

**DRAFT
MINUTES OF THE
MISSOURI CLEAN WATER COMMISSION MEETING
Lewis and Clark State Office Building
1101 Riverside Drive
Jefferson City, Missouri**

July 9, 2014

Present

Todd Parnell, Chair, Missouri Clean Water Commission
Dennis Wood, Missouri Clean Water Commission
Ashley McCarty, Missouri Clean Water Commission
Sam Leake, Missouri Clean Water Commission
Wallis Warren, Missouri Clean Water Commission
Buddy Bennett, Missouri Clean Water Commission
John Madras, Director of Staff, Missouri Clean Water Commission
Daren Eppley, Legal Counsel, Missouri Clean Water Commission
Malinda Steenbergen, Secretary, Missouri Clean Water Commission

Travis Abernathy, Missouri Department of Natural Resources, Poplar Bluff, Missouri
Bob Angelo, Environmental Protection Agency, Lenexa, Kansas
Mike Atkisson, Osage Highlands Home Owners, Osage Beach, Missouri
Melissa Bagley, Environmental Protection Agency, Lenexa, Kansas
Gwenda Bassett, Missouri Department of Natural Resources, Springfield, Missouri
Karen Bataille, Missouri Department of Conservation, Columbia, Missouri
Todd Blanc, Missouri Department of Natural Resources, Jefferson City, Missouri
Carey Bridges, Missouri Department of Natural Resources, Rolla, Missouri
Robert Brundage, Newman, Comley, & Ruth, Jefferson City, Missouri
Amanda Callaway, City of Springfield, Springfield, Missouri
John Carter, Geo Engineers, Springfield, Missouri
David Casaletto, Ozarks Clean Water Company, Kimberling City, Missouri
Logan Cole, Missouri Department of Natural Resources, Jefferson City, Missouri
Lorin Crandall, Missouri Coalition for the Environment, St. Louis, Missouri
Eric Crawford, Missouri Department of Natural Resources, Jefferson City, Missouri
Todd Dablemont, Benton & Associates, Rolla, Missouri
John DeLashmit, Environmental Protection Agency, Lenexa, Kansas
Jeffrey Doss, CMT Engineering, St. Louis, Missouri
Darrell Dunlap, Fulton, Missouri
Connie Edwards, Missouri Department of Natural Resources, Rolla, Missouri
Joe Engeln, Missouri Department of Natural Resources, Jefferson City, Missouri
John Ford, Jefferson City, Missouri
Jenny Fung, Missouri Coalition for the Environment, St. Louis, Missouri

Carol Garey, Missouri Department of Natural Resources, Jefferson City, Missouri
Doug Garrett, Missouri Department of Natural Resources, Jefferson City, Missouri
Curtis Gateley, Missouri Department of Natural Resources, Jefferson City, Missouri
Jennifer Hoggatt, Missouri Department of Natural Resources, Jefferson City, Missouri
John Hoke, Missouri Department of Natural Resources, Jefferson City, Missouri
Leslie Holloway, Missouri Farm Bureau, Jefferson City, Missouri
Ted Koenig, Missouri Department of Natural Resources, Jefferson City, Missouri
Scott Knight, CMT Engineers, St. Louis, Missouri
John Lodderhose, St. Louis Metropolitan Sewer District, St. Louis, Missouri
Jane McKenna, Gray Summit, Beauty View & Labadie Sewer Districts, Gray Summit, Missouri
Refaat Mefrakis, Missouri Department of Natural Resources, Jefferson City, Missouri
Steve Meyer, City of Springfield, Springfield, Missouri
Marty Miller, Missouri Department of Natural Resources, Jefferson City, Missouri
Rocky Miller, Missouri Representative, Osage Beach, Missouri
Leanne Tippet Mosby, Missouri Department of Natural Resources, Jefferson City, Missouri
Terry Nelson, Missouri Department of Natural Resources, Jefferson City, Missouri
Traci Newberry, Missouri Department of Natural Resources, Jefferson City, Missouri
Jeremy Payne, Missouri Department of Natural Resources, Jefferson City, Missouri
Phil Peaks, City of Fulton, Fulton, Missouri
Kevin Perry, REGFORM, Jefferson City, Missouri
Norb Plassmeyer
Tom Ratermann, Boone County Regional Sewer District, Columbia, Missouri
Byron Shaw, Missouri Department of Natural Resources, Jefferson City, Missouri
David Shorr, Jefferson City, Missouri
Jeff Starr, Missouri Department of Natural Resources, Jefferson City, Missouri
Darrick Steen, Barr Engineering, Jefferson City, Missouri
Trent Stober, HDR, Columbia, Missouri
Robert Voss, Missouri Department of Natural Resources, Jefferson City, Missouri
Phil Walsack, Missouri Public Utility Alliance, Columbia, Missouri
Kristina Watts, Missouri Department of Natural Resources, Jefferson City, Missouri
Chris Wieberg, Missouri Department of Natural Resources, Jefferson City, Missouri
Jimmy Williams, Missouri Department of Agriculture, Jefferson City, Missouri

CALL TO ORDER

Chair Parnell called the meeting of the Missouri Clean Water Commission to order on July 9, 2014 at 10:00 a.m., at the Lewis and Clark State Office Building, 1101 Riverside Drive, Jefferson City, Missouri.

Chair Parnell introduced the Commissioners, Staff Director, Legal Counsel, and the Commission Secretary.

ADMINISTRATIVE MATTERS

Public Hearing – Fiscal Year 2015 Clean Water State Revolving Fund Intended Use Plan Agenda Item #1

Doug Garrett of the Financial Assistance Center presented the Intended Use Plan, highlighting the anticipated funding levels and the recent amendments to the Federal Water Pollution Control Act which will become effective October 1, 2014.

Eric Crawford of the Financial Assistance Center provided an overview of the process for implementing Water Resources Reform and Redevelopment Act of 2014 (WRRDA) and an overview of the key provisions that apply to state water pollution control revolving funds.

Phil Walsack, Missouri Public Utility Alliance; Jane McKenna, representing several Franklin County sewer districts; and David Casaletto, Ozark Water Watch offered comments during the hearing.

