

REPORT OF THE

State Water Commission

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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**Report of the
STATE WATER COMMISSION**

**TO: The Honorable L. Douglas Wilder, Governor
and
the General Assembly of Virginia**

I. INTRODUCTION

The State Water Commission is a permanent agency of the Commonwealth directed by statute to (i) study all aspects of water supply and allocation problems in the Commonwealth, (ii) coordinate the legislative recommendations of other state entities responsible for water supply and allocation issues, and (iii) report annually its findings and recommendations to the Governor and the General Assembly (Va. Code § 9-145.8).

The Commission met in Richmond in November 1992 and January 1993. The Commission received supplemental reports from the State Water Control Board and the State Board of Health regarding the application and enforcement of regulations for the treatment of the Commonwealth's water and wastewater, pursuant to House Joint Resolution 460 (1991). Other issues examined included (i) the testing of water samples by the Division of Consolidated Laboratory Services, (ii) the regulation of small privately owned water systems, and (iii) the development of a water policy for Virginia.

The Commission welcomed three new members in 1992. Joining the Commission were Delegate Glenn R. Croshaw, Senator Elmo G. Cross, Jr., and Senator Clarence A. Holland. In addition, J. Granger Macfarlane, who had served as a legislative member through 1991, rejoined the Commission as an at-large member.

II. HOUSE JOINT RESOLUTION 460--REGULATIONS FOR WATER AND WASTEWATER TREATMENT

The 1991 Session of the General Assembly approved House Joint Resolution 460 (see Appendix A) requesting the State Water Control Board (SWCB) and the State Board of Health to examine the application and enforcement of regulations for water and wastewater treatment. The Boards were specifically charged with studying six regulatory programs: (i) the toxicity program of the SWCB; (ii) the staffing requirements of the Health Department; (iii) the monitoring and testing requirements of the SWCB and the Health Department; (iv) the sludge handling requirements of the Health Department; (v) the SWCB's definition of minimum in-stream standards; and (vi) the degree of treatment required for water quality standards for the drinking water and waterways of the Commonwealth.

The Boards were required to submit their findings and recommendations jointly to the Commission, and the Commission's comments and response were to be included in its report to the General Assembly for 1992. Both Boards made interim reports to the Commission in 1991, and the response of the Commission to the Boards' findings was included in the 1992 Report of the Commission. The findings of the Boards will be set forth in a joint report required to be submitted to the 1993 Session of the General Assembly.

A. State Water Control Board Supplemental Report

Richard N. Burton, Executive Director of the SWCB, presented a supplemental report to the Commission at its November 1992 meeting. The report addressed seven issues relating to regulations for the treatment of the Commonwealth's water resources.

1. Groundwater Management: The Ground Water Management Act of 1992, which was developed by the State Water Commission and enacted by the General Assembly in 1992, replaced the Groundwater Management Act of 1973. Under the 1992 Act, permits for the withdrawal of ground water will no longer be based on the size of the pump or well's design capacity. Permits issued under the 1973 Act accounted for nearly 90 percent of the authorized withdrawals in some management areas. Under the 1992 Act, permitted withdrawals will be based on demonstrated need and use. This will create additional authorized capacity, which will allow economic growth while providing increased aquifer protection. Applicants can receive increased allocations for withdrawals greater than their historic use if they can demonstrate a good faith need and submit a water use and conservation plan. Proposed regulations are scheduled to be implemented July 1, 1993.

2. 1989 Water Bills: Two new regulatory programs--Surface Water Management Areas and the Virginia Water Protection Permit--were authorized by 1989 amendments to the State Water Control Law. Mr. Burton reported that regulations implementing both programs were promulgated by the SWCB in 1992.

The goal of the Surface Water Management Areas (SWMA) program is to protect instream flows from excessive withdrawals for offstream uses. The regulations to implement the program became effective June 3, 1992. Six months must pass before SWMAs may be designated. Areas may be designated when declines in the level or supply of surface water could adversely affect the public welfare, safety and health. Four requests for the designation of SWMAs have been received. A list of potential SWMAs will be presented to the SWCB in the spring of 1993. The Board's goal is to have the program in place by the fall of 1993 so that it can be utilized to help deal with any droughts that may occur in 1994.

The Virginia Water Protection Permit Program replaces the water quality certificate issued under section 401 of the Clean Water Act. The conditions of the 401 permits were only enforceable by the federal government. Now that the state issues its own permits, it can enforce permit conditions on its own authority. Regulations for this program became effective May 20, 1992. Both water withdrawal projects and activities affecting wetlands are covered by this program. This program has resulted in the SWCB reviewing an additional 2,000 permits. Withdrawals are allowed based on a consideration of in-stream recreation, wildlife needs, and off-stream needs such as drinking water.

3. Toxics Water Quality Standards: The 1987 amendments to the Clean Water Act required the Commonwealth to adopt water quality standards for toxic pollutants. Failure to act would have jeopardized primacy of Virginia's water quality management program. Following several years of effort, the SWCB adopted toxics amendments to the water quality standards in March 1992. The amendments, which comply with Section 303(c)(2)(B) of the Clean Water Act, became effective on May 20, 1992, and were approved by the EPA in July and August 1992. The toxics amendments include 41 numerical standards for protection of aquatic life, 66 numerical standards for the protection of human health, and revisions to the Commonwealth's antidegradation policy which, among other things, establish a category for designation of exceptional resource water bodies. No new or expanded discharges will be permitted into designated exceptional resource water bodies.

Mr. Burton acknowledged that the standards are strict, but added that they are not as strict as what the EPA would have imposed upon the Commonwealth if the SWCB had not adopted these standards. The SWCB has held training sessions and produced guidance documents to aid the regulated community.

4. Permits for Stormwater Discharges: Prior to 1987, EPA did not require NPDES permits for discharges of stormwater. In that year, following a lawsuit brought by environmental groups, a federal court ruled that such discharges were covered by the Clean Water Act and needed NPDES permits. Also in 1987, Congress amended the Clean Water Act to require EPA to develop regulations for stormwater discharges.

EPA regulations required that applications for permits be filed by October 1, 1992. The final federal Notice of Intent form and general permit for discharges from industrial facilities were not published by EPA until September 9, 1992. Because it is a delegated state, a Virginia stormwater general permit must be developed and adopted under the Administrative Process Act before dischargers can submit individual applications. With over 9,000 individual applications expected, the SWCB was not in a position to develop and issue individual permits prior to the October 1, 1992, deadline.

