

HB 558: Plan to Eliminate Virginia Department of Health Evaluation and Design Services for Onsite Sewage Systems and Private Wells

Draft Interim Report 1
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I. Executive Summary

When mentioning the term “health department” people may think of clinical services, restaurant inspections, or a host of other services provide by local health departments (LHD) throughout the nation. In Virginia, many citizens think about “septic” systems and private wells when they hear the term “health department”. Virginians make this connection because for over 50 years LHD throughout the Commonwealth have provided evaluation and design services for onsite sewage systems (OSS) and private wells. However, over the last two decades site evaluations and designs for OSS and private wells have slowly shifted toward more private sector service providers. Today, about 45 percent of all applications submitted to the Virginia Department of Health (VDH) for OSS and private well permits include private sector evaluations and designs.

During the 2016 session, the General Assembly passed House Bill 558 (HB 558) which requires the State Health Commissioner (the Commissioner) to develop a plan to reduce and eliminate evaluation and design services provided by VDH for OSS and private wells. The purpose of the plan is to shift direct services to the private sector onsite soil evaluators (OSE), professional engineers (PE), and certified water well system providers (well drillers). The Commissioner must present an interim report or complete plan to the General Assembly and to Governor McAuliffe by November 15, 2016.

This first interim report is intended to provide stakeholders with information regarding the agency’s progress in developing the plan; including initial draft recommendations for several elements. Table 1 provides a summary of the draft recommendations developed to date. These draft recommendations are subject to change following further analysis and consideration of stakeholder comments. The project plan and network diagram established a specific timeframe for developing draft recommendations for the other elements not included in this first interim report. You can view the project plan and network diagram at <http://166.67.66.226/EnvironmentalHealth/Onsite/hb558/documents.htm> .

Table 1: Interim Report 1 Draft Recommendations

Element Group	Element	Draft Recommendation
Consumer Protection		
	Transparency of Cost	In progress.
	Consumer Disclosure	Modify OSE/PE certification statement.
	Dispute Resolution	In progress.
	Range of Cost	In progress. (see pages 17 – 20)
Transitional Planning		
	Final Transition Date	In progress.
	Transitional Timeline	In progress.
	Incremental Timeline	Eliminate direct services for certification letters and voluntary upgrades statewide on July 1, 2017. Allow transfer of valid permits to new owners. Eliminate direct services for new construction not intended as a principle place of residence statewide on July 1, 2017. Accept evaluations and designs from well drillers for private well construction and abandonment.
	Local Transitions	In progress. (see pages 39 – 41)
	Fee Changes	In progress.
	Services in Underserved Areas	In progress. (see pages 41 – 42)
Internal Procedures and Improvements		
	Review Procedures	In progress.
	Program Improvements	In progress.
Repair Funding		
	Repair Funding	In progress.

II. Introduction

A. Background

Increased private sector involvement in the OSS and private well program began when the 1999 General Assembly required VDH to accept private evaluations and designs from private soil evaluators. Up until then, VDH had performed all direct services, except for engineering designs and occasional advisory reports from the private sector. The General Assembly decided over a decade ago that direct services could be performed by the private sector and that VDH oversight of the program and the private sector was necessary.

Today about 45% of all applications submitted to VDH for OSS and private well permits include private sector soil evaluations and designs. The percent of private sector work varies widely across the Commonwealth. VDH employees in LHD provide direct services to the public when they process bare applications; application without supporting evaluation and design work from the private sector. Applicants pay about \$200 more in VDH application fees for a bare application than for an application supported by private sector work. However, property owners do not incur private sector evaluation and design cost for bare applications. The authority for collecting fees is established in the Code of Virginia (the Code); however, the specific amounts have been modified by language in successive versions of the Budget Bill. Fee revenues fill gaps created in General Fund revenue losses over the last several years. The fee language in the Budget Bill refers explicitly to applications supported by private sector work and those not supported by private work.

VDH employees perform essentially the same type of work (site and soil evaluation, system designs) as their counterparts in the private sector, with some exceptions. VDH employees do not practice engineering and do not specify brand names or proprietary products; hence, VDH designs are limited to conventional onsite sewage systems (COSS). VDH employees are prohibited from designing alternative onsite sewage systems (AOSS).

Before 1994, VDH staff was the primary group providing site and soil evaluations and designs in the Commonwealth for OSS. Private sector persons sometimes provided recommendations for VDH staff to consider when issuing permits for OSS, especially when considered as part of a new subdivision. During this time, VDH staff did not have to accept the work performed by the private sector. Disagreements were handled through administrative due process.

As home-building and new construction increased, VDH experienced backlogs in processing applications. Legislation approved in 1994 created the “Authorized Onsite Evaluator” (AOSE) program so that VDH could accept work from the private sector practitioners who had been previously offering recommendations to VDH. VDH implemented this program by training, testing, and certifying private sector persons to perform site and soil evaluations and designs for OSS. Legislation approved in 1999 required VDH to accept private evaluations and designs from AOSEs and PEs when those evaluations and designs were certified to comply with the Board of Health’s regulations.

Beginning in 1997, VDH addressed the issue of increasing private sector input in its five-year reports to the General Assembly. In 2005-06, as part of the ongoing statewide initiative to improve business processes and operating efficiencies among the various agencies in the Commonwealth (<http://www.future.virginia.gov>), VDH commissioned a study of the OSS program and current business models. VDH's consultant, E.L. Hamm and Associates, Inc., recommended that VDH develop and implement a mechanism for handing over the delivery of direct services for site and soil evaluations, system design, and system installation inspection to the private sector. The 2005 E.L. Hamm study can be read in its entirety at: http://www.vdh.virginia.gov/EnvironmentalHealth/Onsite/newssofinterest/documents/VDH%20Engineering%20Initiative_final_5.06.pdf

In 2009, legislation transferred the AOSE program to the Department of Professional and Occupational Regulation (DPOR). DPOR implemented a licensing program for Alternative and Conventional OSEs. Over time, and without a specific statutory mandate to require private evaluations and designs, the OSE program has gained broad acceptance in many parts of the Commonwealth, primarily in those areas with higher property values and higher rates of growth. However, areas of low private sector participation persist today, particularly in more rural areas and in Southwest Virginia.

In 2011, legislation was introduced (HB 2185) that would have mandated 100 percent private evaluations and designs for all applications VDH receives. The bill did not provide any timetables or intermediate steps for achieving its goals. The general concept of the bill was if you could look up a service in the phone book, then the government should not be doing that work. Ultimately the bill was withdrawn and the Health, Welfare, and Institutions Committee asked VDH to determine the best course for the Commonwealth's health and safety and also for the marketplace, and to examine the best means of accomplishing the transition of onsite sewage services to the private sector.

The HB 2185 study focused on stakeholder perceptions, concerns, and ideas for the best course forward. VDH concluded that there was not a "one size fits all solution" to the goal of increasing private sector participation. VDH's report is found at <http://www.vdh.virginia.gov/EnvironmentalHealth/ONSITE/newssofinterest/documents/2012/pdf/RD32.pdf> (Va. General Assembly, 2012, RD 32).

In 2013, following discussion with stakeholders who wanted VDH to stop performing direct services, VDH initiated another stakeholder process to discuss how private sector participation could be maximized. VDH contracted with the Institute for Environmental Negotiation at the University of Virginia (IEN). IEN worked with VDH to gather a group of 25 stakeholders, identified as the Safety and Health in Facilitating a Transition (SHIFT) committee, to provide VDH with recommendations on how to maximize private sector input to the greatest extent possible, while protecting public health and the environment. SHIFT began in June, 2013 and concluded in late December, 2013.

The SHIFT process developed seven consensus recommendations, all of which VDH committed to implement. In the SHIFT executive summary, two overarching consensus

statements of principle relative to the committee's charge developed: VDH should continue its work as the regulatory oversight agency, and that it should also implement a policy to encourage use of private sector services. The remaining consensus statements were viewed as important strategies for achieving the two overarching goals.

Stakeholder differences are profound and some are strongly opposed to how VDH implements the OSS program. Private sector service providers voiced concern that VDH is unfairly and unnecessarily providing direct services to the public (OSS design and soil evaluations), taking away work the private sector. In contrast, rural communities, local governments, sewage system installers, environmental groups, those who serve low and moderate income populations, and homebuilders in rural areas voiced concern that prices will substantially increase if VDH immediately stopped providing evaluation and design services. SHIFT concluded that a voluntary, gradual, encouraged approach over time, rather than a mandated and immediate change, would better serve the Commonwealth in maximizing private sector service delivery. IEN's final report is found at: http://www.vdh.virginia.gov/EnvironmentalHealth/Onsite/SHIFT/documents/SHIFT%20Final%20Report_12.19.pdf.

During the 2014 General Assembly session, a bill was introduced (HB 409) which would have required VDH to convene a stakeholder group to identify and examine services offered by VDH that inappropriately competed with private sector engineering and design firms. A number of stakeholders voiced concern the additional discussion would not find consensus beyond the recommendations of the SHIFT process. Ultimately, the bill was laid on the table.

Prior to the 2015 General Assembly session, VDH began reaching out to stakeholders on draft legislation that would require VDH to develop a complete plan to shift direct services to the private sector. A number of stakeholder voiced concerns regarding privatization similar to those shared during the SHIFT process. HB 558 was introduced and throughout the legislative process several amendments were made to the bill.

B. Purpose and Objectives

The purpose of HB 558 is to develop a plan to eliminate evaluation and design services provided by VDH for OSS and private wells, and present the plan to the Governor and the General Assembly by November 15, 2016. VDH's objective is to develop a completed plan by November 15, 2016, that incorporates all of the elements outlined in HB 558. The goal is a comprehensive privatization plan that includes recommendations for legislative, regulatory, and policy changes necessary to shift evaluation and design services to the private sector.

Stakeholders for this process include: Office of Environmental Health Services (OEHS) staff, LHD staff, OSS and private well owners, the Sewage Handling and Disposal Advisory Committee (SHADAC) and its representative organizations, DPOR staff, Department of Planning and Budget (DPB) staff, private OSEs and PEs, OSS installers, OSS operators, sewage handlers, certified water well system providers, home builders, realtors, environmental groups,

non-profit organizations that provide assistance to OSS and private well owners, local government officials, and onsite sewage and private well product manufacturers.

The purpose of this interim report is to provide stakeholders with information regarding the agency's progress in meeting the overall project goals. The interim report also outlines first draft recommendations regarding the following HB 558 elements: consumer disclosure; range of cost; incremental timeline; local transition; and services in underserved areas. These first draft recommendations are subject to change throughout the process as additional information is gathered and as draft recommendations for other elements are completed. Stakeholders are encouraged to share their thoughts on draft recommendations with OEHS staff so their ideas can be taken into consideration as the agency moves forward with completion of the HB 558 plan.

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III. HB 558 Elements

There are two overriding principles when developing the specific elements of the HB 558 plan. Those principles are to:

- Provide for an orderly reduction and elimination of services; and
- Provide for the protection of public health throughout the transition of services.

The ultimate goal is to lay out an end-state vision and detailed steps and milestones for achieving that vision. To the greatest extent possible, all applications for OSS should be supported with private site evaluations and designs from a licensed PE or licensed OSE, and all applications for private wells should be supported with private site evaluations and designs from a licensed PE, a licensed OSE, or a licensed water well system provider.

