

Commission on Local Government

Estimate of Local Fiscal Impact

2025 General Assembly Session | 1/17/25

In accordance with the provisions of 30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of legislation impacting local governments.

HB 2047: Department of Health; waterworks; mandatory reporting of anomalies; negligence. (Patron: Phillip Scott)

Bill Summary:

Local Fiscal Impact: Net Additional Expenditure: x Net Reduction of Revenues:

Summary Analysis:

Number of Localities Responding: 5 Cities, 10 Counties, 3 Towns, 1 Other

Localities estimated a negative fiscal impact ranging from \$3,000 to \$2.3 million over the biennium.

Localities identified the bill's fiscal impact as the need to hire additional employees and potential for one-time capital costs. Many localities noted that malfunctions are quite rare, and redundancies are built into the systems. The bill requires rapid notification of several common anomalies, and constant monitoring could require costs into the millions of dollars. In addition, localities may have to purchase additional chemicals and services for monitoring and invest in the design and construction of expanded monitoring systems.

Net Increase in Expenditures: Itemized Estimates by Responding Localities

Locality	Nonrecurring Expense - Operating		Nonrecurring Expense - Capital		Nonrecurring Expense - Other		Total Increase in Expenses (Biennium Total)	Response Totals	
	FY26	FY27	FY26	FY27	FY26	FY27			
Albemarle County							0	Cities:	5
Bedford County							0	Counties:	10
Charlotte County							0	Towns:	3
Chesterfield County	10000					0	704,000	Other:	1
City of Alexandria							0	Total:	19
City of Norfolk							0		
City of Richmond							1,664,000		
City of Virginia Beach							0		
City of Winchester							0		
Fauquier County							0		
Mecklenburg County							0		
Northern Neck PDC							0		
Prince George County	200000	200000	500000	1000000			2,303,000		
Prince William County							0		
Rappahannock County							0		
Rockingham County							60,075		
Town of Chincoteague							3,000		
Town of Christiansburg							0		
Town of Rocky Mount							0		

Locality	Expenditure Narrative by Responding Localities
Albemarle County	This bill is not expected to impact County expenditures is it becomes law. Reporting malfunctions to the Office within a certain time period of discovery will not create ongoing or one-time costs, provided the reporting requirements are not onerous.
Bedford County	County does not own any waterworks. Water/sewer is managed by an separate, regional entity.
Charlotte County	
Chesterfield County	<p>Drinking water systems are designed to be incredibly reliable, with multiple layers of redundancy built into every system. It is anticipated that pumps will fail, and equipment will malfunction, with these occurrences happening regularly, and having no material effect on the quality of drinking water. Since this bill requires near immediate notification of various anomalies, it would be an incredible burden to Chesterfield to have to report each of these instances to ODW within 24 hours.</p> <p>The estimated increase in workload would be considerable and not something current staff would be able to facilitate. The expenditure estimates provided include the salaries and benefits for a four-person reporting team, with one supervisor salaried at \$75,000 and three reporting analysts salaried at \$60,000. Additionally, there are \$10,000 in cost associated with the creation of SOPs and training on reportable events for relevant employees.</p> <p>Separately, there is a concern that the large increase in volume of data being shared would create noise and negatively impact the critical data sharing that is currently done with VDH/ODW.</p>
City of Alexandria	Since the City of Alexandria does not provide drinking water and is not a waterworks, there is no identified fiscal impact of this proposed legislation to Alexandria.
City of Norfolk	This legislation is not anticipated to cause any significant fiscal impacts to the City of Norfolk.
City of Richmond	Approval of the proposed legislation will require the City to hire 8 full-time staff (2 people per shift, 3 shifts per day, plus 2 floaters) to continuously monitor and report all operations of entire waterworks system, i.e., plant, pump stations, distribution, tanks, etc. As written, the bill would require any anomalies to be reported, which would require much more extensive SCADA monitoring which could be in the millions of dollars. This would have a significant associated one-time capital cost not reflected in the above.
City of Virginia Beach	
City of Winchester	It is hard to quantify the costs, because I would have to assume a failure. We could certainly report the failure within the specified timeframe, but I have concerns the Health Dept would be over-burdened with non- compliance documentation.
Fauquier County	This has no financial impact for Fauquier County. This may have some impact on the WSA - Fauquier County Water and Sanitation Authority.

Locality	Expenditure Narrative by Responding Localities
Mecklenburg County	Our County does not directly operate waterworks as defined by Section 32.1 - 167 of the Code of Virginia; therefore, this proposed bill is inapplicable to our circumstances, and accordingly, would impose no additional cost to our current operations.
Northern Neck PDC	Planning district doesn't own any waterworks.
Prince George County	<p>Anomalies that could affect water quality, public health and continuity of service can be vast and many. Small well systems could have daily adjustments to ensure chemical imbalances do not harm the public. Small systems also have changes in water pressures based on the demand on the system. To eliminate these anomalies, which is what this amendment could ultimately require, significant upgrades to the water system could be required, such as new SCADA equipment to monitor and adjust chemicals. To eliminate odors, new chemicals may have to be introduced to the system, requiring a licensed waterworks operator to be hired.</p> <p>Recurring Costs Addition of a full-time Waterworks Operator to expand monitoring and reporting - Salary and Benefits - \$100,000.00 FY26; \$103,000 FY27 Operating Costs - purchase of chemicals and services to monitor and control the system One-Time Expenditures Non-Recurring - Design of expanded SCADA components \$200,000 in both FY26 and FY27 Capital Costs - Construction of expanded SCADA components \$500,000 in FY26 and \$1,000,000 in FY27</p>
Prince William County	<p>PW Water: Water systems rely on complex, highly engineered mechanical systems to deliver reliable water service to customers. These systems have built in redundancy to ensure service is maintained even when individual pieces of equipment fail. As written, this Bill would require extremely frequent notification from water system operators to the Office for events that are routine. Additionally, there are already requirements in the Code that require notification to the Office for the truly rate events of water system disruption. Rather than adding this Bill to the Code, we recommend consultation with the Office on any improvements that are needed to existing regulations to ensure prompt notification of water system disruptions.</p>
Rappahannock County	No cost for Rappahannock County.
Rockingham County	Depending on the depth of the reporting requirements, this would likely require us to hire an additional employee.
Town of Chincoteague	Provide recurring training for water department personnel and additional insurance coverage for officials
Town of Christiansburg	We would not anticipate any expenses with the reporting requirement.

Locality	Expenditure Narrative by Responding Localities
Town of Rocky Mount	