

**Virginia Department of Health (VDH)
Sewage Handling and Disposal Advisory Committee (SHADAC)
August 3, 2016**

Primary Meeting Location:

5th Floor, Main Conference Room
James Madison Building
109 Governor Street
Richmond, Virginia 23219

Remote Location:

Madison County Health Department
410 N. Main Street
Madison, Virginia 22727

List of Attendees at Primary Meeting Location:

SHADAC Members

Bill Sledjeski	Laura Farley	Curtis Moore	Cody Vigil
Adam Feris	Valerie Rourke	Alan Brewer	Vincent Day
Mike Lynn			

VDH Staff and Members of the Public

Lance Gregory	Todd Grubbs	Marcia Degen	Mike Burch
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List of Attendees at Remote Location:

SHADAC Members

Channing Blackwell

VDH Staff and Members of the Public

Whitney Wright	Dwayne Dixon
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Administrative

1. Welcome.

Chairman Lynn welcomed the committee members, VDH staff, and the public to the meeting.

2. Travel reimbursements.

Mr. Gregory provided SHADAC members with reimbursement forms for the meeting.

3. Approve agenda.

Mr. Moore made a motion to approve the agenda. The motion was seconded by Mr. Vigil. All members of the SHADAC were in favor of the motion.

4. SHADAC appointments.

Mr. Gregory announced that Mr. Blackwell had been appointed by the State Health Commissioner (Commissioner) to be the Virginia Society of Professional Engineers representative on the SHADAC.

5. Review summary from June 1, 2016, meeting.

Mr. Gregory stated that he received one suggested revision to the summary from Joel Pinnix.

Mr. Moore made a motion to approve the summary with the suggested revision. Mr. Vigil seconded the motion. All members of the SHADAC were in favor of the motion.

Public Comment Period

There were no public comments.

Old Business

1. Update from Regulatory Reform Subcommittee.

Mr. Brewer commented that the purpose of the subcommittee is to assess and propose to the full SHADAC options for regulatory reform. The subcommittee has identified challenges with the onsite program and provided the full SHADAC with a list of challenges for feedback. The subcommittee categorized the challenges into four areas: program administration, conflicting regulations, paradigm shift, and resources. At the last meeting, the subcommittee began putting together recommendations for conflicting regulations and resources. The subcommittee's goal is to have a report to SHADAC by the end of this year.

2. Issues related to internal VDH policies and processes.

SHADAC members commented that when local health departments are processing applications for repairs and voluntary upgrades, the application is considered a repair if a Notice of Alleged Violation (NOAV) will be issued. Members raised concerns that in cases where an NOAV will not be issued, that the application would be for a voluntary upgrade and would then have a lower priority for processing based on Guidance Memorandum and Policy 2015-01.

Dr. Degen commented that staff is drafting a policy for voluntary upgrades and repairs. The draft policy distinguishes repairs as situations where VDH is issuing an NOAV.

3. Update on recommendation to Commissioner; 12VAC5-613-70.

Mr. Gregory commented that the Commissioner thanked the SHADAC for their recommendations which are currently under review. A periodic review of the Regulations for Alternative Onsite Sewage Systems (12VAC5-613-10 et seq., the AOSS Regulations) concluded on February 25, 2016. The comment period provided stakeholders with an opportunity to suggest revisions to the AOSS Regulations; the Board of Health received 34 comments. As a result of the review, staff has begun work to start the process to amend the AOSS Regulations. Staff will keep the SHADAC informed and seek additional guidance and input throughout the regulatory process. The process starts with offering a Notice of Intended Regulatory Action.

OEHS expects the Board of Health to consider fast-track regulations regarding direct dispersal of effluent to groundwater at the next meeting on September 15, 2016.

Mr. Gregory then asked the SHADAC to provide more specifics on the recommendation for VDH to conduct a cost-benefit analysis of the AOSS Regulations.

Members stated that the request was to review the cost of testing under 12VAC5-613-70 which they report as being considerable for the manufacturer. Members stated the testing would raise the price of alternative onsite sewage systems required to re-test, and would increase the cost to property owners using those systems. Additionally, members suggested reviewing the cost of staff time to implement the AOSS Regulations.

4. SAP policy.

Mr. Grubbs walked through the draft safe, adequate, and proper (SAP) policy provided to the SHADAC, and asked for the committee's thoughts on the draft policy (see attached).

Comments and suggestions for improvement from the SHADAC included:

- In addition to specifying the number of bedrooms, also clarify the number of occupants on the application.
- Need some clarification about the NOAV process when VDH learns through a SAP request that the number of bedrooms in the home has already increased from the original permit.
- The application page is not set up for non-residential; include a question regarding the number of employees.
- If the system is not functioning as designed, then the owner should be required to repair the system.
- The flow chart on page five doesn't include "can be expected to function properly".
- Need to clean up the language regarding "functioning properly".
- Does the policy have any potential impact on property value?

- How is the property owner informed when VDH determines that the proposed project is not for human occupancy?
 - The intent of the building officials request changes when the project is not for human occupancy. When the project is for human occupancy, the building official is worried about the system functioning. When the project is not for human occupancy, the building official wants to ensure the project will not impact the existing sewage system.
 - For alternative systems, the owner may need to uncover more than just a distribution box.
5. Workgroup for Revisions to the Private Well Regulations.

Mr. Gregory shared that stakeholders raised concerns that professional engineers (PE) and Department of Professional and Occupational Regulation (DPOR) staff were not included as members of the workgroup. Mr. Gregory commented that he would reach out to PE stakeholder groups to try to identify a volunteer for the group, as well as reaching out to DPOR staff. The first meeting of the Private Well Regulations Workgroup is scheduled for August 4, 2016.

New Business

1. HB 558 – Website and data.

Mr. Gregory provided a quick update on additional data available on the HB 558 website; <http://166.67.66.226/EnvironmentalHealth/Onsite/hb558/>. Mr. Gregory also commented that OEHS would be holding off on posting the most recent draft HB 558 Interim Reports to the website, as the site is getting ready to go through a conversion to a new format.

2. HB 558 – Revised Interim Report 1 feedback.

Mr. Gregory reviewed revisions to draft HB 558 Interim Report 1 (see attached). He commented that revisions were noted in red, “**revision**”, and primarily focused on providing additional data. The revised report also clarified whether some previous recommendations would require statutory, regulatory, or policy changes. The revised report also includes preliminary responses to three questionnaires sent to property owners and onsite sewage system installers to assess the cost of private sector evaluation and design services.

SHADAC member suggested that the graphs showing the total number of applications be modified to also show how many of the applications were bare applications.

At the June 1, 2016, meeting, the SHADAC recommended that VDH work with the Virginia Onsite Wastewater Recycling Association to survey onsite soil evaluators (OSE) and professional engineers (PE) regarding the cost of services they provide. Mr. Gregory discussed a draft questionnaire developed in response to the SHADAC’s request. SHADAC members suggested that the questionnaire not include a requirement for providing a license number, as such a requirement may discourage some OSEs or PEs from completing the questionnaire.

Mr. Gregory asked the SHADAC for suggestions on how best to distribute the questionnaire. He voiced concern about working through only one stakeholder group to distribute the questionnaire to OSEs and PEs. SHADAC members agreed that the questionnaire should be shared through multiple stakeholder groups and suggested that Mr. Gregory share a link to the questionnaire with SHADAC members to share the information with their constituent groups.

3. HB 558 – Interim Report 2 feedback.

Mr. Gregory then reviewed draft HB 558 Interim Report 2 with the SHADAC (see attached). The report focuses on recommendations regarding fee changes and repair funding. The key recommendations in the report are:

- VDH to maintain current staffing levels throughout and after the transition to full privatization of direct services delivery.
- Create fees for repair applications consistent with new construction applications; fee is waived for property owners that qualify for the repair fund.
- Create fees for voluntary upgrade applications consistent with new construction applications; fee may be waived pursuant to eligibility in the Fee Regulations.
- Create a repair fund covering the cost of private sector evaluation and design services, system installation, and five years of sampling and operation and maintenance for qualifying property owners.

SHADAC members provided the following feedback regarding the draft report.

- Possible uphill battle with certain stakeholder groups over the new fees.
- Need to better define what Environmental Health Specialist will be doing once direct services are shifted to the private sector; Mr. Gregory noted this will be the focus for HB 558 Interim Report 3.
- Additional fees could be used to seed the repair fund.
- Need to better illustrate the need for a repair fund, such as improvements associated with bacteriological and Chesapeake Bay total maximum daily loads.
- Repair fees should not apply to simple repairs.
- Consider making the repair fee \$425 for bare applications until all work is shifted to the private sector.
- Possibly use a sliding scale for fees at a regional level.
- Don't believe VDH should charge a fee for repairs; those services should be supported by general funds.
- VDH needs to conduct a full resource assessment.

4. HB 558 – Work remaining.

Mr. Gregory noted that some of the key factors remaining in the HB 558 plan are:

- The transition of evaluations and designs for new construction and repairs.

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- Additional fees.
- The funding source(s) for the repair fund.

Adjourn

**Virginia Department of Health
Sewage Handling and Disposal Advisory Committee (SHADAC) Meeting
Agenda**

Date: August 3, 2016
Time: 10 am to 2 pm
Primary Location: James Madison Building
5th Floor Main Conference Room
109 Governor Street
Richmond, Virginia 23219
Remote Location: Madison County Health Department
410 N. Main Street
Madison, Virginia 22727

Administrative (25 minutes)

1. Welcome. (5 minutes)
2. Travel reimbursements. (5 minutes)
3. Approve agenda. (5 minutes)
4. SHADAC appointments. (5 minutes)
5. Review summary from June 1, 2016 meeting. (5 minutes)

Public Comment Period

Old Business (35 minutes)

1. Update from Regulatory Reform Subcommittee. (10 minutes)
2. Issues related to internal VDH policies and processes; *standing agenda item*. (15 minutes)
3. Update on recommendation to Commissioner; 12VAC5-613-70. (10 minutes)

Break (5 minutes)

Continue Old Business (35 minutes)

4. SAP policy. (30 minutes)
5. Workgroup for Revisions to the Private Well Regulations. (5 minutes)

New Business (45 minutes)

1. HB 558 – Website and data. (15 minutes)
2. HB 558 – Revised Interim Report #1 feedback. (30 minutes)

Break (5 minutes)

Continue New Business (90 minutes)

3. HB 558 – Interim Report #2 feedback. (45 minutes)
4. HB 558 – Work remaining. (45 minutes)
 - a. Feedback on remaining issues.

Adjourn

DRAFT POLICY **FOR REVIEW AND FEEDBACK**

SUBJECT: GUIDANCE MEMORANDA AND POLICY (GMP) 2016-04

PURPOSE: This policy establishes the procedure for processing a building official request for a safe, adequate, and proper determination pursuant to Va. Code § 32.1-165.

SCOPE:

This policy identifies the minimum review and paperwork needed to process a request from the local building official pursuant to Va. Code § 32.1-165. The referenced Code section requires building officials to seek and obtain authorization from local health departments prior to issuing a building permit. Authorization to issue those permits rests upon a health department determination the existing or proposed onsite sewage system is safe, adequate, and proper for the subject building designed for human occupancy. Exceptions to this policy will require approval and consultation with the Office of Environmental Health Services.

VDH receives numerous types of requests for onsite sewage inspections and some situations fall outside the scope of this policy. For example, this policy would not necessarily apply to multiple requests from a building official for a community-wide need, perhaps because of a natural disaster (flooding, tornado, or hurricane). Another possible example could be when multiple sewage systems are located close together as found in a mobile home park and there is a long history of failing sewage systems at the location. In these types of situations, processing an individual request from the building official might not necessarily protect public health or groundwater supplies unless historical failures were addressed on a community-wide scale. This policy also does not address evaluation procedures for a sewage system being sold through a real estate transfer or a sewage system being evaluated as part of a revised subdivision plat.

For pools, decks, garages, pole barns, sidewalk installations, and other structures not designed for human occupancy, the local building official may ask VDH to determine whether proposed construction will interfere with the existing sewage system's function. For these situations, VDH lacks authority to determine whether the sewage system is safe, adequate, and proper as contemplated by the Code. However, as a courtesy to the building official, and by request (see attachments 2a and 2b), VDH may process the request (see attachment 3b).

AUTHORITY:

Va. Code § 32.1-165, as amended and effective as of July 1, 2016, provides authority for the procedures outlined in this policy (see attachment 4). Va. Code § 32.1-165 states, "No county, city, town, or employee thereof shall issue a permit for a building designed for human occupancy without the prior written authorization of the Commissioner or his agent." "Safe, adequate, and proper" means a treatment works that complies with the Board of Health's currently effective regulations. VDH may approve an older sewage system that does not comply with current regulations provided (1) the sewage system complies with the regulatory requirements in effect at

the time of its installation, (2) is not failing, and (3) can be expected to function properly given its design and construction for the sewage flow and strength.

Additionally, Va. Code § 32.1-165 allows VDH to accept a certified evaluation from qualified private sector professionals. VDH may perform an inspection of the private sector professional's work, but is not required to do so. The law also allows an owner to voluntarily upgrade an existing onsite sewage system.

In accordance with Va. Code §§ 36-98 et seq., 32.1-12, and 32.1-163, VDH and the Virginia Board of Housing and Community Development agreed to coordinate respective jurisdictional responsibilities through a memorandum of agreement (MOA). The current MOA states when a local building official asks VDH for a determination of "safe, adequate, and proper," VDH will apply the standards required by current regulations to evaluate the request (see Attachment 8). Current regulations represent the minimum standards necessary to adequately protect public health, the environment, and groundwater supplies.

Va. Code § 32.1-164.1:1 allows owners with failing sewage systems, or those who want to voluntarily upgrade their sewage system the option to request a waiver from additional treatment and/or pressure dosing. The Commissioner shall grant any request for such waiver, unless she finds the failing system was installed illegally without a permit. Any such waivers shall be recorded in the land records of the clerk of the circuit court in the jurisdiction in which the property on which the relevant onsite sewage system is located.

BACKGROUND:

When a property owner wants to replace a mobile home, construct an addition to an existing dwelling, or replace a damaged or destroyed home, the owner must first obtain a building permit from the local building official. In certain cases, the local building official will ask VDH whether the existing sewage system is acceptable (or "safe, adequate, and proper"). In many cases, the sewage system does not comply with current health department regulations as sewage system installation was completed under prior, less stringent requirements.

As a result, some property owners could spend considerable money to upgrade the existing sewage system to comply with current regulations, even though the owner could continue using the old sewage system (without change) but for the request for a new building permit. The amendments to Va. Code § 32.1-165 provide VDH discretion to approve an older sewage system as nonconforming to the current regulatory standards, provided the status quo remains the same (i.e., there is no change in sewage flow or strength; the sewage system was installed in accordance with regulations in effect at the time of installation; the sewage system is not failing; and the sewage system can be expected to function properly).

PROCEDURAL OUTLINE:

Staff is encouraged to work with respective local building departments to ensure excellent customer service and proper implementation of the Code and this policy. See attachment 1 for a

business flow path for processing requests pursuant to Va. Code § 32.1-165; requests are expected to be processed within 7 business days of receipt as follows:

1. The local health department (LHD) receives a request from the local building official for a review pursuant to Va. Code § 32.1-165. See attachment 2a.
 - a. Upon receipt of the request, if unaccompanied by an application from the property owner, LHD must contact the property owner within two business days to obtain the owner's permission for review (see attachment 2b).
2. LHD receives an application from the property owner for a review pursuant to Va. Code § 32.1-165. See attachment 2b.
 - a. The request from the building official and the application from the property owner (or agent) provides authority for review pursuant to Va. Code § 32.1-165 and grants permission for staff to enter the property and perform required evaluation.
 - b. If the application is incomplete, staff must deny the application by notifying the owner in writing. The denial must explain the reasons why the application is incomplete and provide an opportunity to appeal. The owner can resubmit a new application at any time. See attachment 5.
 - c. If the request and application indicates a subject structure not designed for human occupancy, staff should contact the local building official to determine whether the structure is designed for human occupancy. In the event the building official confirms the proposed structure is not designed for human occupancy, staff can use attachment 3b for the response.
3. After receiving the request from the building official, the property owner property owner (or agent) must submit the application (attachment 2b). Staff should complete a review of paper and electronic records within two business days of receiving a complete application. Staff must also request copies of septic tank pumping records or operation and maintenance (O&M) records for the conventional onsite sewage system, if available.
 - a. If the application is complete and does not contain supporting work from a licensed private sector professional, staff must schedule a site visit at a date and time acceptable to the property owner (or agent). As best practice, office support staff should schedule the site visit when the property owner (or agent) submits the completed application to the local health department.
 - b. If the application is complete and contains a certified evaluation as authorized by the Code¹, VDH may perform a field inspection of the private sector work before issuing

¹ In accordance with Va. Code § 32.1-165, staff may accept certified evaluations from (i) a professional engineer licensed pursuant to Chapter 4 of Title 54.1; (ii) an onsite soil evaluator, onsite sewage system operator, or onsite

an approval, but an inspection is not required. Review of private sector work should be consistent with guidelines established in GMP #2015-01, meaning at least 10% of each licensee's work will be evaluated by completing a Level 2 (field) review. Staff is expected to process requests and complete applications within 5 business days of receipt when accompanied by a supporting private sector certified evaluation, unless the property owner (or agent) agrees to a different timeframe. Completion of attachment 3a constitutes a certified evaluation.

For commercial and multi-family dwellings greater than 1,000 gallons per day in design flow, the property owner must submit a certified evaluation from a private sector professional; otherwise, the application is incomplete.

- c. For conventional onsite sewage system requests without supporting work from the private sector, at a minimum, the property owner must uncover the septic tank and distribution box for inspection, unless the property owner requests and receives a waiver from this policy expectation. If the owner believes uncovering the septic tank and distribution box would create a financial or other hardship, the property owner may request an exemption. The property owner or agent can request a waiver from the expectation to uncover system components using the application (see Attachment 2b).

The EH Manager, Supervisor, Technical Consultant or EHS Senior may grant a waiver from uncovering components on a case-by-case basis. Staff may consider an exemption for the following reasons:

1. The owner has O&M records within the past 5 years of the request for a building permit.
2. The owner reports that uncovering system components would likely cause damage to system components or would be too costly.
3. The owner has accurate field measurements for the location of the septic tank and distribution box.
4. Other hardships that outweigh the benefit of an inspection of the system components.
5. Other facts that indicate an inspection of the system components is not necessary (e.g., the sewage system is less than 5 years old; the tank was recently pumped; accurate records exist, etc.).

Prior to the site visit, staff should make reasonable efforts to locate and obtain any previous records for the sewage system. Staff should provide any records found to help the owner locate system components. When a record of approval exists for the sewage system, that approval and permit remains effective until the system fails or there is a change in effluent flow or strength.

Lack of records does not automatically indicate the sewage system was installed without a permit and should not be used as the sole reason for denying a request pursuant to Va. Code § 32.1-165.

If records for the sewage system are found, staff shall provide those records to the property owner or agent. If the sewage system is more than five years old and the owner has no inspection or septic tank pumping records, staff should recommend the owner pump the septic tank, unless other facts dictate that pumping is unnecessary.

4. If the owner uncovers the septic tank and distribution box for inspection, staff shall observe the septic tank and distribution box's condition and recommend repairs or voluntary upgrades using best practices and professional judgment. If a repair is required, staff must notify the owner in writing a repair is required (see attachment 6).

- a. During the site visit, staff must create an accurate field sketch with "triangulated" measurements to locate system components (see attachment 3) to the extent possible. Staff may, but is not required to, perform a site and soil evaluation to determine the depth to soil-limiting features. All field measurements, soil evaluation observations, and site sketches shall be provided to the owner with the agency's case decision to approve or deny the request.

Using attachment 3a or 3b, depending whether the request is associated with a structure designed for human occupancy, staff must estimate the number and length of percolation trenches and update electronic records in the Virginia Environmental Information System (VENIS) database for the property (see attachment 7).

- b. If prior records document compliance with current regulations for dispersal of septic tank effluent and staff determines (1) the sewage system is not failing,² (2) was installed in accordance with the regulation in effect at the time of its installation, (3) there is no increase in effluent strength or flow, and (4) the sewage system can be expected function properly, then staff shall approve the request as "safe, adequate and proper" (complies with current regulations) using Attachment 3a (for requests associated with human occupancy) or Attachment 3b (for requests not associated with human occupancy).
- c. If sufficient information to determine whether the sewage system complies with current regulations is unavailable (i.e., unknown depth to limiting features, unknown

² 12VAC5-610-350. Failure of a sewage disposal system. For the purpose of requiring correction of a malfunctioning sewage disposal system the presence of raw or partially treated sewage on the ground's surface or in adjacent ditches or waterways or exposure to insects, animals or humans is prima facie evidence of such system failure and is deemed a violation of these regulations. Pollution of the groundwater or backup of sewage into plumbing fixtures may also indicate system failure.

depth of system installation, etc.), or where staff determines the sewage system does not comply with current regulations, then staff must approve the request as “non-conforming,” provided (1) the sewage system is not failing, (2) was installed in accordance with the regulation in effect at the time of its installation, (3) there is no increase in effluent strength or flow, and (4) the sewage system can be expected function properly, then staff must approve the request as “safe, adequate and proper” (complies with current regulations) using Attachment 3a (for requests associated with human occupancy) or Attachment 3b (for requests not associated with human occupancy).

- i. With respect to horizontal separation distances to structures already installed at the time of the site visit (shed, gazebo, sidewalk, playground set, or other landscaping feature over the footprint of the dispersal field), staff must note whether those structures could potentially have a negative impact on the proper function or ability to perform O&M. However, these features would not normally result in a denial (see paragraph 4.d below), and staff could approve the sewage system as “nonconforming” to the current regulations.
 - ii. If staff finds an existing (unpermitted, prior to 1990) well is insufficiently offset from the existing sewage system, staff should note the horizontal separation, and make appropriate recommendations with respect to testing or relocating the drinking water source. Unless a regulatory violation exists (see paragraph 4.d below), then staff may approve the use as nonconforming.
 - iii. A property owner may voluntarily upgrade the sewage system if desired.
- d. If staff determines facts warrant denial of the request for “safe, adequate and proper,” staff must issue a Notice of Alleged Violation (NOAV) accurately describing and explaining why observations indicate the property owner may be violating applicable regulation and law, and provide the property owner with a right to appeal. The owner may file a new application to repair or replace the existing sewage system, or appeal the adverse decision, in accordance with the NOAV and denial for safe, adequate and proper pursuant to Va. Code § 32.1-165.

Upon approval of a repair, staff may provide a copy of the construction permit to the local building official and issue an approval using Attachment 3a or 3b. The property owner may also request the system be evaluated according to current regulations. For systems without documentation, this requires a new site and soil evaluation.

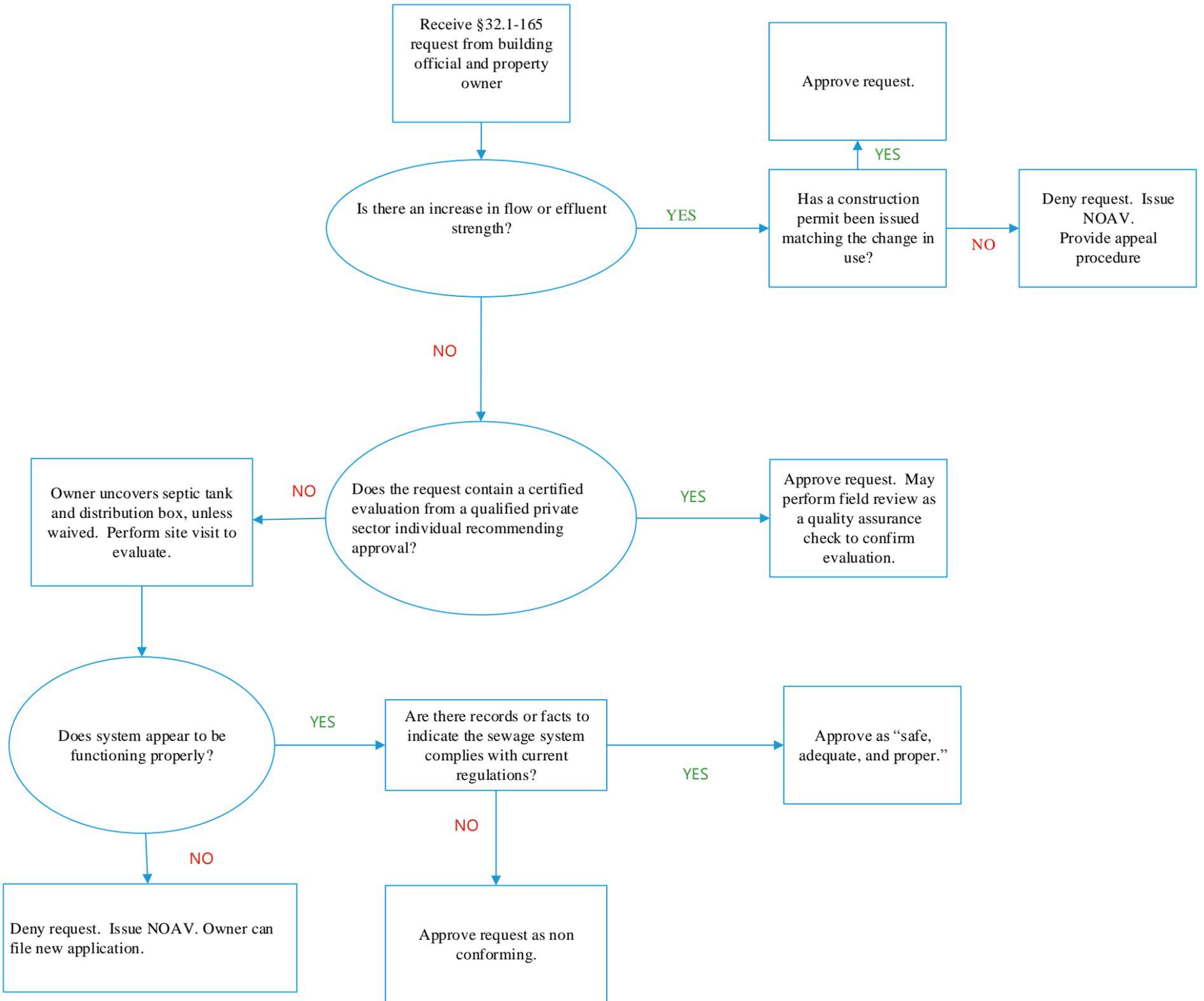
5. For an alternative discharging sewage system or an alternative onsite sewage system, staff must perform a site visit to evaluate whether the most recent operator report (must be received w/I 12 months of site visit) accurately reflects the system’s operation and condition. Upon inspection of the system’s condition, staff may approve the system, either

as “non-conforming,” or meeting current regulations, depending on the facts gathered from the files and field visit.

If no current operator report for the alternative discharging system or alternative onsite sewage system is available, staff must deny the request and provide the owner with a NOAV.

- Attachment 1 - Flow Chart: SAP Review of an Existing System
- Attachment 2a - Request from local building official
- Attachment 2b - Application from property owner
- Attachment 3a - Evaluation Form (designed for human occupancy)
- Attachment 3b - Evaluation Form (not designed for human occupancy)
- Attachment 4 - Virginia Code § 32.1-165
- Attachment 5 - Denial letter
- Attachment 6 - NOAV letter
- Attachment 7 - Screenshot of data entry requirements for VENIS
- Attachment 8 - MOA between DHCD and VDH

Flow Chart: Review of Existing Systems



Attachment 2a: **Request for review from the local building official**



Request for Health Department Review

The _____<insert County/City Building-Zoning Department>_____ requests the Virginia Department of Health to evaluate the onsite sewage system and/or water supply at _____<insert property name/description>_____ to determine whether:

- The onsite sewage system located at the above referenced property is safe, adequate and proper pursuant to Va. Code § 32.1-165.
 - Check if the building permit for the structure is designed for human occupancy.

- The existing onsite sewage system and/or water supply at the above referenced property will be impacted by the proposed building permit.
 - Check if the building permit for the structure is not designed for human occupancy.

Additional Comments, if any:

Building/Zoning Official: _____ Date: _____
(Signature)

(Print Name)

Commonwealth of Virginia

Application for Review Pursuant to Va. Code § 32.1-165

VDH Use only
Health Department ID# _____
Due Date _____

Owner _____

Mailing Address _____

Agent _____

Mailing Address _____

Site Address _____

Phone _____

Phone _____

Fax _____

Phone _____

Phone _____

Fax _____

Email _____

Directions to Property: _____

Subdivision _____ Section _____ Block _____ Lot _____

Tax Map _____ Other Property Identification _____ Dimension/Acreage of Property _____

Sewage System
<p>Current Use:</p> <p>Single Family Home (Number of Bedrooms ____) Multi-Family Dwelling (Total Number of Bedrooms ____)</p> <p>Other (describe) _____</p> <p>Proposed Use:</p> <p>Single Family Home (Number of Bedrooms ____) Multi-Family Dwelling (Total Number of Bedrooms ____)</p> <p>Other (describe) _____</p> <p>Has the home or structure at the property been occupied the past 30 days? _____</p> <p>Have you uncovered the septic tank and distribution box for inspection? _____</p> <p>Have you had your septic tank pumped within the past 5 years, or has a licensed operator been maintaining your sewage system? _____ If yes, please attach associated records.</p>
Water Supply
<p>Is the water supply Public or Private?</p> <p>Do you have a certified evaluation from the private sector? _____ If yes, please attach the certified evaluation.</p>

I give permission to the Virginia Department of Health to enter onto the property described during normal business hours for the purpose of processing this application and to perform quality assurance checks as necessary until the sewage disposal system has been approved.

I understand that the local building official has requested a review of the sewage system at the above referenced property pursuant to Va. Code § 32.1-165. I recognize there is no guarantee given or implied about the future function of the sewage system in the event of approval of the request.

Signature of Owner/ Agent

Date

Findings:
Review pursuant to Va. Code § 32.1-165

Name: _____

Phone Number: _____

Subdivision: (If Applicable) _____ **Section:** _____ **Lot:** _____

Physical Address: _____

Is the existing onsite sewage system safe, adequate and proper for the proposed use?

(YES) Comments: _____

(NO) Comments: _____

Other Comments:

Site Sketch:

SIGNATURE: _____

DATE: _____

An owner may challenge a denial by requesting an Informal Fact-Finding Conference (IFFC) within 30 days of receipt of a decision. All requests for an IFFC must be sent in writing to the District Health Director and cite the reason or reasons for the request.

Attachment 4:
Copy of Va. Code § 32.1-165

“§ **32.1-165**. Prior approval required before issuance of building permit; approved sewage system or nonconforming system.