The specific elements that must be included in this privatization plan have been broken into four element groups: consumer protection; transitional planning; internal procedures and improvements; and repair funding. The specific elements of each of those groups are included below.

A. Consumer Protection Element

- **Transparency of cost.** Provisions related to transparency of costs for services provided by the private sector, including:
 - Options available;
 - Necessary disclosures for cost of installation and operation and maintenance (O&M); and
 - Recommendations to resolve disputes that might arise from private sector designs, warranties, or installations.
- **Consumer disclosure.** Provisions for disclosing to the consumer that an option to install a COSS exists in the event that an evaluator or designer specifies an AOSS where the site conditions will allow a COSS to be installed.
- **Dispute resolution.** Provisions for involvement by VDH in resolving disputes that may arise between the consumer and the private sector service providers related to evaluations or designs of OSS and private wells.
- **Range of cost.** An analysis of the ranges of costs to the consumer for evaluation and design services currently charged by VDH and ranges of the potential cost to the consumer for such services if provided by the private sector.

B. Transitional Planning Element

- **Final transition date.** A date by which all site evaluations and designs will be performed by the private sector.
- **Transition timeline.** A transition timeline to incrementally eliminate site evaluations and designs provided by VDH to fully transition all such services to the private sector.

- **Incremental timeline.** A timeline to incrementally require private evaluations and designs for certain categories of services: applications for subdivision review, certification letters, voluntary upgrades, repairs, submissions previously accompanied by private sector work, new construction, and reviews pursuant to [§ 32.1-165](#) of the Code.
- **Local transitions.** A recommendation concerning whether VDH can reduce or eliminate services in a particular area on the basis of the number and availability of licensed private sector PEs, OSEs, and well drillers to provide services in that particular area.
- **Fee changes.** Necessary changes to application fees in order to encourage private sector evaluations and designs and projected schedules for those changes.
- **Services in underserved areas.** The continued provision of evaluation and design services by VDH in areas that are underserved by the private sector.

C. Internal Procedures and Improvements Element

- **Review procedures.** Procedures and minimum requirements for VDH's review of private evaluations and designs.
- **Program improvements.** Necessary improvements in other services performed by VDH that may derive from the transition to private evaluations and designs, including:
 - Programmatic oversight;
 - Inspections;
 - Review procedures;
 - Data collection, analysis, and dissemination;
 - Quality assurance;
 - Environmental health surveillance and enforcement;
 - Timely correction of failing OSS and determination of reasons for failure;
 - O&M;
 - Health impacts related to OSS; and
 - Water quality, including impacts of OSS on the Chesapeake Bay.

D. Repair Funding Element

- **Repair fund.** A recommendation concerning the need to establish a fund to assist income-eligible citizens with repairing failing OSS and private wells.

IV. Existing VDH Onsite Sewage and Water Services Program

The Code provides VDH authority to administer and provide comprehensive environmental health services, to educate citizens about health and environmental matters, develop and implement health resource plans, collect and preserve health statistics, assist in research, and abate hazards and nuisances to the health and the environment. The purpose of these activities is to improve the quality of life in the Commonwealth.

The Division of Onsite Sewage and Water Services, Environmental Engineering, and Marina Programs (DOSWSEEMP) and LHD Environmental Health (EH) staff are tasked with administering sections of the Code dealing with OSS, alternative discharging systems, and private wells (the Onsite Sewage and Water Services Program). Activities outlined by the Code within the Onsite Sewage and Water Services Program include:

- Long range planning for the handling and disposal of onsite sewage.
- Review (office and field) of applications with corresponding work from private sector designers for subdivision reviews, permit approvals, letters for residential development, and private well construction.
- Issuance of construction permits or denials for applications with corresponding work from private sector designers.
- Field review and system design of certain applications without corresponding work from private sector designers to issue or deny permits for the construction, installation, and modification of a sewerage system or treatment works.
- Establishing and facilitating the Engineering Design Review Panel (EDRP).
- Implementation of regulations regarding O&M of alternative discharging sewage systems.
- Conducting regular inspections of alternative discharging sewage systems.
- Establishing and implementing regulations governing the collection, conveyance transportation, treatment and disposal of sewage by OSS and alternative discharging sewage systems.
- Establishing and implementing regulations regarding the maintenance, inspection, and reuse of AOSS.
- Collection of fees and assessment of fee waivers for OSS and private well permit applications.
- Establishing and maintaining a statewide web-based reporting system to track the O&M, and monitoring of AOSS.
- Establishing and administering a uniform schedule of civil penalties for violations of OSS, AOSS, and alternative discharge regulations.
- Processing appeals for adverse case decisions.
- Establishing and implementing an onsite sewage indemnification fund.
- Processing and granting waivers, where applicable, from treatment and pressure dosing requirements.
- Establishing and implementing a betterment loan eligibility program.
- Processing permit applications and waiver request for voluntary upgrades.

- Administering the Onsite O&M Fund.
- Processing safe, adequate and proper evaluations (SAPs).
- Entering into agreements with any appropriate federal agency to regulate and monitor the collection, transportation, conveyance, treatment and disposal of sewage.
- Establishing and facilitating the Sewage Handling and Disposal Appeal Review Board (SHDARB).
- Establishing and implementing regulations pertaining to the location and construction of private wells.

Under authority provided by the Code, the Board of Health has promulgated the following regulations pertained to the Onsite Sewage and Water Services Program: the Sewage Handling and Disposal Regulations ([12VAC5-610](#), the Regulations), the Regulations for Alternative Onsite Sewage Systems ([12VAC5-613](#)), the Fee Regulations ([12VAC5-620](#)), the Private Well Regulations ([12VAC5-630](#)), the Alternative Discharging Sewage Treatment Regulations ([12VAC5-640](#)), and the Schedule of Civil Penalties ([12VAC5-650](#)). The primary purposes for each of these regulations are listed below:

A. Sewage Handling and Disposal Regulations

- To assure that all sewage is handled and disposed of in a safe and sanitary manner;
- To guide the Commissioner in determination of whether a permit for handling or disposing of sewage should be issued or denied; and
- To guide property owners in the requirements necessary to secure a permit for handling and disposing of sewage.

B. Regulations for Alternative Onsite Sewage Systems

- To establish a program for regulating the O&M of AOSS;
- To establish performance requirements for AOSS;
- To establish horizontal setbacks for AOSS that are necessary to protect public health and the environment;
- To discharge the Board's responsibility to supervise and control the safe and sanitary collection, conveyance, transportation, treatment, and disposal of sewage by OSS and treatment works as they affect the public health and welfare;
- To protect the quality of surface water and ground water;
- To guide the Commissioner in determining whether a permit or other authorization for an AOSS shall be issued or denied;
- To inform property owners, applicants, OSE, system designers, and other persons of the requirements for obtaining a permit or other authorization for an AOSS; and
- To develop best management practices for the purpose of recognizing acceptable methods to reduce pollution from AOSSs.

C. Fee Regulations

- To establish a procedure for determining the fees for services provided by VDH for OSS, alternative discharge systems, and private wells;
- To establish procedures for the refund of fees; and
- To establish procedures for the waiver of fees.

D. Private Well Regulations

- To ensure that all private wells are located, constructed and maintained in a manner which does not adversely affect ground water resources, or the public welfare, safety and health;
- To guide the Commissioner in determination of whether a permit for construction of a private well should be issued or denied;
- To guide the property owner or the owner's agent in the requirements necessary to secure a permit for construction of a private well; and
- To guide the property owner or the owner's agent in the requirements necessary to secure an inspection statement following construction.

E. Alternative Discharging Sewage Treatment Regulations

- To ensure that discharging systems are permitted, constructed, and operated in a manner which protects the environment and protects the public welfare, safety and health;
- To guide the Commissioner in determination of whether a permit for construction and operation of a discharging system should be issued or denied;
- To guide the property owner or the owner's agent in the requirements necessary to secure a permit for construction of a discharging system;
- To guide the owner or the owner's agent in the requirements necessary to secure an operation permit following construction;
- To guide the owner or the owner's agent in the requirements necessary to operate and maintain a discharging system;
- To guide the Commissioner in determination of whether a discharging system is being operated in a manner which protects public health and the environment; and
- To guide the Commissioner in determination of what actions are appropriate to correct violations of this chapter.

F. Schedule of Civil Penalties

- To establish a uniform schedule of civil penalties for violations of 12VAC5-610 (includes 12VAC5-613), and 12VAC5-640;
- To support enforcement activities necessary to discharge the Board's responsibility to supervise and control the safe and sanitary collection, conveyance, transportation, treatment, and disposal of sewage as they affect the public health and welfare;

- To support enforcement activities necessary to discharge the Board's responsibility to exercise due diligence to protect the quality of ground and surface waters; and
- To guide the Commissioner in charging civil penalties.

In addition to these regulatory sections, the Board also promulgated the Authorized Onsite Soil Evaluator Regulations (12VAC5-615) to implement, administer, and enforce licensing requirements for the AOSE program. However, the 2007 Virginia General Assembly enacted House Bill 3134, which transferred implementation, administration, and enforcement of licensing to the Department of Professional and Occupational Regulation. VDH is currently in the process of developing a proposed action to repeal 12VAC5-615.

The administration of the Code and these regulations are essentially broken into two staffing segments: DOSWSEEMP staff and LHD EH staff. The general duties of each of those segments is provided below.

G. Central Office

DOSWSEEMP staff are responsible for programmatic activities such as: providing assistance within the legislative process; regulatory development; policy and guidance development; agency staff and program stakeholder training; database management; programmatic data analysis; website management; variance processing; indemnification fund processing; product evaluations; EDRP facilitation; SHADAC facilitation; agency representation before the SHDAB; providing assistance to LHDs for appeals processing; providing technical assistance to LHD when dealing with complex cases; development of agreements with federal and state agencies, where applicable (e.g. Chesapeake Bay Watershed Implementation Plan); long range planning; and overall program quality assurance.

H. Local Health Departments

The LHD EH staff are responsible for programmatic activities such as: processing applications; issuing or denying permits for OSS, alternative discharging sewage systems, and private wells (with or without accompanying work from private sector designers); inspection of OSS, alternative discharging sewage systems, and private wells; data entry for OSS, alternative discharging system, and private well applications, permits, installations, and operation; processing request from local governments for development (e.g. SAPs, subdivisions proposals); issuance of operation permits for OSS and alternative discharging systems; issuance of inspection statements for private wells; issuance of pump and haul permits; inspection and approval of sewage handlers; providing courtesy reviews of private sector evaluations; sewage and water complaint investigations; administration of enforcement actions when violations of the Board of Health's regulations are observed; enforcement of required O&M for AOSS and alternative discharging sewage treatment systems; conducting informal fact finding conferences; conducting Level I and Level II reviews of private sector work; conducting field evaluations and designs for bare applications; inspection of discharge systems; and administration of other activities outline through agreements with local governments.

