



Cost Share Programs Annual Report

Fiscal Year 2024

NC Soil and Water Conservation Commission

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This report encompasses annual progress for the following Soil and Water Conservation Commission Cost Share Programs:

Agriculture Cost Share Program (ACSP)

ACSP is a voluntary, cost share based program offering financial and technical assistance for the installation of best management practices to address nonpoint source pollution.

Community Conservation Assistance Program (CCAP)

The purpose of CCAP is to reduce the delivery of nonpoint source pollution into the waters of North Carolina by installing best management practices on developed lands not directly involved in agricultural production.

Agricultural Water Resources Assistance Program (AgWRAP)

AgWRAP was established to assist farmers and landowners in improving water use efficiency, availability, and storage; conserving water resources, and increasing water storage capacity for agricultural production.

Streamflow Rehabilitation Assistance Program (StRAP)

The purpose of StRAP is to assist eligible grantees in protecting and restoring the integrity of drainage infrastructure through routine maintenance of existing streams and drainage ways by removing blockages caused by accumulated debris or sediment, stabilization and restoration of streams and streambanks, and for rehabilitation or improvement of small watershed structural projects constructed pursuant to the Watershed Protection and Flood Prevention Act of 1954 (PL-566).

Information is organized in two sections. Section I summarizes fiscal year 2024 (FY2024) data for ACSP, CCAP, and AgWRAP described in 0 2NC 59D. Section II summarizes FY2024 data for StRAP as authorized in S.L. 2021-180.





SECTION I

The Soil and Water Conservation Commission (Commission) has the statutory responsibility to create, implement and supervise three voluntary, incentive-based conservation programs: the Agriculture Cost Share Program (ACSP), the Community Conservation Assistance Program (CCAP), and the Agricultural Water Resources Assistance Program (AgWRAP). These programs are governed by 02 NCAC 59D. This report consolidates the annual reporting for the three programs for FY2024.

Through these voluntary, incentive-based conservation programs, cooperators are provided educational, technical, and financial assistance through their local soil and water conservation districts. The 96 local districts of North Carolina are comprised of 492 elected and appointed district board supervisors, assisted by their staff and partners in natural resource conservation.

The Soil and Water Conservation Commission (SWCC), the governing body of seven members chosen by the local district boards, provides statutory authority and allocates financial resources for the cost share programs according to rules.

The North Carolina Department of Agriculture and Consumer Services, Division of Soil and Water Conservation provides administrative and technical support to the local districts. The Division develops the standards of the program approved by the Commission, completes the accounting of funds for program implementation, and provides professional engineering assistance to the local staff. For more information, please refer to Appendix A: Funding Process.

Those in the Conservation Partnership include technical and professional employees of the soil and water conservation district or county, the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS), the North Carolina Department of Agriculture and Consumer Services (NCD&CS), NCD&CS Division of Soil and Water Conservation (Division), and the North Carolina State University Cooperative Extension Service as well as local resource conservation groups. Through these partnerships, districts provide the framework for contracting with participants and ensuring the work is performed according to established standards and specifications.

For most practices in the three cost share programs, the amount provided in cost share is based on 75 percent of a predetermined average cost for the practice up to a maximum of \$75,000 per cooperating applicant per year. However, some practices are cost shared on 75 percent of actual cost due to the variable nature of the practice. For ACSP and AgWRAP, farmers who qualify as beginning farmers or limited resource farmers, and farmers participating in an enhanced voluntary agricultural district are eligible to receive up to 90 percent cost share up to a maximum of \$100,000 per year.



