

## Background

The Dane County Land Conservation Department (Dane Co.) is a major implementing partner of Yahara WINS (YWINS) that relies on various funding sources for installing runoff management practices in the watershed, including local (YWINS), state (TRM), and federal (NRCS EQIP). Dane Co. is effective in utilizing all funding sources to maximize practice implementation/phosphorus reductions and relies on federal EQIP funds to pay for cover crops. Cover crops are the most common practice implemented throughout the watershed for reducing phosphorus runoff from cropland. Since 2019 Dane Co. has worked with landowners across the watershed to implement approximately 12,500 ac. of cover crops for reducing spring runoff at an average rate of 1 lb. P/ac. In the southern part of the watershed (Reach 69), Dane Co. reports that about 3,000 ac. of cover crops have been implemented and cost shared almost exclusively with federal EQIP funds. For fall of 2025, Dane Co. expects the amount of cover crops installed in Reach 69 will increase to 8,000 ac. through their expanded partnership with the Biological Farming Friends farmer led group. Recent federal decisions to freeze conservation funds create uncertainty in the implementation of cover crops to reduce phosphorus runoff and generate phosphorus reductions for YWINS in the future.

## Issue Description

Each year is a new challenge for YWINS to meet “ramp up” phosphorus reduction goals to continue tracking towards our final reduction goal of about 100,000 lbs. YWINS is at a critical point in the program where the number of cost share participants and acreage for cropland practices has plateaued. The challenge for YWINS to meet annual watershed and reach specific reduction goals is compounded by the frozen federal funds once used for conservation that are now unavailable.

- **Dane Co. requested additional YWINS funding to fill the gap in federal EQIP funds used for cost sharing cover crops in the Badfish Creek, Yahara River reach for one year. This request is based on approximately 8,000 ac. of cover crops at \$50/ac. for a total request of \$400,000 to reduce about 8,000 lbs. of P runoff in 2026.**

## Considerations

- YWINS has encouraged expanding implementation into the southern parts of the watershed as most of our implementation so far has occurred in the upper reaches.
- Increasing cover crops acreage from ~3,000 to ~8,000 will significantly increase our P reductions and get us closer to meeting our reduction goals in Reach 69. YWINS achieved only 48% of the reduction goal in 2023 which is the least amount of progress made in meeting the specific reduction goals of all the reaches. With the additional cover crops, YWINS will achieve 70-80% of the reduction goal by 2026.
- A cost share rate of \$50/ac leverages other costs associated with planting cover crops.
  - The cost to use a seed drill is approximately \$20 per acre, while labor costs also average around \$20-\$22 per acre. Additionally, the cost of cover crop seed is about \$18-20 per acre. Altogether, this brings the total cost of planting a cover crop to roughly **\$60 per acre**. These costs can vary slightly based on the type of cover crop used, local labor rates, and equipment availability.
  - NRCS paid \$61.84/ac in 2024 for basic cover crops. NRCS goal is to provide 70% cost share indicating that they believe the cost of growing a cover crop is closer to \$88/ac. Using this number, the **cost share rate of \$50/ac would cover approximately 57% of actual cost.**

- BFF is a farmer-led group that with the support of Dane Co. is showing signs of significant growth in the amount of cover crops grown and the number of new farmers joining the group. In addition, BFF is actively developing and experimenting with innovative ideas for reducing runoff from cropland. This is an indication that BFF is committed to implementing soil health practices long term and is a reliable partner for YWINS. Without the cost share support we risk killing the momentum and overall progress made by BFF and Dane Co. making it more challenging to meet our goals within the remaining years of our plan.