V. Consumer Protection Element Group

A. Consumer Disclosure

In response to stakeholder concerns, HB 558 requires VDH's plan to include provisions requiring designers to disclose options to install a COSS if an AOSS is designed where the site conditions will allow a COSS to be installed. Previous reports have noted stakeholder concerns regarding ethical behavior given that some private sector service providers wear multiple hats as designers, installers, operators, and product distributors.

The E.L. Hamm study noted the potential for private sector designers to specify proprietary systems to receive a kickback from the manufacturer. The RD 32 report noted some stakeholders observed situations where private sector designers included unnecessary add-ons to increase profits or to develop future income streams from O&M. Additionally, stakeholders have raised concerns that designers may also recommend AOSS on sites that could support a COSS out of an abundance of caution. Stakeholders recommended an increased review of the private sector to offset these concerns.

In regards to ethical concerns, the Regulations Governing Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects (18VAC10-20-10 et. seq.; the APELSCIDLA Regulations) and the Regulations Governing Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals (18VAC5-610-20-10 et. seq.; the WWWOSSP Regulations) each require that licenses:

1. Promptly and fully inform an employer or client of any business association, interest, or circumstance which may influence the regulant's judgment or the quality of service.
2. Not accept compensation, financial or otherwise, from more than one party for services on or pertaining to the same project unless the circumstances are fully disclosed and agreed to in writing by all interested parties.
3. Not solicit or accept financial or other valuable consideration from material or equipment suppliers for specifying their products or services.
4. Not solicit or accept gratuities, directly or indirectly, from contractors, their agents, or other parties dealing with a client or employer in connection with work for which the regulant is responsible.

These conflict of interest standards are enforced by the applicable licensing board at the DPOR.

There are a few unique issues to consider with the disclosure provision in HB 558. First, whether the discloser is limited to a system with the same capacity as the proposed AOSS. For instance, if a private sector provider designs an AOSS to serve a six-bedroom home, it may be possible that a three-bedroom COSS could be installed on the property. However, the owner is requesting a higher design capacity than three-bedrooms.

Additionally, there is the consideration that a designer may not evaluate all areas on the property to determine whether a COSS is possible. For example, a private sector provider may

evaluate three separate sites on a 100 acre tract of land and determine the property requires an AOSS. However, there may be a site 2,000 feet away from the proposed house location that the provider did not evaluate that could support a COSS.

i. Draft Recommendations

DOSWSEEMP recommends the certification statement for OSE and PE evaluations and designs be modified to verify that the OSE or PE has discussed available design options with the property owner. All OSE and PE site evaluation and designs currently include a statement certifying that the design is completed in accordance with the applicable regulations.

VDH's role in review of applications with supporting work from an OSE or PE is to determine whether a permit or letter can be issued. The recommended certification statement may identify that there are other options for disposal, but would not prevent VDH from issuing a permit for the proposed design.

VDH will assess whether this recommendation requires statutory, regulatory or policy changes and will include the final assessment in later revisions of HB 558 Interim Report 1.

ii. Summary of Draft Recommendations

- Modify the OSE and PE certification statement to verify that the OSE or PE has discussed available options.

iii. Other Options Discussed

Other options that were discussed by stakeholders during the Consumer Disclosure Element Development Team meeting included:

- Adding a statement to the application asking the owner whether they would like an AOSS or a COSS.
- Adding a statement to the application asking the owner whether the OSE/PE discussed all options with the owner.
- Require the property owner to sign the application certifying either of the statements above. (Currently, the application can be signed by an agent of the property owner).
- If VDH identifies a possible location for a COSS, have the OSE/PE provide justification for the AOSS design.
- Add a statement to permits for AOSS designs to notify owners when VDH staff determine through a Level I or Level II review that it may be possible to install a COSS; limiting notification to systems with the same overall capacity.

B. Range of Cost

HB 558 requires an analysis of the ranges of costs to the consumer for evaluation and design services currently charged by VDH and ranges of the potential cost to the consumer for

such services if provided by the private sector. Below is a chart of the current state fees for VDH services.

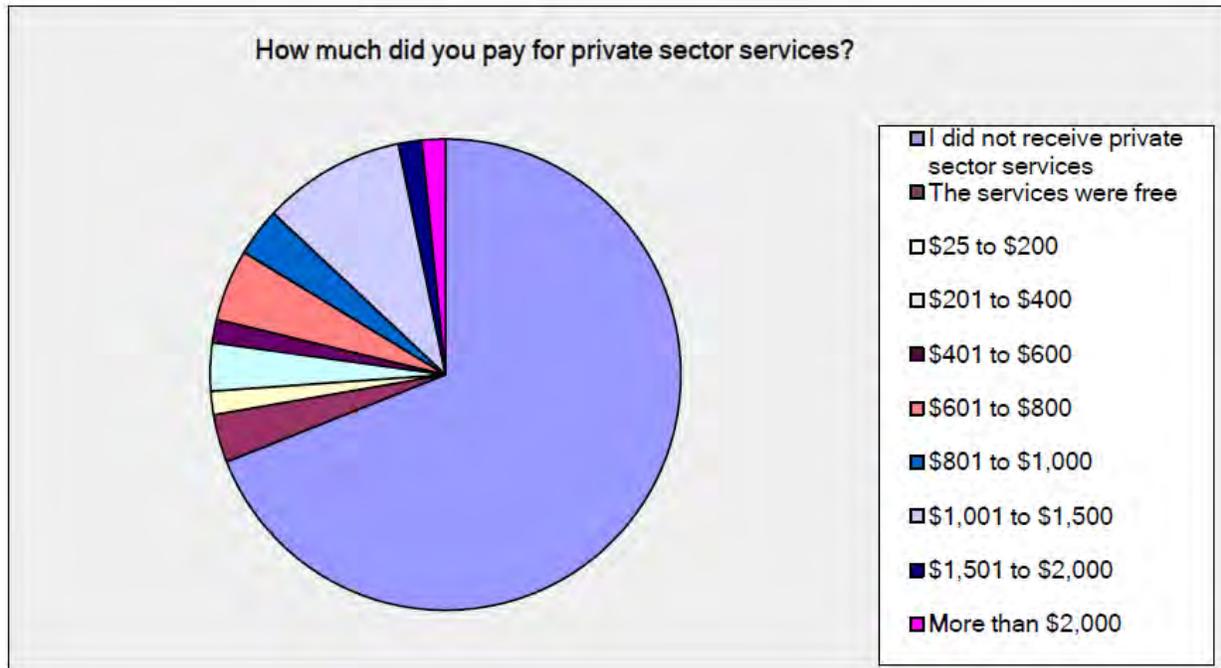
Table 2: Current VDH Application and Service Fees

Application Type	Fee
Certification Letter Without Private OSE/PE Documentation (Bare Application)	\$350
Construction Permit for OSS Only Without OSE/PE Documentation (Bare Application)	\$425
Combined Well and OSS Construction Permit Without OSE/PE Documentation (Bare Application)	\$725
Certification Letter With OSE/PE Documentation, <= 1,000 gpd	\$320
Certification Letter With OSE/PE Documentation, >1,000 gpd	\$1,400
Construction Permit for Only OSS With OSE/PE Documentation, <= 1,000 gpd	\$225
Construction Permit for Only Sewage System With OSE/PE Documentation, > 1,000 gpd	\$1,400
Combined Well and OSS Construction Permit With OSE/PE Documentation, <= 1,000 gpd	\$525
Combined Well and OSS Construction Permit With OSE/PE Documentation, > 1,000 gpd	\$1,700
Private Well Only, With or Without OSE/PE Documentation	\$300
OSS Repair Permit With or Without OSE/PE Documentation	\$0
OSS Voluntary Upgrade Permit With or Without OSE/PE Documentation	\$0
SAP Evaluation Requiring Site and Soil Evaluation With or Without OSE/PE Documentation	\$0

VDH will compile a list of additional fees charged by LHD pursuant to local ordinances for inclusion in later revisions to HB 558 Interim Report 1.

In developing the RD 32 report VDH conducted a survey that included questions for property owners regarding how much they paid for private sector evaluation and design services. Of the 61 property owners that took the survey, the vast majority (42) reported they did not receive private sector services. However, of the 19 property owners that did receive private sector services, the majority (52.63%) paid more than \$800 for private sector evaluation and design services.

Chart 1: RD 32 Report – Cost of Service



To provide more updated information on the cost of private sector services at a state, regional, and local level, OEHS created questionnaires that evaluate the cost of private sector services for OSS and private well evaluations and designs. The goal of these questionnaires is to be able to include estimated private sector evaluation and design service cost in the final HB558 Plan that are: 1) statistically relevant; 2) provide a state, regional, and local perspective on cost; and 3) can be compared with the RD 32 report survey.

The questionnaires will target three distinct groups in an effort to estimate the current cost of private sector evaluation and design services: 1) property owners that have used a private OSE or PE for OSS evaluation and design services since July 1, 2015; 2) OSS installers that had system inspections conducted by private sector designers since July 15, 2015; and 3) property owners that have used a well driller to evaluate and design an express geothermal or Class IV well since July 1, 2015. To avoid confusion, DOSWSEEMP staff created three separate questionnaires, one for each of the three distinct groups.

DOSWSEEMP staff will use VENIS data and data from the Loudoun and Fairfax County Health Departments to identify applicable property owners to mail them a form letter with a link to an online questionnaire for the first and third group. This method is preferable as it reduces data entry errors by allowing the stakeholder to directly enter their information. For the second group, DOSWSEEMP staff received a copy of all licensed OSS installers from DPOR. This list will be used to mail all licensed installers a form letter with a link to an online questionnaire. A separate form letter was created for each of the three unique groups. Copies of the draft form letters are included in Appendix A. The draft questionnaires are included in Appendix B.

Once the letters are mailed, the form letters will be shared with LHD to provide to applicable stakeholders that come into the office during the questionnaire period; these stakeholders are not included in the data sets used for mailings. The questionnaire period will run from the anticipated initial questionnaire mailing date of June 1, 2016 to June 30, 2016. On June 30, 2016, DOSWSEEMP staff will assess the questionnaire response rates. If an appropriate sample size has not responded to the questionnaire, staff will evaluate additional options to receive feedback from stakeholders on cost of service.

Later revisions to HB 558 Interim Report 1 will include a summary of responses from the questionnaires.

VI. Transitional Planning Element Group

A. Incremental Timeline

HB 558 directs the Commissioner to evaluate an incremental shift in evaluation and design services rather than requesting a “flip-the-switch” style privatization plan where all evaluation and design services would be transitioned to the private sector at one specified date. VDH is to consider the following services for the incremental transition: applications for subdivision review; certification letters; voluntary upgrades; repairs; submissions previously accompanied by private sector work; new construction; and reviews pursuant to § 32.1-165 of the Code, also known as SAPs. This interim report provides a brief overview for each of these services and a draft recommendation for incremental transition of the service.

Future revision to HB 558 Interim Report 1 will include additional information regarding the benefits and obstacles to implementing a “flip-the-switch” style plan as identified in previous reports.

1. Subdivision Reviews

i. Overview

The Regulations define a subdivision as multiple building lots derived from a parcel or parcels of land. Agency Guidance Memorandum and Policies (GMP) [2015-01](#) defines a subdivision review as the review of a proposed subdivision plat by a LHD for a local government pursuant to a local ordinance and [§§ 15.2-2242](#) and [15.2-2260](#) of the Code and [12VAC5-610-360](#) of the Regulations for the purposes of determining and documenting whether an approved sewage disposal site is present on each proposed lot.