The SWCB responded on September 21, 1992, by issuing an emergency regulation allowing the filing of a notice of intent to be covered by a stormwater permit for discharges associated with industrial activity, satisfying the permit application requirements of the federal regulations. The staff of the SWCB is now developing stormwater general permits modeled on the EPA's general permit. Within the next year, the SWCB expects to adopt four stormwater general permits for industrial facilities.

A three-step process will take place over a period of several years to deal with stormwater discharges. First, the stormwater discharge sites will be located and identified. Next, a representative sample of the discharges will be taken. Finally, a determination will be made as to what, if any, treatment will be required of the various discharges.

5. Underground Storage Tank Program: The SWCB was authorized to administer the federal Underground Storage Tank Program in 1987. In 1992, the General Assembly revised the underground storage tank legislation to reduce the requirements for corrective action, third party compensation, and annual aggregate

financial responsibility for the smaller classes of tanks under the Virginia Petroleum Storage Tank Fund (VPSTF). In addition, reimbursement of corrective action costs from VPSTF is now permitted for certain types of small aboveground and underground petroleum storage tanks.

The SWCB has thus far identified 71,000 such tanks at 25,000 facilities. More than 4,600 of the located tanks are known to have leaked. The Board is working with the owners to secure cleanup. This is a lengthy, complicated and expensive undertaking. Program staffing has increased from 12 to between 70 and 80 employees. It is expected that the needs of the program will increase. Resources are being diverted to the program to deal with a backlog in cleanup reports. Over two million dollars has been reimbursed to owners/operators for corrective action costs from the VPSTF since June 1991. In the past two years, the SWCB has provided clean drinking water to 120 homes and businesses affected by leaking tanks.

6. Oil Discharge Program: The 1990 Session of the General Assembly required the SWCB to regulate aboveground storage tanks and vessels which are transporting petroleum products. Oil discharge contingency plan regulations, which took effect in January 1992, seek to assure that if a release occurs, from either a vessel or storage tank, there is a contingency plan in place to clean up the spill. The Board has received plans from over 600 storage tanks and from 320 of the estimated 350 vessels covered. There are probably 2,400 storage tank owners who have yet to submit plans.

In addition to the requirements for contingency plans, financial responsibility regulations for vessels became effective in January 1992. Operators of vessels are required to demonstrate financial responsibility of \$500 per gross ton. More than 200 vessel operators have complied with these regulations.

In 1992, the General Assembly put the SWCB in the business of preventing leaks and spills at aboveground storage tanks. Regulations are required to be in place by July 1, 1993. Mr. Burton anticipates that the regulations will be in place by July 1993. The regulations will include groundwater monitoring, early warning devices, and testing of the integrity of the structures to assure that they will not leak.

7. Permit Fees: The 1992 Session of the General Assembly required the SWCB to set fees for the permits and certificates it issues. Fees will cover part of the cost of processing applications based on the time and complexity involved in reviewing applications and developing and issuing permits. The legislation established caps on the fees the Board could set for existing permit programs.

Regulations for implementation of those fees have been presented to the SWCB and public hearings were held commencing in December 1992. The planned fees in most cases are below the maximums set by the legislature. The fees compare favorably with those required in other states. The Board proposed a budget amendment for \$1,657,700.00, the anticipated revenue from the fees in FY 1994, for the hiring of 30 new staff members. The new positions will be filled as sufficient fee revenues to support them are collected.

B. State Board of Health Report Summary

Eric Bartsch, Chief Engineer of the Virginia Department of Health (VDH), delivered the State Board of Health's supplemental report on issues raised by HJR 460. Mr. Bartsch, who directs the Office of Water Programs, began by reminding the Commission of the findings and recommendations made by the Board during the previous year's presentation, which encompassed the drinking water and sewage programs.

1. **Drinking Water Program:** The State Board of Health made four recommendations to the Commission in 1991 relating to drinking water: (i) support primacy; (ii) consider an alternative financing mechanism to support additional staff; (iii) increase construction money in the VDH Revolving Fund; and (iv) increase funding for the Consolidated State Laboratory operated by the Department of General Services.

Mr. Bartsch described the Commission's support for the Health Department's drinking water program as "astonishing." This support was crucial to the passage of House Bill 236 (1992), which requires waterworks operators to pay an operation fee to VDH. The fee is based on the size and classification of the waterworks, and is capped at \$160,000 per year. This bill allowed VDH to retain primacy over Virginia's drinking water program while providing a source of revenue. Nevertheless, the problems of funding drinking water projects have not been resolved. The Virginia Water Supply Revolving Fund receives a \$100,000 general fund appropriation per year for construction projects. Requests for construction funds totalled \$5.7 million in the current year. VDH is studying alternative programs, such as allowing "signature loans" for sums less than \$40,000.

2. **Sewage Program:** The State Board of Health's 1991 presentation to the Commission featured two findings and recommendations regarding the sewage program. First, it urged support for the adoption and implementation of the Sewage Collection and Treatment (SCAT) regulations, to replace the sewage regulations jointly adopted by the SWCB and VDH in 1977. Second, it advocated a state regulatory program to enforce land-based sewage sludge management operations through site-specific permits.

The first recommendation, Mr. Bartsch reported, is being implemented. The promulgation of the SCAT regulations resulted from the enactment of House Bill 1449 (1991), which revised the provisions of the Virginia Code governing the construction of sewage treatment plants. The new law provides that, after the SWCB has issued a discharge permit, the construction and operating permits will be administered by the Department of Health. The SCAT regulations outline technical design standards, including material specifications for conventional and nonconventional processes.

The second recommendation regarding the sewage program, which would allow the use of NPDES permits for regulating land application of sludge, will be implemented if the SCAT regulations are promulgated as proposed. The regulations require the VDH to issue operating permits to sewage treatment plant operators for land applications of sludge. The operating permits will contain site-specific standards which are more detailed than those in the proposed federal EPA regulations. Under the scenario outlined by Mr. Bartsch, both federal and

state standards for land application of sewage sludge will be implemented through two permits--a VPDES permit issued by the SWCB, and an operation permit issued by the VDH. The existing VPA permits issued by the SWCB for land application of sludge will not be necessary if the SCAT regulations are implemented.

3. Implementation of Fee Program: As noted above, House Bill 236 (1992) authorized the Board of Health to promulgate regulations establishing the operation fee that may be charged to a waterworks. Under emergency regulations that went into effect on July 1, 1992, VDH has begun collecting fees of \$1.50 per hookup per year in community systems and \$60 per year for nontransient systems. Proposed fees, which would go into effect on July 1, 1993, if approved, would be \$2.40 per hookup per year in community systems and \$100 per year for nontransient systems.

