

# Administrative Procedures – Economic Impact Statement

## Instructions:

In completing the economic impact statement, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule. This form must be completed for the following filings made during the rulemaking process:

- Proposed Rule Filing
- Final Proposed Filing
- Adopted Rule Filing
- Emergency Rule Filing

Rules affecting or regulating public education and public schools must include cost implications to local school districts and taxpayers in the impact statement (see 3 V.S.A. § 832b for details).

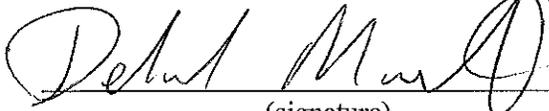
The economic impact statement also contains a section relating to the impact of the rule on greenhouse gases. Agencies are required to explain how the rule has been crafted to reduce the extent to which greenhouse gases are emitted (see 3 V.S.A. § 838(c)(4) for details).

All forms requiring a signature shall be original signatures of the appropriate adopting authority or authorized person.

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**Certification Statement:** As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I conclude that this rule is the most appropriate method of achieving the regulatory purpose. In support of this conclusion I have attached all findings required by 3 V.S.A. §§ 832a, 832b, and 838(c) for the filing of the rule entitled:

**Rule Title: Vermont Water Quality Standards**

 \_\_\_\_\_, on 9-29-16  
(signature) (date)

Printed Name and Title:

Deb Markowitz, Secretary  
Agency of Natural Resources

*BE AS SPECIFIC AS POSSIBLE IN THE COMPLETION OF THIS FORM, GIVING FULL INFORMATION ON YOUR ASSUMPTIONS, DATABASES, AND ATTEMPTS TO GATHER OTHER INFORMATION ON THE NATURE OF THE COSTS AND BENEFITS INVOLVED. COSTS AND BENEFITS CAN INCLUDE ANY TANGIBLE OR INTANGIBLE ENTITIES OR FORCES WHICH WILL MAKE AN IMPACT ON LIFE WITHOUT THIS RULE.*

1. TITLE OF RULE FILING:

Vermont Water Quality Standards

2. ADOPTING AGENCY:

Agency of Natural Resources

3. CATEGORY OF AFFECTED PARTIES:

*LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:*

1. There is no economic impact associated with the restructuring of the Rule to add Class B(1) and reorganization of the water quality criteria to allow for designating individual uses in a single water as different classes. No uses of any waters are proposed for reclassification to Class B(1) as part of this rulemaking. In future amendments to the Rule, individual designated uses for specific surface waters will likely be proposed for reclassification to Class B(1). When certain uses are reclassified, there may be site-specific impacts to developers or project proponents associated with installing water quality protection practices designed to protect the uses at the higher classification. However, the restructuring simply paves the way for these reclassifications to be proposed in the future.

2. The incorporation of the stream equilibrium standard in the VWQS aligns the State's policies of dynamic stream equilibrium expressed in Acts 110 and 138 and the Stream Alteration Rule with the goals of protecting and maintaining state water quality. The economic impacts of this policy were already evaluated through adoption of the Stream Alteration Rule. Aligning the VWQS with these existing laws is expected to have

negligible economic impacts, but the overall policy will have positive economic impacts by improving the State's flood resiliency.

3. The changes to the temperature standard may have impacts on dischargers to cold water fish habitat designated as Class A(1) or B(1) for fishing if they have to implement practices to maintain water quality. Examples of such practices include: underground stormwater detention, green stormwater infrastructure, and maintenance of stream buffers.

4. There is no economic impact associated with the incorporation of previously-authorized biological assessment procedures into the VWQS. Incorporation of these existing procedures and metrics will merely lend greater transparency and predictability to the process the State uses to assess surface water compliance with the criteria for protection of aquatic life.

5. The updates to toxic chemical criteria consistent with EPA criteria are required by federal regulation. The impacts of these criteria will be limited to the small number of wastewater treatment facilities and industrial dischargers that discharge one or more of these specific chemicals and that may need to implement additional measures under their next discharge permit to meet the revised standards.