Later revision to HB 558 Interim Report 1 will include information regarding the estimated number of subdivision lots reviewed by LHD staff.

The final HB 558 plan will also include discussion on evaluation and design services for multi-lot certification letters. It is anticipated the agency’s recommendation for multi-lot certification letters will mirror the recommendation for subdivision reviews.

Section 32.1-163.5 of the Code states that VDH shall accept private site evaluations and designs for purposes of subdivision review, and VDH shall issue or deny the requested subdivision approval within 60 days from the date of submission. If VDH fails to act on the request within 60 days, then the subdivision review is deemed approved.

Section 15.2-2242 of the Code provides that local subdivision ordinances may include a requirement for the furnishing of a preliminary opinion from the LHD regarding the suitability of a subdivision for installation of subsurface sewage disposal systems where such a method of sewage disposal is proposed to be used for the development of a subdivision. Pursuant to § 15.2-2260 of the Code, localities with ordinances requiring the submission of a preliminary subdivision plat will forward applicable plats to LHDs for review. The LHD then has 45 days to complete its review of the preliminary subdivision plat.

Section 12VAC5-610-360 of the Regulations establishes the requirements for review of subdivision plats for individual sewage disposal system when required by local ordinance. The intent of this section is to assure that adequate information is supplied to VDH, and includes request for information that is supplemental to any local subdivision ordinance requirements. This section requires the subdivision plat include the location of the proposed OSS, reserve areas, and water supply systems for each lot as applicable, along with other common features such as streets and utilities. Additionally, specific soil information must be provided for each proposed absorption area and reserve area. Once an OSS site has been identified, reviewed, approved, and recorded for each lot, the LHD provides final approval of the subdivision plat. The recorded plat must reference the plat on file with the LHD. It is important to note that approval of a subdivision lot does not imply that an OSS permit will be approved. VDH must verify that site conditions have not changed from those shown on the subdivision approval prior to issuance of a construction permit.

GMP 2015-01 reiterates that request for reviews of proposed subdivisions are initiated by a local government, not by the property owner. This policy also includes several additional items that must be included with a request for subdivision review, including a signed statement from the owner of record giving VDH permission to enter the property for the purpose of reviewing the site and soil conditions. The policy also requires the submission of a site and soil evaluation report from a private sector OSE or PE for each proposed lot.

Based on this agency policy, 100% of evaluation services for subdivisions should currently be provided by the private sector. In recent years there have been several complaints that some LHDs are still providing this service. When complaints are received, DOSWSEEMP staff contact local management to reiterate and ensure adherence to the agency policy.

While VDH staff do not provide direct evaluation services, staff are required to perform in-house quality assurance reviews on all site and soil evaluation work submitted by private sector providers for subdivision reviews. Staff are also required to perform quality assurance field reviews on at least 10% of all proposed lots. Field reviews may include soil borings within the designated absorption areas and reserve areas to provide quality assurance of private sector evaluations. There is no charge by the agency for these review services.

The E.L. Hamm study recommended that VDH stop performing evaluation services for subdivision reviews. This recommendation was raised again during the Safety and Health in Facilitating a Transition (SHIFT) process. SHIFT members noted, at the time of the SHFIT process, only two of the 35 health district were providing evaluation services for subdivisions. It was recommended that those two districts follow suit with the remainder of the state and eliminate evaluation services for subdivision review. Following the SHIFT process, VDH issued GMP 2015-01 which implemented the consensus recommendations from the SHIFT process.

ii. Draft Recommendation

No recommendation is necessary as 100% of evaluation services for subdivision reviews are provided by the private sector based on agency policy.

VDH will assess whether additional authority is necessary to maintain this requirement.

iii. Summary of Draft Recommendations

- Maintain current agency policy.

iv. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Remove VDH from the subdivision review process entirely; have the OSE or PE sign off on the subdivision plat.

2. Certification Letters

i. Overview

The Regulations define a certification letter as a letter issued by the Commissioner, in lieu of a construction permit, which identifies a specific site and recognizes the appropriateness of the site for an onsite wastewater disposal system. Property owners typically seek a certification letter rather than a construction permit when: 1) they plan to sell the property and want to provide assurance to a purchaser that the property can support an OSS; or 2) they do not plan to construct a system within the next 18 months but want some assurance they will be able to receive a permit in the future.

Sections 32.1-163.5 and [32.1-164](#) of the Code states that VDH shall accept private site evaluations for purposes of issuance of letters for residential development. In accordance with § 32.1-164, VDH must issue such letters within 20 days of application. Section 32.1-164 of the Code requires the Board of Health to establish and implement procedures for the issuance of letters recognizing the appropriateness of OSS site conditions in lieu of issuing OSS permits. No system design is required for issuance of such letters, and the letters can transfer with the title to

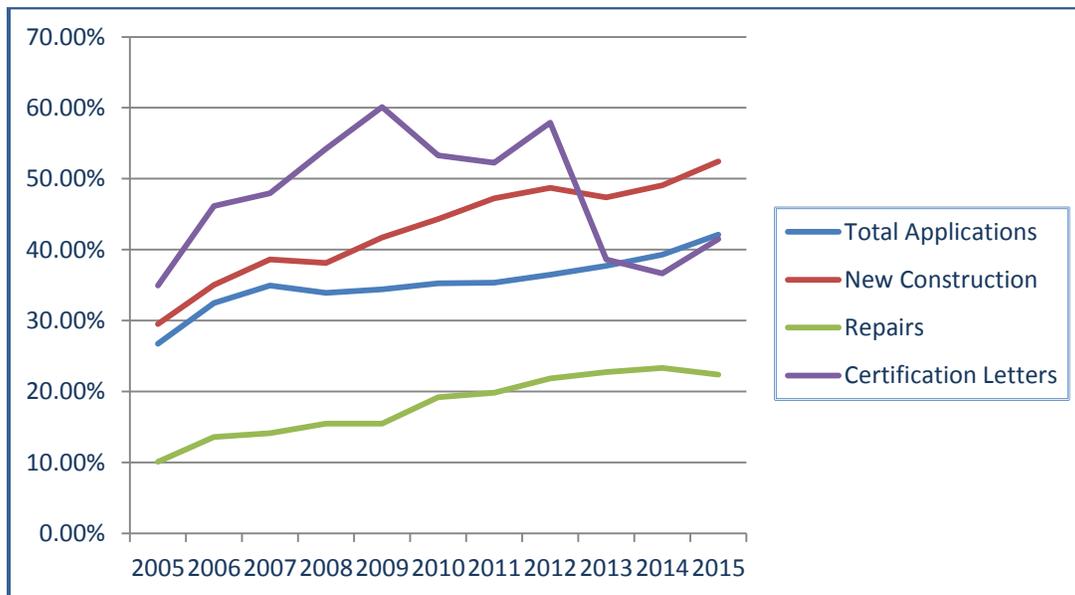
the property unlike OSS construction permits. This section also allows the Board of Health's regulations regarding OSS to include procedures for issuing letters recognizing OSS sites in lieu of issuing OSS permits.

Section [12VAC5-610-255](#) of the Regulations establishes the regulatory requirements for certification letters. This section specifies that certification letters indicate a site is suitable for an onsite sewage treatment and disposal system; letters do not need to indicate the type of system for which the site is suitable. Additionally, this section clarifies that certification letters do not expire and convey with the land. In accordance with section 12VAC5-610-255, certification letters may be converted to a construction permit by making application and paying the necessary fees. However, no additional fee is charged when a certification letter is converted to a construction permit within 18 months.

[GMP 52.A](#) outlines additional procedures for issuing certification letters not covered under the Regulations. This policy strongly encouraged the use of private sector service providers, as it typically results in faster processing times by VDH staff as compared to VDH staff processing of bare applications. GMP 52.A stipulates that prior to issuance of a certification letter, a property owner must provide a survey plat identifying the approved absorption area unless a survey plat waiver is requested by the owner and approved by the LHD. The policy further states that no additional site visit is required to convert a certification letter to a construction permit when the applicant signs a statement saying there have been no physical changes to the site or soil. GMP 2015-01 provides a detailed list of information that must be provided along with an application for a certification letter, including applications with supporting documentation from a private OSE or PE.

From 2005 to 2012, VDH saw a steady increase in the number of applications for certification letters with accompanying work by a private OSE or PE. In 2012, more than 55% of certification letters included work from a private OSE or PE statewide. However, as shown in Chart 2, there was a marked decline in these numbers in 2013 and 2014. This decline follows along with a trend of decreasing applications for certification letters; from over 3,000 applications in 2006, to less than 700 applications in 2015. VDH does not have a definitive explanation for this drop in certification letter applications. Two possible causes are: 1) a reduction in the number of property transfers requiring a certification letter as a result of recent issues in the housing market; and 2) property owners may receive private sector evaluation services for assurance prior to property transfer but elect not to submit the evaluation to VDH (along with a fee) to receive a certification letter.

Chart 2: Percentage of Applications with Supporting Work FY 05 to FY 15



VDH will update all data components of the HB 558 Interim Report 1 to include FY 2016 data after June 30, 2016.

Based on the median response to question regarding cost of services in the RD 32 report, shifting all of these applications to the private sector would cost property owners an estimated average of \$800 for private sector evaluation services.

DOSWSEEMP staff will send a questionnaire to property owners that received services from private sectors OSEs and PEs. Information gathered from that questionnaire will be used to update estimated service cost. VDH will also conduct an analysis to show how these costs will be dispersed across the Commonwealth.

The current application fee for a bare application certification letter is \$350. Applications for certification letters with accompanying work from a private OSE or PE have a fee of \$320 in addition to the private OSE or PE evaluation cost. Therefore, DOSWSEEMP anticipates there will be a fiscal impact to the agency in the form of reduced revenue.

VDH will conduct an analysis to identify the estimated revenue lose statewide and by locality.

Shifting to 100% private sector submittals for certification letters presents a challenge in Southside and Southwestern Virginia. In 2015, the Cumberland Plateau, Lenowisco, Mount Rogers, and Pittsylvania/Danville Health Districts processed only bare applications for certification letters. However, the four districts only processed eight certification letter applications. While property owners in these regions do not currently use the private sector for

certification letter evaluation services, a shift in service would affect a very small number of property owners each year.

VDH will conduct further analysis of the factors behind the limited use of private sector OSEs and PEs for certification letter services in Southside and Southwest Virginia.

E.L. Hamm recommended that VDH immediately stop performing direct services for certification letters. One option discussed in the RD 32 report was that VDH no longer accept bare applications for certification letters in areas with sufficient private sector participation.

As mentioned earlier, certification letters are often provided by a property owner to assure a purchaser that the property can be developed. However, such assurance is not required. Legislation passed by the General Assembly in 1994 (Senate Bill 415) expressed a central theme that VDH should issue construction permits only where system will actually be installed and that all other applications should be handled through certification letters. The new process was intended to eliminate time spent designing systems which are never installed; again pointing to the voluntary nature of applying for a certification letter.

ii. Draft Recommendation

DOSWSEEMP recommends all applications for a certification letter be accompanied by work from a private OSE or PE starting July 1, 2017. DOSWSEEMP acknowledges the future guarantee of a permit provided by certification letters is beneficial; however, it is a voluntary measure. The agency will continue to assess how shifting these voluntary services will impact the citizens of the Commonwealth financially.

