

**TRI-STATE WATER RESOURCE COALITION
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 15, 2013 – 9:00 A.M.
CITY HALL - THIRD FLOOR (PUBLIC WORKS)
CONFERENCE ROOM**

Welcome:

President David Hertzberg called the meeting to order. He asked those present to introduce themselves. The following were present:

Brian Bingle – City of Nixa, Missouri
Lynn Calton – City of Lamar, Missouri
David Hertzberg – City of Joplin, Missouri
Dean Kruithof – City of Branson, Missouri
Skip Schaller – City of Monett, Missouri
Roddy Rogers – Springfield City Utilities, Springfield, Missouri
Gene Stanton – City of Mt. Vernon, Missouri
Steve Walensky – City of Cassville, Missouri
Bob Williams – Carthage Water/Electric, Carthage, Missouri
Hal VanDaGriff – Empire District Electric
Tom Pittman – City of Carthage, Missouri
Mike Ray – City of Branson, Missouri
Fred Schlegel – Missouri Department of Natural Resources
Ryan Mueller – Missouri Department of Natural Resources
Jason Choate – Carthage Water/Electric Plant
Paul Crabtree – Southwest Missouri Irrigation Association
Duane Ottmar – GEO Engineers
Gary Pendergrass – GEO Engineers
John Carter – GEO Engineers
Mike Beezhold - CDM Smith
Chad Dulaney – U.S. Army Corps of Engineers, Little Rock, Arkansas
Bob Singleton - U.S. Army Corps of Engineers, Little Rock, Arkansas
Scott Gard – U. S. Army Corps of Engineers, Kansas City, Missouri
Edward Parker – U. S. Army Corps of Engineers, Kansas City, Missouri
Johnny Shepard – Missouri American Water
Dick Scott – Olsson Associates
Wally Kennedy – The Joplin Globe
Gail Melgren – Executive Director, Tri-State Water Resource Coalition
Susan Champlin - City of Joplin, Missouri

Approval of Minutes from March 20, 2013:

Mr. Hertzberg asked for any corrections or additions to the minutes from March 20, 2013, and none were received. He asked for a motion to approve those minutes as written.

Brian Bingle moved, seconded by Hal VanDaGriff, that the minutes from March 20, 2013 be approved as written. The motion carried, with all voting “aye”.

Ms. Melgren introduced Skip Schaller, who has been hired by the City of Monett to replace Pete Rauch, who will be retiring at the end of November.

Standing Committee Reports:

President:

Mr. Hertzberg explained that Tri-State will meet with Southwestern Power in Tulsa, Oklahoma, on September 19. The technical committee will meet following this board meeting to discuss the Phase II study.

Mr. Hertzberg discussed the recent legislative visit to Washington, DC. Visits were made to the Corps of Engineers offices and the area senators and representatives with a presentation outlining Tri-State and its mission. Tri-State's focus was to seek support during the reallocation and inform the legislators of that goal. Tri-State's delegation also met with some other individuals who are involved with some federal legislation.

Mr. Mueller commented that Tri-State's presence made an impact to a lot of people who were pleased that they were there and were interested in the conversations.

Mr. Rogers discussed the amendment to water bill on the limitation of five percent of the conservation pull for any future allocations. He thought Tri-State was successful in getting that language removed.

Executive:

Mr. Hertzberg had nothing new to report.

Financial:

Mr. VanDaGriff reported that the bank balance was \$378,004.45 as of March 31, 2013. He has written two or three checks since then. The balance was \$373,698.46 as of April 30, 2013. Most of Tri-State's funding will be spent on future studies.

Technical:

Mr. Hertzberg reported that Phase II of the study dealing with supply availability is in progress. Phase I dealt with the regional demand forecast, with Phase III being a reallocation analysis.

Mike Beezhold, with CDM Smith, discussed Southwest Missouri Phase II, Supply Availability. He stated that Phase II of the study contains the planning level evaluation, the difference between ground water and surface water, and identification of the "gap" of available ground water and surface water to meet future demands. The Corps of Engineers will be looking at what that "gap" is and then determining the availability from the reservoirs.

Mr. Beezhold is applying available ground water and surface water data. He will ask the board members what those reports and studies reflect, and the reality of things. There is no new

modeling in this effort. He will be looking at the “gap” between what is forecasted for the future outlying years out to 2060, and what is perceived as available supply.

