches their W-9 form. Note: Your bank may already have a form they require that meets this requirement.

4. **Initializing Payments:** The district must have one person initialize the payment of the transaction and another person review the online transaction using the bank's software prior to actually releasing or transmitting the payment. Banks may provide a chip or electronic token that offers a dynamic code to enter prior to releasing a transaction. Banks may call an authorized individual prior to releasing larger online payments.

In some districts, this may be two staff that have been granted authority by the Board, other times these controls will require a director to conduct the reviews.

5. **Payment Acknowledgment (vendor verification):** Consider sending an email to the recipient on the same day the EFT is processed, confirming the transaction and requesting that they reply once the funds are received. Note: a reply from the payee is requested but not required. It is likely you will only get a response if there is an issue with the payment. All communications regarding the transaction must be maintained in the cost share file.

6. **Segregation of Duties:** The person with access to the bank's transaction system shall not be responsible for reconciling the account. If this is unavoidable due to the small size of the district, a director shall review the bank reconciliation to ensure proper oversight. Additionally, the bank online system most likely provides a report of EFTs for the month, which must be attached to the reconciliation.

Bank Reconciliation: The bank reconciliation process should confirm that the payment has been recorded in the books. Any discrepancies between the reconciliation of QuickBooks, the Attachment E balances, and the Tracking system must be flagged and investigated.

Virginia Agricultural Cost-Share Payments

Once the District BOD has approved cost-share practice(s) for funding, the practice(s) have been certified as installed, all required documentation has been received by the SWCD (receipts, invoices, nutrient management plans, etc.), and Part III of the contract has been signed by all required parties, the District ~~should~~ **shall** pay promptly (within 30 days). Districts must retain supporting documents (i.e., receipts for materials) and clear documentation to justify the amount of payment (i.e., payment calculation sheet) as part of the cost-share file.

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The District's QuickBooks accounting records, the Agricultural Cost-Share Tracking Program ledgers, and the Attachment E reporting form should all reconcile before submission of quarterly reporting to DCR.

Two-Party Checks

Districts are allowed to issue two-party checks only for cost-share payments when the two parties consist of the participant and a lending institution. For participants receiving loans from the DEQ Ag Loan program, an assignment of payment to Virginia Resources Authority (VRA) form must be submitted to the District to allow payment directly to VRA upon completion of the practice.

IRS 1099 Forms

Districts must provide an Internal Revenue Service (IRS) Form 1099-G to any individual installing an agricultural BMP ~~with cost-share or other funding sources (such as settlement funds)~~ who receives ~~\$600 or more in~~ payment(s) from cost-share or other funding sources (such as settlement funds) equal to or above the threshold established by the IRS. ~~cost-share payment(s) in a calendar year.~~ If the payment for a contract is redirected at the participant's request to a certified nutrient management planner or resource management plan developer, then the appropriate 1099-NEC ~~should~~ must be issued to the entity receiving the cost-share funds. Districts that issue payments for non-agricultural practices (such as DEQ 319 septic practices and VCAP practices) must issue a 1099-MISC to participants. If the payment for a contract has been assigned to VRA, or is paid out as a two-party check to the participant and a lending institution, the participant must still be the recipient of the appropriate 1099-G or 1099-MISC. Districts must e-file the appropriate IRS Form 1099 and Form 1096 with the IRS in accordance with IRS regulations. Note: The 1099-NEC may have an earlier filing deadline than the other forms. Be sure to check the IRS website for all applicable filing deadlines each year.

Sales and Use Tax Exemption for District Purchases

Per section § 58.1-609.1(16) of the *Code of Virginia*, Soil and Water Conservation Districts are exempt from paying sales and use tax. All Districts should file Form ST-12, *Commonwealth of Virginia Sales and Use Tax Certificate of Exemption*, with vendors. This form is located on the Department of Taxation website (<https://www.tax.virginia.gov/sites/default/files/taxforms/exemption-certificates/any/st-12-any.pdf>).

With a tax-exemption certificate, Districts can apply for sales tax exemption at stores from which they frequently purchase supplies. Districts must get tax exemption for all stores that are frequented more than three times in a fiscal year or where any one purchase is \$100 or greater.

Please note that this exemption does not apply to meal and hotel charges. As a political subdivision of the Commonwealth, the SWCD should strive to obtain the state government rate for hotel rooms to the extent possible.

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Section VIII – Credit/Debit Card Usage

Debit Cards

State policy prohibits the use of debit cards by any state agency. The District auditors concur with this prohibition due to the potential for fraud. Therefore, the use of debit cards by Districts is prohibited.

District Credit Cards

Districts issuing credit cards to staff or Directors for business purposes must adhere to the following guidelines:

- The BOD must approve the issuance of any credit card to be used by staff and/or BOD member(s).
- Districts ~~should~~ shall adopt a written credit card policy to establish guidelines for users.
- *Properly documented approval ~~should~~ must be obtained prior to any purchase as required by the BOD-approved purchasing policy.*
- A reputable credit card company that does not charge an annual fee and has a competitive interest rate should be used.
- Credit card statements must be mailed directly to the District office.
- Receipts for all charge card expenditures must be turned in to the District office immediately following purchases and the receipts reconciled with line items on the credit card statement before payment can be made.
 - Note: Original receipts ~~should~~ must be submitted to the District office; however, scans of the receipts may be made for ease of record keeping and filing. An original receipt or -scanned copy ~~should~~ must be maintained with the corresponding invoice and/or credit card statement.
 - If receipts are lost, a missing receipts log ~~should~~ must be created and filed with the corresponding invoice and/or credit card statement. The log should include the name of the store where the purchase was made, date of purchase, amount of purchase, list of items purchased, purpose of the purchase, and the name of employee or Director making the purchase.
- Before payment is made, the statement reconciliation must be approved by the Treasurer or a Director or employee with check-signing authorization. Each attached receipt or invoice should be reviewed for accuracy and appropriateness before the payment is made.
 - Note: If a staff member with check-signing authorization is completing the reconciliation, the Treasurer or Director with check-signing authorization must also complete a reconciliation to ensure all expenditures are appropriate. The Treasurer/Director reconciliation can be done before or after the payment is made. If this reconciliation is completed after payment, it should be completed within 30 days of the payment.
- The voucher system described in Section VIII ~~will~~ be used to authorize payment of the credit card.
- Expenditures ~~should~~ must be made in accordance with procurement guidelines.
- *Use of the credit card for personal purchases is forbidden.*

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- Payment of the balance of the credit card will be made by the due date in order to avoid unnecessary finance charges or late payment fees.
- Non-compliance with these guidelines will result in, at a minimum, termination of credit card privileges for the abusing staff member or Director.

Section IX – Employee/Director Expense Reimbursements

All personally incurred District expenses shall be reimbursed to the employee or Director through the use of an expense report. At a minimum, the expense report format ~~should~~shall include the individual's name, date of submission, signature, and approvals. The body of the form should be multi-lined and columnar so that several individual expenses may be recorded. Columns should include date of incurrence, description, business reason for the expense, and, for use when the expense is mileage, the miles traveled, mileage rate, and dollar amount of mileage reimbursement. The last column should indicate a total of the expenditures for that day with a grand total at the bottom indicating the total to be reimbursed.

Each employee or Director submitting an expense report for reimbursement ~~should~~must adhere to the following guidelines:

Use of Personal Credit Cards

Use of personal credit cards for business expenses:

- Staff or Director use of personal credit cards for business expenses incurred by the individual is permissible, but reimbursement of such expenses will be made by only after submission of a properly completed employee/Director expense report with attached original invoices (not credit card statements).
- Incurred interest, late charges, or other credit card fees charged to the statement will not be reimbursed. It is the responsibility of the employee or Director to request reimbursement through proper channels with appropriate documentation *prior to incurring such fees*.
- Expenditures ~~should~~must be made in accordance with procurement guidelines and applicable funding regulations.
- Receipts for all expenditures must be attached to the employee/Director expense report and submitted to the SWCD District office in a timely manner (within ~~30~~60 days of the date on which the expense occurred).
 - Note: Original receipts ~~should~~must be submitted to the District office; however, scans of receipts may be made for ease of record keeping and filing. A scanned copy of each receipt should be maintained with the corresponding expense report.
- The voucher system described in Section XII will be used to authorize payment of the employee/Director expense report. Each attached receipt ~~should~~must be reviewed for accuracy and appropriateness before payment is made.
- Payment may be issued utilizing direct deposit if proper controls are in place, as outlined in Section VII.
- A Director shall not reconcile or authorize their own expense report or reimbursement.

Non-Travel

- Employee/Director expenditures for business expenses are permissible, but payment or reimbursement of such expenses will be made only after submission of an expense report with attached original invoices (not credit card statements).

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- Expenditures ~~should~~must be made in accordance with procurement guidelines.
- Receipts for all expenditures must be attached to the employee/Director expense report and turned into the SWCD District office in a timely manner (within 30 days of the date of the expense). No reimbursement will be made without a receipt.
 - Note: Original receipts ~~should~~must be submitted to the District office; however, scans of receipts may be made for ease of record keeping and filing. A scanned copy of each receipt should be maintained with the corresponding expense report.
- ~~The~~ voucher system described in Section XII~~V~~ will be used to authorize payment of the expense report. Each attached receipt ~~should~~must be reviewed for accuracy and appropriateness before payment is made.
- Only business expenses will be reimbursed.
- Payment may be issued utilizing direct deposit if proper controls are in place, as outlined in Section VII.
- A Director shall not reconcile or authorize their own expense report or reimbursement
- Abuse of any of the above may result in termination of staff, revocation of authorization to use employee/Director expense reports for reimbursement, and/or further actions deemed appropriate.

Travel

Travel expenses may be paid on per diem or on actual receipts. However, the District must select one method so that all travel expenses are paid reliably and consistently; District Directors and staff must all be paid using the same method. The method of payment ~~should~~must be clearly indicated in a District policy.

- Mileage is reimbursable at a rate not more than the federal IRS rate; any instances where the mileage reimbursement rate will be less than the federal IRS rate must be addressed through a BOD-adopted policy. Mileage rates ~~should~~shall be revisited by the District BOD when there is an IRS mileage rate change (typically on January 1 of each year) and ~~this should~~ any necessary updates to the policy must be clearly recorded in the meeting minutes. The maximum reimbursable mileage is miles to and from the approved location less normal commute miles at the federal IRS rate.
- If the SWCD issues reimbursements based on per diem, expenses are reimbursable at the federal per diem rate. Per diem rates ~~should~~shall be revisited by the BOD when there is an IRS rate change (typically on January 1 of each year), and any necessary updates to the policy must ~~this should~~ be clearly recorded in the meeting minutes. The federal per diem rates can be found at <https://www.gsa.gov/travel/plan-book/per-diem-rates>.
- When a Director or employee requests reimbursement via per diem, an appropriate per diem worksheet must be submitted with the expense report. A ~~sample~~ per diem calculator can be found at <http://perdiemcalc.net/gsa/>.
- If the District issues reimbursements on an actual basis, all receipts must be submitted with the travel voucher reimbursement request.
- All receipts, including hotel receipts, boarding passes, bag fees, must be originals.
 - Note: Original receipts ~~should~~must be submitted to the District office; however, scans of the receipts may be made for ease of record keeping and filing. A

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scanned copy of each receipt should be maintained with the corresponding travel voucher.