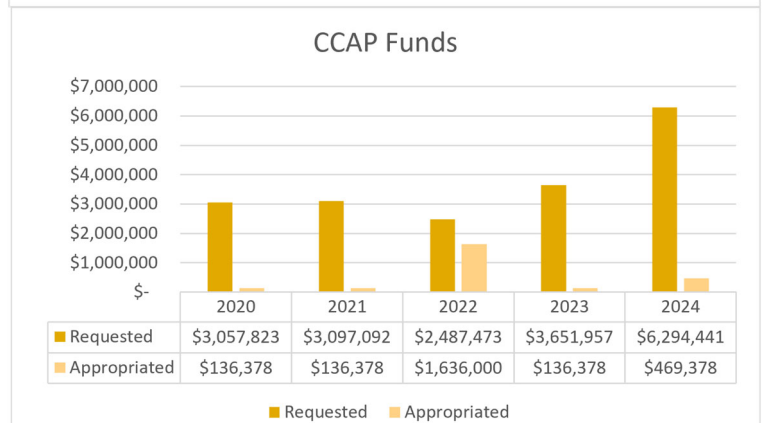
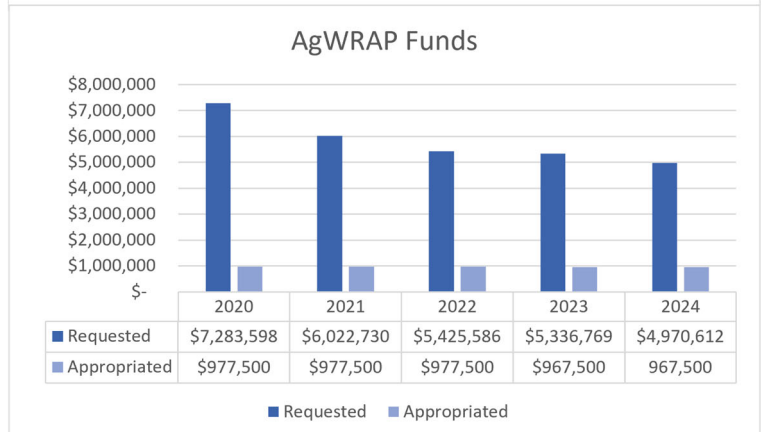
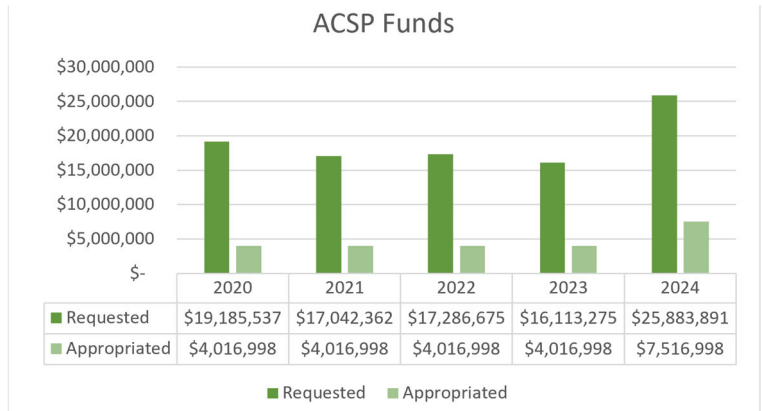
Districts complete annual spot checks on a minimum of 5% of randomly selected active contracts to ensure compliance with cost share program maintenance requirements. FY2024 spot checks showed excellent compliance with maintenance requirements by cooperators. A total of 1049 ACSP, AgWRAP, and CCAP contracts were reviewed across the State. Forty-four contracts (4%) required additional maintenance. When practices need maintenance, the district assists the cooperator to restore the practice to its intended function. Districts follow the Commission’s Non-Compliance with Maintenance Requirements for Cost Share Contracts Policy which requires cooperators to repair, re-implement, or repay a prorated amount of funds for the practice if it is not functioning as planned or not being operated for its intended use as specified in 02 NCAC 59D .0109. Nine contracts (0.8%) were found out of compliance in FY2024.

Cost share programs are operated on a budget approved by the state legislature for each fiscal year. Each program receives recurring funds annually, and ACSP and CCAP received additional, non-recurring funds in FY2024.

