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**TRI-STATE WATER RESOURCE COALITION
BOARD OF DIRECTORS MEETING
WEDNESDAY, JULY 20, 2011 – 9:00 A.M.
CITY HALL, COUNCIL CHAMBERS**

Welcome:

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

Tracy Holle – City of Cassville, Missouri
Brian Bingle – City of Nixa, Missouri
Chuck Surface – City of Webb City, Missouri
Roddy Rogers – Springfield City Utilities, Springfield, Missouri
Matt Barnhart – Missouri American Water Company
Lynn Calton – City of Lamar, Missouri
Hal VanDaGriff – Empire District Electric Company
Bob Williams – Carthage Water & Electric
Bob Nichols – Webb City, Missouri
Fred Schlegel- Missouri Department of Natural Resources
Steve McIntosh – Senator Roy Blunt’s office
Bob Kollmeier – Congressman Billy Long’s office
David Rauch – Senator Claire McCaskill’s office
Scott Gard – U. S. Army Corps of Engineers
Chad Dulaney – U. S. Army Corps of Engineers, Little Rock, Arkansas
Dick Scott – Olsson Associates
Gabe Lett – Tri-State Engineering
Charles Zitnik – D. A. Davidson & Company, Kansas City, Missouri
Randy Irely – Gilmore & Bell P.C., Kansas City, Missouri
Gail Melgren – Executive Director, Tri-State Water Resource Coalition
David Hertzberg – City of Joplin
Susan Champlin - City of Joplin

Approval of Minutes from May 18, 2011:

Mr. Rogers asked for any corrections or additions to the minutes from May 18, 2011. Receiving none, he asked for a motion to approve those minutes as written.

Hal VanDaGriff moved, seconded by Matt Barnhart, that the minutes from May 18, 2011 be approved. The motion carried, with all voting “aye”.

President’s Report:

Mr. Rogers explained that flooding and other natural disasters have been first priority for state water offices this summer and that, consequently and understandably, the memorandum of understanding draft submitted by Tri-State Water to MO, OK and KS may not receive consideration this summer. He reported that he and Ms. Melgren plan to attend a meeting on water

issues, on August 3, in Ozark, Missouri, with John McManus, Chief Counsel for the Agriculture and Environment Division of the Missouri Attorney General's office. Mr. Rogers also reported that the annual Tri-State/MSU water conference is being planned for November 17-18, 2011.

Standing Committee Reports:

Executive:

Mr. Rogers reported that the executive committee has not met since the last board of directors meeting.

Financial:

Ms. Melgren and Mr. VanDaGriff have been working with accounting firm BKD, at the board's direction, to develop additional financial reporting and infrastructure. Bank statements from previous years are now fully reconciled, and tax returns from previous years are being reviewed. Standard financial reports are being developed and will be distributed at future board meetings.

Mr. VanDaGriff explained that the current bank balance is \$216,000.33.

Communications:

Mr. Hertzberg had nothing new to report at this time. Ms. Melgren reported that the number of people that the Tri-State membership represents, including the populations of Greene County and Jasper County, and the populations of all the member communities, with the total being almost 500,000 people.

Ms. Melgren reported on the first of several meetings, planned to be held within the Tri-State footprint, to discuss the organization's mission, inform local leaders about current and future water issues, and to encourage membership in Tri-State Water. This meeting was in Branson and was attended by representatives from Taney and Stone Counties, the City of Branson, Senator McCaskill's office, Senator Jack Goodman's office, the Missouri Department of Natural Resources (MoDNR), the Missouri House of Representative from Districts 62 and 143, Drury University, and several Tri-State members.

Membership:

Ms. Piper, Chair of the membership committee, was not present to make a report. Ms. Melgren explained that Drury University has agreed to become a member of Tri-State. She reminded the board of the membership committee's goal to host several meetings across the Tri-State footprint (see Communications, above). She suggested the next meeting take place for the Mt. Vernon / Monett / Cassville corridor communities.

