



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

---

**9 VAC 25-260-30 – Water Quality Standards**  
**Department of Environmental Quality**  
January 15, 2008

---

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

The State Water Control Board (Board) is proposing to amend the Antidegradation Policy section of the State's Water Quality Standards regulation to designate a segment of the North River in Augusta County and a segment of Little Stony Creek in Scott County for special protection as an Exceptional State Water, and therefore entitle them to special protection.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

The Board is proposing to designate Little Stony Creek in Scott County from Bark Camp Lake dam to its confluence with Bakers Branch, and North River in Augusta County from the Staunton Reservoir dam to the first crossing with National Forest lands boundary, Exceptional State Waters. This designation would entitle these bodies of water to the special protection afforded by the designation.

According to the Department of Environmental Quality (Department), the Exceptional State Waters category of the Antidegradation Policy (9 VAC 25-260-30) allows the Board to offer waters which display exceptional environmental settings and either exceptional aquatic communities or exceptional recreational opportunities added protection. These are waters that are of a very high quality and possess ecological attributes or exceptional recreational usage that need the special protection and maintenance provided by not lowering water quality. State classification as an Exceptional State Water affords an additional layer of protection over that provided by the Antidegradation Policy in that no water quality degradation at all is allowed in

Exceptional Waters, except for temporary, limited impact activities. No new, additional, or increased point source discharge of sewage, industrial wastes, or other pollution is allowed. In addition, no new mixing zones are allowed in Exceptional State Waters and mixing zones from upstream or tributary waters cannot extend into the Exceptional State Water section. This amendment was proposed because Department staff concluded, based on the information available at the time of preliminary evaluation, that the proposed designations meet the eligibility requirements which a water must meet to be afforded the extra point source protection.

One potential cost to the amendment is that new or expanded permanent point source discharges imposed within the designated segments of Little Stony Creek and the North River may be prohibited. The water segments under consideration do not currently contain any point source discharges. In fact, because these particular Exceptional State Waters designations are located on federal lands, the United States Forest Service is the only riparian landowner. Therefore, the proposed amendment is not anticipated to impact any business or locality.

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

## **Businesses and Entities Affected**

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

## **Localities Particularly Affected**

Augusta and Scott Counties are the only counties affected, but because the segments of water in question are located on federal lands, the proposed amendments are not expected to impose a cost on the counties or localities within the counties.

## **Projected Impact on Employment**

The proposed changes are not anticipated to have any impact on employment.

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

The proposed amendments are not anticipated to have any negative effect on the use and value of private property, although if these designations increase eco-tourism in the areas, businesses, housing values, and other private property could be positively impacted.

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

The proposed changes are not anticipated to add cost or otherwise affect small businesses.

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

The proposed amendments do not add cost or otherwise affect small businesses.

## **Real Estate Development Costs**

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

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact

analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.