

**TRI-STATE WATER RESOURCE COALITION
BOARD OF DIRECTORS MEETING
TUESDAY, NOVEMBER 16, 2011 – 9:00 A.M.
JOPLIN CITY HALL, COUNCIL CHAMBERS**

Welcome:

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

Matt Barnhart – Missouri American Water
Brian Bingle – City of Nixa
Lynn Calton – City of Lamar
David Hertzberg – City of Joplin
Harold McCoy – Allgeier, Martin & Associates
Melinda Piper, Water District #1
Pete Rauch – City of Monett
Roddy Rogers – Springfield City Utilities
Jan Tupper – Joplin
Hal VanDaGriff – Empire District Electric
Bob Williams – Carthage Water/Electric
Mike Walker – Allgeier, Martin & Associates
Bob Nichols – Webb City
Fred Schlegel- Missouri Department of Natural Resources
Bob Kollmeier – Congressman Billy Long’s office
Gail Melgren – Tri-State Water Resource Coalition
Susan Champlin - City of Joplin

Approval of Minutes from September 27, 2011:

Mr. Rogers asked for any corrections or additions to the minutes from September 27, 2011. Receiving none, he asked for a motion to approve those minutes as written.

Matt Barnhart moved, seconded by Jan Tupper, that the minutes from September 27, 2011 be approved. The motion carried, with all voting “aye”.

President’s Report:

Mr. Rogers and Ms. Melgren attended the Oklahoma Governor’s Conference and made good progress with the memorandum of agreement. Ms. Melgren thought it was very beneficial to Tri-State to be able to have personal relationships with the Oklahoma officials who Tri-State may want to visit with further. Tri-State has been working as the “switchboard” between Kansas, Oklahoma, and Missouri to develop a memorandum of agreement between the three states for shared water resources.

Ms. Melgren explained that the memorandum of agreement is still in draft form, with a couple of things yet to be discussed. Tri-State is only the facilitator, with any decisions to be made by the

states. Tri-State will continue to move forward and feels hopeful that at some point in the near future the three states will sign the memorandum of agreement relating to shared water resources. This draft memorandum of agreement includes both surface water sources and ground water sources.

Standing Committee Reports:

Executive:

Mr. Rogers reported that the Executive Committee did not meet during October.

Financial:

Mr. VanDaGriff reported that the bank balance on November 1, 2011 was \$203,670.76. After paying bills received during November, the balance should be \$198,337.00.

Mr. Rogers asked Mr. VanDaGriff about monthly reports received from BKD. Mr. VanDaGriff said that BKD will submit several reports monthly with an overview presented at each board meeting. Ms. Melgren explained that the bank reconciliation worksheet shows the balance as of October 31.

Mr. VanDaGriff explained that the last payment to BKD marks the end of their engagement reconciling the prior bank statements.

Ms. Melgren asked the board if they would like to invest a portion of Tri-State's bank balance. The board expressed doubt that the time required to deal with investment would be justified given the small amount likely to be gained, but decided to gather some additional information on the subject. Mr. VanDaGriff will arrange for an investment consultant to visit with Tri-State about options.

Technical:

Mr. Rauch reported that the Corps/DNR population and demand study is ongoing, with 95 packets recently having been mailed to entities in Tri-State's footprint, to gather information from municipal utilities about water use.

Ms. Melgren visited with Ryan Mueller, who explained that the timeframe for this study has been extended by six months. This will allow the gathering of sufficient data to increase the model accuracy. The timeframe for completion of the study is now set for the summer of 2012.

Mr. Rogers asked about a deadline on when the Corps of Engineers wanted that information, and Mr. Rauch replied December 16.

Communications:

Ms. Melgren explained that Tri-State is moving ahead with the Board's suggestion to focus on the Stockton Lake area. A meeting is scheduled in Stockton at the Corps of Engineer's facility on February 3rd from 2:00 to 3:30 p.m., hosted by Tri-State with support from Corps of Engineers/KC and MoDNR/Water Resource Center. Elected officials, business people, chamber of commerce

personnel, and other key community leaders within the area around Stockton Lake will be invited to attend this informational meeting. The purpose of this meeting is to educate people in that area about Tri-State's mission, regional water issues, Corps allocation protocols and results, and future population and demand projections.

