

**TRI-STATE WATER RESOURCE COALITION
GENERAL MEMBERSHIP MEETING
WEDNESDAY, JUNE 16, 2010– 9:00 A.M.
CITY HALL, FIFTH FLOOR CONFERENCE ROOM**

Welcome & Introduction:

Chairman Bob Nichols called the meeting to order and welcomed those present for attending. The following were present:

Lynn Calton – City of Lamar, Missouri
Hal VanDaGriff – Verona, Missouri, representing Empire District Electric
Brian Bingle – City of Nixa, Missouri
Harold McCoy – Allgeier, Martin & Associates, Joplin, Missouri
Jan Tupper – Joplin, Missouri
Pete Rauch – City of Monett, Missouri
Paul Crabtree – Liberal, Missouri
Matt Barnhart – Missouri American Water Company
Thomas Pittman – Carthage Water & Electric
Ryan Mueller – Missouri Department of Natural Resources
Fred Schlegel – Missouri Department of Natural Resources
Jim Whitford – Webb City, Missouri
John Bartosh – Jasper County Commission
Jim Honey – Jasper County Commission
Mike Furnas – City of Miami, Oklahoma
Chuck Surface – City of Webb City, Missouri
Stacey Burks – Senator Christopher Bond’s office
Steve McIntosh - Congressman Roy Blunt’s office
Gail Melgren – Executive Director, Tri-State Water Resource Coalition
Wally Kennedy – Joplin Globe
David Hertzberg – City of Joplin
Susan Champlin - City of Joplin

Approval of Minutes of May 10, 2010:

Mr. Nichols asked for comments or corrections to the minutes of the meeting of May 10, 2010.

Hal VanDaGriff moved, seconded by Pete Rauch, that the minutes of the meeting of May 10, 2010 be approved as written. The motion passed, with all voting “aye”.

Election to fill vacancy on Board of Directors:

Mr. Nichols explained that Steve Garrett is no longer employed by Webb City. Webb City has asked that this vacancy be filled by Chuck Surface, Economic Development Director.

Jan Tupper moved, seconded by David Hertzberg, that Steve Garrett be replaced with Chuck Surface on the board of directors. The motion passed, with all voting “aye”.

Report of Membership Committee:

Mr. McCoy had no new activities to report at this time.

Report of Technical Committee: **Status of Freese and Nichols Study:**

Pete Rauch has received a rough draft of the supplemental reservoir study from John Rutledge with Freese and Nichols. He forwarded the study to the members of the technical committee and asked them to meet next week to discuss the study.

Future Activities:

Pete Rauch reported no other future activities of the technical committee.

HDR concerning Corps Study:

Pete Rauch has had no further discussions with HDR, but Mr. Nichols and Ms. Melgren will be meeting with them in Springfield on Friday, June 18.

Report of the Treasurer:

Matt Barnhart explained that after paying some legal fees and some consulting fees to Freese and Nichols, the treasurer's report shows a current balance of \$154,309.50.

Consideration of Financial Support for Population/Demand Study Conducted Jointly by DNR and Corps of Engineers:

Mr. Nichols explained that the Missouri Department of Natural Resources (DNR) has approached the Corps of Engineers to prepare a comprehensive population/water demand study of our area. The anticipated cost of the study is \$250,000. Ryan Mueller reported that DNR is looking at contributing approximately \$100,000 to this study, with the Corps of Engineers making a similar contribution.

Mr. Nichols would like for the coalition to participate in the cost of the study, as the coalition would be the main beneficiary of the study. He has discussed with Mr. Mueller the possibility of the coalition contributing \$25,000 toward the cost of the study. He asked if the board members would be willing to participate in the study at a cost of \$25,000.

Mr. Tupper asked if that amount is enough to buy the coalition some rights in determining who actually prepares the study, or if the consultant will be selected by the Corps of Engineers.

Comments from DNR:

Ryan Mueller, Director of Water Resources for the DNR, discussed DNR's previous work with the Corps of Engineers on Planning Assistance to States studies. He made available copies of a letter recently sent by the DNR to the Corps that provides a few more details. The Corps has a group of contractors/consultants they select from; however, the partners in the study can weigh in and

express their interest in certain contractors and/or the use of subcontractors. The Corps ultimately makes the decision as to which contractor does the work.

Mr. Mueller discussed an instance in Northwest Missouri that has worked very well where the DNR has worked directly with the Corps and the primary contractor to select a subcontractor who had more localized experience in the area.

Mr. Tupper expressed concern about a previous study that was unsatisfactory. Mr. Mueller explained that the scope of work will be developed by the Tri-State Water Resource Coalition technical committee, the Corps of Engineers, and the DNR, with regard to the deliverables and the timeframe, to make sure the expectations of the coalition and the DNR are met.

Mr. Nichols did not believe the Corps would retain a consultant who the water coalition members have an objection to. Mr. Mueller contacted some engineering firms that have experience in modeling water demand through programs which also contain a conservation model element. He anticipated the DNR contributing up to \$100,000 for the study.