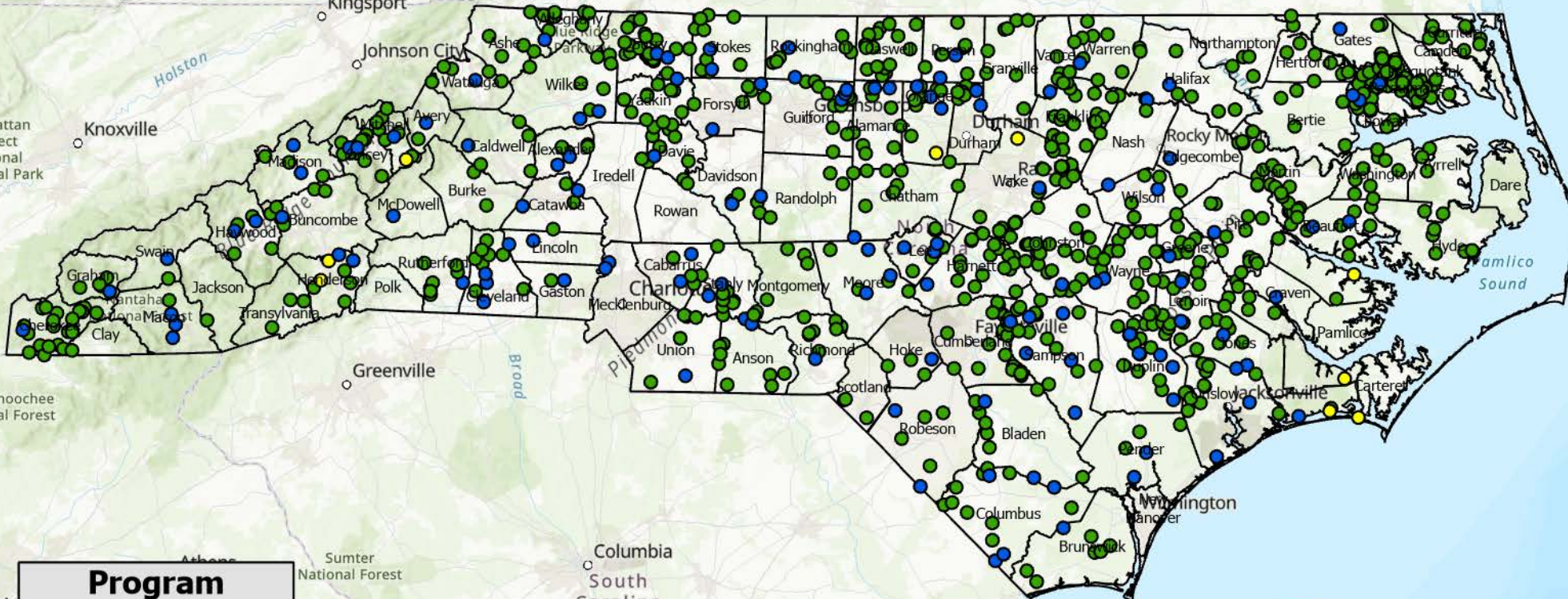
Even with additional funding for ACSP and CCAP, current appropriations do not enable districts to meet demand for financial assistance. Appropriations are often three to five times lower than the requested amount for program funding.

This trend can be seen in the last five years, as depicted on the graphs to the right. Additional appropriations like those received in FY2024 will continue to improve water resources and support agriculture across North Carolina.

The maps on the following pages show the location of all BMPs contracted and implemented in FY2024. Please note that while some BMPs are implemented the year they are contracted, cooperators have up to 3 years to install the contracted BMPs to allow for budgeting, weather, and contracting delays.

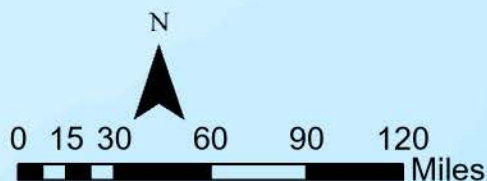


Soil and Water Conservation Commission Best Management Practices Contracted in Fiscal Year 2024



Program

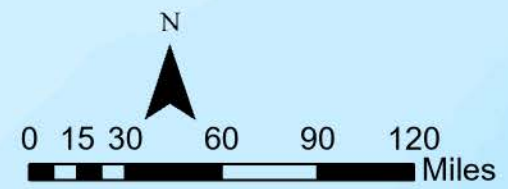
- ACSP
- AgWRAP
- CCAP



Soil and Water Conservation Commission Best Management Practices Implemented in Fiscal Year 2024

Program

- ACSP
- AgWRAP
- CCAP





AGRICULTURE COST SHARE PROGRAM SUMMARY

The North Carolina Agriculture Cost Share Program (ACSP) was authorized by the General Assembly in 1983 to improve water quality associated with agriculture in three nutrient-sensitive watersheds covering 16 counties. In 1990, the program was expanded to include 96 soil and water conservation districts covering all 100 counties in North Carolina. In FY2024, there were 66 approved BMPs in the ACSP that cover both short-term and long-term practices.

While the program was established to improve water quality associated with agriculture, ACSP also benefits the general public. Program implementation ensures water quality improvements to local bodies of water, improves soil health, reduces erosion, creates local jobs, and improves the sustainability and resiliency of agribusiness in North Carolina.

