

**TRI-STATE WATER RESOURCE COALITION
GENERAL MEMBERSHIP MEETING
WEDNESDAY, APRIL 21, 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
Tom Pittman – City of Carthage, Missouri
Brian Bingle – City of Nixa, Missouri
Harold McCoy – Allgeier, Martin & Associates, Joplin, Missouri
Jan Tupper – Joplin, Missouri
Pete Rauch – City of Monett, Missouri
Fred Crabtree – Liberal, Missouri
Gail Melgren – Springfield, Missouri
Roddy Rogers – City Utilities, Springfield, Missouri
Gary Pearman – Blue Ribbon Real Estate, Neosho, Missouri
Stacey Burks – Senator Christopher Bond’s office
Don Lucietta – Congressman Roy Blunt’s office
Steve McIntosh - Congressman Roy Blunt’s office
David Rauch – Senator Claire McCaskill’s office
Wally Kennedy – Joplin Globe
David Hertzberg – City of Joplin
Susan Champlin - City of Joplin

Approval of Minutes of March 17, 2010:

Mr. Nichols asked for comments or corrections to the minutes of the meeting of March 17, 2010.

Harold McCoy moved, seconded by Lynn Calton, that the minutes of the meeting of March 17, 2010 be approved as written. The motion passed, with all voting “aye”.

Report of Membership Committee:

Mr. McCoy had no new activities to report at this time. Mr. Nichols has visited with the Carl Junction Chamber of Commerce, who is considering joining the coalition.

Report of Technical Committee:

Status of Freese and Nichols Study:

Pete Rauch explained that Freese and Nichols have been focusing on the new Shoal Creek off-channel site and have completed the hydrology. The hydrology will now switch to Sites 1 and 2, with a draft report anticipated by mid-May. They have initiated the review of the Shoal Creek off-

channel storage site 12 and have completed the preferred site location. They have completed the yield calculations and started the cost approximations.

Future Activities:

Pete Rauch had no report for future activities.

HDR concerning Corps Study:

Pete Rauch explained that Mr. Nichols has visited with HDR regarding a potential study for the Corps of Engineers for the water coalition, with this study not ready to advance at this point.

Mr. Nichols mentioned discussions with the St. Louis and Little Rock districts about conducting the study in lieu of the Corps actually doing all the studies except for the cost evaluation.

Report of the Treasurer:

Matt Barnhart was unable to attend this meeting for medical reasons. He informed Mr. Nichols that the treasurer's report shows the same balance as last month (\$162,707.10) although there are two statements for legal fees that have not been paid at this time.

Status of forming an implementation organization:

Mr. Nichols mentioned the possibility of forming a utility district that investor-owned utilities could not belong to. He mentioned negotiations with Empire District Electric and an appropriate consulting agreement with Missouri American Water. He has received a sample agreement, to which he has prepared a counter proposal to be discussed during the executive session.

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 explained that he and Harold McCoy plan on meeting with the larger school districts, Webb City, Carl Junction, and Joplin, to discuss their curriculum and what can be accomplished there. The program will then spread to the other school districts in this area.

Mr. Nichols explained that Missouri American Water has an on-going program in the Joplin school district, with a theatrical group presenting a program of some sort. He asked Mr. Barnhart for a contact with that group regarding their program.

Status of Co-sponsoring Water Conference with MSU:

Mr. Nichols explained that the coalition is co-sponsoring the water conference with Missouri State University for the second time. Ms. Melgren reported that the conference is scheduled for November 18-19, 2010. Mr. Nichols, Mr. Rogers, and Pete Rauch are serving on the planning committee for this conference. Mr. Nichols explained that last year's event was successful

Mr. Nichols mentioned the conference on Monday, April 19. Mr. Lucietta explained that the conference was well-attended by individuals from Missouri, Arkansas, Oklahoma, and Kansas. All the Congressional officers were represented. There were several good speakers, with the luncheon speaker being Carl Taylor, who discussed the drought in the southern states and the effects of a long-term drought. During the afternoon, break-out sessions were conducted. Those present asked for an additional water summit to discuss concerns about a major drought in the four-state area.