Mr. Nichols asked the board members if they are willing to contribute \$25,000 to the study.

Pete Rauch moved, seconded by Hal VanDaGriff, that the Tri-State Water Resource Coalition will contribute \$25,000 to the population/demand study. The motion passed, with all voting “aye”.

Mr. McCoy asked if the coalition would be supportive of the study if they must increase their participation to obtain more interest from the Corps of Engineers, and Mr. Nichols thought probably to the extent that the coalition has funds available.

Additional Comments from DNR:

Mr. Mueller explained that the DNR is wrapping up its fiscal year. He discussed the Missouri River Authorized Purposes Study, which is basically a reallocation of the 1944 Flood Control Act, and how the Corps of Engineers operates the main stem reservoir system. He hopes that planning studies like the population/demand study are able to move forward.

Mr. Mueller explained that the DNR has made application to the Natural Resources Conservation Service (NRCS) through their Agricultural Water Enhancement Program, seeking to purchase 150 water flows meters. These would be made available as incentives to agricultural producers to better understand the irrigation systems and also to accurately measure water use. Mr. Nichols asked about the formation of a committee to work with the DNR.

Public Comment:

Mr. Nichols explained that Jim Whitford is present in the audience and would like to address the coalition. Mr. Whitford has contacted individuals who own land in the Site 1 reservoir area who are opposed to having their land used for reservoir purposes. He presented a petition signed by land owners who are opposed to the reservoir and stated that these individuals own a significant amount of land in a 7,400 acre site that would be considered the basin area. He stated that Freese and Nichols recommended one or two other reservoir sites in the northwest area of the region served by the coalition.

Mr. Nichols explained that the only additional studies that the coalition has undertaken pertain to Sites 1 and 2 and the north reservoir on Shoal Creek. He stated that no other reservoirs have been studied in detail. He explained that building a reservoir is not the coalition's first priority, and that the coalition would like to receive water from existing reservoirs.

Mr. Whitford expressed concern about viable agricultural ground being under water and the use of eminent domain to accomplish the reservoir. Mr. Nichols hopes to not use eminent domain.

Mr. Tupper stated that Mr. Whitford could not find the coalition meeting dates on the coalition website. Mr. Whitford said he has only been able to locate the meeting minutes a month after a meeting has occurred. Mr. Rauch will incorporate the meeting dates into the website.

Consideration of Agreement between MO-AM and Coalition:

Mr. Nichols wished to table this item to the end of the agenda, as several of those present in the audience may not be particularly interested in the agreement.

Executive Director's Goals:

Ms. Melgren presented a list of goals to the board members for their review. Incorporated in those goals are action items from the current coalition strategic plan.

Developing a Communications Plan:

Mr. Nichols explained that several of the board members met in Monett with Ms. Melgren to discuss the development of a coalition communications plan. Goals and priorities for a communication plan were discussed, and it was agreed that the top priority would be efforts to communicate with legislators. The group decided to develop a request for qualifications, a draft of which Mr. Nichols distributed to board members.

Mr. Nichols asked the board members to submit any suggestions regarding the communications plan to him in the near future. Mr. Bingle thought Ms. Melgren is doing a good job.

Status of Water Conference – November 18 & 19, 2010:

Ms. Melgren reported that the coalition and Missouri State University are co-sponsoring a fall water conference again this year. A planning committee, including Mr. Nichols, Mr. Rogers, Mr. Rauch, Ms. Melgren, and representatives from several other organizations, continues to meet to discuss the agenda and plan the event.

Discussion of Executive Director's activities:

Ms. Melgren officially began working for the coalition at the beginning of June. She has since created a list of goals, prioritizing the administrative tasks and establishing working relationships with key stakeholders. She has set up a post office box mailing address (P.O. Box 3671, Springfield, MO 65808), a Tri-State e-mail account (gmelgren@tristatewater.org), and is developing contact lists. She has gathered the coalition's foundation documents, and collected

financial information for the coalition from its beginning to current date, and organized it into a single spreadsheet. She applied for exemption from Missouri sales tax, and submitted applications to three vendors for directors and officers insurance. She is gathering information to select a payroll provider, and continues to work on the communications plan and fall water conference planning committee. She has met with the city administrators in Mt. Vernon and Cassville about membership in the coalition.

Mr. Nichols asked about the status of the application for the sales tax exemption. Ms. Melgren mailed it to the state last week. She asked them about the time frame to receive the exemption. They said it would take about one week to process the application, provided there are no glitches.

Mr. Barnhart filed for a tax extension since the coalition was unable to make the April 15th filing date.

Public Relations Activities:

Mr. Nichols had no new activities to report in this area.