Legislative/Regulatory:

Mr. Bingle had nothing new to report at this time. Mr. Rogers mentioned pending federal legislation which would allow private funding for reallocation studies.

Technical:

- **Speaker – Chad Dulaney, Project Manager, Corps of Engineers, Little Rock, AR:**

Ms. Melgren introduced Chad Dulaney, the project manager for the current population and demand study being funded by MoDNR and Little Rock Corps of Engineers, with support from Tri-State. The study's goal is to better understand population trends and current/future water demand. Chad is developing a water demand model, which will also include conservation measures, and is forecasting out to the year 2060. The study includes 10 counties in southwest Missouri – Barton, Jasper, Newton, McDonald, Lawrence, Greene, Barry, Christian, Stone and Taney counties.

Mr. Dulaney is currently focusing on data collection and anticipates having the draft model completed by the end of August. He hopes to have a draft report completed and submitted to MoDNR for their review in September. He reported that the study should be completed by the end of 2011. Ms. Melgren asked about access to the draft report, and Mr. Dulaney suggested contacting MoDNR for access – since they are the Corps funding partner, the draft report will be shared with them.

Mr. Dulaney reported that the U.S. House of Representatives Appropriations Committee is discussing the FY 2012 budget. A bill containing a general provision that would broaden the scope of what is commonly called the contributed fund statute to allow for non-federal sponsors to fully fund water reallocation studies is being considered. Private funding, if approved, would expand Tri-State's options for funding their current request to the Corps of Engineers, Little Rock, for a reallocation study at Table Rock Lake.

Mr. Dulaney explained that studies can be funded through two accounts, their normal operations and maintenance account and/or their investigations account. Tri-State must pay 50 percent of the cost of the study if it is funded through the investigations account. There will be 100 percent federal funding for the study if the operations and maintenance account is used. He suggested looking for different funding sources due to budget constraints.

Mr. Dulaney anticipated a cost of \$100,000 for the reconnaissance phase of a reallocation study at Table Rock Lake, which would produce a decision about whether to proceed with the feasibility stage and the decision document. The feasibility stage will cost approximately \$200,000, assuming that only an environmental assessment needs to be done. If the level of impact is significant and proceeds to an environmental impact statement, then the cost would increase from approximately \$200,000 up to as much as \$400,000.

Ms. Melgren asked if this figure is in addition to the \$100,000 for the first phase. Mr. Dulaney replied that is correct, for a total cost of approximately \$300,000, but as much as \$500,000 if an environmental impact statement is necessary.

Mr. Rogers asked if this time period spans more than one year, and Mr. Dulaney replied probably three years. Mr. Rogers asked Mr. Dulaney if the Corps would need all the money up front, and he replied that it could probably be phased through several fiscal years.

Mr. Bingle asked if these figures represent the total numbers or 50 percent, and Mr. Dulaney replied those are the totals. A 50,000 acre field analysis will probably yield about 35 MGD.

Mr. Rogers asked what occurs if the need for water is more than that, and Mr. Dulaney replied you would be looking for additional supplies. The next phase for study would be examination of the existing conditions, such as the existing groundwater and surface water amounts, and comparing them to the demand.

Mr. Rogers asked if the additional supplies would be from a different source, or if they could be from the same source. Mr. Dulaney replied that they could possibly be through Table Rock. If you go above the 50,000 acre feet, Congressional approval is required.

Mr. Rogers asked Mr. Dulaney how soon the Corps needs an answer from Tri-State about whether they are capable of participating, and would be interested in participating, if private funding of reallocation studies becomes a possibility, and Mr. Dulaney replied as soon as possible.

Ms. Melgren asked Mr. Dulaney about other funding partners that might be allowable in this sort of scenario. She wondered if MoDNR would be allowed to partner with Tri-State to provide assistance for this possible alternative method of reallocation study funding. She understood that the funding needs to come through Tri-State, but that partner funding could be used as long as it's not federal level partner funding. Mr. Dulaney explained that is correct; state funding could be used, just not other federal money.