Mr. Garrett stated that written comments would be accepted until July 16, 2014.

This was a hearing only, and no action was taken by the Commission. An official transcript is attached to the minutes.

Approval of the April 2, 2014 Missouri Clean Water Commission Meeting Minutes Agenda Item #2

Phil Walsack of the Missouri Public Utility Alliance asked that Floyd Gilzow's location of place of business be changed from Jefferson City to Columbia. Mr. Walsack also asked that the following changes be made to the official transcript from the January 22, 2014 Public Hearing of 303(d) Impaired Waters Listing and 2016 Listing Methodology Document:

- Throughout transcript change Trent Stober's name from Stover to Stober;
- Page 11, line 20 take out the word "same" (change line 20 from reading "offense to you, sir, however when I same came here today I" to read "offense you, sir, however when I came here today I");
- Page 13, line 7 change the word Conversation to Conservation.

Commissioner Bennett made a motion to approve the April 2, 2014 meeting minutes with the changes noted by Mr. Walsack. Commissioner McCarty seconded the motion. The motion passed with a roll call vote:

Commissioner Cowherd:	Not in attendance
Commissioner Wood:	Yes
Commissioner Bennett:	Yes
Commissioner McCarty:	Yes
Commissioner Warren:	Yes
Commissioner Leake:	Yes
Chair Parnell:	Yes

2016 Listing Methodology Document
Agenda Item #3

John Hoke of the Watershed Protection Section presented the document entitled “Missouri 2016 303(d) Listing Methodology, Final July 9, 2014”. Mr. Hoke presented the timeline and public participation process for the document, as well as the revisions made as a result of stakeholder discussions. Leslie Holloway of Missouri Farm Bureau, Robert Brundage of Newman, Comley & Ruth, and Trent Stober of HDR Engineering presented comments and support for the revisions made by the Department.

Commissioner Wood made a motion to approve the document entitled “Missouri 2016 303(d) Listing Methodology, Final July 9, 2014. Commissioner Leake seconded the motion. The motion passed with a roll call vote:

Commissioner Wood: Yes
Commissioner Bennett: Yes
Commissioner McCarty: Yes
Commissioner Warren: Yes
Commissioner Leake: Yes
Commissioner Cowherd: Not in attendance
Chair Parnell: Yes

Administrative Hearing Commission’s Recommended Decision Regarding City of Jonesburg Permit Number MO-0040851 Appeal Number 14-0132 CWC
Agenda Item #4

Chris Wieberg of the Operating Permits Section presented the Administrative Hearing Commission’s recommended decision regarding the city of Jonesburg Permit Number MO-0040851 Appeal Number 14-0132 CWC.

Commissioner McCarty made a motion to uphold the issuance of permit MO-0040851 as recommended by the Administrative Hearing Commission. Commissioner Warren seconded the motion. The motion passed with a roll call vote:

Commissioner Bennett: Yes
Commissioner McCarty: Yes
Commissioner Warren: Yes
Commissioner Leake: Yes
Commissioner Cowherd: Not in attendance
Commissioner Wood: Yes
Chair Parnell: Yes

A final order was signed by the Commission.

Administrative Hearing Commission's Recommended Decision Regarding City of Jonesburg Permit Number CPSE00868 Appeal Number 14-0343 CWC

Agenda Item #5

Byron Shaw of the Financial Assistance Center presented the Administrative Hearing Commission's recommended decision regarding the city of Jonesburg Permit Number CPSE00868 Appeal Number 14-0343 CWC.

Commissioner Wood made a motion to uphold the issuance of permit CPSE00868 as recommended by the Administrative Hearing Commission. Commissioner Leake seconded the motion. The motion passed with a roll call vote:

Commissioner McCarty: Yes
Commissioner Warren: Yes
Commissioner Leake: Yes
Commissioner Cowherd: Not in attendance
Commissioner Wood: Yes
Commissioner Bennett: Yes
Chair Parnell: Yes

A final order was signed by the Commission.

Fulton Variance Request Number CWC-V-2-13

Agenda Item #6

Chris Wieberg of the Operating Permit Section presented the Fulton variance request number CWC-V-2-13. Mr. Wieberg noted the primary basis for this decision was that the variance request meets the regulatory criteria associated with substantial and widespread economic and social impact.

Trent Stober, HDR commented that he appreciated the Department and the U. S. Environmental Protection Agency's efforts on working with the city of Fulton to get this project moving forward.

Phil Walsack, Missouri Public Utility Alliance also thanked the Department, the U. S. Environmental Protection Agency, and Congressman Blaine Luetkemeyer for their discussions, hard work and efforts. Mr. Walsack also thanked the city of Fulton for blazing this new trail.

Commissioner Warren made a motion to approve the variance as requested by the city based on the justifications outlined in the variance public notice. Commissioner Bennett seconded the motion. The motion passed with a roll call vote:

Commissioner Warren: Yes
Commissioner Leake: Yes
Commissioner Cowherd: Not in attendance
Commissioner Wood: Yes
Commissioner Bennett: Yes
Commissioner McCarty: Yes
Chair Parnell: Yes

A final order was signed by the Commission.

Liberty Variance Request Number CWC-V-1-14
Agenda Item #7

Doug Garrett of the Financial Assistance Center presented the Liberty variance request number CWC-V-1-14. Mr. Garrett noted the State Revolving Fund General Assistance Regulation 10 CSR 20-4.040(13) requires funding recipients to utilize a request for qualifications/request for proposals to retain engineering services. Upon development and approval by the Department of plans and specifications, the funding recipient is authorized to procure construction services through a formal bidding process which requires a public advertisement period and the submittal of sealed bids. Specifically, 10 CSR 20-4.040(19)(B) describes the methods of procurement to be used for construction activities in excess of \$100,000. Mr. Garrett noted the city of Liberty had proposed utilizing the design-build concept, which is not addressed in current regulation, for their proposed wastewater treatment project.