- Meals covered by conference registration fees must be deducted from the applicable per diem.
- Documentation showing which meals are included with registration must be attached to the expense report.
- The per diem may not be paid in advance of the trip.
- Employees and Directors must submit travel reimbursement documentation (including mileage) to the SWCD office no later than 60 days after incurring the expense.
- Payment may be issued utilizing direct deposit if proper controls are in place, as outlined in Section VII.
- A Director shall not reconcile or authorize their own expense report or reimbursement

Section X – Procurement

All purchases by Districts ~~should~~shall be made as a result of a competitive and open process that encourages participation by all qualified vendors. All District procurements ~~should~~shall be in accordance with the Virginia Public Procurement Act, §2.2-4300 et seq. of the *Code of Virginia* (<https://dgs.virginia.gov/globalassets/business-units/dps/documents/vppa/vppa2023-unofficial-final.pdf>). It is important to note that for the purposes of procurement Districts fall under the local government determination. If you have procurement questions, you can contact a Department of General Services DPS Local Government Account Executive; contact information is listed at <https://dgs.virginia.gov/globalassets/business-units/dps/documents/localgovernment/virginiafullcounties-asof04242018.pdf>.

Every District ~~should~~shall have a purchasing policy. The District Finance Committee ~~should~~must abide by a policy for competitive procurement based on dollar amounts of purchases and periodically (at least annually) review and recommend changes to such policy to the District BOD. In most instances, the lowest cost quotation should be accepted; however, in some instances, the lowest cost quotation may not be in the District's best interest. In these cases, a written justification for accepting a higher bid ~~should~~must be maintained with the quotations.

The two sample purchasing policies in the Appendix section may guide Districts in developing their own policies for the procurement of goods and services.

Surplus Property

Any local public body of the Commonwealth may use the Office of Surplus Property Management (OSPM) to dispose of surplus property. SWCDs that wish to dispose of surplus property should review Chapter 12 of the *Agency Purchasing & Surplus Property Manual* for proper methods of disposal. This manual and other resources can be found on the OSPM website (<https://dgs.virginia.gov/office-of-surplus-property-management/government-entities/declare-surplus-property/>).

Fixed Assets Inventory

An inventory list, including details on all fixed assets (e.g., computers, vehicles, equipment, and copiers) owned and/or controlled by the District, ~~should~~must be maintained and updated on an annual basis or when a change or update is made to the asset location and/or user or custodian. The District may wish to establish a minimum value, such as \$500.00, for items maintained on the inventory list. Regardless of value, all external storage devices for data ~~should~~shall be included on the inventory list due to the important data and intellectual property stored on the device. The list ~~should~~must be maintained in a safe, secure location where risk of damage or alteration is reduced. All inventoried items should be tagged and the sequential tag number included on the inventory list.

The list ~~should~~must include a description of the asset, serial number or VIN number if applicable, the date purchased, the cost of the asset, and an estimated useful life of the asset for

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budgeting purposes. The SWCD can maintain other information if it is deemed of value, such as from whom the asset was purchased, warranty information, or replacement value.

An assets inventory list is also helpful for obtaining insurance policies for loss, theft, or damage to the assets. Each SWCD is expected to have its own property insurance plan; these are not provided by the Commonwealth.

Section XI – Reporting (General Guidance)

Individuals, agencies, and organizations that contribute resources (monetary or other) to a District generally have reporting requirements and expectations. Districts are advised to fully understand and accept reporting requirements prior to entering into any contract or agreement with any individual or organization. Reporting expectations (such as reporting frequency, amount of information required, and related details) often vary widely between organizations.

Reporting Expenditures of SWCD Discretionary Funds

Districts receive financial resources from many sources. Funds may be received through government appropriations, endowments, corporate contributions, revenue-generating programs, and many other sources. Funds provided for specific purposes must be accurately tracked and reported according to the requirements of the contributing source, and sufficient documentation must be maintained to support revenues, expenditures, and remaining balances.

However, some contributors allow great latitude in the use of resources provided to a District. When several sources of “discretionary” funds are combined in a single account to cover operating costs of a District, it becomes difficult to discern remaining balances from specific sources of funds at the close of a report period. If a contributor does not provide specific requirements for or limitations on how a contribution must be spent, Districts should adopt an expenditure process they can document and apply consistently.

Examples of procedures a District may adopt to assign costs from discretionary funds (depending on requirements of the funding sources) are as follows:

- Spend funds appropriated by state sources first, until depletion.
- Spend funds appropriated by the local government(s) first, until depletion.
- Spend revenues generated by District rental/sales programs first, until depletion.
- Split expenditures equally among fund sources (for any given report period).
- Assign disbursement amounts to funding sources based upon the relative amount of funds contributed. For example, if state contributions are twice the amounts contributed by local governments, the relative amount of disbursements would be assigned accordingly to state and local sources.

In fact, any allocation method may be used to allocate costs between operational funding sources, as long as the method is documented so the auditors can recreate the final results reported by the SWCD.

Districts have significant latitude in assigning costs to funds issued to them by DCR. It is an acceptable practice to spend state funds first, until that source is depleted, before assigning remaining costs to other fund sources. It is also appropriate to assign costs to all operational funding sources ~~relatively~~-based on the amounts of their contributions to the SWCD.

Districts should be aware that contributors, regardless of the individual or organization, want assurance that their contributions are used in an appropriate, productive manner. Districts that

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adopt the procedure of expending state funds first for discretionary operational expenses will generally reflect remaining balances in other sources, such as local government contributions, which may accumulate over time. Using this example, local government representatives may reasonably question why their contributions are not being expended and, more fundamentally, whether they should continue appropriations to the District. The example is intended to illustrate the need for careful planning and adoption of procedures that are appropriate for each particular District and meet the expectations of contributors to its programs and services.

DCR Attachment E – Quarterly Reports

According to guidance contained within the annual agreements between DCR and each SWCD for financial assistance to support District operational and administrative expenses and delivery of the Virginia Agricultural BMP Cost-Share (VACS) program, Districts must complete and submit a correct and accurate financial report to DCR on a quarterly schedule. Each quarterly report must be signed by the report preparer and the District Treasurer. If the preparer also serves as the Treasurer, or if the Treasurer is not available, then a Director with check-signing authority must sign the “Approved By” section of the report. The report, with ~~original~~ signatures, must be submitted to the CDC; a copy of the signed report with original signatures should-shall be maintained in the District office as part of the District financial records. The report is contained within each DCR/SWCD grant agreement as Attachment E.

It is the expectation of DCR that financial information contained within the Attachment E report correlate with District financial records (Cash Balance Report, Profit and Loss Report, and monthly reconciliations). This applies to all funds made available to a District from all sources. All funds should-shall be properly documented under the corresponding funding category of the Attachment E. For example, DCR grant-issued funds are to be documented under the “State” category, federal grants issued by DEQ or other organizations should be categorized as “Federal,” and funds issued to the District from local governments should be categorized as “Local/Other.” Other funding sources, such as roundtables and the Virginia Conservation Assistance Program (VCAP), should also be documented under the “Local/Other” category of the Attachment E. If a District is unsure how to categorize a new funding source the preparer should seek guidance from their CDC or the SWCD ~~Liaison~~ District Operations Coordinator.

It is also an expectation of DCR that the flow of financial information from one electronic Attachment E quarterly report to the next is consistent. This means that ending balances reported at the close of any quarter become beginning balances for the start of the quarter that follows. The electronic Attachment E that combines the four quarterly reports for a fiscal year should provide an accurate statement of the receipts, expenditures, and remaining balances in a manner that is consistent with other financial records maintained by the District.

If a District needs to correct an amount improperly reported on the Attachment E, the adjustment should be made in the current quarter to correct the balance on the Attachment E going forward. A clearly written memo explaining the adjustment should-must accompany the Attachment E, be submitted to the CDC at the time of Attachment E submittal, and be maintained in the District file for audit purposes.

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DCR Attachment D – Budget Template Exercise

The Attachment D – Budget Template exercise was developed in 2012 by a stakeholder advisory group (SAG) that was tasked to examine the funding needs for the administration and operation of SWCDs. The template has proven useful advocacy for demonstrating financial need to budgetary decision makers at the Department, Secretariat, and Gubernatorial and General Assembly levels. In recent years, it has also helped guide the Department in review and revision of the base technical assistance funding allocations. Bi-annually, SWCDs are asked to complete the template by estimating the full financial needs of the District. Each year ~~that~~ the exercise is required, DCR provides Districts with the template document, instructions for completion, and estimated cost-share allocations to use to estimate financial needs.

The Attachment D – Budget Template exercise is a biannual grant deliverable and should be completed only after careful consideration of District financial needs. The Budget Template must be reviewed and approved by the District Board with the approval documented in Board meeting minutes. It must also be signed by a Director before being submitted to DCR.

Section XII - Federal Funds Requirements

Districts and the federal government enter into grant agreements when Districts receive federal funds related to a specific grant. Districts must abide by and follow federal requirements when they receive federal funds from any grantor. Each grant agreement ~~should shall~~ be reviewed, approved by the District BOD, and signed by the chair of the District BOD. An individual at the District should be responsible for reviewing the grant agreement and understanding the grant requirements. This same individual should be responsible for ensuring these requirements are met and that the District is in compliance with the grant agreement.

Fourteen compliance requirements are typically attached to federal funding; ~~however, —However,~~ only nine of these apply to Soil and Water Conservation Districts. Districts should document compliance with each requirement. The applicable compliance requirements are as follows:

Activities Allowed or Not Allowed

Requirement

- Federal funds are expended only for allowable activities.

Control Activities

- Review the grant agreement to determine activities that are allowable under the grant.
- Segregate duties adequately for review and authorization of costs.

Allowable Costs/Cost Principles

Requirement

- Costs of goods and services charged to grants are allowable and in accordance with the applicable cost principles.

Control Activities

- Review the grant agreement and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200 to determine allowable costs.
- Per 2 CFR Part 200, include only direct costs chargeable to federal awards, such as the following:
 - Compensation of employees for the time assigned specifically to performance of award-funded activities
 - Costs of materials acquired, consumed, or expended specifically for the purpose of award-funded activities
 - Equipment and other approved capital expenditures
 - Travel expenses incurred specifically to carry out the award-funded activities
 - Adequate segregation of duties in review and authorization of costs

Cash Management

Requirements

- Funds are requested only when needed and are spent within a reasonable period of time after receipt.
- Interest earned on advances are reported/remitted as required.

Control Activities

- Monitor expected versus actual cash disbursements of federal awards.
- Ensure any interest earned on federal funds is recorded in the applicable program and returned to the granting agency or spent in accordance with the requirements of the applicable program.

Equipment and Real Property Management

Requirement

- Proper records are maintained for equipment acquired with federal awards, equipment is adequately safeguarded and maintained, disposition of any equipment or real property is in accordance with federal requirements, and the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.

Control Activities

- Maintain accurate records on all acquisitions and dispositions of property acquired with federal awards.
- Place property tags on all equipment.
- Ensure that property records contain description, source, titleholder, acquisition date, cost, percentage of federal participation in the cost, location, condition, and disposition data.

Matching

Requirement

- Matching requirements are met using only allowable funds or costs that are properly calculated and valued and not used to match other funding sources.

Control Activities

- Review the grant agreement to determine matching requirements and which funds may be used as matches.

Period of Availability of Funds

Requirement

- Federal funds must be obligated and fully expended during the established performance period and documentation submitted for reimbursement by the established deadline.

Control Activities

- Review the grant agreement to determine the period during which funds must be used.

Procurement

Requirement

- Procurement of goods and services is made in compliance with the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200.318-.326 and Contract Provisions for Non-Federal Entity Contracts Under Federal Awards at 2 CFR 200 Appendix II.

Control Activities

- Review Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200.318-.326 and Contract Provisions for Non-Federal Entity Contracts Under Federal Awards at 2 CFR 200 Appendix II to become aware of the requirements.

