

Office of Regulatory Management
Economic Review Form

Agency name	State Water Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9 VAC 25-890
VAC Chapter title(s)	General VPDES Permit for Discharges of Stormwater from Small Municipal Separate Storm Sewer Systems
Action title	CH 193 Amend and Reissue Existing Regulation 2023
Date this document prepared	11/22/2022

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

VPDES general permit regulations expire every 5 years and must be re-issued in order for permit coverage to be available to new permittees and existing permittees that do not submit a registration statement in a timely manner. If the general permit is not re-issued, the regulated community will need to obtain an individual permit to conduct the regulated activity. For this reason, the costs associated with obtaining an individual permit are compared with the costs associated with general permit coverage. General permits provide the regulated community with a streamlined, less burdensome approach to obtain coverage for conducting a specific regulated activity.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct Costs & Benefits</p>	<ul style="list-style-type: none"> • Updating the effective dates of the general permit <ul style="list-style-type: none"> ○ Direct Costs: No direct economic cost to regulated entities expected beyond the additional administrative time permittees may spend to familiarize themselves with the new permit citations within the regulations. ○ Direct Benefits: The direct benefit of this proposed amendment and reissuance is a potential savings of \$17,000, as the regulated entities will not be required to obtain a MS4 Individual permit. The annual permit maintenance fees for this general permit coverage are \$15,000 compared to the MS4 individual permit cost of \$32,000. This general permit is subject to annual maintenance fees of \$3,000 for a total of \$15,000 over the five year permit term. In comparison, the individual permit fee for this activity would include a new permit application fee of \$8,000 plus an annual maintenance fee of \$6,000 for the following 4 years of the permit term, making the cost of the five year permit term \$32,000. • Clarifying permit requirements <ul style="list-style-type: none"> ○ Direct Cost: The direct cost of these proposed changes is 0. ○ Direct Benefits: The direct benefit of these proposed changes is a reduction in the regulatory burden on those entities who maintain a valid MS4 General Permit. • Correcting typographical errors. <ul style="list-style-type: none"> ○ Direct Cost: The direct cost of these proposed changes is 0. ○ Direct Benefits: The direct benefit of these proposed changes is the overall reduction in the regulatory burden on the affected entities who are regulated by the agency.
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(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) 0	(c) 1.0	
Direct Benefits	(b) \$17,000	(d) 1.0	
(3) Benefits-Costs Ratio	\$17,000	(4) Net Benefit	\$17,000
(5) Indirect Costs & Benefits	<ul style="list-style-type: none"> • By clarifying the permit requirements the regulated entities will operate more efficiently and should diminish the sophistication needed by the entity’s senior staff to fully understand the minimum requirements necessitated by the permit. • By updating the effective dates of the general permit regulated entities can continue to remain within the regulated space, thereby allowing other entities that have close economic ties to the regulated entities, to remain and invest their recourses as needed. • Removing sediment reduction requirements from the Chesapeake Bay TMDL special condition has the potential to save some permittees significant expenditures to meet the previous requirement which has been determined to be unnecessary to meet the requirements of the Chesapeake Bay TMDL. 		
(6) Information Sources	9VAC25-870 -800. Fee schedules for municipal separate storm sewer system new state permit issuance. 9VAC25-870-810. Fee schedules for major modification of MS4 individual permits requested by the operator. 9VAC25-870-820. Fees for an individual permit or coverage under the General Permit for Discharges of Stormwater from Construction Activities. 9VAC25-870-825. Fees for the modification or transfer of individual permits or of registration statements for the General Permit for Discharges of Stormwater from Construction Activities. 9VAC25-870-830. State permit maintenance fees.		
(7) Optional			

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.

The regulatory action is to amend and reissue the existing general permit in accordance with § 62.1-44.15:28 of the Code of Virginia. The current general permit, expires on October 31, 2023.