- A. No county, city, town, or employee thereof shall issue a permit for a building designed for human occupancy without the prior written authorization of the Commissioner or his agent. The Commissioner or his agent shall authorize the issuance of such permit upon finding that safe, adequate, and proper sewage treatment is or will be made available to such building, or upon finding that the issuance of such permit has been approved by the Review Board. "Safe, adequate, and proper" means a treatment works that complies with applicable regulations of the Board of Health that are in effect at the time of application.
- B. The Commissioner shall develop an application and procedure for evaluating an installed treatment works and to determine whether to authorize issuance of a permit for a building designed for human occupancy.
- C. Nothing in this section shall be construed to prevent the Commissioner or his agent from approving the use of a nonconforming treatment works, provided the treatment works was installed in accordance with the Board of Health's applicable regulations in effect at the time of its installation, is not failing, and is designed and constructed for the sewage flow and strength expected from the building.
- D. Nothing in this section shall be construed to prevent an owner of real property from receiving a voluntary upgrade pursuant to § **32.1-164.1:3**, or other permit, as a condition of approval as a nonconforming treatment works.
- E. The Board, Commissioner, and Department may accept a certified evaluation from (i) a professional engineer licensed pursuant to Chapter 4 of Title 54.1; (ii) an onsite soil evaluator, onsite sewage system operator, or onsite sewage system installer licensed pursuant to Chapter 23 of Title 54.1; (iii) or other individual with an appropriate certification from the National Sanitation Foundation, or equivalent. The Department may perform an inspection of the certified evaluation but shall not be required to perform a field check prior to the issuance of the written authorization in subsection A.”

<LHD address>

<Date>

<owner>

<owner address>

Certified Mail _____

RE: <property address>

Dear <owner>:

This letter is to inform you that _____ has evaluated your request for a Safe, Adequate, and Proper (SAP) review pursuant to Va. Code § 32.1-165 filed on _____. Unfortunately, we are not able to approve the request for the following reason(s):

{INSERT REASONS, i.e.,

The onsite system is not designed for the expected flows.
The proposed building plan does not meet setback requirements for the septic system.
The existing onsite system appears to be failing. }

This decision is based on the information filed with your application and the request from the local building official. You have the right to appeal this decision. If you wish to appeal, you can submit your request to _____ at _____ within **thirty (30) days** from the date you receive this letter. Please include any facts or other data that would support your appeal.

If you have any questions or if this office may be of further service, please let us know.

Sincerely,

Environmental Health Specialist

CC: Building Official

Attachment 6: Draft NOAV Letter

COMMONWEALTH OF VIRGINIA

VIRGINIA DEPARTMENT OF HEALTH

<LHD address>

<Today>

NOTICE OF ALLEGED VIOLATION

<OwnerName>

<OwnerMailingAddress>

<OwnerMailingCity>, <OwnerMailingState> <OwnerMailingZip>

Re: (Physical Address, Location, Lot#, Tax Map #, ect)

Certified Mail

Dear <OwnerName>:

This Notice is to inform you that the<FacilityLocationCountry> County Health Department ("local health department") has observed certain conditions on your property that may constitute threats to public health and the environment. The following observations form the basis for the issuance of this notice:

On (**insert date**), _____, Environmental Health Specialist with the local health department conducted an inspection of your sewage treatment system ("system") pursuant to Va. Code § 32.1-165. The inspection revealed:

{INSERT FINDINGS, i.e.,

- The system appeared to discharge untreated or partially treated sewage effluent into the waters of the Commonwealth and not operating in accordance with the effluent limitation set forth in your general permit.
- Aerator appeared to not be functioning properly.
- Aerator missing.
- No disinfectant tablets were provided in the chlorinator.
- Your current operation permit appears to have expired on _____.
- It appears that a valid monitoring contract is not provided.
- It appears that a valid maintenance contract is not provided.
- The local health department has not received required monitoring and maintenance reports.
- The septic tank has collapsed

These observations, if verified, constitute real or potential threats to public health and to the ground and surface waters of the Commonwealth. This notice is to remind you that it is your responsibility, as owner of your property, to operate the facilities in accordance with the applicable laws and regulations of the State Board of Health ("Board"). {INSERT REGULATION REFERENCES AS NECESSARY, i.e.,

12 VAC 5-610-80. Sewerage systems and/or treatment works required.

A. The discharge of untreated sewage onto the land or into the waters of the Commonwealth is prohibited.

B. No owner, person, or occupant shall discharge treated or untreated sewage onto the land, into the soil or into the waters of the Commonwealth without a valid permit from the commissioner or, as appropriate, a certificate issued by the Department of Environmental Quality in accordance with Title 62.1 of the Code of Virginia.

C. All buildings, residences, and structures designed for human occupancy, employment or habitation and other places where humans congregate shall be served by an approved sewerage system and/or treatment works. An approved sewerage system or treatment works is a system for which a certificate to operate has been issued jointly by the department and the Department of Environmental Quality or a system which has been issued a separate permit by the commissioner.

12 VAC 5-610-350. Failure of a sewage disposal system. *For the purpose of requiring correction of a malfunctioning sewage disposal system the presence of raw or partially treated sewage on the ground's surface or in the adjacent ditches or waterways or exposure to insects, animals or humans is prima facie evidence of such system failure and is deemed a violation of these regulations. pollution of the groundwater or backup of sewage into plumbing fixtures may also indicate system failure.*

12 VAC 5-640-430.A. Performance requirements. Discharge limits. *All systems operated under this chapter shall meet the effluent limitations set forth by the State Water Control Board in the General Permit.*

12 VAC 5-640-220.B. Permits; general. *Operation permit required. Except as provided in 12 VAC 5-640-310, no person shall place a discharging system in operation, or cause or allow a discharging system to be placed in operation, without obtaining a written operation permit.*

12 VAC 5-640-220.D. Permits; general. *Operation permit validity. Except as provided for in 12 VAC 5-640-280, operation permits shall be valid for a period of time not longer than the General Permit and the maintenance contract required pursuant to 12 VAC 5-640-500 B or the monitoring contract required pursuant to 12 VAC 5-640-490 F, whichever expires first. The operation permit may be renewed upon written proof of a new or renewed maintenance contract or monitoring contract provided they are all valid for not less than 24 months. The period of renewal shall coincide with the expiration date of the document with the shortest period of validity.*

12 VAC 5-640-490.A. Monitoring. General. *Discharging systems that discharge improperly treated effluent can endanger public health and threaten environmental resources. All discharging systems shall be routinely inspected and the effluent sampled to determine compliance with the effluent limitations set forth by the State Water Control Board in the*

General Permit. All testing requirements contained in this chapter are the responsibility of the system owner to have collected, analyzed, and reported to the department.

12 VAC 5-640-490.F. Monitoring. *Monitoring contract. In order to assure monitoring is performed in a timely and competent fashion, the owner of each system shall have a contract for the performance of all mandated sampling with a person capable of performing the sampling and analysis of the samples. This requirement may be met by including the performance of all testing and monitoring as part of the maintenance contract in accordance with 12 VAC 5-640-500 C 1. Failure to obtain or renew a monitoring contract shall result in the suspension or revocation of the operation permit as described in 12 VAC 5-640-280. When the district health director or the sanitarian manager find that the homeowner is capable of collecting and transporting samples to an approved laboratory in compliance with this chapter, the requirement for having a valid monitoring contract may be waived. Waiving of this requirement shall be done only on an individual basis and shall reflect the competency of the individual based on professional, training, or other educational experience. In the event the individual for whom this section is waived fails to collect three or more of any of the required samples in any five-year period, the district sanitarian or the health director may reinstate the requirement for a monitoring contract.*

12 VAC 5-640-500.A. Maintenance. *General. Due to the potential for degrading surface water and ground water quality or jeopardizing the public health, or both, routine maintenance of discharging systems is required. In order to assure maintenance is performed in a timely manner a maintenance contract between the permit holder and a person capable of performing maintenance is required.*

12 VAC 5-640-500.B. Maintenance. *Maintenance contract. A maintenance contract shall be kept in force at all times. Failure to obtain or renew a maintenance contract shall result in the suspension or revocation of the operation permit as described in 12 VAC 5-640-280. The operation permit holder shall be responsible for ensuring that the local health department has a current copy of a valid maintenance agreement. When a maintenance contract expires or is canceled or voided, by any party to the contract, the owner shall report the occurrence to the local health department within 10 work days.*

12 VAC 5-640-510. Information to be reported.

A. Who is responsible for reporting. All owners issued an operation permit for a discharging system are responsible for reporting the results of all mandated testing to the department.

B. What must be reported. All formal compliance testing, informal testing, repairs, modifications, alterations, expansions and routine maintenance must be reported.

C. When reports are due. All reports and test results must be submitted within 15 working days of the sample collection.

D. Where to report results. All reports and test results shall be submitted to the local or district office of the health department. When formal testing indicates a discharge limit established in

the General Permit is being exceeded or when informal testing indicates a discharging system may be in violation of the General Permit requirements, the maintenance provider shall be notified by the owner within 24 hours.

12 VAC 5-640-520. Failure to submit information. *Failure to conduct mandatory monitoring or to report monitoring results as required in 12 VAC 5-640-490 and 12 VAC 5-640-510 may result in the suspension or revocation of the owner's operation permit.*

Violations of the Regulations and Discharging Regulations may result in enforcement actions provided under Title 32.1 of the *Code of Virginia*.

The local health department recommends that you take the following steps within the timeframes described to mitigate the effects of potential sewage discharge:

Immediately cease discharging untreated or partially treated sewage onto the ground or water of the Commonwealth.

Immediately contract with an individual who holds a valid Sewage Handling Permit from the Virginia Department of Health to pump and haul out the sewage system and dispose of the contents on an emergency basis in accordance with section 12 VAC 5-610-599.1 of the *Regulations*.

Immediately treat the ground surface that has been exposed to raw or partially treated sewage with a layer of lime in order to destroy any remaining pathogenic microorganisms and to reduce odors.

I should advise you that, while the Virginia Department of Health ("VDH") and the State Health Commissioner ("Commissioner") has not made a decision on whether to initiate enforcement action against you at this time, your failure to institute the recommendations above may affect further investigation and potential enforcement by the Commissioner and VDH.

This notice sets forth the local health department's observations and recommendations, but it is not a case decision as defined in §2.2-4001 of the *Code of Virginia*. If you have additional facts that you believe bear on this situation and you would like to schedule an informal-fact finding conference pursuant to §2.2-4019 of the *Code of Virginia*, please contact <manager>, Environmental Health Manager at <phone number> within fifteen (15) days of the receipt of this notice.

Sincerely,

<EHS>

Environmental Health Specialist

CC: <FacilityLocationCountry> County Commonwealth Attorney

<Director>Director Health District
<Manager>Environmental Health Manager

Section 599.1 of the *Regulations* provides that VDH may authorize pumping and hauling on an emergency basis for a definite period of time. Emergency pump and haul is not an “approved” sewage system but is intended to be an intermediate action to prevent serious threats to public health and environment until an owner secures proper permits, etc. for a repair or replacement system and installs that system (i.e., an approved system).

Attachment 7- Screenshot data entry requirements for VENIS updates

Create Save Done Cancel Parent Document

Existing System Evaluation

Evaluation Information

System Name: A new test	EHS Catherine W. Cummins	
Evaluation Requested Date 16	Evaluation Date 09-May-2016 16	Reason for Evaluation
Next Visit Date 16		
Comments		

Site and Building Information

Designed Building Use Residential	Observed Building Use	Is Property currently occupied?	Lot Size
Designed Number of Bedrooms		Structure Designed for Human Occupancy	Owner Affidavit Provided
Record of System on File	System Installed Legally	Complies with Current Regulations	
Drawing Import Drawing			
Comments Add Canned Comment			

Sewage System Information

Installed Date 16	Last Pumpout 16	Sewage System Permit Number	Septic Type
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MEMORANDUM OF AGREEMENT

June 27, 2013

Between the Virginia Department of Housing and Community Development (VDHCD)
and the Virginia Department of Health (VDH)

In accordance with Va. Code §§ 36-98 et seq., 32.1-12, and 32.1-163 et seq., the VDH and the VDHCD agree to coordinate their jurisdictional responsibilities set forth in the Virginia Uniform Statewide Building Code (13 VAC 5-62, the "building code") and applicable VDH regulations ("VDH regulations")¹ as follows:

Codes and Regulations: Adoption and Enforcement

1. VDHCD adopts and promulgates the building code. The local jurisdiction's building department enforces the building code.
2. The Board of Health adopts and promulgates VDH regulations. The Board of Health and VDH jointly enforce VDH regulations.

Definitions:

"Alternative Discharging System" means a treatment works that requires a permit from VDH pursuant to 12 VAC5-640.

"Onsite Sewage System" means a conventional or alternative onsite sewage system as defined in Va. Code § 32.1-163, which requires a permit from VDH pursuant to 12 VAC5-610 or 12 VAC5-613.

"Treatment works" means any device or system used in the storage, treatment, disposal or reclamation of sewage or combinations of sewage and industrial wastes, including but not limited to pumping, power and other equipment and appurtenances, septic tanks, and any works, including land, that are or will be (i) an integral part of the treatment process or (ii) used for ultimate disposal of residues or effluents resulting from such treatment.

"Graywater system" means a treatment works that disperses untreated wastewater from bathtubs, showers, lavatory fixtures, wash basins, washing machines, and laundry tubs. A graywater system does not include wastewater from toilets, urinals, kitchen sinks, dishwashers, or laundry water from soiled diapers.

¹ VDH implements the Sewage Handling and Disposal Regulations (12 VAC 5-610); Alternative Discharging Sewage Treatment Regulations for Individual Single Family Dwellings (12 VAC 5-640); Regulations for Alternative Onsite Sewage systems (12 VAC5-613); and Private Well Regulations (12 VAC5-630).

Treatment works applicability

1. The VDHCD and VDH agree on the following interpretation of their relevant regulations: The building code will apply to all internal service plumbing components of a treatment works up to the point of connection of the building drain to the building sewer.
2. The building code will apply to electrical and structural components of a treatment works, except as provided below.
 - a. The VDH regulations will apply to control panels for the treatment works and its functional treatment components, including electrical devices for pump stations, master disconnect switches, manual override switches, motor control panels, and separate motor control centers when specified by the designer or required by VDH.
 - b. VDH regulations and policies do not consider cord and plug connections associated with a treatment works. If allowed by the building code, cord and plug connections for the treatment works must be located in a weather proof box when outside of the wet well to prevent exposure to weather conditions.
3. The VDH regulations will apply to the treatment and functional components of a treatment works regardless of location (inside or outside of the building or structure), except as provided below.
 - a. The building code will apply to graywater systems not regulated by VDH, such as buildings or structures connected to a public sewer system.
4. The VDH regulations will apply to components of a treatment works that are external to the building or structure. External components include the septic tank, pump station, distribution box or mechanism, piping, or additional treatment devices such as blowers and associated electrical devices.

Reviews pursuant to Va. Code § 32.1-165

The VDHCD and VDH commit to ensure no county, city, town or employee thereof shall issue a building permit for the construction of a new building designed for human occupancy without the prior written notification of the State Health Commissioner or the Commissioner's designated agent that safe, adequate, and proper sewage treatment is or will be made available to such building.

1. VDH approves a treatment works three ways; by issuing: (1) a certification letter that recognizes a treatment works can be designed sometime in the future, which does not expire; (2) a subdivision letter that describes future treatment works for each subdivision lot, which also does not expire; or (3) a construction permit,

which describes the actual construction of the treatment works and is valid for 18 months with one 18 month renewal under certain conditions.

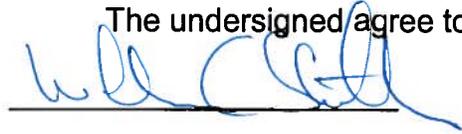
2. **Pursuant to Va. Code § 32.1-165**, the local building official may use the certification letter, subdivision letter, or construction permit to issue a building permit. The local building official understands that a treatment works cannot be constructed until the local health department issues a construction permit. The footprint of the building or structure cannot interfere with the setbacks required by the VDH regulations.
3. **Pursuant to Va. Code § 32.1-165**, the local building official will contact the local health department as provided by local and routine processes, which might differ in various jurisdictions, upon finding that issuance of the building permit might have an impact on the function of an existing treatment works already installed. If VDH requests an application for review of the installed treatment works, then the application must be completed before VDH can determine whether the treatment works is acceptable.
 - a. If the wastewater flow, capacity, or effluent strength increases for the existing treatment works, then **pursuant to Va. Code § 32.1-165**, the building official must rely on a valid construction permit from VDH before issuing the building permit. A certification letter or subdivision approval will not be sufficient.
4. VDH will only approve a treatment works if it complies with VDH regulations and associated policies. VDH will notify the local building official as soon as practical whether a treatment works was installed correctly, by issuance of an operation permit. **Pursuant to Va. Code § 32.1-165**, the local building official will not issue a certificate of occupancy until after VDH has issued the operation permit.

Conflict Resolution

Both VDH and VDHCD will cooperate in resolving any technical conflicts between VDH regulations and the building code. The agencies will develop and implement procedures as needed to ensure collaboration between local building officials and local health departments. Appropriate amendments, edits, additions, or deletions will be made to the VDH regulations and the building code when necessary. This MOA is a statement of the intentions of VDHCD and VDH to coordinate their efforts in order to carry out their statutory duties. It is not a contract and it is not enforceable in any judicial or administrative forum: it does not create any rights or duties of any third party. It does not purport to modify the statutory duty of either signatory agency.

This Agreement is effective as of the date written above and is in effect until terminated either by mutual written consent of the parties or by one signatory party with 60 days' written notice to the other party. This Agreement may be amended by mutual written consent of the parties.

The undersigned agree to the Conditions of this Agreement.



William, C. Shelton, Director
Department of Housing and
Community Development



Cynthia Romero, MD, FAAFP
State Health Commissioner
Department of Health

HB 558: Plan to Eliminate Virginia Department of Health Evaluation and Design Services for Onsite Sewage Systems and Private Wells

Draft Interim Report 1

Revised: July 29, 2016



Prepared By
Virginia Department of Health
Office of Environmental Health Services
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs

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I. Executive Summary

When mentioning the term “health department” people may think of clinical services, restaurant inspections, or a host of other services provided by local health departments (LHD) throughout the nation. In Virginia, many citizens think about “septic” systems and private wells when they hear the term “health department”. Virginians make this connection because for over 50 years LHD throughout the Commonwealth have provided evaluation and design services for onsite sewage systems (OSS) and private wells. However, over the last two decades site evaluations and designs for OSS and private wells have slowly shifted toward more private sector service providers.

During the 2016 session, the General Assembly passed House Bill 558 (HB 558) which requires the State Health Commissioner (the Commissioner) to develop a plan to reduce and eliminate evaluation and design services provided by VDH for OSS and private wells. The purpose of the plan is to shift direct services to the private sector onsite soil evaluators (OSE), professional engineers (PE), and certified water well system providers (well drillers). The Commissioner must present an interim report or complete plan to the General Assembly and to Governor McAuliffe by November 15, 2016.

This revised first interim report provides an update to previous recommendations regarding consumer protection and transitional planning elements. Updates include additional data regarding number of applications, the percentage of work supported by private sector evaluations, and initial responses to stakeholder questionnaires. This revised interim report also identifies the need to revise the Code of Virginia to provide VDH statutory authority for recommendations regarding shifting direct services for all certification letters and voluntary upgrades to the private sector. The recommendation for VDH to accept private well designs from water well system providers will also require revisions to the Code of Virginia. A summary of recommendations is included in Table 1.

Table 1: Interim Report 1 Draft Recommendations (Revision)

Element Group	Element	Draft Recommendation
Consumer Protection		
	Transparency of Cost	In progress.
	Consumer Disclosure	Modify OSE/PE certification statement.
	Dispute Resolution	In progress.
	Range of Cost	In progress. (see pages 17 – 20)
Transitional Planning		
	Final Transition Date	In progress.
	Transitional Timeline	In progress.
	Incremental Timeline	Eliminate direct services for certification letters and voluntary upgrades statewide on July 1, 2017. Allow transfer of valid permits to new owners. Eliminate direct services for new construction not intended as a principle place of residence statewide on July 1, 2017. Accept evaluations and designs from well drillers for private well construction and abandonment.
	Local Transitions	In progress. (see pages 39 – 41)
	Fee Changes	Revision: Current staffing levels are maintained throughout and after the transition to full privatization of direct service delivery. Create fees for OSS repairs application consistent with new construction applications; fee is waived for property owners that qualify for the repair fund. Create fees for OSS voluntary upgrade applications consistent with new construction applications; fee is waived pursuant to eligibility in the Fee Regulations. (See Draft HB 558 Interim Report 2)
	Services in Underserved Areas	In progress. (see pages 41 – 42)
Internal Procedures and Improvements		
	Review Procedures	In progress.
	Program Improvements	In progress.
Repair Funding		
	Repair Funding	Revision: Cover cost of private sector evaluation and design services, system installation, and five years of sampling and O&M for qualifying property owners.

II. Introduction

A. Background

Increased private sector involvement in the OSS and private well program began when the 1999 General Assembly required VDH to accept private evaluations and designs from private soil evaluators. Up until then, VDH had performed all direct services, except for engineering designs and occasional advisory reports from the private sector. The General Assembly decided over a decade ago that direct services could be performed by the private sector and that VDH oversight of the program and the private sector was necessary.

Today about 45% of all applications submitted to VDH for OSS and private well permits include private sector soil evaluations and designs. The percent of private sector work varies widely across the Commonwealth. VDH employees in LHD provide direct services to the public when they process bare applications; application without supporting evaluation and design work from the private sector. Applicants pay about \$200 more in VDH application fees for a bare application than for an application supported by private sector work. However, property owners do not incur private sector evaluation and design cost for bare applications. The authority for collecting fees is established in the Code of Virginia (the Code); however, the specific amounts have been modified by language in successive versions of the Budget Bill. Fee revenues fill gaps created in General Fund revenue losses over the last several years. The fee language in the Budget Bill refers explicitly to applications supported by private sector work and those not supported by private work.

VDH employees perform essentially the same type of work (site and soil evaluation, system designs) as their counterparts in the private sector, with some exceptions. VDH employees do not practice engineering and do not specify brand names or proprietary products; hence, VDH designs are limited to conventional onsite sewage systems (COSS). VDH employees are prohibited from designing alternative onsite sewage systems (AOSS).

Before 1994, VDH staff was the primary group providing site and soil evaluations and designs in the Commonwealth for OSS. Private sector persons sometimes provided recommendations for VDH staff to consider when issuing permits for OSS, especially when considered as part of a new subdivision. During this time, VDH staff did not have to accept the work performed by the private sector. Disagreements were handled through the administrative due process.

As home-building and new construction increased, VDH experienced backlogs in processing applications. Legislation approved in 1994 created the “Authorized Onsite Evaluator” (AOSE) program so that VDH could accept work from the private sector practitioners who had been previously offering recommendations to VDH. VDH implemented this program by training, testing, and certifying private sector persons to perform site and soil evaluations and designs for OSS. Legislation approved in 1999 required VDH to accept private evaluations and designs from AOSEs and PEs when those evaluations and designs were certified to comply with the Board of Health’s regulations.

Beginning in 1997, VDH addressed the issue of increasing private sector input in its five-year reports to the General Assembly. In 2005-06, as part of the ongoing statewide initiative to improve business processes and operating efficiencies among the various agencies in the Commonwealth (<http://www.future.virginia.gov>), VDH commissioned a study of the OSS program and current business models. VDH's consultant, E.L. Hamm and Associates, Inc., recommended that VDH develop and implement a mechanism for handing over the delivery of direct services for site and soil evaluations, system design, and system installation inspection to the private sector. The 2005 E.L. Hamm study can be read in its entirety at: http://www.vdh.virginia.gov/EnvironmentalHealth/Onsite/newssofinterest/documents/VDH%20Engineering%20Initiative_final_5.06.pdf

In 2009, legislation transferred the AOSE program to the Department of Professional and Occupational Regulation (DPOR). DPOR implemented a licensing program for Alternative and Conventional OSEs. Over time, and without a specific statutory mandate to require private evaluations and designs, the OSE program has gained broad acceptance in many parts of the Commonwealth, primarily in those areas with higher property values and higher rates of growth. However, areas of low private sector participation persist today, particularly in more rural areas and in Southwest Virginia.

In 2011, legislation was introduced (HB 2185) that would have mandated 100 percent private evaluations and designs for all applications VDH receives. The bill did not provide any timetables or intermediate steps for achieving its goals. The general concept of the bill was if you could look up a service in the phone book, then the government should not be doing that work. Ultimately the bill was withdrawn and the Health, Welfare, and Institutions Committee asked VDH to determine the best course for the Commonwealth's health and safety and also for the marketplace, and to examine the best means of accomplishing the transition of onsite sewage services to the private sector.

The HB 2185 study focused on stakeholder perceptions, concerns, and ideas for the best course forward. VDH concluded that there was not a "one size fits all solution" to the goal of increasing private sector participation. VDH's report is found at <http://www.vdh.virginia.gov/EnvironmentalHealth/ONSITE/newssofinterest/documents/2012/pdf/RD32.pdf> (Va. General Assembly, 2012, RD 32).

In 2013, following discussion with stakeholders who wanted VDH to stop performing direct services, VDH initiated another stakeholder process to discuss how private sector participation could be maximized. VDH contracted with the Institute for Environmental Negotiation at the University of Virginia (IEN). IEN worked with VDH to gather a group of 25 stakeholders, identified as the Safety and Health in Facilitating a Transition (SHIFT) committee, to provide VDH with recommendations on how to maximize private sector input to the greatest extent possible, while protecting public health and the environment. SHIFT began in June, 2013 and concluded in late December, 2013.

The SHIFT process developed seven consensus recommendations, all of which VDH committed to implement. In the SHIFT executive summary, two overarching consensus

statements of principle relative to the committee's charge developed: VDH should continue its work as the regulatory oversight agency, and that it should also implement a policy to encourage the use of private sector services. The remaining consensus statements were viewed as important strategies for achieving the two overarching goals.

Stakeholder differences are profound and some are strongly opposed to how VDH implements the OSS program. Private sector service providers voiced concern that VDH is unfairly and unnecessarily providing direct services to the public (OSS design and soil evaluations), taking away work the private sector. In contrast, rural communities, local governments, sewage system installers, environmental groups, those who serve low and moderate income populations, and homebuilders in rural areas voiced concern that prices will substantially increase if VDH immediately stopped providing evaluation and design services. SHIFT concluded that a voluntary, gradual, encouraged approach over time, rather than a mandated and immediate change, would better serve the Commonwealth in maximizing private sector service delivery. IEN's final report is found at: http://www.vdh.virginia.gov/EnvironmentalHealth/Onsite/SHIFT/documents/SHIFT%20Final%20Report_12.19.pdf.

During the 2014 General Assembly session, a bill was introduced (HB 409) which would have required VDH to convene a stakeholder group to identify and examine services offered by VDH that inappropriately competed with private sector engineering and design firms. A number of stakeholders voiced concern the additional discussion would not find consensus beyond the recommendations of the SHIFT process. Ultimately, the bill was laid on the table.

Prior to the 2015 General Assembly session, VDH began reaching out to stakeholders on draft legislation that would require VDH to develop a complete plan to shift direct services to the private sector. A number of stakeholders voiced concerns regarding privatization similar to those shared during the SHIFT process. HB 558 was introduced and throughout the legislative process, several amendments were made to the bill.

B. Purpose and Objectives

The purpose of HB 558 is to develop a plan to eliminate evaluation and design services provided by VDH for OSS and private wells, and present the plan to the Governor and the General Assembly by November 15, 2016. VDH's objective is to develop a completed plan by November 15, 2016, that incorporates all of the elements outlined in HB 558. The goal is a comprehensive privatization plan that includes recommendations for legislative, regulatory, and policy changes necessary to shift evaluation and design services to the private sector.

Stakeholders for this process include: Office of Environmental Health Services (OEHS) staff, LHD staff, OSS and private well owners, the Sewage Handling and Disposal Advisory Committee (SHADAC) and its representative organizations, DPOR staff, Department of Planning and Budget (DPB) staff, private OSEs and PEs, OSS installers, OSS operators, sewage handlers, certified water well system providers, home builders, realtors, environmental groups,

non-profit organizations that provide assistance to OSS and private well owners, local government officials, and onsite sewage and private well product manufacturers.

The purpose of this interim report is to provide stakeholders with information regarding the agency's progress in meeting the overall project goals. The interim report also outlines draft recommendations regarding the following HB 558 elements: consumer disclosure; range of cost; incremental timeline; local transition; and services in underserved areas. These draft recommendations are subject to change throughout the process as additional information is gathered and as draft recommendations for other elements are completed. Stakeholders are encouraged to share their thoughts on draft recommendations with OEHS staff so their ideas can be taken into consideration as the agency moves forward with completion of the HB 558 plan. If you have any questions regarding this revised interim report, please contact Lance Gregory at Lance.Gregory@vdh.virginia.gov.

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III. HB 558 Elements

There are two overriding principles when developing the specific elements of the HB 558 plan. Those principles are to:

- Provide for an orderly reduction and elimination of services; and
- Provide for the protection of public health throughout the transition of services.

The ultimate goal is to lay out an end-state vision and detailed steps and milestones for achieving that vision. To the greatest extent possible, all applications for OSS should be supported with private site evaluations and designs from a licensed PE or licensed OSE, and all applications for private wells should be supported with private site evaluations and designs from a licensed PE, a licensed OSE, or a licensed water well system provider.

The specific elements that must be included in this privatization plan have been broken into four element groups: consumer protection; transitional planning; internal procedures and improvements; and repair funding. The specific elements of each of those groups are included below.

A. Consumer Protection Element

- **Transparency of cost.** Provisions related to transparency of costs for services provided by the private sector, including:
 - Options available;
 - Necessary disclosures for cost of installation and operation and maintenance (O&M); and
 - Recommendations to resolve disputes that might arise from private sector designs, warranties, or installations.
- **Consumer disclosure.** Provisions for disclosing to the consumer that an option to install a COSS exists in the event that an evaluator or designer specifies an AOSS where the site conditions will allow a COSS to be installed.
- **Dispute resolution.** Provisions for involvement by VDH in resolving disputes that may arise between the consumer and the private sector service providers related to evaluations or designs of OSS and private wells.
- **Range of cost.** An analysis of the ranges of costs to the consumer for evaluation and design services currently charged by VDH and ranges of the potential cost to the consumer for such services if provided by the private sector.

B. Transitional Planning Element

- **Final transition date.** A date by which all site evaluations and designs will be performed by the private sector.
- **Transition timeline.** A transition timeline to incrementally eliminate site evaluations and designs provided by VDH to fully transition all such services to the private sector.