Mr. Rogers asked if funding conflicts exist between the Kansas City and Little Rock Corps of Engineers, and Mr. Dulaney replied that they can actually work together to set up the proper communication plan.

Ms. Melgren asked if the current expenditures for the population and demand study would be part of the \$300,000 to \$500,000 range that Mr. Dulaney discussed. He replied that a good portion of the reallocation study is to determine the immediate demand for the water to be reallocated. He will use the information from the southwest Missouri water demand study.

Mr. Rogers asked if the allocation can be given to an organization like Tri-State, or to a utility commission (like the JMUC currently being drafted by Tri-State), or to whoever can pay for the study. Mr. Dulaney was not sure but said he would get the specific information for Tri-State.

Mr. Bingle asked if Tri-State is looking at a figure of \$300,000 or \$200,000. Mr. Dulaney replied \$100,000 for the reconnaissance, which is the first phase. The first phase involves looking at the existing conditions, determining whether the need exists, and the feasibility of proceeding with the study. The feasibility study itself will cost another \$200,000, for a total of \$300,000.

Mr. Bingle asked if Tri-State's share would be \$150,000, and Mr. Dulaney replied that the Corps of Engineers is currently looking for candidates who, should the opportunity to fund privately arise, would agree to fund 100 percent of the costs for the study.

Mr. Rogers mentioned budget as always being a concern, but stated that a reallocation study is what Tri-State needs to do. He expressed concern about getting into a situation where all the funding is needed up front, and wondered about committing to only the first phase of a study financially, spreading out payment. Mr. Dulaney said he would check into that possibility.

Ms. Melgren mentioned the three impounded water sources that have been defined as feasible by Tri-State which include Table Rock, Stockton, and Grand lakes. She commented that even though privately funding reallocation studies (if the opportunity presents) would be expensive, gaining access to additional long-term water supplies, hopefully through already impounded water sources, is the reason that Tri-State exists.

Mr. Williams said Tri-State has previously conducted two studies to determine the need for water and asked how the proposed study will be different than the previous two studies. He asked if the two previous studies will be used, and Mr. Dulaney replied that information from the two previous studies will be used. The Corps of Engineers will be looking at any studies that have been done in the past.

Mr. Rogers commented that a reallocation study will have to be done if Tri-State is to obtain water from Table Rock Lake.

Mr. Bingle expressed support for Tri-State proceeding with a \$100,000 commitment, should the opportunity arise for private funding, but he expressed concern about the additional expenditures that would be involved in proceeding with a feasibility study and an environmental impact assessment.

Brian Bingle moved, seconded by Tracy Holle, that Tri-State Water Resource Coalition commit \$100,000 towards a reconnaissance study, and that the executive board consider the appropriation of all necessary funding to accommodate a second phase.

Mr. Hertzberg expressed the need to support a possible reallocation study, and said he would like to explore alternate funding sources. He asked if the current bank account contains adequate funding, and Mr. VanDaGriff replied that the account contains \$216,000.

Ms. Melgren discussed possible financial strategies to fund a reallocation study. In addition to securing partners to provide funding she suggested some of the expenditures could be moved to the next fiscal year, after membership dues have been collected again, and/or that Tri-State could consider assessing a fee per member to pay for a reallocation study.

Ms. Melgren asked if the motion was to contribute up to \$100,000.

Brian Bingle amended his previous motion and moved, seconded by Hal VanDaGriff, that the Tri-State Water Resource Coalition contribute up to \$100,000 towards a reconnaissance study, and direct the executive board to assess Tri-State's ability to afford a second phase of a study.

Mr. Hertzberg asked if research should be done before Tri-State were to make a commitment, or if a commitment could be made with the caveat that the necessary research would be done.

David Rauch addressed the board, reminding everyone that private funding for reallocation studies is a hopeful possibility, but is, at this point, only under consideration in congress. He asked if the current motion was a commitment to spend money, or a commitment to spend money *if* private funding of allocation studies becomes an option.

