

**Virginia Soil and Water Conservation Board
Audit Subcommittee
Tuesday, September 16, 2025
Southwest Higher Education Center
Abingdon, Virginia**

TIME AND PLACE

The meeting of the Audit Subcommittee of the Virginia Soil and Water Conservation Board took place at 9:30 a.m. on Tuesday, September 16, 2025, at Southwest Higher Education Center in Abingdon, Virginia.

VIRGINIA SOIL AND WATER CONSERVATION BOARD AUDIT SUBCOMMITTEE MEMBERS PRESENT

Adam D. Wilson, Chair
John Schick

VIRGINIA SOIL AND WATER CONSERVATION BOARD AUDIT SUBCOMMITTEE MEMBERS NOT PRESENT

Charles A. Arnason

DCR STAFF PRESENT

Matthew S. Wells, DCR Director
Christine Watlington Jones, Policy and District Services Manager
Darryl Glover, Deputy Director, Soil and Water Conservation, Dam Safety and Floodplain Management
James Martin, Director, Division of Soil and Water Conservation
Breanne Lindsey, Board and Constituent Liaison
Paul G. Saunders, III, Senior Policy Analyst
Blair Gordon, District Operations Coordinator

OTHERS PRESENT

Angela Ball, DSWC
Matt Wood, Scott County SWCD
Isaac Stanley, Scott County SWCD
Kendall Tyree, VASWCD
David Massie, Culpeper SWCD
Hunter Wyatt, Holston River SWCD
Morgan Short, Hoston River SWCD
Amanda Pennington, DCR Engineering
Benjamin Chester, DCR Engineering
Sara Bottenfield, DCR Ag Incentives Program Manager
Lorie Stevens, Abingdon CDC

ESTABLISHMENT OF A QUORUM

With two (2) members of the Audit Subcommittee present, a quorum was established.

CALL TO ORDER AND INTRODUCTIONS

Mr. Wilson called the meeting to order at 9:30 a.m. and asked for introductions.

APPROVAL OF MINUTES FROM MARCH 19, 2025

ACTION

Mr. Schick moved that the minutes from the March 19, 2025, meeting of the Virginia Soil and Water Conservation Board Audit Subcommittee be approved as submitted. Mr. Wilson seconded, and the motion carried.

REVIEW AND DISCUSSION OF 2024 AUDIT RESULTS – *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones presented the subcommittee with a review of the audit results. She recognized the Districts for their efforts and indicated they did well during their assessments for grant deliverables. Clinch Valley was the only District to receive a C rating for deliverable fifteen, which requires a District's Records Officer to complete the Library of Virginia Record Retention Course within the first year of being hired and once every three years after being hired. Ms. Watlington Jones informed the Subcommittee that the Records Officer for Clinch Valley has completed the necessary training since the assessment was completed.

Ms. Watlington Jones continued with an overview of the 2025 cost-share and technical assistance grant deliverables. She informed the subcommittee that there was one correction needed on the information provided; the Hanover-Caroline District received an A for deliverable nine. The subcommittee was informed that there were several Districts that received Cs on their deliverables, specifically for deliverables two, three, and five.

Ms. Watlington Jones informed the subcommittee that she received questions regarding deliverable nine, which refers to the requirement for the Districts to have a Board-approved DCR Conservation Plan in the Conservation Application Suite (CAS) or from NRCS on file prior to contract approval. She continued by indicating that deliverable nine this was the baseline year for this deliverable and no corrective actions were being recommended for Districts. There were two Districts that received Cs for deliverable nine, Southside District and Scott County District. DCR staff have reached out to each District to provide additional assistance to the District staff. Additional training opportunities related to conservation plans are being discussed by the Department and will be offered to all Districts.

Ms. Watlington Jones stated there have been some Districts who reached out to DCR staff for additional information regarding deficiencies and the specific results found in the conservation plans were provided back to the Districts. After the overview was presented, the Board members in attendance

discussed the feedback provided by DCR staff to the Districts and ways to improve the communication between the Department and Districts on the results of the reviews.

Ms. Watlington Jones then reviewed specific recommendations for four Districts:

Culpeper

- Received a C on deliverable five on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement, which is regarding Engineering Job Approval Authority (EJAA).
- DCR staff held a training with Culpeper Staff, District Engineering staff, and Agricultural Incentives Program Manager on September 10th through September 11th. The topics covered included EJAA overview, animal waste engineering process, VACS program rules and requirements, stream crossings, and watering systems. Staff were engaged and asked relevant questions during the training. Additionally, five invitations were sent for District staff to attend the ICE Engineering training. This training will focus on EJAA and operating under the limits of the authority that has been delegated to the District.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Culpeper Soil and Water Conservation District for receiving one “C” score on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement.