These proposed fees would raise \$2.8 million, up from \$1.7 million sought to be collected by the current fee schedule under the Board's emergency regulations. Comments during the regulation-writing process reveal support for primacy, but also indicate that general funds should be used to pay for it, and that the \$160,000 cap on the fee that can be assessed on a waterworks should be removed.

4. Unresolved Concerns: Mr. Bartsch's report on VDH staffing indicated that manpower has been reduced to the minimum necessary to accomplish project review and evaluation and technical services tasks. Twenty man-years of effort in the environmental engineering field offices are required to continue the technical services activities of the Department without the routine inspection activities. Though the project review and evaluation backlog has been reduced by almost two-thirds in the past year, routine surveillance and field inspections have been reduced or eliminated.

The Health Department cautioned that inadequate funding of the consolidated laboratory may damage the drinking water program. If waterworks cannot access the laboratory's services, VDH resources may be required to divert its resources to enforcement. Enforcement costs are not allowable under the Waterworks Technical Assistance Fund, which was created by House Bill 236, and in any event the scarce resources of the VDH are better used for technical assistance than for enforcement.

III. WATER SAMPLE TESTING BY DCLS

As Mr. Bartsch noted, the Commonwealth's drinking water program is linked to the testing of samples by the Department of General Services' Division of Consolidated Laboratory Services (DCLS). DCLS is required by state law to analyze water samples for Health Department-regulated utilities without charge (Va. Code § 2.1-429). Ed LeFebvre, Deputy Director for Chemistry at DCLS, described the burden being placed on his agency as the result of water quality monitoring requirements mandated by the EPA.

The consolidated laboratory was created in 1972 to avoid costly duplication of manpower and equipment. Mr. LeFebvre noted that the Commonwealth is unique among the 50 states in maintaining only one analytical laboratory to support all state agencies. The statutory duties of the DCLS include providing analytical support for the SWCB's implementation of the federal Clean Water Act, and the VDH's implementation of the federal Safe Drinking Water Act.

Several examples of increased water testing requirements under the Safe Drinking Water Act were cited, including:

- The addition of 25 new compounds for monitoring every three years;
- Lead-copper rule requirements adding 58,000 samples per year by 1993;
- Phase II monitoring adding 40 new compounds to the present list;
- Increased the frequency of total coliform bacterial analysis from quarterly to monthly; and
- Scheduled new monitoring requirements for asbestos in drinking water (1995), radionuclides such as radon (1996), and disinfectants and their byproducts (1997).

Mr. LeFebvre focused on the lead-copper rule as an area of immediate need. The rule requires waterworks to sample water from bathroom or kitchen taps in private homes. Large utilities were required to commence collecting samples in January 1992. DCLS did not have the capacity to analyze the samples, but most large waterworks have their own laboratories. Medium-size waterworks began sampling in July 1992, and most have arranged for analytical support at private laboratories at their own expense. In 1993, over 2,000 small waterworks will be required to begin sampling. Many are unable to afford testing at private laboratories and will rely on DCLS to test their samples at no charge.

DCLS has financed some urgent equipment needs through a Treasury loan of over one million dollars, of which nearly \$500,000 is for equipment needed to support EPA-mandated programs. These funds do not cover all necessary equipment and do not provide for personnel to conduct the testing. Three programs were highlighted as areas requiring additional funding in the 1993 fiscal year:

- The lead-copper rule--\$44,000;
- Water quality standards (Clean Water Act)--\$46,490; and
- Nutrient analyses (Clean Water Act and Chesapeake Bay restoration programs)--\$122,285.

IV. REGULATION OF SMALL PRIVATE WATER SYSTEMS

A. Expanding the Scope of Waterworks Regulations

State law provides that the State Board of Health has responsibility over waterworks in the Commonwealth insofar as the quality of waters furnished for drinking or domestic use may affect public health and welfare (Va. Code § 32.1-169). Current laws and regulations cover "waterworks," which is defined as a system serving piped water for drinking or domestic use to the public and serving at least 15 connections or 25 individuals. Water supply systems that serve fewer connections or individuals are exempt from compliance with state requirements.

Nancy M. Ambler, Executive Director of the Virginia Housing Study Commission, and Paul J. Grasewicz, Associate Director of the Department of Housing and Community Development's Policy Analysis and Research Office, outlined problems associated with the exemption of very small water supply systems from state law and regulations. In 1992, the Housing Study Commission held regional public hearings on this issue, and noted that many water samples indicated high contaminant levels. They cited an October 1990 study by the Virginia Water Project, Inc. involving a mobile home park near Natural Bridge where the drinking water was declared unsafe for use. The Health Department had no authority to require corrective action, however, because the system was not regulated by the Commonwealth.

Many of the complaints discussed involved manufactured home parks (MHPs). Some MHPs have intentionally maintained their number of residents below 25, according to Mr. Grasewicz, in order to avoid regulation. Health Department engineers indicated that rural apartment buildings and MHPs fall in and out of the regulatory threshold as their populations change.

Other states in the region, including Maryland, North Carolina, West Virginia, and Georgia, have also adopted the 15 connection/25 person cut-off standard for coverage of water systems. Other states, however, have adopted lower thresholds. South Carolina defines a public water supply as any system providing drinking water, except for systems serving a single private residence. Washington's definition of public water systems covers all systems except those serving only one single-family residence and those with four or fewer connections all serving residents on the same farm.

Several options for expanding the definition of waterworks to encompass very small water systems that do not meet the 15 hookup/25 person limit were presented to the Commission. All were introduced with the caveat that lowering the threshold criteria for coverage could substantially increase the Department of Health's monitoring efforts and costs. Options recommended for consideration include:

- Including water systems serving MHPs, regardless of the number of residences served;
- Including water systems serving those MHPs which are subject to the Manufactured Home Lot Rental Act (containing 10 or more homes); and
- Reducing the minimum threshold requirements for inclusion of residential facilities, to include all systems except those serving one single-family residence occupied by a landowner and his family, or those with four or fewer connections serving residences on the same farm.

The third alternative (covering systems with 2 to 24 users) would be the most expensive. Mr. Grasewicz noted that it is difficult to calculate the cost of expanding the law to cover all MHPs because there is no data available on the number of parks in the Commonwealth.