- **Incremental timeline.** A timeline to incrementally require private evaluations and designs for certain categories of services: applications for subdivision review, certification letters, voluntary upgrades, repairs, submissions previously accompanied by private sector work, new construction, and reviews pursuant to [§ 32.1-165](#) of the Code.
- **Local transitions.** A recommendation concerning whether VDH can reduce or eliminate services in a particular area on the basis of the number and availability of licensed private sector PEs, OSEs, and well drillers to provide services in that particular area.
- **Fee changes.** Necessary changes to application fees in order to encourage private sector evaluations and designs and projected schedules for those changes.
- **Services in underserved areas.** The continued provision of evaluation and design services by VDH in areas that are underserved by the private sector.

C. Internal Procedures and Improvements Element

- **Review procedures.** Procedures and minimum requirements for VDH's review of private evaluations and designs.
- **Program improvements.** Necessary improvements in other services performed by VDH that may derive from the transition to private evaluations and designs, including:
 - Programmatic oversight;
 - Inspections;
 - Review procedures;
 - Data collection, analysis, and dissemination;
 - Quality assurance;
 - Environmental health surveillance and enforcement;
 - Timely correction of failing OSS and determination of reasons for failure;
 - O&M;
 - Health impacts related to OSS; and
 - Water quality, including impacts of OSS on the Chesapeake Bay.

D. Repair Funding Element

- **Repair fund.** A recommendation concerning the need to establish a fund to assist income-eligible citizens with repairing failing OSS and private wells.

IV. Existing VDH Onsite Sewage and Water Services Program

The Code provides VDH authority to administer and provide comprehensive environmental health services, to educate citizens about health and environmental matters, develop and implement health resource plans, collect and preserve health statistics, assist in research, and abate hazards and nuisances to the health and the environment. The purpose of these activities is to improve the quality of life in the Commonwealth.

The Division of Onsite Sewage and Water Services, Environmental Engineering, and Marina Programs (DOSWSEEMP) and LHD Environmental Health (EH) staff are tasked with administering sections of the Code dealing with OSS, alternative discharging systems, and private wells (the Onsite Sewage and Water Services Program). Activities outlined by the Code within the Onsite Sewage and Water Services Program include:

- Long range planning for the handling and disposal of onsite sewage.
- Review (office and field) of applications with corresponding work from private sector designers for subdivision reviews, permit approvals, letters for residential development, and private well construction.
- Issuance of construction permits or denials for applications with corresponding work from private sector designers.
- Field review and system design of certain applications without corresponding work from private sector designers to issue or deny permits for the construction, installation, and modification of a sewerage system or treatment works.
- Establishing and facilitating the Engineering Design Review Panel (EDRP).
- Implementation of regulations regarding O&M of alternative discharging sewage systems.
- Conducting regular inspections of alternative discharging sewage systems.
- Establishing and implementing regulations governing the collection, conveyance transportation, treatment and disposal of sewage by OSS and alternative discharging sewage systems.
- Establishing and implementing regulations regarding the maintenance, inspection, and reuse of AOSS.
- Collection of fees and assessment of fee waivers for OSS and private well permit applications.
- Establishing and maintaining a statewide web-based reporting system to track the O&M, and monitoring of AOSS.
- Establishing and administering a uniform schedule of civil penalties for violations of OSS, AOSS, and alternative discharge regulations.
- Processing appeals for adverse case decisions.
- Establishing and implementing an onsite sewage indemnification fund.
- Processing and granting waivers, where applicable, from treatment and pressure dosing requirements.
- Establishing and implementing a betterment loan eligibility program.
- Processing permit applications and waiver request for voluntary upgrades.

- Administering the Onsite O&M Fund.
- Processing safe, adequate and proper evaluations (SAPs).
- Entering into agreements with any appropriate federal agency to regulate and monitor the collection, transportation, conveyance, treatment and disposal of sewage.
- Establishing and facilitating the Sewage Handling and Disposal Appeal Review Board (SHDARB).
- Establishing and implementing regulations pertaining to the location and construction of private wells.

Under authority provided by the Code, the Board of Health has promulgated the following regulations pertained to the Onsite Sewage and Water Services Program: the Sewage Handling and Disposal Regulations ([12VAC5-610](#), the Regulations), the Regulations for Alternative Onsite Sewage Systems ([12VAC5-613](#)), the Fee Regulations ([12VAC5-620](#)), the Private Well Regulations ([12VAC5-630](#)), the Alternative Discharging Sewage Treatment Regulations ([12VAC5-640](#)), and the Schedule of Civil Penalties ([12VAC5-650](#)). The primary purposes for each of these regulations are listed below:

A. Sewage Handling and Disposal Regulations

- To assure that all sewage is handled and disposed of in a safe and sanitary manner;
- To guide the Commissioner in determination of whether a permit for handling or disposing of sewage should be issued or denied; and
- To guide property owners in the requirements necessary to secure a permit for handling and disposing of sewage.

B. Regulations for Alternative Onsite Sewage Systems

- To establish a program for regulating the O&M of AOSS;
- To establish performance requirements for AOSS;
- To establish horizontal setbacks for AOSS that are necessary to protect public health and the environment;
- To discharge the Board's responsibility to supervise and control the safe and sanitary collection, conveyance, transportation, treatment, and disposal of sewage by OSS and treatment works as they affect the public health and welfare;
- To protect the quality of surface water and ground water;
- To guide the Commissioner in determining whether a permit or other authorization for an AOSS shall be issued or denied;
- To inform property owners, applicants, OSE, system designers, and other persons of the requirements for obtaining a permit or other authorization for an AOSS; and
- To develop best management practices for the purpose of recognizing acceptable methods to reduce pollution from AOSSs.

C. Fee Regulations

- To establish a procedure for determining the fees for services provided by VDH for OSS, alternative discharge systems, and private wells;
- To establish procedures for the refund of fees; and
- To establish procedures for the waiver of fees.

D. Private Well Regulations

- To ensure that all private wells are located, constructed and maintained in a manner which does not adversely affect groundwater resources, or the public welfare, safety and health;
- To guide the Commissioner in determination of whether a permit for construction of a private well should be issued or denied;
- To guide the property owner or the owner's agent in the requirements necessary to secure a permit for construction of a private well; and
- To guide the property owner or the owner's agent in the requirements necessary to secure an inspection statement following construction.

E. Alternative Discharging Sewage Treatment Regulations

- To ensure that discharging systems are permitted, constructed, and operated in a manner which protects the environment and protects the public welfare, safety and health;
- To guide the Commissioner in determination of whether a permit for construction and operation of a discharging system should be issued or denied;
- To guide the property owner or the owner's agent in the requirements necessary to secure a permit for construction of a discharging system;
- To guide the owner or the owner's agent in the requirements necessary to secure an operation permit following construction;
- To guide the owner or the owner's agent in the requirements necessary to operate and maintain a discharging system;
- To guide the Commissioner in determination of whether a discharging system is being operated in a manner which protects public health and the environment; and
- To guide the Commissioner in determination of what actions are appropriate to correct violations of this chapter.

F. Schedule of Civil Penalties

- To establish a uniform schedule of civil penalties for violations of 12VAC5-610 (includes 12VAC5-613), and 12VAC5-640;
- To support enforcement activities necessary to discharge the Board's responsibility to supervise and control the safe and sanitary collection, conveyance, transportation, treatment, and disposal of sewage as they affect the public health and welfare;

- To support enforcement activities necessary to discharge the Board's responsibility to exercise due diligence to protect the quality of ground and surface waters; and
- To guide the Commissioner in charging civil penalties.

In addition to these regulatory sections, the Board also promulgated the Authorized Onsite Soil Evaluator Regulations (12VAC5-615) to implement, administer, and enforce licensing requirements for the AOSE program. However, the 2007 Virginia General Assembly enacted House Bill 3134, which transferred implementation, administration, and enforcement of licensing to the Department of Professional and Occupational Regulation. VDH is currently in the process of developing a proposed action to repeal 12VAC5-615.

The administration of the Code and these regulations are essentially broken into two staffing segments: DOSWSEEMP staff and LHD EH staff. The general duties of each of those segments are provided below.

G. Central Office

DOSWSEEMP staff are responsible for programmatic activities such as: providing assistance within the legislative process; regulatory development; policy and guidance development; agency staff and program stakeholder training; database management; programmatic data analysis; website management; variance processing; indemnification fund processing; product evaluations; EDRP facilitation; SHADAC facilitation; agency representation before the SHDAB; providing assistance to LHDs for appeals processing; providing technical assistance to LHD when dealing with complex cases; development of agreements with federal and state agencies, where applicable (e.g. Chesapeake Bay Watershed Implementation Plan); long-range planning; and overall program quality assurance.

H. Local Health Departments

The LHD EH staff are responsible for programmatic activities such as: processing applications; issuing or denying permits for OSS, alternative discharging sewage systems, and private wells (with or without accompanying work from private sector designers); inspection of OSS, alternative discharging sewage systems, and private wells; data entry for OSS, alternative discharging system, and private well applications, permits, installations, and operation; processing request from local governments for development (e.g. SAPs, subdivisions proposals); issuance of operation permits for OSS and alternative discharging systems; issuance of inspection statements for private wells; issuance of pump and haul permits; inspection and approval of sewage handlers; providing courtesy reviews of private sector evaluations; sewage and water complaint investigations; administration of enforcement actions when violations of the Board of Health's regulations are observed; enforcement of required O&M for AOSS and alternative discharging sewage treatment systems; conducting informal fact-finding conferences; conducting Level I and Level II reviews of private sector work; conducting field evaluations and designs for bare applications; inspection of discharge systems; and administration of other activities outline through agreements with local governments.

V. Consumer Protection Element Group

A. Consumer Disclosure

In response to stakeholder concerns, HB 558 requires VDH's plan to include provisions requiring designers to disclose options to install a COSS if an AOSS is designed where the site conditions will allow a COSS to be installed. Previous reports have noted stakeholder concerns regarding ethical behavior given that some private sector service providers wear multiple hats as designers, installers, operators, and product distributors.

The E.L. Hamm study noted the potential for private sector designers to specify proprietary systems to receive a kickback from the manufacturer. The RD 32 report noted some stakeholders observed situations where private sector designers included unnecessary add-ons to increase profits or to develop future income streams from O&M. Additionally, stakeholders have raised concerns that designers may also recommend AOSS on sites that could support a COSS out of an abundance of caution. Stakeholders recommended an increased review of the private sector to offset these concerns.

In regards to ethical concerns, the Regulations Governing Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects (18VAC10-20-10 et. seq.; the APELSCIDLA Regulations) and the Regulations Governing Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals (18VAC5-610-20-10 et. seq.; the WWWOSSP Regulations) each require that licenses:

1. Promptly and fully inform an employer or client of any business association, interest, or circumstance which may influence the regulant's judgment or the quality of service.
2. Not accept compensation, financial or otherwise, from more than one party for services on or pertaining to the same project unless the circumstances are fully disclosed and agreed to in writing by all interested parties.
3. Not solicit or accept financial or other valuable consideration from material or equipment suppliers for specifying their products or services.
4. Not solicit or accept gratuities, directly or indirectly, from contractors, their agents, or other parties dealing with a client or employer in connection with work for which the regulant is responsible.

These conflict of interest standards are enforced by the applicable licensing board at the DPOR.

There are a few unique issues to consider with the disclosure provision in HB 558. First, whether the discloser is limited to a system with the same capacity as the proposed AOSS. For instance, if a private sector provider designs an AOSS to serve a six-bedroom home, it may be possible that a three-bedroom COSS could be installed on the property. However, the owner is requesting a higher design capacity than three-bedrooms.

Additionally, there is the consideration that a designer may not evaluate all areas on the property to determine whether a COSS is possible. For example, a private sector provider may

evaluate three separate sites on a 100-acre tract of land and determine the property requires an AOSS. However, there may be a site 2,000 feet away from the proposed house location that the provider did not evaluate that could support a COSS.

i. Draft Recommendations

Revision: DOSWSEEMP recommends the certification statement for OSE and PE evaluations and designs be modified to verify that the OSE or PE has discussed COSS design options, if available, with the property owner when an AOSS is proposed. All OSE and PE site evaluation and designs currently include a statement certifying that the design is completed in accordance with the applicable regulations.

VDH's role in the review of applications with supporting work from an OSE or PE is to determine whether a permit or letter can be issued. The recommended certification statement may identify that there are other options for disposal, but would not prevent VDH from issuing a permit for the proposed design.

VDH will assess whether this recommendation requires statutory, regulatory or policy changes and will include the final assessment in later revisions of HB 558 Interim Report 1.

ii. Summary of Draft Recommendations

- Modify the OSE and PE certification statement to verify that the OSE or PE has discussed available options.

iii. Other Options Discussed

Other options that were discussed by stakeholders during the Consumer Disclosure Element Development Team meeting included:

- Adding a statement to the application asking the owner whether they would like an AOSS or a COSS.
- Adding a statement to the application asking the owner whether the OSE/PE discussed all options with the owner.
- Require the property owner to sign the application certifying either of the statements above. (Currently, the application can be signed by an agent of the property owner).
- If VDH identifies a possible location for a COSS, have the OSE/PE provide justification for the AOSS design.
- Add a statement to permits for AOSS designs to notify owners when VDH staff determine through a Level I or Level II review that it may be possible to install a COSS; limiting notification to systems with the same overall capacity.

B. Range of Cost

HB 558 requires an analysis of the ranges of costs to the consumer for evaluation and design services currently charged by VDH and ranges of the potential cost to the consumer for such services if provided by the private sector. Below is a table of the current state fees for VDH services.

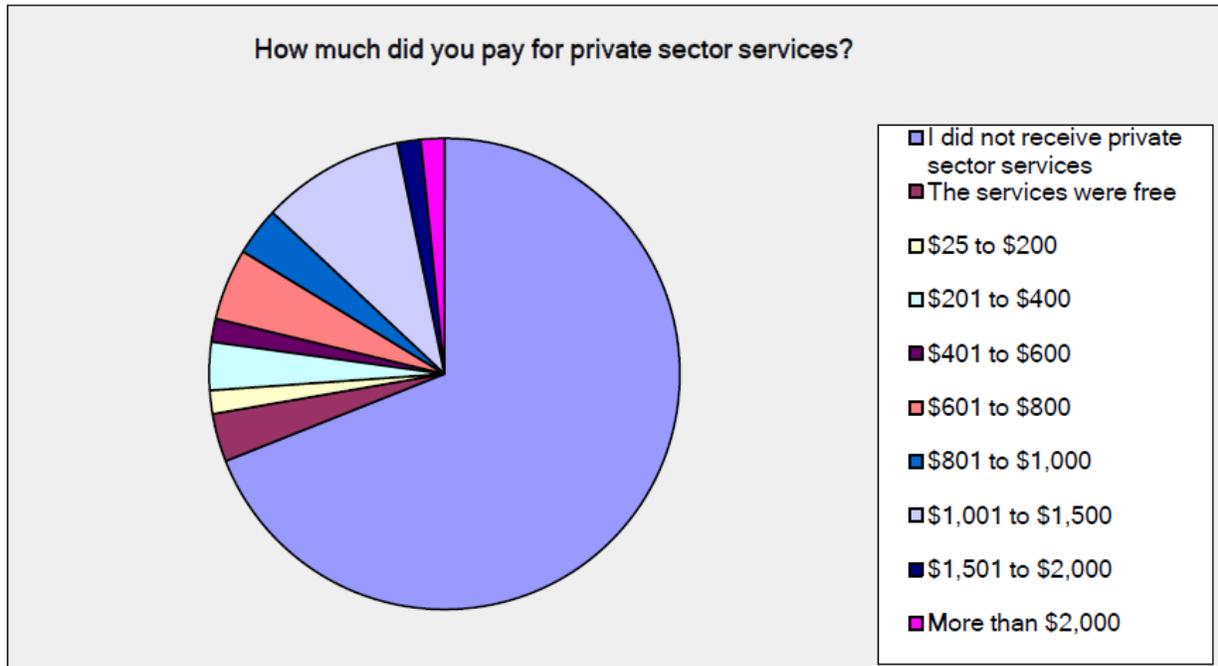
Table 2: Current VDH Application and Service Fees (Revision)

Application Type	Fee
Certification Letter Without Private OSE/PE Documentation (Bare Application)	\$350
Construction Permit for OSS Only Without OSE/PE Documentation (Bare Application)	\$425
Combined Well and OSS Construction Permit Without OSE/PE Documentation (Bare Application)	\$725
Certification Letter With OSE/PE Documentation, <= 1,000 gpd	\$320
Certification Letter With OSE/PE Documentation, >1,000 gpd	\$1,400
Construction Permit for Only OSS With OSE/PE Documentation, <= 1,000 gpd	\$225
Construction Permit for Only Sewage System With OSE/PE Documentation, > 1,000 gpd	\$1,400
Combined Well and OSS Construction Permit With OSE/PE Documentation, <= 1,000 gpd	\$525
Combined Well and OSS Construction Permit With OSE/PE Documentation, > 1,000 gpd	\$1,700
Private Well Only, With or Without OSE/PE Documentation	\$300
Minor Modification to an Existing System	\$100
Alternative Discharge System Inspection Fee	\$75
Appeal Before the Sewage Handling and Disposal Appeals Review Board	\$135
OSS Repair Permit With or Without OSE/PE Documentation	\$0
OSS Voluntary Upgrade Permit With or Without OSE/PE Documentation	\$0
SAP Evaluation Requiring Site and Soil Evaluation With or Without OSE/PE Documentation	\$0
Replacement Well Application When the Existing Well is Abandoned	\$0
Complaint Investigation	\$0
Preliminary Engineering Reviews	\$0
Subdivision Reviews	\$0
Product Approval Reviews	\$0
Variance Request Reviews	\$0
Indemnification Fund Reviews	\$0
Inspection and Approval of Sewage Handlers	\$0

Revision: A list of additional local fees for services is included in Appendix A.

In developing the RD 32 report VDH conducted a survey that included questions for property owners regarding how much they paid for private sector evaluation and design services. Of the 61 property owners that took the survey, the vast majority (42) reported they did not receive private sector services. However, of the 19 property owners that did receive private sector services, the majority (52.63%) paid more than \$800 for private sector evaluation and design services.

Chart 1: RD 32 Report – Cost of Service



Revision: To provide more updated information on the cost of private sector services at a state, regional, and local level, OEHS created questionnaires that evaluate the cost of private sector services for OSS and private well evaluations and designs. The goal of these questionnaires is to be able to include estimated private sector evaluation and design service cost in the final HB558 Plan that are: 1) statistically relevant; 2) provide a state, regional, and local perspective on cost; and 3) can be compared with the RD 32 report survey.

The questionnaires targeted three distinct groups in an effort to estimate the current cost of private sector evaluation and design services: 1) property owners that have used a private OSE or PE for OSS evaluation and design services since July 1, 2015; 2) OSS installers that had system inspections conducted by private sector designers since July 1, 2015; and 3) property owners that have used a well driller to evaluate and design an express geothermal or Class IV well since July 1, 2015. To avoid confusion, DOSWSEEMP staff created three separate questionnaires, one for each of the three distinct groups.

DOSWSEEMP staff used VENIS data and data from the Loudoun and Fairfax County Health Departments to identify applicable property owners to mail them a form letter with a link to an online questionnaire for the first and third group. In total, 3959 property owners were sent a letter for the first group (OSE/PE design services) and 429 were sent a letter for the third group (well driller express permit). For the second group, DOSWSEEMP staff received a copy of all licensed OSS installers from DPOR. All licensed installers (601) were sent a form letter with a link to an online questionnaire. A separate form letter was created for each of the three unique groups. Copies of the final form letters are included in Appendix B. The questionnaires are included with responses in Appendix C.

Form letters were mailed to all 4,989 recipients on July 7, 2016. As of noon on July 25, 2016, a total of 361 recipients had responded to one of the three questionnaires; a response rate of 7.2%. Of the 3,959 property owners that received the OSE/PE design services questionnaire, approximately 7% (274) responded. Of the 429 property owners that received the well driller express permit questionnaire, more than 10% (46) responded. Of the 601 licensed installers that received a questionnaire, approximately 7% (41) responded. A summary of responses is included in Appendix C. VDH will continue accepting questionnaire responses until August 10, 2016.

VI. Transitional Planning Element Group

A. Incremental Timeline

HB 558 directs the Commissioner to evaluate an incremental shift in evaluation and design services rather than requesting a “flip-the-switch” style privatization plan where all evaluation and design services would be transitioned to the private sector at one specified date. VDH is to consider the following services for the incremental transition: applications for subdivision review; certification letters; voluntary upgrades; repairs; submissions previously accompanied by private sector work; new construction; and reviews pursuant to § 32.1-165 of the Code, also known as SAPs. This interim report provides a brief overview for each of these services and a draft recommendation for an incremental transition of the service.

Future revision to HB 558 Interim Report 1 will include additional information regarding the benefits and obstacles to implementing a “flip-the-switch” style plan as identified in previous reports.

1. Subdivision Reviews

i. Overview

The Regulations define a subdivision as multiple building lots derived from a parcel or parcels of land. Agency Guidance Memorandum and Policies (GMP) [2015-01](#) defines a subdivision review as the review of a proposed subdivision plat by a LHD for a local government pursuant to a local ordinance and [§§ 15.2-2242](#) and [15.2-2260](#) of the Code and [12VAC5-610-360](#) of the Regulations for the purposes of determining and documenting whether an approved sewage disposal site is present on each proposed lot.

Revision: Available VENIS data shows that VDH staff reviewed 471 new subdivision lots statewide in FY 16. However, LHD staff report that the number of new subdivision lots reviewed actually exceeds 1,000 statewide. This discrepancy highlights an area for improvement and the need to shift more resources to tracking on onsite sewage and private well data.

The final HB 558 plan will include discussion on evaluation and design services for multi-lot certification letters. It is anticipated the agency's recommendation for multi-lot certification letters will mirror the recommendation for subdivision reviews.

Section 32.1-163.5 of the Code states that VDH shall accept private site evaluations and designs for purposes of subdivision review, and VDH shall issue or deny the requested subdivision approval within 60 days from the date of submission. If VDH fails to act on the request within 60 days, then the subdivision review is deemed approved.

Section 15.2-2242 of the Code provides that local subdivision ordinances may include a requirement for the furnishing of a preliminary opinion from the LHD regarding the suitability of a subdivision for installation of subsurface sewage disposal systems where such a method of sewage disposal is proposed to be used for the development of a subdivision. Pursuant to § 15.2-2260 of the Code, localities with ordinances requiring the submission of a preliminary subdivision plat will forward applicable plats to LHDs for review. The LHD then has 45 days to complete its review of the preliminary subdivision plat.

Section 12VAC5-610-360 of the Regulations establishes the requirements for review of subdivision plats for individual sewage disposal system when required by local ordinance. The intent of this section is to assure that adequate information is supplied to VDH, and includes a request for information that is supplemental to any local subdivision ordinance requirements. This section requires the subdivision plat include the location of the proposed OSS, reserve areas, and water supply systems for each lot as applicable, along with other common features such as streets and utilities. Additionally, specific soil information must be provided for each proposed absorption area and reserve area. Once an OSS site has been identified, reviewed, approved, and recorded for each lot, the LHD provides final approval of the subdivision plat. The recorded plat must reference the plat on file with the LHD. It is important to note that approval of a subdivision lot does not imply that an OSS permit will be approved. VDH must verify that site conditions have not changed from those shown on the subdivision approval prior to issuance of a construction permit.

GMP 2015-01 reiterates that request for reviews of proposed subdivisions are initiated by a local government, not by the property owner. This policy also includes several additional items that must be included with a request for subdivision review, including a signed statement from the owner of record giving VDH permission to enter the property for the purpose of reviewing the site and soil conditions. The policy also requires the submission of a site and soil evaluation report from a private sector OSE or PE for each proposed lot.

Based on this agency policy, 100% of evaluation services for subdivisions should currently be provided by the private sector. In recent years there have been several complaints that some LHDs are still providing this service. When complaints are received, DOSWSEEMP staff contact local management to reiterate and ensure adherence to the agency policy.

While VDH staff do not provide direct evaluation services, staff are required to perform in-house quality assurance reviews on all sites and soil evaluation work submitted by private

sector providers for subdivision reviews. Staff are also required to perform quality assurance field reviews on at least 10% of all proposed lots. Field reviews may include soil borings within the designated absorption areas and reserve areas to provide quality assurance of private sector evaluations. There is no charge by the agency for these review services.

The E.L. Hamm study recommended that VDH stop performing evaluation services for subdivision reviews. This recommendation was raised again during the Safety and Health in Facilitating a Transition (SHIFT) process. SHIFT members noted, at the time of the SHFIT process, only two of the 35 health district were providing evaluation services for subdivisions. It was recommended that those two districts follow suit with the remainder of the state and eliminate evaluation services for subdivision review. Following the SHIFT process, VDH issued GMP 2015-01 which implemented the consensus recommendations from the SHIFT process.

ii. Draft Recommendation

No recommendation is necessary as 100% of evaluation services for subdivision reviews are provided by the private sector based on agency policy.

VDH will assess whether additional authority is necessary to maintain this requirement.

iii. Summary of Draft Recommendations

- Maintain current agency policy.

iv. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Remove VDH from the subdivision review process entirely; have the OSE or PE sign off on the subdivision plat.

2. Certification Letters

i. Overview

The Regulations define a certification letter as a letter issued by the Commissioner, in lieu of a construction permit, which identifies a specific site and recognizes the appropriateness of the site for an onsite wastewater disposal system. Property owners typically seek a certification letter rather than a construction permit when: 1) they plan to sell the property and want to provide assurance to a purchaser that the property can support an OSS; or 2) they do not plan to construct a system within the next 18 months but want some assurance they will be able to receive a permit in the future.

Sections 32.1-163.5 and [32.1-164](#) of the Code states that VDH shall accept private site evaluations for purposes of issuance of letters for residential development. In accordance with § 32.1-164, VDH must issue such letters within 20 days of application. Section 32.1-164 of the Code requires the Board of Health to establish and implement procedures for the issuance of letters recognizing the appropriateness of OSS site conditions in lieu of issuing OSS permits. No system design is required for issuance of such letters, and the letters can transfer with the title to the property, unlike OSS construction permits. This section also allows the Board of Health's regulations regarding OSS to include procedures for issuing letters recognizing OSS sites in lieu of issuing OSS permits.

Section [12VAC5-610-255](#) of the Regulations establishes the regulatory requirements for certification letters. This section specifies that certification letters indicate a site is suitable for an onsite sewage treatment and disposal system; letters do not need to indicate the type of system for which the site is suitable. Additionally, this section clarifies that certification letters do not expire and convey with the land. In accordance with section 12VAC5-610-255, certification letters may be converted to a construction permit by making application and paying the necessary fees. However, no additional fee is charged when a certification letter is converted to a construction permit within 18 months.

[GMP 52.A](#) outlines additional procedures for issuing certification letters not covered under the Regulations. This policy strongly encouraged the use of private sector service providers, as it typically results in faster processing times by VDH staff as compared to VDH staff processing of bare applications. GMP 52.A stipulates that prior to issuance of a certification letter, a property owner must provide a survey plat identifying the approved absorption area unless a survey plat waiver is requested by the owner and approved by the LHD. The policy further states that no additional site visit is required to convert a certification letter to a construction permit when the applicant signs a statement saying there have been no physical changes to the site or soil. GMP 2015-01 provides a detailed list of information that must be provided along with an application for a certification letter, including applications with supporting documentation from a private OSE or PE.

Revision: From 2007 to 2012, more than 50% of applications for certification letters included accompanying work by a private OSE or PE. However, as shown in Chart 2, there was a marked decline in these numbers in 2013 and 2014. This decline follows along with a trend of decreasing applications for certification letters; from over 5,900 applications in FY 2007, to less than 1000 applications in FY 2016 (see Chart 3). VDH does not have a definitive explanation for this drop in certification letter applications. Possible causes are: 1) a reduction in the number of property transfers requiring a certification letter as a result of recent issues in the housing market; and 2) property owners may receive private sector evaluation services for assurance prior to property transfer but elect not to submit the evaluation to VDH (along with a fee) to receive a certification letter.

