



INAUGURAL PROGRESS REPORT

OUR LAND. OUR WATER. OUR QUALITY OF LIFE.



VIRGINIA *forever*
OUR LAND. OUR WATER. OUR QUALITY OF LIFE.

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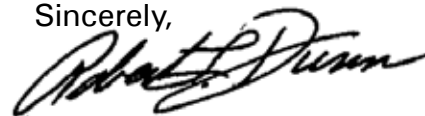
Dear Protectors of the Commonwealth's Natural Resources,

VIRGINIA*forever* is a unique organization that brings together leaders from the Commonwealth's corporate and environmental communities who believe that increasing funding for land conservation and water quality improvement is critical to the Commonwealth's future. Since we began our work in 2006, the organization has increased the awareness of citizens, government leaders, non-profit leaders and business leaders about the importance of protecting our most vital resources—land and water. Protection of natural resources is a key component of the Constitution of Virginia, but without adequate funding, the promise ensuring the viability of these resources for future generations cannot be met. This inaugural progress report tells the story of natural resource funding in Virginia and some efforts that VIRGINIA*forever* has made to enhance this funding.

You, as stakeholders, have been the driving force behind the policy actions that have produced tangible improvements in the quality of Virginia's water and the preservation of hundreds of thousands of acres. Future success can only be accomplished if we continue to speak with one voice about the importance of these investments, which is what has made VIRGINIA*forever* an effective advocate for protecting the best of Virginia's open and working lands and improving the health of our rivers, streams and the Chesapeake Bay.

The Board members of VIRGINIA*forever* express our sincere appreciation for the part that you have played in advocating for funding for land conservation and water quality at any level of government in the Commonwealth. We recognize that there are great challenges ahead as we continue to work to improve funding for our natural resources, but there are even more opportunities for you, your colleagues and your neighbors to make a recognizable difference. We write to affirm the value and importance of our lands and waters, not merely from an environmental perspective, but as the cornerstone of our economy, history, quality of life and sense of what it means to be a Virginian.

Sincerely,



Robert L. Dunn
Chairman, VIRGINIA*forever*

Our mission:

As a unique coalition of concerned businesses, environmental organizations and outdoor enthusiasts, VIRGINIA*forever* advocates for increased funding to restore and protect the lands and waterways of the Commonwealth.



FUNDING FOR NATURAL RESOURCES IN VIRGINIA

The importance of Virginia's natural resources was ever-present in the earliest writings on the Commonwealth. They formed the foundation for our initial economic success, sustained the survival of the settlers in the New World, and provided the basis for our first diplomatic relations. When Thomas Jefferson was asked to provide information to the French government, he chose to talk about Virginia's nature in his treatise *Notes on the State of Virginia*. The Constitution of Virginia even makes it a priority of the Commonwealth to "conserve, develop, and utilize its natural resources." However, by the end of the 20th century, conservation had fallen to the bottom of the list in terms of state dollars allocated.

By 2003, Virginia was in last place among state spending on the environment. Thus began an effort that by 2006 evolved into the non-profit organization VIRGINIA*forever*. This diverse group of environmental advocates and business leaders began in earnest its work to encourage greater spending on the environment by the Virginia General Assembly. In the decade since that coalition was formed, nearly one million acres have been committed to be preserved by the state under three governors and many miles of Virginia's impaired streams and rivers have improved and now fully meet water quality standards. These successes are not solely due to VIRGINIA*forever*, but due to the diverse partnership of legislators, businesses, and land and water conservation organizations that have a shared vision of conservation in the Commonwealth. VIRGINIA*forever* has been influential in expanding land and water conservation programs in addition to sustaining results-driven, state-funded programs to improve the quality of life in Virginia.

Virginia Land Conservation Fund

The Virginia Land Conservation Fund (VLCF), established in 1999, provides matching grants for land conservation projects and delivers more than three dollars in matching funds for every one dollar that is invested by the Commonwealth. VIRGINIA*forever* has been instrumental in ensuring continued, sustained funding levels of the program. Since the fund's inception, the General Assembly has allocated more than \$42 million to VLCF. Competition for VLCF dollars remains high as demand often exceeds the funds available by three times each award cycle. VIRGINIA*forever* will continue to pursue efforts to ensure this valued program remains in place to increase and preserve open spaces, parks, battlefields, farmland and historic sites.