Program Income

Requirement

- Program income is earned, recorded, and used in accordance with program requirements per Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200.307. Program income is gross income directly generated by a federally funded project.
- Per Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200.80, program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. Interest earned on advances of federal funds is not program income, except as otherwise provided in

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federal statutes, regulations, or the terms and conditions of the federal award. Program income does not include rebates, credits, discounts, and interest earned on any of these.

Control Activities

- Identify generators of program income through inquiry of granting agency and the grant agreement.
- Ensure program income is properly recorded as earned and either deducted from outlays, added to the project budget, or used to meet matching requirements. Unless specified in the federal agency regulations or in the grant agreement, program income must be deducted from program outlays.
- Generally, program income requires a program income plan that details how the funds will be spent in accordance with the federal grant regulations under the Catalog of Federal Domestic Assistance. Information can be found at <https://sam.gov/content/assistance-listings>.

Reporting

Requirement

- Reports of federal awards submitted to the federal awarding agency or pass-through entity include all activity during the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.

Control Activities

- Use the accounting ledger as the basis for all reports.
- Perform supervisory review of reports to ensure accuracy and completeness of data and information.
- Submit an annual report to the DCR by July 15 indicating the total amount of federal funds expended during the prior fiscal year if this is not captured on the Attachment E form. This information is needed to address the Single Audit requirement for disbursements of \$750,000 or greater.

Federal Fund Auditing Requirements

SWCD recipients of federal funds that expend ~~\$750,000~~ 1,000,000 within a fiscal year are required to have an independent annual audit conducted under the Single Audit Act.

Section XIII – Personnel Management

Personnel management is a critical part of a Director’s job. This section only briefly describes many of the crucial elements of personnel management. More in-depth information and guidance is provided in the VASWCD Personnel Management Handbook. It is strongly suggested that each Director review the handbook, which is available online at <https://vaswcd.org/personnel-management>.

Personnel Policy

Each District ~~should~~shall establish a Personnel Policy that covers the conditions of employment, work hours, fringe benefits including leave policies, personnel management including job descriptions and grievance policies, travel policies and other pertinent District policies. Personnel policies, including position descriptions, ~~should~~must be approved by the District BOD and reviewed and updated at least annually and when employment conditions change.

Both new hires and establishment of new employee positions ~~should~~must be approved by the District BOD and the approval recorded in the minutes. Pay rates of employees ~~should~~shall be discussed and approved by the BOD and the approval recorded in the minutes. The District ~~should~~must maintain a personnel file for each employee containing essential data. The ultimate responsibility for hiring/terminating employees and increases/decreases in employee salary rests with the BOD, in close consultation with the District Manager/Executive Director when such positions exist within the structure of the District. Use of an Employee Pay Action Approval Form is required.

Hiring a New Employee

Individuals applying for District jobs should complete an application. Once the BOD selects the individual it desires to employ, in close consultation with the District Manager/Executive Director when such positions exist within the structure of the District, a letter stating the position, job description, salary, and FLSA exempt or non-exempt status ~~should~~shall be prepared and sent to the individual, with the District maintaining a copy. The letter ~~should~~must include a signature line for the individual to sign indicating acceptance of the position and the stated salary. If the individual accepts the position, the District ~~should~~must include the signed original in the employee’s personnel file.

Orientation

All employees should receive an initial orientation when they begin employment with the District and additional training and instruction necessary to perform their duties. The initial orientation should include the following:

- Training in specific District policies and fiscal procedures
- Information on conservation issues
- Precise job duties, as determined by the District BOD and District Manager/Executive Director

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- Clear explanation of the roles and responsibilities of the BOD and staff

Fair Labor Standards Act (FLSA) Exempt/Non-exempt

Each District personnel policy ~~should~~must specifically address the provisions of the Fair Labor Standards Act (FLSA). The FLSA governs whether individual employees are compensated for overtime hours worked based on their assigned primary duties. SWCDs ~~should~~are required to test each position description on a periodic basis (no less than every three years) to determine exempt or non-exempt status. Tests ~~should~~must also be performed when significant changes are made to job descriptions and/or salaries. Records of the tests ~~should~~must be maintained in the position description file and available for review by auditors. Employees must be informed of their position's exempt or non-exempt status when they are hired. For further information on the FLSA, refer to the Department of Labor's website:
<https://www.dol.gov/agencies/whd/flsa>.

One District Director, usually the Board Chair or Personnel Committee Chair, should be identified to serve as the liaison between the staff and the BOD.

Timesheets

Timesheets ~~should~~are required to be prepared and ~~certified~~signed by each District employee and approved by his/her immediate supervisor (or an individual designated by the Finance Committee, this may be a Director, senior staff member, or District Manager/Executive Director) for each pay period. The timesheet ~~should~~serves as the required documentation for payment of salary. The District ~~should~~must maintain the timesheet (or a copy of the timesheet if a local county processes the District's payroll).

Telework

For SWCDs that allow employees to telework, telework hours ~~should~~must be logged on the employee's timesheet as working hours. The District ~~should~~shall adopt a formal telework policy and have a telework agreement with each employee.

Payroll and Taxes

If a local governmental entity pays District employee salaries and does not require reimbursement from the District, this is neither a cash receipt nor a disbursement. This transaction has no impact on the accounting records or financial statements, and thus no accounting entry is required.

District recordkeeping should reflect best practices of separating payroll information by Gross Pay, Fringe Benefits, Payroll taxes, etc. A paystub documenting pay and deductions must be given to the employee (see the VASWCD Personnel Management Handbook).

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If Districts process their own payroll, they are responsible for filing all required federal and state tax forms and making applicable tax deposits. The 941 (federal withholdings) ~~should~~ must be filed on a quarterly basis and tax deposits ~~should be~~ must be made on a monthly/semi-monthly basis. State withholdings information and deposits ~~should~~ shall be submitted on a monthly basis unless the withholdings are less than \$100, in which case the withholdings ~~should~~ are to be submitted on a quarterly basis, unless otherwise specified by the Virginia Department of Taxation. State unemployment taxes ~~should~~ must be remitted to the Virginia Employment Commission on a quarterly basis. The District should be cognizant that the taxing authority may change the timing of these filings and deposits.

It is the responsibility of each District to ensure proper tax withholding and withholding and tax application of various voluntary deductions (such as pensions, cafeteria plans, health insurance, dental insurance and garnishments) occur.

The processing and handling of payroll checks should take place in a manner similar to that described in Section VIII – Expenditure Processing.

Personnel Evaluations

Written evaluations of each District employee's performance should best be prepared on a quarterly or semiannual basis, but, at a minimum, must be conducted annually. The Personnel Committee or the employee's immediate supervisor should complete the evaluations. The Chair of the Personnel Committee, or other authorized individual, and the employee being evaluated ~~should~~ shall both sign the evaluation. The Personnel Committee ~~should~~ shall recommend raises/dismissals (based on the evaluations) to the BOD. ~~The raises/dismissals should be approved/denied at an official BOD meeting and the action included in the minutes.~~ The evaluations, as well as the minutes from the BOD meeting where ~~the raise/a~~ dismissal was approved/~~denied~~, should shall be maintained in the appropriate employee's personnel file. For more information about Personnel Evaluations, reference the VASWCD Personnel Management Handbook (<https://vaswcd.org/personnel-management>).

Salary Adjustments

When a salary change is approved, it is required that an Employee Pay Action Approval Form or something similar be completed, showing the previous rate of pay, the new rate of pay, and the effective date. After action by the BOD, this form ~~should~~ must be signed by the chair of the BOD or another designated BOD member or, when given authority, the District Manager/Executive Director, and filed in the personnel files of the affected employee. An Employee Pay Action Approval Form is also required to document bonus payments to employees. Bonus payments are considered compensation by the IRS and as such are subject to payroll and FICA taxes. In addition, any gift provided to a District employee valued in excess of \$25 is taxable. Please consult IRS guidelines for further information on the tax implications of bonus payments and employee gifts. The IRS website can be found at <https://www.irs.gov>.

Personnel Files New Hire Forms and Reporting

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Personnel files ~~should~~ shall also include a signed W-4, VA-4, and I-9 (with required documentation attached). These documents should be obtained prior to first day of employment. W-4s and VA-4s should be updated at least annually for each employee or upon employee request. All new hires must be reported to the Virginia New Hire Reporting Center. Information can be found at <https://va-newhire.com/>.

SWCD Employee vs. Independent Contractor

The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done. The earnings of a person who is working as an independent contractor are subject to Self-Employment Tax.

An independent contractor is generally self-employed. The Self-Employed Tax Center provides additional information.

A person is not an independent contractor if he/she performs services that can be controlled by an employer (what will be done and how it will be done). This applies even if the person is given freedom of action. What matters is that the employer has the legal right to control the details of how the services are performed.

If payment ~~of more than \$600~~ equal to or great than the threshold established by the IRS is issued to a single contractor occurs in a year, the District must issue a 1099-MISC or 1099-NEC declaring the amount paid for the contractor's services and submit a 1096 and government copy of the 1099-MISC or 1099-NEC to the Internal Revenue Service by January 31st of the following year.

If an employer-employee relationship exists (regardless of what the relationship is called), the person performing the work is not an independent contractor and earnings are generally not subject to Self-Employment Tax.

However, earnings as an employee may be subject to FICA (Social Security tax and Medicare) and income tax withholding.

XIV – Appendix A

The following pages contain sample policies and forms that Soil and Water Conservation Districts are encouraged to adopt and implement. The policies and forms are only templates and should be customized to fit the unique nature of each District. Neither DCR nor the Commonwealth of Virginia requires that these sample policies be adopted exactly as presented; however, at minimum, Districts are expected to adopt policies that outline proper procedures for the following topics: purchasing, vehicle use, credit card usage, and check signing.

Sample 1 – Purchasing Policy

It is the intent of the District that all purchases be made as the result of a competitive and open process that encourages participation by all qualified vendors. It is also the District's intent that all District procurement be in accordance with the Virginia Public Procurement Act, § 11-35 of the *Code of Virginia*.

The following guidelines set forth the District's policy for competitive procurement, based on the dollar amount of the anticipated purchase. It is intended that the lowest cost quotation will be accepted. However, should the District determine that acceptance of the least costly price is not in the District's best interest, a written justification for accepting an offer other than the low bid must be prepared and maintained as the record of District action with the quotations.

The District's annual budget is developed to cover anticipated purchases. If sufficient funds do not remain in a particular budget sub-category to cover a purchase, this must be brought to the attention of the Board of Directors (BOD) by providing a budget vs. actual report. If sufficient funds do not remain under the main category heading (i.e., total budget for Educ, PR & Youth), the BOD must first authorize the purchase and/or amend its annual budget.

Accounting Procedures: All District checks greater than \$_____ must have two signatures. Two individuals must approve each invoice (a Director and employee other than the one who prepares the payment/check).

Credit Card Policy: All purchases must be made in accordance with the limitations of this policy. District credit card(s) may be used by District staff only for the purchase of items needed for operations and to carry out District programs. Credit card(s) may be provided for use to the Office Administrator, Conservation Specialist and/or Education Specialist. Credit card purchases will be consistent with the approved budget. Non-budgeted purchases will be made in accordance with the District's purchasing policy.

No personal items will be purchased using the District's credit card.

Receipts for all purchases must be turned in to the Office Administrator when the purchase is made. This is the responsibility of the staff member making the purchase.

When the credit card statement is received, the Office Administrator or designated staff member must check each charge against the receipt and code each purchase according to the chart of accounts. A District Director and an employee other than the one reconciling the statement must also review and initial each credit card statement, with receipts attached.