## Options

1. **Approve Full Funding Request** (recommendation): We believe this is a cost-effective approach to maximizing phosphorus reductions in an area of the watershed where we have encouraged growth in implementation. YWINS has made the least amount of progress towards meeting reduction goals in Reach 69 and this funding will help close the gap. Approval of the full funding request shows our support for BFF's and Dane Co.'s efforts, builds off the progress made so far in an important reach, and continues their momentum implementing soil health practices in the future. We believe this benefits YWINS long term for meeting phosphorus reduction goals.
2. **Approve Partial Funding Request:** Any amount of funding for BFF will help fill the gap in federal funding and maintain some implementation progress in reach 69. Since this request is based on \$50/ac. cost, the amount of cover crop implementation will likely be proportional to the amount of funding approved and therefore fewer pounds of phosphorus reduction from this area is likely. We should also consider the possible long term impacts of reduced funding. A reduction in their cost sharing may lead to fewer farmers participating in the program because the cost is too expensive to pay on their own and/or possible perception of our lack of commitment to reducing phosphorus runoff.
3. **Deny Funding Request:** It's unknown how much implementation will continue without any cost sharing, but we expect a significant reduction in cropland runoff control practices from this area. Providing no cost share funding is the riskiest option for meeting our phosphorus reduction goals. Farmers usually need several years to incrementally increase their acres of implementation. If farmers stop participating due to the cost of their practices and their implementation stops, it may take several more years for farmers to get to the same level of implementation they are currently at, significantly impacting the progress made in the southern part of the watershed. However, denying the funding request will preserve cash reserves for other watershed projects. YWINS was developed with the understanding that early years of implementation will focus on low cost agricultural practices and later years will need other watershed type projects (more expensive) to meet remaining reduction goals. The type of watershed projects and the associated costs have not been identified.

## **Yahara WINS underspending 2017-2024.**

### **Yahara WINS Executive Committee Meeting 6/17/2025.**

**Background:** The Yahara WINS program started as a pilot in 2014 and transitioned to working in the full watershed in 2017. Since 2017, the Madison Metropolitan Sewerage District (the District) has handled managing the back-end tracking of revenue and expenses to support the annual budget that the Yahara WINS group votes on and the Executive Committee administers. The District accounting staff provide the requested reporting to the Yahara WINS president and treasurer, while Yahara WINS approves invoices and expenditures per the IGA. Additionally, according to the IGA, Yahara WINS undergoes a financial audit administered by a third-party auditor annually.

Recently, as a result of a project undertaken by District accounting staff to prepare for a new Enterprise Resource Planning software it was discovered that the budget to actual reports being provided to Yahara WINS were not calculating the correct amount of unencumbered/underspend funds due to the type of account that the underspent funds went into at the end of each fiscal year. This created a situation where unencumbered funds were being accumulated without being reported to Yahara WINS. It was only after discovering that the numbers used to calculate the reports were not pulled from the correct accounts that the issue of underspending was discovered.

It should be noted that this type of miscalculation isn't something that would be uncovered during the annual audit. The audit does not look at controls over what is reported, but rather the audit focuses on the financial reporting itself, looking for mistakes, etc. In this situation there were no mistakes as the underspent money was being recorded properly; the issue was that the account the money was moving into was not reported correctly to WINS staff. Now that Yahara WINS and District accounting staff are aware of the reporting omissions it has been corrected and unencumbered revenue will be tracked separately as part of the annual budget process.

While there were some expense categories that were overspent when looking at the total spend from 2017 – 2024, The main categories with the most underspending in the Yahara WINS budget between 2017 and 2024 were the Rock county service agreement, Columbia county service agreement and General P reduction practices. It should be noted that the Columbia county service agreement and the General P reduction practices both ended in 2023.

The total underspending not reported as unencumbered carryover accumulated since 2017 is approximately \$1M.

**Request:** Yahara WINS is asking that the Executive Committee decide a path forward with the management of these underspent funds considering the recommendation and options below:

**Recommendation:** Yahara WINS recommends that a part of the underspent funds be used to fulfill one-time funding requests for phosphorus reducing practices most recently received by Yahara WINS. Currently Yahara WINS exec comm has one-funding request under consideration from Dane county. Yahara WINS recommends that a part of the underspent monies fund this request if the request is approved by the exec comm under a separate agenda item at the 6-17-2025 meeting. The remaining part of the funds will be held and used for other requests that come in or used to cover unbudgeted items that the exec comm may decide to fund.

**Option 1:** Same as the recommendation with the exception that the remaining part of the funds after the one-time Dane county funding request fulfillment be placed in cash reserves.

**Option 2:** The total of the underspent funds be placed in cash reserves, and distribution of the cash would have to follow the [Yahara WINS cash reserve policy](#)