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SENATE BILL NO. 504

Offered January 11, 2012

Prefiled January 11, 2012

A BILL to amend and reenact §§ 10.1-1322, 10.1-1408.1, and 62.1-44.15 of the Code of Virginia, relating to upgrade of facilities requiring air quality, solid waste, or water quality permit.

Patron—Wagner

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 10.1-1322, 10.1-1408.1, and 62.1-44.15 of the Code of Virginia are amended and reenacted as follows:

§ 10.1-1322. Permits.

A. Pursuant to regulations adopted by the Board and subject to § 10.1-1322.01, permits may be issued, amended, revoked or terminated and reissued by the Department and may be enforced under the provisions of this chapter in the same manner as regulations and orders. Failure to comply with any condition of a permit shall be considered a violation of this chapter and investigations and enforcement actions may be pursued in the same manner as is done with regulations and orders of the Board under the provisions of this chapter. *To the extent allowed by federal law, any person holding a permit who is intending to upgrade the permitted facility by installing technology, control equipment, or other apparatus that the permittee can demonstrate will result in improved energy efficiency and reduce the emissions of regulated air pollutants shall not be required to obtain a new, modified, or amended permit.*

B. The Board by regulation may prescribe and provide for the payment and collection of annual permit program fees for air pollution sources. Annual permit program fees shall not be collected until (i) the federal Environmental Protection Agency approves the Board's operating permit program established pursuant to Title V of the federal Clean Air Act or (ii) the Governor determines that such fees are needed earlier to maintain primacy over the program. The annual fees shall be based on the actual emissions (as calculated or estimated) of each regulated pollutant, as defined in § 502 of the federal Clean Air Act, in tons per year, not to exceed 4,000 tons per year of each pollutant for each source. The annual permit program fees shall not exceed a base year amount of \$25 per ton using 1990 as the base year, and shall be adjusted annually by the Consumer Price Index as described in § 502 of the federal Clean Air Act. Permit program fees for air pollution sources who receive state operating permits in lieu of Title V operating permits shall be paid in the first year and thereafter shall be paid biennially. The fees shall approximate the direct and indirect costs of administering and enforcing the permit program, and of administering the small business stationary source technical and environmental compliance assistance program as required by the federal Clean Air Act. The Board shall also collect permit application fee amounts not to exceed \$30,000 from applicants for a permit for a new major stationary source. The permit application fee amount paid shall be credited towards the amount of annual fees owed pursuant to this section during the first two years of the source's operation. The fees shall be exempt from statewide indirect costs charged and collected by the Department of Accounts.

C. When adopting regulations for permit program fees for air pollution sources, the Board shall take into account the permit fees charged in neighboring states and the importance of not placing existing or prospective industry in the Commonwealth at a competitive disadvantage.

D. On or before January 1 of every even-numbered year, the Department shall make an evaluation of the implementation of the permit fee program and provide this evaluation in writing to the Senate Committee on Agriculture, Conservation and Natural Resources, the Senate Committee on Finance, the House Committee on Appropriations, the House Committee on Agriculture, Chesapeake and Natural Resources, and the House Committee on Finance. This evaluation shall include a report on the total fees collected, the amount of general funds allocated to the Department, the Department's use of the fees and the general funds, the number of permit applications received, the number of permits issued, the progress in eliminating permit backlogs, and the timeliness of permit processing.

E. To the extent allowed by federal law and regulations, priority for utilization of permit fees shall be given to cover the costs of processing permit applications in order to more efficiently issue permits.

F. Fees collected pursuant to this section shall not supplant or reduce in any way the general fund appropriation to the Department.

G. The permit fees shall apply to permit programs in existence on July 1, 1992, any additional permit programs that may be required by the federal government and administered by the Board, or any

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59 new permit program required by the Code of Virginia.

60 H. The permit program fee regulations promulgated pursuant to this section shall not become
61 effective until July 1, 1993.

62 I. [Expired.]

63 § 10.1-1408.1. Permit required; open dumps prohibited.

64 A. No person shall operate any sanitary landfill or other facility for the disposal, treatment or storage
65 of nonhazardous solid waste without a permit from the Director.

66 B. No application for (i) a new solid waste management facility permit or (ii) application for a
67 permit amendment or variance allowing a category 2 landfill, as defined in this section, to expand or
68 increase in capacity shall be complete unless it contains the following:

69 1. Certification from the governing body of the county, city or town in which the facility is to be
70 located that the location and operation of the facility are consistent with all applicable ordinances. The
71 governing body shall inform the applicant and the Department of the facility's compliance or
72 noncompliance not more than 120 days from receipt of a request from the applicant. No such
73 certification shall be required for the application for the renewal of a permit or transfer of a permit as
74 authorized by regulations of the Board;

75 2. A disclosure statement, except that the Director, upon request and in his sole discretion, and when
76 in his judgment other information is sufficient and available, may waive the requirement for a disclosure
77 statement for a captive industrial landfill when such a statement would not serve the purposes of this
78 chapter;

79 3. If the applicant proposes to locate the facility on property not governed by any county, city or
80 town zoning ordinance, certification from the governing body that it has held a public hearing, in
81 accordance with the applicable provisions of § 15.2-2204, to receive public comment on the proposed
82 facility. Such certification shall be provided to the applicant and the Department within 120 days from
83 receipt of a request from the applicant;