Chart 2: Percentage of Certification Letter Applications with Supporting Work FY 07 to FY 16 (Revision)

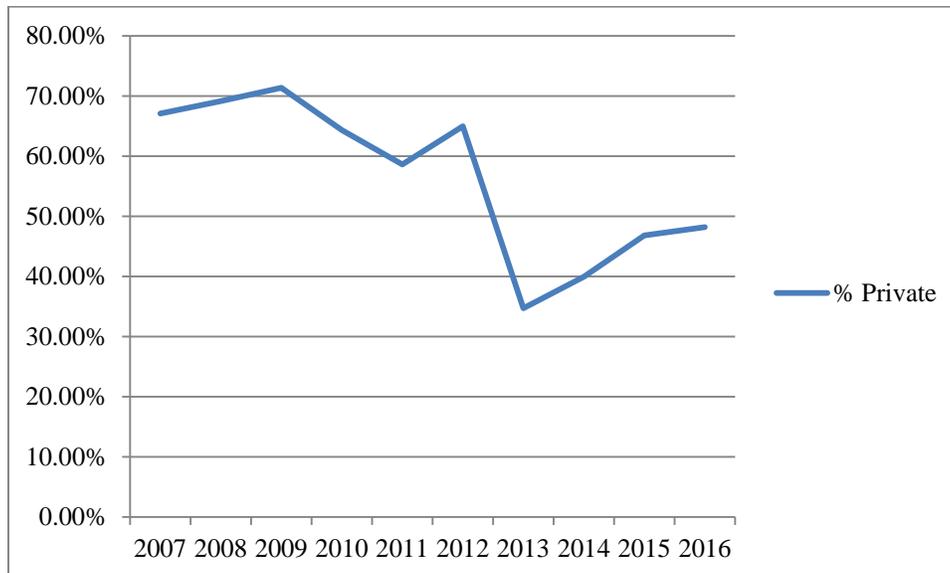
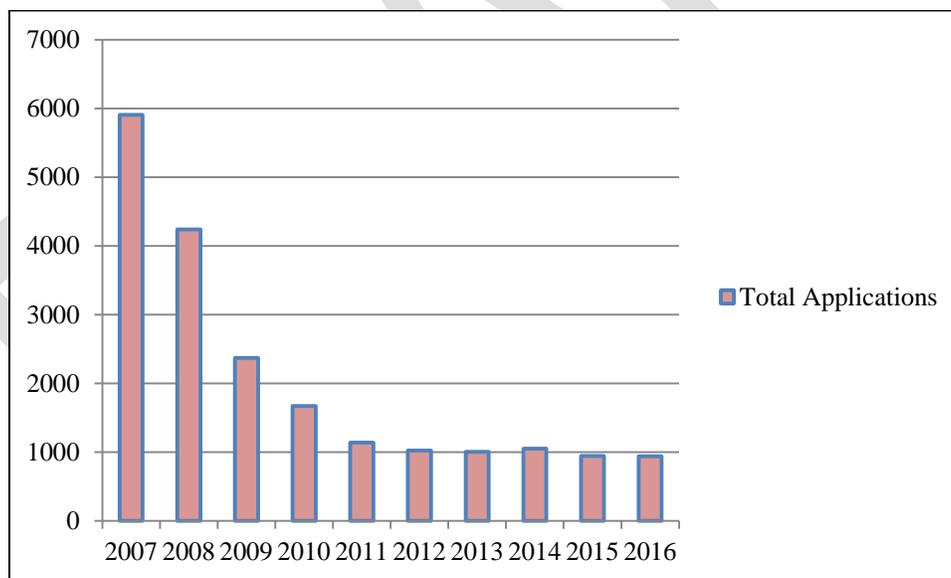


Chart 3: Total Number of Certification Letters By FY (Revision)

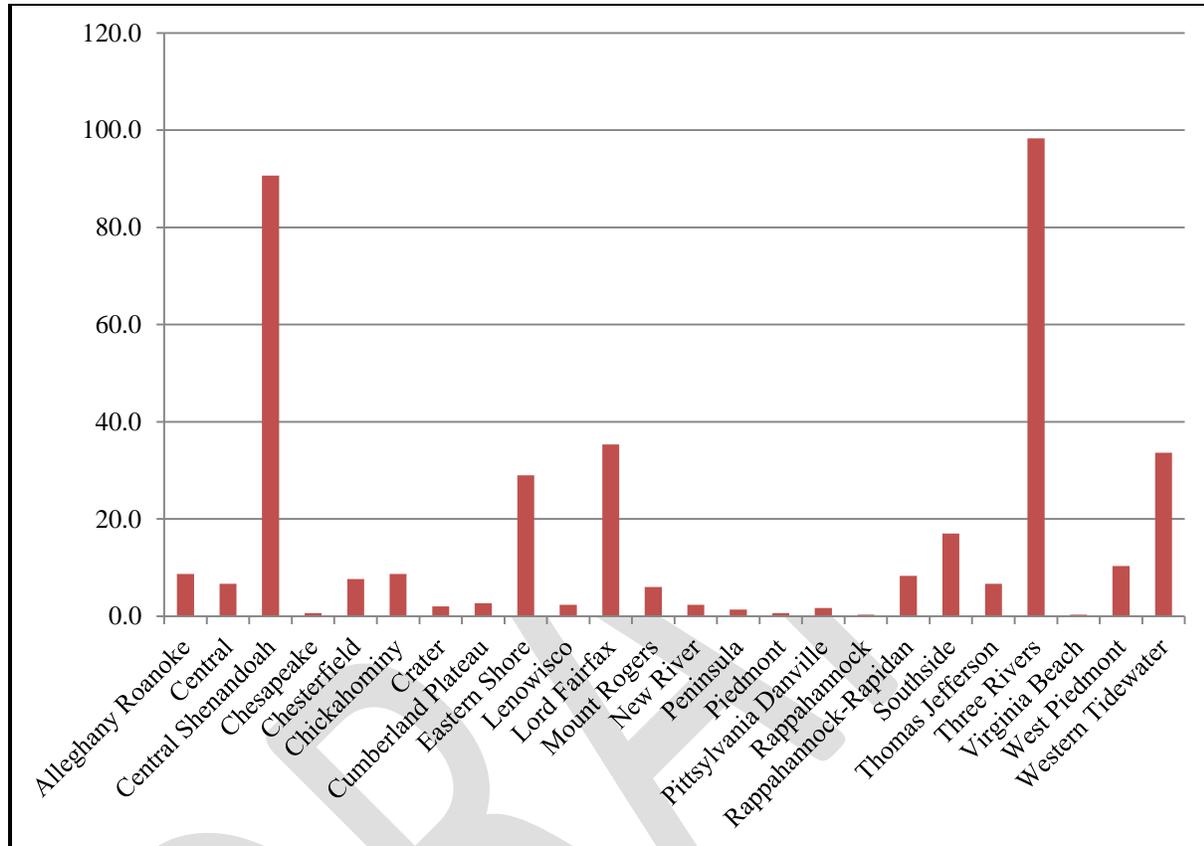


Revision: Based on responses to the recent questionnaire regarding the cost of OSE/PE design services, the median cost to property owners of shifting all of these applications to the private sector would be \$401 to \$600 per parcel; the average reported cost was \$755.

Over the last three years, the most significant number of bare application certification letters were received in the Shenandoah River Valley and the Coastal Plain regions of the Commonwealth. Chart 4 shows the distribution of bare application certification letters over the

last three years.

Chart 4: Average Number of Bare Certification Letters FY 14 to FY 16 By District (Revision)



The current application fee for a bare application certification letter is \$350. Applications for certification letters with accompanying work from a private OSE or PE have a fee of \$320 in addition to the private OSE or PE evaluation cost. Therefore, DOSWSEEMP anticipates there will be a fiscal impact to the agency in the form of reduced revenue.

Revision: Draft HB 558 Interim Report 2 discusses estimated revenue loss as a result of shifting direct services for certification letters.

Shifting to 100% private sector submittals for certification letters presents a challenge in Southside and Southwestern Virginia. In 2015, the Cumberland Plateau, Lenowisco, Mount Rogers, and Pittsylvania/Danville Health Districts processed only bare applications for certification letters. However, the four districts only processed eight certification letter applications. While property owners in these regions do not currently use the private sector for certification letter evaluation services, a shift in service would affect a very small number of property owners each year.

VDH will conduct further analysis of the factors behind the limited use of private sector OSEs

and PEs for certification letter services in Southside and Southwest Virginia.

E.L. Hamm recommended that VDH immediately stop performing direct services for certification letters. One option discussed in the RD 32 report was that VDH no longer accept bare applications for certification letters in areas with sufficient private sector participation.

As mentioned earlier, certification letters are often provided by a property owner to assure a purchaser that the property can be developed. However, such assurance is not required. Legislation passed by the General Assembly in 1994 (Senate Bill 415) expressed a central theme that VDH should issue construction permits only where the system will actually be installed and that all other applications should be handled through certification letters. The new process was intended to eliminate time spent designing systems which are never installed; again pointing to the voluntary nature of applying for a certification letter.

ii. Draft Recommendation

DOSWSEEMP recommends all applications for a certification letter be accompanied by work from a private OSE or PE starting July 1, 2017. DOSWSEEMP acknowledges the future guarantee of a permit provided by certification letters is beneficial; however, it is a voluntary measure. The agency will continue to assess how shifting these voluntary services will impact the citizens of the Commonwealth financially.

It is anticipated that financial impacts will have the greatest effect on a small number of property owners in Southside and Southwestern Virginia, as this service is almost exclusively provided by VDH staff in those areas. These property owners would have to pay the private sector service fee cost to receive a guarantee that a property will support on OSS. However, the property owners and purchasers could sell and purchase properties without such guarantee.

Revision: This recommendation will require a legislative action to amend the Code and/or the appropriations act. The recommendation would also require revisions to VDH policies dealing with processing of certification letters.

To assist in reducing impacts on property owners in Southside and Southwest Virginia, DOSWSEEMP recommends that OSS and private well construction permit be allowed to transfer to new property owners. By allowing construction permits to transfer ownership, the issuance of a construction permit could provide the desired guarantee to support the sale of the property. However, once the construction permit expires the new owner would not have the same guarantee provided by a certification letter. Additionally, the expiration date of the original permit would transfer to the new owner. Therefore, it would still be recommended that property owners only apply for construction permits when the prospective buyer plans to build within the next 18 months.

Revision: This recommendation requires revisions to VDH regulations to clarify that permits are transferable and to establish a process for transfer of permits. The recommendation will also require revision to VDH policies regarding application processing.

Later revisions to HB 558 Interim Report 1 will provide additional analysis for transfer of permits in other agencies and programs (e.g. building permits).

VDH will provide additional data on the current processing times for bare applications versus application with supporting work from the private sector.

iii. Summary of Draft Recommendations

- Require that all applications for certification letters submitted to VDH be accompanied by a site and soil evaluation completed by a private sector OSE or PE starting July 1, 2017.
- Allow the transfer of valid OSS and private well construction permits to new property owners.

v. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- VDH to accept private OSE and PE certification letters strictly for records management, not review and approval.
- Require a change of ownership form with an approval from the design OSE or PE stating there were not changes to the site.

3. Voluntary Upgrades

i. Overview

The Fee Regulations define a voluntary upgrade as an improvement to an existing onsite sewage disposal system or alternative discharging system that (i) is not required for compliance with any law or regulations and (ii) results in no net increase in the permitted volume of sewage dispersed by the system.

In 2011, the General Assembly of Virginia approved legislation ([House Bill 1626](#)) which amended [§ 32.1-164.1:1](#) of the Code and added [§ 32.1-164.1:3](#) of the Code to allow for the voluntary upgrade of OSS and alternative discharging sewage systems. LHDs occasionally receive requests to upgrade systems that are not “failing” in order to enhance performance or extend the life of the systems. However, prior to the enactment of this legislation, VDH was unable to issue permits for many of these voluntary upgrades as the sites did not meet current regulatory requirements. The repair clause ([12VAC5-610-280.C.2](#)) could not be invoked because the system did not meet the definition of a failing system. Under the repair clause, a repair only needs to comply with Parts IV and V of the Regulations to the greatest extent possible (with certain exceptions), and be of such a nature that the repair can be expected to reduce risk to public health caused by the failing system.

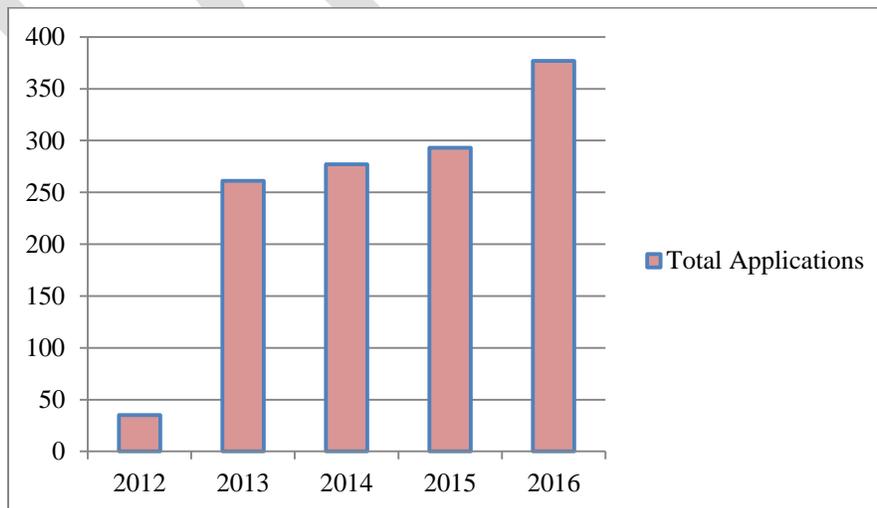
Under § 32.1-164.1:3 of the Code, any owner that desires to voluntarily upgrade an OSS or alternative discharging sewage system must file an application for a construction permit to improve the system in accordance with the repair clause, provided such an upgrade is for the purpose of reducing threats to public health, or to ground or surface waters. Two examples of voluntary upgrades include adding additional trenches or adding additional treatment to an existing system.

As amended, § 32.1-164.1:1 of the Code allows owners to request a waiver from treatment beyond the level provided by the existing system, or requirements for pressure dosing, for repairs and voluntary upgrades. Waivers granted to owners with repairs expire, but waivers granted to owners for voluntary upgrades do not expire (see exemptions, § 32.1-164.1:1.C of the Code), as long as the voluntary upgrade does not fail.

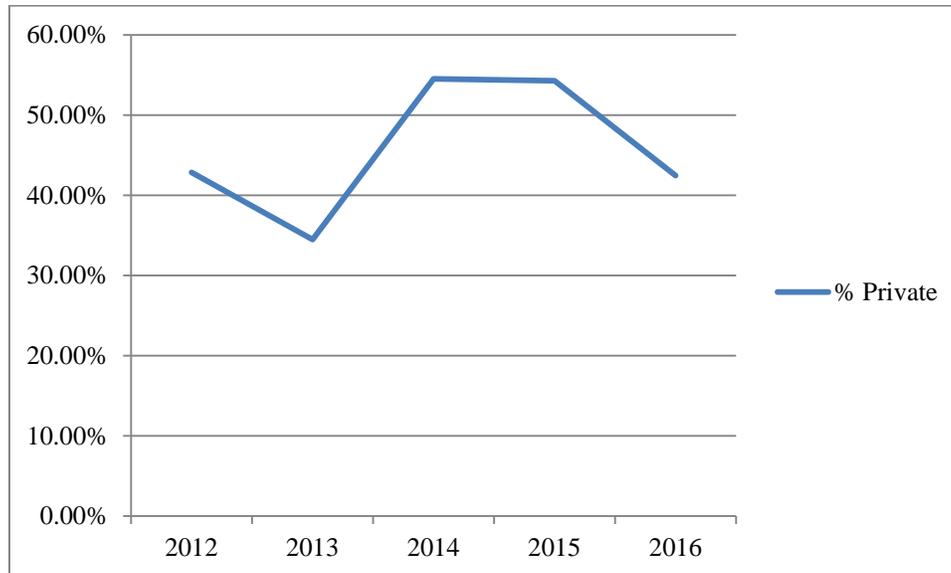
[GMP 155](#) provides guidance for VDH staff and the public regarding applications for voluntary upgrades. The policy includes a requirement that all applications for voluntary upgrades include a description of the nature of the voluntary upgrade requested. Additionally, the policy states that owners who apply for voluntary upgrade permits must indemnify and hold harmless VDH prior to the issuance of a construction permit. Lastly, the policy requires that all construction permits issued for voluntary upgrades include the statement: “The upgrades specified in this construction permit are completely voluntary and not required by law.” GMP 155 is currently under revision to incorporate amendments to § 32.1-164.1:1 made during the 2015 General Assembly session that expanded the number of properties eligible for voluntary upgrade waiver.

Revision: The number of voluntary upgrade applications has increased each year since the Code created voluntary upgrades in FY 12. The percentage of voluntary upgrade applications with supporting work from the private sector has fluctuated from year to year, but has generally stayed above 40% annually.

Chart 5: Total Number of Voluntary Upgrade Applications By FY (Revision)



*Chart 6: Percent of Voluntary Upgrade Applications
With Supporting Work FY 12 to FY 16 (Revision)*

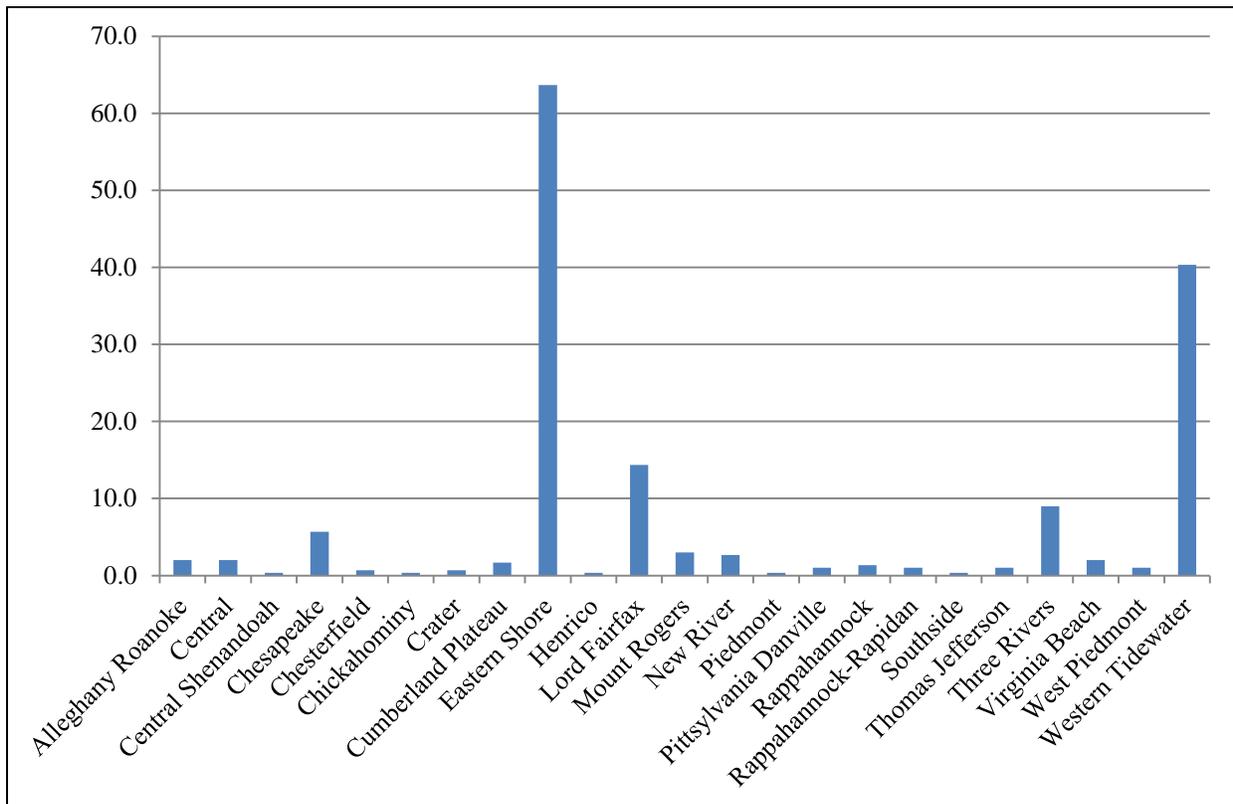


Revision: Based on responses to the recent questionnaire regarding the cost of OSE/PE design services, the median cost to property owners of shifting all of these applications to the private sector would be \$1,001 to \$1,250 per parcel; the average reported cost was approximately \$1,250.

There is currently no VDH application fee for voluntary upgrades, either with or without accompanying work from a private sector OSE or PE. Owners applying for bare application voluntary upgrades are typically working with an OSS installer, and the installer typically provides a suggestion for the nature of the voluntary upgrade the owner should request.

Revision: As shown in Chart 7, a shift to 100% private sector evaluation and design services for voluntary upgrades would have the greatest impact on property owners in the Eastern Shore and Western Tidewater Health Districts.

Chart 7: Average Number of Bare Voluntary Upgrades FY 14 to FY 16 By District (Revision)



Voluntary upgrades were not discussed in the E.L. Hamm study because they did not exist at the time of the study. There are a few references in the RD 32 report; however, voluntary upgrades were new at the time of the report. There were discussions during the SHIFT process that included voluntary upgrades as an initial focus for privatizing services, along with subdivision soil evaluations and certification letters. However, a consensus recommendation was not reached on this recommendation.

Several concerns have been raised with requiring private sector evaluations and design for simple voluntary upgrades; primarily the increased cost to home owners to employ the services of a private sector OSE or PE. There are potentially simple voluntary upgrades where the additional cost of a private sector evaluation and design would be cost prohibitive to installation of the upgrade.

ii. Draft Recommendations

DOSWSEEMP recommends that all applications for voluntary upgrades be accompanied by work from a private OSE or PE starting July 1, 2017. The agency believes voluntary services can easily be provided by the private sector now. Owners that wish not to pay for the additional cost of evaluation and design services by an OSE or PE can simply elect not to voluntarily

upgrade their systems. This recommendation is not expected to have an impact on VDH or LHD budgets; there is currently no statewide fee for voluntary upgrades.

Revision: This recommendation, in combination with the recommendation in draft HB 558 Interim Report 2 to create a fee for voluntary upgrade applications, will require legislative action to amend the Code and/or the appropriations act. The recommendation would also require revisions to VDH policies dealing with processing of voluntary upgrades.

It is important to note that property owner can always elect to avoid these additional financial impacts since voluntary upgrades are not required; the owner could elect to do nothing. However, DOSWSEEMP understands that voluntary upgrades seek to improve the condition of existing systems. Later revisions of HB 558 Interim Report 1 will evaluate ways VDH can work with stakeholder to develop strategies to help offset the cost of such upgrades.

VDH will provide additional data on the current processing times for bare applications versus application with supporting work from the private sector.1.

iii. Summary of Draft Recommendations

- Require that all applications for voluntary upgrades submitted to VDH be accompanied by a site and soil evaluation completed by a private sector OSE or PE starting July 1, 2017.

vi. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Eliminate the waiver of liability for designs done by private OSEs and PEs.
- Institute necessary changes to allow OSS installers to conduct a defined list of simple voluntary upgrades without the need for a design from an OSE or PE. Process to include a mechanism for reporting and verification/inspection.

4. Repairs

i. Overview

The Fee Regulations define a repair as the construction or replacement of all or parts of a sewage disposal system or private well to correct a failing, damaged, or improperly functioning system or well when such construction or replacement is required by the Board of Health's regulations.

Section [12VAC5-610-350](#) of the Regulations states that, for the purpose of requiring correction of a malfunctioning sewage disposal system, the presence of raw or partially treated sewage on the ground's surface or in adjacent ditches or waterways or exposure to insects,

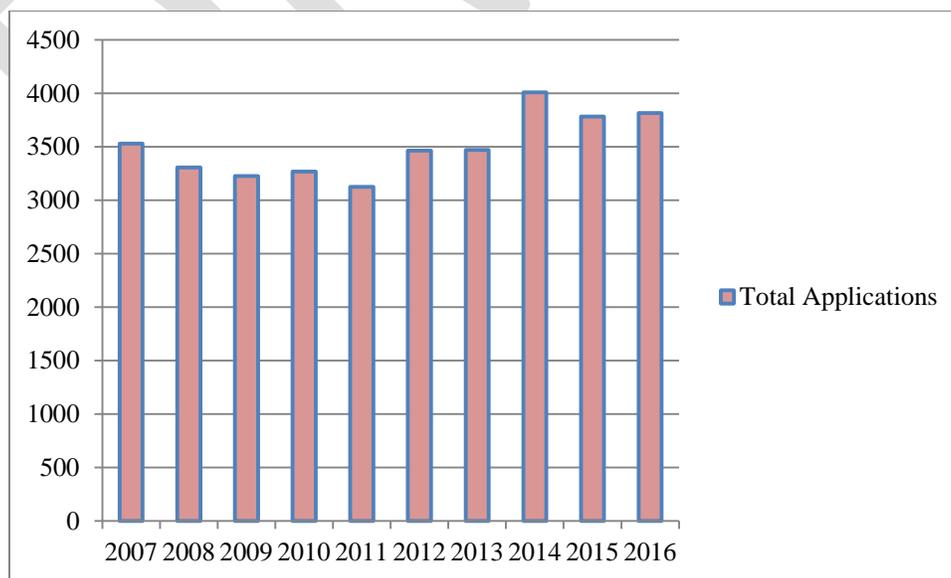
animals or humans is prima facie evidence of such system failure and is deemed a violation of the regulations. Pollution of the ground water or backup of sewage into plumbing fixtures may also indicate system failure. Section 12VAC5-610-280.C.2 of the Regulations requires that when issuing a construction permit for repair of an existing failing sewage disposal system, the criteria contained in Parts IV (site condition requirements) and Part V (design and construction requirements) of the Regulations shall be complied with to the greatest extent possible (with certain exceptions) and be of such a nature that the repair can be expected to reduce risk to public health caused by the failing system.

In 2004, the General Assembly of Virginia approved legislation which amended § 32.1-164.1:1 of the Code to allow owners to request a waiver from additional treatment or pressure dosing beyond the level provided by the existing system (House Bill 930). A waiver granted under § 32.1-164.1:1 of the Code to repair a failing system is not transferable (with some exceptions) and is null and void upon transfer or sale of the property. More details on House Bill 930 and repair waivers can be found in [GMP 128](#).

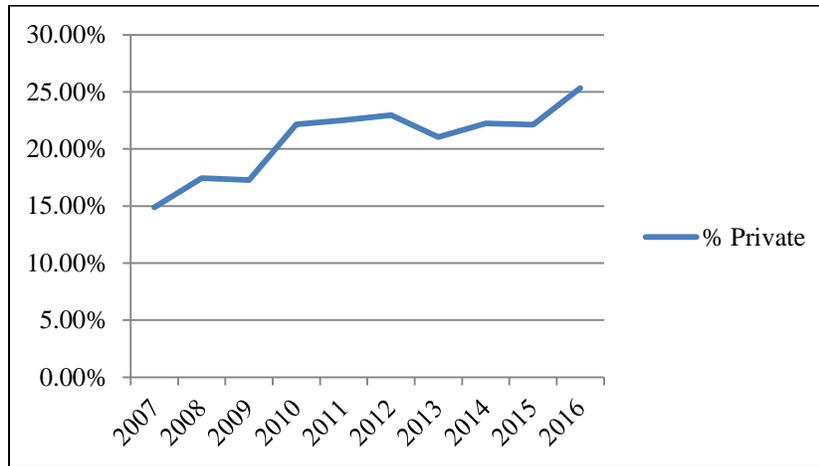
GMP 2015-01 specifies that a malfunction assessment must be completed for all applications for repairs; for bare applications the assessment is conducted by VDH staff. This is a new policy requirement intended to provide VDH with valuable data on the cause of OSS failures in Virginia. Additionally, the malfunction assessment is intended to ensure that a thorough review of the system is conducted prior to designing the repair to avoid partial system corrections that might result in premature failure.

Revision: The number of repair applications has stayed steady over the last 10 years, with an average of approximately 3,500 applications per year. The percentage of repair applications with supporting work from the private sector is low, but the percent has increased slowly over time.

Chart 8: Total Number of Repair Applications By FY (Revision)



*Chart 9: Percent of Repair Applications
With Supporting Work FY 07 to FY 16 (Revision)*



Revision: VDH does not currently charge a fee for repair permit applications, either with or without accompanying work from a private sector OSE or PE. Based on responses to the recent questionnaire regarding the cost of OSE/PE design services, the median cost to property owners of shifting all of these applications to the private sector would be \$1,001 to \$1,250 per parcel; the average report cost was \$1,250.

VDH will assess potential public health implications.

The E.L. Hamm study stated the indigent would require subsidized services for repairs. The report also noted that in addition to the inability to pay private sector design cost, the indigent may be unable to afford the cost of the repair system itself. This inability to afford basic repairs can lead to unpermitted repairs and the installation of illegal systems that threaten public health and the environment (e.g. straight pipe discharges).

The RD 32 report includes a number of detailed observations regarding repair permits and their impact on the ability to fully shift direct services to the private sector. Observations from RD 32 report included:

- A need for increased general funding of the Onsite Sewage and Water Services Program because a number of the services provided by VHD (e.g. complaint investigations, enforcement activities, and processing of repair applications) are not supported with user fees and are not positioned for user fees.
- Evaluation and design of repairs present unique challenges for privatization because they are less profitable than other services, more prone to liability concerns, are associated with a criminal violation, and are subject to significant professional discretion.
- Responding to failing sewage systems is a time-critical need, and requires a considerable amount of time and resources to identify solutions.

While the issue of repair permits was debated during the SHIFT process, a consensus was not reached on the best approach to move forward. Some suggested options included:

- VDH maintaining the ability to provide evaluation and design services in a repair emergency.
- VDH seeking other funding mechanisms to assist property owners with repairs.
- VDH providing repair services to low-income property owners.
- Mean-testing of repair applications, with some property owners paying a fee for services as a way to direct owners that can pay for services to the private sector.

Several concerns have been raised with requiring private sector evaluations and design for simple repairs, such as the replacement of a broken sewer line or distribution box. Concerns include the increased cost to homeowners for evaluation and design services as these services are currently provided free of charge by VDH, and the speed at which the private sector would provide the service. One option to address these concerns is to institute necessary changes to allow OSS installers to conduct a defined list of simple sewage system repairs (such as replacement of a broken sewer line) without the need for an OSE or PE. Such an option may provide a path to remove VDH staff from providing evaluation and design services for at least a subset of current repair applications in the near term and would also alleviate the need for property owners to incur design and evaluation cost from a private OSE or PE for a subset of repairs. The additional design cost has been identified as a barrier to transitioning repair services to the private sector. However, there are a number of complex issues that must be considered for repairs before a recommendation can be presented.

ii. Draft Recommendations

Recommendations for repairs are still under review. A key component of any transition of evaluation and design services to the private sector will be a fully functional repair funding mechanism. When an existing OSS fails, the property owner is required by law to have a repair system installed. Otherwise, they face a civil penalty or criminal charge. Therefore, any recommendations regarding repair services must be thoroughly evaluated.

iii. Summary of Draft Recommendations

- No recommendation at this time.

vii. Other Options Discussed

Options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- For simple OSS repairs and upgrades, have a process similar to express well permitting for private wells.
- If public funding is being used to install the repair, then allow public sector design.

- Institute necessary changes to allow OSS installers to conduct a defined list of simple sewage system repairs and upgrades (such as replacement of a broken sewer line or distribution box) without the need for a design from an OSE or PE. Process to include a mechanism for reporting and verification/inspection.

5. Submissions Previously Accompanied by Private Sector Work

i. Overview

Submissions previously accompanied by private sector work are not a specific application type or a subset of applications identified by the Code or the Board of Health's regulations. This term was created to identify a subset of applications that many private sector providers feel can be transferred to the private sector for evaluation and design immediately. The concept is if a private sector provider has previously conducted evaluation and/or design service for a property (e.g. subdivision review), then VDH should require any future applicant to go directly to the private sector. This concept is commonly referred to as the "once-touched-policy".

Under this concept, proponents anticipate that many property owners would go back to the OSE or PE that provided the original services. Since the OSE or PE has already conducted an evaluation of the site, they would theoretically be able to reduce their cost for the new application.

It is difficult to measure how many properties the once-touched-policy would impact. A large number of undeveloped properties in subdivisions have previous work conducted by a private sector evaluator. However, some of that work also pre-dates the licensure requirements for OSEs. If the agency were to implement a once-touched-policy, it would need to specify what existing private sector work on file would qualify for the policy.

Another question that would need to be answered in developing such a policy is whether the policy applies to all application types. If the agency were to implement a once-touched policy stating that all existing work on file qualifies as a submission previously accompanied by private sector work, and that all application types are included in the policy, then a repair application for a property with a private sector soil evaluation from 1960 would require evaluation and design from the private sector.

The E.L. Hamm study recommended that VDH stop performing evaluation and design services for "re-visits on previously approved sites"; an apparent reference to a once-touched policy. However, the E.L. Hamm study did not recommend, nor did it contemplate, the potential scope of such a policy as discussed in the example above.