It is anticipated that financial impacts will have the greatest effect on a small number of property owners in Southside and Southwestern Virginia, as this service is almost exclusively provided by VDH staff in those areas. These property owners would have to pay the private sector service fee cost to receive a guarantee that a property will support on OSS. However, the property owners and purchasers could sell and purchase properties without such guarantee.

To assist in reducing impacts on property owners in Southside and Southwest Virginia, DOSWSEEMP recommends that OSS and private well construction permit be allowed to transfer to new property owners. By allowing construction permits to transfer ownership, the issuance of a construction permit could provide the desired guarantee to support sale of the property. However, once the construction permit expires the new owner would not have the same guarantee provided by a certification letter. Additionally, the expiration date of the original permit would transfer to the new owner. Therefore, it would still be recommended that property owners only apply for construction permits when the perspective buyer plans to build within the next 18 months.

Later revisions to HB 558 Interim Report 1 will provide additional analysis for transfer of permits in other agencies and programs (e.g. building permits).

VDH will provide additional data on the current processing times for bare applications versus application with supporting work from the private sector.

VDH will assess whether these recommendations require statutory, regulatory or policy changes and will include the final assessment in later revisions of HB 558 Interim Report 1.

iii. Summary of Draft Recommendations

- Require that all applications for certification letters submitted to VDH be accompanied by a site and soil evaluation completed by a private sector OSE or PE starting July 1, 2017.
- Allow the transfer of valid OSS and private well construction permits to new property owners.

v. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- VDH to accept private OSE and PE certification letters strictly for records management, not review and approval.
- Require a change of ownership form with an approval from the design OSE or PE stating there were not changes to the site.

3. Voluntary Upgrades

i. Overview

The Fee Regulations define a voluntary upgrade as an improvement to an existing onsite sewage disposal system or alternative discharging system that (i) is not required for compliance with any law or regulations and (ii) results in no net increase in the permitted volume of sewage dispersed by the system.

In 2011, the General Assembly of Virginia approved legislation ([House Bill 1626](#)) which amended [§ 32.1-164.1:1](#) of the Code and added [§ 32.1-164.1:3](#) of the Code to allow for the voluntary upgrade of OSS and alternative discharging sewage systems. LHDs occasionally receive requests to upgrade systems that are not “failing” in order to enhance performance or extend the life of the systems. However, prior to the enactment of this legislation, VDH was unable to issue permits for many of these voluntary upgrades as the sites did not meet current regulatory requirements. The repair clause ([12VAC5-610-280.C.2](#)) could not be invoked because the system did not meet the definition of a failing system. Under the repair clause, a repair only needs to comply with Parts IV and V of the Regulations to the greatest extent possible (with certain exceptions), and be of such a nature that the repair can be expected to reduce risk to public health caused by the failing system.

Under § 32.1-164.1:3 of the Code, any owner that desires to voluntarily upgrade an OSS or alternative discharging sewage system must file an application for a construction permit to improve the system in accordance with the repair clause, provided such an upgrade is for the purpose of reducing threats to public health, or to ground or surface waters. Two examples of voluntary upgrades include adding additional trenches or adding additional treatment to an existing system.

As amended, § 32.1-164.1:1 of the Code allows owners to request a waiver from treatment beyond the level provided by the existing system, or requirements for pressure dosing, for repairs and voluntary upgrades. Waivers granted to owners with repairs expire, but waivers granted to owners for voluntary upgrades do not expire (see exemptions, § 32.1-164.1:1.C of the Code), as long as the voluntary upgrade does not fail.

[GMP 155](#) provides guidance for VDH staff and the public regarding applications for voluntary upgrades. The policy includes a requirement that all applications for voluntary upgrades include a description of the nature of the voluntary upgrade requested. Additionally, the policy states that owners who apply for voluntary upgrade permits must indemnify and hold harmless VDH prior to the issuance of a construction permit. Lastly, the policy requires that all construction permits issued for voluntary upgrades include the statement: “The upgrades specified in this construction permit are completely voluntary and not required by law.” GMP 155 is currently under revision to incorporate amendments to § 32.1-164.1:1 made during the 2015 General Assembly session that expanded the number of properties eligible for voluntary upgrade waiver.

VDH will include an analysis of the percent of voluntary upgrade applications currently supported by private sector evaluations and designs, and how that percentage has changed over time.

DOSWSEEMP will send a questionnaire to property owners that received services from private sectors OSEs and PEs. Information gathered from that questionnaire will be used to estimate revenue increases for the private sector OSE and PE community and cost to consumers for voluntary upgrade evaluations and designs.

There is no VDH application fee for voluntary upgrades, either with or without accompanying work from a private sector OSE or PE. Owners applying for bare application voluntary upgrades are typically working with an OSS installer, and the installer typically provides a suggestion for the nature of the voluntary upgrade the owner should request.

VDH will conduct an analysis of areas where a shift to 100% private sector evaluation and design services for voluntary upgrades will have the greatest impact.

Voluntary upgrades were not discussed in the E.L. Hamm study because they did not exist at the time of the study. There are a few references in the RD 32 report; however, voluntary upgrades were new at the time of the report. There were discussions during the SHIFT process that included voluntary upgrades as an initial focus for privatizing services, along with

subdivision soil evaluations and certification letters. However, a consensus recommendation was not reached on this recommendation.

Several concerns have been raised with requiring private sector evaluations and design for simple voluntary upgrades; primarily the increased cost to home owners to employ the services of a private sector OSE or PE. There are potentially simple voluntary upgrades where the additional cost of a private sector evaluation and design would be cost prohibitive to installation of the upgrade.

ii. Draft Recommendations

DOSWSEEMP recommends that all applications for voluntary upgrades be accompanied by work from a private OSE or PE starting July 1, 2017. The agency believes voluntary services can easily be provided by the private sector now. Owners that wish not to pay for the additional cost of evaluation and design services by an OSE or PE can simply elect not to voluntarily upgrade their systems. This recommendation is not expected to have an impact on VDH or LHD budgets; there is currently no statewide fee for voluntary upgrades.

Following additional data collection, VDH will provide an estimate for the annual financial impact of requiring private sector evaluations and designs for voluntary upgrades, as well as information on communities with the highest level of impact.

It is important to note that property owner can always elect to avoid these additional financial impacts since voluntary upgrades are not required; the owner could elect to do nothing. However, DOSWSEEMP understands that voluntary upgrades seek to improve upon the condition of exist systems. Later revisions of HB 558 Interim Report 1 will evaluate ways VDH can work with stakeholder to develop strategies to help offset the cost of such upgrades.

VDH will provide additional data on the current processing times for bare applications versus application with supporting work from the private sector.

VDH will assess whether these recommendations require statutory, regulatory or policy changes and will include the final assessment in later revisions of HB 558 Interim Report 1.

iii. Summary of Draft Recommendations

- Require that all applications for voluntary upgrades submitted to VDH be accompanied by a site and soil evaluation completed by a private sector OSE or PE starting July 1, 2017.

vi. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Eliminate the waiver of liability for designs done by private OSEs and PEs.
- Institute necessary changes to allow OSS installers to conduct a defined list of simple voluntary upgrades without the need for a design from an OSE or PE. Process to include a mechanism for reporting and verification/inspection.

4. Repairs

i. Overview

The Fee Regulations define a repair as the construction or replacement of all or parts of a sewage disposal system or private well to correct a failing, damaged, or improperly functioning system or well when such construction or replacement is required by the Board of Health's regulations.

Section [12VAC5-610-350](#) of the Regulations states that, for the purpose of requiring correction of a malfunctioning sewage disposal system, the presence of raw or partially treated sewage on the ground's surface or in adjacent ditches or waterways or exposure to insects, animals or humans is prima facie evidence of such system failure and is deemed a violation of the regulations. Pollution of the ground water or backup of sewage into plumbing fixtures may also indicate system failure. Section 12VAC5-610-280.C.2 of the Regulations requires that when issuing a construction permit for repair of an existing failing sewage disposal system, the criteria contained in Parts IV (site condition requirements) and Part V (design and construction requirements) of the Regulations shall be complied with to the greatest extent possible (with certain exceptions) and be of such a nature that the repair can be expected to reduce risk to public health caused by the failing system.

In 2004, the General Assembly of Virginia approved legislation which amended § 32.1-164.1:1 of the Code to allow owners to request a waiver from additional treatment or pressure dosing beyond the level provided by the existing system (House Bill 930). A waiver granted under § 32.1-164.1:1 of the Code to repair a failing system is not transferable (with some exceptions) and is null and void upon transfer or sale of the property. More details on House Bill 930 and repair waivers can be found in [GMP 128](#).

GMP 2015-01 specifies that a malfunction assessment must be completed for all applications for repairs; for bare applications the assessment is conducted by VDH staff. This is a new policy requirement intended to provide VDH with valuable data on the cause of OSS failures in Virginia. Additionally, the malfunction assessment is intended to ensure that a thorough review of the system is conducted prior to designing the repair to avoid partial system corrections that might result in premature failure.

Later revisions of HB 558 Interim Report 1 will include assessment of the following:

- *The percentage of evaluations and designs for repairs that are currently done by the private sector and the percentage change overtime.*
- *The average cost for private sector services and potential financial impacts to citizens.*

VDH does not charge a fee for repair permit applications, either with or without accompanying work from a private sector OSE or PE.

VDH will assess particular areas where the shift in service will present a challenge to consumers as well as potential public health implications.

The E.L. Hamm study stated the indigent would require subsidized services for repairs. The report also noted that, in addition to the inability to pay private sector design cost, the indigent may be unable to afford the cost of the repair system itself. This inability to afford basic repairs can lead to unpermitted repairs and the installation of illegal systems that threaten public health and the environment (e.g. straight pipe discharges).

The RD 32 report includes a number of detailed observations regarding repair permits and their impact on the ability to fully shift direct services to the private sector. Observations from RD 32 report included:

- A need for increased general funding of the Onsite Sewage and Water Services Program because a number of the services provided by VHD (e.g. complaint investigations, enforcement activities, and processing of repair applications) are not supported with user fees and are not positioned for user fees.
- Evaluation and design of repairs presents unique challenges for privatization because they are less profitable than other services, more prone to liability concerns, are associated with a criminal violation, and are subject to significant professional discretion.
- Responding to failing sewage systems is a time-critical need, and requires a considerable amount of time and resources to identify solutions.

While the issue of repair permits was debated during the SHIFT process, a consensus was not reached on the best approach to move forward. Some suggested options included:

- VDH maintaining the ability to provide evaluation and design services in a repair emergency.
- VDH seeking other funding mechanisms to assist property owners with repairs.
- VDH providing repair services to low-income property owners.
- Mean-testing of repair applications, with some property owners paying a fee for services as a way to direct owners that can pay for services to the private sector.