The following serve as guidelines for procurement of goods and services:

- **Purchases less than \$600** – District officials and/or staff will procure goods and services using sound business practices and endeavor to obtain the best product available for the lowest cost.

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- **Purchases between \$600 and \$1,000** – Quotations shall be sought, where practical and available, from at least three vendors. These quotations may either be in writing or by telephone. In either case, all quotations must be maintained on file for subsequent review and inspection. If three quotations are not available, the circumstances must be documented and retained on file.
- **Purchases greater than \$1,000** – At least three written quotations (or sealed bids) must be obtained for these purchases. If three quotations (or sealed bids) are not obtained, the circumstances must be documented and retained on file. The BOD, a committee, or those authorized by the BOD must review quotations or bids. The decision to purchase must be recorded in the minutes.

In the case of an emergency (such as securing a contractor for work on a flood control dam) when obtaining three written quotations (or sealed bids) is not possible, the employee or other individual(s) securing the service/purchase must contact one or more Director for permission to proceed, followed by written documentation of the circumstances involved in securing said service/purchase. This action shall be brought to the attention of the BOD at its subsequent meeting and recorded in the minutes.

Inventory – An inventory list must be developed and updated on an annual basis. This list must be maintained in a safe, secure location where risk of damage or alteration is reduced.

The inventory list should include details on all fixed assets (e.g., computers, vehicles, and equipment) owned and/or controlled by the District whose purchase price is \$500 or more. Any item with a purchase price of \$500 or more must be maintained on the inventory list until it is disposed of in one of the ways listed below. All inventory items should be tagged and the tag number included on the inventory listing. The net asset should be included for each item on the inventory list.

Disposal of District Property – The following serve as guidelines for the disposal and removal from inventory of District property:

- Trade in on a replacement or acquisition of similar property
- Advertisement for sale by receiving bids
- Advertised public auction
- Donation to a non-profit organization
- Other method as declared by the BOD

No tangible property of the District with a value greater than \$_____ may be sold or otherwise disposed of by the District without authorization by the BOD, taken and recorded by an action of the BOD during a monthly or other public meeting of the District.

Chair

Date

Sample 2 – Purchasing Policy

1.1 III.5. PURCHASING POLICY

The following guidelines set forth the District's policy for competitive procurement based upon the dollar amount of the anticipated purchase. It is intended that the lowest cost quotation be accepted; however, in some instances, the District may believe that the least costly price is not in the District's best interest. In this case, a written justification for accepting a higher bid must be maintained with the quotations.

Before any purchase is initiated, the item being procured must have been included in the District's annual budget. Additionally, sufficient funds must remain in the particular budget category to make the purchase. If either of these criteria is not met, the Board must first authorize the purchase and/or amend its annual budget.

In accordance with the Virginia Public Procurement Act (VPPA), the District has adopted small purchase procedures not requiring competitive sealed bids or competitive negotiation for single or term contracts for goods and nonprofessional services if the aggregate or sum of all phases is not expected to exceed \$100,000. The limit for professional services is \$80,000. Such small-purchase procedures shall provide for competition whenever practical.

Price quotations will be solicited for goods and services requested based on the following guidelines:

- PURCHASES UNDER \$2,500 IN VALUE – Procure goods and services using sound business practices and will endeavor to obtain the best product available for the lowest cost.
- PURCHASES BETWEEN \$2,501 AND \$10,000 IN VALUE – Solicit at least three telephone, catalog, electronic, or written quotes. Posting of notice on an appropriate website is encouraged.
- PURCHASES BETWEEN \$10,001 AND \$30,000 IN VALUE – Solicit at least three electronic or written quotes. Written solicitation and posting of notice on an appropriate website are encouraged.
- PURCHASES BETWEEN \$30,001 AND \$100,000 (or \$80,000 for professional services) IN VALUE – Solicit, in writing, four written quotes. Posting of notice on an appropriate website is encouraged.

Competitive sealed bidding or competitive negotiations may be required for amounts less than \$100,000 for goods and nonprofessional services and \$80,000 for professional services, at the discretion of the District Board. VPPA procedures for formal competitive sealed bidding or formal competitive negotiations, as applicable, are required for all purchases above these thresholds unless specifically exempted.

Term Contracts: The District may elect to establish term contracts for goods and/or services that are purchased on a repetitive basis. Term contracts are established through the competitive sealed invitation for bid (IFB) or competitive negotiation (request for proposal, RFP) process.

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Purchases made through term contracts may exceed the established thresholds defined elsewhere, as these contracts have been competitively procured. Term contracts must be approved by the Board of Directors.

Cooperative Procurement: The District may participate in, sponsor, conduct, or administer a joint procurement agreement on behalf of or in conjunction with one or more other public bodies, state or federal agencies, public institutions, or localities for the purpose of increasing efficiency or reducing administrative expenses in any acquisition of goods, services, or construction. The District may purchase from another public body's contract even if the District did not participate in the RFP or IFB if the RFP or IFB specified that the procurement was being conducted on behalf of other public bodies. Cooperative procurement must be in accordance with VPPA §2.2-4304 Section A.

Emergency Procurement: In the case of an emergency (i.e., securing contractor for work on a flood control dam) when obtaining multiple written quotations or sealed bids is not possible, the employee or other individual(s) procuring the service/purchase should contact one or more Directors for permission to proceed, followed by written documentation of circumstances involved in procuring said service/purchase. The procurement should be made with such competition as is practicable under the circumstances. This action must be brought to the attention of the Board of Directors at its subsequent meeting and recorded in the minutes. Public notice of an emergency contract award should be posted on an appropriate website.

Sole-Source Procurement: Upon written determination that there is only one source practicably available for the product or service to be procured, a contract may be negotiated and awarded to that source without competition. Public notice of a sole-source contract award must be posted on an appropriate website.

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Sample Complete Financial Policy (Including ACH Direct Deposit)

Financial Policy- Modification #1

Purchases by the XXXX Soil and Water Conservation District are made through a competitive and open process that encourages participation of all qualified vendors. The following guidelines for competitive procurement are based upon the dollar amount of the anticipated purchase and in accordance with the Desktop Procedures for District Fiscal Operations and with the Virginia Public Procurement Act, Code of Virginia, Chapter 2.2-4300. The lowest cost is an important consideration; however, the District may use other factors to select a vendor or product.

Accounting and Management Procedures

All disbursements must be supported by written documentation, such as invoices, expense vouchers, receipts, or other suitable documentation. Expense vouchers must meet the criteria established in the District's Expense Policy. The current IRS mileage rate will be used for calculation of mileage costs.

Segregation of Duties

The individuals responsible for initiating ACH payments or wire transfers are not authorized to approve these transactions, ensuring clear separation of duties. Checks must not be signed by the person who prepares the check.

Online Banking

To enhance security, multi-factor authentication is required for accessing the bank's online banking. Further authentication is required to access the cash management system to initiate ACH transactions, wire transaction, and access positive pay information. A two-factor authentication process with a key identification and code is mandatory for both the initial ACH payment and payment approval.

Fraudulent Transaction Management (Positive Pay)

All payments from the District's Chesapeake Bay checking account and General account will be uploaded into the First Bank & Trust online banking positive pay system to prevent fraudulent withdraws from the accounts. All voided checks must also be entered into this system. The bank's system uses this information to verify all payment requests and notifies authorized users of the online banks system of any abnormalities. Abnormalities may be a transaction that is legitimate or fraudulent but must be reviewed and approved or denied by an authorized user before a certain time or the transaction is automatically denied.

ACH Policy

Cost-share participants may receive ACH payments by submitting the required ACH documentation, which includes their bank routing and account numbers. Only the cost share participant is allowed to initiate ACH payment requests.

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The ACH payment system is set up such that it will not allow the same use that generates the ACH payment to also approve the ACH payment. The “prenote” process through the ACH system will be used to verify the participant’s banking information when the ACH is initiated. Payments over \$1,000 will follow the check signing policy prior to ACH payment approval.

Check-Signing Policy

When a check is less than \$1,000, a single signature is required. Two signatures are required for all checks written for amounts of \$1,000 or more. Signatories on District bank accounts must be approved by the Board of Directors.

Check Voiding

When a check needs to be voided, one of the following procedures must be followed:

1. If the check has not been distributed, the check should be voided in QuickBooks and the policy outlined in the Desktop Procedures for District Fiscal Operations followed. Additionally, the documentation associated with the original check should be stapled to the voided check and a reason for the void written on the check stub.
2. With the exception of bill payments, if the check has been distributed and has not cleared the bank within 6 months of the date of the check, the check must be voided in QuickBooks and the reason for the void written on the check stub.
3. If the check is for a bill payment and has been distributed and has not cleared the bank within 30 days of the date of the check, the check can be voided in QuickBooks and the reason for the void written on the check stub.
4. The check should be entered as voided in the bank’s online banking system.

With the exception of bill payments, checks may be reissued only when 6 months have passed since the issue date or a stop payment through the bank has been processed.

1. For all reissued non-bill payment checks, the District will request a stop payment through the bank when the original check amount exceeds the current stop payment fee or the 6-month time frame has not elapsed. The fee will be deducted from the original check amount at the time of reissuance. For bill payments:
 - a. If the payment was made to a vendor where a credit to our account will be used within 6 months, a new check can be issued and stop payment through the bank will not be requested.
 - b. If the payment was made to a vendor where a credit to our account will not be used within 6 months a stop payment through the bank will be requested and a new check issued. The fee will be absorbed by the District.

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Exception may be granted on a case-by-case basis after approval by the District Treasurer. Checks older than 1 year will not be reissued.

Procurement and Purchasing

District staff shall purchase high quality goods and services at reasonable costs using sound business practices. Prior to making purchasing decisions, the District Budget shall be reviewed to confirm sufficient funds are available for purchase. The District shall provide an option to submit bids or proposals through eVA or other electronic means. If a purchase is associated with a specific grant, the availability of funds within the grant must be confirmed before the purchase is made.

The purchase of goods and/or services associated with dam maintenance shall follow the guidelines under the Dam Maintenance Procurement section.

Quotes may be submitted in writing from the vendor or obtained by telephone and documented. All quotes shall be maintained on file with payment for the item for subsequent review and inspection.

Per §2.2-4303G of the Virginia Public Procurement Act (VPPA); “A public body may establish purchase procedures, if adopted in writing, not requiring competitive sealed bids or competitive negotiation for single or term contracts for:

1. Goods and services other than professional service, if the aggregate or the sum of all phases is not expected to exceed \$200,000, and non-transportation-related construction, if the aggregate or the sum of all phases is not expected to exceed \$300,000
2. Transportation-related construction, if the aggregate or sum of all phases is not expected to exceed \$25,000

However, such small purchase procedures shall provide for competition wherever practicable.

Such purchase procedures may allow for single or term contracts for professional services without requiring competitive negotiation, provided the aggregate or the sum of all phases is not expected to exceed \$80,000.”

<u>Goods & Non-Professional Services</u>	
<u>\$10,00- & Under</u>	<u>No quotes required but encouraged if practical.</u>
<u>\$10,001 - \$100,000</u>	<u>Three (3) written quotes.</u>
<u>Over \$100,001</u>	<u>Sealed, advertised Invitation to Bid (ITB) or Request for Proposal (RFP)</u>
<u>Professional Services</u>	
<u>\$80,000 and Under</u>	<u>No quotes required.</u>
<u>Over \$80,000</u>	<u>Sealed, advertised Request for Proposal (RFP)</u>

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Guidelines for Goods & Non-Professional Services

- Single purchases may not be split to avoid violating purchasing thresholds. Splitting purchases in order to stay under a purchasing threshold may result in the District Staff member or Committee having their purchasing authority revoked.
- Purchases should be combined when practical to obtain quantity discounts and other administrative efficiencies.
- Any employee(s) making an unauthorized purchase may be held personally liable for the cost of the purchase, order, and/or contract.
- Intentional abuse of the District policy or willful and gross negligence may result in the revoking of purchasing authority and other appropriate actions by the Board of Directors.