Upon completion of the presentation by Mr. Garrett, the Commission's legal counsel, Daren Eppley, pointed out that staff had not provided for the appropriate public notice of the requested variance. David Shorr, representing the city, asked the Commission to consider calling a special meeting once the public notice period was completed to take action regarding the city's request. The Commission agreed to table the issue and allow staff the necessary time to provide for adequate public notice and conduct a special teleconference meeting once public notice requirement had been completed.

Clean Water State Revolving Fiscal Year 2014 Fund Intended Use Plan Amendment
Agenda Item #8

Doug Garrett of the Financial Assistance Center presented the amendment to the Fiscal Year 2014 Clean Water State Revolving Fund Intended Use Plan as requested by the Boone County Regional Sewer District. Mr. Garrett noted that the district requested that the Boone County Regional Sewer District Clearview Acres Subdivision wastewater treatment facility project funds be allocated to the Rocky Fork Collection System project.

Tom Ratermann, General Manager for the Boone County Regional Sewer District responded to several questions from the Commission regarding the nature of the differing site conditions.

Commissioner Leake made a motion to approve the district's request and move the Boone County Regional Sewer District, Clearview Acres Subdivision Wastewater Treatment Facility Project C295375-20 funds to the Boone County Regional Sewer District, Rocky Fork Collection System project C295375-20. Commissioner McCarty seconded the motion. The motion passed with a roll call vote:

Commissioner Wood:	Yes
Commissioner Bennett:	Yes
Commissioner McCarty:	Yes
Commissioner Warren:	Yes
Commissioner Leake:	Yes
Commissioner Cowherd:	Not in attendance
Chair Parnell:	Yes

Commission Operating Procedures
Agenda Item #9

The Commission discussed the pros and cons of adopting the operating procedures.

Marty Miller, Acting General Counsel for the Department noted that since the procedures had been drafted changes had taken place in portions of the document and that adjustments would need to be made to the document. The Commission inquired how many of the other Commissions had adopted similar procedures and in answer John Madras, Director of Staff for the Commission stated that the Missouri Clean Water Commission was the only Commission that had not adopted procedures.

Commissioner Warren made a motion to adopt the operating procedures as presented with the amendments that Mr. Miller referred to. Chair Parnell seconded the motion.

Daren Eppley, Legal Counsel for the Commission advised the Commission that not knowing the Department's specific proposed amendments to the document the Commission would need to take the amended procedures up at a future meeting. Upon further discussion by the Commission, Commissioner Warren withdrew her motion.

The Commission decided not to adopt the procedures due to the additional amendments that would be needed to the document and that the Commission deemed the Operating Procedures not necessary for the functioning of the Missouri Clean Water Commission. No vote taken.

2014 Top 10
Agenda Item #10

John Madras, Director of the Water Protection Program presented the 2014 Top 10 list. Mr. Madras noted that the Commission previously expressed interest in traveling to clean water facilities, and staff assembled suggestions from stakeholders and themselves. Commissioners reviewed the list and noted which facilities in which they had interest and directed staff to coordinate site visits in conjunction with future Commission meetings when possible.

Mr. Madras noted that the Commission had expressed interest in discussing joint interests with the Safe Drinking Water Commission. The Commission directed staff to work with the Safe Drinking Water Commission to schedule a joint meeting in the near future.

Mike Atkisson, Osage Highlands Home Owners asked the Commission to consider the process and costs for small operators and not ask the small operators to abide by the same process as the large operators.

Rocky Miller, Missouri Representative stated that he is very interested in what the Commission does. He noted he was glad to see as part of the top ten priorities that the Commission was taking the “because the Environmental Protection Agency said so” approach as not a good enough reason. He stated that he would be willing to help out in any way he could.

The Commission considered upcoming changes to water quality standards and a request to change the chloride standard as the sole item in a rulemaking. The Commission, Department staff and stakeholders took part in the discussions regarding the water quality standards. Those commenting:

Leanne Tippett Mosby, Director, Division of Environmental Quality
John Madras, Director, Water Protection Program
Robert Brundage, Newman, Comley, & Ruth
John DeLashmit, Environmental Protection Agency
Kevin Perry, REGFORM
Lorin Crandall, Missouri Coalition for the Environment
Phil Walsack, Missouri Public Utility Alliance

Commissioner Bennett made a motion that the Commission proceed to revise the chloride criteria. The motion included a schedule that would result in the proposed rule amendment being brought before the Commission for a vote on the final Order of Rulemaking no later than January 15, 2015. Commissioner McCarty seconded the motion. The motion failed with a roll call vote:

Commissioner Bennett:	Yes
Commissioner McCarty:	Yes
Commissioner Warren:	No
Commissioner Leake:	No
Commissioner Cowherd:	Not in attendance
Commissioner Wood:	No
Chair Parnell:	No

Commissioner Warren made a motion the Commission proceed to revise the water quality standards regulation, 10 CSR 20-7.031. The motion addressed:

- **Revision to the chloride criteria,**
- **Other changes to standards which already have agreement between those proposing the changes and the Department,**
- **Changes to criteria that have been previously proposed and received no adverse comment or can be readily resolved, and**
- **Items that have been disapproved by the U.S. Environmental Protection Agency where federal action can be anticipated specifically the lake nutrient criteria.**

Commissioner Wood seconded the motion. Further discussion from the Commissioners took place and Commission Warren amended her motion adding specific dates to the motion: October 2014 draft rulemaking, January 2015 filing with Secretary of State's Office, hearing at January 2015 Commission meeting, and Order of Rulemaking April 2015.

After further deliberation, Commissioner Warren again amended the motion that provided a rulemaking schedule:

- **By October 1, 2014 Draft Rule, Stakeholder Process;**
- **By November 1, 2014 File with Secretary of State;**
- **By December 1, 2014 Published in Missouri Register;**
- **January 7, 2015 Public Hearing;**
- **April 1, 2015 Order of Rulemaking**

and include the following:

- **Revision to the chloride criteria,**
- **Changes to criteria that have been previously proposed and received no adverse comment or can be readily resolved, and**
- **Lake Nutrient Criteria.**

Commissioner Wood seconded the motion. The motion passed with a roll call vote:

Commissioner McCarty: Yes
Commissioner Warren: Yes
Commissioner Leake: Yes
Commissioner Cowherd: Not in attendance
Commissioner Wood: Yes
Commissioner Bennett: Yes
Chair Parnell: Yes

PRESENTATIONS

Our Missouri Waters Update

Department staff Jennifer Hoggatt, Mary Culler, Gwenda Bassett, Tracy Haag and Travis Abernathy gave a presentation on the Our Missouri Waters.

