

**ARKANSAS POLLUTION CONTROL & ECOLOGY
COMMISSION
ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT
ANALYSIS**

Rule Number & Title: Regulation No. 6, Regulations for State Administration of the National Pollutant Discharge Elimination System (NPDES)

Petitioner: Arkansas Department of Environmental Quality, Water Division

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2A. ECONOMIC IMPACT

1. Who will be affected economically by this proposed rule? State: a) the specific public and/or private entities affected by this rulemaking, indicating for each category if it is a positive or negative economic effect; and b) provide the estimated number of entities affected by this proposed rule.

The proposed rule that will have a financial impact will be the incorporation of federal regulations for the permitting of discharges from concentrated animal feeding operations (“CAFOs”) and the necessity for certain facilities to obtain NPDES permits. Affected facilities will be required to pay a permit fee of \$200. ADEQ determines that less than ten (10) facilities will probably be required to obtain a permit.

The incorporation of a permit by rule for stormwater discharges for small construction sites and financial assurance for non-municipal sewage treatment works are existing requirements found in other laws and, therefore, will not have any additional financial impact on the regulated community.

Sources and Assumptions:

APC&EC Regulation No. 9, Fee Regulation (CAFO permit fee). ARR150000, Construction Stormwater General Permit (permit by rule for small construction sites). Ark. Code Ann. § 8-4-203(b) (financial assurance for non-municipal sewage treatment works).

2. What are the economic effects of the proposed rule? State: 1) the estimated increased or decreased cost for an average facility to implement the proposed rule; and 2) the estimated total cost to implement the rule.

As stated above, affected facilities will be required to pay a \$200 permit fee. Those facilities will also be required to submit waste management plans, which are generally prepared free of charge by the U.S. Department of Agriculture Natural Resources Conservation Service (“NRCS”). ADEQ anticipates that less than ten (10) facilities will be required to be permitted under this provision.

Sources and Assumptions:

40 C.F.R. § 122.23; ARG590000, NPDES general permit for CAFOs; and APC&EC Regulation No. 9, Fee Regulation.

3. List any fee changes imposed by this proposal and justification for each.

The fee for coverage under the CAFO general permit will be \$200. This fee was previously adopted in Regulation No. 9. Reg. 9.404.

4. What is the probable cost to ADEQ in manpower and associated resources to implement and enforce this proposed change, and what is the source of revenue supporting this proposed rule?

There will be negligible costs to ADEQ in terms of manpower and associated resources because there will be few entities permitted under the new CAFO permitting requirements and those that are permitted will most likely be covered under the general permit, which requires minimal administrative processing.

Sources and Assumptions:

ARG590000, NPDES general permit for CAFOs.

5. Is there a known beneficial or adverse impact to any other relevant state agency to implement or enforce this proposed rule? Is there any other relevant state agency’s rule that could adequately address this issue, or is this proposed rulemaking in conflict with or have any nexus to any other relevant state agency’s rule? Identify state agency and/or rule.

There is no known beneficial or adverse impact to any other relevant state agency.

Sources and Assumptions:

Not applicable

6. Are there any less costly, non-regulatory, or less intrusive methods that would achieve the same purpose of this proposed rule?

This proposed rule incorporates federal permitting regulations for CAFOs and incorporates existing provisions from other permits and state law. Therefore, there are no other appropriate methods that would achieve the same purpose of this proposed rule.

Sources and Assumptions:

Not applicable

2B. ENVIRONMENTAL BENEFIT

1. What issues affecting the environment are addressed by this proposal?

The proposed amendments in this rulemaking address: 1) discharges from CAFOs; 2) a permit by rule for stormwater discharges from small construction sites; and 3) financial assurance for non-municipal sewage treatment works.

2. How does this proposed rule protect, enhance, or restore the natural environment for the well being of all Arkansans?

The proposed rules will prevent pollution from CAFOs and small construction sites through operational requirements. Financial assurance for non-municipal sewage treatment works will ensure continual operation of those treatment systems, which will protect the environment from untreated discharges.

Sources and Assumptions:

40 C.F.R. § 122.23 and ARG590000, NPDES general permit for CAFOs. ARR150000, Construction Stormwater General Permit (permit by rule for small construction sites). Ark. Code Ann. § 8-4-203(b) (financial assurance for non-municipal sewage treatment works).

3. What detrimental effect will there be to the environment or to the public health and safety if this proposed rule is not implemented?

Failure to implement the proposed rule may result in untreated discharges from CAFOs, small construction sites and non-municipal sewage treatment works.

Sources and Assumptions:

40 C.F.R. § 122.23 and ARG590000, NPDES general permit for CAFOs. ARR150000, Construction Stormwater General Permit (permit by rule for small construction sites). Ark. Code Ann. § 8-4-203(b) (financial assurance for non-municipal sewage treatment works).

4. What risks are addressed by the proposal and to what extent are the risks anticipated to be reduced?

NPDES permitting for CAFOs will require the CAFOs to implement waste management practices that reduce the amount of pollutants that may enter waters of the State from waste storage and land application. The permit by rule for small construction sites requires the small sites to implement certain best management practices to reduce pollution from stormwater runoff while also reducing the administrative burden on the operator. The financial assurance requirement provides a means for continual operation of a sewage treatment system to prevent the discharge of untreated wastewater into waters of the State.

Sources and assumptions:

40 C.F.R. § 122.23 and ARG590000, NPDES general permit for CAFOs. ARR150000, Construction Stormwater General Permit (permit by rule for small construction sites). Ark. Code Ann. § 8-4-203(b) (financial assurance for non-municipal sewage treatment works).