Goods & Non-Professional Services \$10,000 and Under

Cost breakdowns outlined below, shall be used when procuring goods and/or non-professional services when the purchase is not expected to exceed \$10,000 including applicable taxes, shipping costs, and other fees.

<u>Purchase Amount</u>	<u>Purchase Authority*</u>	<u>Purchase Reporting</u>
<u>\$1,000 & Under</u>	<u>District Manager</u>	
<u>\$1,001 - \$5,000</u>	<u>District Manager</u>	<u>Reported to the Finance Committee and any other Committee whose expertise is determined to be relevant to the purchase.</u>
<u>\$5,000 - \$10,000</u>	<u>District Manager, in consultation with the Finance Committee and/or any other Committee Chair whose expertise is determined to be relevant to an informed decision</u>	

** In the event the District Manager is unable to perform these duties, purchasing authority may be granted by the Board of Directors to the Chairman of the Board or to the Operations Leader.*

Goods & Non-Professional Services \$10,000 and Under

A purchase expected to exceed \$10,000 including applicable taxes, shipping costs, and other fees will be reviewed and recommended by a Committee appointed by the Board. Three (3) written quotes shall be obtained. The decision to purchase will be made by the Board of Directors. The Board of Directors may, on a case-by-case basis, delegate purchase decision authority to a Committee qualified to make the decision. The District may utilize The Commonwealth of Virginia Department of General Services Pre-Qualified Contractors Pool to meet the requirements of competitive procurement of goods and/or services.

Professional Services

Professional services up to \$80,000, do not required quotes and should be based on qualifications and experience of the proposed project.

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Professional services over \$80,000 shall be procured by competitive negotiation.

Sole-Source Procurement

Sole-source procurement must be approved by the District Manager and/or the Board and be documented. It may be used only when it can be demonstrated that only one source is practically available for the goods and/or services required. . Sole-source procurement may not be used in a proprietary purchase where the product is restricted to the manufacturer(s) stipulated but is sold through distributors; in this case, competition among them is available and competitive procedures must be followed.

Documentation for sole-source purchases shall include the following information:

1. A statement explaining why the product or service is the only one that can meet the need
2. A statement explaining why the vendor is the only practically available source to obtain the product or service
3. A statement explaining why the price is considered reasonable
4. A description of the efforts that were made to obtain the best possible price

Emergency

In accordance with VPPA § 2.2-4303.F, in case of emergency, a contract may be awarded without competition; however, such procurement will be made with such competition as is practicable under the circumstances. A written determination of the nature of the emergency and basis for the selection of the particular contractor shall be included in the contract file. The District will issue a written notice stating that the contract is being awarded on an emergency basis and identifying the product or service procured, the contractor selected, and the date on which the contract was or will be awarded. This notice may be posted on www.eva.virginia.gov or other appropriate websites, and, in addition, the District may publish it in a newspaper of general circulation on the day the District awards or announces its decision to award the contract, whichever occurs first, or as soon thereafter as is practicable.

Dam Maintenance Procurement

The Dam Maintenance Committee is authorized to make purchasing decisions for all dam operation and maintenance expenses not to exceed the approved yearly budget for Dam Maintenance expenses. The Dam Maintenance Committee is authorized to make purchases and/or procure goods or services pursuant to funding previously approved by the Board. The Dam Maintenance Committee shall advise the Board of Directors of all procurement of goods and/or services. The Dam Maintenance Committee shall follow the purchasing guidelines embodied in this policy; however, the Committee may waive the requirement to obtain three bids provided the cost for such goods and/or nonprofessional services is expected to be less than \$10,000 and the circumstances requiring the waiver are clearly documented.

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Contracting Authority

The Board of Directors may delegate Contracting Authority to a Committee or the District Manager to enter into negotiations and/or contract for goods and/or non-professional services. The purchasing thresholds shall apply to all contracts.

Term Contracts

The District may elect to establish term contracts for goods and/or services that are purchased on a repetitive basis. Term contracts are established through the competitive sealed bid (invitation for bid, IFB) or competitive negotiation (request for proposal, RFP) process. Purchases made through term contracts may exceed the established thresholds defined elsewhere, as these contracts have been competitively procured. Term contracts shall be approved by the Board of Directors, and approval authority may not be delegated. The Finance Committee shall review these contracts and make a recommendation to the Board in each instance. Term contract for office equipment services are exempt from the requirements, however should follow this procurement policy. The renewal of an existing term contract is exempt.

Cooperative Procurement

The District may participate in, sponsor, conduct, or administer cooperative procurement agreements on behalf of or in conjunction with one or more other public bodies, state or federal agencies, public institutions, or localities for the purpose of increasing efficiency or reducing administrative expenses in any acquisition of goods or services.

The District may purchase from another public body's contract, even if the District did not participate in the RFP or IFB, if the request for proposal or invitation for bid specified that the procurement was being conducted on behalf of other public bodies. The District may not use cooperative procurement for architectural or engineering services. The District may not use cooperative procurement for construction, except for construction and/or maintenance contracts for stream restoration or stormwater management practices. Cooperative procurement shall be in accordance with VPPA § 2.2-4304 Section B.

Joint Procurement

The District may participate in, sponsor, conduct, or administer a joint procurement contract in conjunction with one or more other public bodies, state or federal agencies, public institutions, or localities for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods or services. Cooperative procurement shall be in accordance with VPPA § 2.2-4304 Section A.

Pre-Qualified Contractors Pool

The District may utilize any pre-qualified contractors pool created by a federal, state, or local government. The District may create its own pre-qualified contractors pool and can participate in the creation of a joint pre-qualified contractors pool with any other federal, state, or local government. When using a pre-qualified contractors pool, if the purchase is under \$10,000, the District shall obtain a minimum of two quotes from

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the list and if the purchase is \$10,000–\$100,000, the District shall obtain a minimum of four quotes from the list.

Small, Women-Owned and Minority-Owned (SWaM) Businesses

Whenever possible, positive efforts shall be made by the District to utilize small businesses, minority-owned firms, and women’s business enterprises as sources of goods and services. When the use of small businesses, minority-owned firms, and/or women’s businesses is specifically outlined in the terms and conditions of the contract or award, the District may elect to award a higher valued contract provided the contractor or firm can meet one of the certified definitions for minority-owned business, small business, or women-owned business and the contract value does not exceed 15% of the next lowest, qualified bidder. Refer to the website www.sbsd.virginia.gov for the definitions and additional information.

Public Inspection of Certain Records

In accordance to § VPPA 2.2-4342, financial records must be made available for public inspection as follows:

- A. Except as provided in this section, all proceedings, records, contracts, and other public records relating to procurement transactions shall be open to the inspection of any citizen or any interested person, firm, or corporation in accordance with the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).
- B. Cost estimates relating to a proposed procurement transactions prepared by or for District shall not be open to public inspection.
- C. Any bidder offering a competitive sealed bid, upon request, shall be afforded the opportunity to inspect bid records within a reasonable time after the opening of all bids but prior to award, except in the event that District decides not to accept any of the bids and to reopen the contract. Otherwise, bid records shall be open to public inspection only after award of a contract.
- D. Any entity making a competitive negotiation proposal, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that District decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.
- E. Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records. Trade secrets or proprietary information submitted by a bidder or contractor in connection with

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a procurement transaction or prequalification application submitted pursuant to subsection B of § 2.2-4317 shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.); however, the bidder, offeror, or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary.

Budget Revisions

The budget will be revised and subsequently approved by the Board of Directors under the following circumstances:

1. A new budget line item is warranted.
2. An income budget line item warrants removal or will be reduced by more than 10%.
3. An expense budget line item exceeds or is forecasted to exceed the budgeted amount by more than 10%.

Fuel Card Policy

The District's fuel card shall be used exclusively for the vehicle-related expenses for District owned and operated vehicles. A receipt is required for every purchase made with the fuel card. When a receipt is not available from the machine or inside the store, the cost and quantity of the purchase shall be documented , preferably by a photograph.

Credit Card Policy

The District credit card shall be used only for District business-related purchases. The credit card shall not be used for any personal expenses.

Funding Requests

When a request for funding, donation, sponsorship, or other financial support that is not included in the budget is received by the District from an outside organization, individual, or group, the Board must approve the request. Sponsorship for events and support for programs are eligible for consideration by the Board. Support for individuals to make trips or attend events is not eligible, nor is any request to benefit a specific school, chapter, or group.

Requests outside of these parameters will be considered on a case-by-case basis.

Letters of Support

When a request for a letter of support is received from an outside group, organization, or individual, the District Manager will review the request and determine the feasibility of the request. If the request requires a commitment of time or resources outside the normal operations of the District, the request must be brought before the Board before a letter of support can be provided. If the request is deemed feasible for support by the

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District, the District Manager will draft a letter of support. If time does not allow for Board review of a request, the District Manager will notify the Board of the request via email and request a consensus regarding it.

Disposal of Property

Any item(s) deemed saleable and no longer required for District use may be sold after appropriate advertising. Acceptance of highest bid shall be at the Board's discretion. If the item is not deemed saleable or the value is determined to be \$300 or less, the item may be donated to an organization, school, employee, or other group or individual as deemed acceptable by the District Board. Deposition of item(s) valued at more than \$300, should be determined on a case by case basis by the Board or by consultation between the District Manager and Chairman of the Board.

FOIA Request Fee Schedule

The District will invoice for FOIA requests in accordance State Code (§ 2.2-3704) as follows:

- Hourly rate: that of the person fulfilling the request, excluding benefits
 - When possible the request will be fulfilled by the lowest paid qualified employee.
- Copy and printing fees: the current rate expensed by the District

Payment of any unpaid bill (30 days or more after billing) from a previous FOIA request by the same requester is required before subsequent requests by that requester are fulfilled.

Petty Cash Policy

Petty cash will be distributed by the Petty Cash Custodian or the District Manager. Petty cash will be used when it is not practical to use the District credit card or a check. The Petty Cash account balance shall not exceed \$100. Petty cash should be used in accordance with the Desktop Procedures for District Fiscal Operations.

Refund Policy

Refunds will incur a 5% fee based on the total original charge. The fee will be deducted from the amount of the refund. This does not apply to refunds in association with the Tree Sale.

Sample – Vehicle Use Policy

Purpose

The purpose of this policy is to set guidelines for the use of District-owned vehicles. The District (SWCD) maintains an interest in providing for the official transportation needs of District personnel and/or Directors. The District seeks to maintain quality, safe transportation for such use. Thus, proper use, care, and supervision of District-owned vehicles are required. Drivers must be licensed to operate the vehicles they use; only properly maintained vehicles will be made available, and the transportation program will be supervised and administered by both the District manager (or other designated individual(s)) and the District Board of Directors (BOD).

Vehicle use and responsibilities: Drivers must practice defensive driving techniques including anticipating and observing the actions of other drivers and controlling the vehicle in a manner to avoid accidents. When operating the vehicle, drivers must be aware that averting their eyes from the road may cause or contribute to an accident. Drivers should use best judgment when changing climate control settings, using the radio, or accessing other settings on the vehicle's dashboard. Operation and maintenance of District vehicles needs to be assigned to a staffer by District Manager or District BOD.