During the SHIFT process, several participants suggested the implementation of a once-touched policy. Participants suggested VDH mandate that if a site has ever had a site evaluation or design by the private sector, VDH should no longer accept a bare application for that site and should require that applicant to submit private sector work. This suggestion would extend the

policy to evaluations and designs conducted prior to the development of a licensure program (e.g. subdivision evaluation from 1960). The suggestion appears to indicate that the policy should apply to all application types (e.g. repair applications).

ii. Draft Recommendations

DOSWSEEMP is recommending that evaluation and design services for subdivision reviews, certification letters, and voluntary upgrades transfer to the private sector statewide in 2017. Therefore, the application types requiring analysis for a “once-touched policy” are repairs, new construction, and SAP evaluations. DOSWSEEMP does not recommend the “once-touched policy” for repair permit applications at this time. However, such a policy will remain under consideration as the agency completes its evaluation of the repair funding element.

DOSWSEEMP does not recommend the implementation of a statewide “once-touched policy” for new construction or SAP evaluations at this time. However, the concept of such a policy will receive further consideration throughout the development process for the HB 558 plan.

iii. Summary of Draft Recommendations

- No recommendation at this time.

iv. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Create a start date for the “once-touch” policy, but don’t extend retroactively to existing work on file.

6. New Construction

i. Overview

New construction applications for OSS identify applications where a permit is required prior to VDH authorization of a permit for a building designed for human occupancy. Typically, this application type involves the construction of a new OSS to serve a new home. However, new construction also incorporates expansions to existing OSS that are required to receive a building permit. For example, a request to add a new bedroom to a home which requires an increase in the design capacity of the OSS.

Sections 32.1-163.5 of the Code states that VDH shall accept private site evaluations for purposes of issuance of construction permits. For evaluations and designs submitted in accordance with § 32.1-163.5, VDH must issue or deny the permit within 15 days of application. If VDH fails to act on the request within 15 days, then the requested permit is deemed approved.

Deemed approval does not apply to evaluations and designs submitted by PEs pursuant to § 32.1-163.6. However, § 32.1-163.6 does require that VDH issue or deny the permit within 21 calendar days.

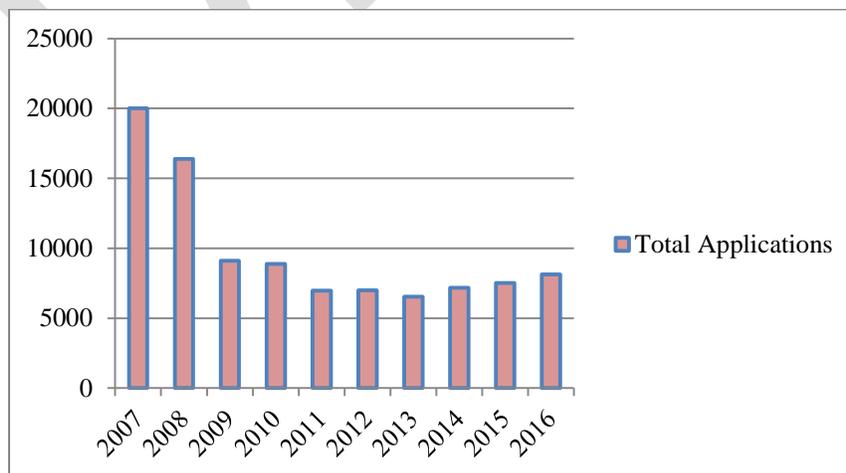
Sections [12VAC5-610-240](#) and [12VAC5-610-250](#) of the Regulations establishes the general procedures for obtaining an OSS permit. Permits are valid for 18 months; however, owners may request a one-time 18-month extension. Applications for new construction of an OSS must adhere to the minimum requirements of all applicable Board of Health regulations. There are no waivers for new construction applications. However, the owner may request a variance from a specific regulatory section(s). Variance requests are evaluated on a case-by-case basis by the Commissioner.

A number of GMPs address various aspects of applications for new construction. GMP 2015-01 provides the most comprehensive overview, as it establishes the expectations and requirements for OSS applications.

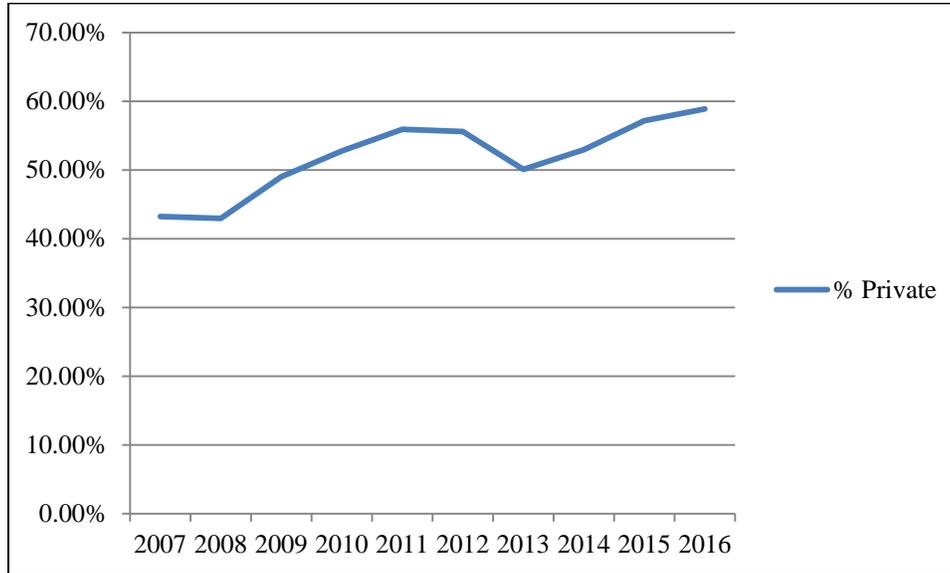
As shown in Chart 11, new construction applications with supporting work from an OSE or PE have steadily risen over the last 10 years. In FY 15 more than 50% of all new construction applications included supporting work from the private sector. However, there are vast differences in the rate of private sector participate for new construction throughout the state. In some localities, the rate is at 100%, while in others areas private sector participation is below 5%.

Revision: The number of new construction OSS applications declined drastically between 2007 and 2013 due to issues in the housing market. The number of application has increased slightly over the last few years. The percentage of new construction OSS applications with supporting work from the private sector has increased from 43% to almost 60% over the last ten years. However, the volume of private sector evaluations and designs has declined with the declining number of overall applications.

Chart 10: Total Number of New Construction OSS Applications By FY (Revision)

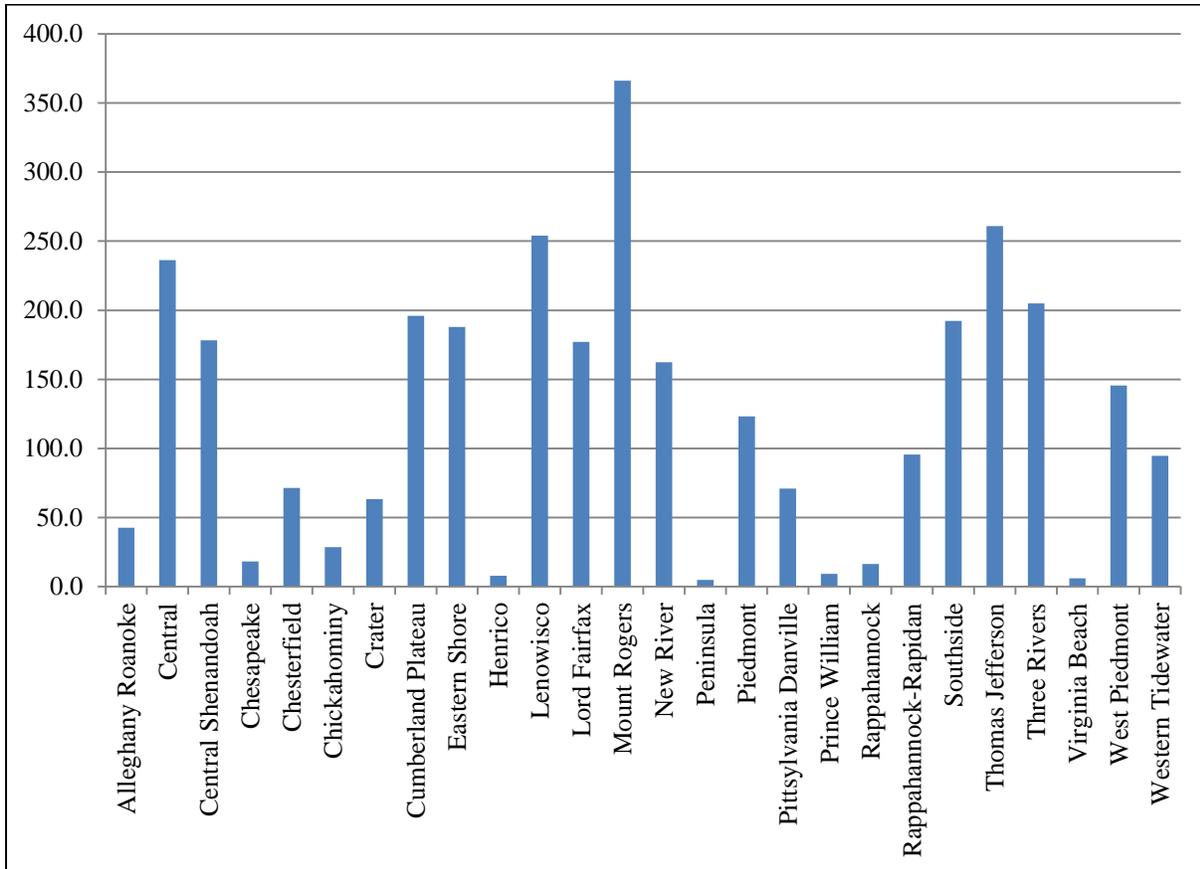


*Chart 11: Percent of New Construction OSS Applications
With Supporting Work FY 07 to FY 16 (Revision)*



Revision: As shown in Chart 12, impacts from a shift to 100% private sector evaluation and design services for new construction OSS applications would be dispersed throughout the state.

Chart 12: Average Number of Bare New Construction OSS Applications FY 14 to FY 16 By District (Revision)



As previously discussed, the RD 32 report found that the majority of property owners surveyed paid more than \$800 for private sector evaluation and design services.

Revision: Based on responses to the recent questionnaire regarding the cost of OSE/PE design services, the median cost to property owners of shifting all of these applications to the private sector would be \$1,001 to \$1,250 per parcel; the average report cost was approximately \$1,200.

The E.L. Hamm study recommended a “phase-in period” to shift evaluations and designs for new construction to the private sector. However, the study also stated the indigent will require subsidized services for new construction in certain cases. The SB 32 report discuss the use of regionally based policies for privatization of service, noting the private sector gravitates toward new construction evaluations and designs as they are more profitable than repairs.

One of the seven consensus recommendations from the SHIFT process was that VDH should implement a statewide policy to encourage applicants to use the private sector for construction services. Two specific strategies were recommended. The first was an

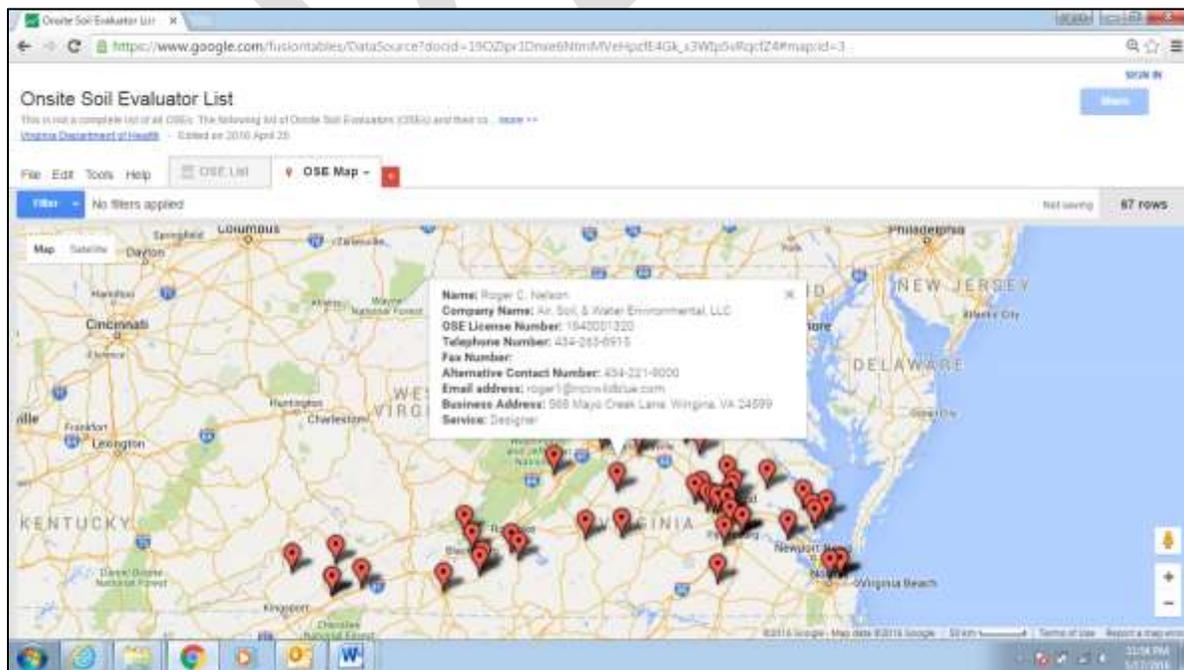
educational/disclosure strategy where VDH provides materials to applicants outlining the limits of VDH services and encouraging applicants to obtain private services.

To address this first recommendation VDH requires all LHDs to provide applicants with a “Disclosure Document” that discusses the limits of VDH services and benefits of private OSE and PE services. This document is either posted in a prominent location in the area where applications are accepted, or an individual copy of the document is provided to anyone requesting an application. VDH also create a website based on the information provided in the “Disclosure Document.” You can view this site at <http://166.67.66.226/EnvironmentalHealth/Onsite/Application/>.

The second recommendation to encourage the use of the private sector was the service provider strategy. Under this strategy, VDH provides consumers the names and contact information of private sector providers willing to provide work in that health district. To respond to this recommendation DOSWSEEMP create a “service provider” website to provide consumers with the names and contact information for private sector onsite soil evaluators, professional engineers, onsite sewage system installers, onsite sewage system operator, sewage handlers, and well drillers. The site also includes a map showing the location of listed system providers.

Any licensed provider that wishes to be listed on the site can be added by filling out a simple online form, and giving VDH permission to post their information. An example of one of the service provider pages is shown below.

Map 1: OSE Service Provider Website



To date, 212 services provider have signed up to have their contact information shared on the service provider website. Over the last year, this site is the third most visited page on the DOSWSEEMP website with over 4,400 page views and nearly 2,500 unique visitors. However, DOSWSEEMP is unable to determine at this time what impact the encouraging strategy had on property owner's decisions to use private sector service providers. The service provider website is found at <http://166.67.66.226/EnvironmentalHealth/Onsite/ServiceProviders/>.

New construction applications for private wells cover a broad range of potential well construction, including: a new well to serve as a drinking water source for a new dwelling, new agricultural wells, and new geothermal wells.

Section 32.1-176.5:2 of the Code requires VDH to accept evaluations and design for private wells from OSEs and PEs. However, there is no deemed approval process for private well applications with supporting private sector work. Section [32.1-176.4](#) of the Code requires the Private Well Regulations contain a provision for express geothermal well permitting. This express process allows VDH to issue a construction permit for a geothermal well without conducting a site evaluation. Instead, the permit is issued based on a registration statement and site plan completed by a certified water well system provider. A similar process exists in the Private Well Regulations for the issuance of express Class IV wells (e.g. agricultural and irrigation wells).

All new well construction must adhere to the minimum requirements of the Private Well Regulations. However, owners may request a variance for a specific regulatory section(s). Variance request are evaluated on a case-by-case basis by the Commissioner. GMP 1.A is a comprehensive implementation manual for the Private Well Regulations.

Private OSEs and PEs frequently complete evaluations and designs for private wells, when the private well is being installed in conjunction with a new onsite sewage system. However, very few applications are received for a well only permit with an evaluation and design from a private sector OSE or PE. However, each year hundreds of applicants use certified water well system providers for evaluation and design services under the express geothermal well and express Class IV permitting process, with the vast majority of express well permit applications being received in the Tidewater Region.

Revision: Of the 46 property owners that have taken the well driller design services questionnaire, only two have reported paying a fee for the design. The other respondents reported the services were either free or included in the total cost to install the well.

The E.L. Hamm study noted that VDH could enlist the services of well drillers to perform services for the indigent and in areas where OSE and PE services were not readily available. The study also commented on the need for more monitoring and research concerning private wells. During the SHIFT process stakeholders acknowledged that privatization of private well evaluations and designs were on the table; however, stakeholder thought there would be little change to well permits as the focus was on the privatization of OSS evaluations and designs.

ii. Draft Recommendations

DOSWSEEMP recommends that all applications for new OSS construction that will serve a property that is not intended as a principle place of residence be accompanied by work from a private OSE or PE starting July 1, 2017. This would shift evaluation and design services for vacation homes to the private sector immediately statewide. This could serve as a mechanism to introduce the use of private sector services in areas that have historically relied on VDH for all evaluation and design services.

This recommendation is expected to result in an annual loss of application fee revenue. The VDH fee for a bare application is \$425, whereas the VDH fee for an application with supporting work from the private sector is \$225.

Revision: This recommendation will require a legislative action to amend the Code and/or the appropriations act. The recommendation would also require revisions to VDH policies dealing with the processing of new construction OSS applications.

VDH will assess how the recommendation accounts for particularly areas with the greatest impact from the shift, including the estimated cost for private sector services.

Additional analysis will be conducted to determine the estimated loss in fee revenue.

DOSWSEEMP recommends that necessary changes be made to allow the agency to accept evaluations and designs from certified water well system providers for private well construction and abandonment applications. This would allow certified water well system providers to include evaluation and design into their service of actually constructing the well. The evaluations and designs submitted by certified water well system providers will be held to the same standard as currently set for OSEs and PEs.

Revision: This recommendation will require a revision to § 32.1.176.5:2 of the Code.

VDH will discuss with DPOR whether certified water well system providers will need new authorities under licensure to design private wells.

iii. Summary of Recommendations

- Require that all applications for new OSS construction that are not intended as a principle place of residence be accompanied by work from a private OSE or PE starting July 1, 2017.
- Allow the agency to accept evaluations and designs from certified water well system providers for private well construction and abandonment applications.

v. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Transition evaluation and design of applications for new OSS construction to the private sector in localities where sufficient private sector participation already exists.

7. Safe, Adequate, and Proper Evaluations

i. Overview

Section 32.1-165 of the Code states that no county, city, town or employee thereof shall issue a permit for a building designed for human occupancy without prior written authorization of the Commissioner or the Commissioner's agent. VDH provides this authorization upon finding that safe, adequate, and proper sewage treatment is or will be made available to the building; a SAP evaluation.

VDH and the Virginia Board of Housing and Community Development agreed to coordinate their respective jurisdictional responsibilities through a memorandum of agreement (MOA). The MOA states that when a local building official asks VDH for a determination of "safe, adequate, and proper," VDH will apply the standards required by the applicable regulations to evaluate the request. The current regulations represent the minimum standards that will adequately protect public health, the environment, and groundwater supplies. However, recent legislation (HB 648 of the 2016 General Assembly Session) modifies § 32.1-165 to allow VDH to approve an older sewage system that does not meet current regulations as nonconforming, provided the sewage system was properly installed, is not failing, and will work properly. The revision also defines SAP as a treatment works that complies with applicable Board of Health regulations that are in effect at the time of application.

The recently approved revision to § 32.1-165 is helpful because many existing systems do not meet the current regulations. Under previous requirements, property owners might have to spend thousands of dollars to upgrade their sewage system to meet current standards or opt not to move forward with the project that prompted a SAP evaluation. The new amendments give VDH the flexibility to say it is okay to keep using the older sewage system even if though it does not meet today's standards; VDH can approve it as non-conforming to current regulations.

The recent legislation allows VDH to accept SAP certifications from licensed PEs, licensed OSEs, licensed OSS installers, licensed OSS operators, and individuals with an appropriate certification from the National Sanitation Foundation, or equivalent certification. VDH can perform an inspection of the private sector work before issuing an approval, but VDH could also approve without performing a field check. The recent legislation also allows VDH to let the owner make voluntary upgrades to the sewage system, or receive another type of permit to improve the sewage system, as part of the SAP process.

DOSWSEEMP staff are currently in the process of developing a policy to implement the revisions to § 32.1-165 of the Code to establish a statewide standard for SAP evaluations. Specific recommendations for shifting direct SAP services to the private sector will be dependent upon the processes outlined in the forthcoming SAP policy.

Previous studies and reports did not address SAP evaluations, other than to note them as a service provided by VDH.

Revision: LHD staff report conducting approximately 3,500 SAP evaluations on average each year. However, reporting varies widely across the state, and some districts provide evaluation services for structures not intended for human occupancy. Therefore it is difficult to gauge the total number of SAP request. Additionally, the number of SAPs with private sector evaluations is not reported for the most part. These issues highlight areas for improvement and the need to shift more resources to tracking on onsite sewage and private well data.

ii. Draft Recommendations

DOSWSEEMP does not have a draft recommendation to put forward at this time. DOSWSEEMP staff are in the process of developing an SAP policy as a result of recent legislation (HB 648). Additionally, there are a number of unknown variables at this time, such as statewide private sector participation rates, that must be evaluated before a recommendation can be put forward. Additional analysis will be included in future revisions to HB 558 Interim Report 1.

iii. Summary of Draft Recommendations

- No recommendation at this time.

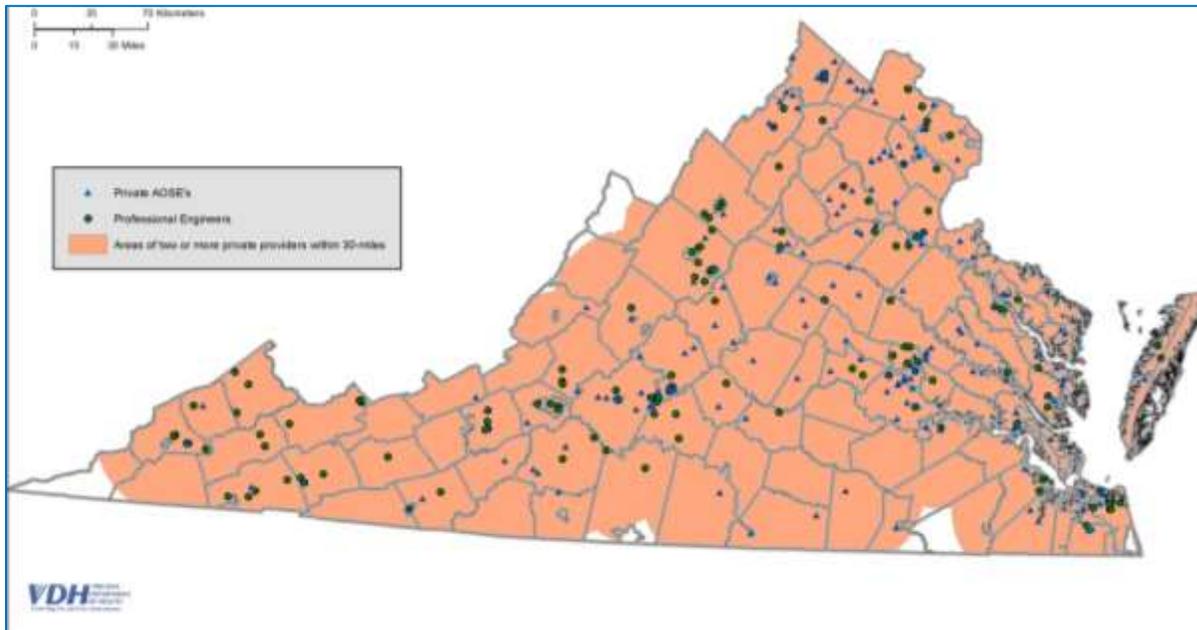
B. Local Transition

In addition to reviewing possible incremental shifts in specific services statewide, HB 558 also directs the Commissioner to evaluate whether the agency can reduce or eliminate services in a particular area based on the number of available private sector providers in a particular area. In addition to the number of available private sector providers, it is also important to assess their participation for specific application types as a percentage of total applications received.

During the SHIFT process, VDH conducted an analysis to determine what parts of the state have at least two private sector OSEs and/or PEs within a 30-mile radius (see Map 1). This analysis found that parts of the following localities did not have at least two private sector providers within 30 miles: Alleghany, Bath, Danville, Highland, Greensville, Lee, Pittsylvania, Scott, Southampton, and Sussex. However, so far in FY 16, more than 75% of private sector evaluation and design services were provided by OSEs. Therefore, a more appropriate measure may be the number of OSEs available within a given area. Additionally, a standard of two providers may not be sufficient in areas with a high number of bare applications; more private

sector providers may be required to cover the shift in direct services in areas with a high volume of applications. DOSWSEEMP staff are working to re-evaluate availability of services providers, taking these additional factors into account, as part of the services in underserved areas component.

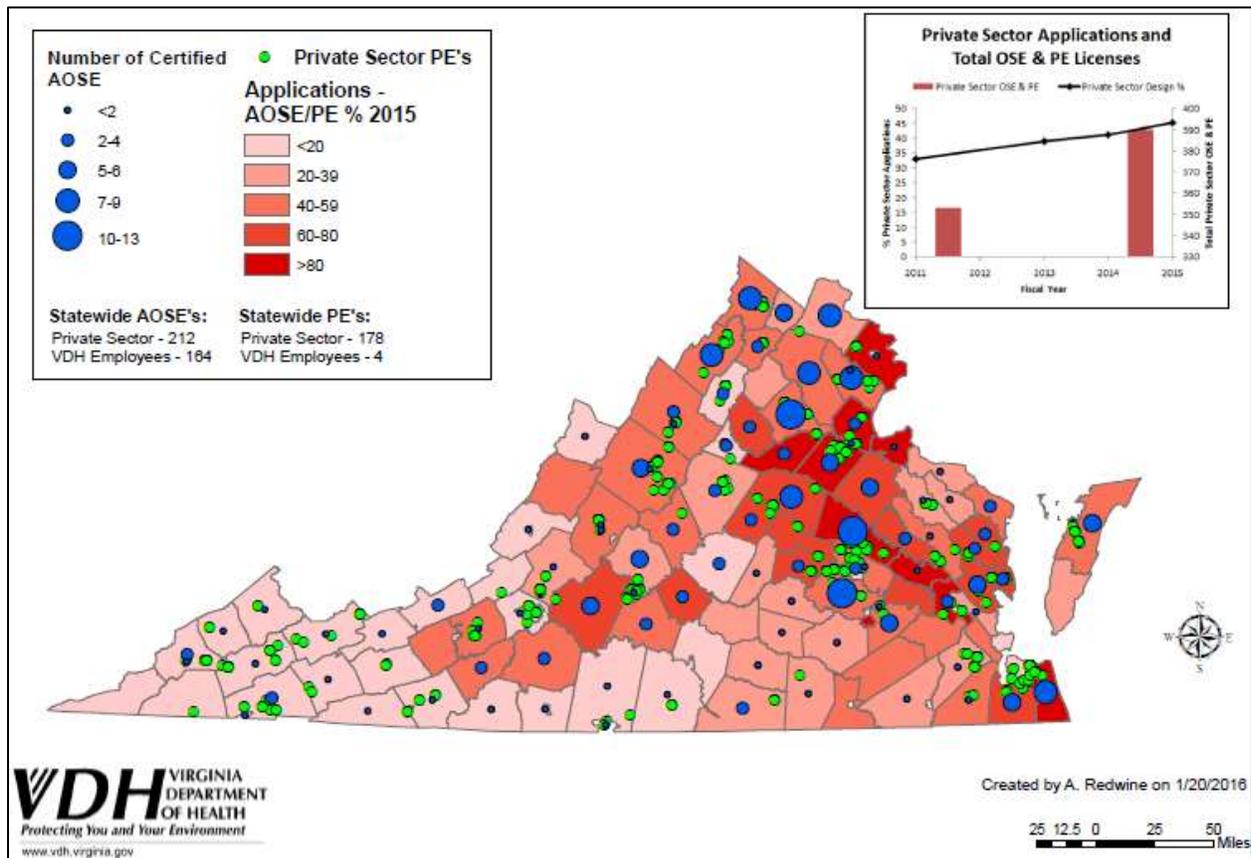
Map 1: Areas of two or more private providers within 30-miles.



Map 2 shows the overall percentage of applications in FY 2015 submitted with supporting work from private sector OSEs and PEs. While this information is helpful in evaluation first draft recommendations, DOSWSEEMP staff plan to evaluate the percentage of private sector participation for each application type. This level of analysis is necessary if recommendations are made to shift direct services to the private sector based on the availability of providers and their overall participation in a given locality or region.

For example, private sector providers may account for 75% of the total evaluations and designs submitted within a locality. However, private sector providers may only account for a small percentage of repair permit applications in that same locality. While a complete shift to private sector services may impact only a limit number of property owners applying for new construction in the locality, the shift could have a significant impact on property owners applying for repairs.

Map 2: Percentage of Applications with Supporting Private Sector Work



Some localities already require by local policy or ordinance that certain applications only be submitted with supporting work from private sector providers. DOSWSEEMP staff believes these local policies may lack a specific statutory framework; however, the validity of these policies have not been challenged.

VDH will assess the percentage of private sector participation in localities that require private sector evaluations and designs; both pre and post transition.

Based on FY2015 permit application data, 33 counties and 4 cities have 50 percent or greater private sector participation when looking at the total number of application submitted.¹ However, Southside and Southwest Virginia have very low private sector participation rates; any shift to private sector services will significantly impact these areas.

¹ Counties of: Appomattox, Bath, Bedford, Caroline, Charles City, Chesterfield, Culpeper, Fairfax, Fauquier, Floyd, Fluvanna, Gloucester, Goochland, Hanover, Henrico, James City, King George, Lancaster, Loudoun, Louisa, Madison, Mathews, Middlesex, Montgomery, New Kent, Orange, Powhatan, Prince George, Prince William, Spotsylvania, Stafford, Surry, and Sussex. Cities of: Chesapeake, Newport News, Petersburg, and Virginia Beach.

Future revisions to HB 558 Interim Report 1 will include:

- *Possible causes for the lack of private sector participation in Southside and Southwest Virginia.*
- *Discussion regarding areas where a local transition will be particularly difficult.*

i. Draft Recommendations

Recommendations for this element are pending further analysis of options.

ii. Summary of Draft Recommendations

- No recommendation at this time.

iii. Other Options Discussed

Options discussed by stakeholders during the Transitional Planning Element Development Team meeting and discussed by DOSWSEEMP included:

- Eliminate direct services for all new construction on July 1, 2017, with an option for localities to opt out based on the local private sector participation rates.
- Allow localities to opt into a requirement to eliminate direct service for all new construction.
- Develop an online marketplace where all bare applications are posted online and private sector providers offer their services.
- VDH serves as a provider of last resort for owners that cannot obtain private sector services.