Culpeper Soil and Water Conservation District (District) will receive a LON for not fulfilling the following Deliverable:

Cost-Share and Technical Assistance Grant Deliverable

Deliverable 5 (If applicable, did District staff implementing the VACS Program obtain and maintain the appropriate level of Engineering Job Approval Authority (EJAA) for components of the BMPs installed within District boundaries? Did District staff follow EJAA requirements and applicable standards and specifications at all times?)

The Audit Subcommittee directs the following actions to be taken:

1. The District will ensure that all engineering training provided to District staff is conducted by an individual with the applicable level of engineering job approval authority (EJAA) for the practice or procedures being examined.
2. The District must adhere to all limitations for EJAA that are established by the Department’s District Engineering Service. These limitations may include Department review of final as-builts prior to payment being made to the producer for a practice.
3. All District staff with EJAA or working towards EJAA must attend at least one engineering training a year, when training is provided by the Department.
4. The Department will review a portion of the District’s cost-share files for practices that are approved or designed during FY2026. Cost-share files will be reviewed at least twice during the

year and will be reviewed for all District staff that maintain some level of EJAA. These reviews will be conducted by the Department's District Engineering Service and the Agricultural Incentives Program Manager.

Mr. Wilson seconded the motion and the motion carried.

Prince William

- Received Cs in deliverable two and deliverable five. Deliverable two is in reference to VACS implementation and deliverable five is in reference to EJAA.
- These deficiencies found during this overview are similar to concerns the subcommittee had at the September 2024 meeting. The Department is recommending the subcommittee adopt a similar motion as was done at the September 2024 meeting. If the District does not improve, then further action may be recommended at a future meeting.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Prince William Soil and Water Conservation District for receiving two "C" scores on the *FY2025 Cost-Share and Technical Assistance Support Grant Agreement*.

Prince William Soil and Water Conservation District (District) will receive a LON for not fulfilling the following Deliverables:

Cost-Share and Technical Assistance Grant Deliverables

Deliverable 2 (*Did the District implement VACS in accordance with the Program Year 2025 Virginia Agricultural Cost-Share (VACS) BMP Manual, including but not limited to the provisions on approval and payment of cost-share, working within District boundaries, bid process, and other administrative guidelines established in the Manual*).

Deliverable 5 (*If applicable, did District staff implementing the VACS Program obtain and maintain the appropriate level of Engineering Job Approval Authority (EJAA) for components of the BMPs installed within District boundaries. Did District staff follow EJAA requirements and applicable standards and specifications at all times?*)

The Audit Subcommittee directs the District to continue implementing the conditions from the September 18, 2024, motion.

Additionally, the Department will reassess the implementation of the VACS Program by the District and, if warranted, will bring additional actions to be taken by the District to future Audit Subcommittee meetings for consideration.

Mr. Wilson seconded the motion and the motion carried.

Robert E. Lee

- Received a B for deliverable one and a C for deliverable six. Deliverable one is related to implementation of the Virginia Agricultural BMP Cost-Share program and deliverable six is related to submission of secondary considerations to DCR with approval from DCR.
- The District did not follow the secondary considerations they submitted to DCR. Additionally, the District only approved applications for cover crops; no applications for structural practices were acted on by the District Board.
- On August 26, 2025, a joint training was held with District Directors, District staff, Department engineering staff, conservation planning staff, and CDC. During the training, discussion was held regarding development of an appropriate ranking system to determine how to split funding between structural and agronomic practices. They also discussed the development of a schedule to ensure the District has a timeframe to complete actions for the structural practices.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Robert E. Lee Soil and Water Conservation District for receiving one "B" score and one "C" score on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement.

Robert E. Lee Soil and Water Conservation District (District) will receive a LON for not fulfilling the following Deliverables:

Cost-Share and Technical Assistance Grant Deliverables

Deliverable 1 (*Did the District implement the Virginia Agricultural BMP Cost-Share program (§10.1-546.1 Code of Virginia) in accordance with the provisions of: The POLICY AND PROCEDURES ON SOIL AND WATER CONSERVATION DISTRICT COST-SHARE AND TECHNICAL ASSISTANCE FUNDING ALLOCATIONS (FISCAL YEAR 2025); this Grant Agreement; all state laws and regulations.*)

Deliverable 6 (*Prior to the District approving cost-share applications, did the District submit secondary considerations and receive Department approval of those considerations?)*

The Audit Subcommittee directs the following actions to be taken:

1. *Related to the implementation of the Virginia Agricultural Cost-Share (VACS) Program:*
 - The District must accept applications from any interested producers as required by the 2026 VACS Program Manual (II-16), regardless of the practice being requested. A waiting list is not an acceptable mechanism to manage application submittals or the District's workload associated with the received applications.
 - The District must finalize and approve the ranking and scoring sheet that will be used to rank applications received once initial sign-up period is closed.
 - The District Board must approve a task-oriented schedule that will ensure that applications are processed in a timely manner and that all site visits and engineering

requirements are completed appropriately. The Department strongly recommends that the District Board adopt the schedule that was developed during the Robert E. Lee SWCD Joint Staff and Director Engineering and Conservation Planning Training held on August 26, 2025. Any deviations from the schedule below must be agreed to by the Department.