The Housing Study Commission also recommended an amendment to the section of the Public Water Supplies article which allows bonds or escrowed funds to be forfeited if a waterworks owner fails to provide water to his customers for a period of 48 hours. The proposed change would require the owner to provide his customers with pure water, which is defined as water fit for human consumption and domestic use.

B. Impact of Regulating Very Small Water Systems

Eric H. Bartsch of the VDH's Office of Water Programs advised the Commission of the projected impacts of the legislative proposals outlined by the Housing Study Commission and the Department of Housing and Community Development for expanding regulation of very small water systems. By contacting the local health departments around the state, VDH compiled a "very rough" estimate of the number of systems serving at least two but fewer than 15 connections.

The data compiled by VDH indicates that there are approximately 1,000 MHPs and approximately 6,000 very small water systems (including the MHPs) currently exempt from regulation. Assuming an average of five residential connections per system, approximately 30,000 households in the Commonwealth are served by unregulated water systems. A copy of the estimated numbers of very small systems is attached as Appendix C. By comparison, VDH now monitors approximately 500 "small" waterworks that serve between 25 and 100 individuals.

The initial cost of monitoring the 6,000 very small water systems that could be brought under state regulation could exceed \$18.7 million, based on an initial cost of \$3,121 to analyze samples for coliform bacteria, organics, asbestos, and nitrate (see Appendix D). Mr. Bartsch contended that given the very high costs, the historically low occurrence rate of most of the contaminants, and the long periods of exposure required before adverse health effects occur, it would be appropriate to implement a two-tiered testing system. The very small water systems would be in the "second tier," with all such systems being monitored for coliform bacteria and nitrate and subject to additional monitoring when a particular system is shown to be vulnerable to other contaminants. The cost of such a minimum monitoring program, to include quarterly bacterial analysis and nitrate analysis once every nine years (after initial sampling over a three-year period), would be \$87.50 per system for each of the first three years and \$82.50 in each of the following years. Based on 6,000 very small systems, the annual cost of a program (during the initial three years) would be approximately \$525,000.

In addition to the costs of a monitoring program, expanding the number of waterworks regulated by the state program would place a heavy burden on the VDH, according to Mr. Bartsch. Operation of a basic surveillance program (involving inventory, routine on-site monitoring survey every three years, technical assistance, complaint investigation, project review, permitting, and enforcement) would require approximately 29 man-years, at a cost of approximately one million dollars. An analysis of the agency impact is attached as Appendix E.

Finally, Mr. Bartsch noted that changing the definition of a waterworks would affect the entire water program. The current definition is in line with the federal law, and the state program has primacy for federal drinking water programs. Losing primacy, Mr. Bartsch warned, could have adverse affects, including endangering annual program grants from EPA. In addition, the State Board of Health's Waterworks Regulations are predicated on the existing definition, and a change would have a "ripple effect" throughout the regulations.

As an alternative, Mr. Bartsch suggested that a new article be added in Chapter 32.1 of Chapter 6 of the Virginia Code dealing with very small systems. Placing laws governing these systems in a separate article would avoid potential confusion with existing provisions. Though one member of the Commission questioned whether a tiered system would cast a shadow on the viability of the current testing system, others voiced support for the concept. Several members doubted the accuracy of the estimate of unregulated small systems, and profered that it understated their actual number.

C. Other Problems with Small Water Systems

Delegate John J. Davies III advised the Commission that small waterworks owned either by real estate developers or homeowners associations are a growing source of concern for residents and local governments. In many instances the owners are finding that the costs of complying with mandates of the Safe Drinking Water Act and upgrading systems are prohibitively expensive. Delegate Davies cited an example where upgrading a system to install a central filter would cause monthly customer rates to increase from \$25 to \$70 or \$90.

Though operating the water system may have been initially viewed as a profitable enterprise, many developers have found that they lack the will or the resources to comply with increasingly expensive regulations. A typical scenario involves water systems constructed 15 to 20 years ago in conjunction with residential subdivision development. Such systems often have had little maintenance performed on them and are wearing out. Owners responsible for maintenance may not be paying for upkeep of systems even though they are receiving fees for this purpose from customers. The system's owner--which may be a homeowners association--may find that money has not been budgeted for renovation or replacement of the water system. In some cases, private owners are abandoning these small water systems, and counties may be reluctant to take over the systems because of the cost of necessary upgrades.

The problems outlined by Delegate Davies generally involve small (25 to 50 connections) waterworks which are regulated by the Health Department. The State Corporation Commission has no authority to regulate private water systems with fewer than 50 connections (Va. Code §§ 56-265.10 et seq.). He conceded that the scope of the problem would be greater if the number of regulated water systems was expanded to cover MHPs or other systems with fewer than 25 connections, as suggested by the Housing Study Commission.

Delegate Davies urged that these issues be studied by the Commission. At the Commission's second meeting, he circulated a resolution requesting the Commission to study drinking water systems owned or operated by developers or homeowners associations. A copy of the resolution is attached as Appendix F. The Commission endorsed the study resolution, which was introduced in the 1993 Session as House Joint Resolution 652. The resolution directs the Commission to (i) analyze the component expenses of the overall costs of providing drinking water, (ii) examine ways to ensure that owners operating small systems are financially and technically capable of operating them, and (iii) determine options for customers if the owner or operator abandons the system or fails to provide safe drinking water. The resolution was approved by the General Assembly.

Delegate Croshaw questioned whether criminal sanctions would create a disincentive for system owners and operators who misuse water fees paid by customers. In response, Delegate Davies authored legislation making the misapplication of water fees punishable as a Class 2 misdemeanor. The Commission endorsed the legislation, and it was introduced in the 1993 Session by Delegate Davies as House Bill 2070. The bill was stricken in the Committee on Health, Welfare and Institutions pending the outcome of the study to be conducted pursuant to House Joint Resolution 652.

V. WATER RESOURCE PLANNING AND MANAGEMENT

Continuing its work aimed at developing a state water policy, the Commission received a briefing from the State Water Control Board on the progression of water resource planning in the Commonwealth over the past 25 years, current planning and management activities, and the management strategies adopted in seven other states.

A. Virginia: Past and Current Efforts

Richard F. Weeks, Deputy Executive Director of the SWCB, warned the Commission that if Virginia does not develop a means of assisting local governments in funding individual local or regional solutions, or if the Commonwealth does not develop water supplies itself, the state will face serious water supply shortages in the next ten to twenty years. With the leadership of the State Water Commission, Virginia has developed mechanisms to protect aquifers and surface waters and the availability of water supplies to current users. Addressing future water supply needs will require both planning and management of the resource.