C. Services in Underserved Areas

There are several areas within the Commonwealth, as well as several application types, that will be particularly difficult to transition to private sectors services. As previously mentioned, Southside and Southwest Virginia have very low rates of private sector participation. In regards to application types, private sector OSEs and PEs provide only a small percentage of repair permit applications statewide. HB 558 asked the Commissioner to include provisions for the continued availability of evaluation and design services by the agency in areas underserved by the private sector. Before a recommendation can be presented for this element, it is necessary to clearly define the term “underserved area” beyond general observations of areas and services with low private sector participation rates.

Later revisions to HB 558 Interim Report 1 will include specific recommendations in regards to services in underserved area. However, additional analysis of the distribution of service providers, private sector participation rates, and application totals is necessary.

List of Acronyms

AOSE – Authorized Onsite Soil Evaluator
AOSS – alternative onsite sewage system
DOSWSEEMP - Division of Onsite Sewage and Water Services, Environmental Engineering,
and Marina Programs
DPB – Department of Planning and Budget
DPOR – Department of Professional and Occupational Regulation
EDRP – Engineer Design Review Panel
FY – fiscal year
GMP – Guidance Memorandum and Policies
HB – House Bill
IEN - Institute for Environmental Negotiation at the University of Virginia
LHD – local health department
OEHS – Office of Environmental Health Services
OSE – onsite soil evaluator
OSS – onsite sewage system
O&M – operation and maintenance
PE – Professional Engineer
SAP – Safe, Adequate, and Proper
SHADAC – Sewage Handling and Disposal Advisory Committee
SHDARB - Sewage Handling and Disposal Appeal Review Board
SHIFT - Safety and Health in Facilitating a Transition
VDH – Virginia Department of Health

Appendices

DRAFT

Revision: Appendix A

Local Application Fees of OSS and Private Wells

District	Locality	Service	Fee
Central Shenandoah	Augusta	OSS Construction Permit or Certification Letters (with or w/o supporting work)	\$120.00
Chesterfield	Chesterfield	OSS Construction Permit or Certification Letters (with or w/o supporting work)	\$50.00
Chesterfield	Powhatan	OSS Construction Permit (with or w/o supporting work)	\$185.00
Cumberland Plateau	Tazewell	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$57.50
Henrico	Henrico	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$50.00
Fairfax	Fairfax	Well Construction Application Fee	\$200.00
Fairfax	Fairfax	Well Water Contractor License Fee	\$150.00
Fairfax	Fairfax	Routine Water Sample	\$25.00
Fairfax	Fairfax	Written Evaluation of Existing Private Well Water Supply	\$50.00
Fairfax	Fairfax	Re-inspection Fee	\$100.00
Fairfax	Fairfax	OSS Construction Permit	\$200.00
Fairfax	Fairfax	OSS Expansion Permit	\$125.00
Fairfax	Fairfax	Change in Approved Location	\$130.00
Fairfax	Fairfax	Written Evaluation of Existing Individual OSS	\$200.00
Fairfax	Fairfax	Septic Contractor License Fee	\$150.00
Fairfax	Fairfax	Sewage Handler Fee	\$710.00
Fairfax	Fairfax	Sewage Handler Fee – Each Additional Vehicle	\$360.00
Fairfax	Fairfax	Portable Toilet Providers Initial Fee	\$75.00
Fairfax	Fairfax	Portable Toilet Providers Renewal Fee	\$60.00
Fairfax	Fairfax	Site Development Review	\$85.00
Fairfax	Fairfax	Building Permit Review	\$75.00
Fairfax	Fairfax	AOSS Review	\$200.00
Lord Fairfax	Clarke	Well Construction Permit	\$185.00
Lord Fairfax	Clarke	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$270.00

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		work)	
Lord Fairfax	Frederick	Well Construction Permit	\$50.00
Lord Fairfax	Frederick	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$90.00
Lord Fairfax	Frederick	Pump and Haul Inspection Fee	\$40.00
Lord Fairfax	Warren	Well Construction Application Fee	\$50.00
Lord Fairfax	Warren	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$90.00
Loudoun	Loudoun	See https://www.loudoun.gov/DocumentCenter/Home/View/15469 .	
New River	Floyd	OSS Construction Permit or Certification Letter (w/o supporting work)	\$100.00
New River	Floyd	OSS Construction Permit or Certification Letter (with supporting work)	\$25.00
New River	Montgomery	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$50.00
Prince William	Prince William	Bacteriological Water Sample	\$80.00
Prince William	Prince William	Individual Chemical Water Sample	\$85.00
Prince William	Prince William	Well Construction Permit (with or w/o supporting work)	\$150.00
Prince William	Prince William	OSS Construction Permit Modification	\$145.00
Prince William	Prince William	OSE/PE AOSS Design Review	\$390.00
Prince William	Prince William	OSE/PE Resubmission	\$56.00
Prince William	Prince William	OSS Construction Permit (w/o supporting work)	\$450.00
Prince William	Prince William	OSS Construction Permit (with supporting work)	\$216.00
Prince William	Prince William	Septic Contractor Installer License	\$30.00
Prince William	Prince William	Well Driller Contractors License	\$30.00
Rappahannock	Caroline	OSS Construction Permit (with or w/o supporting work)	\$175.00
Rappahannock	King George	Well Construction Permit (with or w/o supporting work)	\$50.00
Rappahannock	King George	OSS Construction Permit (with or w/o supporting work)	\$125.00
Rappahannock	Spotsylvania	Well Construction Permit (with or w/o supporting work)	\$50.00
Rappahannock	Spotsylvania	OSS Construction Permit (with or w/o supporting work)	\$125.00
Rappahannock	Stafford	Well Construction Permit (with or w/o supporting work)	\$50.00
Rappahannock	Stafford	OSS Construction Permit (with or w/o supporting work)	\$125.00
Rappahannock/Rapidan	Culpeper	See	

		http://www.vdh.virginia.gov/LHD/RappahannockRapidan/documents/culpeper_fees.pdf .	
Rappahannock/Rapidan	Fauquier	See http://www.vdh.virginia.gov/LHD/RappahannockRapidan/documents/fauquier_fees.pdf .	
Rappahannock/Rapidan	Orange	See http://www.vdh.virginia.gov/LHD/RappahannockRapidan/documents/orange_fees.pdf	
Thomas Jefferson	Nelson	Well Construction Permit (with or w/o supporting work)	\$25.00
Thomas Jefferson	Nelson	OSS Construction Permit (with or w/o supporting work)	\$75.00
Thomas Jefferson	Albemarle	Well Construction Permit (with or w/o supporting work)	\$50.00
Thomas Jefferson	Albemarle	OSS Construction Permit (with or w/o supporting work)	\$100.00
Thomas Jefferson	Greene	Well Construction Permit (with or w/o supporting work)	\$50.00
Thomas Jefferson	Greene	OSS Construction Permit (with or w/o supporting work)	\$100.00
Thomas Jefferson	Fluvanna	Well Construction Permit (with or w/o supporting work)	\$25.00
Thomas Jefferson	Fluvanna	OSS Construction Permit (with or w/o supporting work)	\$75.00
Three Rivers	Northumberland	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$50.00
Three Rivers	King and Queen	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$35.00
Three Rivers	Middlesex	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$25.00

Appendix B

Draft Form Letter:
Property Owner Receiving Onsite Sewage System and/or Private Well Design Services from and
Onsite Soil Evaluator and/or Professional Engineer.

<date>

<name>

<mailing address>

RE: Cost of Onsite Sewage System and Private Well Design Services

Dear <Mr./Mrs. last name>:

Virginia Department of Health (VDH) records show you recently employed a private sector provider to provide evaluation and design services for an onsite sewage (septic) system or private well. I am contacting you to ask you to complete a quick online questionnaire to help VDH assess the cost of such private sector services statewide.

The Virginia General Assembly recently passed a bill (House Bill 558) requiring VDH to develop a plan to transition all evaluation and design service for onsite sewage systems and private wells to private sector service providers. A major component of developing such a plan is analyzing the cost to consumers for private sector services. You can find the complete bill language at <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0444> .

Your answers to our quick five minute questionnaire will be a tremendous help to VDH and the General Assembly in conducting that analysis. You can access the questionnaire at <insert web address> or by scanning the QR code below with your mobile device.

I would like to thank you in advance for your participation in this important questionnaire. If you believe you received this correspondence in error, please feel free to contact me by email at Lance.Gregory@vdh.virginia.gov or by telephone at (804) 864-7491. Additionally, if you do not have internet access but would still like to participate in the questionnaire, please feel free to contact me.

Sincerely,

Lance Gregory
Environmental Health Coordinator
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs

House Bill 558
Draft Interim Report 1
July 29, 2016

Draft Form Letter:
Onsite Sewage System Installers with System Inspections Conducted by Private Sector

<date>

<name>
<mailing address>

RE: Cost of Onsite Sewage System Inspection Services

Dear <Mr./Mrs. last name>:

Department of Professional and Occupational Regulation records show you are a licensed onsite sewage system installer working in the Commonwealth of Virginia. I am reaching out to you in hopes that you will complete a quick questionnaire to help the Virginia Department of Health (VDH) assess cost associated with private sector onsite sewage system inspections.

The Virginia General Assembly recently passed a bill (House Bill 558) requiring VDH to develop a plan to transition all evaluation and design service for onsite sewage systems and private wells to private sector service providers. A major component of developing such a plan is analyzing the cost to consumers for private sector services, including inspection cost. You can find the complete bill language at <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0444> .

Your answers to our fifteen minute questionnaire will be a tremendous help to VDH and the General Assembly in conducting that analysis. You can access the questionnaire at <insert web address> or by scanning the QR code below with your mobile device.

I would like to thank you in advance for your participation in this important questionnaire. If you believe you received this correspondence in error, please feel free to contact me by email at Lance.Gregory@vdh.virginia.gov or by telephone at (804) 864-7491. Additionally, if you do not have internet access but would still like to participate in the questionnaire, please feel free to contact me.

Sincerely,

Lance Gregory
Environmental Health Coordinator
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs

House Bill 558
Draft Interim Report 1
July 29, 2016

Draft Form Letter:
Property Owners Receiving Evaluate and Design Services from a Well Driller for an Express
Geothermal or Class IV Well Permit

<date>

<name>
<mailing address>

RE: Cost of Private Well Design Services

Dear <Mr./Mrs. last name>:

Virginia Department of Health (VDH) records show you recently employed a well driller to conduct evaluation and design services for an express geothermal well or express Class IV well permit. I am reaching out to you in hopes that you will complete a quick questionnaire to help VDH assess the cost of such services statewide.

The Virginia General Assembly recently passed a bill (House Bill 558) requiring VDH to develop a plan to transition all evaluation and design service for onsite sewage systems and private wells to private sector service providers. A major component of developing such a plan is analyzing the cost to consumers for private sector evaluation and design services. You can find the complete bill language at <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0444> .

Your answers to our quick five minute questionnaire will be a tremendous help to VDH and the General Assembly in conducting that analysis. You can access the questionnaire at <insert web address> or by scanning the QR code below with your mobile device.

I would like to thank you in advance for your participation in this important questionnaire. If you believe you received this correspondence in error, please feel free to contact me by email at Lance.Gregory@vdh.virginia.gov or by telephone at (804) 864-7491. Additionally, if you do not have internet access but would still like to participate in the questionnaire, please feel free to contact me.

Sincerely,

Lance Gregory
Environmental Health Coordinator
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs

Revision: Appendix C Questionnaires and Responses

HB 558: OSE/PE Design Service Cost

In which locality did you receive private sector evaluation and design services?		
Answer Options	Response Percent	Response Count
Accomack	2.2%	6
Albemarle	4.7%	13
Alexandria	0.0%	0
Alleghany	0.4%	1
Amelia	0.0%	0
Amherst	1.5%	4
Appomattox	0.7%	2
Arlington	0.0%	0
Augusta	2.2%	6
Bath	0.0%	0
Bedford	4.7%	13
Bland	0.0%	0
Botetourt	0.7%	2
Bristol	0.0%	0
Brunswick	0.4%	1
Buchanan	0.0%	0
Buckingham	0.7%	2
Buena Vista	0.0%	0
Campbell	0.7%	2
Caroline	0.7%	2
Carroll	0.4%	1
Charles City	0.4%	1
Charlotte	0.4%	1
Charlottesville	0.0%	0
Chesapeake	1.5%	4
Chesterfield	4.4%	12
Clarke	0.7%	2
Colonial Heights	0.0%	0
Covington	0.0%	0
Craig	0.0%	0
Culpeper	1.1%	3
Cumberland	0.0%	0
Danville	0.0%	0
Dickenson	0.0%	0
Dinwiddie	0.0%	0
Emporia	0.0%	0
Essex	0.7%	2
Fairfax	4.4%	12
Falls Church	0.0%	0

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Fauquier	4.4%	12
Floyd	0.7%	2
Fluvanna	0.0%	0
Franklin	1.5%	4
Franklin (City)	0.0%	0
Frederick	3.3%	9
Fredericksburg	0.4%	1
Galax	0.0%	0
Giles	0.7%	2
Gloucester	4.0%	11
Goochland	0.7%	2
Grayson	0.0%	0
Greene	0.4%	1
Greensville	0.0%	0
Halifax	0.0%	0
Hampton	0.0%	0
Hanover	1.1%	3
Harrisonburg	0.0%	0
Henrico	1.8%	5
Henry	0.0%	0
Highland	0.0%	0
Hopewell	0.0%	0
Isle of Wight	1.5%	4
James City	1.5%	4
King and Queen	0.4%	1
King George	0.4%	1
King William	0.4%	1
Lancaster	1.5%	4
Lee	0.0%	0
Lexington	0.7%	2
Loudoun	4.4%	12
Louisa	4.0%	11
Lunenburg	0.7%	2
Lynchburg	0.0%	0
Madison	1.5%	4
Manassas	0.4%	1
Manassas Park	0.0%	0
Martinsville	0.0%	0
Mathews	2.2%	6
Mecklenburg	0.7%	2
Middlesex	1.8%	5
Montgomery	2.6%	7
Nelson	0.7%	2
New Kent	0.4%	1
Newport News	0.0%	0
Norfolk	0.0%	0
Northampton	0.0%	0
Northumberland	1.1%	3
Norton	0.0%	0

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Nottoway	0.0%	0
Orange	1.8%	5
Page	0.0%	0
Patrick	0.0%	0
Petersburg	0.0%	0
Pittsylvania	0.7%	2
Poquoson	0.0%	0
Portsmouth	0.0%	0
Powhatan	0.4%	1
Prince Edward	0.4%	1
Prince George	0.0%	0
Prince William	2.2%	6
Pulaski	0.0%	0
Radford	0.0%	0
Rappahannock	0.0%	0
Richmond	0.0%	0
Richmond (city)	0.0%	0
Roanoke	1.8%	5
Roanoke (city)	0.0%	0
Rockbridge	1.1%	3
Rockingham	2.2%	6
Russell	0.0%	0
Salem	0.0%	0
Scott	0.0%	0
Shenandoah	2.2%	6
Smyth	0.4%	1
Southampton	0.0%	0
Spotsylvania	1.1%	3
Stafford	1.8%	5
Staunton	0.0%	0
Suffolk	0.7%	2
Surry	0.0%	0
Sussex	0.0%	0
Tazewell	0.0%	0
Virginia Beach	0.7%	2
Warren	1.8%	5
Washington	0.0%	0
Waynesboro	0.0%	0
Westmoreland	1.1%	3
Williamsburg	0.0%	0
Winchester	0.0%	0
Wise	0.0%	0
Wythe	0.0%	0
York	0.4%	1
<i>answered question</i>		274
<i>skipped question</i>		0

HB 558: OSE/PE Design Service Cost

Did you receive service from an onsite soil evaluator (OSE), professional engineer (PE), or both?		
Answer Options	Response Percent	Response Count
OSE	46.0%	126
PE	12.8%	35
Both	28.5%	78
Not sure	12.8%	35
<i>answered question</i>		274
<i>skipped question</i>		0

HB 558: OSE/PE Design Service Cost

Why did you use private sector services? (Check all that apply.)		
Answer Options	Response Percent	Response Count
The health department encouraged me to hire a private sector consultant.	18.5%	43
The health department would not perform the services.	27.5%	64
The health department could not perform the services quickly enough to meet my needs.	15.9%	37
I did not know health department staff were available.	41.6%	97
I trust private service providers.	23.6%	55
I wanted a second opinion.	4.7%	11
Other (please specify)		86
<i>answered question</i>		233
<i>skipped question</i>		41

HB 558: OSE/PE Design Service Cost

What private sector evaluation and design services did you receive?		
Answer Options	Response Percent	Response Count
Evaluation and design for a new onsite sewage system and private well.	36.1%	99
Evaluation and design for a new onsite sewage system only.	30.3%	83
Evaluation and design for a new well only.	1.1%	3
Evaluation for a certification letter.	6.2%	17
Evaluation and design for the repair of a failing onsite sewage system.	16.1%	44
Evaluation and design for the voluntary upgrade of an onsite sewage system.	10.2%	28
<i>answered question</i>		274
<i>skipped question</i>		0

HB 558: OSE/PE Design Service Cost

Did your OSE or PE design a conventional system (basic system with a septic tank, drainfield, and maybe a pump chamber), an alternative onsite sewage system (includes a treatment unit or pressure distribution, such as a drip system), or an alternative discharging sewage system (includes treatment devices and discharges to a drainage way or stream)?		
Answer Options	Response Percent	Response Count
A conventional onsite sewage system.	66.4%	182
An alternative onsite sewage system.	25.5%	70
An alternative discharging sewage system.	3.6%	10
Not sure.	4.4%	12
<i>answered question</i>		274
<i>skipped question</i>		0

HB 558: OSE/PE Design Service Cost

How much did you pay for the private sector evaluation and design services (not including any state or local application fees)?		
Answer Options	Response Percent	Response Count
The services were free.	2.0%	5
\$1 to \$200	1.2%	3
\$201 to \$400	6.7%	17
\$401 to \$600	14.7%	37
\$601 to \$800	12.7%	32
\$801 to \$1000	11.9%	30
\$1001 to \$1250	13.1%	33
\$1251 to \$1500	9.9%	25
\$1501 to \$2000	8.7%	22
\$2001 to \$2500	6.3%	16
More than \$2500	12.7%	32
More than \$2500 (list cost)		33
<i>answered question</i>		252
<i>skipped question</i>		22

HB 558: OSE/PE Design Service Cost

Did you feel this cost was reasonable?							
Answer Options	Not Reasonable	Somewhat Reasonable	Neutral	Reasonable	Very Reasonable	Rating Average	Response Count
	29	60	70	63	20	2.94	242
<i>answered question</i>							242
<i>skipped question</i>							32

HB 558: OSE/PE Design Service Cost

Did your designer provide an estimated costs of installing, operating, and maintaining the system they proposed?		
Answer Options	Response Percent	Response Count
Yes, for installation, operation, and maintenance.	19.0%	48
Yes, for cost of installation.	20.6%	52
Yes, for cost of operation and maintenance.	2.4%	6
No.	57.9%	146
<i>answered question</i>		252
<i>skipped question</i>		22

HB 558: OSE/PE Design Service Cost

Did your designer provide any warranty for the evaluation and design provided?		
Answer Options	Response Percent	Response Count
Yes	9.9%	25
No	46.8%	118
Not sure	43.3%	109
If yes, please explain.		23
<i>answered question</i>		252
<i>skipped question</i>		22

HB 558: OSE/PE Design Service Cost

If you received services for the repair of a failed onsite sewage system or replacement of a failed private well, did you receive financial assistance to offset the cost of private sector evaluation and design services? For example, a loan from a non-profit organization.		
Answer Options	Response Percent	Response Count
Yes	0.6%	1
No	99.4%	159
If yes, please describe.		13
<i>answered question</i>		160
<i>skipped question</i>		114

HB 558: OSE/PE Design Service Cost

How satisfied were you with the services provided by your private sector designer?							
Answer Options	Not Satisfied	Somewhat Satisfied	Neutral	Satisfied	Very Satisfied	Rating Average	Response Count
	2	23	35	96	91	4.02	247
<i>answered question</i>							247
<i>skipped question</i>							27

HB 558: OSE/PE Design Service Cost

How satisfied were you with the time required to obtain your permit or certification letter?							
Answer Options	Not Satisfied	Somewhat Satisfied	Neutral	Satisfied	Very Satisfied	Rating Average	Response Count
	33	31	27	97	57	3.47	245
<i>answered question</i>							245
<i>skipped question</i>							29

HB 558: OSE/PE Design Service Cost

What incentives could be instituted to increase the use of private sector services in your area?	
Answer Options	Response Count
	106
<i>answered question</i>	106
<i>skipped question</i>	168

HB 558: OSE/PE Design Service Cost

*Optional: VDH would greatly appreciate you providing your contact information so we can follow-up on your responses if necessary.		
Answer Options	Response Percent	Response Count
Name	96.8%	150
Phone Number	80.6%	125
Email Address	96.8%	150
	<i>answered question</i>	155
	<i>skipped question</i>	119

HB 558: OSE/PE Design Service Cost

VDH would be happy to share a copy of the questionnaire results with you via email. Would you like to receive a copy of the questionnaire results?		
Answer Options	Response Percent	Response Count
Yes	42.0%	94
No	58.0%	130
	<i>answered question</i>	224
	<i>skipped question</i>	50

HB 558: Well Design Service Cost

In which locality did you receive and Express Geothermal Well or Express Class IV Well permit?		
Answer Options	Response Percent	Response Count
Accomack	2.2%	1
Albemarle	0.0%	0
Alexandria	0.0%	0
Alleghany	0.0%	0
Amelia	0.0%	0
Amherst	0.0%	0
Appomattox	0.0%	0
Arlington	0.0%	0
Augusta	0.0%	0
Bath	0.0%	0
Bedford	0.0%	0
Bland	0.0%	0
Botetourt	0.0%	0
Bristol	0.0%	0
Brunswick	0.0%	0
Buchanan	0.0%	0
Buckingham	0.0%	0
Buena Vista	0.0%	0
Campbell	0.0%	0
Caroline	0.0%	0
Carroll	0.0%	0
Charles City	0.0%	0
Charlotte	0.0%	0
Charlottesville	0.0%	0
Chesapeake	28.9%	13
Chesterfield	0.0%	0
Clarke	0.0%	0
Colonial Heights	0.0%	0
Covington	0.0%	0
Craig	0.0%	0
Culpeper	0.0%	0
Cumberland	0.0%	0
Danville	0.0%	0
Dickenson	0.0%	0
Dinwiddie	0.0%	0
Emporia	0.0%	0
Essex	0.0%	0
Fairfax	0.0%	0
Falls Church	0.0%	0
Fauquier	0.0%	0
Floyd	0.0%	0
Fluvanna	0.0%	0

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Franklin	0.0%	0
Franklin (City)	0.0%	0
Frederick	0.0%	0
Fredericksburg	0.0%	0
Galax	0.0%	0
Giles	0.0%	0
Gloucester	0.0%	0
Goochland	0.0%	0
Grayson	0.0%	0
Greene	0.0%	0
Greensville	0.0%	0
Halifax	0.0%	0
Hampton	0.0%	0
Hanover	0.0%	0
Harrisonburg	0.0%	0
Henrico	0.0%	0
Henry	0.0%	0
Highland	0.0%	0
Hopewell	0.0%	0
Isle of Wight	0.0%	0
James City	0.0%	0
King and Queen	0.0%	0
King George	0.0%	0
King William	0.0%	0
Lancaster	0.0%	0
Lee	0.0%	0
Lexington	0.0%	0
Loudoun	0.0%	0
Louisa	0.0%	0
Lunenburg	0.0%	0
Lynchburg	0.0%	0
Madison	0.0%	0
Manassas	0.0%	0
Manassas Park	0.0%	0
Martinsville	0.0%	0
Mathews	0.0%	0
Mecklenburg	0.0%	0
Middlesex	0.0%	0
Montgomery	0.0%	0
Nelson	0.0%	0
New Kent	0.0%	0
Newport News	0.0%	0
Norfolk	2.2%	1
Northampton	0.0%	0
Northumberland	0.0%	0
Norton	0.0%	0
Nottoway	0.0%	0
Orange	0.0%	0
Page	0.0%	0

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Patrick	0.0%	0
Petersburg	0.0%	0
Pittsylvania	0.0%	0
Poquoson	0.0%	0
Portsmouth	0.0%	0
Powhatan	0.0%	0
Prince Edward	0.0%	0
Prince George	0.0%	0
Prince William	0.0%	0
Pulaski	0.0%	0
Radford	0.0%	0
Rappahannock	0.0%	0
Richmond	0.0%	0
Richmond (city)	0.0%	0
Roanoke	0.0%	0
Roanoke (city)	0.0%	0
Rockbridge	0.0%	0
Rockingham	0.0%	0
Russell	0.0%	0
Salem	0.0%	0
Scott	0.0%	0
Shenandoah	0.0%	0
Smyth	0.0%	0
Southampton	0.0%	0
Spotsylvania	0.0%	0
Stafford	0.0%	0
Staunton	0.0%	0
Suffolk	6.7%	3
Surry	0.0%	0
Sussex	0.0%	0
Tazewell	0.0%	0
Virginia Beach	60.0%	27
Warren	0.0%	0
Washington	0.0%	0
Waynesboro	0.0%	0
Westmoreland	0.0%	0
Williamsburg	0.0%	0
Winchester	0.0%	0
Wise	0.0%	0
Wythe	0.0%	0
York	0.0%	0
<i>answered question</i>		45
<i>skipped question</i>		0

HB 558: Well Design Service Cost

Did you receive an express geothermal well permit or an express Class IV well permit (e.g. irrigation well, agricultural well)?		
Answer Options	Response Percent	Response Count
Geothermal	24.4%	11
Class IV	51.1%	23
Not sure	24.4%	11
<i>answered question</i>		45
<i>skipped question</i>		0

HB 558: Well Design Service Cost

For many private well permits, the site evaluation and design is completed by VDH staff prior to issuance of a permit. However, for express geothermal well and express Class IV well permits, the site evaluation and design are completed by the well driller without a site evaluation by VDH staff prior to issuance of the permit. Did your well driller charge a separate fee for site evaluation and design of the proposed well location, or was there a single charge for all services provided (i.e. site evaluation, design, and installation of the well)?		
Answer Options	Response Percent	Response Count
Yes, the driller charged a separate site evaluation and design fee.	4.4%	2
No, I paid one fee for all services provided.	91.1%	41
Not sure.	4.4%	2
<i>answered question</i>		45
<i>skipped question</i>		0

HB 558: Well Design Service Cost

How much did you pay for the initial site evaluation and design services?		
Answer Options	Response Percent	Response Count
\$1 to \$25	0.0%	0
\$26 to \$50	0.0%	0
\$51 to \$100	0.0%	0
\$101 to \$150	0.0%	0
\$151 to \$200	0.0%	0
\$201 to \$250	100.0%	1
More than \$250	0.0%	0
More than \$250 (list cost)		1
<i>answered question</i>		1
<i>skipped question</i>		44

HB 558: Well Design Service Cost

Did you feel this cost was reasonable?							
Answer Options	Not Reasonable	Somewhat Reasonable	Neutral	Reasonable	Very Reasonable	Rating Average	Response Count
	1	0	0	1	0	2.50	2
<i>answered question</i>							2
<i>skipped question</i>							43

HB 558: Well Design Service Cost

Why did you use a well driller for your evaluation and design services? (Check all that apply)		
Answer Options	Response Percent	Response Count
The health department encourage me to apply for an express permit.	0.0%	0
The health department would not perform the services.	2.4%	1
The health department could not perform the services quickly enough to meet my needs.	2.4%	1
I did not know health department staff were available.	36.6%	15
I trust my well driller.	34.1%	14
Other (please specify)	24.4%	10
<i>answered question</i>		41
<i>skipped question</i>		4

HB 558: Well Design Service Cost

Did you receive financial assistance to offset the evaluation, design, or installation cost for your well? For example, a grant from a non-profit organization.		
Answer Options	Response Percent	Response Count
Yes	4.9%	2
No	95.1%	39
If yes, please specify.		2
<i>answered question</i>		41
<i>skipped question</i>		4

HB 558: Well Design Service Cost

What incentives could be instituted to increase the use of private sector evaluation and design services for private wells in your area?	
Answer Options	Response Count
	17
<i>answered question</i>	17
<i>skipped question</i>	28

HB 558: Well Design Service Cost

How satisfied were you with the services provided by your well driller?							
Answer Options	Not Satisfied	Somewhat Satisfied	Neutral	Satisfied	Very Satisfied	Rating Average	Response Count
	1	2	2	8	29	4.48	42
	<i>answered question</i>						42
	<i>skipped question</i>						3

HB 558: Well Design Service Cost

How satisfied were you with the time required to obtain your permit after contracting with your well driller?							
Answer Options	Not Satisfied	Somewhat Satisfied	Neutral	Satisfied	Very Satisfied	Rating Average	Response Count
	2	2	2	16	19	4.17	41
	<i>answered question</i>						41
	<i>skipped question</i>						4

HB 558: Well Design Service Cost

*Optional: VDH would greatly appreciate you providing your contact information so we can follow up on your responses if necessary.		
Answer Options	Response Percent	Response Count
Name	95.5%	21
Phone Number	72.7%	16
Email	100.0%	22
	<i>answered question</i>	22
	<i>skipped question</i>	23

HB 558: Well Design Service Cost

VDH would be happy to share a copy of the questionnaire results with you via email. Would you like to receive a copy of the questionnaire results?		
Answer Options	Response Percent	Response Count
Yes	28.2%	11
No	71.8%	28
	<i>answered question</i>	39
	<i>skipped question</i>	6

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HB 558: OSE/PE Inspection Cost

Have you installed an onsite sewage system that was inspected by a private onsite soil evaluator (OSE) or professional engineer (PE) since July 1, 2015?		
Answer Options	Response Percent	Response Count
Yes	92.7%	38
No	7.3%	3
<i>answered question</i>		41
<i>skipped question</i>		0

HB 558: OSE/PE Inspection Cost

In which locality or localities have you received private sector inspection services from an OSE or PE since July 1, 2015? (check all that apply)		
Answer Options	Response Percent	Response Count
Accomack	0.0%	0
Albemarle	5.7%	2
Alexandria	0.0%	0
Alleghany	0.0%	0
Amelia	8.6%	3
Amherst	8.6%	3
Appomattox	0.0%	0
Arlington	0.0%	0
Augusta	2.9%	1
Bath	0.0%	0
Bedford	8.6%	3
Bland	0.0%	0
Botetourt	5.7%	2
Bristol	0.0%	0
Brunswick	2.9%	1
Buchanan	0.0%	0
Buckingham	2.9%	1
Buena Vista	0.0%	0
Campbell	5.7%	2
Caroline	8.6%	3
Carroll	5.7%	2
Charles City	5.7%	2
Charlotte	0.0%	0
Charlottesville	0.0%	0
Chesapeake	5.7%	2
Chesterfield	8.6%	3
Clarke	0.0%	0
Colonial Heights	0.0%	0
Covington	0.0%	0
Craig	0.0%	0
Culpeper	5.7%	2

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Cumberland	0.0%	0
Danville	0.0%	0
Dickenson	0.0%	0
Dinwiddie	5.7%	2
Emporia	0.0%	0
Essex	0.0%	0
Fairfax	11.4%	4
Falls Church	0.0%	0
Fauquier	8.6%	3
Floyd	5.7%	2
Fluvanna	5.7%	2
Franklin	8.6%	3
Franklin (City)	0.0%	0
Frederick	2.9%	1
Fredericksburg	8.6%	3
Galax	2.9%	1
Giles	0.0%	0
Gloucester	0.0%	0
Goochland	8.6%	3
Grayson	0.0%	0
Greene	5.7%	2
Greensville	2.9%	1
Halifax	0.0%	0
Hampton	2.9%	1
Hanover	5.7%	2
Harrisonburg	0.0%	0
Henrico	5.7%	2
Henry	0.0%	0
Highland	0.0%	0
Hopewell	0.0%	0
Isle of Wight	2.9%	1
James City	0.0%	0
King and Queen	0.0%	0
King George	8.6%	3
King William	0.0%	0
Lancaster	0.0%	0
Lee	0.0%	0
Lexington	0.0%	0
Loudoun	8.6%	3
Louisa	14.3%	5
Lunenburg	0.0%	0
Lynchburg	2.9%	1
Madison	2.9%	1
Manassas	8.6%	3
Manassas Park	0.0%	0
Martinsville	0.0%	0
Mathews	0.0%	0
Mecklenburg	2.9%	1
Middlesex	0.0%	0

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Montgomery	2.9%	1
Nelson	5.7%	2
New Kent	8.6%	3
Newport News	2.9%	1
Norfolk	2.9%	1
Northampton	0.0%	0
Northumberland	0.0%	0
Norton	0.0%	0
Nottoway	2.9%	1
Orange	5.7%	2
Page	0.0%	0
Patrick	0.0%	0
Petersburg	0.0%	0
Pittsylvania	0.0%	0
Poquoson	0.0%	0
Portsmouth	0.0%	0
Powhatan	11.4%	4
Prince Edward	0.0%	0
Prince George	0.0%	0
Prince William	11.4%	4
Pulaski	5.7%	2
Radford	2.9%	1
Rappahannock	0.0%	0
Richmond	0.0%	0
Richmond (city)	0.0%	0
Roanoke	2.9%	1
Roanoke (city)	0.0%	0
Rockbridge	5.7%	2
Rockingham	2.9%	1
Russell	0.0%	0
Salem	2.9%	1
Scott	0.0%	0
Shenandoah	5.7%	2
Smyth	2.9%	1
Southampton	5.7%	2
Spotsylvania	25.7%	9
Stafford	14.3%	5
Staunton	0.0%	0
Suffolk	5.7%	2
Surry	0.0%	0
Sussex	2.9%	1
Tazewell	2.9%	1
Virginia Beach	2.9%	1
Warren	2.9%	1
Washington	2.9%	1
Waynesboro	0.0%	0
Westmoreland	5.7%	2
Williamsburg	0.0%	0
Winchester	0.0%	0

Wise	0.0%	0
Wythe	2.9%	1
York	0.0%	0
<i>answered question</i>		35
<i>skipped question</i>		6

HB 558: OSE/PE Inspection Cost

How many private sector OSE or PE inspections have you received since July 1, 2015 (can be estimated)?

