

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB586

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

2. Patron: Guzman

3. Committee: Health, Welfare and Institutions

4. Title: Commissioner of Health; study of the occurrence of perfluorooctanoic acid (PFOA).

5. Summary: Directs the Commissioner of Health to convene a work group to study the occurrence of perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), and other perfluoroalkyl and polyfluoroalkyl substances (PFAS) in the Commonwealth's public drinking water and to develop recommendations for specific maximum contaminant levels for PFOA, PFOS, and other PFAS for inclusion in regulations of the Board of Health applicable to waterworks.

6. Budget Amendment Necessary: See item #8.

7. Fiscal Impact Estimates: Preliminary, see item #8.

8. Fiscal Implications: The bill does not specify the details or type of study for the Virginia Department of Health to perform. VDH could absorb the costs within existing resources to form the workgroup, perform a literature survey to determine current contamination levels, and discuss the results and data needed to drive regulatory and policy decisions from the literature survey.

However, if the intent of the bill is for the workgroup to use evidence-based data in the development of their recommendations, then VDH has stated it would need to sample waterworks and major sources of water. There is very limited or no data for PFAS contamination in water sources that Virginia waterworks use.

Developing a comprehensive understanding of PFAS occurrence in Virginia drinking water will largely depend on the number of sites (waterworks) sampled, the number of water sources sampled, the population served, and geographic area covered. The fiscal impact of this effort is scalable depending on the number of waterworks sampled.

There are 2,815 waterworks in Virginia that serve more than 7.5 million Virginians with clean drinking water. To sample a representative group of waterworks and other sources of water would require additional resources. PFAS sample preparation and collection require technical skills and materials to avoid any cross contamination or false positive/negative

results, therefore a technical specialist or consultant with expertise in PFAS sampling will be needed.

If VDH were to sample 700 representative waterworks, four times at each site, and sample 100 other sources of water, the total number of water samples to be tested for PFAS compounds will be approximately 2,900. VDH would need to dedicate approximately 1 hour of contractor time per source, or about 2,900 hours for sampling preparation, sample collection, re-sampling, and shipping of samples to the testing laboratory (2,800 representative waterworks samples + 100 other sources of water x 1 hour). The approximate laboratory cost to test each sample for PFAS is \$300. Total analytical cost for 2,900 samples will be \$870,000.

Staff will be required to coordinate with waterworks and the laboratory to schedule activities, enter laboratory results into a Microsoft Excel spreadsheet, and provide regular status update to the stakeholders. VDH assumes each sample will require 15 minutes of office time to meet these requirements. Assuming 25 percent of staff time is diverted to other administrative endeavors (meetings, report preparation, etc.) this would allow for 24 samples to be addressed per work day, or 24.2 weeks of work (2900 samples / (6 hours x 4 samples per hour x 5 work days)). It is further assumed that in order to meet the December 1, 2020 report date required by the bill, all work on this endeavor must be completed prior to November 1, 2020 to allow time for report preparation and review, leaving 17 calendar weeks between July 1, 2020 and November 1, 2020. Completing 24.2 weeks of work in 17 40-hour work weeks will require 1.5 equivalent workers. VDH has indicated that the cost of a full time contract staff person suitable for this work is \$62,400 per year. Therefore, the assumed cost for 1.5 contract personnel for 17 weeks is approximately \$30,600 ($\$62,400 / 52$ annual weeks) x 17 contract weeks x 1.5 contractors)).

However, VDH could focus on the 16 largest waterworks in Virginia, which serve 59.1% of the total population (approximately 4,439,000 people). Focusing the investigation on these 16 waterworks and their distribution system will further reduce the fiscal impact considerably. (\$19,200 for analytical cost, plus 16 hours of internal staff time. It is assumed VDH can absorb these costs, if this is the design of the study.) This type of study will not provide such a robust understanding of the occurrence of PFAS compounds statewide as most of these large systems serve large cities and are concentrated in relatively small geographic areas.

9. Specific Agency or Political Subdivisions Affected: Department of Health.

10. Technical Amendment Necessary: Yes, line 18, it is assumed that, “private companies that that operate waterworks” should read, “private companies that operate waterworks”. This removes the second instance of, “that”.

11. Other Comments: None.