

Office of Regulatory Management
Economic Review Form

Agency name	State Water Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC25-790
VAC Chapter title(s)	Sewage Collection and Treatment Regulations (9VAC25-790)
Action title	Amend Sewage Collection and Treatment Regulations to include a reporting requirement for all septic systems taken off-line and connected to sewerage systems
Date this document prepared	May 7, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Final - There have been no changes made to the economic analysis since the previous stage of this action

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)	Background: The Sewage Collection and Treatment Regulations (9VAC25-790, SCAT Regulations) regulate sewerage systems and treatment works. The intent of this regulatory action is to determine how many septic systems (or other on-site sewage disposal systems) in the Chesapeake Bay watershed are taken off-line and the house, residence, or business is connected to a sewage treatment works that serves the locality. The data will be used to understand and quantify reductions in nutrient loads and pollution that impact water quality in the Chesapeake Bay. In July 2018, The Environmental Protection Agency (EPA) issued State-Basin Planning targets for nitrogen and phosphorus in Virginia’s five river basins draining to the Chesapeake Bay. The Chesapeake Bay TMDL Phase III Watershed Implementation Plan (WIP) represents the Commonwealth’s plan to achieve nutrient and sediment reductions needed to restore the Chesapeake Bay and its tidal tributaries. Watershed Implementation Plans are roadmaps for how the seven jurisdictions (Delaware, the District of Colombia, Maryland, New York, Pennsylvania, Virginia, and West Virginia) in the Chesapeake Bay Program (CBP) will attain the Chesapeake Bay TMDL. The Bay TMDL is an informal planning tool used to establish CBP goals. WIPs were agreed to be developed and implemented in three phases, with EPA agreeing to provide an assessment of the WIP. EPA does not provide an approval or disapproval of a WIP. Amending the SCAT Regulations will ensure a more accurate count of nutrient reductions that result from directing sewage from individual septic systems and other on-site sewage disposal systems to a centralized sewage treatment works. Sewage treatment works have been upgraded to improve nutrient removal capability and are subject to discharge limitations through the Department of Environmental Quality’s (Department) Virginia Pollutant Discharge Elimination System (VPDES) permit program. Information about the number of septic systems that are no longer used to treat and dispose of sewage will assist with tracking the Commonwealth’s progress towards water quality goals, including Chesapeake Bay watershed restoration goals, thus helping to certify that Virginia is meeting its reduction goals. The requirement to amend the SCAT Regulations is directly mandated by the Commonwealth’s Chesapeake Bay TMDL Phase III WIP.
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	Initiative 53 provides that “the Commonwealth will initiate a regulatory action to amend the existing Sewage Collection and Treatment Regulations (9VAC25-790-10 et seq.) to include a reporting requirement for all septic systems (or other on-site sewage disposal systems) taken off-line and connected to sewage collection systems.” Direct Costs: Unknown. However, it is expected to be minimal. Some permittees may already track and report this information to the Department and/or the Virginia Department of Health (VDH) (which regulates septic and onsite sewage systems). Other permittees may have staff who will gather and report the number of on-site sewage systems taken off-line and connected to sewerage systems that convey to their facility. Based upon input from members of the Regulatory Advisory Panel (RAP), implementing the requirement in the amendment will take a minimal amount of time (a few hours to one day in most cases) for staff to compile the data, rather than imposing a cost and associated financial burden on their operations. Members of the RAP expect the cost and burden to be minimal. Indirect Costs: Members of the RAP stated they would be able to absorb the minimal cost (staff time) of collecting and reporting the data required by this change. Consequently, this change would not result in any additional costs that would be passed on to ratepayers and there are not any indirect costs associated with the change. Direct Benefits: This proposal meets the mandate of the Commonwealth’s Chesapeake Bay TMDL Phase III WIP (Initiative 53.) The purpose for this mandate is to ensure a more accurate count of nutrient reductions resulting from septic systems connected to sewer, which will assist with tracking Commonwealth’s progress towards water quality goals, including Chesapeake Bay watershed restoration goals. Indirect Benefit: This proposal may indirectly benefit the Commonwealth by capturing more information on the overall reduction of nutrients to state waters. For owners of sewage treatment works and other local government officials, they will benefit from having better data about sewage disposal on individual properties and knowing which properties no longer use septic systems.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See above regarding direct costs. No indirect costs are expected due to the limited extent of the reporting requirement.	(b) See above regarding direct and indirect benefits.