Answer Options	Response Count
	35
<i>answered question</i>	35
<i>skipped question</i>	6

HB 558: OSE/PE Inspection Cost

Did you receive inspections from an OSE, a PE, or both?

Answer Options	Response Percent	Response Count
OSE	34.3%	12
PE	2.9%	1
Both	62.9%	22
<i>answered question</i>		35
<i>skipped question</i>		6

HB 558: OSE/PE Inspection Cost

In your experience, how often do private sector OSEs and PEs charge inspection fees?

Answer Options	Never	Almost Never	Sometimes	Almost Always	Always	Rating Average	Response Count
	3	3	6	5	18	3.91	35
<i>answered question</i>							35
<i>skipped question</i>							6

HB 558: OSE/PE Inspection Cost

In your experience, who typically pays the inspection fee when an inspection fee is charges?		
Answer Options	Response Percent	Response Count
I (the installer) pay the inspection fee.	8.8%	3
I (the installer) pay the inspection fee and recoup the cost from the property owner.	29.4%	10
The property owner pays the inspection fee.	52.9%	18
It varies.	8.8%	3
<i>answered question</i>		34
<i>skipped question</i>		7

HB 558: OSE/PE Inspection Cost

Have you installed a conventional onsite sewage system that was inspected by a private sector OSE or PE since July 1, 2015?		
Answer Options	Response Percent	Response Count
Yes	97.1%	34
No	2.9%	1
<i>answered question</i>		35
<i>skipped question</i>		6

HB 558: OSE/PE Inspection Cost

What is the lowest amount you've seen charged for inspection services on a conventional onsite sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were free.	25.9%	7
\$1 to \$25	0.0%	0
\$26 to \$50	0.0%	0
\$51 to \$100	7.4%	2
\$101 to \$150	7.4%	2
\$151 to \$200	14.8%	4
\$201 to \$250	11.1%	3
\$251 to \$300	14.8%	4
\$301 to \$400	7.4%	2
\$401 to \$500	7.4%	2
More than \$500	3.7%	1
More than \$500 (please list estimated cost)		5
<i>answered question</i>		27
<i>skipped question</i>		14

HB 558: OSE/PE Inspection Cost

Was the lowest charge for a conventional system from an OSE, a PE, or both?		
Answer Options	Response Percent	Response Count
OSE	60.7%	17
PE	3.6%	1
Both	35.7%	10
<i>answered question</i>		28
<i>skipped question</i>		13

HB 558: OSE/PE Inspection Cost

What is the highest amount you've seen charged for inspection services on a conventional onsite sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were free.	20.0%	5
\$1 to \$25	0.0%	0
\$26 to \$50	4.0%	1
\$51 to \$100	0.0%	0
\$101 to \$150	0.0%	0
\$151 to \$200	4.0%	1
\$201 to \$250	4.0%	1
\$251 to \$300	8.0%	2
\$301 to \$400	28.0%	7
\$401 to \$500	24.0%	6
More than \$500	8.0%	2
More than \$500 (please list estimated cost)		4
<i>answered question</i>		25
<i>skipped question</i>		16

HB 558: OSE/PE Inspection Cost

Was the highest charge for a conventional system from an OSE, a PE, or both?		
Answer Options	Response Percent	Response Count
OSE	46.2%	12
PE	11.5%	3
Both	42.3%	11
<i>answered question</i>		26
<i>skipped question</i>		15

HB 558: OSE/PE Inspection Cost

What is the typical charge you've seen from an OSE or PE for inspection services of a conventional onsite sewage system since July 1, 2015?

Answer Options	Response Percent	Response Count
The services were fee.	21.2%	7
\$1 to \$25	0.0%	0
\$26 to \$50	3.0%	1
\$51 to \$100	3.0%	1
\$101 to \$150	6.1%	2
\$151 to \$200	6.1%	2
\$201 to \$250	9.1%	3
\$251 to \$300	15.2%	5
\$301 to \$400	9.1%	3
\$401 to \$500	9.1%	3
More than \$500	18.2%	6
More than \$500 (please list cost)		6
<i>answered question</i>		33
<i>skipped question</i>		8

HB 558: OSE/PE Inspection Cost

Have you installed an alternative onsite sewage system that was inspected by a private sector OSE or PE since July 1, 2015?

Answer Options	Response Percent	Response Count
Yes	67.6%	23
No	32.4%	11
<i>answered question</i>		34
<i>skipped question</i>		7

HB 558: OSE/PE Inspection Cost

What is the lowest amount you've seen charged for inspection services on an alternative onsite sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were free.	15.0%	3
\$1 to \$25	0.0%	0
\$26 to \$50	5.0%	1
\$51 to \$100	0.0%	0
\$101 to \$150	10.0%	2
\$151 to \$200	10.0%	2
\$201 to \$250	15.0%	3
\$251 to \$300	25.0%	5
\$301 to \$400	5.0%	1
\$401 to \$500	5.0%	1
More than \$500	10.0%	2
More than \$500 (please list estimated cost)		3
<i>answered question</i>		20
<i>skipped question</i>		21

HB 558: OSE/PE Inspection Cost

Was the lowest charge for an alternative system from an OSE, a PE, or both?		
Answer Options	Response Percent	Response Count
OSE	40.0%	8
PE	10.0%	2
Both	50.0%	10
<i>answered question</i>		20
<i>skipped question</i>		21

HB 558: OSE/PE Inspection Cost

What is the highest amount you've seen charged for inspection services on an alternative onsite sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were free.	10.0%	2
\$1 to \$25	0.0%	0
\$26 to \$50	5.0%	1
\$51 to \$100	0.0%	0
\$101 to \$150	5.0%	1
\$151 to \$200	5.0%	1
\$201 to \$250	15.0%	3
\$251 to \$300	5.0%	1
\$301 to \$400	15.0%	3
\$401 to \$500	15.0%	3
More than \$500	25.0%	5
More than \$500 (please list estimated cost)		3
	<i>answered question</i>	20
	<i>skipped question</i>	21

HB 558: OSE/PE Inspection Cost

Was the highest charge for an alternative system from an OSE, a PE, or both?		
Answer Options	Response Percent	Response Count
OSE	26.3%	5
PE	36.8%	7
Both	36.8%	7
	<i>answered question</i>	19
	<i>skipped question</i>	22

HB 558: OSE/PE Inspection Cost

What is the typical charge you've seen from an OSE or PE for inspection services of an alternative onsite sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were fee.	8.7%	2
\$1 to \$25	0.0%	0
\$26 to \$50	0.0%	0
\$51 to \$100	8.7%	2
\$101 to \$150	4.3%	1
\$151 to \$200	13.0%	3
\$201 to \$250	13.0%	3
\$251 to \$300	13.0%	3
\$301 to \$400	13.0%	3
\$401 to \$500	4.3%	1
More than \$500	21.7%	5
More than \$500 (please list cost)		4
<i>answered question</i>		23
<i>skipped question</i>		18

HB 558: OSE/PE Inspection Cost

Have you installed an alternative discharging sewage system that was inspected by a private sector OSE or PE since July 1, 2015?		
Answer Options	Response Percent	Response Count
Yes	33.3%	11
No	66.7%	22
<i>answered question</i>		33
<i>skipped question</i>		8

HB 558: OSE/PE Inspection Cost

What is the lowest amount you've seen charged for inspection services on an alternative discharging sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were free.	22.2%	2
\$1 to \$25	0.0%	0
\$26 to \$50	0.0%	0
\$51 to \$100	0.0%	0
\$101 to \$150	11.1%	1
\$151 to \$200	11.1%	1
\$201 to \$250	0.0%	0
\$251 to \$300	0.0%	0
\$301 to \$400	22.2%	2
\$401 to \$500	11.1%	1
More than \$500	22.2%	2
More than \$500 (please list estimated cost)		1
<i>answered question</i>		9
<i>skipped question</i>		32

HB 558: OSE/PE Inspection Cost

Was the lowest charge for an alternative discharge system from an OSE, a PE, or both?		
Answer Options	Response Percent	Response Count
OSE	25.0%	2
PE	37.5%	3
Both	37.5%	3
<i>answered question</i>		8
<i>skipped question</i>		33

HB 558: OSE/PE Inspection Cost

What is the highest amount you've seen charged for inspection services on an alternative discharging sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were free.	12.5%	1
\$1 to \$25	0.0%	0
\$26 to \$50	0.0%	0
\$51 to \$100	0.0%	0
\$101 to \$150	0.0%	0
\$151 to \$200	0.0%	0
\$201 to \$250	12.5%	1
\$251 to \$300	12.5%	1
\$301 to \$400	25.0%	2
\$401 to \$500	12.5%	1
More than \$500	25.0%	2
More than \$500 (please list estimated cost)		1
<i>answered question</i>		8
<i>skipped question</i>		33

HB 558: OSE/PE Inspection Cost

Was the highest charge for an alternative discharging system from an OSE, a PE, or both?		
Answer Options	Response Percent	Response Count
OSE	12.5%	1
PE	62.5%	5
Both	25.0%	2
<i>answered question</i>		8
<i>skipped question</i>		33

HB 558: OSE/PE Inspection Cost

What is the typical charge you've seen from an OSE or PE for inspection services of an alternative discharging sewage system since July 1, 2015?		
Answer Options	Response Percent	Response Count
The services were fee.	0.0%	0
\$1 to \$25	0.0%	0
\$26 to \$50	0.0%	0
\$51 to \$100	0.0%	0
\$101 to \$150	0.0%	0
\$151 to \$200	14.3%	1
\$201 to \$250	14.3%	1
\$251 to \$300	0.0%	0
\$301 to \$400	28.6%	2
\$401 to \$500	28.6%	2
More than \$500	14.3%	1
More than \$500 (please list cost)		1
<i>answered question</i>		7
<i>skipped question</i>		34

HB 558: OSE/PE Inspection Cost

In your opinion, how reasonable are private sector OSE and PE inspection costs?							
Answer Options	Not Reasonable	Somewhat Reasonable	Neutral	Reasonable	Very Reasonable	Rating Average	Response Count
	1	6	10	10	3	3.27	30
In your opinion, what is a reasonable inspection cost?							11
<i>answered question</i>							30
<i>skipped question</i>							11

HB 558: OSE/PE Inspection Cost

How satisfied were you with the inspection services provided by private sector OSEs and PEs?							
Answer Options	Not Satisfied	Somewhat Satisfied	Neutral	Satisfied	Very Satisfied	Rating Average	Response Count
	0	0	7	15	10	4.09	32
<i>answered question</i>							32
<i>skipped question</i>							9

HB 558: OSE/PE Inspection Cost

How satisfied were you with the time required to obtain inspection services after contacting private sector OSEs and PEs?							
Answer Options	Not Satisfied	Somewhat Satisfied	Neutral	Satisfied	Very Satisfied	Rating Average	Response Count
	1	4	6	13	8	3.72	32
<i>answered question</i>							32
<i>skipped question</i>							9

HB 558: OSE/PE Inspection Cost

What incentives could be instituted to increase the use of private sector services in your area?	
Answer Options	Response Count
	19
<i>answered question</i>	19
<i>skipped question</i>	22

HB 558: OSE/PE Inspection Cost

Based on the systems you have installed, what is the average cost to install a conventional onsite sewage system (not including fees for design services)?	
Answer Options	Response Count
	33
<i>answered question</i>	33
<i>skipped question</i>	8

HB 558: OSE/PE Inspection Cost

Based on the systems you have installed, what is the average cost to install an alternative onsite sewage system (not including fees for design services)?	
Answer Options	Response Count
	29
<i>answered question</i>	29
<i>skipped question</i>	12

HB 558: OSE/PE Inspection Cost

Based on the systems you have installed, what is the average cost to install an alternative discharging sewage system (not including fees for design services)?

Answer Options	Response Count
	21
<i>answered question</i>	21
<i>skipped question</i>	20

HB 558: OSE/PE Inspection Cost

*Optional: VDH would greatly appreciate you providing your contact information so we can follow-up on your responses if necessary.

Answer Options	Response Percent	Response Count
Name	100.0%	24
Phone Number	83.3%	20
Email	95.8%	23
<i>answered question</i>		24
<i>skipped question</i>		17

HB 558: OSE/PE Inspection Cost

VDH would be happy to share a copy of the questionnaire results with you via email. Would you like to receive a copy of the questionnaire results?

Answer Options	Response Percent	Response Count
Yes	68.8%	22
No	31.3%	10
<i>answered question</i>		32
<i>skipped question</i>		9

HB 558: Plan to Eliminate Virginia Department of Health Evaluation and Design Services for Onsite Sewage Systems and Private Wells

Draft Interim Report 2
July 25, 2016



Prepared By
Virginia Department of Health
Office of Environmental Health Services
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs

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I. Executive Summary

When mentioning the term “health department” people may think of clinical services, restaurant inspections, or a host of other services provided by local health departments (LHD) throughout the nation. In Virginia, many citizens also think about “septic” systems and private wells when they hear the term “health department.” Virginians make this connection because for over 50 years LHD throughout the Commonwealth have provided evaluation and design services for onsite sewage systems (OSS) and private wells. However, over the last two decades licensed private sector service providers have also been providing direct services, such as site evaluations and designs for OSS and private wells.

This plan provides that VDH will maintain current staffing levels throughout and after a transition to full privatization of direct service delivery. VDH is recommending that funding shortfalls be recouped by instituting new fees for services that VDH currently provides without a fee. Additionally, it is critical, if VDH is to transition away from providing direct services, that a repair fund be established to assist property owners that currently rely on the evaluation and design services provided by VDH. Without a repair fund VDH would need to remain as the provider of last resort for those qualifying (i.e. income eligible) property owners.

DRAFT

Table 1: Interim Report 2 Draft Recommendations

Element Group	Element	Draft Recommendation
Consumer Protection		
	Transparency of Cost	In progress.
	Consumer Disclosure	Modify OSE/PE certification statement.
	Dispute Resolution	In progress.
	Range of Cost	In progress.
Transitional Planning		
	Final Transition Date	In progress.
	Transitional Timeline	In progress.
	Incremental Timeline	Eliminate direct services for certification letters and voluntary upgrades statewide on July 1, 2017. Allow transfer of valid permits to new owners. Eliminate direct services for new construction not intended as a principle place of residence statewide on July 1, 2017. Accept evaluations and designs from well drillers for private well construction and abandonment.
	Local Transitions	In progress.
	Fee Changes	Current staffing levels are maintained throughout and after the transition to full privatization of direct service delivery. Create fees for OSS repairs application consistent with new construction applications; fee is waived for property owners that qualify for the repair fund. Create fees for OSS voluntary upgrade applications consistent with new construction applications; fee is waived pursuant to eligibility in the Fee Regulations.
	Services in Underserved Areas	In progress.
Internal Procedures and Improvements		
	Review Procedures	In progress.
	Program Improvements	In progress.
Repair Funding		
	Repair Funding	Cover cost of private sector evaluation and design services, system installation, and five years of sampling and O&M for qualifying property owners.

II. Introduction

A. Background

HB 558 Interim Report 1 includes a detailed background regarding the increased use of private sector service providers and previous efforts related to shifting services to the private sector. HB 558 Interim Report 1 also includes a detailed list of the elements included in HB 558 as well as a detailed background of statutory and regulatory authority for VDH's Onsite Sewage and Water Services program. You can find HB 558 Interim Report 1 at: <http://166.67.66.226/EnvironmentalHealth/Onsite/hb558/documents.htm> .

B. Purpose and Objectives

The purpose of HB 558 is to develop a plan to eliminate evaluation and design services provided by VDH for OSS and private wells, and present the plan to the Governor and the General Assembly by November 15, 2016. VDH's objective is to provide a comprehensive plan that includes recommendations for legislative, regulatory, and policy changes necessary to shift evaluation and design services to the private sector.

Stakeholders for this process include: Office of Environmental Health Services (OEHS) staff, LHD staff, OSS and private well owners, the Sewage Handling and Disposal Advisory Committee (SHADAC) and its representative organizations, Department of Professional and Occupational Regulation staff, Department of Planning and Budget (DPB) staff, private OSEs and PEs, OSS installers, OSS operators, sewage handlers, certified water well system providers, home builders, realtors, environmental groups, non-profit organizations that provide assistance to OSS and private well owners, local government officials, and onsite sewage and private well product manufacturers.

The purpose of this interim report is to provide stakeholders with information regarding the agency's progress in meeting overall project goals. This interim report also outlines draft recommendations regarding fee changes and repair funding. These draft recommendations are subject to change throughout the process as additional information is gathered and as other draft recommendations are completed. Stakeholders are encouraged to share their thoughts. Comments on this report can be sent to Lance Gregory, Environmental Health Coordinator, at Lance.Gregory@vdh.virginia.gov or David Tiller, Environmental Health Coordinator, at Dave.Tiller@vdh.virginia.gov.

III. Fee Changes

A. Overview

Funding for the Onsite Sewage and Water Services program comes from three primary sources: general funds, local matching funds, and application fees. During the Safety and Health in Facilitating a Transition (SHIFT) process, DPB staff reported that about 20% of the costs of VDH OSS services are covered by the fees. One component of the HB 558 plan is to evaluate necessary changes to application fees to implement the plan of shifting direct service delivery.

The state budget establishes the maximum amount VDH is allowed to charge for applications. See Appendix A for an excerpt regarding these fees from the 2016 – 2018 Biennium state budget. Under authority provided by the Code, the Board of Health promulgated the Regulations Governing Fees for Onsite Sewage Disposal Systems, Alternative Discharge Systems, and Private Wells ([12VAC5-620](#), the Fee Regulations). The Fee Regulations establish a procedure for determining the fees for services provided by VDH for OSS, alternative discharge systems, and private wells; procedures for the refund of fees; procedures for the waiver of fees; clarifies that an application fee is required for an alternative discharging sewage system; clarifies that an application fee is required for a letter certifying that a site is suitable for installation of an onsite sewage disposal system; clarifies the application fee for closed-loop geothermal well systems; clarifies the applicability for waiver of fees; and clarifies that an applicant may not receive a refund for denial of an application if the applicant is actively pursuing an administrative appeal of the denial. Agency guidance for the Fee Regulations is contained in Guidance Memorandum and Policy [2016-02](#).

VDH charges the maximum amount allowed for services found in the budget bill, but those fees do not represent the total cost to the agency for providing direct services, including programmatic oversight and management. Additionally, there are a number of services with no fee, such as OSS repair and voluntary upgrade applications. There are also a number of services that cannot be easily recovered with a fee, such as: complaint investigation; quality checks of private sector work; and record-keeping. VDH's current fees for OSS and private well services are summarized in Table 2.

HB 558 Interim Report 2 deals specifically with statewide fees for OSS and private well applications. However, VDH acknowledges some localities also charge a fee for these services. A preliminary list of local OSS and private well fees is included in Appendix B.

VDH fees for direct services are lower than the cost for private sector evaluation and design services; VDH does not offer all of the direct services available in the private sector (e.g. alternative onsite sewage system designs). A number of stakeholders, especially those providing private sector evaluation and design services, suggest that VDH should raise the fees for direct services to capture the full cost of the service. They believe by creating a level playing field, market forces may push direct service delivery to the private sector.

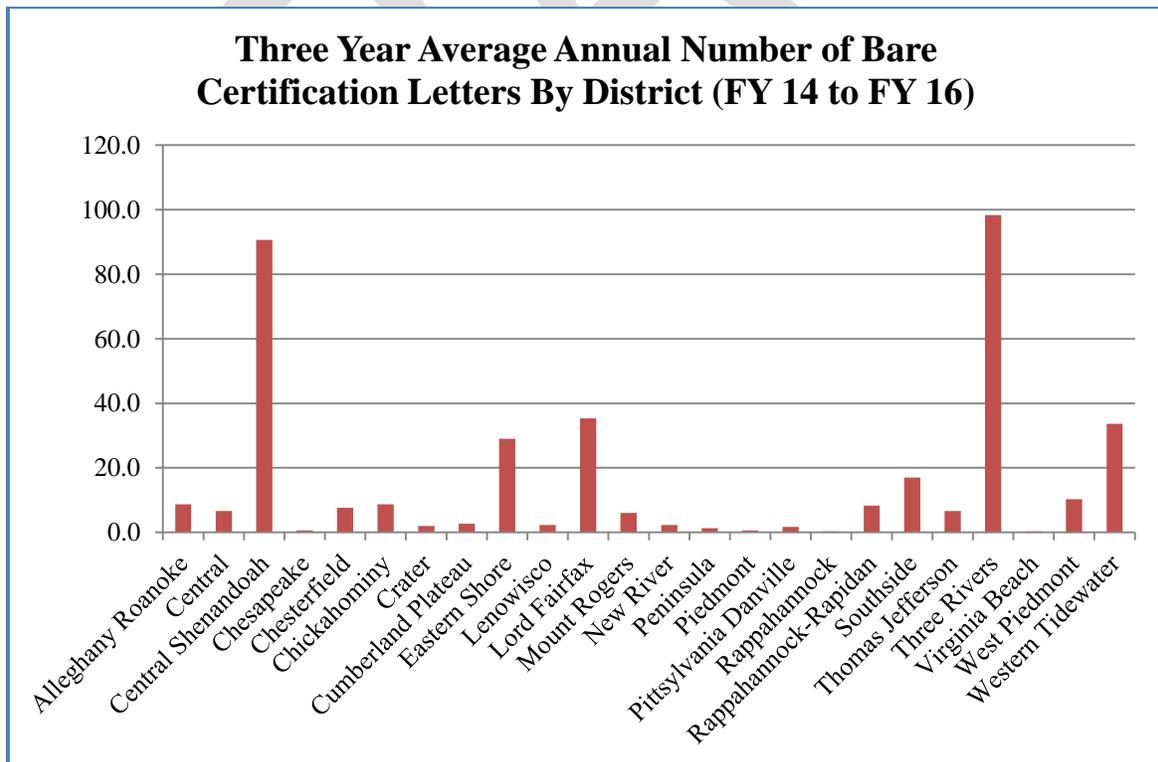
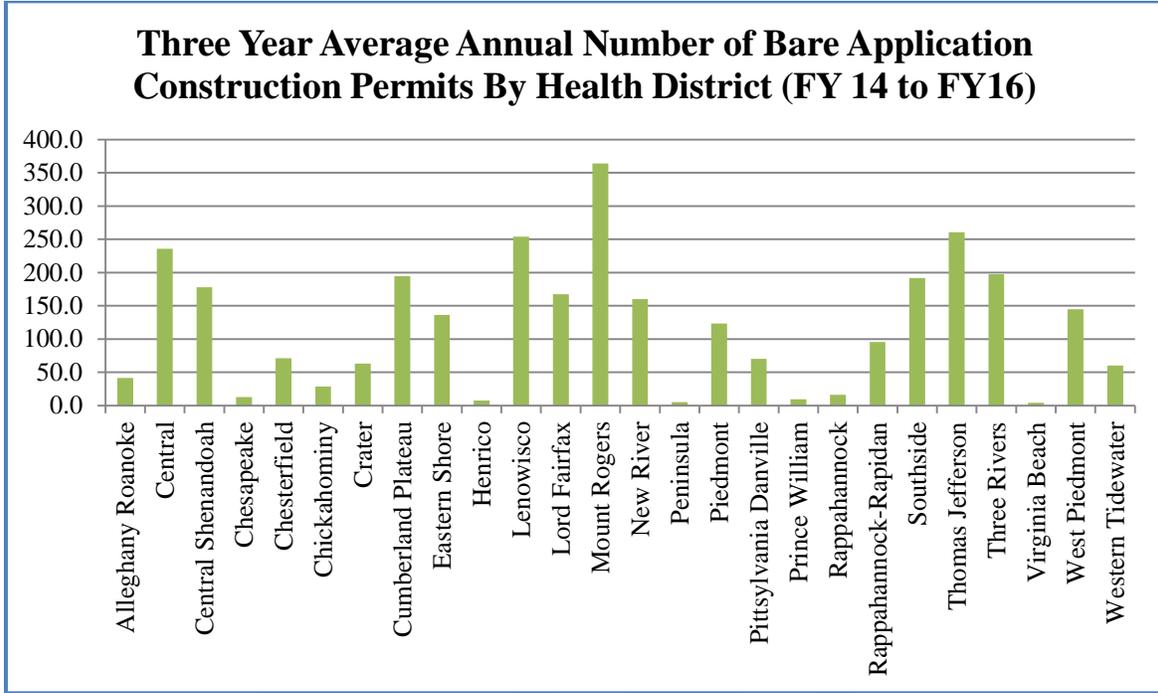
Table 2: Current VDH OSS and Private Well Application and Service Fees

Application Type	Fee
Certification Letter Without Private OSE/PE Documentation (Bare Application)	\$350
Construction Permit for OSS Only Without OSE/PE Documentation (Bare Application)	\$425
Combined Well and OSS Construction Permit Without OSE/PE Documentation (Bare Application)	\$725
Certification Letter With OSE/PE Documentation, <= 1,000 gpd	\$320
Certification Letter With OSE/PE Documentation, >1,000 gpd	\$1,400
Construction Permit for Only OSS With OSE/PE Documentation, <= 1,000 gpd	\$225
Construction Permit for Only Sewage System With OSE/PE Documentation, > 1,000 gpd	\$1,400
Combined Well and OSS Construction Permit With OSE/PE Documentation, <= 1,000 gpd	\$525
Combined Well and OSS Construction Permit With OSE/PE Documentation, > 1,000 gpd	\$1,700
Private Well Only, With or Without OSE/PE Documentation (including closed-loop geothermal, one fee per geothermal system)	\$300
Minor Modification to an Existing System	\$100
Alternative Discharge System Inspection Fee	\$75
Appeal Before the Sewage Handling and Disposal Appeals Review Board	\$135
OSS Repair Permit With or Without OSE/PE Documentation	\$0
OSS Voluntary Upgrade Permit With or Without OSE/PE Documentation	\$0
SAP Evaluation Requiring Site and Soil Evaluation With or Without OSE/PE Documentation	\$0
Replacement Well Application When the Existing Well is Abandoned	\$0
Complaint Investigations	\$0
Courtesy Reviews	\$0
Preliminary Engineering Reviews	\$0
Subdivision Reviews	\$0
Product Approval Reviews	\$0
Variance Request Reviews	\$0
Indemnification Fund Reviews	\$0
Inspection and Approval of Sewage Handlers	\$0

The overall goal of the HB 558 plan is to shift all direct services to the private sector. While increased fees for bare applications may help to shift more work to the private sector in the short term, such increases do not address long-term revenue that would be lost once all direct services are transferred to the private sector. Preliminary estimates find that between FY 2014 and FY 2016 VDH received an average of 3,093 bare applications for OSS construction permits; not including applications in Loudoun and Fairfax.¹ If all of those applications were shifted to the private sector, VDH would lose approximately \$618,600 annually based on the current fee structure (3,093 X \$200 less received for application with supporting work from the private sector). Over that same time period, VDH received an average of 381 bare applications for certification letters, again not including Loudoun and Fairfax. If all of those applications were shifted to the private sector, VDH would lose \$11,430 annually (381 X \$30 less received for

¹ This estimate is based on Virginia Environmental Information System (VENIS) data for construction permit applications from FY 14 to FY 16 (9,647) minus voluntary upgrade permit applications (367), divided by three (3093.3). Loudoun and Fairfax are excluded as those LHD use other databases for tracking OSS and private well permits; future revisions to HB 558 Interim Report 2 will include data for Loudoun and Fairfax.

application with supporting work from the private sector). Therefore, a shift to full privatization would result in a revenue loss of approximately \$630,000 annually for the agency, not including Loudoun and Fairfax.



