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BEFORE THE MISSOURI CLEAN WATER COMMISSION  
STATE OF MISSOURI

PUBLIC HEARING  
IN RE: PROPOSED AMENDMENT TO 10 CSR 20-4.061  
STORM WATER GRANT AND LOAN REGULATIONS

JULY 1, 2009

9:10 a.m.

Department of Natural Resources

Drury Lodge

104 Vantage Drive

Cape Girardeau, Missouri 63701

COMMISSIONERS

PRESENT:

Mr. Ron Hardecke, Chair  
Mr. Sam Hunter  
Mr. Jan Tupper  
Mr. William Easley, Jr.  
Mr. Frank Shorney

REPORTED BY:

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TRANSCRIPT OF PROCEEDINGS

CHAIRMAN HARDECKE: We'll move to Tab 2.

It is another public hearing.

The Commission will begin the public hearing on the proposed rule changes to the storm water regulations in 10 CSR 20-4.061. These rule changes were published for comment in the Missouri Register, Volume 34, No. 8, on April 15, 2009.

The purpose of this public hearing is to provide the Department the opportunity to present testimony, and to provide both the Department and the public the opportunity to comment on this proposed rulemaking.

The public hearing is not a forum for debate or resolution of issues. The Commission asks that the testimony be brief and to the point.

The Commission will first hear testimony from the Department. Following the Department's testimony, the Commission will give the public an opportunity to comment.

We ask that all individuals present fill out an attendance card so our records are complete. If you wish to present verbal testimony, please indicate that on your attendance card.

The Commission is holding this hearing to

1 assist the public in commenting on the proposed  
2 rulemaking. The public comment period will close on July 8th,  
3 2009 at 5:00 p.m.

4                   When you come forward to present testimony,  
5 please speak into the microphone and begin by identifying  
6 yourself to the court reporter.

7                   The court reporter will now swear in anyone  
8 wishing to testify at this public hearing before the Clean  
9 Water Commission today. All those wishing to provide  
10 testimony, please stand.

11                   (WHEREIN, witness sworn.)

12                   CHAIRMAN HARDECKE: Okay. Joe.

13                   MR. BOLAND: Good morning, Mr. Chairman and  
14 members of the Commission. My name is Joe Boland. I'm  
15 the director of the Financial Assistance Center within the  
16 Water Protection Program, and I am here today to discuss  
17 some changes to our storm water grant and loan regulation.

18                   This effort began a couple of years ago  
19 when we were recommending a bond sale to the governor's  
20 office to fund our state grant and loan programs, one of  
21 which being our storm water program.

22                   At the time, we realized that the funds  
23 were not being dispensed in a timely manner, which was  
24 leading to some tax issues -- or tax liability issues that  
25 we pledged to fix before we would sell any more bonds for

1 this program.

2                   So that led to some legislation that  
3 allowed us to get a constitutional amendment on the ballot  
4 last fall. That was Constitutional Amendment No. 4, and  
5 that passed. We also had -- was successful in getting  
6 some legislation passed that amended our statutes. And,  
7 finally, we are following up with a rule change to  
8 implement the changes, both from the Constitution and in  
9 the statute.

10                   And, again, the major changes that were  
11 necessary had to do with the timely disbursement of these  
12 funds. What we were running into is, the way the  
13 Constitution was written, it required that we offered this  
14 funding to first-class counties as grants and loans.

15                   And the loan component was very problematic  
16 because in some cases the size of the loan allocation is  
17 very small. It was more costly for them to administer a  
18 loan. So needless to say, we ended up with residual funds  
19 in these accounts that we had no way of getting out to the  
20 eligible recipients.

21                   So, essentially, we made some very surgical  
22 changes to the Constitution and our underlying statutes,  
23 which now allows us to offer grants or loans. We are also  
24 now able to reallocate any money that is not taken or  
25 accepted by the first-class counties.

1                   We're now able to reallocate that money to  
2 those that do take it. So in the end we -- we're hoping  
3 not to have any residual money left in these accounts. So  
4 that -- it also creates a small revolving loan fund for  
5 any loans that we do make with these -- these bond  
6 proceeds.

7                   So some of the other -- we also did a few  
8 cleanup items in the rule itself. We clarified what an  
9 eligible applicant was, by simplifying the definition. We  
10 clarified the allocation of funds. How, we -- we send  
11 letters to potential recipients, and then -- you know, how  
12 they're to apply for this money.

13                   We describe now how this reallocation  
14 works. We addressed storm water management plans.  
15 Formerly we required them to be approved by the  
16 Department, but that's no longer the case. We just  
17 provide guidelines on how those plans should be -- should  
18 be written.

19                   And we also simplified the eligible cost.  
20 And then bidding requirements, we raised the minimum from  
21 25,000 to \$100,000 for procurement. So anything below  
22 100,000, they're now able to make purchases just with  
23 three bids. So that was one of the major comments we  
24 received during our stakeholder meetings.

25                   Other than that, it's pretty

1 straightforward. Our -- again, our goal is to be able to  
2 disburse these funds in a more timely manner. The  
3 potential recipients were spelled out in the Constitution.  
4 It's all first-class counties and first-class cities  
5 within those counties.

6                   So we have no choice on who gets the money.  
7 It's whether they are willing to take it or not, because  
8 there is a 50 percent match requirement. So being able to  
9 reallocate the money for -- for some counties that may not  
10 want to accept this money, we're now able to get it to  
11 those that do have larger needs.

12                   So with that, I'd be happy to take any  
13 questions.

14                   MR. TUPPER: Joe, are you saying that  
15 nobody is going to check the storm water management plan,  
16 to make sure it includes the minimum criteria?

17                   MR. BOLAND: No. I -- I've -- we don't have a  
18 formal approval process now. There -- there was -- we  
19 really didn't have any underlying statute to do so. So  
20 what -- we changed our storm water reg for our grant  
21 program just to reflect the fact that we do review them,  
22 and we look at these certain guidelines. But there's no  
23 formal approval process.

24                   MR. SHORNEY: Joe?

25                   MR. BOLAND: Yes, sir.

1                   MR. SHORNEY: You mentioned stakeholder  
2 meetings that you had.

3                   MR. BOLAND: Uh-huh.

4                   MR. SHORNEY: Since engineering fees are  
5 mentioned in here, I assume the engineering community was a part  
6 of the stakeholder meetings?

7                   MR. BOLAND: Yes.

8                   CHAIRMAN HARDECKE: Any other questions?  
9 No?

10                  MR. BOLAND: Thank you.

11                  CHAIRMAN HARDECKE: Thank you. Any cards?

12                  Okay. The Commission will receive the  
13 written testimony on these proposed rule changes until  
14 5:00 p.m. on July 8th, 2009. You may submit this written  
15 testimony to Richard A. Harris, Missouri Department of  
16 Natural Resources, Water Protection Program, P.O. Box 176,  
17 Jefferson City, Missouri, prior to that deadline.

18                  On behalf of the Commission, I thank  
19 everyone who has participated in this process. This  
20 hearing is now closed.

21                  (The proceedings were concluded at  
22 9:18 a.m. on July 1, 2009.)

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