84 4. If the applicant proposes to operate a new sanitary landfill or transfer station, a statement,
85 including a description of the steps taken by the applicant to seek the comments of the residents of the
86 area where the sanitary landfill or transfer station is proposed to be located, regarding the siting and
87 operation of the proposed sanitary landfill or transfer station. The public comment steps shall be taken
88 prior to filing with the Department the notice of intent to apply for a permit for the sanitary landfill or
89 transfer station as required by the Department's solid waste management regulations. The public
90 comment steps shall include publication of a public notice once a week for two consecutive weeks in a
91 newspaper of general circulation serving the locality where the sanitary landfill or transfer station is
92 proposed to be located and holding at least one public meeting within the locality to identify issues of
93 concern, to facilitate communication and to establish a dialogue between the applicant and persons who
94 may be affected by the issuance of a permit for the sanitary landfill or transfer station. The public notice
95 shall include a statement of the applicant's intent to apply for a permit to operate the proposed sanitary
96 landfill or transfer station, the proposed sanitary landfill or transfer station site location, the date, time
97 and location of the public meeting the applicant will hold and the name, address and telephone number
98 of a person employed by the applicant, who can be contacted by interested persons to answer questions
99 or receive comments on the siting and operation of the proposed sanitary landfill or transfer station. The
100 first publication of the public notice shall be at least fourteen days prior to the public meeting date.

101 The provisions of this subdivision shall not apply to applicants for a permit to operate a new captive
102 industrial landfill or a new construction-demolition-debris landfill;

103 5. If the applicant is a local government or public authority that proposes to operate a new municipal
104 sanitary landfill or transfer station, a statement, including a description of the steps taken by the
105 applicant to seek the comments of the residents of the area where the sanitary landfill or transfer station
106 is proposed to be located, regarding the siting and operation of the proposed sanitary landfill or transfer
107 station. The public comment steps shall be taken prior to filing with the Department the notice of intent
108 to apply for a permit for the sanitary landfill or transfer station as required by the Department's solid
109 waste management regulations. The public comment steps shall include the formation of a citizens'
110 advisory group to assist the locality or public authority with the selection of a proposed site for the
111 sanitary landfill or transfer station, publication of a public notice once a week for two consecutive weeks
112 in a newspaper of general circulation serving the locality where the sanitary landfill or transfer station is
113 proposed to be located, and holding at least one public meeting within the locality to identify issues of
114 concern, to facilitate communication and to establish a dialogue between the applicant and persons who
115 may be affected by the issuance of a permit for the sanitary landfill or transfer station. The public notice
116 shall include a statement of the applicant's intent to apply for a permit to operate the proposed sanitary
117 landfill or transfer station, the proposed sanitary landfill or transfer station site location, the date, time
118 and location of the public meeting the applicant will hold and the name, address and telephone number
119 of a person employed by the applicant, who can be contacted by interested persons to answer questions
120 or receive comments on the siting and operation of the proposed sanitary landfill or transfer station. The

first publication of the public notice shall be at least fourteen days prior to the public meeting date. For local governments that have zoning ordinances, such public comment steps as required under §§ 15.2-2204 and 15.2-2285 shall satisfy the public comment requirements for public hearings and public notice as required under this section. Any applicant which is a local government or public authority that proposes to operate a new transfer station on land where a municipal sanitary landfill is already located shall be exempt from the public comment requirements for public hearing and public notice otherwise required under this section;

6. If the application is for a new municipal solid waste landfill or for an expansion of an existing municipal solid waste landfill, a statement, signed by the applicant, guaranteeing that sufficient disposal capacity will be available in the facility to enable localities within the Commonwealth to comply with solid waste management plans developed pursuant to § 10.1-1411, and certifying that such localities will be allowed to contract for and to reserve disposal capacity in the facility. This provision shall not apply to permit applications from one or more political subdivisions for new landfills or expanded landfills that will only accept municipal solid waste generated within those political subdivisions' jurisdiction or municipal solid waste generated within other political subdivisions pursuant to an interjurisdictional agreement;

7. If the application is for a new municipal solid waste landfill or for an expansion of an existing municipal solid waste landfill, certification from the governing body of the locality in which the facility would be located that a host agreement has been reached between the applicant and the governing body unless the governing body or a public service authority of which the governing body is a member would be the owner and operator of the landfill. The agreement shall, at a minimum, have provisions covering (i) the amount of financial compensation the applicant will provide the host locality, (ii) daily travel routes and traffic volumes, (iii) the daily disposal limit, and (iv) the anticipated service area of the facility. The host agreement shall contain a provision that the applicant will pay the full cost of at least one full-time employee of the locality whose responsibility it will be to monitor and inspect waste transportation and disposal practices in the locality. The host agreement shall also provide that the applicant shall, when requested by the host locality, split air and water samples so that the host locality may independently test the sample, with all associated costs paid for by the applicant. All such sampling results shall be provided to the Department. For purposes of this subdivision, "host agreement" means any lease, contract, agreement or land use permit entered into or issued by the locality in which the landfill is situated which includes terms or conditions governing the operation of the landfill;

8. If the application is for a locality-owned and locality-operated new municipal solid waste landfill or for an expansion of an existing such municipal solid waste landfill, information on the anticipated (i) daily travel routes and traffic volumes, (ii) daily disposal limit, and (iii) service area of the facility; and

9. If the application is for a new solid waste management facility permit or for modification of a permit to allow an existing solid waste management facility to expand or increase its capacity, the application shall include certification from the governing body for the locality in which the facility is or will be located that: (i) the proposed new facility or the expansion or increase in capacity of the existing facility is consistent with the applicable local or regional solid waste management plan developed and approved pursuant to § 10.1-1411; or (ii) the local government or solid waste management planning unit has initiated the process to revise the solid waste management plan to include the new or expanded facility. Inclusion of such certification shall be sufficient to allow processing of the permit application, up to but not including publication of the draft permit or permit amendment for public comment, but shall not bind the Director in making the determination required by subdivision D 1.