Mr. Tupper mentioned the fact that those who attended the conference were discussing quantity and not quality. He explained that if there is no water, it makes no difference what the quality is.

Possible Opinion Survey:

Mr. Nichols mentioned a group in Springfield called the Future of Water Committee. At the last meeting he attended, there was discussion regarding an opinion poll regarding water and the need for water. He questioned the need for an opinion poll, and the response was to determine if any progress is being made to educate the public. He asked Ms. Melgren to give the coalition members a briefing about the opinion survey.

Ms. Melgren is the chairperson of the Future of Water Committee, which was started 13 years ago by a professor at Missouri State University. She explained that this is an informal group of community leaders that discuss issues that are important to their community. Their city and county officials have mentioned water as a critical issue for the future, not just for Springfield and the region. She learned from the conference on April 19 that everyone must tap into this issue regionally. The problems are too big, with the solutions being too expensive.

Ms. Melgren explained that her organization has no funding but represents institutions that have some resources at their disposal. She mentioned Malcolm Gladwell's book, "The Tipping Point" which discusses how to spread a message out into communities. She discussed three aspects in communicating the water needs:

- 1) The power of the few, or key communicators, who are people who talk to other people.
- 2) A sticky message, being a message that will stick, something people will remember.
- 3) Context matters, whatever the whole culture is that you're trying to introduce to that really matters to whether or not you will be successful.

Ms. Melgren appears before civic and non-profit organizations to facilitate strategic planning for those groups. She discussed the need to educate the general public, the leadership of the various communities to be influenced by the Tri-State Water Resource Coalition's business, by Springfield and the region's need for a water supply. She has visited with some professionals who can assist with developing a communication plan and to craft a survey in a scientifically valid way. She believes this is important for achieving an adequate quality water supply for this area for the foreseeable future. She asked the coalition members to support the development of a communication plan.

Pete Rauch asked Ms. Melgrem about the size of the region her survey covers, if it is just the Springfield area. She explained that it is not just the Springfield area, in that her organization looks at this as a regional effort. The members of her organization have discussed a variety of

different scenarios, such as a three or four-state effort or a Southwest Missouri effort. They discussed beginning with a Joplin area focus group and a Springfield area focus group and ask those groups for questions to help build a survey, and to build a communications plan from the survey results. She stated that it is very important to look at the frequent voters, since they are the ones who approve propositions or bond issues to supply an adequate quality water supply. She plans to start with Southwest Missouri.

Mr. Tupper does not believe surveys have a lot of support, in that most people hang up the phone when a survey is mentioned.

Mr. Rogers asked if these are strictly phone surveys, and Ms. Melgren replied that this hasn't been decided. She asked for the coalition members' feedback. Mr. Rogers has used his utility billings to send out surveys. He thought a return of 20 percent of the surveys that were mailed out was successful.

Ms. Melgren explained that social scientists deal with these issues every day, and they know how to adjust the research results to accommodate the variability measures. She explained that survey professionals have very specific ways to collect this information to try and make it as valid, as true as possible. She believes it is important to measure up front, and to measure periodically throughout an initiative. She thought a survey would cost \$10,000 to \$15,000, which will increase the opportunity to convey a message that our water resources are precious.

Pete Rauch asked Ms. Melgren if she has any feel for the difference in costs if the survey is conducted strictly by phone versus mailing. He explained that he won't take a telephone survey but would be much more likely to answer a questionnaire to be mailed. Ms. Melgren will ask the social scientists for a more complete answer as to conduct the survey by mail or by phone. She explained that the phone surveys sometimes work even though they are annoying.