In 1966, legislation assigned responsibility for developing Comprehensive Water Resources Plans to the Board of Conservation and Economic Development. This duty was transferred to the SWCB in 1972. By the mid-1970s, plans were completed for nine river basins, and plans for eleven basins were completed by 1988. The plans inventoried water resources and water needs, included alternatives for meeting deficits, and identified several outstanding issues including minimum instream flow, regionalization and interbasin transfers. The SWCB was not authorized to implement the plans, which were approved as advisory documents. Tools for water resource management in the Commonwealth include the Groundwater Management Act of 1973 (as superceded by the Ground Water Management Act of 1992), the Surface Water Management Area program, and the Virginia Water Protection Permit program.

Three groups are currently involved in water resource planning. The Corps of Engineers' "National Study of Water Management During Drought," started in 1990, is demonstrating and testing model drought preparation studies in four areas nationwide, including the James River Basin. One of the final tasks of the Study, which is scheduled for completion in 1993, is an investigation of the feasibility of a Virginia state water policy. The U.S. Advisory Commission on Intergovernmental Affairs has been retained to conduct the investigation for the Corps.

The Commission on Population Growth and Development, created by the General Assembly in 1990, is considering strategic planning needs for the Commonwealth and its localities. One Commission proposal currently under review calls for the creation of a Division of Planning in the Department of Planning and Budget. Ensuring that water resources are planned for and used so as to protect the availability of water is one of the proposal's planning goals.

The Lower Virginia Peninsula Regional Raw Water Users Study Group is currently considering 30 alternatives for providing a dependable, long term water supply for the region. The study group, which was created in 1987, includes Newport News, Williamsburg, York County, and James City County. The study group has developed reports on water supply and demands, supply alternatives, deficit projections, and opportunities for reducing demand.

Mr. Weeks concluded that Virginia has a solid foundation for building a comprehensive water supply program. Elements in place include the 1988 Water Supply Plans, comprehensive water use data, SWCB authority to provide advisory technical assistance regarding conservation and water use, and the ability to designate Ground Water Management Areas and Surface Water Management Areas. The Commonwealth is positioned to take the next step in the process of developing a comprehensive program for meeting future water supply needs.

B. Management Strategies of Other States

Pat Woodson, policy analyst with the SWCB, briefed the Commission on the approaches to water supply management taken by seven other states. These programs could provide a model that Virginia could build on in developing its own program.

1. **New York**: Under New York's "planning approach," both statewide and substate water management strategies are proposed. The statewide strategy evaluates issues related to water resources, management and financing, conservation, infrastructure improvements, and data needs. The substate management plans contain recommendations for addressing regional water resource management needs. The strategy is intentionally flexible, and is reevaluated and revised (if necessary) biennially.

2. **Florida**: The South Florida Water Management District, one of five regional water management agencies in the state, provides an example of a "management approach." The districts have authority to levy property taxes, and are responsible for environmental protection and enhancement, providing water supply, flood protection, and water quality protection. Each district's boundaries are based on hydrogeologic divisions rather than political boundaries. Functions of the district include planning and research; construction, operation and maintenance of waterworks; land management; and water use regulation. The district implements its planning objectives, which encompass wetlands protection, optimization of aquifer withdrawals, and diversifying supply sources, by issuing permits for water withdrawals from surface or ground water sources.

3. **Washington**: Washington's approach was characterized as "public participation and consensus building." Pursuant to the Chelan Agreement, tribal and state governments created a Water Resources Forum. The Forum is comprised of several caucuses representing Indian tribes, state government, local government, business, fisheries, recreation, agriculture, and environmental interests. All Forum decisions are made by consensus, so the agreement of each caucus is a prerequisite for action. The Forum's responsibilities include shaping state policy,

clarifying existing policies, recommending changes to state law, and providing policy guidance. Finally, the Forum provides a framework to provide education and information to build public support for cooperative water resource planning and management.

4. Massachusetts: "Demand management," as implemented in the Boston area by the Massachusetts Water Resources Authority, is an example of an alternative to the development of new water supply sources. Faced with demands for water which exceeded the safe yield of supplies by 10 percent, the Authority implemented an aggressive leak detection program and domestic and non-domestic conservation efforts. In addition to leak detection, program activities include pipe repairs, educational programs, installation of water saving devices, water use audits, and building code amendments increasing cooling system efficiency. The first two years of the program witnessed a 15 percent decrease in water use, which allowed the Authority to avoid developing a major new source of water supply.

5. Maryland: Maryland's Sub-basin Water Supplying Planning Process has recommended "non-structural options" to control declining ground water supplies and allow aquifers to stabilize. Components of the process include planning, issue identification, alternative strategies, five-year implementation activity, and implementation. Examples of non-structural steps include reducing permitted withdrawals of groundwater to 80 percent of previous levels, and conjunctive use of surface and ground water sources.

6. Oregon: Oregon's Water Management Program also focuses on non-structural options. Issues addressed by the Program include allocation of water resources, ground water supply and quality, storage for future development, and instream flows for fish habitat. Interstate cooperation is critical to Oregon's program. Compacts establishing guidelines for allocation of surface and ground water have been entered into with neighboring states. Four of its eight surface water basins, and some of its ground water resources, are shared with other states.

7. Georgia: In contrast to Maryland and Oregon, Georgia has focused on "structural options" for developing new water supplies to meet demand. The Georgia Water Supply Act (1989) authorizes the Department of Natural Resources to construct and operate water reservoirs and other water supply facilities. Withdrawals of greater than 100,000 gallons per day from ground and surface waters require a permit. Planning is administered through regional water supply plans. The Department sets charges for users of projects to cover the costs of maintaining, operating, and repairing the projects, which are financed through state construction bonds. The planning goal of the Department is to construct larger reservoirs that will optimize water yields to meet demonstrated needs, thereby avoiding the high cumulative environmental impacts associated with a proliferation of smaller reservoirs.

Ms. Woodson noted that if the Commission wanted a more detailed examination of any of these programs, experts from the states would be invited to discuss their programs at a future meeting.

C. Conclusion

In a discussion that followed the Board's presentation, Commission members noted that defining the role and responsibilities of the state is critical to development of a management program. While localities may be able to meet their long-term needs by acting regionally or working with the Commonwealth, individually they cannot. The era of a locality building a reservoir on its own is coming to an end as the federal role in protecting wetlands and other environmental protection programs increases. The EPA has made it clear that it favors regional approaches with state leadership. Members acknowledged that developing a method of resolving disputes and providing adequate sources of water is critical to Virginia's economic health in the long run.