C. Notwithstanding any other provision of law:

1. Every holder of a permit issued under this article who has not earlier filed a disclosure statement shall, prior to July 1, 1991, file a disclosure statement with the Director.

2. Every applicant for a permit under this article shall file a disclosure statement with the Director, together with the permit application or prior to September 1, 1990, whichever comes later. No permit application shall be deemed incomplete for lack of a disclosure statement prior to September 1, 1990.

3. Every applicant shall update its disclosure statement quarterly to indicate any change of condition that renders any portion of the disclosure statement materially incomplete or inaccurate.

4. The Director, upon request and in his sole discretion, and when in his judgment other information is sufficient and available, may waive the requirements of this subsection for a captive industrial waste landfill when such requirements would not serve the purposes of this chapter.

D. 1. Except as provided in subdivision D 2, no permit for a new solid waste management facility nor any amendment to a permit allowing facility expansion or an increase in capacity shall be issued until the Director has determined, after an investigation and analysis of the potential human health, environmental, transportation infrastructure, and transportation safety impacts and needs and an evaluation of comments by the host local government, other local governments and interested persons, that (i) the proposed facility, expansion, or increase protects present and future human health and safety

and the environment; (ii) there is a need for the additional capacity; (iii) sufficient infrastructure will exist to safely handle the waste flow; (iv) the increase is consistent with locality-imposed or state-imposed daily disposal limits; (v) the public interest will be served by the proposed facility's operation or the expansion or increase in capacity of a facility; and (vi) the proposed solid waste management facility, facility expansion, or additional capacity is consistent with regional and local solid waste management plans developed pursuant to § 10.1-1411. The Department shall hold a public hearing within the said county, city or town prior to the issuance of any such permit for the management of nonhazardous solid waste. Subdivision D 2, in lieu of this subdivision, shall apply to nonhazardous industrial solid waste management facilities owned or operated by the generator of the waste managed at the facility, and that accept only waste generated by the facility owner or operator. The Board shall have the authority to promulgate regulations to implement this subdivision.

2. No new permit for a nonhazardous industrial solid waste management facility that is owned or operated by the generator of the waste managed at the facility, and that accepts only waste generated by the facility owner or operator, shall be issued until the Director has determined, after investigation and evaluation of comments by the local government, that the proposed facility poses no substantial present or potential danger to human health or the environment. The Department shall hold a public hearing within the county, city or town where the facility is to be located prior to the issuance of any such permit for the management of nonhazardous industrial solid waste.

E. The permit shall contain such conditions or requirements as are necessary to comply with the requirements of this Code and the regulations of the Board and to protect present and future human health and the environment. *To the extent allowed by federal law, any person holding a permit who is intending to upgrade the permitted solid waste management facility by installing technology, control equipment, or other apparatus that the permittee can demonstrate will result in improved energy efficiency and protect ground surface waters and air quality shall not be required to obtain a new, modified, or amended permit.*

The Director may include in any permit such recordkeeping, testing and reporting requirements as are necessary to ensure that the local governing body of the county, city or town where the waste management facility is located is kept timely informed regarding the general nature and quantity of waste being disposed of at the facility. Such recordkeeping, testing and reporting requirements shall require disclosure of proprietary information only as is necessary to carry out the purposes of this chapter. At least once every ten years, the Director shall review and issue written findings on the environmental compliance history of each permittee, material changes, if any, in key personnel, and technical limitations, standards, or regulations on which the original permit was based. The time period for review of each category of permits shall be established by Board regulation. If, upon such review, the Director finds that repeated material or substantial violations of the permittee or material changes in the permittee's key personnel would make continued operation of the facility not in the best interests of human health or the environment, the Director shall amend or revoke the permit, in accordance herewith. Whenever such review is undertaken, the Director may amend the permit to include additional limitations, standards, or conditions when the technical limitations, standards, or regulations on which the original permit was based have been changed by statute or amended by regulation or when any of the conditions in subsection B of § 10.1-1409 exist. The Director may deny, revoke, or suspend any permit for any of the grounds listed under subsection A of § 10.1-1409.

F. There shall exist no right to operate a landfill or other facility for the disposal, treatment or storage of nonhazardous solid waste or hazardous waste within the Commonwealth. Permits for solid waste management facilities shall not be transferable except as authorized in regulations promulgated by the Board. The issuance of a permit shall not convey or establish any property rights or any exclusive privilege, nor shall it authorize any injury to private property or any invasion of personal rights or any infringement of federal, state, or local law or regulation.

G. No person shall dispose of solid waste in open dumps.

H. No person shall own, operate or allow to be operated on his property an open dump.

I. No person shall allow waste to be disposed of on his property without a permit. Any person who removes trees, brush, or other vegetation from land used for agricultural or forestal purposes shall not be required to obtain a permit if such material is deposited or placed on the same or other property of the same landowner from which such materials were cleared. The Board shall by regulation provide for other reasonable exemptions from permitting requirements for the disposal of trees, brush and other vegetation when such materials are removed for agricultural or forestal purposes.