N.C.G.S 106-850.74(e) requires that each project's benefits to water quality be estimated before funding is awarded. To meet this requirement, the Commission chose three indicators of water quality benefits (not all benefits are required for each type of contract - required benefits are determined by a workgroup of technical experts):

1. Tons of Soil Saved
2. Pounds of nitrogen saved or managed
3. Pounds of phosphorus saved or managed

Soil savings estimates have been required on ACSP contracts since the start of the program. Estimates of nitrogen and phosphorus savings were required starting in 1997. These estimates have allowed the Division to track progress made by agriculture relative to the nutrient reduction requirements in the Neuse, Tar-Pamlico, Jordan Lake, and Falls Lake Nutrient Sensitive Water Strategies for agriculture. The ACSP is playing a key role in helping farmers achieve and maintain the nutrient reductions required by these rules.

In FY2024, the Districts obligated \$2,976,855 to 773 new contracts through ACSP. A total of 711 ACSP contracts were implemented, including those that were contracted in previous years. The BMPs installed through these contracts saved 274,490 tons of soil, 125,343 pounds of phosphorus, and 506,676 pounds of nitrogen from leaving 51,548 acres of land.

Since the inception of the program in 1984, the practices implemented through ACSP have saved 8.1 million tons of soil, 21.7 million pounds of phosphorous, and 8.3 million pounds of nitrogen from entering state watersheds.





AGRICULTURE COST SHARE PROGRAM SUMMARY

In FY2024, 1,161 acres of marginally or environmentally sensitive cropland were contracted to convert to trees, grass, or wildlife habitat. Since the program began 222,822 acres have been converted.

ACSP contracts wet and dry waste management to ensure the proper storage of animal waste. In FY2024, districts contracted 21 and implemented 36 waste management practices, bringing the total to 4,381 implemented.

Mortality management systems are also available under ACSP. These systems ensure proper management of livestock mortalities to minimize water quality impacts. Since the program began, 1,116 systems have been installed, with five contracted and one installed in FY2024.

In FY2024, seven chemical handling and management measures were contracted and four were installed to provide an environmentally safe means for application, mixing, and storing agricultural chemicals. 213 have been implemented since the program began.

No-till, conservation tillage, and residue management practices increased water quality, soil health, and carbon storage. In FY2024, 2,486 acres were contracted and 6,175 were implemented using these BMPs. Through ACSP, no-till or conservation tillage BMPs have been implemented on 686,408 acres.

In FY2024, four water control structures were contracted with one installed. These water control structures improve water management on the farm and reduce nutrient loss. Since the program's inception, 4,503 water control structures have been installed.

Grassed waterways protect water quality by preventing sedimentation and pollution from dissolved and sediment-attached substances. Through ACSP, 8,507 acres of grassed waterways have been established to reduce sediment and nutrient loss from 260,320 acres of cropland. In FY2024, 16 acres were contracted, and 51 acres were installed, reducing sediment and nutrient loss on 816 acres of cropland.

Since the program began, 1,518 miles of fencing have been installed to exclude livestock from streams or other bodies of water. In FY2024, 3.5 miles of livestock exclusion fencing were contracted and 5.5 miles were installed.





COMMUNITY CONSERVATION ASSISTANCE PROGRAM SUMMARY

Session Law 2006-78 established the Community Conservation Assistance Program (CCAP). The purpose of the program is to reduce the delivery of nonpoint source (NPS) pollution into the waters of North Carolina by installing best management practices (BMPs) on developed lands not directly involved in agricultural production.

CCAP BMPs are implemented on public or private property, such as city or county parks, and private lands. These projects increase land aesthetic, contributing to green spaces in urban environments while providing direct positive impacts to water quality in the local community and at the watershed level. In addition, these projects are often completed with volunteers and contain educational components, strengthening the communities' bonds and their bond to the natural environment.

There are 17 BMPs that CCAP utilizes to address the site-specific natural resource concerns of the cooperator. These vary in complexity and cost, ranging from stream restoration projects to the closing of abandoned wells.

The CCAP program also allows local districts to request innovative practices that are currently not in its standards. These district BMPs allow the districts to request a practice that is recognized by other professional organizations but has not yet been adopted by the CCAP program. This allows districts and CCAP to test newer practices and further develop guidance and policies regarding these innovative practices.

For FY2024, the Commission allocated funds regionally (eastern, central, western) based upon a competitive priority ranking process for CCAP. The Community Conservation Assistance Program Advisory Committee reviewed the ranking parameters, cost-shared BMPs including their standards and specifications, and general program guidance. This independent advisory committee reviews existing and potential future policies for the program and makes recommendations to the Commission, which then decides the program guidelines and functionality.

Through the Regional Application Process, for FY2024, the CCAP program received its reoccurring funds of \$136,378 and an additional allocation of \$333,000 to obligate to districts. These funds created 28 projects, ranging from backyard raingardens to large-scale marsh sills.