The State Water Control Board will summarize its data on water resources and current and future uses, and prepare several options to meet the needs of the Commonwealth. The summaries and options will be presented to the Commission in 1993.

Respectfully submitted,

Lewis W. Parker, Jr., *Chairman*
Charles J. Colgan, *Vice Chairman*
Watkins M. Abbitt, Jr.
J. Paul Councill, Jr.
James H. Dillard II
William P. Robinson, Jr.
A. Victor Thomas
Clifton A. Woodrum
Glenn R. Croshaw
Elmo G. Cross, Jr.
Clarence A. Holland
Robert E. Russell, Sr.
Stanley C. Walker
Sandra Batie, Ph.D.
J. Granger Macfarlane

APPENDIX A

1991 SESSION

LD9205553

1 HOUSE JOINT RESOLUTION NO. 460
2 AMENDMENT IN THE NATURE OF A SUBSTITUTE
3 (Proposed by the House Committee on Rules
4 on February 2, 1991)
5 (Patron Prior to Substitute—Delegate Reynolds)

6 *Requesting the State Water Control Board and the State Board of Health to examine the*
7 *application and enforcement of regulations for water and wastewater treatment and to*
8 *submit their findings jointly to the State Water Commission for review and comment.*

9 WHEREAS, all citizens of the Commonwealth are rightfully entitled to clear, pure
10 drinking water; and

11 WHEREAS, all citizens of the Commonwealth rightfully expect the several waterways of
12 the Commonwealth to be clean and appropriately maintained for their health, protection,
13 and pleasure; and

14 WHEREAS, numerous strictly enforced regulations of the Commonwealth and the nation
15 guarantee the purity of the drinking water in the Commonwealth and the cleanliness of its
16 rivers, streams, bays, and indeed, all of its waterways; and

17 WHEREAS, while vigilant adherence to these standards is commendable, such stringent
18 mandates subsequently hinder localities, in their partnership with the Commonwealth, to
19 effect the execution of these regulations; and

20 WHEREAS, the current fiscal condition of the Commonwealth stresses localities in their
21 obligatory delivery of all services, including water and wastewater treatment; and

22 WHEREAS, the current fiscal condition of the Commonwealth demands the greatest
23 efficacy of available moneys; and

24 WHEREAS, the current fiscal condition of the Commonwealth additionally demands that
25 all regulatory agencies and local governing bodies be particularly circumspect and prudent
26 in their decisions on provision and delivery of service; now, therefore, be it

27 RESOLVED by the House of Delegates, the Senate concurring, That the State Water
28 Control Board and the State Board of Health be requested to examine the application and
29 enforcement of regulations for the treatment of the Commonwealth's water and wastewater.

30 The study shall include, but not be limited to: (i) the toxicity program of the State
31 Water Control Board; (ii) the staffing requirements of the Virginia Health Department; (iii)
32 the monitoring and testing requirements of the State Water Control Board and the
33 Department of Health; (iv) the sludge handling requirements of the Virginia Health
34 Department; (v) the definition of minimum in-stream standards of the State Water Control
35 Board; and (vi) the degree of treatment required for water quality standards for the
36 drinking water and waterways of the Commonwealth.

37 The State Water Control Board and the State Board of Health shall submit their findings
38 and recommendations jointly to the State Water Commission for review and comment. The
39 Commission shall include its comments and response to such findings and recommendations
40 in its annual report to the General Assembly for 1992. The State Water Commission's
41 response, including any recommendations, shall also be reflected in the report of the State
42 Water Control Board and the State Board of Health.

43 The Boards shall complete their work in time to submit their findings and
44 recommendations to the Governor and to the 1993 Session of the General Assembly as
45 provided in the procedures of the Division of Legislative Automated Systems for the
46 processing of legislative documents.

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APPENDIX B

FACT SHEET

Fiscal Impact of New Water Analysis Requirements
on the Division of Consolidated Laboratory Services,
Department of General Services

FY 92-93	Lead-Copper Rule (SDWA)	\$44,000
	Water Quality Standards (CWA)	46,490
FY 93-94	Lead-Copper Rule (SDWA)	295,000
	Water Quality Standards (CWA)	67,000
	Nutrients (CWA & Chesapeake Bay)	122,285
FY 94-95	Lead-Copper Rule (SDWA)	200,000
	New Water Quality Standards (CWA)	565,000
	Implement Phase II/V (SDWA)	1,620,000
FY 95-96	Lead-Copper Rule (SDWA)	150,000
	Water Quality Standards (CWA)	356,000
	Phase II/V (SDWA)	850,000

Summary:

*	FY 92-93	\$90,490
*	FY 93-94	484,285
*	FY 94-95	2,385,000
*	FY 95-96	1,356,000

SDWA - Federal Safe Drinking Water Act

CWA - Federal Clean Water Act

The approximate yearly cost to analyze these samples commercially:

*	Lead-Copper Rule	58,000 samples @ \$30 =	\$1,740,000
*	Water Quality Standards	1,728 @ \$1,000=	\$1,728,000
*	Phase II/V	5,400 @ \$3,000	=\$16,200,000

11-11-92

APPENDIX C

Table 1 - Estimated Very Small Water Systems and Manufactured Home Parks

City or County	Total Estimated	Estimated small	City or County	
Name	Unregulated	Manufactured Home Parks	Code Number	District
Lee County	450	50	105	1
Scott	300	45	169	1
Washington / Bristol	10	0	520	1
Wise County	100	30	195	1
Buchanan	750	50	027	2
Dickenson County	250	50	051	2
Bland	100	10	021	3
Carroll	350	35	035	3
Galax City	2	0	640	3
Grayson	22	16	077	3
Smyth	50	30	173	3
Washington	10	0	191	3
Wythe County	400	30	197	3
Floyd	41	22	063	4
Giles	50	6	071	4
Montgomery	10	8	121	4
Pulaski	4	3	155	4
Radford City	0	0	750	4
Alleghany	4	4	005	5
Botetourt	3	1	023	5
Craig	6	6	045	5
Roanoke City	0	0	770	5
Roanoke County / Salem	20	8	161	5
Clarke	25	5	043	7
Page	3	2	139	7
Shenandoah	22	0	171	7
Winchester	3	1	840	7
Alexandria	0	0	510	8
County of Fairfax	0	0	059	8
Loudoun County	0	0	107	8
Culpeper	12	2	047	9
Fauquier	12	0	061	9
Madison	10	1	113	9
Orange	12	2	137	9
Rappahannock	3	1	157	9
Albemarle	20	0	003	10
Fluvanna County	9	8	065	10
Greene	7	5	079	10
Louisa	4	2	109	10
Nelson	8	2	125	10
Amherst	15	0	009	11
Appomattox	10	4	011	11
Bedford	30	23	019	11
Cambell	15	10	031	11
Franklin County	230	42	067	12
Henry County - Martinsville	250	203	089	12