Mr. Beezhold requested data during Phase I and received production information from many of the utilities. He discussed the 16-county regional planning area, so he is currently building on all the studies that have been previously completed, for an overall water budget. He is looking at a medium growth rate, using the base line demands for 2010. Generally, the difference from 2010 to 2060 is a difference of 125 mgd.

Mr. Beezhold showed those present the overall weighted by the total usage with about a 75-25 percent split which has generally been recorded. In Phase II, he is breaking out by sector the uses and the ground water and surface water sources. He noted 167 mgd in self-supplied industrial in Greene County, with 166.56 being thermoelectric. There is a 50-50 percent split in surface water and ground water in the 16 counties, with a 50-50 percent split on municipal ground water demands versus surface water demands in the region.

Mr. Beezhold discussed some numbers that have reflected aquaculture in both Barry and Taney Counties. This represents surface water demands over ground water demands in those counties. Barton, Jasper, Newton, Taney, and Greene Counties are using surface water as part of their municipal public supply.

Mr. Beezhold discussed the source availability or supply availability of the ground water and surface water and how the water is to be delivered. He has performed a quick analysis as to what a peak day demand looks like out to 2020, 2030, and then 2060. He based his analysis on the system capacities as recorded in the 2010 census and addressed some capacity needs for McDonald, Newton, and Jasper Counties for 2020. He is looking at system needs for 2020, and how to address those needs most effectively and cost-effectively.

Mr. Beezhold stated that in the Springfield plateau or the Ozark Aquifer area, there are three distinct areas. The Osage Plains area contains a fresh water or saline water kind of ridge, with Lamar and Nevada dealing with these issues. The far southwest area indicates show recharge ratings and has other challenges in and out of the main aquifers from surface water to ground water. From the east, some recharge appears to be somewhat effectively cut off as it goes west into the very southwest portion of the 16-county region. The declines are happening around Joplin, Springfield, and Branson.

Mr. Beezhold discussed the USGS work that was done for the state of Kansas to look closer at the interactions of the aquifer as it moves west and into Oklahoma. The USGS is showing some dry cells in Carthage and Noel and potentially Joplin in 2057. A study done for Greene County addresses a set of scenarios that look at growth rates but a couple of industries maybe using 1 mgd each, with those radiuses reaching out from those places in 2-1/2 to 3 miles to start having impacts on the continued cone of depression, if it reaches below a 50 percent saturation of the Ozark Aquifer in those specific locations.

Mr. Beezhold noted that there is ample water in the Ozark Aquifer, but the location is the issue, and where the water is being used. Not only are there three distinct Ozark Aquifer regions, but there are three distinct cell basins which surface water is running through Arkansas, White River,

and the Missouri River. He has reviewed some of the Stockton Lake data from the reallocation for Springfield Utilities and stated that since mid-2007, each use seems to be preceded by a dry period.

Ms. Melgren stated that City Utilities provides the surface water to their customers during drought, and without that surface water, they would have been in a world of hurt. That is the case for many of the communities across Tri-State's region. Mr. Beezhold asked who else is currently benefitting from that reallocation among all the Greene and Christian County communities.

Mr. Beezhold will do some validation verification about the surface water and other issues of some of the Tri-State communities to make sure that he reflects appropriately so he can put the right "gap" in the right forecast year. He is looking at environmental flows and will proceed through the gap analysis process during the next two months. He will present a draft report to Tri-State's board of directors and finalize Phase II this fall.

Mr. Hertzberg asked if Phase II is to be completed this fall, and Mr. Beezhold replied yes.

Mr. Hertzberg asked Mr. Dulaney for his comments. He is working on the H & H models and is collecting data and will have more information available for Tri-State for their July meeting. Mr. Parker is also in the process of obtaining his data. Mr. Dulaney anticipates completion of the draft report by early August and hopes to complete the final report by September 30.

Mr. Hertzberg stated that it is unique to have both the Kansas City and Little Rock Corps of Engineers working together. Mr. Dulaney stated that it has been a true team effort working together on this study.

Mr. Rogers asked about the H & H models, and Mr. Dulaney replied that these model the operations of our lakes.

Mr. Gard commented that the Kansas City and Little Rock districts have a lot of the same missions and same priorities of this Missouri area.

