

Exhibit C to Huntsville Petition

Financial Impact Statement

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Environmental Quality
DIVISION Water Division
PERSON COMPLETING THIS STATEMENT Chuck Nestrud
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To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Revisions to Arkansas Pollution Control and Ecology Commission Regulation No. 2 (Establishing Water Quality Standards for Surface Waters of the State of Arkansas)

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
2. Does this proposed, amended, or repealed rule affect small businesses? Yes No
If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

See Attachment 1 for Economic Impact Statement

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue	<u>\$0</u>
Federal Funds	<u>\$0</u>
Cash Funds	<u>\$0</u>
Special Revenue	<u>\$0</u>
Other (Identify)	<u>\$0</u>
Total	<u>\$0</u>

Next Fiscal Year

General Revenue	<u>\$0</u>
Federal Funds	<u>\$0</u>
Cash Funds	<u>\$0</u>
Special Revenue	<u>\$0</u>
Other (Identify)	<u>\$0</u>
Total	<u>\$0</u>

5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ \$0

Next Fiscal Year

\$ \$0

*The proposed rule will revise the chloride, sulfate and total dissolved solids ("TDS") water quality criteria in Town Branch, Holman Creek and War Eagle Creek, and remove the drinking water use from certain segments of Town Branch and Holman Creek.

Assuming the proposed rule is approved by the Commission and the U.S. Environmental Protection Agency ("EPA"), the Arkansas Department of Environmental Quality ("ADEQ") will be able to rely on the revised criteria to amend Huntsville's National Pollutant Discharge Elimination System ("NPDES") permit limits for minerals to reflect historical levels in the effluent, levels that Huntsville has demonstrated that it can meet consistently. Huntsville will therefore be positively impacted by the proposal. No entities would suffer negative economic impact as a result of the proposed rule. The total estimated cost for Huntsville to implement the proposed rule through permitting is unknown, but is unlikely to be significant.

6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

Current Fiscal Year

Next Fiscal Year

\$ \$0

\$ \$0

*Huntsville anticipates that ADEQ will administer and enforce the proposed rule with the same number of staff and resources it currently relies on to implement the permitting program.