John Carter, as a land owner himself, suggested that, as part of the coordinator's outreach efforts, they make the landowners aware of existing and proposed regulations and policies that will impact them as landowners.

Lorin Crandall, Missouri Coalition for the Environment commented that the Our Missouri Waters initiative is a good way to communicate watershed issues, however he felt we have a long way to go with understanding. Mr. Crandall noted that he is curious of the direction the program is going in some areas such as the watershed base permitting approach and also how the initiative ties into the Nutrient Reduction Strategy.

Nutrient Reduction Strategy Update

The Commission tabled the Nutrient Reduction Strategy Update for a later meeting due to time.

Use Attainability Analysis Protocol

The Commission tabled the Use Attainability Analysis Protocol for a later meeting due to time.

Director's Report

John Madras, Director, Water Protection Program reported that the revisions to the Nonpoint Source Management Plan were on public notice through August 8 and that there were two public meetings scheduled: July 22, 7:00 p.m. – 9:00 p.m. at the Dewey short Visitors Center at Table Rock Lake and July 28, 1:00 p.m. at the Lewis and Clark State Office Building.

No action taken by the Commission.

Public Comment and Correspondence

Phil Walsack, Missouri Public Utility Alliance noted that he appreciated the Commission's efforts and hard work on the hard issues.

Commissioner McCarty inquired about status updates on the Department's rulemaking for Water Quality Certification for Nationwide Permits and the Ag Chem General Permits.

John Madras, Director, Water Protection Program stated that the rulemaking for the Water Quality Certification for Nationwide Permits was discussed at the June 26th Water Protection Forum meeting and names had been collected of stakeholders interested in working on the rule. Mr. Madras noted that a meeting had not been scheduled to date but discussions would take place in the near future.

Chris Wieberg, Operating Permit Section stated that the end of the renewal process was nearing for the Ag Chem General Permits and the Department would be issuing a two year permit versus a five year permit. He noted the Department would be looking at data and determine, with stakeholders input, the appropriate path forward. He affirmed the Department would continue to update Commission on the progress.

No action was taken by the Commission.

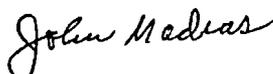
Future Meetings

The Commission noted that the next Commission meeting would be held on October 1, 2014 at the Lewis and Clark State Office Building in Jefferson City beginning at 10:00 a.m.

ADJOURNMENT OF MEETING

Chair Parnell adjourned the meeting at 4:30 p.m.

Respectfully Submitted,



John Madras
Director of Staff

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MISSOURI CLEAN WATER COMMISSION

PUBLIC HEARING - FISCAL YEAR 2015 CLEAN WATER STATE REVOLVING
FUND INTENDED USE PLAN

JULY 9, 2014
Department of Natural Resources
Lewis and Clark State Office Building
LaCharrette/Nightingale Conference Rooms
1101 Riverside Drive
Jefferson City, Missouri

On behalf of the Missouri Clean Water Commission:

- Todd Parnell, Chair - Springfield
- Dennis Wood, Vice-Chair - Kimberling City
- Buddy Bennett, Commissioner - Oak Grove
- Ashley McCarty, Commissioner - Kirksville
- Samuel Lake, Commissioner - Perry
- Wallis Warren, Commissioner - Beaufort
- John Cowherd, Commissioner - Mount Vernon

Also present: John Madras, Director of Staff for the
Commission & Director of Water Protection Program
Daren Eppley, Commission Legal Counsel, Attorney General's
Office
Malinda Steenbergen, Secretary to the Commission and
Secretary to the Program

Jenna Petree
MIDWEST LITIGATION SERVICES
401 Locust Street, Suite 204
Columbia, MO 65201
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1 (Hearing began at 10:00 a.m.)

2 MR. PARNELL: Good morning and welcome to the
3 meeting. Thank you for being here. We'll begin by
4 introducing my fellow commissioners. Todd Parnell, the
5 chair for Springfield. And I will go to my right, Dennis
6 Wood, Vice-Chair, Kimberling City; Buddy Bennett,
7 Commissioner Oak Grove; Ashley McCarty, Commissioner
8 Kirksville; Sam Leake, Commissioner Perry; Wallis Warren,
9 Commissioner Beaufort and John Cowherd, is going to be here
10 do you know, Melinda?

11 MS. STEENBERGEN: I don't think so. I thought
12 he was.

13 Mr. Parnell: Okay. Well, hopefully
14 Commissioner Cowherd will be able to join us. He was
15 driving this morning. To my left John Madras, Direct of
16 Staff for the Commission & Director of Water Protection
17 Program. Daren Eppley, the Commission Legal Counsel from
18 the Attorney General's Office. Malinda Steenbergen,
19 Secretary to the Commission and Secretary to the Program.

20 Our first order of business is to have a
21 public hearing on the Fiscal Year 2015 State Water
22 Revolving Fund Intended Use Plan. The Commission will
23 begin the public hearing on the State Water -- on the Clean
24 Water State Revolving Fund Intended Use Plan for Fiscal
25 Year 2015. The purpose of this public hearing is to

1 provide the Department opportunity to provide testimony and
2 the department and the public the opportunity to comment on
3 the Intended Use Plan for Fiscal Year 2015.

4 This public hearing is not a forum for debate.
5 It's a resolution of issues. The Commission ask that those
6 commenting limit their testimony to five minutes and not
7 repeat comments that others have already made. The
8 Commission will first hear testimony from the Department.
9 Following the Department's testimony, the Commission will
10 give the public an opportunity to comment. We ask that all
11 individuals present fill out an attendance card so that our
12 records are complete. If you wish to present verbal
13 testimony, please indicate that on your attendance card.
14 When you come forward to present your testimony, please
15 speak into the microphone and begin by identifying yourself
16 for the court reporter.