Communications:

Ms. Melgren stated that one of the things that needed to be done in building the JMUC was to fulfill the Sunshine requirements for that entity. They needed a way to communicate with the public, so a website was created specific to the JMUC. The ad hoc committee first went through the process of creating the joint contract that brought the JMUC to life. There are currently eight members on the JMUC, and they have discussed by-laws. In writing these by-laws, the members felt the need to take care of their Sunshine requirements since this is a public entity.

Ms. Melgren discussed the need to establish the website in advance, so that when the JMUC begins discussing a project, the Sunshine requirements will be taken care of.

Ms. Melgren revised Tri-State's power point presentation and created a particular slide that she particularly enjoys. She looked up the average size of a pool, which is 20,000 gallons. She calculated what it would cost to fill up that pool with milk, with gas, with perfume, with top soil, and with water. It speaks to the value versus the cost of water. To fill the pool with perfume costs \$74 million and to fill it with water was \$76.00.

Membership:

Mr. Rogers stated that Ms. Melgren has targeted the high-growth counties, with Christian County declining membership in Tri-State at this point. Ms. Melgren stated that Webb City has not paid membership dues.

Mr. Rogers discussed the consideration of board membership, as to whether or not counties could have board representation in Tri-State.

Ms. Melgren stated that Tri-State's by-laws were revised last year to exclude individuals from membership on the board, but that some of Tri-State's founding members were grandfathered. For-profit organizations were also excluded from board membership. The by-laws specifically state who can be members, and it includes counties. Greene County has been a member of Tri-State but has not had a board seat. Jasper County has been a member, and they have had a board seat although Commissioner Bartosh very seldom attends the board meetings.

Ms. Melgren discussed the need to define further who on the Tri-State side can be a voting board member. Only water providers can be members of the JMUC. She asked for future discussion on who would have an active board seat and vote on the Tri-State side. She asked about continuing to allow counties to have board seats, or if that should be narrowed down to water providers as well.

Legislative/Regulatory:

Mr. Bingle had nothing new to report at this time.

Ad Hoc Committee Reports:

JMUC:

Mr. Williams stated that Ms. Melgren sent the draft by-laws to the Tri-State board members for their review. Mr. Williams asked about the target for voting on the JMUC by-laws, and Mr. Hertzberg replied that this is the first exposure the board members would have had. He asked everyone to forward the by-laws to their legal staff for review and comments, with formal action to approve the by-laws during Tri-State's next board meeting in July.

Mr. Williams stated that the by-laws could be amended in the future if something needs to be changed, and that any changes only require action by the JMUC board members. He asked the JMUC members to review the by-laws and decide if any changes need to be made. The next step is the establishment of the officers so they can begin conducting business as it develops.

Executive Director Report:

Ms. Melgren discussed three things have transpired since the last board meeting. One was the visit to Washington, DC, which went very well. As a group, the Tri-State delegation had a terrific time and represented its region well. Mr. Hertzberg and Mr. Rogers represented the larger cities, while Mr. Bingle represented an auxiliary community and Mr. Rauch represented the industrial need for water in southwest Missouri. The delegation rounded out the picture of the needs in Southwest Missouri.

Those who visited with the Tri-State delegation were very interested in Tri-State's activities. The Corps of Engineers wished that all the organizations who came to them were as well prepared as Tri-State. They were impressed with Tri-State's work on the JMUC and were impressed with the level of professionalism for studies and seemed very open and interested in Tri-State and its goals for the region.

Ms. Melgren discussed a huge federal bill called the Water Resource Development Act (WRDA), which provides considerable funding for water infrastructure. It hasn't been reworked and sent through Congress for several years now. Mr. Dulaney stated that the WRDA does not provide funding. He noted that it is much more controversial than it should be, in that it is only Congress authorizing projects. The Energy and Appropriations Act provides the funding.

Ms. Melgren stated that the WRDA is currently in draft form and is being reviewed by a committee headed by a California senator, but it affects the whole United States. The Tri-State delegation met with a staff member from the California senator who was authoring the bill.

Ms. Melgren stated this is an example of one of the functions that Tri-State can serve as a regional water organization. She stressed the legislative function of this organization, in that Tri-State represents 500,000 people in Southwest Missouri.