6. The reclassification of specific uses of certain surface waters in the Green Mountain National Forest to Class A(1) will help to further protect these ecological waters and thus will provide some economic benefit by further ensuring the quality of these waters. Certain stakeholders, notably in the forest products industry, may express concern over the need to put in place practices intended to maintain Class A(1)-level water quality. However, US Forest Service requirements for harvesting on Federal lands are robust

and are already required for all harvests conducted privately or by US Forest Service personnel.

7. The updates to the Antidegradation Policy consistent with federal regulations will have negligible economic impacts. Under both the existing and proposed Rule if an activity will cause a limited lowering of water quality, the project proponent must conduct a socio-economic justification to justify the limited lowering and in no case may an activity result in a water quality impairment.

#### 4. IMPACT ON SCHOOLS:

*INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS:*

None.

#### 5. COMPARISON:

*COMPARE THE ECONOMIC IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:*

In terms of comparison to a "no amendment" alternative, the minimal economic impacts described above would be eliminated should these amendments not go forward, but at the expense of water quality.

#### 6. FLEXIBILITY STATEMENT:

*COMPARE THE BURDEN IMPOSED ON SMALL BUSINESS BY COMPLIANCE WITH THE RULE TO THE BURDEN WHICH WOULD BE IMPOSED BY ALTERNATIVES CONSIDERED IN 3 V.S.A. § 832a:*

No alternatives were examined conferring separate requirements on small business because EPA would not approve separate requirements, and, pursuant to the federal Clean Water Act, EPA has the ultimate approval authority over state water quality standards once they have been approved through the state's rulemaking process. In terms of comparison to a "no amendment" alternative, the economic impacts described above would be eliminated should these amendments not go forward, but at the expense of water quality and at the risk of EPA promulgating standards for the State.

7. GREENHOUSE GAS IMPACT: *EXPLAIN HOW THE RULE WAS CRAFTED TO REDUCE THE EXTENT TO WHICH GREENHOUSE GASES ARE EMITTED, EITHER DIRECTLY OR INDIRECTLY, FROM THE FOLLOWING SECTORS OF ACTIVITIES:*

a. TRANSPORTATION —

*IMPACTS BASED ON THE TRANSPORTATION OF PEOPLE OR PRODUCTS (e.g., “THE RULE HAS PROVISIONS FOR CONFERENCE CALLS INSTEAD OF TRAVEL TO MEETINGS” OR “LOCAL PRODUCTS ARE PREFERENTIALLY PURCHASED TO REDUCE SHIPPING DISTANCE.”):*

None.

b. LAND USE AND DEVELOPMENT —

*IMPACTS BASED ON LAND USE AND DEVELOPMENT, FORESTRY, AGRICULTURE ETC. (e.g., “THE RULE WILL RESULT IN ENHANCED, HIGHER DENSITY DOWNTOWN DEVELOPMENT.” OR “THE RULE MAINTAINS OPEN SPACE, FORESTED LAND AND /OR AGRICULTURAL LAND.”):*

None.

c. BUILDING INFRASTRUCTURE —

*IMPACTS BASED ON THE HEATING, COOLING AND ELECTRICITY CONSUMPTION NEEDS (e.g., “THE RULE PROMOTES WEATHERIZATION TO REDUCE BUILDING HEATING AND COOLING DEMANDS.” OR “THE PURCHASE AND USE OF EFFICIENT ENERGY STAR APPLIANCES IS REQUIRED TO REDUCE ELECTRICITY CONSUMPTION.”):*

None.

d. WASTE GENERATION / REDUCTION —

*IMPACTS BASED ON THE GENERATION OF WASTE OR THE REDUCTION, REUSE, AND RECYCLING OPPORTUNITIES AVAILABLE (e.g., “THE RULE WILL RESULT IN REUSE OF PACKING MATERIALS.” OR “AS A RESULT OF THE RULE, FOOD AND OTHER ORGANIC WASTE WILL BE COMPOSTED OR DIVERTED TO A ‘METHANE TO ENERGY PROJECT’.”):*

None.

e. OTHER —

*IMPACTS BASED ON OTHER CRITERIA NOT PREVIOUSLY LISTED:*

None.