17 Following the public hearing today the
18 Commission will review the testimony presented and make
19 appropriate modifications to the proposal. The Commission
20 plans to take final action at the October 1, 2014 meeting.
21 The court reporter will now swear in anyone wishing to
22 testify at this public hearing before for the Clean Water
23 Commission today, will all those wishing to comment please
24 stand.

25

1 The following witnesses were sworn in; Doug Garrett, Eric
2 Crawford, Phil Walsack and Jane McKenna of lawful age,
3 being produced, sworn and testified as follows:

4 Doug Garrett, Financial Assistance Center will
5 begin.

6 MR. GARRETT: Good morning, Commissioners. My
7 name is Doug Garrett. I'm the Deputy Director for the
8 Financial Assistance Center. The -- you have in your
9 packet the Fiscal Year 2015 Clean Water State Revolving
10 Fund Intended Use Plan. That was placed on public notice
11 30 days in advance of this hearing and we will continue to
12 take comments until close of business next Wednesday.
13 There has not been any significant changes in the IUP from
14 the IUP that was proposed in 2014. So I'm just going to
15 quickly go over some of the -- a few of the items that are
16 in there at this time.

17 If you turn to page 24 in your packet you will
18 see the allocation of project funding. We have applied for
19 or are in the process of applying for the federal fiscal
20 year 2014 capitalization grant. We anticipate the awarding
21 of that grant before September 30th. The amount of that
22 grant will be \$38,868,000.00; 10 percent of those funds
23 will be targeted to Green Project Reserve Funding, staff
24 continue to work with communities and consultants to
25 identify what EPA stream components and, you know,

1 hopefully we'll be able to meet that target of 10 percent.
2 Additionally, we will be allocating just over 3.1 million
3 dollars for additional subsidization be provided in the
4 form of grants.

5 Now if you turn to page 38 in your packet,
6 you'll see that we have once again allocated the funds to
7 out-state Missouri, which is areas with the population of
8 less than 75,000; large metro areas and districts with a
9 population of 75,000 and above; CSO projects and green
10 project reserve incentives. We initially target
11 percentages to each of those areas and then award funds or
12 assign the funds to projects to the extent that we have
13 applications that are ready to proceed. And we are also
14 working with the Environmental Improvement Energy Resources
15 Authority, having discussions with them about a potential
16 bond sale to add additional funds to the program.

17 Since the draft IUP was published, we have
18 received three applications from the cities of Carthage,
19 Hawk Point and Louisiana and we will add those projects to
20 the final version of the IUP. We have received a letter
21 from the city of Jefferson City, they have a project listed
22 on the out-state fundable list to do some work here in town
23 on their collection system. They have decided to fund that
24 project on their own and in fact they have already started
25 that project. So they notified us that we could remove

1 their project from the out-state fundable list, which will
2 therefore free up those funds for another community. And
3 on the planning list, which is on page 46 of the packet, we
4 have the Benton County Sewer District listed. We will be
5 removing them from the IUP because they had a vote of the
6 members in that district, the residents, and they voted to
7 dissolve that district. The district is currently in
8 receivership.

9 MR. LEAKE: What district was that?

10 MR. GARRETT: Benton County.

11 MR. LEAKE: Thank you.

12 MR. GARRETT: At this time I would like to
13 introduce Eric Crawford. He is the new director of the
14 Financial Assistance Center and he has a few remarks.

15 MR. CRAWFORD: Thank you, Doug. Good morning.
16 Again, I am Eric Crawford and I have been serving as the
17 director of the Financial Assistance Center since April and
18 it's a pleasure to be here in front of the Commission for
19 my first time. There has been one change in law since the
20 IUP was published. So the IUP was published on June 9th
21 and the made available for public. On June 10th the
22 President signed into the law the Water Resources Reform
23 and Development Act of 2014, also known as WRRDA as the
24 abbreviation, or for those that want to look it up HR 3080
25 is the bill number. So that was signed into law on

1 June 10th and so what that does is it's a very big act,
2 but there are certain provisions of that act that modify
3 the Clean Water Act. Specifically the provisions relating
4 to the state revolving funds. And so there will be some
5 changes in law and this law goes into effect on October 1st
6 of 2014. And for those again that want to look it up, the
7 portion of the act that applies to the revolving fund is
8 Title V of the act as Subtitle A and B. And so the law
9 becomes effective October 1st and so that will mean that we
10 will have to make some changes to our program to be in
11 compliance with the law. So I just wanted to share a
12 little bit about the process of how that's going to work
13 and Doug is going to speak just a little bit about some of
14 the specifics within the law itself.

15 So it's all happening very quick. EPA held a
16 work session with the states on June 24th and 25th and we
17 participated in that. EPA is working on drafting interim
18 guidance on implementing the law and that's expected to be
19 available in late July and there is going to be a short
20 comment period on that, they are expected a two week
21 comment period. In late August, EPA is going to host a
22 webinar for the states and then follow up meetings in
23 September to implement the guidance. They are also going
24 to be hosting trainings for all the states in the fall at
25 the regional offices to help again implement the new law.

1 It's important to know that while the law does
2 go into effect on October 1st of 2014, there are certain
3 provisions that are phased in. Some are phased in in 2015,
4 some are 2016. So we are dealing with a three year phase-in
5 here. Some of the provisions are effective immediately
6 and some are effective later. So I just wanted to share
7 what the Department is doing. We are participating in
8 EPA's drafting and development of the interim guidance. We
9 are currently evaluating the language of the amendments to
10 see what impacts it will have between now and the final IUP
11 in October. We are also -- Doug mentioned that we are also
12 submitting our application for the Fiscal Year 14
13 Capitalization Grant. We want to try to get that awarded
14 before the new law goes into effect. So that's another
15 thing we are doing.

16 There may be some other subtle items that we
17 just think about going forward and how we market the
18 program. One example and we can talk about this once the
19 final guidance comes out, but there is different provisions
20 if you're issuing loans versus if you do debt obligations.
21 So we have also talked about it generally that we do a loan
22 program, but what we are truly doing is buying the debt of
23 the communities; we are buying their bonds. And so there
24 might be some advantages for us to specifically state that
25 we are buying the bonds that might result in some less

1 onerous provisions that are in.