Table 1 - Estimated Very Small Water Systems and Manufactured Home Parks

(Table 1 cont.)				
City or County	Total Estimated	Estimated small	City or County	
Name	Unregulated	Manufactured Home Parks	Code Number	District
Patrick County	800	12	141	12
Pittsylvania - Danville	38	32	143	12
Brunswick County	3	3	025	13
Halifax County	4	4	083	13
Mecklenburg County	6	6	117	13
Amelia County	3	3	007	14
Buckingham County	15	7	029	14
Charlotte	6	5	037	14
Cumberland	12	2	049	14
Lunenburg	9	9	111	14
Nottoway	5	5	135	14
Prince Edward	15	12	147	14
Charles City	0	0	036	15
Chesterfield	1	1	041	15
Goochland	15	3	075	15
Hanover	0	0	085	15
Henrico County	0	0	087	15
New Kent	0	0	127	15
Powhatan	5	1	145	15
Richmond City	0	0	760	15
Caroline	30	4	033	16
Fredericksburg	4	1	630	16
King George	100	8	099	16
Spotsylvania	50	3	177	16
Stafford	12	4	179	16
Lancaster County	35	0	103	17
Northumberland County	44	2	133	17
Richmond County	44	0	159	17
Upper Westmoreland	8	2	193	17
Westmoreland	10	3	193	17
Essex County	60	0	057	18
Gloucester County	30	7	073	18
King & Queen	5	3	097	18
King William	8	0	101	18
Mathews	4	1	115	18
Middlesex County	21	4	119	18
Dinwiddie	0	0	053	19
Greensville / Emporia	3	3	081	19
Hopewell	0	0	670	19
Prince George	30	7	149	19
Surry	20	5	181	19
Sussex	4	2	183	19
Chesapeake	20	0	550	20
Isle of Wight	100	3	093	20
Norfolk	0	0	710	20
Southampton	50	2	175	20

Table 1 - Estimated Very Small Water Systems and Manufactured Home Parks

(Table 1 cont.)				
City or County	Total Estimated	Estimated small	City or County	
Name	Unregulated	Manufactured Home Parks	Code Number	District
Suffolk	75	1	800	20
Virginia Beach	0	0	810	20
Hampton	0	0	650	21
James City County	50	5	095	21
Newport News	1	0	700	21
Williamsburg	1	0	830	21
York County	20	1	199	21
Accomack	76	35	001	22
Northhampton County	25	11	131	22
Grayson	22	16		
Poquoson	0	0		
Total	5531	955		
			City or County	
<i>Counties that have not reported</i>			Code Number	District
Russell			167	2
Tazewell			185	2
Augusta			015	6
Bath			017	6
Highland			091	6
Rockbridge			163	6
Rockingham			165	6
Arlington			013	8
Prince William			153	8

APPENDIX D

Costs of Monitoring Water System--Per Analysis

Volatile and synthetic organics (as per community waterworks and without dioxin)	\$1,515.00
(with dioxin)	\$2,465.00
Asbestos	\$400.00
Antimony	\$12.00
Barium	\$12.00
Beryllium	\$12.00
Cadmium	\$12.00
Chromium	\$12.00
Cyanide	\$45.00
Lead	\$10.00
Mercury	\$30.00
Nickel	\$12.00
Nitrate	\$22.00
Nitrite	\$15.00
Selenium	\$30.00
Thallium	\$12.00
Total Coliforms (Bacti)	\$20.00
Total cost	\$3121.00
Total cost without Organics & asbestos	\$256.00
Total cost (Nitrate and bacti only)	\$42.00
Total annual cost (bacti quarterly and nitrate once every 9 years)	\$82.50

Source: Office of Water Programs
Virginia Department of Health
November 13, 1992

APPENDIX E

Health Department Annual Costs for Surveillance Program for 6,000 Waterworks

Surveillance Program	Event	Manhour allocation per event	Total
Inventory	6000	@ 1 hr. each	6000
Sanitary Surveys	2000	@ 8 hr. each	16000
T.A. & C.I.	3000	@ 2 hr. each	6000
Project reviews	1000	@ 6 hr. each	6000
Permitting	2000	@ 4 hr. each	8000
Enforcement actions			
Notices	1500	@ 4 hr. each	6000
Hearings	150	@ 8 hr. each	1200
Orders	75	@ 8 hr. each	600
Court cases	25	@ 40 hr. each	1000
Summary			
Total Manhours			50,800
Total Manyears		(1760 manhours per manyear)	28.86
COST		(29 manyear @ \$34,600 Grade - 11)	\$1,003,400

Source: Office of Water Programs
Virginia Department of Health
November 13, 1992

APPENDIX F

1993 SESSION

LD9032198

1 HOUSE JOINT RESOLUTION NO. 652

2 Offered January 26, 1993

3 *Requesting the State Water Commission to study drinking water systems owned by*
4 *developers or operated by home owner associations.*

5
6 Patrons—Davies, Connally, Cooper, Councill, Parker, Thomas, Van Yahres and Wilder;
7 Senators: Houck, Robb and Walker

8
9 Referred to the Committee on Rules

10
11 WHEREAS, the State Department of Health is charged with the responsibility of
12 establishing regulations which ensure that all water systems which serve the public provide
13 safe drinking water to Virginians; and

14 WHEREAS, the Department of Health currently regulates all water systems that provide
15 "...piped water for drinking or domestic use to (i) the public, (ii) at least fifteen
16 connections or (iii) an average of twenty-five individuals for at least sixty days out of the
17 year" (Virginia Code § 32.1-167); and

18 WHEREAS, the United States Congress, in 1986, adopted amendments to the Safe
19 Drinking Water Act and mandated standards for 83 specified contaminants; and

20 WHEREAS, estimates are that waterworks owners will face an annual cost of between
21 \$51 million and \$143 million for monitoring and treatment to comply with the new
22 regulations; and

23 WHEREAS, small systems most frequently experience the lack of resources (money and
24 qualified staff) and management expertise necessary to comply with the new requirements;
25 and

