

## Department of Planning and Budget

### 2022 Fiscal Impact Statement

**1. Bill Number:** HB919

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Orrock

**3. Committee:** Health, Welfare and Institutions

**4. Title:** Board of Health; regulations; maximum contaminant levels in water supplies and waterworks.

**5. Summary:** Amends and reenacts Code of Virginia § 32.1-169 B to add a requirement that, in establishing maximum contaminant levels (MCLs) for (i) perfluorooctanoic acid, perfluorooctane sulfonate, and such other perfluoroalkyl and polyfluoroalkyl substances (PFAS) as the Board of Health (Board) deems necessary, (ii) chromium-6, and (iii) 1,4-dioxane, the Board shall review the recommendations of any work group convened by the State Health Commissioner (Commissioner) after July 1, 2022 to study the occurrence of such contaminants in public drinking water. The substitute also adds two enactment clauses, which states that the Board's regulations shall be consistent with regulations the U.S. Environmental Protection Agency (EPA) adopts for the same contaminants; and prevents the Board from establishing MCL regulation prior to EPA without first convening a work group to study the occurrence of the contaminant(s) in Virginia and following the process for establishing an MCL that is set out in the Safe Drinking Water Act at 42 U.S. Code § 300g-1(b)(3)-(7). The third enactment clause also stipulates the composition of a work group and the nature of a study.

**6. Budget Amendment Necessary:** See item 8.

**7. Fiscal Impact Estimates:** See item 8.

**8. Fiscal Implications:** As introduced, HB919 stated that any regulations the Board adopted for the specified contaminants shall not become effective until, or after, July 1, 2025. The provisions of this legislation, as amended, requires the Commissioner to review the recommendations of any work group convened to study the occurrence of PFAS in public drinking water. That administrative and technical support for such workgroup shall be provided by the Office of Drinking Water and shall include laboratory analysis to determine current levels of contamination in public drinking water and possible sources of such contamination.

In determining current levels of contamination VDH shall: 1) prioritize certain waterworks and treatment works as stated in the bill; 2) utilize a hybrid approach that takes into account potential risk or likelihood of finding PFAS in drinking water, the location of waterworks or the source of water in relation to potential sources of PFAS, and other factors for the sample study design rather than random sampling; 3) develop a temporal data set by collecting multiple samples from each location to gather data regarding variations in the prevalence of PFAS in the Commonwealth's drinking water; and 4) focus on entry point sampling and exclude consecutive waterworks from sampling.

VDH's drinking water program cannot absorb the cost associated with the sampling requirements as proposed in the bill. Additionally, VDH does not have sufficient staff to coordinate laboratory testing, coordinate with waterworks and laboratories to schedule activities, receive and review sample results, enter the results into a spreadsheet or other database for reporting and analysis, provide regular status updates to the work group and other stakeholders, and take primary responsibility for preparing the required report. VDH will hire a technical specialist or consultant to handle these responsibilities along with support from existing drinking water program staff. Based on experience from the limited study in 2021 and a PFAS sampling effort that is in progress in Henrico County, the role will be equivalent to a full-time staff person for the duration of the study and reporting period. The average total personnel service cost (salary plus fringe benefits) is anticipated to be \$100,317 for FY2023.

In order to conduct a study that is able to meet the requirements in the bill, VDH plans to collect and analyze water samples from approximately 33% of the small community and nontransient noncommunity waterworks in Virginia, which is approximately 600 waterworks. The cost for environmental sampling for PFAS is estimated to be \$512,400 to conduct sampling at each time point (fall 2022 and spring 2023) or \$256,200 each. The cost for environmental sampling for chromium-6 and 1,4-dioxane \$234,240 to conduct sampling at each time point (fall 2022 and spring 2023) or \$117,120 in total.

Total costs for sampling and personnel would be \$846,957. The provisions of the bill state the workgroup shall report its findings and recommendation annually by December 1, it is unknown if the regulations would change annually and would require the same level of administrative and technical support each year.

**9. Specific Agency or Political Subdivisions Affected:** None.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.