2 So, I just wanted to highlight what we are
3 doing. We are being active in this and frankly proactive.
4 There is a lot of uncertainty when you have a new law,
5 while we have the plain language of the law, EPA is
6 responsible for developing interim guidance and eventually
7 they will be issuing rules to implement this. So there is
8 still uncertainty. We have got our read of the law when we
9 went up and met in Chicago with EPA and the other states.
10 It's clear EPA has got a read of the law, each state has a
11 different read of the law and so we are trying to work with
12 EPA to get a state attitude on how these changes are
13 implemented. That's really my comments and Doug is going
14 to just briefly summarize some of the major things. I
15 would again highlight that until we get the guidance later
16 this summer, it's going to be difficult to know exactly how
17 all trickles down into the program. With that I will turn
18 it over to Doug.

19 MR. GARRETT: There is a lot going on with the
20 amendments. As Eric mentioned, you know, we are waiting
21 for EPA to come out with their initial guidance. We can't
22 really get specifics on how we are going to implement a lot
23 of these things, but we do want to make you aware of those
24 and as information becomes available we would certainly
25 include that into the final IUP. We definitely want to

1 give our communities and applicants as much notice as
2 possible as to what's coming in the future. Since 2009,
3 EPA and appropriations for Congress and appropriations have
4 allowed for additional subsidization in the form of
5 negative interest, principle forgiveness or grants. The
6 law as Clean Water Act as it's going to be amended
7 indicates that additional subsidization includes principle
8 forgiveness or negative interest. It does not mention
9 grants. However, having said that it does not specifically
10 exclude grants. So ourselves as well as some of the other
11 states have made a pitch to include grants in the guidance;
12 we'll see what happens. It would certainly help smaller
13 communities to have that option.

14 There is also language and this gets to
15 whether, you know, we describe the program as a loan or
16 whether we are doing a debt obligations. But in some
17 instances it says that additional subsidization may only be
18 provided to municipalities or inter-municipal, interstate
19 or state agencies. So we are going to keep our eye on that
20 as well. And there was some discussion of whether the
21 Clean Water Act amendment would actually trump previous
22 appropriation language asked by Congress. Hence the need
23 to hurry up get our 2014 cap grant awarded. We want to
24 take as much advantage as we can providing grants to the
25 communities.

1 The Clean Water Act also includes a provision
2 that our projects with communities must use American made
3 iron and steel unless a waiver is granted by EPA, loan term
4 is being increased. It can be the lesser of 30 years or
5 the design life of a project and the state will be
6 responsible for determining what that design life is for
7 the project. Over the last several years EPA has talked
8 about sustainability of their water and wastewater
9 infrastructure in communities. That has been written into
10 the law now. Communities will be required to develop a
11 fiscal sustainability plan in order to be eligible to
12 receive a loan. That plan would include an inventory of
13 critical assets or part of the treatment works and
14 evaluation of the condition and performance of inventoried
15 assets or asset groupings. A certification that recipient
16 has evaluated and will be implementing water and energy
17 conservation efforts as part of the plan. And a plan for
18 maintaining, repairing and as necessary replacing the
19 treatment works and a plan for funding such activities.

20 During the meeting with the other states and
21 EPA, we specifically suggested, recommended that EPA's
22 guidance allow for the states to provide funding to
23 communities as long as this sustainability plan would be in
24 place at the closing of the project. So basically the
25 funds would be available for the communities to develop

1 that sustainability plan as opposed to requiring them to
2 develop it and implement it before funding occurs.

3 Affordability criteria is a new requirement.
4 The state must establish after public opportunity for
5 comment by September 30th of 2015 and there is guidance in
6 the act of what that affordability criteria is to cover.
7 There is some concern over the wording and the language in
8 the act, so we will wait and see what EPA's guidance
9 provides with regard to what we must look at for the
10 affordability criteria. And then beginning in fiscal year
11 2016 every recipient of funding must certify that it has
12 stated and evaluated the cost effectiveness of the proposed
13 project and has selected to the maximum extent practical, a
14 project that maximizes the potential for efficient water
15 use, reuse, recapture and conservation, as well as energy
16 conservation. So, the consultants are going to have to do
17 a little more work in their facility plans and we will
18 certainly be looking for those items.

19 I can't stress enough that we don't have all
20 the answers. We will definitely look to EPA at their draft
21 document when we receive it to offer any instructive
22 comments that we can regarding the guidance. We want to
23 make the transition to some of those new issues as smooth
24 as possible for the communities that we serve. That
25 concludes my remarks.

1 Mr. Parnell: Commissioners any questions
2 before we open up to the public? Thank you, Doug. I have
3 two cards requesting public comment on this and if you do
4 wish to make it, please get a card to Malinda or do you
5 have some more?

6 MS. STEENBERGEN: I have two and and just got
7 handed another one.

8 MR. PARNELL: We'll start with Phil Walsack,
9 MPUA.

10 MR. WALSAK: Good morning. My name is Phil
11 Walsack and I work for the Missouri Public Utility Alliance
12 in Columbia, Missouri. Thank you Commissioners for hearing
13 my comments this morning. I would like to direct you to
14 page 16 of the packet and I apologize for not knowing what
15 page number that means to you inside your packet, which I
16 think is double numbered. I want to talk about only one
17 line, which is the state parks wastewater infrastructure
18 category, which happens to be embedded in a table called,
19 "Source and Distribution of Funds, Loan Administration
20 Fees." So just so we are clear, the projects have
21 administration fees. Those folks who borrow money and pay
22 an admin fee. I see the Commissioners are struggling for
23 the page number.

24 MR. GARRETT: Page 26.

25 MR. WALSAK: Thank you, Mr. Garrett. That

1 means that when the current recipients, let's use St. Louis
2 Metropolitan Sewer District for example, repays the program
3 a little slice of their fees or admin fees, a little slice
4 of those admin fees then goes to pay wastewater
5 infrastructure projects at Missouri State Parks. I think
6 the state parks have a source of funding already and that
7 they don't need to come to the state revolving loan fund
8 for a source of money. That source of money gets taken
9 then by the state parks and is not allowed then or
10 available to municipalities who need that source of money.

