



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**9 VAC 25-260 – Water Quality Standards**  
**Department of Environmental Quality**  
August 8, 2007

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### **Summary of the Proposed Amendments to Regulation**

The State Water Control Board (Board) proposes to amend the Antidegradation Policy section of the State's Water Quality Standards regulation to designate the Hazel River within the Shenandoah National Park an Exceptional State Water, and therefore entitle it to special protection.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

The Board is proposing to designate the Hazel River within the Shenandoah National Park an Exceptional State Water and therefore entitle it to the special protection afforded by the designation.

According to the Department of Environmental Quality (Department), the Exceptional State Waters category of the Antidegradation Policy (9 VAC 25-260-30) allows the Board to offer waters which display exceptional environmental settings and either exceptional aquatic communities or exceptional recreational opportunities added protection. These are waters that are of a very high quality and possess ecological attributes or exceptional recreational usage that need the special protection and maintenance provided by not lowering water quality. State classification as an Exceptional State Water affords an additional layer of protection over that provided by the Antidegradation Policy in that no water quality degradation at all is allowed in Exceptional Waters, with the only exception being temporary, limited impact activities. No new, additional, or increased point source discharge of sewage, industrial wastes, or other pollution is

allowed. In addition, no new mixing zones are allowed in Exceptional State Waters and mixing zones from upstream or tributary waters cannot extend into the Exceptional State Water section. This amendment started as a citizen petition and the Board took action because Department staff concluded that the Hazel River within the Shenandoah National Park met the eligibility requirements to afford it the extra point source protection.

One potential cost to the amendment is that new or expanded permanent point source discharges imposed within the designated segment of the Hazel River may be prohibited. The segment of the Hazel River under consideration does not currently contain any point source discharges. In fact, because this particular Exceptional State Waters designation—which extends to the headwaters of the river—is located in a national park, the United States Park Service is the only riparian landowner. Therefore, the proposed amendment is not anticipated to impact any business or locality.

The primary benefit of the proposed amendment, according to the Department, is that the waters will be protected at their present high level of quality for the use and enjoyment of current and future generations of Virginians. The section of the river under consideration meets all three eligibility decision criteria as described in the Department’s November 15, 2004 “04-2021, Guidance for Exceptional State Waters Designations in Antidegradation Policy Section of Virginia Water Quality Standards Regulation (9 VAC 25-260-30.A.3)”. These criteria are: Exceptional Environmental Setting, Exceptional Aquatic Community and Exceptional Recreational Opportunities. Although the proposed water body is located on public (federal) land, the Department believes that another benefit of the proposed amendments is to increase eco-tourism to the area because of the exceptional nature of the water. An increase in tourism would offer financial benefits to local business and government.

## **Businesses and Entities Affected**

Because the United States Park Service is the only riparian landowner adjacent to the designated water body, only one entity—the federal government—will be impacted directly by the proposed amendments. Indirectly, businesses local to the area could be positively affected by an increase in tourism.

## **Localities Particularly Affected**

Rappahannock County is the only county affected, but because the segment of water in question is located on federal lands, the proposed amendments are not expected to impose a cost on the County or localities within the County.

## **Projected Impact on Employment**

The proposed change is not anticipated to have any impact on employment.

## **Effects on the Use and Value of Private Property**

The proposed amendment is not anticipated to have any negative effect on the use and value of private property, although if this designation increases eco-tourism in the area, businesses, housing values, and other private property in could be positively impacted.

## **Small Businesses: Costs and Other Effects**

The proposed change is not anticipated to add cost or otherwise affect small businesses.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposal does not add cost or otherwise affect small businesses.

## **Real Estate Development Costs**

The proposed amendments do not create additional costs related to the development of real estate for commercial or residential purposes.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small

businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.