Steve McIntosh asked the same question, saying that Tri-State is only a *possible* candidate for a Corps reallocation study at Table Rock Lake, with no option on the Corps side to make a commitment at this point. He mentioned the current political gridlock and difficulty in approving appropriations bills in the U.S. congress, which could keep the option of privately funding reallocation studies from becoming reality.

After discussion, Mr. Bingle withdrew his previous motion and instead suggested that Tri-State Water go on record with the Little Rock Corps of Engineers as interested and able to participate in privately funding a reallocation study at Table Rock Lake, if the opportunity arises.

David Hertzberg moved, seconded by Matt Barnhart, that Tri-State Water Resource Coalition express strong interest to the Little Rock Corps of Engineers to participate through private funding in a reallocation study at Table Rock Lake if the opportunity presents. The motion carried, with all voting “aye”.

Ad Hoc Committee Reports:

JMUC:

Mr. Williams explained that at the last meeting, board members discussed the need for feedback for suggested language changes in the JMUC agreement. He introduced Charlie Zitnik and Randy Irey to address the board regarding public financing and bonding issues.

Ms. Melgren will send the current draft joint contract to the board of directors soon. She has received several suggested changes and will incorporate those into the document. They will be marked as edits. Upon receipt of this version, board members should submit the document to their local municipalities and public water providers for review and comment.

Mr. Rogers explained that Tri-State will be available to visit with any groups who wish to schedule a presentation and Ms. Melgren will have a slide presentation including information on the joint municipal utility commission and possible membership by regional communities in the JMUC joint contract.

Mr. Williams explained that several communities are educated about JMUC's, but many are not, and if formation of the JMUC is predicated on 100 percent participation of every community - some just waking up to the fact that they really need to be involved - he did not think the JMUC would be formed. He said that the JMUC only needs a minimum number of communities to form it, and he expressed the need for those who are knowledgeable about the JMUC to get it in place.

Mr. Williams introduced Charlie Zitnik from D.A. Davidson & Co. and Randy Irey from Gilmore & Bell P.C. Mr. Irey is one of the leading authorities in bond counsel on municipal bonds.

Speakers:

- **Charlie Zitnik, Senior Vice-President, Public Finance, D.A. Davidson & Co., Kansas City, MO**
- **Randy Irey, Director and Shareholder, Bond Attorney, Gilmore & Bell P.C., Kansas City, MO**

Randy Irey explained that Gilmore & Bell works with cities, school districts, and governmental subdivisions in the borrowing of money. The borrowing of money in Missouri is regulated tightly between the Missouri Constitution and Missouri statutes. He assists with the issuance of bonds. Most often, they are exempt from federal income taxation.

Mr. Irey explained that their opinion is relied upon by the investment community also, as securities are sold to individuals or bank trust companies. His firm does the legal work and draws up the necessary documents to put the transaction together.

Mr. Irey has been a bond attorney for 35 years and has been with Gilmore & Bell for 20 years. Gilmore & Bell consists of 49 attorneys in four offices in St. Louis and Kansas City in Missouri; Wichita, Kansas; and Lincoln, Nebraska. They do bond counsel work for cities and political subdivisions.

Charlie Zitnik explained that D.A. Davidson is a municipal finance firm who underwrite municipal debt and provide initial advisory services to municipalities. They have 1,100 employee-owners with 100 being involved in municipal finance. They are the financial advisor to Clarence County Wholesale Water Commission, Atchison County Wholesale Water Commission, and North Central Wholesale Water Commission.

Mr. Zitnik and Mr. Irey both bring expertise to public finance in that both their occupations are needed in order to having a debt package and financing in place. The concept of a JMUC is that two or more political subdivisions can come together and form another political subdivision.

Members of a JMUC are not incurring liability by virtue of being members of the JMUC.