Mr. Rauch asked about including Greenfield and Dadeville and other communities in this area, and Ms. Melgren asked for contacts in this area. Mr. Rogers asked about the county commissioners in that area, and Mr. Rauch suggested contacting Bob Jackson in Greenfield.

Membership:

Ms. Melgren and Mr. VanDaGriff are in the process of confirming that the Missouri Department of Natural Resources primacy fees are the same for this year. The Tri-State membership fee is calculated using that fee scale, at half the DNR primacy fee rate. Ms. Melgren reported she is still looking for connection numbers from Lamar, Webb City, Mt. Vernon, and Missouri American Water's connections for itself and for Joplin. She asked if anyone had connections with Diamond, MO.

Mr. Hertzberg used last year's membership numbers for budgeting purposes.

Mr. Barnhart explained that Missouri American has purchased eight water systems beyond the city limits of Joplin. This year Mo Am will pay for connections beyond the city limit of Joplin but will not double-pay the connections for City of Joplin as it has in past years for Tri-State Water Coalition. Joplin will continue to pay for connections within its city limit.

Ms. Melgren has received an application from Olsson Associates, an engineering firm with several offices in the Midwest. The board discussed the pros and cons of having private engineering firms as members of the coalition. Ms. Melgren asked about forwarding any applications that are made to the Membership Committee for their review.

Mr. Rogers suggested that future membership applications be considered carefully. He asked if any other consultants are members of Tri-State, and Ms. Melgren replied Allgeier-Martin and Tri-State Engineering. She suggested the Membership Committee establish some guidelines for consideration of applications in the future. The Board of Directors will consider those recommendations at a future meeting.

Mr. Rogers thought being a member of Tri-State should limit business any firm could do with Tri-State.

Mr. Hertzberg asked about letting these firms know that if they are members of Tri-State, they cannot be a vendor or consultant doing work for Tri-State.

Mr. Tupper explained that in earlier years membership was wide open but said perhaps it is time to tighten criteria for membership.

Mr. McCoy did not believe Allgeier-Martin would be a potential prime consultant but would perhaps look to serve as a subcontractor with a consultant at some point. Given those interests he wondered if it might be time for Allgeier-Martin to drop from membership.

Mr. Barnhart asked about conflict of interest if a contractor becomes a member of Tri-State and also if the conflict would be a bigger issue with the future Joint Municipal Utility Commission.

Legislative/Regulatory:

Mr. Bingle had no new information to report. He requested that the legislative groups for each member organization keep Tri-State informed if there is anything that needs Tri-State's attention.

Mr. Rogers asked about the issue of possible private funding for Corps allocation studies. Ms. Melgren explained that nothing has changed since the last Board meeting. She said that at the recent Oklahoma Governor's Conference she asked Congressman James Lankford about the possibility of private funding for Corps projects. His feedback was that there would be some benefit to expanding the sources of funding for Corps projects but that there is some reluctance to do so.

Mr. Rauch's biggest concern with allowing private funding for Corps studies is that some organizations and groups with unlimited funding sources "go to the head of the line." Ms. Melgren stated that the Corps has the same concern, but given that federal dollars are shrinking and project lists are growing the Corps is looking at possible new funding streams. They are trying to find solutions for funding projects.

Nominating Committee

Mr. Rogers asked Mr. McCoy for a report from the Nominating Committee. Mr. McCoy proposed the officers for 2011 be retained throughout 2012. He mentioned that Mr. Hertzberg, current vice president, would be hard pressed to take on the presidency of Tri-State Water for 2012 due to his post-tornado workload during the coming year.

Harold McCoy moved, seconded by Jan Tupper, that Tri-State maintains its current officers during 2012. The motion carried, with all voting "aye".