Since CCAP began in 2006, almost 10,146 tons of soil has been saved from entering surface waters. In addition, 1,168 pounds of nitrogen and 487 pounds of phosphorous were prevented from entering surface waters as well.





COMMUNITY CONSERVATION ASSISTANCE PROGRAM SUMMARY

Riparian buffers, stream restorations, and marsh sills are recognized BMPs in CCAP. These BMPs help to reduce soil erosion in North Carolina's public bodies of water, thereby increasing the overall health of these water bodies.

To date, over 27,048 linear feet of streambank and shoreline protection has been installed, with 900 additional linear feet contracted in FY2024. In addition, over 42,600 linear feet of streams have been repaired under CCAP and almost nine acres of riparian buffers have been planted.

Marsh sills and other living shoreline protection measures help prevent coastal flooding and the erosion of shorelines. Through CCAP, 14,107 linear feet of marsh sills have been installed, with six marsh sills contracted and three implemented in FY2024.

Permeable pavement and impervious surface conversions are also BMPs in CCAP. These practices allows rainfall to percolate into the ground rather than run off into streams, taking any pollution nearby with it during heavy rainfall events. To date, ten of these practices have been installed.

Another popular BMP in CCAP is abandoned well closures. Abandoned wells can injure people, livestock, pets, and wildlife. They also increase the risk of groundwater contamination. CCAP has closed a total of 283 wells across North Carolina since the inception of the program.

Backyard raingardens, bioretention areas, and grassed swales help ensure that run-off caused from heavy rain events can be filtered before reaching streams. In FY2024, two raingardens and one grassed swale were contracted.





AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM SUMMARY

The North Carolina Agricultural Water Resources Assistance Program was authorized through Session Law 2011-145, and became effective on July 1, 2011. This program, referred to as AgWRAP, was established to assist farmers and landowners in doing any one or more of the following through the implementation of one or more of the eight eligible BMPs:

- Identify opportunities to improve water use efficiency, availability, and storage;
- Implement best management practices (BMPs) to conserve and protect water resources;
- Increase water use efficiency;
- Increase water storage and availability for agricultural purposes.

Public benefit of this program is achieved by the following:

- Reducing competition for water resources by public users;
- Improving the efficient use of water while enabling the industry to produce food, fiber, and other agricultural products;
- Preparing the agricultural industry to weather future droughts;
- Generating and protecting local jobs in agriculture and agribusiness.

In FY2024, the districts obligated \$256,332 of state funds to 158 contracts and implemented 76 BMPs through AgWRAP.

These BMPs resulted in over 887,223 gallons of water stored in FY2024. In addition, these BMPs allowed irrigation on 406 acres of cropland.

Since the program began, over 1.64 billion gallons of water has been stored and has allowed over 18,400 acres of cropland to be irrigated.

While AgWRAP's primary purpose is water storage, availability, and efficiency, the program also has benefits related to soil loss reduction, nitrogen savings, and phosphorous savings.

A total of 750 water supply wells have been installed to provide a water source for irrigation, livestock, aquaculture, freeze protection, and on-farm processing. In FY2024, 104 wells were contracted and 66 were installed.

Through district allocations and the Regional Application Process, AgWRAP has installed 99 new water supply ponds for irrigation or livestock watering. In FY2024, eight new water supply ponds were contracted.





AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM SUMMARY

AgWRAP repaired 63 water supply ponds to ensure adequate water supply and safety measures related to ponds. In FY2024, four pond repair/retrofit ponds were contracted and two were successfully repaired or retrofitted.

In FY2024, four pond sediment removal BMPs were contracted. Since its inception, AgWRAP has completed 87 pond sediment removal projects across North Carolina.

A total of 72 conservation irrigation conversions, including micro-irrigation conversions, have been completed to increase water use efficiency. In FY2024, four Conservation Irrigation Conversion practices (including Micro-irrigation) were contracted and two were implemented.





SECTION II

The Streamflow Rehabilitation Assistance Program (StRAP) was authorized by the General Assembly to reduce flood risk and restore drainage infrastructure across North Carolina. S.L. 2021-180 (2021 Appropriations Act) allocated \$38 million in non-recurring funds for the program. In FY2024, North Carolina S.L. 2023-124 allocated \$20 million in non-recurring funds for the program.