Mr. Zitnik explained that the entire membership of a JMUC does not incur liability for projects created by the JMUC. The entire membership pays only administrative and office costs for the JMUC. Any project debt issued through the JMUC would be a liability of the benefitted parties or the benefitted municipalities. Project debt would not be a liability of the entire group.

Mr. Irey explained that a JMUC allows its members to do projects that they would not be able to do on their own. The JMUC provides an opportunity to come together for construction and operation. The JMUC's were first created as a result of an amendment to the Missouri Constitution in 1978, with a new provision being added in the Missouri statutes (Chapter 393.700) that defines the details of the organization of a joint municipal utility commission.

Mr. Irey explained that at least two people need to come together through a contract, and everyone who becomes a member at any time in the future is a signatory to that contract. The contract is created by the signing of municipalities or public water supply districts, and they are authorized to sign it when their governing body adopts an ordinance or a resolution authorizing the mayor or appropriate official to sign that contract. As other interested parties desire to participate in a JMUC, they would take the same action to sign the contract. Once the JMUC is created, its board of directors would adopt bylaws and elect officers and begin operating.

Mr. Irey explained that JMUC's were not often used prior to the early 2000's because of provisions in the Missouri Constitution and the Missouri statutes that made them unattractive. At that time, a vote of the citizens in each community was required to issue debt, and any activities

undertaken by a JMUC were subject to Public Service Commission (PSC) jurisdiction. During the early 2000's, the Missouri Constitution and Missouri statutes were amended to remove both of those requirements. Several entities have since entered into JMUC's for construction of large utility plants.

Mr. Bingle asked, given the municipality is not required to ask its citizens authorization to expend the monies, is the municipality relying on its existing revenues from the water department, or on adjustments made to revenues as a result of the projected expenditures due per a project contract, whatever the project might be? Mr. Irej replied that is correct, the municipal is relying on its revenues.

Mr. Zitnik explained that the debt incurred by the JMUC is a contract with the participating municipalities or districts. Although no public vote is required, there is a requirement in the credit markets, and under a JMUC agreement, that the water purchase contracts contain provisions that don't allow an "out" of a participating entity. It is the credit strength of that contract that is the underlying credit strength of the debt that is issued. A JMUC is not supposed to be credit worthy but is a pass-through entity to provide financing and operations. If three entities benefit from a project, they issue the debt through the JMUC, with the project contract providing the credit support to make the project viable.

Mr. Irej discussed the water purchase contracts in which the city or the public water supply district is obligated to buy water. The cities or water supply districts make payments to buy water. The debt of the JMUC is paid solely from those water purchase contracts that the individual cities or water districts would enter into. Those contracts would be standardized, with all entities signing the same contract.

Mr. Bingle asked if the assets of the participating municipalities would guarantee the loan, and Mr. Mr. Irej replied just the revenues. The municipality's obligation is a special obligation that's payable solely from the revenues of the water district or water utility.

Mr. Zitnik explained that it is a pledge of the revenue, not a pledge of the asset.

Mr. Bingle asked about a guaranteed bank loan which would be limited by the \$10 million maximum, or if it is a general obligation bond which affects the municipality bonding capacity. Mr. Irej replied that it is not a general obligation bond but is a special obligation that is payable solely from the revenues of the system. If there are outstanding water revenue bonds, under the terms of the statutes, the municipality's obligation under that purchase contract is an operational and maintenance expense.

Mr. Zitnik asked Mr. Bingle if the \$10 million maximum is a question with respect to bank-qualified versus non-bank-qualified, and he replied that is correct.

Mr. Irej explained that the contract is not tax exempt. If the JMUC incurs more than \$10 million in debt for a project in any one year, it is not bank-qualified. This makes it less attractive to banks to buy, but a market still exists. Many bonds are sold that are not bank-qualified.

Mr. Zitnik explained that whatever the term of the debt is, the credit market will want the term of the take-and-pay contract to be that length or longer. If the entity is borrowing under a 35-year

loan, the term of the water purchase contract must be at least 35 years. Financing institutions will not allow renewal clauses and "subject to cancellation" clauses.