Responsibilities of drivers: Use District-owned vehicles for official business only. Completion and submission of a vehicle mileage report is required. Items tracked could include date, driver, destination, mileage in, mileage out, and grand total of miles for the month. All gas receipts must be turned in to the Administrative Secretary on a monthly basis. It is the responsibility of each individual driver to observe all motor vehicle laws of Virginia. Under no circumstance may a District employee operate a vehicle while under the influence of intoxicating beverages, drugs, or other substances.

Responsibility of District BOD: It is the responsibility of the District to guarantee employees possess a valid driver's license prior to authorizing use of a District vehicle.

Policy

A. Licensure: Persons operating a District-owned vehicle must be licensed in Virginia to operate the type of vehicle they are using.

- Vehicle operators must show a valid license to the District Manager or BOD prior to obtaining initial authorization to use any vehicle owned by the District.
- Vehicle operators must read and sign the Vehicle-Use Policy prior to obtaining initial authorization to use any vehicle owned by the District.
- Authorized vehicle operators must immediately notify the District Manager and/or District BOD if their license has been suspended or revoked.
- During June of each year, the District Manager or BOD will review the driver authorization list to ensure it is current and to ensure all vehicle operators are driving under a valid license.

B. Conditions of Use: Persons violating conditions of use may be subject to disciplinary action. The District Manager and/or District BOD will monitor all conditions of use.

1. District-owned vehicles are to be used for official business only.

- Passengers – Passengers who are not on official District business may not operate or ride in a District-owned vehicle at any time, unless authorized by the District BOD or their designee(s).
- Hitchhikers – Hitchhikers may not be transported in District-owned vehicles at any time.
- Use for obtaining meals and other necessities – District-owned vehicles may be used to obtain meals and/or other necessities while on official travel.
- Out-of-state travel – The District BOD must approve all out-of-state travel using a District-owned vehicle.

2. General Vehicle Operating Rules

- Drivers must obey all traffic regulations, including posted speed limits.
- All operators and passengers must wear seat belts at all times while traveling.
- Alcohol and drug use – Alcohol and illegal drug-use is prohibited while traveling in a District-owned vehicle. Persons found in violation of this rule are subject to immediate termination. (Also, authorized vehicle users are advised to carefully consider whether or not to drive a District-owned vehicle when taking certain prescription drugs.)
- Smoking – Smoking in a District-owned vehicle is strictly prohibited.
- Adverse weather conditions – Weather conditions must be evaluated and travel should be postponed when conditions are hazardous. (This includes fog, heavy rain, snow, ice, high winds, etc.)
- Keys/credit cards – Under no circumstances should keys be left in a District-owned vehicle when not in operation. District credit cards should not be left where they are visible inside the vehicle but rather should be maintained in the glove compartment.
- Parking/security considerations – District-owned vehicles should not be left on non-residential streets or highways overnight unless required due to mechanical failure. Towing costs for improper parking are the responsibility of the driver.
- Fines/parking citations – Any fines and parking citations incurred by the driver are the responsibility of the driver and not the District. Persons incurring fines for traffic violations must report such circumstances to their supervisor as soon as is practically feasible for conveyance to the District BOD and may be subject to disciplinary action by the District, which could include loss of privileges to use District-owned vehicles.
- Personal property – Personal property left in District-owned vehicles when not in operation is the responsibility of the operator/passenger. Loss or damage to personal items is the responsibility of the operator/passenger.

3. Maintenance and Care of District-owned Vehicles

- The District Manager and/or BOD will be responsible for the monitoring and control of the routine maintenance and repair of vehicle(s).

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- It is the responsibility of all vehicle operators to routinely check the vehicle(s) to ensure proper oil level, water and antifreeze for radiators, battery, wear on belts, proper inflation of tires, etc. This service should be performed at time of fueling.
- If maintenance repairs are required, the District Manager and/or District BOD should be notified and consulted as to the procedure for maintenance.
- When returning a District-owned vehicle, all garbage must be removed from the vehicle, including the cab and bed areas.
- Personnel will share the following cleaning responsibilities: The exterior of the vehicle will be washed on an as-needed basis, the interior will be vacuumed on an as-needed basis; and windows will be cleaned as often as needed.

4. Insurance

- The District maintains vehicle insurance coverage through _____.
- Insurance information can be found in the vehicle's glove compartment and on file in the District office.

5. Vehicle Accidents

- Any driver using a District-owned vehicle who is involved in an accident should contact the police immediately.
- The driver should obtain the name, address, phone number, and operator's license number of all parties involved in the accident or witnesses to the accident.
- The driver should refer to the insurance card found in the glove compartment of the vehicle. Refer to instructions on the back of the insurance card and the agent name and contact number found on the front of the card.
- If the vehicle is safely operable, it should be driven to the District office; the District BOD will be responsible for determining a procedure for estimates and repairs.
- If the vehicle is not safely operable, with guidance from the police, the vehicle should be towed to a nearby service facility. The District BOD should be notified and will be responsible for determining a procedure for estimates and repairs.

6. Driving a Privately Owned Vehicle

- A privately owned vehicle may be used on official business if no District-owned vehicle is available or in other special circumstances with the approval of the District Manager and/or District BOD.
- An official Travel Expense Reimbursement Voucher must be submitted with appropriate receipts attached within 30 days of travel to the designated District staff member for payment.

7. Carpooling Related to Trips

If a number of individuals will be attending a workshop, conference or other activity, the District expects that, barring unusual circumstances, District employees attending will car pool using the District-owned vehicle. The District Manager and/or BOD will consider requested exceptions to this policy.

Chair Signature: _____

Date: _____

Sample Mileage Sheet

DISTRICT _____

VEHICLE MILEAGE LOG

License#:

MONTH:

Year:

Vehicle:

PERSON ASSIGNED:

Date	DRIVER'S NAME	DESTINATION	MILEAGE IN	MILEAGE OUT	TOTAL MILEAGE

Sample 1– Credit Card Policy

All purchases must be made in accordance with the limitations of this policy. District credit card(s) may be used by District staff (or other authorized individual(s)) only for the purchase of items needed for District operations and to carry out District programs. Credit card(s) may be provided for use to the Office Administrator, Conservation Specialist, and/or Education Specialist. Credit card purchases must be consistent with the approved budget. Non-budgeted purchases must be made in accordance with the District’s purchasing policy.

No personal items will be purchased using the District’s credit card.

Original receipts for all purchases must be turned in to the Office Administrator when the purchase is made. This is the responsibility of the authorized individual making the purchase.

When the credit card statement is received, the Office Administrator or designated staff member must check each charge against the receipt and code each purchase according to the chart of accounts. A District Director and an employee other than the one reconciling the statement must also review and initial each credit card statement, with receipts attached.

Chair

Date

Sample 2– Credit Card Policy

_____ SWCD CREDIT CARD POLICY

Original Adoption Date: _____
Amended Date(s): _____

_____ SWCD has obtained three VISA credit cards from _____, identified as _____ SWCD Card #####, _____ SWCD Card #####, and _____ SWCD Card #####. The purpose of these credit cards is for authorized _____ SWCD employees to make necessary purchases associated with carrying out SWCD programs and office operations.

The purpose of this Credit Card Policy is to ensure that all authorized users understand the procedures and responsibilities associated with the assigned credit card.

Policy and Procedures

Use of the credit card must be controlled and limited to business use only. The credit card may not be used for personal expenses by employees, Directors, or Associate Directors, with or without the intention of reimbursing the SWCD. Any violation will be referred to the _____ SWCD Personnel Committee and/or Finance Committee and appropriate action taken.

- The maximum limit for the three credit cards is cumulative and will not exceed \$5000.
- It is not the intent of this policy that the credit card should displace normal procurement process.
- All purchases must be consistent with the _____ SWCD’s current Purchasing Policy and with the approved fiscal year _____ SWCD Budget.
- Debit use of the card is not allowed.
- Cash advances on the credit card are not allowed.
- Individual employees will be assigned a business credit card, for which each is responsible.
- The following purchases may be made with the credit card, taking into consideration the current Purchasing Policy and approved SWCD Budget:
 - Educational Program supplies
 - Gas and routine vehicle maintenance
 - General operating expenses
 - Lodging
 - Meals outside _____ County(ies) (excluding alcohol)
 - Office equipment and repairs
 - Postage

Other purchases must be approved by the _____ SWCD Treasurer or a voting member of the Board of Directors (BOD).

- It is the responsibility of the individual user to obtain transaction receipts each time the card is used. All receipts must be submitted to the Administrative Secretary in a timely manner. Either the signature or initials of the employee must be written on the receipt. Failure to do so may result in an employee being responsible for disputed charges.
- Should a receipt be lost, the individual making the purchase should immediately attempt to acquire a second receipt from the merchant. If a second receipt is not available, the individual must provide a signed affidavit indicating the date and approximate time of purchase, name of merchant, and the amount of the charge. The Treasurer and/or Budget

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Committee must determine if the individual is personally responsible for the associated charges or if the SWCD will authorize payment.

- When using the credit card for Internet purchases, individual users should ensure that the site utilizes industry-recognized encryption transmission tools.
- When the credit card statement is received, the Administrative Secretary shall check each charge against the receipt and code each purchase according to the QuickBooks Chart of Accounts. A SWCD Director must also review and initial each credit card statement, with receipts attached. Payment of the balance of the credit card will be made by the due date in order to avoid unnecessary finance charges or late payment fees. A copy of the statement must be included with the monthly Treasurer's Report submitted to the BOD.
- Validation and safekeeping: The cardholder (_____SWCD) must sign the card(s) immediately upon receipt. If a card is lost, damaged, stolen, or misplaced, the employee assigned the card and the cardholder (_____SWCD) must notify the credit card company immediately. The Administrative Secretary and Treasurer must be notified immediately of the situation.
- Credit card violations: Credit card violations include the following:
 - Purchase of items for personal use
 - Failure to submit receipts or other back-up documentation to the SWCD's Administrative Secretary in a timely manner for the purpose of establishing accountable reconciliation procedures
 - Failure to return the credit card when an employee is reassigned, terminated, or upon request
- Unauthorized use of the credit card is a violation of the _____ SWCD Personnel Policy and may result in one or more of the following actions: written warning, revocation of credit card privileges, cancellation of purchasing authority, disciplinary action, and termination and/or criminal prosecution. Human error and extraordinary circumstances may be taken into consideration when investigating any violation. The Personnel Committee and/or Finance Committee will be responsible for investigating unauthorized use of the credit card.
- Authorized credit card users must sign an agreement indicating acceptance of all the conditions of use of the credit card, as stated in this document, including possible penalties for unauthorized use.

Authorized users:

- 1) Employee/Title
- 2) Employee/Title
- 3) Employee/Title

Credit Card Authorized User Agreement

I, _____, have read, understand, and accept all terms and conditions of use of the _____SWCD credit card as stated in the _____SWCD Credit Card Policy. Assigned Card #####.

Signature Date

I, _____, have read, understand, and accept all terms and conditions of use of the _____SWCD credit card as stated in the _____SWCD Credit Card Policy.

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Assigned Card #####.

Signature Date

I, _____, have read, understand, and accept all terms and conditions of use of the _____ SWCD credit card as stated in the _____ SWCD Credit Card Policy.
Assigned Card #####.

Signature Date

Sample 1- Check-Signing Policy

District checks may only be signed by individuals with check-signing authority registered with the financial institution.

Any District check under the amount of \$1,000 may be signed by a single District check signatory, except for the District Manager. The District Manager may not serve as the sole check signer for checks under \$1,000 since he/she also serves in an administrative role at the SWCD.