When promulgating any regulation pursuant to this section, the Board shall consider the character of the land affected, the density of population, and the volume of waste to be disposed, as well as other relevant factors.

J. No permit shall be required pursuant to this section for recycling or for temporary storage incidental to recycling. As used in this subsection, "recycling" means any process whereby material which would otherwise be solid waste is used or reused, or prepared for use or reuse, as an ingredient in

an industrial process to make a product, or as an effective substitute for a commercial product.

K. The Board shall provide for reasonable exemptions from the permitting requirements, both procedural and substantive, in order to encourage the development of yard waste composting facilities. To accomplish this, the Board is authorized to exempt such facilities from regulations governing the treatment of waste and to establish an expedited approval process. Agricultural operations receiving only yard waste for composting shall be exempt from permitting requirements provided that (i) the composting area is located not less than 300 feet from a property boundary, is located not less than 1,000 feet from an occupied dwelling not located on the same property as the composting area, and is not located within an area designated as a flood plain as defined in § 10.1-600; (ii) the agricultural operation has at least one acre of ground suitable to receive yard waste for each 150 cubic yards of finished compost generated; (iii) the total time for the composting process and storage of material that is being composted or has been composted shall not exceed eighteen months prior to its field application or sale as a horticultural or agricultural product; and (iv) the owner or operator of the agricultural operation notifies the Director in writing of his intent to operate a yard waste composting facility and the amount of land available for the receipt of yard waste. In addition to the requirements set forth in clauses (i) through (iv) of the preceding sentence, the owner and operator of any agricultural operation that receives more than 6,000 cubic yards of yard waste generated from property not within the control of the owner or the operator in any twelve-month period shall be exempt from permitting requirements provided (i) the owner and operator submit to the Director an annual report describing the volume and types of yard waste received by such operation for composting and (ii) the operator shall certify that the yard waste composting facility complies with local ordinances. The Director shall establish a procedure for the filing of the notices, annual reports and certificates required by this subsection and shall prescribe the forms for the annual reports and certificates. Nothing contained in this article shall prohibit the sale of composted yard waste for horticultural or agricultural use, provided that any composted yard waste sold as a commercial fertilizer with claims of specific nutrient values, promoting plant growth, or of conditioning soil shall be sold in accordance with Chapter 36 (§ 3.2-3600 et seq.) of Title 3.2. As used in this subsection, "agricultural operation" shall have the same meaning ascribed to it in § 3.2-300.

The operation of a composting facility as provided in this subsection shall not relieve the owner or operator of such a facility from liability for any violation of this chapter.

L. The Board shall provide for reasonable exemptions from the permitting requirements, both procedural and substantive, in order to encourage the development of facilities for the decomposition of vegetative waste. To accomplish this, the Board shall approve an expedited approval process. As used in this subsection, the decomposition of vegetative waste means a natural aerobic or anaerobic process, active or passive, which results in the decay and chemical breakdown of the vegetative waste. Nothing in this subsection shall be construed to prohibit a city or county from exercising its existing authority to regulate such facilities by requiring, among other things, permits and proof of financial security.

M. In receiving and processing applications for permits required by this section, the Director shall assign top priority to applications which (i) agree to accept nonhazardous recycling residues and (ii) pledge to charge tipping fees for disposal of nonhazardous recycling residues which do not exceed those charged for nonhazardous municipal solid waste. Applications meeting these requirements shall be acted upon no later than six months after they are deemed complete.

N. Every solid waste management facility shall be operated in compliance with the regulations promulgated by the Board pursuant to this chapter. To the extent consistent with federal law, those facilities which were permitted prior to March 15, 1993, and upon which solid waste has been disposed of prior to October 9, 1993, may continue to receive solid waste until they have reached their vertical design capacity, provided that the facility is in compliance with the requirements for liners and leachate control in effect at the time of permit issuance, and further provided that on or before October 9, 1993, the owner or operator of the solid waste management facility submits to the Director:

1. An acknowledgement that the owner or operator is familiar with state and federal law and regulations pertaining to solid waste management facilities operating after October 9, 1993, including postclosure care, corrective action and financial responsibility requirements;

2. A statement signed by a registered professional engineer that he has reviewed the regulations established by the Department for solid waste management facilities, including the open dump criteria contained therein; that he has inspected the facility and examined the monitoring data compiled for the facility in accordance with applicable regulations; and that, on the basis of his inspection and review, he has concluded that: (i) the facility is not an open dump, (ii) the facility does not pose a substantial present or potential hazard to human health and the environment, and (iii) the leachate or residues from the facility do not pose a threat of contamination or pollution of the air, surface water or ground water in a manner constituting an open dump or resulting in a substantial present or potential hazard to human health or the environment; and

3. A statement signed by the owner or operator (i) that the facility complies with applicable financial

305 assurance regulations and (ii) estimating when the facility will reach its vertical design capacity.

306 The facility may not be enlarged prematurely to avoid compliance with state or federal regulations
307 when such enlargement is not consistent with past operating practices, the permit or modified operating
308 practices to ensure good management.

309 Facilities which are authorized by this subsection to accept waste for disposal beyond the waste
310 boundaries existing on October 9, 1993, shall be as follows:

311 Category 1: Nonhazardous industrial waste facilities that are located on property owned or controlled
312 by the generator of the waste disposed of in the facility;

313 Category 2: Nonhazardous industrial waste facilities other than those that are located on property
314 owned or controlled by the generator of the waste disposed of in the facility, provided that the facility
315 accepts only industrial waste streams which the facility has lawfully accepted prior to July 1, 1995, or
316 other nonhazardous industrial waste as approved by the Department on a case-by-case basis; and

317 Category 3: Facilities that accept only construction-demolition-debris waste as defined in the Board's
318 regulations.