Status of Developing Education Program for Fifth and Sixth Grade Students:

Mr. Hertzberg has met with C. J. Huff, Superintendent of the Joplin School District, to schedule a meeting for the coalition board members to meet with the school counselors to incorporate the education program into their curriculum. Mr. Hertzberg also wishes to meet with Webb City and Carl Junction and then branch out into the other school districts.

Consideration of Directors' Liability Insurance:

Mr. Barnhart stated that the applications for the directors' liability insurance will be mailed today.

Comments by Representatives of Federal and State Offices and Agencies:

Senator Kit Bond:

Stacy Burks had no new information to report at this time.

Senator Claire McCaskill:

Mr. Nichols explained that David Rauch had a conflict and was unable to attend this meeting.

Congressman Roy Blunt:

Steve McIntosh has no new information to report at this time.

Missouri Department of Natural Resources:

Fred Schlegel had no new information to report at this time.

Kansas Division of Water Resources:

Morgan Pearman from the Kansas Division of Water Resources was unable to attend this meeting. Mr. Nichols received some comments from Mr. Pearman regarding his latest activities.

Oklahoma Water Resource Board:

No one was present to represent the Oklahoma Water Resource Board.

Old Business:

There was no old business to report at this time.

New Business:

Mr. Nichols would like for Ms. Melgren to meet the officials at the Corps of Engineers offices in Little Rock and Kansas City.

Mr. Nichols explained that the coalition members have looked at Table Rock Lake as a primary source for the east side and possibly for the west side. He stated that the discretionary storage will provide about 35 million gallons per day, and that Congressional action is required to reallocate additional storage. He asked about exploring the request and reallocation at the Congressional level at this time, in that the Corps may be in a better position to seek financial support.

Mr. McCoy asked Ms. Burks if that starts with the Corps of Engineers or with the Congressman, and Ms. Burks understood that the coalition has already submitted their request. Mr. Nichols explained that no request has been submitted for reallocation over and above the discretionary storage. A suggestion was made to begin with a letter to the Corps.

Ms. Burks explained that budgets at the federal level are no better than state budgets at this time. She understood that new studies are not being well received at this time.

Mr. Nichols expressed the need to continue working with Grand Lake. He will visit with Mike Wells, the head of DNR's water division, and with Tracy Streeter, the head of the Kansas water group, to see if they would take interest in the coalition's needs and maybe use whatever influence they have in Oklahoma to get the issues moving with Grand Lake.

Mr. Rauch asked about any representation from Oklahoma on the coalition, and Mr. Hertzberg replied the City of Miami.

The coalition members then took a five-minute recess before discussing the agreement with Missouri American Water Company.

Executive Session:

Consider Agreement between MO-AM and Coalition:

Mr. Nichols explained that at the April or May meeting, he submitted a counter-proposal to the original proposal between the coalition and Missouri American Water (MO-AM). That counter proposal was still of concern to the board because there was considerable concern that the proposal granted more privileges to just one director than to the remaining board members. A second and

much shorter counter proposal was distributed. It states that the MO-AM director shall have the same voting and other rights as other Tri-State directors. Mr. Nichols suggested that the second counter proposal have added to it the section called Exhibit A from the first counter proposal.

Mr. Nichols did not believe Exhibit A lists anything that any board director does not have the right to do. Mr. McCoy asked if MO-AM would be providing the services as part of their membership in the coalition without compensation. He has no objections to MO-AM having the rights to provide the consulting services.

Mr. Nichols asked about MO-AM providing the services as part of their membership and adding a comment about the director's responsibility.

Harold McCoy moved, seconded by Jan Tupper, that the title of Exhibit A be changed from "Scope of Consulting Services" to "Rights and Responsibilities of Members."

Mr. Rauch asked if Exhibit A is the only exhibit being added to the agreement. Mr. Nichols replied that is correct, with the change of "Scope of Consulting Services" to "Rights and Responsibilities of Members."

Mr. McCoy understood that Empire District Electric doesn't want a separate agreement. Mr. Nichols stated that they are not asking for a separate agreement. Mr. McCoy asked about making a similar agreement available to Empire, and Mr. Nichols plans a similar agreement. Mr. Tupper thought every board member should sign a similar agreement.

Mr. Bingle asked what effect this has on the independent members if all board members signed an agreement to pursue alternatives for water supply. He asked if all the members would be bound to go out independently and do a study and an assessment of available supply. He asked if the coalition is compelled to use that consultant toward the assessment of Exhibit A. Mr. Nichols did not believe this would be his interpretation.

Mr. VanDaGriff explained that this agreement will be between Missouri American Water and the Tri-State Water Resource Coalition. Mr. Tupper stated that it does not restrict MO-AM to deal only with Tri-State.

The motion as stated above carried, with Matt Barnhart abstaining, and the remaining board members voting in favor.

Adjourn:

There being no further business to come before the Board of Directors, the meeting stood adjourned. Mr. Nichols introduced John Bartosh, the Presiding Commissioner of Jasper County, who was present in the audience and is also a member of the board of directors.



David Hertzberg, Secretary