(3) Net Monetized Benefit	Not Applicable
(4) Other Costs & Benefits (Non-Monetized)	
(5) Information Sources	DEQ procedures, staff, and RAP members

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

(1) Direct & Indirect Costs & Benefits (Monetized)	This information is not currently reported to the Department. Thus, there currently no costs or benefits.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable	(b) Not applicable
(3) Net Monetized Benefit	Not applicable	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	The Commonwealth's Chesapeake Bay TMDL Phase III WIP (Initiative 53) requires that "[t]he Commonwealth will initiate a regulatory action to amend the existing Sewage Collection and Treatment Regulations (9VAC25-790-10 et seq.) to include a reporting requirement for all septic systems (or other on-site sewage disposal systems) taken off-line and connected to sewage collection systems." Thus, no non-regulatory options were determined to be available.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable	(b) Not applicable

(3) Net Monetized Benefit	Not Applicable
(4) Other Costs & Benefits (Non-Monetized)	Not Applicable
(5) Information Sources	Commonwealth TMDL Phase III (Initiative 53)

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)	Available general cost and benefit data for local governments operating a sewage treatment facility is provided in Table 1a.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See above regarding direct costs. No indirect costs are expected due to the limited extent of the reporting requirement.	(b) See above regarding direct and indirect benefits
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Assistance	N/A	
(5) Information Sources	DEQ procedures, staff, and RAP members	

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)	Families are not subject to the SCAT Regulations. They would not be responsible for the reporting requirement. No direct costs or indirect costs or benefit impacts on families are expected.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) This proposal may indirectly benefit the Commonwealth by capturing more information on the overall reduction of nutrients to state waters.
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources	DEQ procedures, staff, and RAP members	

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)	Presently there are approximately 316 publicly and privately owned public treatment works in the Chesapeake Bay watershed. Information on permit applications submitted to the Department does not indicate if the owner and operation is a “small business.” However, a small business would experience the same costs and benefits as identified in table 1a.	
(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	N/A	
(5) Information Sources	DEQ procedures, staff, and RAP members	

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
9VAC25-790-985	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	1 ^A	0	+1
	(D/R):	0	0	0	0
				Grand Total of Changes in Requirements:	(M/A):0
					(D/A):0
					(M/R): +1
					(D/R):0

^A This proposed amendment to the SCAT Regulations is necessary to implement the Commonwealth's Chesapeake Bay TMDL Phase III WIP (Initiative 53). It will be added as a new section, 9VAC25-790-985, in Part IV, Reports and Forms.

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
9VAC25-790-985	0	0	0	0

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
9VAC25-790-985	As mandated by Initiative 53 of the Commonwealth's Chesapeake Bay TMDL Phase III WIP, the proposed regulation requires every permitted sewage treatment works within the Chesapeake Bay watershed to report to the Department the number of onsite sewage systems taken offline and connected to sewerage systems that convey sewage to their facility.	The addition of this reporting requirement was discussed with stakeholders who served on a Regulatory Advisory Panel to understand and minimize the impact of this requirement. For members of the RAP, compiling and reporting the required data is expected to take a few hours to no more than a day, thus creating a minimal burden that can be absorbed with existing resources. RAP members did cite benefits (see table 1a) of having better information about septic systems that have been replaced by connecting the house or small business to a sewage treatment works.

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

<u>Title of Guidance Document</u>	<u>Original Word Count</u>	<u>New Word Count</u>	<u>Net Change in Word Count</u>
<u>NA</u>			