Ms. Melgren mentioned the difficulty in obtaining information from the leadership individuals, in that these are critical people, such as the city administrators, mayors, or economic development directors for every municipality that her efforts would affect. They would then communicate to their individual communities, with everyone being on the same page when you start visiting with the state and federal legislative officials.

Ms. Melgren explained that the ground work is being laid through this survey work and focus study. She expressed the importance building some messages that everyone can use to communicate this important issue. This will give the water issue a great deal of weight when visiting with the legislative officials. She sees this as a step-by-step progression and that building a communications plan fits very well with the coalition's strategic plan.

Mr. Nichols asked Ms. Melgren if she is discussing two separate activities, one being the survey, and the other as building the communication plan. He understood the communication plan has the focus group involved, with the focus group building that communication plan. Ms. Melgren is speaking for the Future of Water Committee, but that there are large institutions at that table that decide how to proceed. She will not be making a decision on how to proceed. Her job is to bring these experts to the table to discuss the options with them. They plan to gather the information, either through focus groups, through surveys, or both.

Mr. Nichols is more interested in building the communication plan than in the survey. He suggested that the future water committees handle the survey, with the coalition handling the communication plan. He would like to obtain a proposal from Mark Manus to prepare the communication plan.

Pete Rauch moved, seconded by Jan Tupper, that a proposal be obtained from Mark Manus for the preparation of a communication plan. The motion passed, with all voting “aye”.

Consideration of Directors’ Liability Insurance:

Mr. Nichols received some literature for the sale of directors’ liability insurance. He said he would make this information available to the coalition members if they are interested.

Consider Bi-Monthly Meetings Beginning – Next Meeting in July:

Mr. Nichols did not feel the need for the coalition to meet unless there is a reason to meet, and he was not sure there is enough activity to justify meeting every month. He suggested meeting every two months, beginning in July, unless there is a pressing need to call a special meeting.

Mr. Tupper thought the bi-monthly meetings were a good idea. Mr. Nichols explained that he will be out of the country on the third Wednesday in May and asked the board members if there is any pressing business.

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:

David Rauch had no new information to report at this time.

Congressman Roy Blunt:

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

Missouri Department of Natural Resources:

No one was present to represent the Missouri Department of Natural Resources.

Kansas Division of Water Resources:

Morgan Pearman from the Kansas Division of Water Resources was not present.

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:

There was no new business to report at this time.

Executive Session:

Report of the Search Committee:

Mr. Nichols mentioned three topics of discussion for the executive session as follows:

- 1) An interview with Gail Melgren for the position of executive director.
- 2) An agreement with American Water Enterprises and the Missouri American Water Company to provide consulting services relating to the development and distribution of water supplies to the Tri-State Water Resource Coalition.
- 3) Board members and organizations who have not paid membership dues.

The Tri-State Water Resource Coalition board members have been discussing the employment of an executive director for some time. Gail Melgren has expressed an interest in that position, and Mr. Nichols has forwarded her resume to the board members for their review. He asked Ms. Melgren to give the board members some background information and to answer any questions they may have. She discussed her job experience with regard to employment, as well as her volunteer work in a variety of areas.

Mr. Nichols explained that Ms. Melgren is agreeable with a part-time position with the water coalition. He thought they would just need someone part-time initially.

Ms. Melgren asked where her office might be located. Mr. Nichols thought that politically, the executive director's office should not be in Springfield or Joplin.

Pete Rauch explained that Ms. Melgren keeps everybody focused when she conducts a meeting, in that this will be real important as the coalition moves forward in establishing relationships with the state organizations.

Mr. Nichols explained that the board members developed a list of potential candidates and decided to seek someone out instead of advertising for the position. They discussed John Moore and Greg Perkins as potential candidates, and that John Moore suggested Doyle Childress and Gail Melgren.

Mr. Nichols has visited with several people who know Ms. Melgren and thought she was a good candidate for the position. He stated that Greg Perkins has asked that he not be considered.