<p>(1) Direct Costs & Benefits</p>	<ul style="list-style-type: none"> • Updating the effective dates of the general permit. The current general permit, expires on October 31, 2023. <ul style="list-style-type: none"> ○ Direct Costs: The direct cost of maintaining the current requirement is to cause all regulated entities who maintain a valid MS4 permit to cease being able to discharge point source stormwater discharges from regulated small municipal separate storm sewer systems to surface waters of the Commonwealth of Virginia. Thereby necessitating all MS4 permit holders to seek an individual general permit and thereby incurring a higher fee. ○ Direct Benefit: A benefit of this general permit is its lower cost to permittees relative to the cost of obtaining an individual permit. The annual maintenance fee for operators to continue coverage under this general permit is \$3,000 and the total cost of continued coverage for the five year term of this general permit is \$15,000. If this general permit were not available, these operators would be required to obtain new MS4 individual permits. The initial one time application fee for an MS4 individual permit would be \$8,000 and subsequent annual maintenance fees for an individual permit would be \$6,000. The total cost of coverage for a five year term for an MS4 individual permit would be \$32,000. The cost of one individual MS4 permit term is \$17,000 more costly than the cost of a five year term of coverage under this general permit. • Clarifying permit requirements. <ul style="list-style-type: none"> ○ Direct Costs: The direct cost to the regulated entities includes the cost of spending substantial amounts of time to fully understand and follow the minimum regulatory requirements. ○ Direct Benefit: There is no direct benefit for keeping the current permit requirements without clarifying the permit requirements. • Correcting typographical errors. Correction of certain terms and punctuation is needed for clarity. <ul style="list-style-type: none"> ○ Direct Costs: The direct cost to the regulated entities includes the cost of spending time to understand and follow the minimum regulatory requirements in spite of inexact terms and punctuation. ○ Direct Benefit: There is no direct benefit for keeping the current permit requirements without correcting typographical errors. 	
<p>(2) Quantitative Factors</p>	<p>Estimated Dollar Amount</p>	<p>Present Value</p>

Direct Costs	(a) See above	(c) n/a	
Direct Benefits	(b) See above	(d) n/a	
(3) Benefits-Costs Ratio	n/a	(4) Net Benefit	n/a
(5) Indirect Costs & Benefits	n/a		
(6) Information Sources	9VAC25-870 -800. Fee schedules for municipal separate storm sewer system new state permit issuance. 9VAC25-870-830. State permit maintenance fees.		
(7) Optional	n/a		

Table 1c: Costs and Benefits under an Alternative Approach

This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates.

(1) Direct Costs & Benefits	<p>Regulating MS4 discharges to state waters through the reissuance of a general permit regulation is an alternative streamlined approach that is used to regulate entities that conduct similar activities. A benefit of this general permit is its lower cost to permittees relative to the cost of obtaining an individual permit. The permit fee for owners to obtain initial coverage under this general permit is \$4,000. If this general permit were not available, these owners would be required to obtain an individual VPDES permit, and the initial application fee would be \$8,000. Additionally, a public notice would need to be published in a local newspaper twice at each reissuance. This is estimated at \$900 each 5 years. The annual maintenance fees under this general permit are \$3,000/yr compared to \$6,000/yr under an individual permit.</p> <p>These costs do not account for the longer lead time to obtain an individual permit and the increased burden on DEQ staff resources that would result.</p>	
(2) Quantitative Factors	Estimated Dollar Amount	Present Value

Direct Costs	(a) n/a	(c) n/a	
Direct Benefits	(b) n/a	(d) n/a	
(3) Benefits-Costs Ratio	n/a	(4) Net Benefit	n/a
(5) Indirect Costs & Benefits	n/a		
(6) Information Sources	n/a		
(7) Optional	n/a		

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	Cities, counties, incorporated towns, unincorporated towns, colleges and universities, local school boards, military installations, transportation
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	systems, federal and state facilities, and other similar entities will incur new costs if the MS4 permit is not amended and reissued before their current permit expires on October 31, 2023. Cities, counties, incorporated towns, unincorporated towns, colleges and universities, local school boards, military installations, transportation systems, federal and state facilities, and other similar entities will incur no benefit if the MS4 permit is not amended and reissued before their current permit expires on October 31, 2023.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) n/a
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	n/a
(4) Information Sources	n/a
(5) Assistance	n/a
(6) Optional	n/a

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.

- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	Cities, counties, incorporated towns, unincorporated towns, colleges and universities, local school boards, military installations, transportation systems, federal and state facilities, and other similar entities will be forced to immediately pass along any new costs to families if the current existing general permit is not amended and reissued.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) n/a
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	
(4) Information Sources	
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.

- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	Cities, counties, incorporated towns, unincorporated towns, colleges and universities, local school boards, military installations, transportation systems, federal and state facilities, and other similar entities will pass along any new costs to small businesses that use their services, if the current existing general permit is not amended and reissued.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) n/a
Direct Benefits	(b) none
(3) Indirect Costs & Benefits	
(4) Alternatives	
(5) Information Sources	
(6) Optional	

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this

stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

	Number of Requirements			
Chapter number	Initial Count	Additions	Subtractions	Net Change
9VAC25-890	220	102	51	+51