

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Department of Health
Virginia Administrative Code (VAC) Chapter citation(s)	12 VAC 5-590
VAC Chapter title(s)	Waterworks Regulations
Action title	Amend Guidance Document: Project Review & Permit Procedures Manual (currently identified as WTR-2020-01(W))
Date this document prepared	5/4/2023
Regulatory Stage (including Issuance of Guidance Documents)	Amend existing guidance document: Project Review & Permit Procedures Manual

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>This action is to amend the Office of Drinking Water’s (ODW) Project Review & Permit Procedures Manual. The Project Review & Permit Procedures Manual contains information on procedures used by ODW to evaluate construction projects for conformance with the design regulations defined in 12VAC5-590, and to issue operation permits and construction permits. Proposed amendments are considered minor and reflect procedure changes to support the conversion from regionalized plans review to centralized plans review, the implementation of expedited procedures for permitting newly discovered waterworks, and minor corrections and clarifications.</p> <p>Direct Costs: No direct costs are associated with this action.</p> <p>Indirect Costs: No indirect costs are associated with this action.</p> <p>Direct Benefits: This action will update the Project Review & Permit Procedures Manual to reduce the time required to issue permits. ODW anticipates that this change will reduce staff time spent on plan review by 1 FTE. This benefit is estimated as an \$80,000 salary and \$49,000 in benefits and associated costs, and is evaluated on a 1-year time frame because this guidance document will be updated annually.</p> <p>Indirect Benefits: No indirect benefits are associated with this action.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$129,000
(3) Net Monetized Benefit	\$129,000	
(4) Other Costs & Benefits (Non-Monetized)	Non-monetized benefits include reducing permit issuance time frames to improve customer service.	
(5) Information Sources	12VAC5-590	

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

(1) Direct & Indirect Costs &	Direct Costs: A direct cost of 1 FTE would be associated with the status quo because the estimated costs savings described above for the proposed changes would not be realized.
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Benefits (Monetized)	<p>Indirect Costs: No indirect costs are associated with this action.</p> <p>Direct Benefits: No direct benefits are associated with this action. No significant policy changes are proposed by the amendments to the Project Review & Permit Procedures Manual.</p> <p>Indirect Benefits: This action will update the Project Review & Permit Procedures Manual to reduce the time required to issue permits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$129,000	(b) \$0
(3) Net Monetized Benefit	-\$129,000	
(4) Other Costs & Benefits (Non-Monetized)	Non-monetized benefits include reducing permit issuance time frames to improve customer service.	
(5) Information Sources	12VAC5-590	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: No direct costs are associated with this action.</p> <p>Indirect Costs: No indirect costs are associated with this action.</p> <p>Direct Benefits: No direct benefits are associated with this action. No significant policy changes are proposed by the amendments to the Project Review & Permit Procedures Manual.</p> <p>Indirect Benefits: This action will update the Project Review & Permit Procedures Manual to reduce the time required to issue permits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Net Monetized Benefit	\$0	

(4) Other Costs & Benefits (Non-Monetized)	Non-monetized benefits include reducing permit issuance time frames to improve customer service.
(5) Information Sources	12VAC5-590

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: No direct costs are associated with this action. Though changes to construction permit application procedures require additional documentation (completed checklists to demonstrate compliance with the <i>Waterworks Regulations</i>) to be submitted, the pilot project for these procedures found that upfront effort reduced the need for subsequent effort by the applicant to revise plans and specifications to conform to design regulations.</p> <p>Indirect Costs: No indirect costs are associated with this action.</p> <p>Direct Benefits: No direct benefits are associated with this action. No significant policy changes are proposed by the amendments to the Project Review & Permit Procedures Manual.</p> <p>Indirect Benefits: This action will update the Project Review & Permit Procedures Manual to reduce the time required to issue permits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)	Non-monetized benefits include reducing permit issuance time frames to improve customer service.	
(4) Assistance	No assistance to local partners is required as a result of the amendment of the Project Review & Permit Procedures Manual.	
(5) Information Sources	12VAC5-590	

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: No direct costs are associated with this action.</p> <p>Indirect Costs: No indirect costs are associated with this action.</p> <p>Direct Benefits: No direct benefits are associated with this action. No significant policy changes are proposed by the amendments to the Project Review & Permit Procedures Manual.</p> <p>Indirect Benefits: This action will update the Project Review & Permit Procedures Manual to reduce the time required to issue permits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)	<p>Non-monetized benefits include reducing permit issuance time frames. This benefits families served by a waterworks that is seeking a permit because that waterworks will more quickly be able to obtain a permit which will assist the waterworks in ably serving its customers.</p>	
(4) Information Sources	12VAC5-590	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: No direct costs are associated with this action. Though changes to construction permit application procedures require additional documentation to be submitted, the pilot project for these procedures found that up front effort reduced effort required to revise plans and specifications to conform to design regulations reduced the need for subsequent effort by the applicant to revise plans and specifications to conform to design regulations.</p> <p>Indirect Costs: No indirect costs are associated with this action.</p>
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	<p>Direct Benefits: No direct benefits are associated with this action. No significant policy changes are proposed by the amendments to the Project Review & Permit Procedures Manual.</p> <p>Indirect Benefits: This action will update the Project Review & Permit Procedures Manual to reduce the time required to issue permits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)	Non-monetized benefits include reducing permit issuance time frames to improve customer service.	
(4) Alternatives	Alternatives to this action include retaining the Project Review & Permit Procedures Manual as is. The Office of Drinking Water believes that it benefits waterworks and drinking water customers to reduce permit issuance times to support faster completion of projects that may improve public health or support the reliability of drinking water infrastructure.	
(5) Information Sources	12VAC5-590	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved	Initial Count	Additions	Subtractions	Net Change
12VAC5-590	0	0	0	0

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
12VAC5-590	The guidance document does not contain any regulatory requirements not already contained in the applicable regulations. ODW moving to a centralized review plan process under the proposed guidance document will result in direct benefits of \$129,000 due to reducing staff time by 1 FTE.	1 FTE at \$129,000	Reduction of 1 FTE at \$129,000	Savings of \$129,000. This equates to a savings for ODW's project review program of approximately 22.73%. ODW's project review program currently consists of 4.4 FTEs at an average cost of \$129,000, which is a total program cost of \$567,600. Reduction of 1 FTE is an approximately 22.73% reduction (1/4.4) in costs.

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

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Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length
Project Review and Permit Procedures Manual	102 pages (179 including attachments)	104 pages (193 including attachments)	+2 pages (+14 including attachments)