As shown in the previous charts, bare applications are not evenly distributed across the state. Therefore, estimated losses in revenue would not be evenly distributed throughout the state. LHDs that process large numbers of bare applications would be disproportionately impacted. There are a number of other factors that can affect agency revenue, such as increasing or decreasing numbers of applications based on future rates of development in areas requiring OSS and/or private wells.

Future revisions to HB 558 Interim Report 2 will include more detailed estimates for anticipated revenue losses at the state, district, and local level taking into account other factors that affect agency revenue. HB 558 Interim Report 1 recommends that OSS and private well construction permits be allowed to transfer ownership. LHD currently charge a new application fee to issue a permit to a new property owner. This recommendation will also have some impact on estimated lost revenue. OEHS staff will seek input from LHDs to develop and verify final revenue loss estimations.

A number of stakeholders have suggested that VDH begins charging fees for services that are currently provided for free, such as repair permit applications. Other stakeholders have raised concerns that low-income households cannot support any increase in fees, especially if they will be required to pay for private sector services. During the SHIFT process, some stakeholders commented that repair permits should always be free to protect public health and the environment.

Section 12VAC5-620-80 of the Fee Regulations states that any owner whose family income is at or below the Federal Poverty Guidelines (FPG) shall not be charged a fee. Additionally, HB 558 directs VDH to evaluate the establishment of a repair fund to assist income eligible households with the cost of repairs.

A driving factor for VDH to shift the focus of staff away from services provided by the private sector is to allow the agency to focus on functions within the program that only VDH can provide and that work towards the agency's mission of making Virginia the healthiest state in the nation. These focuses include: improvements to OSS and private well data collection; improved oversight of the alternative onsite sewage system (AOSS) operation and maintenance (O&M) program; quality assurance/quality control; public and environmental health surveillance; education and outreach, among others. Additionally, the agency may administer the repair funding discussed later in this report. VDH would need to maintain at least the current staffing levels to adequately provide for these functions following the elimination of direct services.

While eliminating direct services does reduce some staff resources for each application, it does not completely eliminate staffing resources for review and evaluation of OSS and private well permit and certification letter applications. Staff would still be required to perform a paperwork review (Level I) for all applications and field reviews (Level II) on a portion of applications. VDH staff would also need to perform inspections of installed systems, increasing the frequency of such inspections to include all installed systems (VDH is required currently to inspect only those systems designed by VDH staff).

Future interim reports will address the estimated time currently spent by VDH staff providing direct services, as well as estimates for time spent by VDH staff on shifting or new tasks.

B. Options for Fees

During previous studies and reports, a number of options were presented to modify fees in the Onsite Sewage and Water Service program. Options included:

- VDH changes its fee structure to charge the full cost of service delivery, while still providing subsidized fees for the indigent.
- VDH subsidizes a part of the fee to the private sector for providing the services to the indigent in those areas of the state where services are not readily available.
- Charge an additional fee for minor cosmetic construction permit or certification letter changes, unless the change was initiated by VDH.
- Allow VDH to implement fees on a regional basis.
- Means testing of all applicants, including for repairs.
- VDH should reduce the fees for application with supporting work from and OSE/PE and offset the revenue loss with new fees for other services: voluntary upgrade apps, courtesy reviews, some repairs, and safe, adequate, and proper (SAP) evaluations.
- Gradually raise bare application fees over time.

Members of the Transitional Planning Element Development Team have also suggested modifications to VDHs current fee structure, such as:

- Charging a minor modification fee when a permit is transferred to a new owner.
- Charging a fee for repairs.
- Charging a fee for subdivision reviews.

C. Draft Recommendations

VDH recommends that current staffing levels be maintained throughout and after the transition to full privatization of direct service delivery. These staffing levels are necessary to perform the functions that only VDH can provide within the Onsite Sewage and Water Services program and to meet expanding service expectations that include private well water quality, enhanced surveillance and enforcement in the AOSS program and water quality programs such as the Chesapeake Bay TMDL and individual watershed TMDLs. Additionally, VDH staff frequently perform duties outside of the Onsite Sewage and Water Services program, such as rabies investigations. These duties are in addition to services the private sector cannot provide and the shifting focus within the onsite program.

VDH recommends an application fee of \$225 for OSS repair applications with flows less than or equal to 1,000 gpd. VDH recommends an application fee of \$1,400 for OSS repair applications with flows greater than 1,000 gpd. These fees are consistent with the fees charge for new OSS construction applications with supporting work from the private sector. A number of

stakeholders have suggested VDH charge a fee for this service, as the processing of repair permit applications requires at least as much staff resources as a new construction application; in most cases, they require more resources.

To address concerns regarding low-income household, VDH recommends the repair fees be waived for all property owners that qualify for the repair fund. An additional repair fee of \$225 would be a considerable step towards recouping revenue shortfalls from the elimination of bare applications. However, the increased revenue is not distributed equally throughout LHD, as some localities receive more repair permit applications than others.

VDH recommends an application fee of \$225 for OSS voluntary upgrade applications with flows less than or equal to 1,000 gpd. VDH recommends an application fee of \$1,400 for OSS voluntary upgrade applications with flows greater than 1,000 gpd. These fees are consistent with the fees charged for new OSS construction applications with supporting work from the private sector. VDH recommends the fee waiver for new OSS construction permits contained in the Fee Regulations be extended to voluntary upgrade applications.

Any changes to fees for OSS and private well services will require an amendment to the budget bill and the Fee Regulations.

Future revisions to HB 558 Interim Report 2 will include an exact estimate for anticipated revenue gains at the state, district, and local level for the proposed fees. OEHS staff will seek input from LHD to verify estimations.

Staff will continue to assess additional fees that could be implemented, including: fees for replacement well applications; fees for system inspections; fees for courtesy reviews; and fees for SAP.

Staff will also continue to assess the potential for increasing bare application fees, statewide or regionally, to increase private sector participation. Should such increases be recommended, the increased revenue should be directed to the development of an onsite sewage and private well repair fund.

D. Summary of Recommendations

- Current staffing levels are maintained throughout and after the transition to full privatization of direct service delivery.
- Create fees for OSS repairs application consistent with new construction applications; fee is waived for property owners that are eligible for the repair fund.
- Create fees for OSS voluntary upgrade applications consistent with new construction applications; fee is waived pursuant to eligibility in the Fee Regulations.

IV. Repair Fund Element Group

A. Overview

Section 12VAC5-620-10 of the Fee Regulations define a repair as the construction or replacement of all or parts of a sewage disposal system or private well to correct a failing, damaged, or improperly functioning system or well when such construction or replacement is required by the Board of Health's regulations.

OSS, when correctly designed, installed and maintained, treat and disperse wastewater safely. Malfunctioning OSS present health risks to humans because of potential contamination of water supplies and shellfish grounds. If partially treated sewage become present on the ground's surface or find its way into adjacent ditches or waterways, the possibility of humans contracting any of the number of diseases from infectious agents in the sewage is greatly multiplied. To alleviate these risks, failing OSS must be correctly and immediately repaired.

Currently, no fee is required to submit an application to repair an OSS or an application to replace a private well. Section 12VAC5-620-80.C of the Fee Regulations state that any person applying for a permit to repair an OSS or alternative discharging system shall not be charged a fee for filing the application. Section 12VAC5-620-80.D of the Fee Regulations states that any person applying for a construction permit for the replacement of a private well may be charged a fee for filing the application. Any application fee paid for a construction permit for a replacement well shall be refunded in full upon receipt by VDH of a Uniform Water Well Completion Report, pursuant to 12VAC5-630-310 of the Private Well Regulations (12VAC5-630), indicating that the well that was replaced has been permanently and properly abandoned or decommissioned.

VDH conducts site and soil evaluations for OSS in accordance with the Sewage Handling and Disposal Regulations (12VAC5-610) and conducts sanitary surveys for private wells in accordance with the Private Well Regulations. VDH designs conventional onsite sewage systems (COSS) and private replacement wells and issues construction permits without a fee from the applicant. When VDH transitions out of a direct service role, there will be a cost to owners associated with the work that VDH currently completes at no charge.

Most OSS components are located below grade and are not visible and can malfunction without obvious signs. With certain exceptions, the first time owners recognize a problem, there is sewage erupting on the ground surface. Owners rarely plan for these events and are surprised at how much a repair will cost. Adding private sector site evaluation and design cost on top of the cost of materials and labor adds to the financial problem for lower-income households. For some lower-income households, the financial problem may be overwhelming and could lead to failing systems not being reported or being improperly repaired without a permit.

VDH has sent a questionnaire to property owners that have received evaluation and design services to better understand the cost of these services when provided by the private sector. VDH has also sent a questionnaire to installers regarding the average cost of installation

services. Responses from the questionnaires will be used to approximate the cost of evaluation and design services, and installation services, at the state and local levels.

A failing OSS is associated with a criminal violation and requires correction. The private sector may be concerned with liability because repair designs often require working close to the margins of the regulations. Designing a repair for a failing OSS is more involved and takes more time than a design for a new system. A fund may encourage the private sector to provide these services.

Establishing a fund will benefit owners who are required to repair their failing OSS, incentivize owners to report problems and request permits and encourage private sector professionals to devote resources to repairing failing sewage systems.

The Code currently provides VDH with several options to assist owners with the financial issues associated with OSS repairs; one way is through repair waivers. Owners may elect to repair their failing OSS under § 32.1-164.1:1.B, of the Code. Owners of these properties receive waivers pursuant to state law that allows them to repair their systems without including required treatment and/or pressure dosing. However, systems repaired in this manner must be replaced with a system that includes the required treatment or pressure dosing when the property is transferred. Because these systems have failed already and because the site and soil conditions would normally require advanced sewage treatment or pressure dosing, it is likely these facilities are releasing nutrients and pathogenic organisms into groundwater at rates higher than normal COSS and AOSS. The risk is also high that these systems may fail again. Economics is the number one reason why owners elect to receive these waivers.

The Onsite Sewage Indemnification Fund found at § 32.1-164.1:01 of the Code, provides another avenue for assistance. The purpose of the fund is to assist owners of legally installed sewage systems when their systems fail within three years of construction and the failure results from the negligence of VDH. The fund receives money generated by a portion of the fees collected by VDH from owners who apply to construct new OSS.

Lastly, section §32.1-164.1:2 of the Code creates a betterment loan program for OSS. The purpose of this section is to require VDH to establish an eligibility program to assist owners with repairing or replacing failing or non-compliant OSS. Additionally, owners may also apply to VDH to be eligible for a betterment loan to upgrade an OSS or alternative discharging sewage system that is not failing. This Code section does not create a funding source. The owner is responsible for securing a betterment loan from or through a private lender. The authority for this section has been in place since 2009 and no loans have been issued.

There are a number of organizations and programs that currently provide assistance to property owners seeking to repair their OSS or private well. The Southeast Rural Community Assistance Project (SERCAP) provides financing to develop safe drinking water and wastewater disposal systems for the rural poor in seven states, including Virginia, in the southeastern United States. SERCAP is often a partner with federal and state agencies in funding community-wide

wastewater and safe drinking water infrastructure projects. They also provide individuals low-interest loans and grants for OSS and wells.

USDA Rural Development provides low-cost loans and grants to finance drinking water and wastewater disposal systems. They are entirely federally funded. US Department of Housing and Urban Development's (HUD) Federal Housing Administration makes it easier for consumers to obtain affordable home improvement loans by insuring loans made by private lenders to improve properties that meet certain requirements.

Most potential assistance programs have programmatic and funding cycles that commit their human and financial assets to relatively long time frames (a year or more), and they are usually unable to quickly redirect their efforts to compliment a new program.

Although these programs have been in existence for decades, they have not met all the repair funding needs in Virginia. These funds also do not account for the increase in funding needs that would result from shifting OSS and private well evaluation and design services to the private sector. It is for that reason that VDH recommends the creation of a specific repair fund to assist qualifying property owners with OSS and private well repairs. Creating a structure with different levels of funding will assist in identifying how owners may be helped financially after direct services from VDH are no longer available for repairing OSS and replacing private wells.

The repair fund must:

1. Assist property owners who cannot afford to repair their OSS and private wells.
2. Use the private sector for evaluation and design services.
3. Enable owners so repairs can be made in a timely fashion.

A tier method that includes different options has been proposed for this purpose.

VDH will conduct additional analysis to estimate the cost of private sector services for repairs at a state and local level and identify areas and communities that will be most affected by a shift to private sector services.

Future revisions to HB 558 Interim Report 2 will also include information regarding:

- *The total number of OSS and private well repairs each year.*
- *The percentage of repair evaluations and designs currently done by the private sector.*
- *Recommendation from previous studies regarding repair funding.*

B. Fund Components and Options

1. Options for Services to be Covered by the Fund

i. Tier 1 Funding

Tier 1 funding will include site and soil evaluations for repairing OSS, conducting sanitary surveys for replacing private wells, the associated designs and inspection costs. VDH currently provides free evaluation and design services for 73% of repair applications. The Tier 1 funding would assist income eligible property owners that currently rely on VDH for those free services to pay for private sector services once repair evaluations and designs are shifted from VDH.

ii. Tier 2 Funding

Tier 2 funding will include all work conducted under Tier 1 plus the installation costs (materials and labor) associated with repairing OSS and replacing private wells. In addition to covering the cost of evaluation and design services currently provided by VDH for free, the tier 2 funding would assist owners who do not have the financial means to install a regulatory complaint system. Currently, owners who cannot afford or find funds for a regulatory compliant design install systems with treatment waivers.

iii. Tier 3 Funding

Tier 3 funding will include all work conducted under Tier 2 plus the cost of required O&M and sampling for five years from the date of the operation permit. Even if an owner receives funding to pay for the installation of a system, if that system includes treatment they may not be able to afford the annual O&M to ensure the system continues to function properly.

Additional options for services to be covered by the fund are:

- Replacement of failing or malfunctioning alternative discharging sewage treatment systems;
- Replacement of inoperative effluent pumps;
- Replacement of treatment unit air pumps and media.

2. Options for Delivery of Services

VDH has identified the following options for delivery of the services under Tier 1 through 3:

- The property owner selects their service provider and the fund administrator reimburses a set amount.
- The property owner gets bids from multiple service providers and uses the lowest bidder.

- The fund administrator develops contracts with service providers to complete the requested services.

VDH will continue to evaluate other option for delivery of services.

3. Options for Determining Eligibility

There are a number of options for determining income eligibility for a repair fund. Using Area Median Income (AMI), the income level earned by a given household where half of the homes in the area earn more and half earn less, has become common for determining eligibility for grants for housing and assistance programs. Most eligibility thresholds are set at a level of the AMI. HUD's Community Development Block Grant uses the eligibility level of 50% AMI (Very Low) for some programs and 80% AMI (Low) for others. AMIs for Virginia may be viewed at <https://www.fanniemae.com/s/components/amillookup/7f00b4b9-6ade-4b91-be19-0071f343b1b9?state>.

Using a level of the FPG could also be used for determining eligibility.² Problems associated with using a level of AMI or a level of the FPG include identifying who falls in the category and if the home utilizes an OSS and/or private well to be able to estimate potential annual costs for each Tier. For the purposes of developing the framework for a repair fund, the estimate of annual need will be based on best available data and should be used for preliminary budget purposes only. If a repair fund is established, the annual budget needs for the fund should be assessed annually based on actual need.

Preliminary estimates find that between FY 2014 and FY 2016 VDH received an average of 3,224 repair permits per year, not including Fairfax. According to the United States Census Bureau, 26% of the population in Virginia falls at or below 200% of the FPG. Preliminary estimates for the cost of evaluation and design services range from \$1,000 to \$1,500. Using the follow (average number of repair permits issued annually) x (percent of the population at or below 200% of the FPG) x (estimated cost for evaluation and design services), funding for Tier 1 would require from \$838,240 to \$1,257,360.

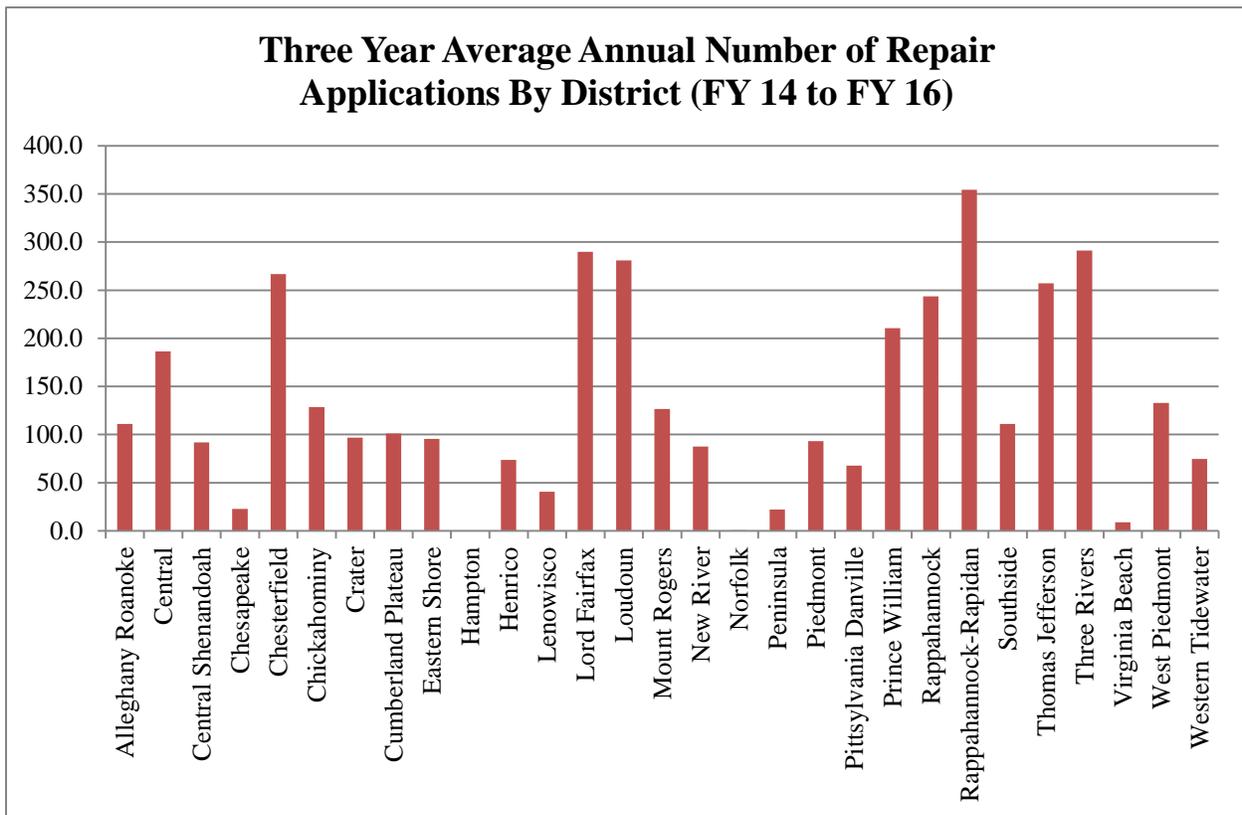
VDH will estimate the additional cost associated with Tier 1 for replacing private wells.

Using an estimated evaluation and design cost from \$1,000 to \$1,500, and a preliminary estimate for installation cost (materials and labor) of \$10,000 to \$15,000, funding for Tier 2 would require \$9,218,000 to \$13,827,000.

VDH will estimate the additional cost associated with Tier 2 for replacing private wells.

DPB estimates the cost of O&M for OSS to be from \$330 to \$680 per year. Based on five years of O&M, Tier 3 funding would require \$10,600,700 to \$16,676,200.

² You can find a complete chart of FPG at <https://www.federalregister.gov/articles/2016/01/25/2016-01450/annual-update-of-the-hhs-poverty-guidelines>



VDH will estimate the additional cost associated with Tier 3 for replacing private wells.

Future revisions to HB 558 Interim Report 2 will include the following, as available:

- *The number of households utilizing OSS that fall at 50% or below AMI; 80% or below AMI; or 200% FPG or below.*
- *The number of households utilizing private wells that fall at 50% or below AMI; 80% or below AMI; or 200% or below FPG.*

4. Options for Funding Sources

There are numerous options for creating an OSS and private well repair fund. A repair fund may be created by:

- Increasing VDH fees for applications which would be subsidized by owners applying for new OSS and private well construction permits;
- Reallocating funds from the Onsite Operation and Maintenance Fund under § 32.1-164.8 of the Code which would be subsidized by owners applying for new OSS and private well construction permits;
- Reallocating funds from the Onsite Sewage Indemnification Fund under § 32.1-164.1:01 of the Code which would be subsidized by owners applying for new OSS and private

well construction permits. Note: The Fund may be a limited source, VDH must ensure that adequate funds are available to pay claims and administer the Fund.

- Creating a new section of the Code supported by general funds;
- Using existing VDH funds (e.g. Indemnification Fund) to provide government backing of betterment loans provided by private institutions;
- Having a portion of the Virginia Clean Water Revolving Loan Fund be dedicated to loans for septic repairs;
- An amendment to the Code that authorizes the Board of Health to use up to a set percent of the balance (as of the first day of the fiscal year) of the Onsite Sewage Indemnification Fund to provide or guarantee loans or provide grants to owners to repair their failing OSS or replacement private wells;
- The General Assembly providing localities the authority to charge local fees to create local repair funds (i.e. County x creates a local tax of \$x for every home and that tax goes to pay for septic repairs).
- All tax paying Virginians helping to create a repair fund for eligible owners to repair their failing OSS and/or replace their private wells. This concept is based on a view that a repair fund provides a mechanism to preserve and/or restore water quality and public health statewide and that all Virginians have a responsibility to ensure water quality and public health is preserved.
- Utilizing a portion of the Water Quality Improvement Fund;
- A combination of the above.

5. Options for Administration

A repair fund could be administered through VDH. There will be a fiscal impact associated with VDH administering a grant and/or loan program using a repair fund. Recommend allocating a percentage of the fund for administration of the fund.

A proposal to administer the fund through the Virginia Department of Social Services/Family Services may fit with their weatherization, home improvement, and utility assistance programs.

Planning District Commissions (PDC) across Virginia may be considered to administer a grant/loan program using a repair fund. There are PDCs already working with low-moderate income homeowners utilizing grants and loans to repair OSS.

Soil and Water Conservation Districts (SWCD) administer grants including agricultural cost-share grants. The Department of Conservation Recreation provides guidance and funds to the SWCDs.

C. Draft Recommendations

VDH recommends that a repair fund is created to cover Tier 3 services; which includes costs (Tier 1) that will be transferred to applicants once direct services are no longer performed by VDH for repairing OSS and replacing private wells plus (Tier 2) the installation costs

(materials and labor) associated with repairing OSS and replacing private wells and the cost of required O&M and sampling for five years from the date of the operation permit.

There are no recommendations at this time regarding: service delivery, eligibility, funding source(s), or administration.

VDH will assess whether recommendations require statutory, regulatory or policy changes and will include the final assessment in later revisions of HB 558 Interim Report 2. The source of funding will be a primary component of whether the recommendations require statutory, regulatory, or policy changes.

D. Summary of Draft Recommendations

- The repair fund should cover Tier 3 services for qualifying property owners.

List of Acronyms

AMI – Area Median Income
AOSS – alternative onsite sewage systems
COSS – conventional onsite sewage systems
DPB – Department of Planning and Budget
FPG – Federal Poverty Guidelines
FY – fiscal year
HB – House Bill
HUD - US Department of Housing and Urban Development
LHD – local health department
OEHS – Office of Environmental Health Services
OSE – onsite soil evaluator
OSS – onsite sewage system
O&M – operation and maintenance
PDC - Planning District Commissions
PE – professional engineer
SAP – Safe, Adequate, and Proper
SERCAP – Southeast Rural Community Assistance Project
SHIFT – Safety and Health in Facilitating a Transition
SWCD - Soil and Water Conservation Districts
VDH – Virginia Department of Health

Appendices

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Appendix A

Excerpt from the 2016 – 2018 Biennium State Budget: Item 295

- A.1. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than \$425.00, for a construction permit for on-site sewage systems designed for less than 1,000 gallons per day, and alternative discharging systems not supported with certified work from an authorized onsite soil evaluator or a professional engineer working in consultation with an authorized onsite soil evaluator.
2. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than \$350.00, for the certification letter for less than 1,000 gallons per day not supported with certified work from an authorized onsite soil evaluator or a professional engineer working in consultation with an authorized onsite soil evaluator.
3. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than \$225.00, for a construction permit for an onsite sewage system designed for less than 1,000 gallons per day when the application is supported with certified work from a licensed onsite soil evaluator.
4. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than \$320.00, for the certification letter for less than 1,000 gallons per day supported with certified work from an authorized onsite soil evaluator or a professional engineer working in consultation with an authorized onsite soil evaluator.
5. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than \$300.00, for a construction permit for a private well.
6. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than \$1,400.00, for a construction permit or certification letter designed for more than 1,000 gallons per day.

Appendix B

Local Application Fees of OSS and Private Wells

District	Locality	Service	Fee
Central Shenandoah	Augusta	OSS Construction Permit or Certification Letters (with or w/o supporting work)	\$120.00
Chesterfield	Chesterfield	OSS Construction Permit or Certification Letters (with or w/o supporting work)	\$50.00
Chesterfield	Powhatan	OSS Construction Permit (with or w/o supporting work)	\$185.00
Cumberland Plateau	Tazewell	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$57.50
Henrico	Henrico	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$50.00
Fairfax	Fairfax	Well Construction Application Fee	\$200.00
Fairfax	Fairfax	Well Water Contractor License Fee	\$150.00
Fairfax	Fairfax	Routine Water Sample	\$25.00
Fairfax	Fairfax	Written Evaluation of Existing Private Well Water Supply	\$50.00
Fairfax	Fairfax	Re-inspection Fee	\$100.00
Fairfax	Fairfax	OSS Construction Permit	\$200.00
Fairfax	Fairfax	OSS Expansion Permit	\$125.00
Fairfax	Fairfax	Change in Approved Location	\$130.00
Fairfax	Fairfax	Written Evaluation of Existing Individual OSS	\$200.00
Fairfax	Fairfax	Septic Contractor License Fee	\$150.00
Fairfax	Fairfax	Sewage Handler Fee	\$710.00
Fairfax	Fairfax	Sewage Handler Fee – Each Additional Vehicle	\$360.00
Fairfax	Fairfax	Portable Toilet Providers Initial Fee	\$75.00
Fairfax	Fairfax	Portable Toilet Providers Renewal Fee	\$60.00
Fairfax	Fairfax	Site Development Review	\$85.00
Fairfax	Fairfax	Building Permit Review	\$75.00
Fairfax	Fairfax	AOSS Review	\$200.00
Lord Fairfax	Clarke	Well Construction Permit	\$185.00

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Lord Fairfax	Clarke	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$270.00
Lord Fairfax	Frederick	Well Construction Permit	\$50.00
Lord Fairfax	Frederick	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$90.00
Lord Fairfax	Frederick	Pump and Haul Inspection Fee	\$40.00
Lord Fairfax	Warren	Well Construction Application Fee	\$50.00
Lord Fairfax	Warren	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$90.00
Loudoun	Loudoun	See https://www.loudoun.gov/DocumentCenter/Home/View/15469 .	
New River	Floyd	OSS Construction Permit or Certification Letter (w/o supporting work)	\$100.00
New River	Floyd	OSS Construction Permit or Certification Letter (with supporting work)	\$25.00
New River	Montgomery	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$50.00
Prince William	Prince William	Bacteriological Water Sample	\$80.00
Prince William	Prince William	Individual Chemical Water Sample	\$85.00
Prince William	Prince William	Well Construction Permit (with or w/o supporting work)	\$150.00
Prince William	Prince William	OSS Construction Permit Modification	\$145.00
Prince William	Prince William	OSE/PE AOSS Design Review	\$390.00
Prince William	Prince William	OSE/PE Resubmission	\$56.00
Prince William	Prince William	OSS Construction Permit (w/o supporting work)	\$450.00
Prince William	Prince William	OSS Construction Permit (with supporting work)	\$216.00
Prince William	Prince William	Septic Contractor Installer License	\$30.00
Prince William	Prince William	Well Driller Contractors License	\$30.00
Rappahannock	Caroline	OSS Construction Permit (with or w/o supporting work)	\$175.00
Rappahannock	King George	Well Construction Permit (with or w/o supporting work)	\$50.00
Rappahannock	King George	OSS Construction Permit (with or w/o supporting work)	\$125.00
Rappahannock	Spotsylvania	Well Construction Permit (with or w/o supporting work)	\$50.00
Rappahannock	Spotsylvania	OSS Construction Permit (with or w/o supporting work)	\$125.00
Rappahannock	Stafford	Well Construction Permit (with or w/o supporting work)	\$50.00
Rappahannock	Stafford	OSS Construction Permit (with or w/o supporting work)	\$125.00

Rappahannock/Rapidan	Culpeper	See http://www.vdh.virginia.gov/LHD/RappahannockRapidan/documents/culpeper_fees.pdf .	
Rappahannock/Rapidan	Fauquier	See http://www.vdh.virginia.gov/LHD/RappahannockRapidan/documents/fauquier_fees.pdf .	
Rappahannock/Rapidan	Orange	See http://www.vdh.virginia.gov/LHD/RappahannockRapidan/documents/orange_fees.pdf	
Thomas Jefferson	Nelson	Well Construction Permit (with or w/o supporting work)	\$25.00
Thomas Jefferson	Nelson	OSS Construction Permit (with or w/o supporting work)	\$75.00
Thomas Jefferson	Albemarle	Well Construction Permit (with or w/o supporting work)	\$50.00
Thomas Jefferson	Albemarle	OSS Construction Permit (with or w/o supporting work)	\$100.00
Thomas Jefferson	Greene	Well Construction Permit (with or w/o supporting work)	\$50.00
Thomas Jefferson	Greene	OSS Construction Permit (with or w/o supporting work)	\$100.00
Thomas Jefferson	Fluvanna	Well Construction Permit (with or w/o supporting work)	\$25.00
Thomas Jefferson	Fluvanna	OSS Construction Permit (with or w/o supporting work)	\$75.00
Three Rivers	Northumberland	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$50.00
Three Rivers	King and Queen	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$35.00
Three Rivers	Middlesex	OSS Construction Permit or Certification Letter (with or w/o supporting work)	\$25.00