Several concerns have been raised with requiring private sector evaluations and design for simple repairs, such as the replacement of a broken sewer line or distribution box. Concerns include the increased cost to homeowners for evaluation and design services as these services are currently provided free of charge by VDH, and the speed at which the private sector would provide the service. One option to address these concerns is to institute necessary changes to allow OSS installers to conduct a defined list of simple sewage system repairs (such as replacement of a broken sewer line) without the need for an OSE or PE. Such an option may provide a path to remove VDH staff from providing evaluation and design services for at least a subset of current repair applications in the near term and would also alleviate the need for

property owners to incur design and evaluation cost from a private OSE or PE for a subset of repairs. The additional design cost has been identified as a barrier to transitioning repair services to the private sector. However, there are a number of complex issues that must be considered for repairs before a recommendation can be presented.

ii. Draft Recommendations

Recommendations for repairs are still under review. A key component of any transition of evaluation and design services to the private sector will be a fully functional repair funding mechanism. When an existing OSS fails, the property owner is required by law to have a repair system installed. Otherwise, they face a civil penalty or criminal charge. Therefore, any recommendations regarding repair services must be thoroughly evaluated.

VDH will evaluate areas and groups that will have the greatest financial impact from a transition to private sector evaluation and design services for repairs, along with the estimated cost for those services.

iii. Summary of Draft Recommendations

- No recommendation at this time.

vii. Other Options Discussed

Options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- For simple OSS repairs and upgrades, have a process similar to express well permitting for private wells.
- If public funding is being used to install the repair, then allow public sector design.
- Institute necessary changes to allow OSS installers to conduct a defined list of simple sewage system repairs and upgrades (such as replacement of a broken sewer line or distribution box) without the need for a design from an OSE or PE. Process to include a mechanism for reporting and verification/inspection.

5. Submissions Previously Accompanied by Private Sector Work

i. Overview

Submissions previously accompanied by private sector work are not a specific application type or subset of applications identified by the Code or the Board of Health's regulations. This term was created to identify a subset of applications that many private sector providers feel can be transferred to the private sector for evaluation and design immediately. The concept is if a private sector provider has previously conducted evaluation and/or design service for a property (e.g. subdivision review), then VDH should require any future applicant to

go directly to the private sector. This concept is commonly referred to as the “once-touched-policy”.

Under this concept, proponents anticipate that many property owners would go back to the OSE or PE that provided the original services. Since the OSE or PE has already conducted an evaluation of the site, they would theoretically be able to reduce their cost for the new application.

It is difficult to measure how many properties the once-touched-policy would impact. A large number of undeveloped properties in subdivisions have previous work conducted by a private sector evaluator. However, some of that work also pre-dates the licensure requirements for OSEs. If the agency were to implement a once-touched-policy, it would need to specify what existing private sector work on file would qualify for policy.

Another question that would need to be answered in developing such a policy is whether the policy applies to all application types. If the agency were to implement a once-touched policy stating that all existing work on file qualifies as a submission previously accompanied by private sector work, and that all application types are included in the policy, then a repair application for a property with a private sector soil evaluation from 1960 would require evaluation and design from the private sector.

The E.L. Hamm study recommended that VDH stop performing evaluation and design services for “re-visits on previously approved sites”; an apparent reference to a once-touched policy. However, the E.L. Hamm study did not recommend, nor did it contemplate, the potential scope of such a policy as discussed in the example above.

During the SHIFT process, several participants suggested implementation of a once-touched policy. Participants suggested VDH mandate that if a site has ever had a site evaluation or design by the private sector, VDH should no longer accept a bare application for that site and should require that applicant to submit private sector work. This suggestion would extend the policy to evaluations and designs conducted prior to the development of a licensure program (e.g. subdivision evaluation from 1960). The suggestion appears to indicate that the policy should apply to all application types (e.g. repair applications).

ii. Draft Recommendations

DOSWSEEMP is recommending that evaluation and design services for subdivision reviews, certification letters, and voluntary upgrades transfer to the private sector statewide in 2017. Therefore, the application types requiring analysis for a “once-touched policy” are repairs, new construction, and SAP evaluations. DOSWSEEMP does not recommend the “once-touched policy” for repair permit applications at this time. However, such a policy will remain under consideration as the agency completes its evaluation of the repair funding element.

DOSWSEEMP does not recommend the implementation of a statewide “once-touched policy” for new construction or SAP evaluations at this time. However, the concept of such a

policy will receive further consideration throughout the development process for the HB 558 plan.

iii. Summary of Draft Recommendations

- No recommendation at this time.

iv. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Create a start date for the “once-touch” policy, but don’t extend retroactively to existing work on file.

6. New Construction

i. Overview

New construction applications for OSS identify applications where a permit is required prior to VDH authorization of a permit for a building designed for human occupancy. Typically, this application type involves the construction of a new OSS to serve a new home. However, new construction also incorporates expansions to existing OSS that are required to receive a building permit. For example, a request to add a new bedroom to a home which requires an increase in the design capacity of the OSS.

Sections 32.1-163.5 of the Code states that VDH shall accept private site evaluations for purposes of issuance of construction permits. For evaluations and designs submitted in accordance with § 32.1-163.5, VDH must issue or deny the permit within 15 days of application. If VDH fails to act on the request within 15 days, then the requested permit is deemed approved. Deemed approval does not apply to evaluations and designs submitted by PEs pursuant to § 32.1-163.6. However, § 32.1-163.6 does require that VDH issue or deny the permit within 21 calendar days.

Sections [12VAC5-610-240](#) and [12VAC5-610-250](#) of the Regulations establishes the general procedures for obtaining an OSS permit. Permits are valid for 18 months; however, owners may request a one-time 18 month extension. Applications for new construction of an OSS must adhere to the minimum requirements of all applicable Board of Health regulations. There are no waivers for new construction applications. However, owner may request a variance from a specific regulatory section(s). Variance request are evaluated on a case-by-case basis by the Commissioner.

A number of GMPs address various aspects of applications for new construction. GMP 2015-01 provides the most comprehensive overview, as it establishes the expectations and requirements for OSS applications.

As shown in Chart 2, new construction applications with supporting work from an OSE or PE have steadily risen over the last 10 years. In FY 15 more than 50% of all new construction applications included supporting work from the private sector. However, there are vast differences in the rate of private sector participation for new construction throughout the state. In some localities the rate is at 100%, while in others areas private sector participation is below 5%.

Future revisions of HB 558 Interim Report 1 will include additional analysis of the change in private sector participation over time. VDH will also determine which areas would see the greatest impacts from a shift in direct service delivery.

As previously discussed, the RD 32 report found that the majority of property owners surveyed paid more than \$800 for private sector evaluation and design services.

Later revisions to HB 558 Interim Report 1 will include a summary of responses from the questionnaires DOSWSEEMP staff is sending to obtain updated cost of private sector services.

The E.L. Hamm study recommended a “phase-in period” to shift evaluations and designs for new construction to the private sector. However, the study also stated the indigent will require subsidized services for new construction in certain cases. The SB 32 report discuss the use of regional based policies for privatization of service, noting the private sector gravitates toward new construction evaluations and designs as they are more profitable than repairs.

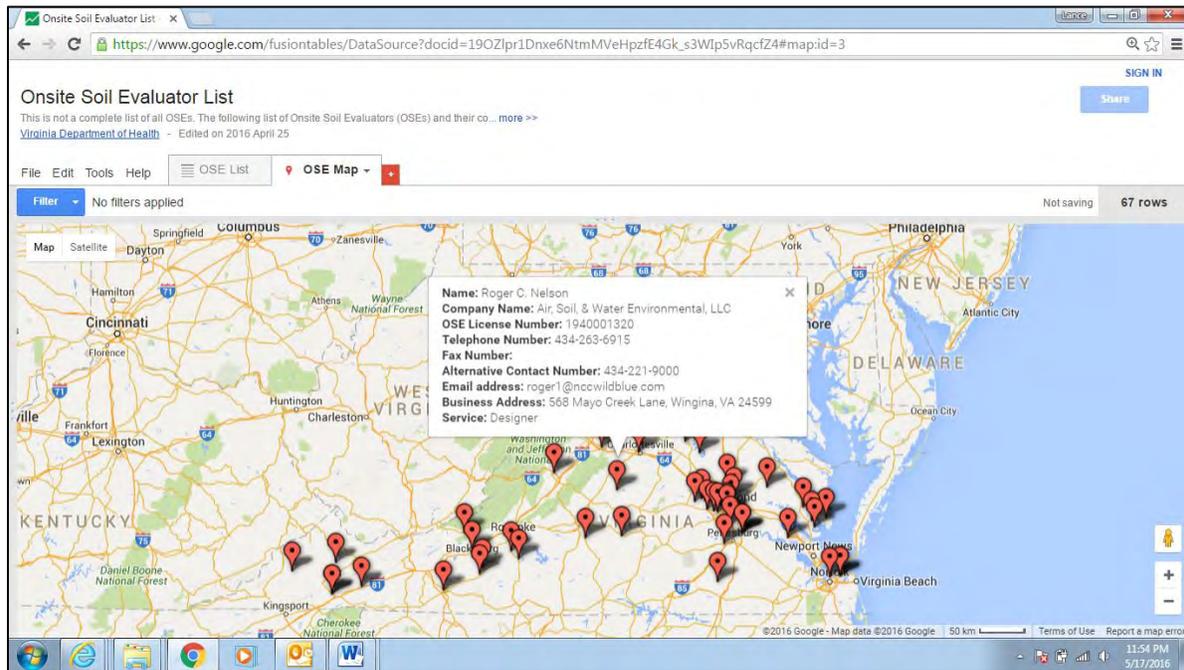
One of the seven consensus recommendations from the SHIFT process was that VDH should implement a statewide policy to encourage applicants to use the private sector for construction services. Two specific strategies were recommended. The first was an educational/disclosure strategy where VDH provides materials to applicants outlining the limits of VDH services and encouraging applicants to obtain private services.

To address this first recommendation VDH requires all LHDs to provide applicants with a “Disclosure Document” that discusses the limits of VDH services and benefits of private OSE and PE services. This document is either posted in a prominent location in the area where applications are accepted, or an individual copy of the document is provided to anyone requesting an application. VDH also create a website based on the information provided in the “Disclosure Document.” You can view this site at <http://166.67.66.226/EnvironmentalHealth/Onsite/Application/>.

The second recommendation to encourage the use of the private sector was the service provider strategy. Under this strategy VDH provides consumers the names and contact information of private sector providers willing to provide work in that health district. To respond to this recommendation DOSWSEEMP create a “service provider” website to provide consumers with the names and contact information for private sector onsite soil evaluators, professional engineers, onsite sewage system installers, onsite sewage system operator, sewage handlers, and well drillers. The site also includes a map showing the location of listed system providers.

Any licensed provider that wishes to be listed on the site can be added by filling out a simple online form, and giving VDH permission to post their information. An example of one of the service provider pages is shown below.

Map 1: OSE Service Provider Website



To date, 212 services provider have signed up to have their contact information shared on the service provider website. Over the last year, this site is the third most visited page on the DOSWSEEMP website with over 4,400 page views and nearly 2,500 unique visitors. However, DOSWSEEMP is unable to determine at this time what impact the encouraging strategy had on property owner's decisions to use private sector service providers. The service provider website is found at <http://166.67.66.226/EnvironmentalHealth/Onsite/ServiceProviders/>.

