

Office of Regulatory Management

Economic Review Form

Agency name	Department of Environmental Quality (“Department”)
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC25-31 9VAC25-32 9 VAC 25-790
VAC Chapter title(s)	Virginia Pollutant Discharge Elimination System (VPDES) Permit Regulation (9VAC25-31) Virginia Pollution Abatement (VPA) Permit Regulation (9VAC25-32) Sewage Collection and Treatment Regulations (9VAC25-790)
Action title	Amendments to the Virginia Pollutant Discharge Elimination System (VPDES) Permit Regulation (9VAC25-31 et seq.); Virginia Pollution Abatement (VPA) Permit Regulation (9VAC25-32 et seq.); and Sewage Collection and Treatment Regulations (9VAC25-790 et seq.) in response to Chapter 178 of the 2024 Virginia Acts of Assembly
Date this document prepared	May 14, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Final Exempt

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)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Background: This final exempt regulatory action is necessary to implement Chapter 178 of the 2024 Acts of Assembly (HB 220, Delegate Orrock). This Act of Assembly revised state law to require the owner of every waterworks or treatment facility identified as a classified waterworks to employ or contract an operator who holds a current waterworks operator license. This requirement is not within the State Water Control Board or Department of Environmental Quality’s (Department) authority.</p> <p>Chapter 178 also required every sewage treatment works owner to employ or contract an operator who holds a current wastewater operator license. This rulemaking updates the VPDES Permit Regulation (9VAC25-31 et seq.); VPA Permit Regulation (9VAC25-32 et seq.); and Sewage Collection and Treatment Regulations (9VAC25-790 et seq.) to be consistent with the change to state law for sewage treatment works owners.</p> <p>Direct Costs: The changes do not impose any direct costs on sewage treatment works owners because each of the affected chapters already requires them to have licensed operators from the same licensing authority as the new law. Further, it does not change or increase the level of licensing or add requirements for licensed operators.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: The regulations are being amended to maintain consistency with state law. The law provides flexibility for owners in situations where a licensed operator position at a sewage treatment works is unexpectedly vacated due to death, extended illness, firing for cause, resignation, or similar cause by allowing the Department to temporarily waive the licensed operator requirement for the interim, subject to conditions specified in the law. This flexibility will result in an indeterminate benefit to sewage treatment works, their owners (which frequently are local governments), and their ratepayers.</p> <p>Indirect Benefits: Increased flexibility with respect to licensing requirements, subject to specified conditions, allows owners to continue to operate sewage treatment works in a manner that is protective to public health and environment.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) Indeterminate direct and indirect benefits as a result of flexibility this change in the law and regulation provides sewage treatment works.
(3) Net Monetized Benefit	Indeterminate but clearly positive.	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	Fiscal impact statement for Chapter 178 of the 2024 Acts of Assembly.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>This regulatory amendment is in response to changes to state law where no agency discretion is involved. Retaining the status quo is not an option.</p> <p>Direct Costs: Under the existing law and regulation, sewage treatment works do not have the flexibility provided by this change in the law and regulation. This lack of flexibility results in indeterminate costs to sewage treatment works.</p> <p>Indirect Costs: The indeterminate costs to sewage treatment works described above results in indeterminate indirect costs to owners, which frequently are local governments, and ratepayers.</p> <p>Direct Benefits: None.</p> <p>Indirect Benefits: None.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Indeterminate.	(b) None
(3) Net Monetized Benefit	Indeterminate but negative.	

(4) Other Costs & Benefits (Non-Monetized)	N/A
(5) Information Sources	Fiscal impact statement for Chapter 178 of the 2024 Acts of Assembly.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>This regulatory amendment is in response to changes to state law. There are no alternative approaches.</p> <p>Direct Costs: N/A</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: N/A</p> <p>Indirect Benefits: N/A</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

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: Sewage treatment works are frequently owned by local governments, see Table 1a.</p> <p>Indirect Costs: Sewage treatment works are frequently owned by local governments, see Table 1a.</p> <p>Direct Benefits: Sewage treatment works are frequently owned by local governments, see Table 1a.</p> <p>Indirect Benefits: Sewage treatment works are frequently owned by local governments, see Table 1a.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See Table 1a.	(b) See Table 1a.
(3) Other Costs & Benefits (Non-Monetized)	See Table 1a.	
(4) Assistance	None.	
(5) Information Sources	See Table 1a.	

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: N/A</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: N/A</p> <p>Indirect Benefits: N/A</p>	
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources	N/A	

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: The agency is unable to identify the number of small businesses impacted by this change to state law and regulation. Small businesses impacted the same as other entities. See Table 1a.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: See Table 1a.</p> <p>Indirect Benefits: See Table 1a.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See Table 1a.	(b) See Table 1a.
(3) Other Costs & Benefits (Non-Monetized)	See Table 1a.	
(4) Alternatives	None.	
(5) Information Sources	See Table 1a.	

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*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
9VAC25-31-200	(M/A):	2	6	0	+6
	(D/A):	0	0	0	0
	(M/R):	13	3	0	+3
	(D/R):	0	0	0	0
9VAC25-32-190	(M/A):	1	6	0	+6
	(D/A):	0	0	0	0
	(M/R):	2	3	0	+3
	(D/R):	0	0	0	0
9VAC25-790-300*	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	15	0	0	0
	(D/R):	14	0	0	0
Grand Total of Changes in Requirements:					(M/A): +12 (D/A): 0 (M/R): +6 (D/R): 0

This is a final exempt regulatory action. No changes are proposed other than incorporation of requirements in response to Chapter 178 of the 2024 Acts of Assembly.

* Sewage treatment facilities are regulated by permits issued in accordance with the Virginia Pollutant Discharge Elimination System (VPDES) Permit Regulation (9VAC25-31) or the Virginia Pollution Abatement Regulations (9VAC25-32). Statutory operator requirements have been included in 9VAC25-790 for clarity but are not included in the count of regulatory requirements to avoid double counting of regulatory requirements.

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A				

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
N/A		

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

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
NA			

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).