Mr. Irely explained that you are buying water out of a project for which you have a contract, and that project then in turn has been financed.

Mr. Zitnik discussed the "step-up" provisions in that the participants in Project "A" have no responsibility for Projects "B" or "C". The participants in Project "A" do have responsibility if one of the participants were to drop out, with the remaining participants assuming the shortfall. Therefore, the contracts need to be written so tightly so there isn't the ability to rescind your participation once you've entered into the contract. An entity remains a party in the contract as long as debt is outstanding.

Mr. Bingle asked if a municipality is defined as a purchaser of those water rights that they may have agreed to at the onset of the JMUC, so that the municipality could find a buyer for their commitment. Mr. Irely replied that they could, but with some restrictions as to the credit quality and rating of the bonds so the investment community is somewhat protected. This commitment cannot be sold to a for-profit company since this jeopardizes the tax-exempt status.

Mr. Williams explained that the contract under discussion at this time is simply to form the JMUC. He stated that a purchase agreement, once a project is being put together, is a larger document between several municipalities and the JMUC, which defines the operating agreement for that project. This will be addressed in the future when a project takes place.

Mr. Irely explained that when a municipality signs a JMUC, they are committing to pay the necessary dues for maintenance of the JMUC itself, not any projects that may run through the JMUC. A signer has no other financial commitment until they enter into a water purchase contract for a specific project or projects.

Mr. Bingle asked if those project contracts require any kind of different approval, such as a vote of the people. Mr. Irely replied that it does not require a vote of the people, but does require the approval of three-fourths of the members of the JMUC. In order for the JMUC to issue water bonds, a vote is required by each of the governing bodies of the members of the JMUC, with three-fourths of the governing bodies approving the issuance of the bonds. A public hearing is also required on the issuance of the bonds prior to the vote, with an engineering feasibility study being approved by the municipality.

Mr. Bingle asked what effect it has on the JMUC if any of the municipalities in the JMUC fail in their ability to retire debt. Mr. Irely replied that the JMUC's obligation is only to the extent that it receives revenues from those municipalities. If one municipality defaults and doesn't make its payments, it violates the terms of its contract. There may be "step up" provisions where the other municipalities would have to purchase that water or a certain amount of the water. Ultimately, the JMUC would not be obligated except to the extent that it receives revenues, but it could turn around and re-sell that water to somebody else.

Ms. Melgren asked if Tri-State would assume any financial or legal obligations if several Tri-State members entered into an agreement to participate in the JMUC, and Mr. Irely replied only those members who actually enter into the JMUC.

Mr. Irey discussed a private utility being co-owner of a facility, and the JMUC, who is buying half the water, owns an undivided 50 percent of everything that has been financed. The private utility brings its own financing, and then they own the other 50 percent. They would enter into a participation agreement that states how the rights are worked out together for the life of the project. The private utility can operate the facility, with restrictions on that operating contract where they would recover their operation and maintenance costs.

Mr. Williams explained the need for the JMUC board of directors to make those decisions and work with the legal entities to put projects together.

Ms. Melgren asked about the footprint for the JMUC, and how many states would be involved, given the three state footprint of Tri-State. Mr. Williams replied only Missouri non-profit municipalities and water districts at this time. Mr. Irey explained that a city in Oklahoma or Kansas could sign a water contract to purchase water from the JMUC but could not be a member of the JMUC. They might be an associate member and could attend board meetings, but they would not have a vote.

Mr. Zitnik and Mr. Irey offered to review the next draft of the JMUC agreement.

Executive Director Report:

Ms. Melgren has filed a current roster of board members and officers with the Missouri Secretary of State. She has also become the registered agent for the Coalition.

Ms. Melgren reported that the recent meeting with Table Rock Lake area leaders went very well and that she will be following up with Branson city administrator Dean Kruithof.