319 The Director may prohibit or restrict the disposal of waste in facilities described in this subsection
320 which contains hazardous constituents as defined in applicable regulations which, in the opinion of the
321 Director, would pose a substantial risk to health or the environment. Facilities described in category 3
322 may expand laterally beyond the waste disposal boundaries existing on October 9, 1993, provided that
323 there is first installed, in such expanded areas, liners and leachate control systems meeting the applicable
324 performance requirements of the Board's regulations, or a demonstration is made to the satisfaction of
325 the Director that such facilities satisfy the applicable variance criteria in the Board's regulations.

326 Owners or operators of facilities which are authorized under this subsection to accept waste for
327 disposal beyond the waste boundaries existing on October 9, 1993, shall ensure that such expanded
328 disposal areas maintain setback distances applicable to such facilities under the Board's current
329 regulations and local ordinances. Prior to the expansion of any facility described in category 2 or 3, the
330 owner or operator shall provide the Director with written notice of the proposed expansion at least sixty
331 days prior to commencement of construction. The notice shall include recent groundwater monitoring
332 data sufficient to determine that the facility does not pose a threat of contamination of groundwater in a
333 manner constituting an open dump or creating a substantial present or potential hazard to human health
334 or the environment. The Director shall evaluate the data included with the notification and may advise
335 the owner or operator of any additional requirements that may be necessary to ensure compliance with
336 applicable laws and prevent a substantial present or potential hazard to health or the environment.

337 Facilities, or portions thereof, which have reached their vertical design capacity shall be closed in
338 compliance with regulations promulgated by the Board.

339 Nothing in this subsection shall alter any requirement for groundwater monitoring, financial
340 responsibility, operator certification, closure, postclosure care, operation, maintenance or corrective action
341 imposed under state or federal law or regulation, or impair the powers of the Director pursuant to
342 § 10.1-1409.

343 O. Portions of a permitted solid waste management facility used solely for the storage of household
344 hazardous waste may store household hazardous waste for a period not to exceed one year, provided that
345 such wastes are properly contained and are segregated to prevent mixing of incompatible wastes.

346 P. Any permit for a new municipal solid waste landfill, and any permit amendment authorizing
347 expansion of an existing municipal solid waste landfill, shall incorporate conditions to require that
348 capacity in the landfill will be available to localities within the Commonwealth that choose to contract
349 for and reserve such capacity for disposal of such localities' solid waste in accordance with solid waste
350 management plans developed by such localities pursuant to § 10.1-1411. This provision shall not apply
351 to permit applications from one or more political subdivisions for new landfills or expanded landfills
352 that will only accept municipal solid waste generated within the political subdivision or subdivisions'
353 jurisdiction or municipal solid waste generated within other political subdivisions pursuant to an
354 interjurisdictional agreement.

355 Q. No application for coverage under a permit-by-rule or for modification of coverage under a
356 permit-by-rule shall be complete unless it contains certification from the governing body of the locality
357 in which the facility is to be located that the facility is consistent with the solid waste management plan
358 developed and approved in accordance with § 10.1-1411.

359 § 62.1-44.15. Powers and duties; civil penalties.

360 It shall be the duty of the Board and it shall have the authority:

361 (1) [Repealed.]

362 (2) To study and investigate all problems concerned with the quality of state waters and to make
363 reports and recommendations.

364 (2a) To study and investigate methods, procedures, devices, appliances, and technologies that could
365 assist in water conservation or water consumption reduction.

366 (2b) To coordinate its efforts toward water conservation with other persons or groups, within or

without the Commonwealth.

(2c) To make reports concerning, and formulate recommendations based upon, any such water conservation studies to ensure that present and future water needs of the citizens of the Commonwealth are met.

(3a) To establish such standards of quality and policies for any state waters consistent with the general policy set forth in this chapter, and to modify, amend or cancel any such standards or policies established and to take all appropriate steps to prevent quality alteration contrary to the public interest or to standards or policies thus established, except that a description of provisions of any proposed standard or policy adopted by regulation which are more restrictive than applicable federal requirements, together with the reason why the more restrictive provisions are needed, shall be provided to the standing committee of each house of the General Assembly to which matters relating to the content of the standard or policy are most properly referable. The Board shall, from time to time, but at least once every three years, hold public hearings pursuant to § 2.2-4007.01 but, upon the request of an affected person or upon its own motion, hold hearings pursuant to § 2.2-4009, for the purpose of reviewing the standards of quality, and, as appropriate, adopting, modifying, or canceling such standards. Whenever the Board considers the adoption, modification, amendment or cancellation of any standard, it shall give due consideration to, among other factors, the economic and social costs and benefits which can reasonably be expected to obtain as a consequence of the standards as adopted, modified, amended or cancelled. The Board shall also give due consideration to the public health standards issued by the Virginia Department of Health with respect to issues of public health policy and protection. If the Board does not follow the public health standards of the Virginia Department of Health, the Board's reason for any deviation shall be made in writing and published for any and all concerned parties.

(3b) Except as provided in subdivision (3a), such standards and policies are to be adopted or modified, amended or cancelled in the manner provided by the Administrative Process Act (§ 2.2-4000 et seq.).