Mr. Nichols explained that the board has three choices, (1) to expand their list of potential candidates, (2) to advertise for applicants for the position, or (3) to negotiate with Ms. Melgren and move forward. His personal preference is to negotiate with Ms. Melgren.

Mr. Tupper expressed concern that John Moore is searching for an understudy, and that Ms. Melgren would be his first choice. Mr. Nichols did not believe Mr. Moore would undercut the water coalition at this time. Mr. Tupper expressed concern about Ms. Melgren accepting employment with Mr. Moore.

Roddy Rogers asked about advertising for the position through the American Water Works Association (AWWA) and conducting a broad search for potential candidates. Mr. Nichols explained that the position was advertised through the Missouri Municipal League but not through the AWWA.

Mr. Rogers explained that Ms. Melgren is an excellent candidate but thought about a broad search for candidates. Mr. Nichols thought that you have a candidate who is acceptable and can do the job, why look further. He thought the development of a communication plan is more important than conducting a survey.

Pete Rauch explained that Ms. Melgren has many acquaintances with various governmental entities in Southwest Missouri, and that many of these entities are not currently members of the Tri-State Water Resource Coalition.

Mr. Tupper expressed concern about bidding with John Moore for Ms. Melgren's services. Mr. Nichols will visit with Mr. Moore regarding this issue.

Harold McCoy moved, seconded by Hal VanDaGriff, that the search committee members enter into negotiations with Ms. Melgren regarding the position of executive director, subject to John Moore not expressing an interest in employing her.

Mr. Calton asked if the coalition is looking at hiring Ms. Melgren as a consultant or an employee, and Mr. Nichols replied as an employee. Mr. Calton asked about hiring her as a consultant, and Mr. Nichols discussed hiring an employee and providing health insurance and benefits.

A question was asked if this motion is just to negotiate with Ms. Melgren or to actually hire her, and Mr. Hertzberg thought that this motion is just to negotiate with her. Any recommendation to hire her would be brought before the board of directors for consideration.

A question was asked about paying for a part-time or full-time position, and Mr. Nichols replied that the salary range would be discussed during the negotiations.

The motion as stated above passed, with all voting "aye".

Mr. Nichols asked Pete Rauch to be in charge of the negotiation process. Mr. Nichols thought Ms. Melgren would be a big asset to the coalition. The search committee will meet with Ms. Melgren during the first week in May.

Mr. Nichols gave the board members copies of a proposed agreement with American Water Enterprises (AWE) and the Missouri American Water Company (MA) to provide consulting services relating to the development and distribution of water supplies to the Tri-State Water Resource Coalition. He thought the agreement was much more broad than he had anticipated, as the agreement proposes that American Water Enterprises would serve as construction managers in

some of the engineering studies. He thought they were to serve as an advisor and have a certain authority to participate in decisions as they relate to projects that involve them.

Mr. Nichols explained that the coalition's attorneys prepared a counter proposal that states that the coalition can seek a construction manager, if the manager is qualified and if their fees are reasonable and competitive. He did not believe a construction manager is necessary at this stage. The scope of services includes the following:

- 1) Review request for statements for engineering consultants, financial advisors, bond attorneys, etc.
- 2) Participate in the interviewing and selection of engineering consultants, financial advisors, bond attorneys, etc.
- 3) Review site selection and other reports, financial plans, plan specifications and construction documents.
- 4) Review bids, selection of contractors, etc.
- 5) Review construction activities upon request.
- 6) Provide such other services as Tri-State reasonably requests in writing.

Mr. McCoy expressed concern regarding the costs involved. Mr. Tupper worked on many projects with Missouri American Water and expressed concern that their personnel are not capable of providing the necessary services.

Mr. Rogers asked about Missouri American Water receiving payment from an organization that they are a member of. Mr. Nichols thought you could proceed if everyone is aware of the conflict of interest.