Any check written for \$1,000 or more must receive two signatures and may be signed by any check signatory as indicated below.

Check signatories and authorized amounts are as follows:

- District Manager may sign only checks over \$1,000 since his/her signature must be accompanied by that of another check signer.
- Director #1 (currently the Chair) may sign checks of any amount.
- Director #2 (currently the Vice Chair) may sign checks of any amount.
- Director #3 (currently a Director) may sign checks of any amount.

Checks must be made payable to specific payees based upon appropriate documentation and never to “cash” or “bearer.” Check signers should be presented with vouched invoices at the time the checks are presented for signature.

A check signer (staff or Director) is not authorized to sign a check made payable to himself/herself.

Disbursements must be recorded in the checkbook when the check is written. Individual disbursements must be recorded in the general ledger (QuickBooks).

Access to blank checks must be limited to Directors and District employees. Individuals with check-signing authority must not have access to the supply of unused checks. Blank checks must be kept locked in a secure place. Blank checks must not be signed; checks must be filled completely before being signed.

Chair Date

Sample 2- Check Signing Policy

District checks may be signed only by individuals with check-signing authority registered with the financial institution.

All District checks must have two signatures. Check signatories for the District may include the following:

- Chair of the board
- Treasurer
- Administrative Assistant
- TMDL Conservation Specialist
- District Manger/Executive Director

Checks must be made payable to specific payees based upon appropriate documentation and never to “cash” or “bearer.” Check signers should be presented with vouched invoices at the time the checks are presented for signature.

A check signer (staff or Director) is not authorized to sign a check made payable to himself/herself.

Disbursements must be recorded in the checkbook when the check is written. Individual disbursements must be recorded in the general ledger (QuickBooks).

Access to blank checks must be limited to Directors and District employees. Individuals with check-signing authority must not have access to the supply of unused checks. Blank checks must be kept locked in a secure place when not in use. Blank checks must not be signed; checks must be filled completely before being signed.

Chair

Date

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Sample ACH (Automated Clearing House) Policy

Approved Month, Day, Year

This policy defines the procedures for initiating, approving, and executing ACH payments, along with segregation of duties, verification of payee information, and cybersecurity measures to prevent fraud.

Detailed breakdown of key elements of ACH controls:

1. Policy Objectives and Scope:

Purpose:

The purpose of ACH is to ensure more secure and efficient processing of VA Agriculture Best Management Practices (VACS) cost-share transactions while adhering to regulatory requirements and minimizing risks.

Scope:

The ACH transactions that currently fall under this policy's coverage include direct deposits and direct debits for the VACS cost-share account and its recipients.

2. Procedures for ACH Payment Initiation, Approval, and Execution:

Initiation:

Cost-share recipients may initiate ACH payments or debits by completing the ACH paperwork which includes bank routing and bank account numbers. The Cost-share recipient must have an active contract on file with the H-CSWCD. The cost-share contract owner is the authorized party for initiating ACH payment paperwork.

Approval:

After enrollment in ACH, all future cost-share payments will be made to recipients via ACH deposit unless notified otherwise. Prior to any ACH draft, the cost-share contract must have undergone a successful administrative review and been approved for payment per current District "Cost-share Payment Process Procedures."

Execution:

Once approved for payment, the Finance Specialist will draft the ACH payments utilizing the secure Atlantic Union Bank ACH website. Before the ACH draft can be completed, approval by the District Manager, District Treasurer, or District Chair will be required. Once the ACH payments are complete, a printout of the payments will be included in the Cost-share contract file along with the district's monthly financial disbursements file.

3. Segregation of Duties:

Prevent conflicts of interest:

Individuals with the authority to initiate ACH payments do not also have the authority to approve or execute them or approve reconciliation of bank accounts.

Multiple layers of approval:

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Payments that require two signatories per the district's "Purchasing Policy" will be reviewed and approved by those having the appropriate signatory authority, reducing the risk of unauthorized or fraudulent transactions.

4. Verification of Payee Information:

- **New or changed payee information:**

At the start of each cost-share year, recipients will be asked to verify the accuracy and legitimacy of payee account information, such as bank routing numbers and account numbers.

- **Contact information:**

At the start of each cost-share year, recipients contact information will be verified.

5. Cybersecurity and Fraud Prevention:

- **Secure communication:**

ACH forms will be completed and turned into the district office in person to either the Finance Specialist or District Manager.

- **Limit access:**

Access to banking information and ACH payment systems is restricted to authorized personnel only including Finance Officer, District Manager, and Bank Signatories (Chairman and Treasurer).

- **Multi-factor authentication:**

Multi-factor authentication for accessing payment systems and executing transactions will be utilized. A two-factor "key" identification with code is required for the initial ACH draft as well as the payment approval.

- **Training:**

Yearly training is required for employees having access to financial systems on cybersecurity best practices and fraud prevention techniques.

6. Monitoring and Reconciliation:

- **Regular monitoring:**

ACH transactions will be monitored for suspicious activity and unusual patterns.

- **Bank reconciliation:**

ACH payments are reconciled with bank statements monthly.

- **Review payee lists:**

Payee lists for approved ACH payments will be reviewed annually at the start of the cost-share year to ensure that they are accurate and up to date.

7. Documentation and Record-Keeping:

- **Retain all documentation:**

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All ACH forms, transactions, including invoices, approval records, and payment confirmations will be maintained.

- **Accessibility:**

All ACH documentation will be readily accessible for review and audit purposes.

8. Compliance with Nacha Rules:

- **Nacha rules:**

The district will comply with the Nacha operating rules, which govern the ACH network and its operations.

- **Stay up to date:**

The district will stay informed about any changes to Nacha rules and update policies and procedures accordingly.

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Sample Electronic Payment Authorization Form via ACH

Cost Share participants who elect to receive payments via ACH should complete Part 1 of this Authorization Form. A copy of a check must be provided OR Part 2 of the form must be completed by an employee at the participants financial institution.

Authorization Type:

New Change in Bank Information

Part 1 – Cost Share Participant Information

Name: _____

Bank Information

Account Type: Checking Savings Loan

Bank Name: _____

9 Digit Routing #: _____ (contained within **1** on the bottom of a check)

Bank Account #: _____ (up to 17 numbers, followed by **11** on the bottom of a check)

I hereby authorize the Shenandoah Valley Soil & Water District to initiate deposits by electronic funds transfer into the account listed above.

This authorization will remain in effect until the Shenandoah Valley Soil & Water Conservation District has received written notification from the participant or other legal representative of the participant of its termination, in such time as to afford the District a reasonable time to act on it.

Signature of Participant _____ Date

A copy of a check for this account is attached to this form.

Part 2 – Financial Institution Certification (Not required if participant provides check)

I certify that the above account number and type of account is maintained in the name of the cost share participant listed above. As a representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit payments to the account identified above.

Printed Name _____ Title _____ Phone Number

Signature _____ Date

Sample Employee Pay Action Approval Form

_____ Soil and Water Conservation District
Employee Pay Action Approval Form

Employee Name:

Position title:

Initial Employment Date: ___/___/_____ Exempt or Non-Exempt status: _____

SWCD Board Meeting Approval Date ___/___/_____

Date	Description of Pay Action	Amount of Pay Action	Employee Current Pay Rate	Employee New Pay Rate	Signature (Chair or Personnel Comm. Chair)

Sample Telework Policy

PURPOSE

The _____ SWCD's telework and alternate-site work policy provides guidelines under which eligible staff may telecommute, for all or part of their work week, in order to promote general work efficiencies. Telework may also enable the District to respond to certain employee needs, such as the economics of commuting, and respond to unforeseen office or public emergencies that do not allow employees to work from the central workplace. The following policy defines the requirements for establishing a telework arrangement for staff.

POLICY

Telework is defined as allowing employees to work at an alternate location. Employees perform essentially the same work that they would in the central workplace in accordance with their usual performance expectations and other agreed-upon terms. Telework arrangements may be established for long-term or short-term periods. Although many of the programs, operations, and services are normally performed on office premises and require the presence of employees at the central workplace, the District does have the authority to designate positions eligible for telework or alternate work arrangements. While alternate work arrangements may meet the needs of both the District and the employee, the District Manager and Personnel Committee have the sole discretion to determine when this is appropriate. In certain cases, a telework arrangement could be considered a reasonable accommodation for an employee with a disability covered under the Americans with Disabilities Act (ADA). Approvals for telework should be made on a case-by-case basis. The approval of a position for telework does not mean that a different employee who later fills the position would be authorized to work at an alternate work site. The position should be periodically re-evaluated to determine if telework continues to best meet the District's needs. If telework is expected as a condition of employment, the job announcement should include a statement describing this requirement.

TELEWORK AGREEMENT

Work performed in alternate work locations is considered official business; therefore, the District may establish specific conditions that apply to employees engaged in telework. Prior to beginning a telework arrangement, a telework agreement must be signed and agreed upon by both parties.

EXCEPTIONS TO TELEWORK AGREEMENT

A telework agreement will not be required for employees who wish to telework a maximum of two days per work week. On occasion, the District may also determine that employees may need to work at alternate worksites for a few days to accommodate unusual circumstances, such as a brief office closing for renovations or relocation. In such cases as an emergency governor declaration or natural disaster, a telework agreement is not required but telework authorization should be documented for District files by memorandum or email, specifying work expectations and duration.

TERMINATION OF THE TELEWORK AGREEMENT

The District reserves the right to end the telework arrangement at any time. Employees should be given reasonable notice of the termination of the agreement. Employees may be required to return to the central workplace if deemed as having performance or work conduct problems, or if the SWCD Board of Directors feels it is in the best interest of the District and/or the employee to end the arrangement, either permanently or temporarily.

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GENERAL EXPECTATIONS AND CONDITIONS

There are a variety of issues which the District Manager, the Personnel Committee and the employee should discuss before implementing a telework agreement. An employee's classification, compensation and benefits will not change upon implementation of telework.

HOURS OF WORK

The amount of time the employee is expected to work will not change due to participation in a telework agreement. Hours of work should remain the same unless specified in the agreement. The employee agrees to apply her/himself to work during work hours. The procedures for approval of overtime and the approval and use of leave should also be specified.

TELEWORK OBJECTIVE

The opportunity to telework is not intended to be used in place of leave, nor is telework designed as a substitute for child or adult care. If children or adults in need of care are in the home during the employee's at-home working hours, another individual should be present to provide the primary care.

COMPLIANCE WITH POLICIES

Employees must agree to comply with rules, policies, practices and instructions and understand that violation of such may result in the termination of the telework arrangement and/or disciplinary action, up to and including, dismissal.

SECURITY OF AGENCY INFORMATION AND RECORDS

Employees are responsible for the security of all documents and records in their possession while teleworking and must adhere to the normal PII (Personally Identifiable Information) security procedures to ensure confidentiality and security of data. Any use of restricted-access information or materials at an alternate work location must be approved and described in an agreement, along with procedures for removing and returning those materials. If any documents or records containing PII are misplaced, the District Manager must be notified immediately so proper procedures can be followed to notify the affected individual(s).

AUTHORIZED CENTRAL WORKPLACE CLOSURE (in the event of power outages,
inclement weather, etc.)

Employees who telework must continue to work their allotted daily hours in the event of a workplace closure for the day due to power outage or inclement weather.

EQUIPMENT AND MATERIALS

Employees may be authorized to use their own equipment. Where agreements specify, the District may provide equipment and materials needed by employees to effectively perform their duties; however, they are not required to do so. Employees must agree to use equipment provided by the District and supplies for business purposes only and to notify the District Manager immediately of equipment malfunction in order to schedule repair or replacement. All equipment located at an employee's premises is fully insured. Any damage or theft of the equipment should immediately be reported to the District Manager. Equipment used in the normal course of employment will be maintained and repaired by the District. When employees are authorized to use their own equipment, the District will not assume responsibility for costs of repairs, maintenance, or service.