Land Preservation Tax Credit

Established in 2000, the Land Preservation Tax Credit (LPC) allows individuals or organizations to claim 40 percent of the value of conservation easements or land donated to land trusts, state agencies or other conservation organizations. More than 590,000 acres have been conserved under this program. Despite threats to the LPC over the past decade, VIRGINIA*forever* has fought to ensure the LPC adhered to its original purpose of encouraging land donations for preservation purposes. Actions taken by the General Assembly in recent sessions will sustain the fund, increase oversight, and increase the number of carry forward years from five to 10 (a VIRGINIA*forever* priority in 2006). VIRGINIA*forever* will continue to encourage lawmakers to protect the LPC from changes that would diminish incentives to encourage landowners to voluntarily conserve their land.

Purchase of Development Rights Programs

Purchase of Development Rights Programs (PDR) give localities an opportunity to purchase "working" lands that often consist of farms, natural areas and harvested forests to restrict future development while allowing owners to continue utilizing the land for their own purposes. These programs are voluntary and operated by localities with matching funding that flows from the General Assembly to the localities through the Virginia Office of Farmland Preservation. A recent Joint Legislative Audit and Review Commission (JLARC) report found that PDR has a higher cost efficiency because it leverages more dollars than what the General Assembly appropriated with small amounts each year. This demonstrates a growing commitment from localities working with farmers to preserve working lands and maintaining this land base for the agriculture and forestry industry.

Water Quality Improvement Fund

The purpose of the 1997 Virginia Water Quality Improvement Act (WQIA) is to restore and improve the quality of state waters and to protect them from impairment and destruction for the benefit of current and future citizens of Virginia. Because this is a shared responsibility among state and local governments and individuals, the Water Quality Improvement Fund (WQIF) was created. The purpose of the fund is to provide water quality improvement grants to local governments, soil and water conservation districts and individuals for point and nonpoint source pollution prevention, reduction and control programs. VIRGINIA*forever* has worked diligently in an effort to promote adequate, consistent and reliable funding for the WQIF.

Natural Resources Commitment Fund

Natural Resources Commitment Fund (NRCF) dollars provided by the General Assembly are matched by farmers' private funding to provide technical assistance to ensure widespread application of Virginia Agricultural Best Management Practices (BMP) Cost Share and Tax Credit Programs. When the General Assembly created this fund, it signaled a commitment to consistency in funding for the BMP programs and the technical assistance needed to get those cost share dollars disbursed to farmers. While still not meeting the financial need based on water quality goals, this fund has been increased through funding from the budget surplus, general funds, and the recordation fee. VIRGINIA*forever* remains committed to promoting the BMP programs and will continue to work with the General Assembly to ensure that these programs make progress restoring the water quality of rivers, streams and the Chesapeake Bay and that local farmers have the support they need to implement the benefits of the programs.



LEGISLATIVE PRIORITIES

Wastewater Treatment Funding

It is imperative that sufficient funding is provided in Virginia to meet the state's commitments to local governments to assist with sewage treatment plant upgrades. Projects designed to reduce pollutants going into our waterways are in the works or on the drawing boards. The \$100 million necessary to meet the state's share of anticipated project costs for nutrient removal technology at plants must be addressed.

Best Management Practices Funding

The Commonwealth needs to provide adequate, reliable and stable funding for incentive-based conservation practices in partnership with farmers in order to achieve improvements in water quality. Funding for these practices is a combination of farmers' share in conjunction with either state or federal funds. In Virginia, these practices are part of the Virginia Agricultural Best Management Practices (BMP) Cost Share and Tax Credit Programs. As a result of BMP implementation, water quality improvements have been recognized and achieved with more needed to meet the Commonwealth's water quality goals.

Virginia Land Conservation Foundation

Virginia cannot afford to back away from funding for the Virginia Land Conservation Foundation to protect our most sensitive lands and lands that provide public access. Allocating additional funds would take full advantage of all available federal matching funds and protect sensitive, historic and recreational lands across the Commonwealth for future generations.

Sustain Conservation Incentives

Land conservation increases when incentives are provided. It is time well spent to continue to advocate against changes that would diminish the power of these incentives to encourage landowners to voluntarily conserve their land. The land preservation tax credit program has quantifiable evidence that the Commonwealth is receiving a superior return on its investment with thousands of acres preserved annually.