The purpose of StRAP is to assist eligible grantees in protecting and restoring the integrity of drainage infrastructure through routine maintenance to existing streams and drainage ways by removing blockages caused by accumulated debris or sediment, stabilization and restoration of streams and streambanks, and for rehabilitation or improvement of small watershed structural projects constructed pursuant to the Watershed Protection and Flood Prevention Act of 1954 (PL-566).

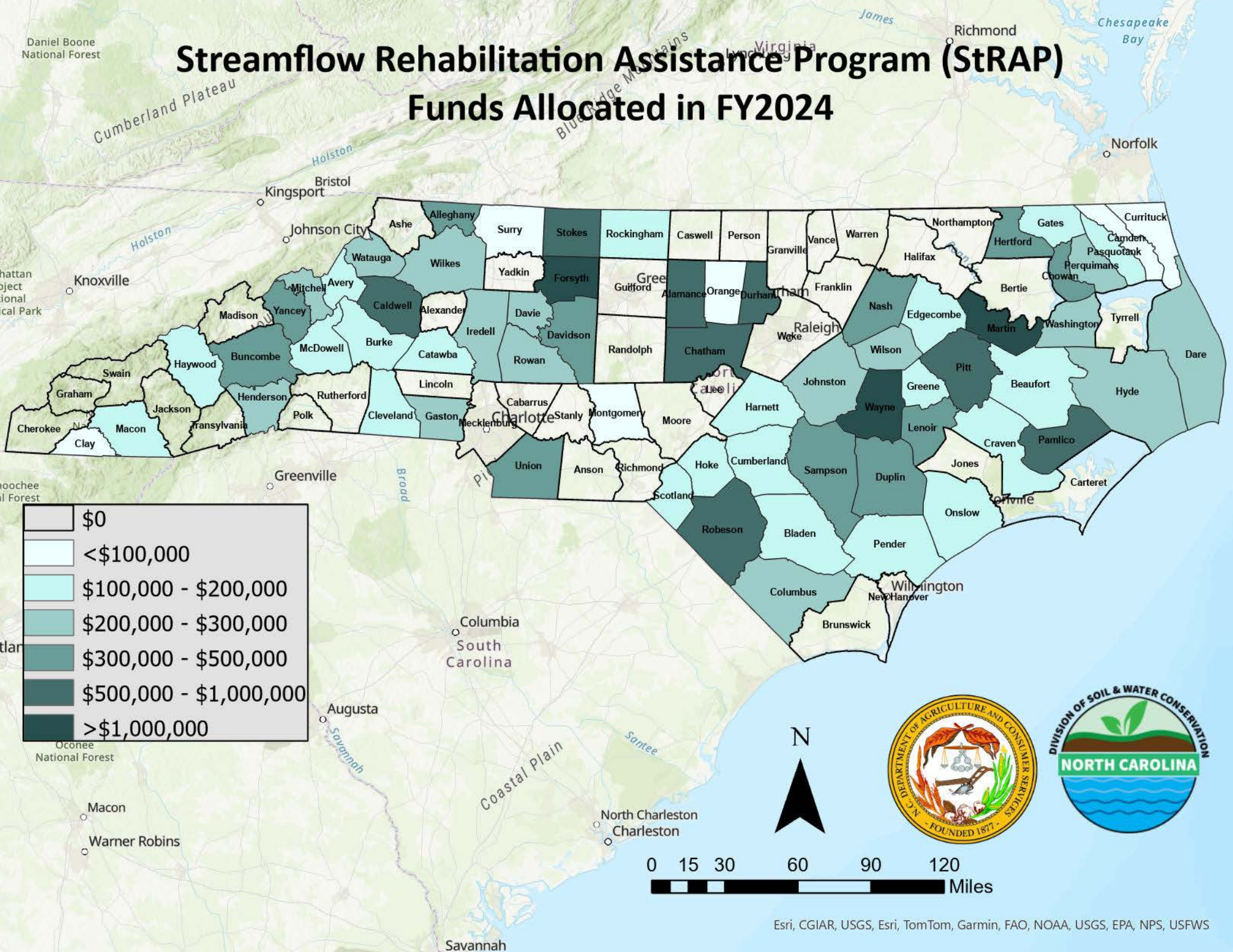
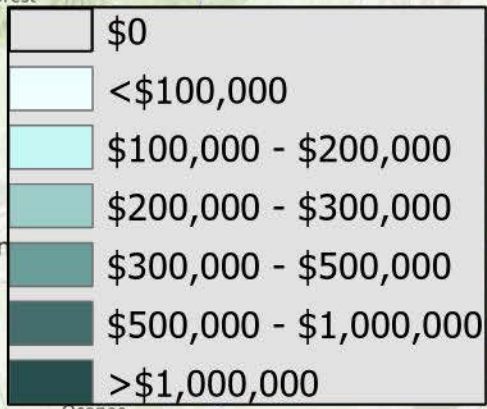
Organizations eligible to apply for StRAP grants include Soil & Water Conservation Districts, local governments, drainage districts, and nonprofit organizations. Project engineering, permitting, and administrative costs are eligible for payment through the Program. Program funds may also be used to provide nonfederal match for related disaster recovery activities funded by the federal government.

