

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Department of Environmental Quality
Virginia Administrative Code (VAC) Chapter citation(s)	N/A
VAC Chapter title(s)	N/A
Action title	2026 Water Quality Assessment Guidance
Date this document prepared	January 29, 2026
Regulatory Stage (including Issuance of Guidance Documents)	Issuance of Guidance Memorandum No. GM25-2003 - 2026 Water Quality Assessment Guidance and Rescinding GM23-2022 - 2024 Water Quality Assessment Guidance

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>Both the federal Clean Water Act and the state Water Quality Monitoring, Information, and Restoration Act (WQMIRA) require a biannual water quality assessment and impaired waters report, often referred to as the 305(b) and 303(d) reports in reference to the relevant federal Clean Water Act sections. Additionally, WQMIRA directs DEQ to develop and publish a water quality assessment guidance document governing the process for defining and determining impaired waters, and to provide an opportunity for public comment on the assessment guidance. The purpose of this guidance document is to guide DEQ staff in the development and reporting of the 2026 305(b)/303(d) Water Quality Assessment Integrated Report (IR). It is also intended to assist the public in understanding the monitoring and assessment process.</p> <p>This guidance document is updated and issued on a biannual basis at the start of each IR cycle. The updates aim to streamline and/or refine assessment processes from previous cycles. Significant updates that have been made to the 2026 Water Quality Assessment Guidance include:</p> <ol style="list-style-type: none"> 1) Pollutants assigned equations in EPA approved TMDLs to address aquatic life impairments due to biological monitoring will be listed in Category 4 instead of Category 3E. 2) Impaired waters proposed for “nesting” within an EPA-approved TMDL watershed should have a rationale completed and released with the Draft IR for public comment. <p>Direct Costs: There are no anticipated direct economic costs resulting from the issuance of this guidance manual.</p> <p>Indirect Costs: Water quality assessment methodologies that are based on new or updated water quality criteria, or updated U.S. Environmental Protection Agency (EPA) IR guidance may result in increased costs to the regulated community as a result of newly identified impaired waters. Waterbodies that are identified as impaired in the IR comprise the federal Clean Water Act § 303(d) impaired waters list and require a clean-up plan or Total Maximum Daily Load (TMDL) per the federal Clean Water Act and § 62.1-44.19:7 of the Code of Virginia. The TMDLs identify sources of pollutants contributing to impairments and establish reductions needed to achieve water quality standards in the waterbody, which could include permitted point sources. However, the results of the future 2026 IR assessment are not known, and any subsequent costs to the regulated or non-regulated communities are indeterminate. Additionally, future potential costs to impacted communities would be captured in future TMDL development. Lastly, use of outdated water</p>
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	<p>quality assessment guidelines not reflective of updated Water Quality Standards and guidelines from EPA may result in inaccurate assessments and impairment determinations. The incorrect assessment of certain waters (such as trout waters) could lead to inappropriate identification of impaired waters and possibly unnecessary TMDL development.</p> <p>Direct Benefits: There are no direct economic benefits.</p> <p>Indirect Benefits: The updated assessment methodologies produce indirect benefits by accurately reporting on the status of designated uses in waters of the Commonwealth, including aquatic life, wildlife, recreation, public water supply, shellfish consumption, and fish consumption. While monetization of these benefits cannot be easily determined, the use of the updated methodology may result in cleaner water, more abundant and healthier fisheries, and more reliable public water supplies, and may contribute to economic benefits, for example with tourism, economic development, and commercial and recreational fishing industries. The updated methodologies further ensure that public water supply sources for household consumption, water bodies used for recreational purposes, and aquatic life uses are correctly assessed and protected for such use. The Commonwealth would benefit from more accurate and scientifically defensible assessments and TMDLs to restore water quality.</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)	The methods included in this guidance document assist with the assessment and protection of state waters and the benefits are unable to be monetized.	
(5) Information Sources	<p>The Water Quality Monitoring, Information and Restoration Act as contained in State Water Control Law.</p> <p>The federal Clean Water Act.</p>	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There is no status quo option as WQMIRA requires a guidance document to be developed for each Integrated Reporting cycle. The 2026 Water Quality Assessment Guidance builds on the previous cycle guidance with the aim to streamline and/or refine assessment processes to make the process more efficient for DEQ staff.
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	Direct Costs: N/A Indirect Costs: N/A Direct Benefits: N/A Indirect Benefits: N/A	
(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)	The methods included in this guidance document assist with the assessment and protection of state waters and the benefits are unable to be monetized.	
(5) Information Sources	The Water Quality Monitoring, Information and Restoration Act as contained in State Water Control Law. The federal Clean Water Act.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There are no alternative options as WQMIRA requires a guidance document to be developed for each Integrated Reporting cycle. The 2026 Water Quality Assessment Guidance builds on the previous cycle guidance with the aim to streamline and/or refine assessment processes to make the process more efficient for DEQ staff. Direct Costs: N/A Indirect Costs: N/A Direct Benefits: N/A Indirect Benefits: N/A	
(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)	The methods included in this guidance document assist with the assessment and protection of state waters and the benefits are unable to be monetized.
(5) Information Sources	The Water Quality Monitoring, Information and Restoration Act as contained in State Water Control Law. The federal Clean Water Act.