Ms. Melgren discussed Tri-State's legislative activities regarding the Missouri Department of Conservation flow regime limits. It becomes a concern to Tri-State's members when the Missouri Department of Conservation suggests that a limit be set on water bodies. They have received considerable feedback on this legislation, which would restrict the ability to pull drinking water out of surface water. Ms. Melgren suggested that they look into some of these concerns in more detail and thought it would be a large mistake to approve something so restricting and limiting.

Ms. Melgren and Mr. Hertzberg sent a letter to the Missouri Department of Conservation outlining Tri-State's concerns. The legislation is still on the table for the commission's consideration. They have not set a date for official action on this legislation at this point.

Ms. Melgren stated that this is a policy and not a law, but it becomes like a "law" because other groups like the Missouri Department of Natural Resources (DNR) look to the Missouri Department of Conservation's policies. Mr. Rogers stated that applications to the DNR are forwarded to the Missouri Department of Conservation, whose comments become part of your permit. Whatever comes out of your reservoir has to be within 10 percent of whatever comes in, which limits your ability to really use your reservoirs for anything.

Ms. Melgren stated that the dates for the water conference are November 14-15, 2013. She plans to meet with officials from Bolivar, because all the counties around Stockton Lake are actually shrinking in terms of population except for Polk County. Their growth is driven by Bolivar.

Ms. Melgren stated that Stockton indicated interest in joining Tri-State last year. She will revisit them to see if they plan to join this year. They sit on Stockton Lake but can't use its water. They are interested in joining Tri-State so Stockton can get water out of Stockton Lake.

Ms. Melgren presented the JMUC to Cassville's City Council. Mr. Walensky noted some prior media discussion to potentially derive water as a potable source for Cassville many years ago. Cassville was very welcoming of Tri-State and its mission. The more that Tri-State goes out and educates the communities, the better the coalition will be as an entity. Tri-State will start gaining some action especially in the shadows of the recent drought. It amplified the value of what Tri-State is doing and the importance of water.

Mr. Walensky stated that Cassville's legal counsel is reviewing the JMUC contract, with official action to be taken during June to allow Cassville to be a member of the JMUC.

Ms. Melgren stated that doing these presentations presents some challenges because the issues are so complex. She discussed the upcoming Spring River Water Summit, which has been identified by the DNR as a watershed-wide planning unit. The dates for the summit are May 29-31, 2013.

Ms. Melgren discussed the meeting with the Southwest Power Administration, which will be a really important conversation for Tri-State to begin having. They have a big interest in Table Rock Lake and Stockton Lake. They will take requests by Tri-State to have even a small portion of that water reallocated from the power pool very seriously. Ms. Melgren stressed the importance of talking in advance with all stakeholders so they understand completely where Tri-State is coming from and how the process looks.

Ms. Melgren stated that the Washington, DC, liaison will be present for the meeting in Tulsa on September 19 at 1:00 p.m. She encouraged the board members to attend this meeting.

Ms. Melgren attended the Southwest Section of Water and Wastewater Conference in Monett. Those attending were interested in Tri-State's mission.

Ms. Melgren and Mr. VanDaGriff participated in focus groups for the Corps of Engineers. They are revising their master plan, with Tri-State being interested in providing feedback to their master plan that drinking water should be part of the management and planning for Table Rock Lake. This is already an assigned use for Table Rock Lake.

Ms. Melgren and Mr. VanDaGriff will be visiting with BK&D's new staff members. They continue to be a wonderful provider of financial services to Tri-State.

Ms. Melgren discussed Webb City's membership and stated that Carl Francis had a conflict and was unable to attend this meeting.

Ms. Melgren included in the agenda the summary, "Missouri's Laws relating to Streams". She thought the board members might be interested in the flow limit policy of the Missouri stream law.

Comments by Representatives of Federal and State Offices/Agencies:

Mr. Schlegel had nothing new to report at this time.

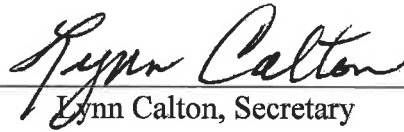
New Business:

Mr. Hertzberg asked for any new business to come before the board of directors, and none was received.

Adjourn:

Mr. Hertzberg for any additional business, and none was received. He asked for a motion to adjourn the meeting.

Hal VanDaGriff moved, seconded by Roddy Rogers, that the meeting be adjourned. The motion carried, with all voting "aye".


Lynn Calton, Secretary