Why more funds are needed:

Virginia's financial support for natural resource programs has hovered just below 1 percent of the entire state budget for many years. Yet, the Constitution of Virginia explicitly declares protection of our natural resources to be a core function of state government.



PROFILES IN CONSERVATION

Good for the fish

The Water Quality Improvement Fund will be utilized for a unique project to preserve a major Virginia waterway and ensure public safety. The FishAmerica Foundation, an organization that seeks to restore fish habitats and enhance fish populations, and the Virginia Rural Area Conservation and Economic Restoration Initiative received a grant from the Water Quality Improvement Fund for removal of the collapsing Power Dam on the Pigg River in Franklin County. At full capacity for accumulated sediments, weather conditions cause large deposits of sediments, nutrients and bacteria to spread downstream. Dam removal will open 80 miles of waterway that includes the habitat of the federally-designated endangered Roanoke logperch.

Protecting crops and the land where they grow

A Virginia Land Conservation Foundation grant enables the purchase of a conservation easement. A conservation organization was awarded a \$600,000 Virginia Land Conservation Foundation grant to purchase an easement of 589 acres of land at Oaken Brow, a full-time working farm on family-owned land in King George County. This included 375 acres of highly productive cropland and 180 acres of wetland forests and marshland. The owners noted the importance of this acquisition in preserving vegetated buffers along Gingoteague Creek and the Rappahannock River.

Protecting the bay

Nutrient removal at wastewater treatment plant is a priority. A number of Virginia localities are receiving grants from the Department of Environmental Quality's Water Quality Improvement Fund (WQIF) to help finance nutrient removal technology at wastewater treatment plants. For example, the Town of Berryville was awarded a WQIF grant in excess of \$12 million to cost-share nutrient removal for a facility expansion and upgrade that would enable the plant to meet its waste load allocation. When the 0.70 million gallons per day design flow of the upgraded facility is reached, the plant is expected to discharge 34,506 fewer pounds of total nitrogen and 7,309 fewer pounds of total phosphorous – a reduction deemed substantial for this plant's design flow. Such reductions are being accomplished across the state with financial assistance from the WQIF.

By preserving we protect

A Virginia Land Conservation Foundation grant helps public drinking water and farmland. The 274 acre Rebecca George farm, a property supporting two families in Fauquier County, received a Virginia Land Conservation Foundation grant to preserve the two-thirds of a mile stream frontage on Elk Run, which drains into the Cedar Run watershed. This watershed provides public drinking water for the Town of Warrenton and large portions of Fauquier and Prince William Counties. An easement on the farm allowed for a contiguous block of 1,175 acres of permanently protected farmland. This included a 141 acre dairy farm which grows corn and hay and raises cattle as well as harvesting timber.

"Virginia has a bounty of unmatched natural and historic resources that must be protected."

-Governor Bob McDonnell

"Significant investment in the preservation of our landscapes...will pay dividends for generations of Virginians."

-U.S. Senator Mark Warner

VIRGINIA*forever* SIGNATURE EVENT

In recent years, VIRGINIA*forever* has hosted our signature event – the Bridge Builder Roast. The roast honors elected officials and others who have championed efforts to protect Virginia's land and water.

On October 30th, 2012, VIRGINIA*forever* welcomed guests to the Richmond Marriott for the Annual Bridge Builder Roast. The event honored Senator Donald McEachin and Senator John Watkins of the Virginia Senate. The Honorable Doug Domenech, Virginia's Secretary of Natural Resources, presided over the event as the Master of Ceremonies. Senators McEachin and Watkins were joined by their good friends Eva Teig Hardy, Senate Minority Leader Dick Saslaw and Dr. Bob Holsworth, who offered good-natured, light-hearted observations and personal stories about each Senator. The night culminated with Senators McEachin and Watkins offering their own musings on their "roasters."

Bridge Builder Roast Honorees

2007 - Eva Teig Hardy, Dominion

2008 - The Honorable John Warner, United States Senate

2011 - The Honorable William J. Howell, Speaker of the Virginia House of Delegates

2012 - The Honorable A. Donald McEachin and The Honorable John C. Watkins, Senate of Virginia



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