Ms. Melgren said that planning for the annual water conference, co-sponsored with MSU, is proceeding well, with a draft agenda almost complete. Mr. Barnhart has agreed to make a presentation on Joplin about the damage done by the tornado and efforts to rebuild. The conference is scheduled for November 17 & 18, 2011. Elected officials will again be invited to attend free of charge, to encourage their participation.

Ms. Melgren and Mr. Rogers plan to attend a four-state watershed academy in Oklahoma next month.

Ms. Melgren requested that board members, especially from the west side of the Tri-State footprint, communicate with her about possible goals related to the west side and about efforts to seek water from Grand Lake.

Ms. Melgren reported that she and Mr. Rogers recently made a presentation on Tri-State to Springfield's city council and will follow-up with a request that Springfield join the Coalition.

Ms. Melgren will present a strategic plan review and executive director report at the next board meeting. It was scheduled for this meeting but because of speakers will be pushed to next meeting.

Comments by Representatives of Federal and State Offices/Agencies:

Bob Kollmeier from Congressman Long's office explained that legislation was recently passed regarding the Clean Water Act. This amendment to the Clean Water Act limits the Environmental Protection Agency from just arbitrarily making new guidelines with states that already have rules and regulations.

Ms. Melgren commented that Tri-State does not have its own lobbyists, and suggested it would be beneficial if any of the board member's organizations who have lobbyists would send information on pending or newly approved legislation to Tri-State.

Mr. Schlegel had no new information to report from the MoDNR.

Ms. Melgren asked Mr. Dulaney for any additional comments from the Corps of Engineers, and he replied that they are working with MoDNR as a collaborator on the Kansas City study.

New Business:

Mr. Hertzberg addressed the Tri-State board members on the activities related to the Joplin tornado clean-up. He thanked everyone for their help, thoughts, and prayers. The primary activities during the first week following the tornado involved search and rescue. After that, Joplin moved into the debris removal phase, first along the public right-of-way.

The next phase involved gaining rights of entry onto private property. The Federal Emergency Management Agency (FEMA) acted as the bank, and the Corps of Engineers acted as the consultant. They hired the contractor to begin the debris removal activities. They expanded their project onto private properties.

It was estimated that 3 million cubic yards would have to be removed - 2 million cubic yards of debris and 1 million additional cubic yards of demolition debris. This would fill 100 football fields 6 feet deep - about 60 of those football fields being filled up at this time. The contractor has a deadline of August 7 to qualify for 90 percent federal funding, with any debris being picked up after that point being eligible for 75 percent federal/25 percent local funding.

The goal is to substantially complete the debris removal phase by August 7. Joplin will then be entering into the demolition phase, with the first demolitions being those where the property owners have consented to the demolition. Properties that are an imminent danger are to be addressed first, with the remaining properties to be taken through the full due process.

Mr. Hertzberg explained that 1,500 building permits have been issued for property repairs, with permits now being issued for new residential construction on the west side of the catastrophic area. Several commercial building permits have been issued, including Wal-Mart, Home Depot, and Academy, who anticipate being open for business by Thanksgiving.

Mr. Hertzberg thanked Mr. Barnhart for his assistance during the crisis. The City of Joplin's first efforts involved cleaning the streets to allow for search and rescue activities.

Mr. Rogers asked about the volunteers, and Mr. Hertzberg replied that volunteers are still involved with debris pickup activities. The City will still be seeking volunteers to assist with demolition.

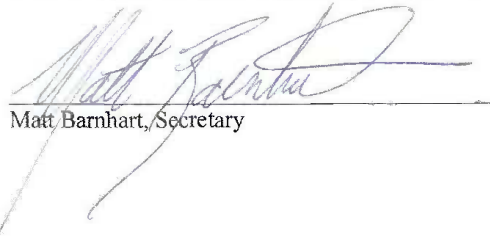
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Adjourn:

There being no further business to come before the Board of Directors, Mr. Rogers asked for a motion to adjourn the meeting.

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



Matt Barnhart, Secretary