EXHIBIT C

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT:Arkansas Department of Environmental QualityDIVISIONS:Water DivisionPERSON COMPLETING THIS STATEMENT:Jamie Ewing, Attorney SpecialistTELEPHONE NO.:501-682-0892FAX NO.:501-682-0891EMAIL:ewing@adeq.state.ar.us

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

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes <u>No X</u>

The only part of the changes to this 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.

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

Not applicable. See below for cost estimates.

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

The ADEQ Water Division will be required to process any permit applications for NDPES permits for CAFOs. This cost is part of a federally delegated program under the federal Clean Water Act, 33 U.S.C. § 1251 *et seq.* As ADEQ anticipates that fewer than ten (10) facilities will be affected by these new rules and the agency has developed a general permit to cover CAFO discharges, this cost will likely be negligible.

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 What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?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

<u>Current Fiscal Year</u> Permit Fee Waste Management Plan

\$200 No Cost* Next Fiscal Year None

*Waste Management Plans are generally prepared by the USDA Natural Resources Conservation Service at no cost to the farmer.

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

Next Fiscal Year

Negligible costs for processing general permits

Same