11 I would like the Department to consider why it
12 did that and how it's doing that. An explanation of why is
13 not included in the IUP. Why is it we're funding state
14 parks and their infrastructure projects with admin fees? I
15 think that discussion needs to be brought up. That's a big
16 number now, 3 point -- excuse me -- 3.46 million dollars
17 that we see siphon away from municipalities and give to the
18 state park system. I would like to understand how that
19 works and why the Department believes that's important.
20 Thank you very much for your patience this morning.

21 Mr. Parnell: Thank you. Doug, would you
22 like to address that before we invite further comment?

23 MR. GARRETT: We will address that as part of
24 the response to all the comments.

25 Mr. Parnell: Okay. Thanks. Jane McKenna,

1 Natalie Sewer District.

2 MS. MCKENNA: Good morning. Thank you. My
3 name is Jane McKenna. Currently I am on the board of Gray
4 Summit Sewer District. I'm here today to talk to you about
5 the reorganization of some sewer districts that is
6 happening in Franklin County. The three sewer districts
7 involved are: Gray Summit Sewer District, the Beauty View
8 Sewer District and the Labadie Sewer District. The Gray
9 Summit Sewer District was created in the 1970's. It has a
10 two cell lagoon serving 106 homes. The Beauty View Sewer
11 District was created in the 1990's. It has a three cell
12 lagoon serving 49 homes. The Labadie Sewer District was
13 created in the 1990's also. It too has a three cell lagoon
14 serving 150 homes and businesses. Each of the districts
15 has a current permit and criteria that individually each
16 district is unable to meet. The Gray Summit Sewer
17 District has been through the notice of violation process
18 with the Attorney General's office. The Beauty View Sewer
19 District and the Labadie Sewer District may not have been
20 through this process yet but currently again they are
21 unable to meet the permit criteria.

22 Starting in 2010, the Gray Summit Sewer
23 District spent about a year and half working with an
24 engineer trying to come to workable cost effective
25 solutions to meet the permit criteria. One possible

1 solutions was a short-term one that would have only been
2 enforced until new and more stringent criteria became a
3 reality. The other would have been to install a mechanical
4 plan. A more viable solutions was to follow the east-west
5 gateway to develop a water quality management plan. In
6 that plan the sewage from the Meramec water shed would go
7 to the treatment facility in Pacific. The Gray Summit area
8 had been identified as a location that could be included in
9 that scope with the city of Pacific as the treatment
10 facility. The city of Pacific had already contracted with
11 an adjoining sewer district, the Brush Creek Sewer
12 District, so they were unable to accept any other contracts
13 without endangering their own facilities ability to work
14 properly.

15 At the same time the Beauty View Sewer
16 District was having the same problem as the Gray Summit
17 Sewer District was having. The inability to meet the
18 permit levels. They too were working with an engineer that
19 helped them through their issues. Like Gray Summit, their
20 choices were either short-term or too costly for the
21 residence in the subdivision. Like Gray Summit they had
22 also pursued possibilities of contracting with another
23 public entity as they were not included in that initial 208
24 plan. They explored the possibility of contracting with
25 the Brush Creek Sewer District. They were met with

1 problems there that unfortunately they were unable to
2 overcome.

3 The Labadie Sewer District was also at that
4 time realizing that their permit criteria was a little
5 difficult to maintain. They had submitted to the
6 Department of Natural Resources a facilities plan, but had
7 yet to receive any feedback on it. They realize that the
8 surrounding districts were having the same issues that they
9 were experiencing. So two years ago in 2012, the Labadie
10 Sewer District reached out to the Gray Summit Sewer
11 District and the Beauty View Sewer District. Over the past
12 two years the districts have been cooperating. At the
13 first meeting it was very evident that we all wanted the
14 same thing. We just wanted to meet the permit criteria but
15 at a cost that our residents could afford. We started
16 talking about the possibilities of this joint problem. It
17 was decided that the best thing would be if we could all
18 become a single sewer district. Within the state, there
19 have been other regional sewer districts that have done
20 very well. These districts were formed from unserved,
21 unorganized areas. Nowhere was there a district that had
22 been formed from already existing sewer districts. We all
23 knew we were taking a chance, but together we knew we were
24 stronger than if we were apart.

25 The districts started out by pulling their

1 engineering reports as the engineering firm of the Labadie
2 Sewer District had already submitted a facilities plan that
3 was decided to allow that firm to combine information into
4 a more cohesive report. The engineers of Beauty View and
5 Gray Summit had already projected to their specific
6 districts their treatment costs could meet or exceed
7 \$100.00 to \$120.00 monthly for each household if the
8 districts were required to put in their own mechanical
9 plans. The cost for possible pumps stations, collection
10 line and maintenance of those pump stations and collection
11 lines to either the Brush Creek Sewer District or Pacific
12 or to the city of Pacific would also bring those costs to
13 the similar figure. The attorney firm or the Labadie Sewer
14 District also took the lead in researching easements for
15 possible routes for the collection lines and the ways that
16 the three districts could become one large district.

17 We have kept the Department of Natural
18 Resources in the loop with our project. Any person that we
19 have spoken to in the Department has always been very
20 encouraging to us. They understand that combining several
21 point service permits into one permit is a very good
22 solution. They also have been watching the progress of the
23 districts because the new district would be in one
24 watershed. Again, something that could affect other areas
25 with similar problems.

1 Last summer the district held its first public
2 meeting to let the residents know what was in their future.
3 A petition was signed by a large number of the homeowners e
4 expressing agreement with the concept of a regionalization.
5 The lawyer has since then drafted and agreement for the
6 property owners between the Beauty View Sewer District and
7 the Labadie Sewer District to allow them to express an
8 interest in being part of the new sewer district. The
9 response from the community will be impacted in the
10 consolidation has been very positive. Currently the
11 districts have another public meeting planned for
12 July 17th, next week. At that meeting we will be
13 presenting engineering information and legal information to
14 the property owners and residents.