New construction applications for private wells cover a broad range of potential well construction, including: a new well to serve as a drinking water source for a new dwelling, new agricultural wells, and new geothermal wells.

Section 32.1-176.5:2 of the Code requires VDH to accept evaluations and design for private wells from OSEs and PEs. However, there is no deemed approval process for private well applications with supporting private sector work. Section [32.1-176.4](#) of the Code requires the Private Well Regulations contain a provision for express geothermal well permitting. This express process allows VDH to issue a construction permit for a geothermal well without conducting a site evaluation. Instead the permit is issued based on a registration statement and site plan completed by a certified water well system provider. A similar process exist in the Private Well Regulations for the issuance of express Class IV wells (e.g. agricultural and irrigation wells).

All new well construction must adhere to the minimum requirements of the Private Well Regulations. However, owners may request a variance for a specific regulatory section(s). Variance requests are evaluated on a case-by-case basis by the Commissioner. GMP 1.A is a comprehensive implementation manual for the Private Well Regulations.

Private OSEs and PEs frequently complete evaluations and designs for private wells, when the private well is being installed in conjunction with a new onsite sewage system. However, very few applications are received for a well only permit with an evaluation and design from a private sector OSE or PE. However, each year hundreds of applicants use certified water well system providers for evaluation and design services under the express geothermal well and express Class IV permitting process, with the vast majority of express well permit applications being received in the Tidewater Region.

Later revisions to HB 558 Interim Report 1 will include questionnaire responses regarding the cost of well only design services from the private sector.

The E.L. Hamm study noted that VDH could enlist the services of well drillers to perform services for the indigent and in areas where OSE and PE services were not readily available. The study also commented on the need for more monitoring and research concerning private wells. During the SHIFT process stakeholders acknowledged that privatization of private well evaluations and designs were on the table; however, stakeholder thought there would be little change to well permits as the focus was on privatization of OSS evaluations and designs.

ii. Draft Recommendations

DOSWSEEMP recommends that all applications for new OSS construction that will serve a property that is not intended as a principle place of residence be accompanied by work from a private OSE or PE starting July 1, 2017. This would shift evaluation and design services for vacation homes to the private sector immediately statewide. This could serve as a mechanism to introduce the use of private sector services in areas that have historically relied on VDH for all evaluation and design services.

This recommendation is expected to result in an annual loss of application fee revenue. The VDH fee for a bare application is \$425, whereas the VDH fee for an application with supporting work from the private sector is \$225.

VDH will assess how the recommendation accounts for particularly areas with the greatest impact from the shift, including the estimated cost for private sector services.

Additional analysis will be conducted to determine the estimated loss in fee revenue.

DOSWSEEMP recommends that necessary changes be made to allow the agency to accept evaluations and designs from certified water well system providers for private well construction and abandonment applications. This would allow certified water well system providers to include evaluation and design into their service of actually constructing the well.

The evaluations and designs submitted by certified water well system providers will be held to the same standard as currently set for OSEs and PEs. It is anticipated that this recommendation will require a revision to § 32.1.176.5:2 of the Code.

VDH will perform additional analysis to determine the estimated cost for a private OSE or PE to conduct a private well only evaluation and design versus the estimated cost for a well driller to provide the evaluation and design.

VDH will assess whether these recommendations require statutory, regulatory or policy changes and will include the final assessment in later revisions of HB 558 Interim Report 1.

VDH will also discuss with DPOR whether certified water well system providers will need new authorities under licensure to design private wells.

iii. Summary of Recommendations

- Require that all applications for new OSS construction that are not intended as a principle place of residence be accompanied by work from a private OSE or PE starting July 1, 2017.
- Allow the agency to accept evaluations and designs from certified water well system providers for private well construction and abandonment applications.

v. Other Options Discussed

Other options that were discussed by stakeholders during the Transitional Planning Element Development Team meeting included:

- Transition evaluation and design of applications for new OSS construction to the private sector in localities where sufficient private sector participation already exists.

7. Safe, Adequate, and Proper Evaluations

i. Overview

Section 32.1-165 of the Code states that no county, city, town or employee thereof shall issue a permit for a building designed for human occupancy without prior written authorization of the Commissioner or the Commissioner's agent. VDH provides this authorization upon finding that safe, adequate, and proper sewage treatment is or will be made available to the building; a SAP evaluation.

VDH and the Virginia Board of Housing and Community Development agreed to coordinate their respective jurisdictional responsibilities through a memorandum of agreement (MOA). The MOA states that when a local building official asks VDH for a determination of "safe, adequate, and proper," VDH will apply the standards required by the applicable regulations to evaluate the request. The current regulations represent the minimum standards

that will adequately protect public health, the environment, and groundwater supplies. However, recent legislation (HB 648 of the 2016 General Assembly Session) modifies § 32.1-165 to allow VDH to approve an older sewage system that does not meet current regulations as nonconforming, provided the sewage system was properly installed, is not failing, and will work properly. The revision also defines SAP as a treatment works that complies with applicable Board of Health regulations that are in effect at the time of application.

The recently approved revision to § 32.1-165 is helpful because many existing systems do not meet the current regulations. Under previous requirements, property owners might have to spend thousands of dollars to upgrade their sewage system to meet current standards or opt not to move forward with the project that prompted a SAP evaluation. The new amendments give VDH the flexibility to say it is okay to keep using the older sewage system even if though it does not meet today's standards; VDH can approve it as nonconforming to current regulations.

The recent legislation allows VDH to accept SAP certifications from licensed PEs, licensed OSEs, licensed OSS installers, licensed OSS operators, and individuals with an appropriate certification from the National Sanitation Foundation, or equivalent certification. VDH can perform an inspection of the private sector work before issuing an approval, but VDH could also approve without performing a field check. The recent legislation also allows VDH to let the owner make voluntary upgrades to the sewage system, or receive another type of permit to improve the sewage system, as part of the SAP process.

DOSWSEEMP staff are currently in the process of developing a policy to implement the revisions to § 32.1-165 of the Code to establish a statewide standard for SAP evaluations. Specific recommendations for shifting direct SAP services to the private sector will be dependent upon the processes outlined in the forthcoming SAP policy.

Previous studies and reports did not address SAP evaluations, other than to note them as a service provided by VDH.

Currently, SAP policies and reporting vary widely across the state. Therefore, it is difficult to gauge the total number of SAP request and the rate of private sector participation. DOSWSEEMP will work with LHD staff to include estimates in future revisions to HB 558 Interim Report 1. DOSWSEEMP staff will also work to assess the cost of private sector SAP services.

ii. Draft Recommendations

DOSWSEEMP does not have a draft recommendation to put forward at this time. DOSWSEEMP staff are in the process of developing an SAP policy as a result of recent legislation (HB 648). Additionally, there are a number of unknown variables at this time, such as statewide private sector participation rates, that must be evaluated before a recommendation can be put forward. Additional analysis will be included in future revisions to HB 558 Interim Report 1.

iii. Summary of Draft Recommendations

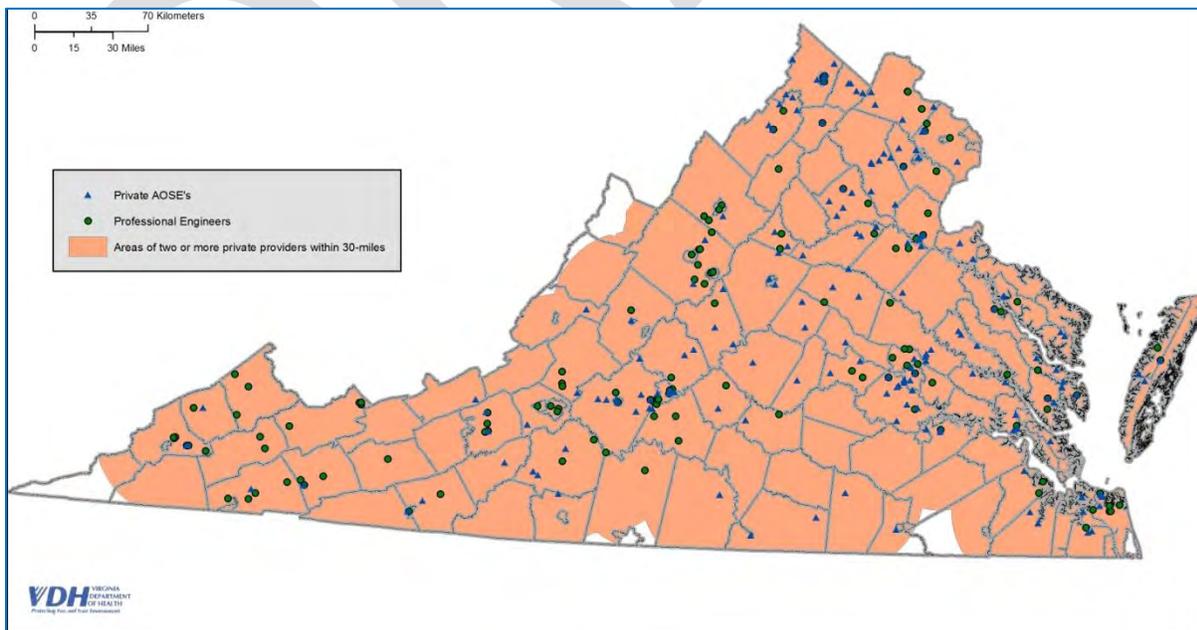
- No recommendation at this time.

B. Local Transition

In addition to reviewing possible incremental shifts in specific services statewide, HB 558 also directs the Commissioner to evaluate whether the agency can reduce or eliminate services in a particular area based on the number of available private sector providers in a particular area. In addition to the number of available private sector providers, it is also important to assess their participation for specific application types as a percentage of total applications received.

During the SHIFT process, VDH conducted an analysis to determine what parts of the state have at least two private sector OSEs and/or PEs within a 30 mile radius (see Map 1). This analysis found that parts of the following localities did not have at least two private sector providers within 30 miles: Alleghany, Bath, Danville, Highland, Greensville, Lee, Pittsylvania, Scott, Southampton, and Sussex. However, so far in FY 16, more than 75% of private sector evaluation and design services were provided by OSEs. Therefore, a more appropriate measure may be the number of OSEs available within a given area. Additionally, a standard of two providers may not be sufficient in areas with a high number of bare applications; more private sector providers may be required to cover the shift in direct services in areas with a high volume of applications. DOSWSEEMP staff are working to re-evaluate availability of services providers, taking these additional factors into account, as part of the services in underserved areas component.

