

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

9 VAC 25-610 Ground Water Withdrawal Regulations

Department of Environmental Quality

Town Hall Action/Stage: 4447/7345

November 22, 2015

Summary of the Proposed Amendments to Regulation

Chapter 465 of the 2015 Virginia Acts of Assembly amended § 62.1-258 of the Code of Virginia, in part, to add a requirement that private wells constructed in a ground water management area be registered with the State Water Control Board (Board) by the certified water well systems provider within 30 days of the completion of well construction. Consequently, the Board proposes to amend this regulation to: 1) include the above statutory requirement for registration, 2) specify that the registration be submitted to the Department of Environmental Quality (DEQ) on a form, paper or electronic, provided by DEQ, 3) list the information required for registration, and 4) add relevant definitions.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Including the statutory requirement for registration, specifying that the registration be submitted to DEQ, list the information required for registration, and adding relevant definitions all are beneficial in improving clarity and do not add costs. The required registration of private wells constructed in a ground water management area enables DEQ to track the growth of private well water withdrawals and evaluate the relative impact of private wells on the aquifer

system. This will result in a more robust understanding of the demands on the aquifers in areas where the sustainability of groundwater is threatened, and it will help ensure that the resource is better managed for all users and the public.

Water well systems providers must already obtain a pre-construction permit from the Virginia Department of Health (VDH) prior to construction of a new well. The process of getting a well drilled requires that the provider collect information at many parts of that process. Much of the required information is known before drilling starts, since it is determined by well owner's needs, what is known in advance about the water table and substrate, the detail necessary for a contract, and professional well construction standards. Other required information is collected during the well-drilling process and some is collected after the well is drilled. Thus the majority of the information required for the registration form falls into one of these categories and would either be known or easily obtained as part of that process. In most cases, the providers already collect this information.

The information that is most likely new and something that may have to be researched is the well location information. But nowadays, latitude, longitude, map numbers, and sometimes subdivision plat information are either available using a GPS phone or are readily available on the internet. Additionally, according to DEQ staff at VDH and DEQ staff are prepared to readily assist with obtaining this location information; so it is not expected that the provider would have to spend a large amount of time doing new research to collect the required information.

Thus, considering the benefit for managing aquifers in areas where the sustainability of groundwater is threatened and the relatively small additional time cost for water well systems providers, the benefits likely exceed the costs for all proposed changes.

Businesses and Entities Affected

The proposed amendments affect water well systems providers that construct private wells. There are approximately 50 such firms, all of which qualify as small businesses, in the Commonwealth.¹

¹ Data Source: DEQ

Localities Particularly Affected

The proposed amendments particularly affect localities within ground water management areas. Two ground water management areas are established in 9VAC25-600-20, the Eastern Virginia Groundwater Management Area and the Eastern Shore of Virginia Groundwater Management Area. The Eastern Virginia Groundwater Management Area consists of the counties of Charles City, Essex, Gloucester, Isle of Wight, James City, King George, King and Queen, King William, Lancaster, Mathews, Middlesex, New Kent, Northumberland, Prince George, Richmond, Southampton, Surry, Sussex, Westmoreland, and York; the areas of Caroline, Chesterfield, Fairfax, Hanover, Henrico, Prince William, Spotsylvania, and Stafford counties east of Interstate 95; and the cities of Chesapeake, Franklin, Hampton, Hopewell, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg. The Eastern Shore of Virginia Groundwater Management Area consists of the counties of Accomack and Northampton.

Projected Impact on Employment

The proposed amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the use and value of private property.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Small Businesses:

Definition

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

Chapter 465 of the 2015 Virginia Acts of Assembly amended § 62.1-258 of the Code of Virginia, in part, to add a requirement that private wells constructed in a ground

water management area be registered with the State Water Control Board. The proposed amendments to the regulation specify registration requirements that will require small water well systems providers to fill out and submit a registration form (online in practice) for each such completed well. This introduces a time cost for these small firms; but since the required information should in most cases be readily available, the time cost will in most cases be small.

Alternative Method that Minimizes Adverse Impact

There is no apparent alternative method that will meet the intended policy goal at a smaller cost for small businesses.

Adverse Impacts:

Businesses:

Pursuant to legislation, the proposed amendments to the regulation specify registration requirements that will require water well systems providers to fill out and submit a registration form (online in practice) for each such completed well. This introduces a time cost for these firms; but since the required information should in most cases be readily available, the time cost will in most cases be small.

Localities:

The proposed amendments are unlikely to adversely affect localities.

Other Entities:

The proposed amendments are unlikely to adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

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