The Soil & Water Conservation Commission began soliciting applications in early 2022. Applicants listed each stream segment where work was proposed in one of three categories: needing only vegetative debris removal, needing removal of vegetative debris and in-stream sediment, or needing streambank stabilization as well as the removal of vegetative debris and in-stream sediment. To assist in prioritizing projects, the application packet requested information on the estimated benefits of the planned project. These benefits included the number of structures (homes, commercial buildings, farm structures), bridge or culvert structures, and utility crossings that would benefit from the project, as well as how many planned projects were in the watersheds of streams on the 303d list of impaired streams. In the 2022 round of funding, 111 organizations were awarded \$36,099,996.00 to completed stream debris removal and PL-566 structure repair projects.

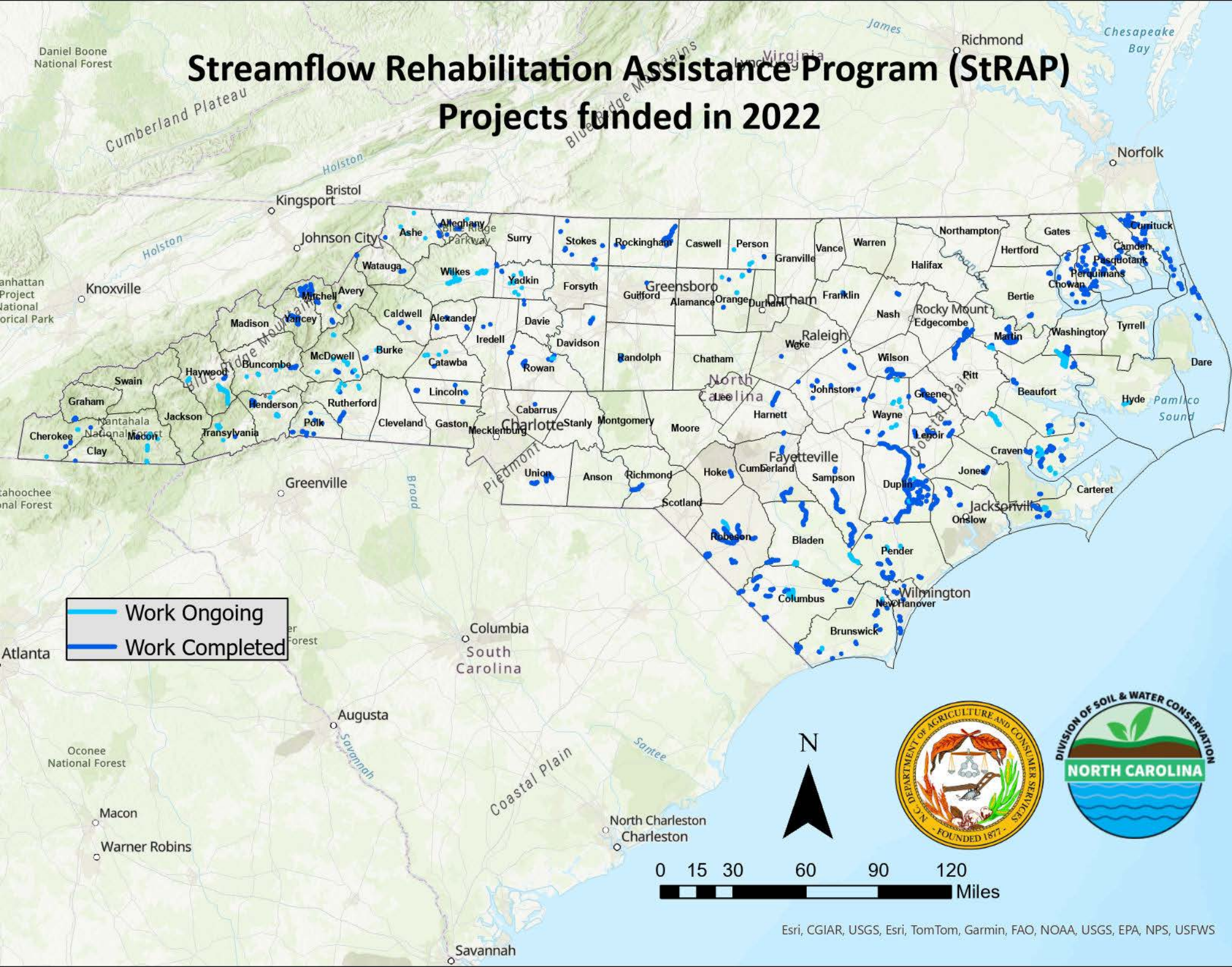
The maps below show the reimbursements per county through FY2024 and the streams being impacted by StRAP projects since 2022.