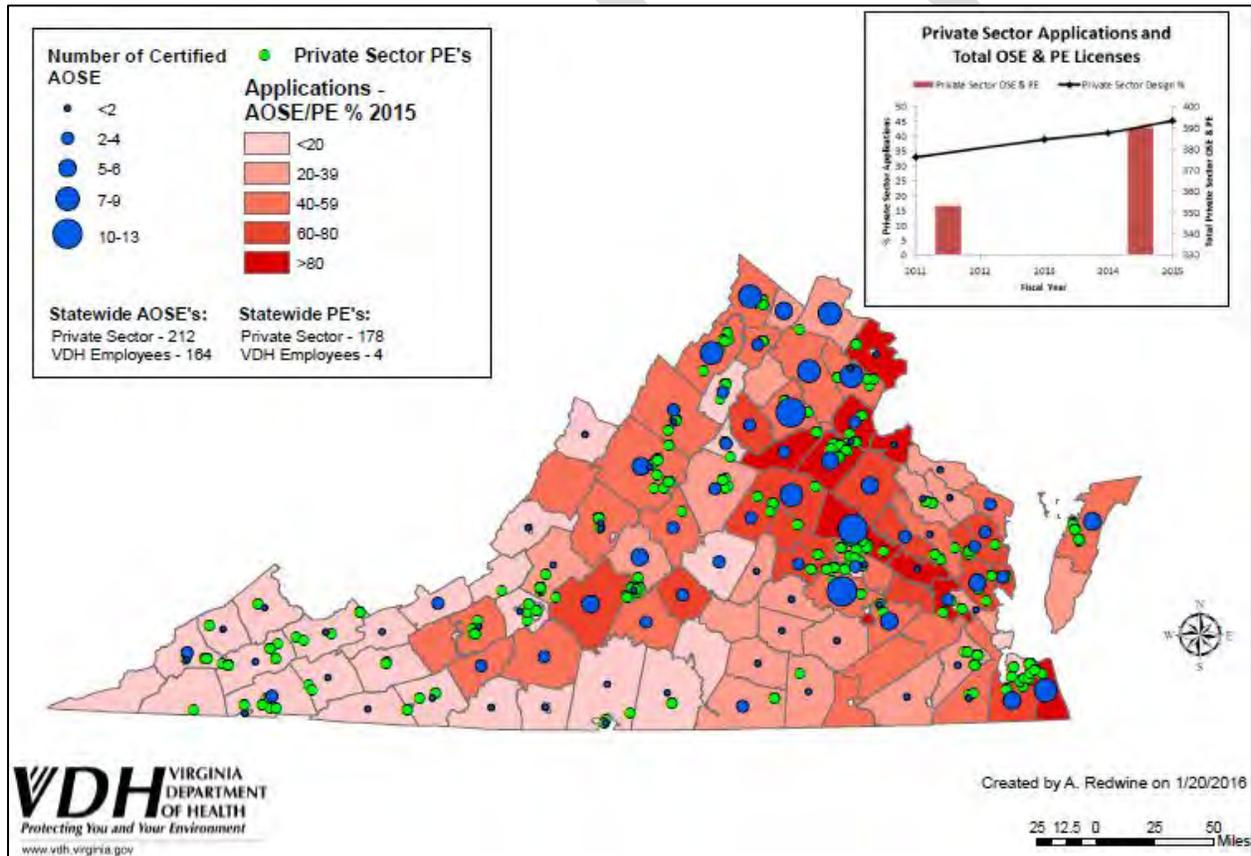
Map 1: Areas of two or more private providers within 30-miles.



Map 2 shows the overall percentage of applications in FY 2015 submitted with supporting work from private sector OSEs and PEs. While this information is helpful in evaluation first draft recommendations, DOSWSEEMP staff plan to evaluate the percentage of private sector participation for each application type. This level of analysis is necessary if recommendations are made to shift direct services to the private sector based on the availability of providers and their overall participation in a given locality or region.

For example, private sector providers may account for 75% of the total evaluations and designs submitted within a locality. However, private sector providers may only account for a small percentage of repair permit applications in that same locality. While a complete shift to private sector services may impact only a limit number of property owners applying for new construction in the locality, the shift could have a significant impact on property owners applying for repairs.

Map 2: Percentage of Applications with Supporting Private Sector Work



Some localities already require by local policy or ordinance that certain applications only be submitted with supporting work from private sector providers. DOSWSEEMP staff believes these local policies may lack a specific statutory framework; however, the validity of these policies have not been challenged.

VDH will assess the percentage of private sector participation in localities that require private sector evaluations and designs; both pre and post transition.

Based on FY2015 permit application data, 33 counties and 4 cities have 50 percent or greater private sector participation when looking at the total number of application submitted.¹ However, Southside and Southwest Virginia have very low private sector participation rates; any shift to private sector services will significantly impact these areas.

Future revisions to HB 558 Interim Report 1 will include:

- *Possible causes for the lack of private sector participation in Southside and Southwest Virginia.*
- *Discussion regarding areas where a local transition will be particularly difficult.*

i. Draft Recommendations

Recommendations for this element are pending further analysis of options.

ii. Summary of Draft Recommendations

- No recommendation at this time.

iii. Other Options Discussed

Options discussed by stakeholders during the Transitional Planning Element Development Team meeting and discussed by DOSWSEEMP included:

- Eliminate direct services for all new construction on July 1, 2017, with an option for localities to opt out based on the local private sector participation rates.
- Allow localities to opt into a requirement to eliminate direct service for all new construction.
- Develop an online market place where all bare applications are posted online and private sector providers offer their services.
- VDH serves as a provider of last resort for owners than cannot obtain private sector services.

C. Services in Underserved Areas

There are several areas within the Commonwealth, as well as several application types, that will be particularly difficult to transition to private sectors services. As previously

¹ Counties of: Appomattox, Bath, Bedford, Caroline, Charles City, Chesterfield, Culpeper, Fairfax, Fauquier, Floyd, Fluvanna, Gloucester, Goochland, Hanover, Henrico, James City, King George, Lancaster, Loudoun, Louisa, Madison, Mathews, Middlesex, Montgomery, New Kent, Orange, Powhatan, Prince George, Prince William, Spotsylvania, Stafford, Surry, and Sussex. Cities of: Chesapeake, Newport News, Petersburg, and Virginia Beach.

mentioned, Southside and Southwest Virginia have very low rates of private sector participation. In regards to application types, private sector OSEs and PEs provide only a small percentage of repair permit applications statewide. HB 558 asked the Commissioner to include provisions for the continued availability of evaluation and design services by the agency in areas underserved by the private sector. Before a recommendation can be presented for this element, it is necessary to clearly define the term “underserved area” beyond general observations of areas and services with low private sector participation rates.

Later revisions to HB 558 Interim Report 1 will include specific recommendations in regards to services in underserved area. However, additional analysis of the distribution of service providers, private sector participation rates, and application totals is necessary.

List of Acronyms

AOSE – Authorized Onsite Soil Evaluator
AOSS – alternative onsite sewage system
DOSWSEEMP - Division of Onsite Sewage and Water Services, Environmental Engineering,
and Marina Programs
DPB – Department of Planning and Budget
DPOR – Department of Professional and Occupational Regulation
EDRP – Engineer Design Review Panel
FY – fiscal year
GMP – Guidance Memorandum and Policies
HB – House Bill
IEN - Institute for Environmental Negotiation at the University of Virginia
LHD – local health department
OEHS – Office of Environmental Health Services
OSE – onsite soil evaluator
OSS – onsite sewage system
O&M – operation and maintenance
PE – Professional Engineer
SAP – Safe, Adequate, and Proper
SHADAC – Sewage Handling and Disposal Advisory Committee
SHDARB - Sewage Handling and Disposal Appeal Review Board
SHIFT - Safety and Health in Facilitating a Transition
VDH – Virginia Department of Health

Appendices

DRAFT

Appendix A

Draft Form Letter:
Property Owner Receiving Onsite Sewage System and/or Private Well Design Services from and
Onsite Soil Evaluator and/or Professional Engineer.

<name>
<mailing address>

<date>

RE: Cost of Onsite Sewage System and Private Well Design Services

Dear <Mr./Mrs. last name>:

Virginia Department of Health (VDH) records show you recently employed a private sector provider to provide evaluation and design services for an onsite sewage (septic) system or private well. I am contacting you to ask you to complete a quick online questionnaire to help VDH assess the cost of such private sector services statewide.

The Virginia General Assembly recently passed a bill (House Bill 558) requiring VDH to develop a plan to transition all evaluation and design service for onsite sewage systems and private wells to private sector service providers. A major component of developing such a plan is analyzing the cost to consumers for private sector services. You can find the complete bill language at <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0444> .

Your answers to our quick five minute questionnaire will be a tremendous help to VDH and the General Assembly in conducting that analysis. You can access the questionnaire at <insert web address> or by scanning the QR code below with your mobile device.

I would like to thank you in advance for your participation in this important questionnaire. If you believe you received this correspondence in error, please feel free to contact me by email at Lance.Gregory@vdh.virginia.gov or by telephone at (804) 864-7491. Additionally, if you do not have internet access but would still like to participate in the questionnaire, please feel free to contact me.

Sincerely,

Lance Gregory
Environmental Health Coordinator
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs

Draft Form Letter:
Onsite Sewage System Installers with System Inspections Conducted by Private Sector

<date>

<name>

<mailing address>

RE: Cost of Onsite Sewage System Inspection Services

Dear <Mr./Mrs. last name>:

Department of Professional and Occupational Regulation records show you are a licensed onsite sewage system installer working in the Commonwealth of Virginia. I am reaching out to you in hopes that you will complete a quick questionnaire to help the Virginia Department of Health (VDH) assess cost associated with private sector onsite sewage system inspections.

The Virginia General Assembly recently passed a bill (House Bill 558) requiring VDH to develop a plan to transition all evaluation and design service for onsite sewage systems and private wells to private sector service providers. A major component of developing such a plan is analyzing the cost to consumers for private sector services, including inspection cost. You can find the complete bill language at <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0444> .

Your answers to our fifteen minute questionnaire will be a tremendous help to VDH and the General Assembly in conducting that analysis. You can access the questionnaire at <insert web address> or by scanning the QR code below with your mobile device.

I would like to thank you in advance for your participation in this important questionnaire. If you believe you received this correspondence in error, please feel free to contact me by email at Lance.Gregory@vdh.virginia.gov or by telephone at (804) 864-7491. Additionally, if you do not have internet access but would still like to participate in the questionnaire, please feel free to contact me.

Sincerely,

Lance Gregory
Environmental Health Coordinator
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs

Draft Form Letter:
Property Owners Receiving Evaluate and Design Services from a Well Driller for an Express
Geothermal or Class IV Well Permit

<date>

<name>

<mailing address>

RE: Cost of Private Well Design Services

Dear <Mr./Mrs. last name>:

Virginia Department of Health (VDH) records show you recently employed a well driller to conduct evaluation and design services for an express geothermal well or express Class IV well permit. I am reaching out to you in hopes that you will complete a quick questionnaire to help VDH assess the cost of such services statewide.

The Virginia General Assembly recently passed a bill (House Bill 558) requiring VDH to develop a plan to transition all evaluation and design service for onsite sewage systems and private wells to private sector service providers. A major component of developing such a plan is analyzing the cost to consumers for private sector evaluation and design services. You can find the complete bill language at <http://leg1.state.va.us/cgi-bin/legp504.exe?161+ful+CHAP0444> .

Your answers to our quick five minute questionnaire will be a tremendous help to VDH and the General Assembly in conducting that analysis. You can access the questionnaire at <insert web address> or by scanning the QR code below with your mobile device.

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Sincerely,

Lance Gregory
Environmental Health Coordinator
Division of Onsite Sewage and Water Services,
Environmental Engineering, and Marina Programs