15 We believe that the collection system will
16 cost approximately \$1 million. The treatment plant
17 improvements to the Labadie area would also be
18 approximately \$1 million. Of course an LMI survey is
19 planned in the near future. The districts hope that the
20 results of the LMI survey will help us qualify for
21 community block -- community development block grant and
22 possibly a rural development grant. We understand that we
23 will also need to borrow funds to help with the financing
24 of the project. We believe that the bond for the district
25 may cause the user fees to be approximately \$45.00 to

1 \$50.00 a month. While this might be an increase for the
2 Labadie and Gray Summit Sewer Districts, it would a
3 decrease for the Beauty View Sewer District. Again,
4 considerably less than the projected \$100.00 to \$120.00
5 monthly at the Beauty View and Labadie Sewer Districts were
6 projecting earlier.

7 Legally we passed the first hurdle. We
8 presented our plan to the Franklin County Commissioners
9 last week. They approved our petition for formation of a
10 regional district. We will be consolidating under Missouri
11 Revised Statute Section 204.602. Our lawyers are currently
12 petitioning the Franklin County Circuit Court. We
13 anticipate a hearing before August 18. If approved, an
14 interim board will be appointed and the final approval of
15 the district and the boundaries will go before the citizens
16 of the proposed districts in November of this year. By
17 next April we anticipate a bond election to finance that
18 portion of the construction costs that would not be covered
19 by any grants that we might be qualified to receive. We
20 hope to have a timely review of proposed engineering plan
21 from the Department of Natural Resources possibly this
22 coming fall. We believe that it could go to design phase
23 late this year and beginning of the next calendar year.
24 And for those of you that know anything about state, you
25 know those are kind of pie in the sky predictions but we

1 have been waiting a long time and we are kind of hopeful.
2 If the construction permits are approved during the 2015
3 spring, then we could have bids and possible construction
4 sometime later on in 2015. Again, kind of fast timeline
5 knowing how we know government works, but we are very eager
6 and we really hope that things move well for us.

7 This is really a new and exciting project.
8 Nothing like this has happened in the state yet. We will
9 be the first groups to consolidate existing sewer districts
10 into a regional sewer district. We the three districts
11 want the Department of Natural Resources and the Clean
12 Water Commission to know that this project will positively
13 impact the water quality of the Labadie Creek Watershed,
14 hence the new name of the district will be the Labadie
15 Creek Watershed Sewer District. We want you to be aware of
16 the corporation and the hard work of the boards of three
17 sewer districts and the support from the communities. We
18 hope that when the time comes we can count on your support
19 also. Again, thank you for allowing me to speak and to let
20 you know of this exciting upcoming project.

21 Mr. Parnell: Thank you. David Casaletto
22 would like to say something. David will need to be sworn
23 in.

24 DAVID CASALETTO, having been first duly sworn, testifies as
25 follows:

1 MR. CASALETTO: I'm David Casaletto, Executive
2 Director of Ozarks Water Watch. I would just like to make
3 a comment on the SRF situation and the water bill. I
4 appreciate Mr. Parnell and the Commissioners for allowing
5 me to speak today. Ozark Water Watch received a \$1 million
6 SRF grant at least I'm not sure if that's the strictly
7 legal term, but I use the term grant because we are not
8 expected to repay that money back to the Department of
9 Natural resources. It's to remediate failing septic
10 systems and we are winding up that first project. We are
11 in fact we have shut off any new applications because we
12 have more applications than we can fund at this time and we
13 will use the \$1 million within the next few months. In the
14 current intended use plan we have been listed for another
15 \$1 million, but I have been informed that with the word or
16 language in the bill that non-profit corporation or
17 organization such as Ozark Water Watch will probably be
18 excluded from being able to use SRF funds in the future.

19 I have been in the water quality and septic
20 remediation project business for about 14 years and we have
21 remediated a lot of projects. We had an EPA demonstration
22 project ran for \$2 million, a 319 grant. We remediated
23 septic tanks. When I say that, I was the administrator. I
24 was another company of the organization at that time and
25 the Ozark Water Watch is trying to do this. I just want to

1 go on the record and say that my feeling is that Congress
2 has always wanted some of the SRF money to go to septic
3 remediation. But here again we find that the smaller
4 community systems that are non-governmental, like
5 subdivisions and now septic systems are being left out
6 again. It's very frustrating. We pay taxes and I say we
7 because I live in one of those communities on a small
8 private septic system that we struggle to make ends meet
9 and all the funding goes to municipalities and governmental
10 entities and here we go again taking it away from the first
11 project that I feel that we very successfully demonstrated
12 we could fix and remediate failing septic systems. I just
13 -- I'm not saying it's DNR's fault. I'm not placing blame
14 anywhere it's just a very frustrating situation that here
15 again, small property owners are being excluded and I would
16 encourage the Commission and the Department to see if there
17 is any alternatives, any way around it, what we can do
18 because I feel we are losing something that we just
19 starting to gain. And like I said as far as waiting on
20 EPA's guidance, but it looks like that \$1 million in the
21 current intended use plan would not be available for Ozark
22 Water Works because of that word or language. Thank you,
23 appreciate it.

24 Mr. Parnell: Thank you. Are there any other
25 cards, Malinda? Any other comments from the floor? Doug?

1 MR. GARRETT: I have no further comments.

2 Mr. Parnell: Commissioners, any questions?

3 All right. The Commission will accept comments on this
4 proposal until 5:00 p.m. July 16, 2014. Comments can be
5 submitted to the Department's Water Protection Program by
6 mail, the Department's Water Protection Program, Attention
7 Jeff Star, P.O. Box 176 Jefferson City, 65102. Malinda
8 have this for you if you don't have a chance to write it
9 down. Or an e-mail with the subject line, Intended Use
10 Plan comments directed to jeff.star@dnr.mo.gov or
11 hand-delivered to the receptionist at this building, 1101
12 Riverside Drive, Jefferson City. Again, direct comments to
13 Jeff Star, Water Protection Program. On behalf of the
14 Commission I thank everyone who has participated in the
15 process and the hearing is now closed.

16 (Hearing concluded at 10:42 a.m.)

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