Streamflow Rehabilitation Assistance Program (StRAP) Funds Allocated in FY2024



Streamflow Rehabilitation Assistance Program (StRAP) Projects funded in 2022



Work Ongoing
Work Completed





In FY2024, the Division accepted applications for a second round of funding, with 118 organizations applying for StRAP funds, requesting

a total of \$222,081,502.68. Of these applications, 39% were from Soil & Water Conservation Districts, 25% were city governments, 20% were county governments, 8% were from Drainage Districts, and 8% were from other NGOs. Ninety-eight applicants in 65 counties received a total of \$19,636,756. Awarded grant amounts ranged from \$18,000 to \$1,000,000, with funded project types including stream debris removal, sediment removal, streambank stabilization, stream restoration, culvert replacement, and PL-566 structure repair.

By the end of FY2024, the Division had reimbursed grantees a total of \$27,959,424.55 for completed work. By the end of FY2024, payments were made to a total of 101 grantees in 75 counties across the state.

Based on the scopes of work submitted by grantees, a total of approximately five million linear feet (947 miles) of stream debris removal will occur across the state using StRAP funds. This work will remove log jams, fallen trees, and other non-sediment debris that contributes to stream blockages and flow impairment. StRAP will also fund work on 57 watershed structures constructed under Public Law 83-566, the Watershed Protection and Flood Prevention Act (PL-566 structures).

Awardees completed 3,548,550 linear feet of stream debris removal by the end of FY2024. Per the authorizing legislation for StRAP, all debris removed from streams must be either removed entirely from the 100-year flood plain, or processed in such a manner that it will not wash back into the stream in future floods where it could contribute to future blockages. The Commission approved cabling, chipping, and burning as acceptable alternatives to removing debris from the 100-year floodplain. Grantees select appropriate methods for removing or processing debris based on cost and site characteristics. Grantees completed construction on 12 PL-566 small watershed structures, with completed projects including sediment removal, bank stabilization of drainage canals, and culvert replacement. As grantees complete work, Division staff inspect the sites and reimburse grantees for project costs.

This contracted work represents a significant step towards the completion of planned StRAP projects. By the end of FY2024, 42 grantees completed their projects and closed out their contracts. Three grantees canceled their contracts with no funds spent. Approved StRAP contracts will remain in effect until December 31, 2024.





CONCLUSION

The Commission believes Cost Share Programs are being administered cost-effectively and that considerable water quality and water quantity benefits are being realized for the investment made with state funds. ACSP and AgWRAP aid agricultural operations in making essential water quality and water quantity improvements that benefit the public and the agricultural cooperators the program supports. The cost of the conservation practices installed through these programs cannot be passed on to the consumer via the price of food or fiber product. ACSP and AgWRAP thereby contribute both to water resource improvement and to sustaining a strong state agricultural economy. CCAP fills a need with voluntary, incentive-based storm-water retrofits where municipal regulatory programs cannot help individual landowners address water quality problems. Where municipalities are hindered by right-of-way and liability issues, CCAP can offer relief to homeowners and businesses to protect their properties and improve water quality. The purpose of StRAP is to assist local governments, nonprofits, and conservation districts in protecting and restoring the integrity of drainage infrastructure through routine maintenance to existing streams and drainage ways by removing blockages caused by accumulated debris or sediment, stabilization and restoration of streams and streambanks.

The Commission continues to emphasize prioritization, accountability, adaptability, and the utilization of outside funding sources in managing these public funds to improve the water quality and quantity benefits intended by the General Assembly. ACSP, CCAP, AgWRAP, and StRAP are our state's cornerstone in efforts to support resiliency and stewardship for the benefit of water quality and quantity and all the citizens of the state of North Carolina.