26 WHEREAS, the lack of resources and expertise, coupled with aging infrastructure,
27 underdesigned and undersized systems, increasing numbers of regulated compounds, and
28 antiquated equipment, further reflects the problems associated with the operation of small
29 systems; and

30 WHEREAS, 900 of the approximately 1,200 very small systems (serving fewer than 500
31 people) are classified as private investor-owned or homeowner association-operated
32 waterworks; and

33 WHEREAS, many of these systems are owned by persons engaged in unrelated
34 businesses (e.g., real estate development, or apartment or manufactured home park
35 ownership) who find responsibility for these waterworks to be a "nuisance," according to a
36 Department of Health report (House Document No. 30, 1990); and

37 WHEREAS, the Virginia Housing Study Commission in its 1992 Annual Report notes that
38 an increasing number of manufactured home park residents have expressed concern about
39 unsafe drinking water provided them by park operators; and

40 WHEREAS, the Virginia Housing Study Commission, following public hearings and study
41 has made recommendations pursuant to such concerns and referred such recommendations
42 to the State Water Commission; and

43 WHEREAS, this situation in several instances has resulted in the abandonment of small
44 water systems by owners or operators; and

45 WHEREAS, local government has been reluctant to assume responsibility for operating
46 abandoned systems; now, therefore, be it

47 RESOLVED by the House of Delegates, the Senate concurring, That the State Water
48 Commission study the operation of small private investor-owned and homeowner
49 association-operated water systems. The Commission as part of its study should (i) analyze
50 the component expenses of the overall costs of providing drinking water including the costs
51 associated with financing, capital improvement, maintenance, monitoring and testing; (ii)
52 examine ways to ensure that owners operating small water systems are financially and
53 technically capable of operating such systems, and (iii) determine what alternatives should
54 be available to customers in instances of abandonment by the owner or operator. or where

1 the operator fails to provide safe drinking water to customers.

2 All agencies of the Commonwealth shall provide assistance to the Commission for this
3 study as appropriate.

4 The Commission shall complete its work in time to submit its findings and
5 recommendations to the Governor and the 1994 Session of the General Assembly as
6 provided in the procedures of the Division of Legislative Automated Systems for the
7 processing of legislative documents.

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Official Use By Clerks	
Agreed to By	Agreed to By The Senate
The House of Delegates	
without amendment <input type="checkbox"/>	without amendment <input type="checkbox"/>
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Clerk of the House of Delegates	Clerk of the Senate

APPENDIX G

1993 SESSION

LD5538198

1 HOUSE BILL NO. 2070

2 Offered January 26, 1993

3 A BILL to amend the Code of Virginia by adding in Chapter 5 of Title 18.2 a section
4 numbered 18.2-111.2 and in Chapter 6 of Title 32.1 an article numbered 2.2, consisting
5 of sections numbered 32.1-176.8 and 32.1-176.9, relating to misapplication of fees for
6 private water systems; penalty.

7
8 Patrons—Davies, Connally, Cooper, Councill, Orrock, Parker, Van Yahres and Wilder;
9 Senators: Houck, Robb and Walker

10
11 Referred to the Committee on Health, Welfare and Institutions

12
13 Be it enacted by the General Assembly of Virginia:

14 1. That the Code of Virginia is amended by adding in Chapter 5 of Title 18.2 a section
15 numbered 18.2-111.2 and in Chapter 6 of Title 32.1 an article numbered 2.2, consisting of
16 sections numbered 32.1-176.8 and 32.1-176.9, as follows:

17 § 18.2-111.2. *Misapplication of water fees; penalty.*—If any person knowingly applies or
18 disposes of any water fees other than as required by § 32.1-176.9, he shall be guilty of a
19 Class 2 misdemeanor.

20 Article 2.2.

21 Private Water Systems.

22 § 32.1-176.8. *Definitions.*—As used in this article:

23 "Customer" means any individual who obtains water for domestic use from a private
24 water system.

25 "Domestic use" means normal family or household use, including flushing toilets and
26 drinking, laundering, bathing, cooking, heating, and cleaning.

27 "Governmental entity" means the federal government, the Commonwealth, a town, city,
28 county, service authority, sanitary district, or any other governmental body established
29 under state law, including departments, divisions, boards or commissions.

30 "Owner" means an individual, group of individuals, partnership, firm, association, or
31 corporation which supplies or proposes to supply water to any person within this
32 Commonwealth from or by means of any private water system, but shall not include (i)
33 any governmental entity or (ii) any public utility subject to regulation by the State
34 Corporation Commission pursuant to Chapter 10 (§ 56-232 et seq.), Chapter 10.2 (§
35 56-256.10 et seq.), and Chapter 10.2:1 (§ 56-265.13:7 et seq.) of Title 56.

36 "Private water system" means a system that serves piped water for domestic use to
37 more than one separately metered household connection and shall include all structures,
38 equipment and appurtenances used in the storage, collection, purification, treatment and
39 distribution of water except the piping and fixtures inside of the building where such
40 water is delivered. "Private water system" shall not include any private well, as defined in
41 § 32.1-176.3.

42 "Water fees" means any rates, fees, deposits, penalties, and other charges paid by a
43 customer to an owner for the services furnished or to be furnished by a private water
44 system.

45 § 32.1-176.9. *Application of water fees; penalty.*—All water fees received by an owner
46 shall be deemed to be trust funds, to be held and applied by the owner only for the
47 purposes of (i) paying the cost of maintaining, repairing and operating the private water
48 system, including reserves for such purposes and for the replacement and depreciation of
49 the private water system, (ii) paying any charges assessed by a governmental entity or
50 public service corporation for the cost of water purchased by the owner and resold to
51 customers via the private water system, (iii) paying the cost of constructing the
52 improvements which are part of the private water system, including all labor and
53 material, the cost of all lands, property, rights, easements, franchises, and permits acquired

1 and financing charges, the cost of engineering and legal expenses, plans, specifications,
2 and such other expenses as may be necessary or incident to such construction, and (iv)
3 providing a margin of safety for making such payments.

4 Any person who violates any provision of this section is guilty of a Class 2
5 misdemeanor.

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Official Use By Clerks	
Passed By	Passed By The Senate
The House of Delegates	without amendment <input type="checkbox"/>
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with amendment <input type="checkbox"/>	substitute <input type="checkbox"/>
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Date: _____	Date: _____
_____	_____
Clerk of the House of Delegates	Clerk of the Senate