(4) To conduct or have conducted scientific experiments, investigations, studies, and research to discover methods for maintaining water quality consistent with the purposes of this chapter. To this end the Board may cooperate with any public or private agency in the conduct of such experiments, investigations and research and may receive in behalf of the Commonwealth any moneys that any such agency may contribute as its share of the cost under any such cooperative agreement. Such moneys shall be used only for the purposes for which they are contributed and any balance remaining after the conclusion of the experiments, investigations, studies, and research, shall be returned to the contributors.

(5) To issue, revoke or amend certificates under prescribed conditions for: (a) the discharge of sewage, industrial wastes and other wastes into or adjacent to state waters; (b) the alteration otherwise of the physical, chemical or biological properties of state waters; (c) excavation in a wetland; or (d) on and after October 1, 2001, the conduct of the following activities in a wetland: (i) new activities to cause draining that significantly alters or degrades existing wetland acreage or functions, (ii) filling or dumping, (iii) permanent flooding or impounding, or (iv) new activities that cause significant alteration or degradation of existing wetland acreage or functions.

(5a) All certificates issued by the Board under this chapter shall have fixed terms. The term of a Virginia Pollution Discharge Elimination System permit shall not exceed five years. The term of a Virginia Water Protection Permit shall be based upon the projected duration of the project, the length of any required monitoring, or other project operations or permit conditions; however, the term shall not exceed 15 years. The term of a Virginia Pollution Abatement permit shall not exceed 10 years, except that the term of a Virginia Pollution Abatement permit for confined animal feeding operations shall be 10 years. The Department of Environmental Quality shall inspect all facilities for which a Virginia Pollution Abatement permit has been issued to ensure compliance with statutory, regulatory, and permit requirements. Department personnel performing inspections of confined animal feeding operations shall be certified under the voluntary nutrient management training and certification program established in § 10.1-104.2. The term of a certificate issued by the Board shall not be extended by modification beyond the maximum duration and the certificate shall expire at the end of the term unless an application for a new permit has been timely filed as required by the regulations of the Board and the Board is unable, through no fault of the permittee, to issue a new permit before the expiration date of the previous permit.

(5b) Any certificate issued by the Board under this chapter may, after notice and opportunity for a hearing, be amended or revoked on any of the following grounds or for good cause as may be provided by the regulations of the Board:

1. The owner has violated any regulation or order of the Board, any condition of a certificate, any provision of this chapter, or any order of a court, where such violation results in a release of harmful substances into the environment or poses a substantial threat of release of harmful substances into the environment or presents a hazard to human health or the violation is representative of a pattern of

serious or repeated violations which, in the opinion of the Board, demonstrates the owner's disregard for or inability to comply with applicable laws, regulations, or requirements;

2. The owner has failed to disclose fully all relevant material facts or has misrepresented a material fact in applying for a certificate, or in any other report or document required under this law or under the regulations of the Board;

3. The activity for which the certificate was issued endangers human health or the environment and can be regulated to acceptable levels by amendment or revocation of the certificate; or

4. There exists a material change in the basis on which the permit was issued that requires either a temporary or a permanent reduction or elimination of any discharge controlled by the certificate necessary to protect human health or the environment. *However, to the extent allowed by federal law, any person holding a certificate issued by the Board who is intending to upgrade the permitted facility by installing technology, control equipment, or other apparatus that the permittee can demonstrate will result in improved energy efficiency, reduction in the amount of nutrients discharged, and improved water quality shall not be required to obtain a new, modified, or amended permit.*

(5c) Any certificate issued by the Board under this chapter relating to dredging projects governed under Chapter 12 (§ 28.2-1200 et seq.) or Chapter 13 (§ 28.2-1300 et seq.) of Title 28.2 may be conditioned upon a demonstration of financial responsibility for the completion of compensatory mitigation requirements. Financial responsibility may be demonstrated by a letter of credit, a certificate of deposit or a performance bond executed in a form approved by the Board. If the U.S. Army Corps of Engineers requires demonstration of financial responsibility for the completion of compensatory mitigation required for a particular project, then the mechanism and amount approved by the U.S. Army Corps of Engineers shall be used to meet this requirement.

(6) To make investigations and inspections, to ensure compliance with any certificates, standards, policies, rules, regulations, rulings and special orders which it may adopt, issue or establish and to furnish advice, recommendations, or instructions for the purpose of obtaining such compliance. In recognition of §§ 32.1-164 and 62.1-44.18, the Board and the State Department of Health shall enter into a memorandum of understanding establishing a common format to consolidate and simplify inspections of sewage treatment plants and coordinate the scheduling of the inspections. The new format shall ensure that all sewage treatment plants are inspected at appropriate intervals in order to protect water quality and public health and at the same time avoid any unnecessary administrative burden on those being inspected.

(7) To adopt rules governing the procedure of the Board with respect to: (a) hearings; (b) the filing of reports; (c) the issuance of certificates and special orders; and (d) all other matters relating to procedure; and to amend or cancel any rule adopted. Public notice of every rule adopted under this section shall be by such means as the Board may prescribe.