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: It is not anticipated that this guidance will have a direct impact on local partners.</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: Updated water quality assessment methodologies broadly benefit the public by ensuring they are based on best available scientific information and current water quality standards.</p> <p>Indirect Benefits: The updated assessment methodologies produce indirect benefits by accurately reporting the condition of water quality and living resources in Virginia's waters; specifically, the support of the designated uses: aquatic life, wildlife, recreation, public water supply, shellfish consumption, and fish consumption. This awareness may result in cleaner water, more abundant and healthier fisheries, and more reliable public water supplies, and may contribute to economic benefits, for example with tourism, economic development, and commercial and recreational fishing industries. These indirect benefits may also benefit local partners.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to be monetized.	(b) Unable to be monetized.
(3) Other Costs & Benefits (Non-Monetized)	The methods included in this guidance document assist with the assessment and protection of state waters and the benefits are unable to be monetized.	
(4) Assistance	N/A	

(5) Information Sources	<p>The Water Quality Monitoring, Information and Restoration Act as contained in State Water Control Law.</p> <p>The federal Clean Water Act.</p>
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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: It is not anticipated that this guidance will have a direct impact on the institution of the family and family stability.</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: Updated water quality assessment methodologies broadly benefit the public by ensuring they are based on best available scientific information and current water quality standards.</p> <p>Indirect Benefits: The updated assessment methodologies produce indirect benefits by accurately reporting the condition of water quality and living resources in Virginia's waters; specifically, the support of the designated uses: aquatic life, wildlife, recreation, public water supply, shellfish consumption, and fish consumption. This awareness may result in cleaner water, more abundant and healthier fisheries, and more reliable public water supplies, and may contribute to economic benefits, for example with tourism, economic development, and commercial and recreational fishing industries. These indirect benefits may also benefit families.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to be monetized.	(b) Unable to be monetized.
(3) Other Costs & Benefits (Non-Monetized)	<p>The methods included in this guidance document assist with the assessment and protection of state waters and the benefits are unable to be monetized.</p>	
(4) Information Sources	<p>The Water Quality Monitoring, Information and Restoration Act as contained in State Water Control Law.</p> <p>The federal Clean Water Act.</p>	

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: It is not anticipated that this guidance will have a direct impact on small businesses.</p> <p>Indirect Costs: N/A</p> <p>Direct Benefits: Updated water quality assessment methodologies broadly benefit the public by ensuring they are based on best available scientific information and current water quality standards.</p> <p>Indirect Benefits: The updated assessment methodologies produce indirect benefits by accurately reporting the condition of water quality and living resources in Virginia's waters; specifically, the support of the designated uses: aquatic life, wildlife, recreation, public water supply, shellfish consumption, and fish consumption. This awareness may result in cleaner water, more abundant and healthier fisheries, and more reliable public water supplies, and may contribute to economic benefits, for example with tourism, economic development, and commercial and recreational fishing industries. These indirect benefits may also benefit small businesses.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to be monetized.	(b) Unable to be monetized.
(3) Other Costs & Benefits (Non-Monetized)	The methods included in this guidance document assist with the assessment and protection of state waters and the benefits are unable to be monetized.	
(4) Alternatives	N/A	
(5) Information Sources	<p>The Water Quality Monitoring, Information and Restoration Act as contained in State Water Control Law.</p> <p>The federal Clean Water Act.</p>	

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
N/A	(M/A):				
	(D/A):				
	(M/R):				
	(D/R):				
				Grand Total of Changes in Requirements:	(M/A): (D/A): (M/R): (D/R):

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
Final 2024 Water Quality Assessment	112 pages	0	-112 pages

Guidance (GM 23-2002)			
Final 2026 Water Quality Assessment Guidance (GM25-2003)		92 pages	+ 92 pages Revised guidance provides overall reduction of 20 pages of guidance

Rescind Guidance Memo 23-2002 Final 2024 Water Quality Assessment Guidance Manual once the Final 2026 Water Quality Assessment Guidance is made effective.

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