Mr. Tupper expressed concern about the wording in Item 4 (Construction Manager Services) stating that "AWE shall negotiate in good faith". Mr. Rogers expressed concern this could become a Missouri American project. Mr. Tupper would like to negotiate with whoever the coalition decides to negotiate with, and that this agreement states the coalition has to negotiate with Missouri American, no matter which consultant the coalition chooses.

Mr. Nichols explained that the agreement states if the coalition finds Missouri American to be qualified. A recommendation was made to eliminate the construction manager part from the agreement.

Mr. VanDaGriff asked about becoming a joint municipal type of organization. He understood they had an agreement that would only give them an equal part on the board. He asked if the consulting was part of their original thoughts. Mr. Nichols replied that this was part of their original discussions with the coalition's attorney. Mr. McCoy thought it was unacceptable for Missouri American Water to have a leadership role in this coalition.

Mr. VanDaGriff saw no problem with Missouri American Water having a vote on this board of directors like everyone else. He asked how they could be a member of the board if Empire District Electric cannot be a member. Mr. Nichols explained that the statute allows non-owner members on the board. He explained that he, Jan Tupper, and David Hertzberg are members of the board even though they don't own a water system.

Mr. McCoy suggested the preparation of a document allowing Missouri American Water a position on the board of directors. Mr. Hertzberg explained that the goal was for them to be the same as everybody else. Several board members expressed concern about paying another board member for services. A comment was made that the coalition is here to help a region that is trying to secure water for the future.

Mr. McCoy expressed the need to take a very strong position with Missouri American Water. Mr. Tupper did not believe the agreement could be negotiable.

Mr. Nichols did not believe a west-side project could be developed if Missouri American Water does not wish to participate. He thought something could be done for Lamar and Pittsburg.

Mr. McCoy and Mr. Nichols thought a smaller project could be developed to serve Monett and the areas to the east.

Mr. Tupper explained that Joplin must stand up, as Missouri American Water does not exist in Southwest Missouri without Joplin. Mr. Nichols did not understand why Joplin doesn't own the water system. A question was asked if Joplin has ever owned the water system, and Mr. McCoy replied that Joplin did own the system at one time.

Mr. Nichols explained that several board members have not paid their membership dues, primarily Jasper and Newton Counties, and the cities of Pittsburg, Neosho, and Webb City. The bylaws state that directors must be members of the coalition. Mr. Nichols mentioned two choices, (1) to send those entities another invoice, and draw their attention that if they don't pay, they lose their seat on the board of directors. The other choice is to just let them lose their seat on the board.

Mr. Hertzberg asked about making phone calls and if those entities already know about the situation. Mr. Nichols explained that Neosho is having a major turmoil. Mr. Hertzberg was comfortable with dropping Jan Blasé from the board at this time, but he expressed concern about dropping John Bailey from Pittsburg. Mr. Nichols will visit with Pittsburg's city manager regarding their membership.

Mr. Nichols asked the board members if they would be agreeable with dropping Mr. Blasé from the board of directors and replacing him with Brian Bingle from the City of Nixa who has been attending the coalition meetings. A suggestion was made to place Mr. Bingle on the board of directors. Nixa has paid their membership dues.

Mr. Nichols will visit with Webb City. He has visited with Jasper and Newton Counties, who stated that they will not be paying membership dues. The board members thought the residents of Jasper and Newton Counties should know that the counties have not renewed their memberships in the coalition. Mr. Nichols stated that the counties have paid their membership dues for the environmental task force.

David Hertzberg moved, seconded by Pete Rauch, that Jan Blasé be replaced with Brian Bingle from the City of Nixa on the board of directors. The motion passed, with all voting "aye".

Adjourn:

There being no further business to come before the Board of Directors, the meeting stood adjourned.

A handwritten signature in black ink that reads "David Hertzberg". The signature is written in a cursive, flowing style.

David Hertzberg, Secretary