OTHER COSTS

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The District is not responsible for operating costs (such as electric bills, phone costs and internet), home maintenance, or other costs incurred by employees in the use of their homes as alternate work locations.

LIABILITY

The District assumes no responsibility for injuries occurring in the employee's alternate work location outside the agreed upon work hours, or for liability damages to employee's real or personal property resulting from participation in the telework program. General liability insurance protecting the actions of District employees is provided 365 days per year subject to the provisions of the insurance policy in effect at the time. Workers' compensation coverage is limited to designated work areas in employees' homes or alternate work locations. Employees agree to practice the same safety habits they would use in their daily District duties and to maintain safe conditions in their alternate work locations. Employees must follow normal procedures for reporting illness or injury.

SAFETY CONFIRMATION

As it deems necessary, the District may wish to include additional conditions in its telework agreement that require employees to: maintain safe work conditions and practice appropriate safety habits, confirm that the work location is free from hazards, and notify the District Manager immediately of any injury incurred working.

PROCEDURES

The District has developed a telework agreement that incorporates the employee's conditions of employment. The executed telework agreement for all employees shall be maintained by the District Manager in accordance with the Virginia Public Records Act. A copy of the telework agreement, and any subsequent changes to it, should be kept in the employee's personnel file. The termination of such an agreement should be in writing.

DEFINITIONS

Telework – A work arrangement in which supervisors direct or permit employees to perform their usual job duties away from their central workplace for at least one day per week or 32 hours per month and in accordance with the telework agreement.

Alternate work location – Approved work sites other than the employee's central workplace where official District business is performed. Such locations may include, but are not limited to, employees' homes and satellite offices.

Central workplace – the location where the employee normally performs her/his duties.

Work agreement – The written agreement between the employer and employee that details the terms and conditions of an employee's work away from his or her central workplace.

Approved by _____ SWCD Board of Directors Date: _____

Sample Telework Agreement

Approved by District Board:
SAFETY

- Employees will self-verify the safety of an alternate worksite.
- Employee is covered by the District Workers' Compensation Program if injured while working at the alternate worksite.
- Employee agrees to bring to the immediate attention of their supervisor any accident or injury that occurs while working at an approved alternate work location.
- Supervisor will investigate all accident and injury reports immediately following notification.
- Supervisor or District reserves the right to inspect the alternate work site to ensure safety standards are met any time before or during this agreement.

CONFIDENTIALITY AND INFORMATION SECURITY

- Employee will apply approved safeguards to protect any records from unauthorized disclosure or damage and will comply with all records and data privacy requirements set forth in state law, District specific policies, and state policies.
- Employee will conduct work at the alternate work location in compliance with all information security standards.

WORK STANDARDS AND PERFORMANCE

- Employee will meet with their supervisor to receive assignments and to review completed work as the supervisor deems necessary.
- Employee may be required to return to the central work location on scheduled telework day based on work requirements for meetings and daily operation requirements.
- Employee will complete all assigned work according to the procedures agreed upon by the employee and the supervisor and according to guidelines set forth in the employee's performance plan.
- Employee agrees to perform telework at the alternate work location and times defined in the agreement unless they notify and receive approval from a supervisor to make a temporary shift in telework location to another alternate site.
- If there is someone in the alternate work location that needs primary care another individual must be present to provide the care.

COMPENSATION AND BENEFITS

- All salary benefits, leave/retirement benefits, and travel reimbursements will remain as if the employee performed all work at the employee's base work location.
- Employee understands that failing to obtain proper approval for overtime work may result in termination of the telework agreement and/or appropriate disciplinary action.
- Employee must obtain supervisory approval before taking leave in accordance with established office procedures. By signing this form, employee agrees to follow established procedures for requesting and obtaining approval of leave.

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EQUIPMENT AND EXPENSES

- Employee who borrows District equipment agrees to protect such equipment in accordance with District guidelines. District owned equipment will be serviced and maintained by the agency.
- If the employee provides their own equipment, the employee is responsible for servicing and maintaining it.
- The District will not be liable for damages to the employee's personal or real property during the performance of assigned work or while using District equipment at the employee's residence.
- The District will not be responsible for operating costs, home maintenance, or any other incidental costs (phone, electric, or any utilities) associated with the use of the employee's residence.

INITIATION AND TERMINATION OF AGREEMENT

- The District and the Employee understand that telework should be governed by the same personnel policy as those applicable to employee's working at the District central workplace except as modified by this agreement.
- District concurs with employee participation and agrees to adhere to applicable policies and procedures.
- The District or Employee may terminate this telework agreement at any time unless telework in a condition of employment. Two weeks' notice should be given to either party.

AGREEMENT:

EMPLOYEE NAME/TITLE: _____

AGENCY: _____

TELEWORK AGREEMENT START DATE AND END DATE:

(should be reviewed and revalidated at least once every two years)

ALTERNATE WORK LOCATION ADDRESS:

ALTERNATE WORK LOCATION PHONE NUMBER IF APPLICABLE

ALTERNATE EMAIL ADDRESS IF APPLICABLE:

TELEWORK ARRANGEMENT CATEGORY: Full-Time _____, Hybrid (32 hours or more week) _____, Limited (less than 32 hours weekly) _____

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TELEWORK PATTERN (circle days): Monday, Tuesday, Wednesday, Thursday, Friday

EMPLOYEE (circle one) IS OR IS NOT expected to work for the duration of an emergency pursuant to a pandemic or when the employee's central workplace is closed due to emergency situations (weather events, act of terrorism, etc.) If the employee is unable to telework during an emergency due to illness or dependent care responsibilities, the employee must use appropriate leave. The employee may be asked and expected to report to the District central workplace, or another alternative location, or be granted emergency leave, on a case-by case basis, when other circumstances (power outage, etc.) prevent the employee from teleworking at the alternate work location listed above.

Employee Signature: _____

District Representative Signature: _____

Date: _____

Approved by _____ SWCD Board of Directors on _____

Sample Gift Card Log

_____ **Soil and Water Conservation District**
Fiscal Year _____ Gift Card Log

Name of Recipient	Type	Value	Reason for Award	Date Awarded
Ex: John Doe	Visa Gift Card	\$25	Poster Contest Winner	October 1, 2024

Soil and Water Conservation District Director Appointments and Resignations

§ 10.1-529. District directors constitute governing body; qualifications.

The governing body of the district shall consist of five or more district directors, elected and appointed as provided in this article.

The two district directors appointed by the Board shall be persons who are by training and experience qualified to perform the specialized skilled services which will be required of them in the performance of their duties. One of the appointed district directors shall be the extension agent of the county or city, or one of the counties or cities constituting the district, or a part thereof. Other appointed and elected district directors shall reside within the boundaries of the district.

§ 10.1-530. Designation of chairman; terms of office; filling vacancies

A. The district directors shall designate a chairman from the elected members, or from the Board-appointed members, of the district board and may change such designation.

B. The term of office of each district director shall be four years. A district director shall hold office until his successor has been elected or appointed and has qualified. The selection of successors to fill a full term shall be made in accordance with the provisions of this article. Beginning in the year 2003, the election of district directors shall be held at the November 2003 general election and each fourth year thereafter. The terms of office of elected district directors shall begin on January 1 following the November general election. The term of office of any district director elected in November 1999 shall be extended to the January 1 following the November 2003 general election. The term of office of any district director elected in November 2000 shall expire on the January 1 following the November 2003 general election. The term of office of any district director elected in November 2001 or 2002 shall be extended to expire on the January 1 following the November general election in 2007. Appointments made by the Board to the at-large position held by an extension agent shall be made to commence January 1, 2005, and each fourth year thereafter. Appointments made by the Board to the other at-large position shall be made to commence January 1, 2007, and each fourth year thereafter. Any appointment made by the Board prior to January 1, 2005, to an at-large position held by an extension agent shall be made to expire January 1, 2005; and any appointment made by the Board prior to January 1, 2007, to the other at-large position shall be made to expire January 1, 2007.

C. A vacancy shall exist in the event of the death, resignation or removal of residence from the district of any director or the elimination or detachment from the district of the territory in which a director resides, or by the removal of a director from office by the Board. Any vacancy in an elected or appointed director's position shall be filled by an appointment made by the Board for the unexpired term. In the event of the creation of a new district, the transfer of territory from an existing district to an existing district, or the addition of territory not previously within an existing district to an existing district, the Board may appoint directors to fill the vacancies of elected directors prescribed by § 10.1-515 in the newly created district or in the territory added to an existing district. Such appointed directors shall serve in office until the elected directors prescribed by § 10.1-515 take office after the next general election at which directors for the entire district are selected.

Recommended Motion:

The Virginia Soil and Water Conservation Board approves the appointments of the individuals being recommended.

Soil and Water Conservation District Director Appointments and Resignations

Appomattox River

Resignation of Mr. Michael Storrs, of Petersburg, effective 5/27/2026, elected director (term of office expires 12/31/2027).

Colonial

Resignation of Mr. Tim Beale, of York County, effective 5/31/2026, at-large appointed director (term of office expires 12/31/2026).

Evergreen

Appointment of Mr. Clegg Williams, of Smyth County, effective 6/17/2026, to fill the vacant at-large director position (term of office expires 12/31/2026).

Mr. Williams is a local farmer. He also serves as the Assistance County Administrator, working closely with the erosion and sediment and stormwater management programs.

Lord Fairfax

Resignation of Mr. Jack Owens, of Frederick County, effective 5/29/2026, elected director (term of office expires 12/31/2027).

Resignation of Mr. Robert “Bobby” Clark, of Shenandoah County, effective 6/30/2026, extension agent director (term of office expires 12/31/2028)

Appointment of Ms. Cynthia Fairbanks, of Warren County, effective 7/1/2026, to fill the vacant unexpired extension agent director (term of office expires 12/31/2028).

Piedmont

Recognition of the passing of Mr. Juan Whittington, of Amelia County, 5/21/2026, at-large appointed director (term of office expires 12/31/2026).

New River

Recognition of the passing of Mr. Pete Farmer, of Galax, 2/7/2026, elected director (term of office expires 12/31/2027).

Robert E. Lee

Resignation of Ms. Joetricia Humbles, of Appomattox County, effective 4/23/2026, elected director (term of office expires 12/31/2027).

Appointment of Mr. Glenn Dye, of Appomattox County, effective 6/17/2026, to fill the vacant elected director position (term of office expires 12/31/2027).

Mr. Dye has been serving as an Associate Director since November 2025. He is a certified crop advisor and Virginia nutrient management plan writer. He is the winner of the Clean Water Farm Award from both Tri-County/City SWCD and Robert E. Lee SWCD, and was the 2020 runner up for the American Farm Bureau Federation National Achievement Award. He is the current President of the Appomattox County Farm Bureau and is a member of the VANTAGE board. He's a past president of the Soybean Growers Association.

Appointment of Mr. Kahlial Smith, of Amherst County, effective 6/17/2026, to fill the vacant elected director position (term of office expires 12/31/2027).

Mr. Smith is the Executive Assistant and Youth Pastor at Providence Transformation International Church and is an Instructional Assistant at Sandusky Middle School. He is very involved in the Virginia Young Democrats Black Caucus and serves as the Co-Vice President for the Central Virginia Young Democrats. He graduate from Amherst High School in 2025 and is currently enrolled at New Hampshire University. He is looking forward to being a leader in his community.