(8a) To issue special orders to owners (i) who are permitting or causing the pollution, as defined by § 62.1-44.3, of state waters to cease and desist from such pollution, (ii) who have failed to construct facilities in accordance with final approved plans and specifications to construct such facilities in accordance with final approved plans and specifications, (iii) who have violated the terms and provisions of a certificate issued by the Board to comply with such terms and provisions, (iv) who have failed to comply with a directive from the Board to comply with such directive, (v) who have contravened duly adopted and promulgated water quality standards and policies to cease and desist from such contravention and to comply with such water quality standards and policies, (vi) who have violated the terms and provisions of a pretreatment permit issued by the Board or by the owner of a publicly owned treatment works to comply with such terms and provisions or (vii) who have contravened any applicable pretreatment standard or requirement to comply with such standard or requirement; and also to issue such orders to require any owner to comply with the provisions of this chapter and any decision of the Board. Orders issued pursuant to this subsection may include civil penalties of up to \$32,500 per violation, not to exceed \$100,000 per order. The Board may assess penalties under this subsection if (a) the person has been issued at least two written notices of alleged violation by the Department for the same or substantially related violations at the same site, (b) such violations have not been resolved by demonstration that there was no violation, by an order issued by the Board or the Director, or by other means, (c) at least 130 days have passed since the issuance of the first notice of alleged violation, and (d) there is a finding that such violations have occurred after a hearing conducted in accordance with subdivision (8b). The actual amount of any penalty assessed shall be based upon the severity of the violations, the extent of any potential or actual environmental harm, the compliance history of the facility or person, any economic benefit realized from the noncompliance, and the ability of the person to pay the penalty. The Board shall provide the person with the calculation for the proposed penalty prior to any hearing conducted for the issuance of an order that assesses penalties pursuant to this subsection. The issuance of a notice of alleged violation by the Department shall not be considered a case decision as defined in § 2.2-4001. Any notice of alleged violation shall include a description of each violation, the specific provision of law violated, and information on the process for obtaining a

final decision or fact finding from the Department on whether or not a violation has occurred, and nothing in this section shall preclude an owner from seeking such a determination. Such civil penalties shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund (§ 10.1-2500 et seq.), except that civil penalties assessed for violations of Article 9 (§ 62.1-44.34:8 et seq.) or Article 11 (§ 62.1-44.34:14 et seq.) of this chapter shall be paid into the Virginia Petroleum Storage Tank Fund in accordance with § 62.1-44.34:11.

(8b) Such special orders are to be issued only after a hearing before a hearing officer appointed by the Supreme Court in accordance with § 2.2-4020 or, if requested by the person, before a quorum of the Board with at least 30 days' notice to the affected owners, of the time, place and purpose thereof, and they shall become effective not less than 15 days after service as provided in § 62.1-44.12; provided that if the Board finds that any such owner is grossly affecting or presents an imminent and substantial danger to (i) the public health, safety or welfare, or the health of animals, fish or aquatic life; (ii) a public water supply; or (iii) recreational, commercial, industrial, agricultural or other reasonable uses, it may issue, without advance notice or hearing, an emergency special order directing the owner to cease such pollution or discharge immediately, and shall provide an opportunity for a hearing, after reasonable notice as to the time and place thereof to the owner, to affirm, modify, amend or cancel such emergency special order. If an owner who has been issued such a special order or an emergency special order is not complying with the terms thereof, the Board may proceed in accordance with § 62.1-44.23, and where the order is based on a finding of an imminent and substantial danger, the court shall issue an injunction compelling compliance with the emergency special order pending a hearing by the Board. If an emergency special order requires cessation of a discharge, the Board shall provide an opportunity for a hearing within 48 hours of the issuance of the injunction.

(8c) The provisions of this section notwithstanding, the Board may proceed directly under § 62.1-44.32 for any past violation or violations of any provision of this chapter or any regulation duly promulgated hereunder.

(8d) With the consent of any owner who has violated or failed, neglected or refused to obey any regulation or order of the Board, any condition of a permit or any provision of this chapter, the Board may provide, in an order issued by the Board against such person, for the payment of civil charges for past violations in specific sums not to exceed the limit specified in § 62.1-44.32 (a). Such civil charges shall be instead of any appropriate civil penalty which could be imposed under § 62.1-44.32 (a) and shall not be subject to the provisions of § 2.2-514. Such civil charges shall be paid into the state treasury and deposited by the State Treasurer into the Virginia Environmental Emergency Response Fund (§ 10.1-2500 et seq.), excluding civil charges assessed for violations of Article 9 (§ 62.1-44.34:8 et seq.) or 10 (§ 62.1-44.34:10 et seq.) of Chapter 3.1 of this title, or a regulation, administrative or judicial order, or term or condition of approval relating to or issued under those articles.

The amendments to this section adopted by the 1976 Session of the General Assembly shall not be construed as limiting or expanding any cause of action or any other remedy possessed by the Board prior to the effective date of said amendments.

(8e) The Board shall develop and provide an opportunity for public comment on guidelines and procedures that contain specific criteria for calculating the appropriate penalty for each violation based upon the severity of the violations, the extent of any potential or actual environmental harm, the compliance history of the facility or person, any economic benefit realized from the noncompliance, and the ability of the person to pay the penalty.

(8f) Before issuing a special order under subdivision (8a) or by consent under (8d), with or without an assessment of a civil penalty, to an owner of a sewerage system requiring corrective action to prevent or minimize overflows of sewage from such system, the Board shall provide public notice of and reasonable opportunity to comment on the proposed order. Any such order under subdivision (8d) may impose civil penalties in amounts up to the maximum amount authorized in § 309(g) of the Clean Water Act. Any person who comments on the proposed order shall be given notice of any hearing to be held on the terms of the order. In any hearing held, such person shall have a reasonable opportunity to be heard and to present evidence. If no hearing is held before issuance of an order under subdivision (8d), any person who commented on the proposed order may file a petition, within 30 days after the issuance of such order, requesting the Board to set aside such order and provide a formal hearing thereon. If the evidence presented by the petitioner in support of the petition is material and was not considered in the issuance of the order, the Board shall immediately set aside the order, provide a formal hearing, and make such petitioner a party. If the Board denies the petition, the Board shall provide notice to the petitioner and make available to the public the reasons for such denial, and the petitioner shall have the right to judicial review of such decision under § 62.1-44.29 if he meets the requirements thereof.