Task	Date
Signup period ends	Mid September
Complete all initial site visits	End October
Have EJAA (investigation and evaluation) approval based on plan maps	End November
Go for Board Approvals	January Board Meeting
Completed Approved Designs (3 for each technician – Department to assist/complete any approved projects beyond the 3 per technician)	End March

- The District shall report to the Department the status of the tasks outlined in the schedule at the next District Board meeting.
2. Training of existing technical staff
- District technical employees must attend ICE (engineering training) on September 29 – October 2.

The District must provide monthly status updates to the Department regarding the implementation of the action items and the tasks included in the District approved schedule. A District Director will not be required to be present at an Audit Subcommittee meeting if the status updates provided are sufficient to demonstrate improvement in the implementation of the VACS Program and the training of existing technical staff.

Mr. Wilson seconded the motion and the motion carried.

Holston River, Natural Bridge, and Tazewell

- All three Districts received a C for deliverable three, which is related to the maintenance of cost-share files. When there is a cost-share issue, there can be problems when it is time for financial audit and the appropriate documentation is not present.
- The Department is recommending the cost-share files for these Districts receive an additional review during FY2026.
- Ms. Watlington Jones informed the subcommittee that she received a letter from the Tazewell District Manager outlining the steps they have taken to address the issues, and they have agreed with the additional cost-share review. Further, Ms. Watlington Jones spoke with the District Manager the week prior to this meeting and informed the District that if they have made the necessary corrections, then the additional cost-share review would be utilized to review the procedures they have implemented and confirm they are working appropriately.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board directs the Department to send a Letter of Notice (LON) to the Holston River, Natural Bridge, and Tazewell Soil and Water Conservation Districts for receiving one “C” score on the FY2025 Cost-Share and Technical Assistance Support Grant Agreement.

Holston River, Natural Bridge, and Tazewell Soil and Water Conservation Districts (Districts) will receive a LON for not fulfilling the following Deliverable:

Cost-Share and Technical Assistance Grant Deliverable

Deliverable 3 (*Did the District properly maintain cost-share files in accordance with the Program Year 2025 Virginia Agricultural Cost-Share (VACS) BMP Manual Guidelines and the Cost-Share File Administrative Review Form?*).

The Audit Subcommittee directs the appropriate Conservation District Coordinator to review additional cost-share files for practices that are completed and paid during fiscal year 2026 to ensure complete and accurate cost-share files are maintained moving forward.

Mr. Wilson seconded the motion and the motion carried.

REVIEW OF PREVIOUS ACTION TAKEN REGARDING VIRGINIA DARE SOIL AND WATER CONSERVATION DISTRICT– *Christine Watlington Jones, Policy and District Services Manager*

Ms. Watlington Jones provided the following update:

- At the March meeting, the subcommittee directed that Virginia Dare undergo a special audit. The District provided additional information and after verification of the information provided with Robinson, Farmer, and Cox Associates, it was determined that the issues occurred as the District was transitioning to VRS. The District addressed the issues within the first three months and there have been no reoccurring issues.

ACTION

Mr. Schick moved to adopt the following:

The Audit Subcommittee of the Virginia Soil and Water Conservation Board removes the requirement that Virginia Dare Soil and Water Conservation District undergo a special audit in FY2026.

Mr. Wilson seconded the motion and the motion carried.

PUBLIC COMMENT

Mr. Newton inquired about the requirements necessary for Districts when it comes to EJAA training and whether regular conversations between the District staff with EJAA and the Department's Engineering Services staff would be beneficial. Ms. Watlington Jones indicated that some Districts have determined that it is best to have regularly scheduled calls regarding structural practices that are being designed or reviewed by the Department. These calls can be scheduled quarterly, monthly, or other amount depending on the District.

Mr. Massie, with the Culpeper District provided a comment indicating their District does approximately \$6 million dollars in cost-sharing and they are trying to do a good job. Additionally, Mr. Massie, stated they are working with DCR engineering to remediate any issues and the District appreciates the training provided. The District staff who have received training are working closely with DCR engineering to earn their EJAA. At this time, the District is receiving adequate training, but they will call if their staff need any additional assistance.

NEXT MEETING

The next Audit Subcommittee meeting is scheduled for December 10, 2025, in Williamsburg, VA.

ADJOURN

ACTION

Mr. Schick moved that the meeting be adjourned. Mr. Wilson seconded, and the meeting adjourned at 10:06 a.m.