(9) To make such rulings under §§ 62.1-44.16, 62.1-44.17 and 62.1-44.19 as may be required upon requests or applications to the Board, the owner or owners affected to be notified by certified mail as soon as practicable after the Board makes them and such rulings to become effective upon such

551 notification.

552 (10) To adopt such regulations as it deems necessary to enforce the general water quality
553 management program of the Board in all or part of the Commonwealth, except that a description of
554 provisions of any proposed regulation which are more restrictive than applicable federal requirements,
555 together with the reason why the more restrictive provisions are needed, shall be provided to the
556 standing committee of each house of the General Assembly to which matters relating to the content of
557 the regulation are most properly referable.

558 (11) To investigate any large-scale killing of fish.

559 (a) Whenever the Board shall determine that any owner, whether or not he shall have been issued a
560 certificate for discharge of waste, has discharged sewage, industrial waste, or other waste into state
561 waters in such quantity, concentration or manner that fish are killed as a result thereof, it may effect
562 such settlement with the owner as will cover the costs incurred by the Board and by the Department of
563 Game and Inland Fisheries in investigating such killing of fish, plus the replacement value of the fish
564 destroyed, or as it deems proper, and if no such settlement is reached within a reasonable time, the
565 Board shall authorize its executive secretary to bring a civil action in the name of the Board to recover
566 from the owner such costs and value, plus any court or other legal costs incurred in connection with
567 such action.

568 (b) If the owner is a political subdivision of the Commonwealth, the action may be brought in any
569 circuit court within the territory embraced by such political subdivision. If the owner is an
570 establishment, as defined in this chapter, the action shall be brought in the circuit court of the city or the
571 circuit court of the county in which such establishment is located. If the owner is an individual or group
572 of individuals, the action shall be brought in the circuit court of the city or circuit court of the county in
573 which such person or any of them reside.

574 (c) For the purposes of this subsection the State Water Control Board shall be deemed the owner of
575 the fish killed and the proceedings shall be as though the State Water Control Board were the owner of
576 the fish. The fact that the owner has or held a certificate issued under this chapter shall not be raised as
577 a defense in bar to any such action.

578 (d) The proceeds of any recovery had under this subsection shall, when received by the Board, be
579 applied, first, to reimburse the Board for any expenses incurred in investigating such killing of fish. The
580 balance shall be paid to the Board of Game and Inland Fisheries to be used for the fisheries'
581 management practices as in its judgment will best restore or replace the fisheries' values lost as a result
582 of such discharge of waste, including, where appropriate, replacement of the fish killed with game fish
583 or other appropriate species. Any such funds received are hereby appropriated for that purpose.

584 (e) Nothing in this subsection shall be construed in any way to limit or prevent any other action
585 which is now authorized by law by the Board against any owner.

586 (f) Notwithstanding the foregoing, the provisions of this subsection shall not apply to any owner who
587 adds or applies any chemicals or other substances that are recommended or approved by the State
588 Department of Health to state waters in the course of processing or treating such waters for public water
589 supply purposes, except where negligence is shown.

590 (12) To administer programs of financial assistance for planning, construction, operation, and
591 maintenance of water quality control facilities for political subdivisions in the Commonwealth.

592 (13) To establish policies and programs for effective area-wide or basin-wide water quality control
593 and management. The Board may develop comprehensive pollution abatement and water quality control
594 plans on an area-wide or basin-wide basis. In conjunction with this, the Board, when considering
595 proposals for waste treatment facilities, is to consider the feasibility of combined or joint treatment
596 facilities and is to ensure that the approval of waste treatment facilities is in accordance with the water
597 quality management and pollution control plan in the watershed or basin as a whole. In making such
598 determinations, the Board is to seek the advice of local, regional, or state planning authorities.

599 (14) To establish requirements for the treatment of sewage, industrial wastes and other wastes that
600 are consistent with the purposes of this chapter; however, no treatment shall be less than secondary or
601 its equivalent, unless the owner can demonstrate that a lesser degree of treatment is consistent with the
602 purposes of this chapter.

603 (15) To promote and establish requirements for the reclamation and reuse of wastewater that are
604 protective of state waters and public health as an alternative to directly discharging pollutants into waters
605 of the state. The requirements shall address various potential categories of reuse and may include
606 general permits and provide for greater flexibility and less stringent requirements commensurate with the
607 quality of the reclaimed water and its intended use. The requirements shall be developed in consultation
608 with the Department of Health and other appropriate state agencies. This authority shall not be construed
609 as conferring upon the Board any power or duty duplicative of those of the State Board of Health.

610 (16) To establish and implement policies and programs to protect and enhance the Commonwealth's
611 wetland resources. Regulatory programs shall be designed to achieve no net loss of existing wetland
612 acreage and functions. Voluntary and incentive-based programs shall be developed to achieve a net

613 resource gain in acreage and functions of wetlands. The Board shall seek and obtain advice and
614 guidance from the Virginia Institute of Marine Science in implementing these policies and programs.

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