Ad Hoc Committee Reports:

JMUC:

Mr. Williams described comments received from Cassville's attorney regarding the draft joint contract, pertaining to Section 4. Mr. Williams understood that other members have expressed similar concerns.

Mr. Williams explained that one of the concerns was the withdrawing member having to pay all of the associated costs if withdrawing from the JMUC. This was actually requested by another Tri-State member's attorney. Experience within other utility commissions has led to this language. Members who maintain their contractual obligations should not have to pay unforeseen additional costs as a result of another member's withdrawal.

Another part of Cassville's concern is placing wording in the contract that Mr. Williams believes should instead be included in the bylaws and/or later in project contracts. This has been true of

other suggested changes also. Several questions regarding wording in the JMUC joint contract would be addressed in the bylaws and/or project contracts.

The JMUC founding document, the joint contract, merely establishes the organization. This contract should be relatively brief. Changes to it will require a unanimous vote of members. After a board of directors has been seated, and bylaws have been drafted and approved, future project contracts will contain more detail and be much longer.

Mr. Williams discussed the draft joint contract with several attorneys with experience in JMUCs and heard no concerns with the language. Section 4 states that, "Any withdrawing member shall be responsible for any and all costs associated with the withdrawal, including, but not limited to, unknown legal and administrative fees that may be incurred by commission members." The wording would continue as, "All expenses which are incurred by the commission as a result of a member withdrawal shall be the responsibility of the withdrawing member." Mr. Williams' attorney will contact Cassville's attorney to discuss this language.

Mr. Williams understood that the time for responding to the JMUC was extended to December 20 and Mr. Rogers stated that is correct.

Mr. Williams has not received any written comments other than those from Cassville. He suggested that any additional comments or concerns related to the JMUC draft joint contract be placed in writing and submitted before the December 20 deadline. The board agreed. He stated that Carthage wishes to move forward with the JMUC.

Mr. Rogers thought a meeting of Tri-State's JMUC committee would be appropriate during January, after the December 20 deadline to receive written comments. Mr. Rogers explained that Springfield City Utilities is also wishing to move forward.

Mr. Tupper suggested everyone visit with their attorney if they haven't already done so.

Several Board members stated that their attorneys have no problem with the JMUC.

Executive Director Report:

Ms. Melgren continues to work as facilitator for a 3-state memorandum of understanding. She explained that recently a second organization, the Grand Lake Watershed Alliance Foundation, has submitted a separate draft memorandum of understanding to the three states, which is similar but narrower. The states continue their evaluation of a possible memorandum of agreement.

Ms. Melgren has been very busy planning the water conference for November 17-18. Mr. Hertzberg and Mr. Barnhart will conduct sessions dealing with Joplin's tornado and post-tornado recovery efforts. Mr. Rauch is also participating in the conference. Ms. Melgren thanked members who sponsored the conference and offered to share a copy of the agenda.

Ms. Melgren reported attending a Multi-Basin Regional Partnership four-state watershed academy in Siloam Springs, Oklahoma, during September. She met with several Oklahoma state water officials and folks from the Grand Lake Dam Authority at that conference.

Ms. Melgren and Mr. Rogers attended the Oklahoma Governor's Conference gathering more information on water quality and quantity issues and also connecting with Oklahoma stakeholders.

Ms. Melgren visited with the Branson City Council recently. Branson is considering joining and wanted to learn more about Tri-State's mission and goals. This will bring an important stakeholder from the Table Rock Lake area into Tri-State's process.

Ms. Melgren and Mr. Rogers are planning a meeting of Stockton Lake stakeholders, with support from the Corps/K.C. and MoDNR/Water Resource Center. That meeting will be February 3rd, 2012.

Ms. Melgren attended the Multi-Basin Regional Partnership meeting in Arkansas in early November.

Ms. Melgren attended a meeting with the Grand Lake Watershed Alliance Foundation at Wildcat Glades. Officials from Kansas, Missouri, and Oklahoma were in attendance. Among other issues, they discussed Grand Lake and the blue/green algae challenge from last summer.

Ms. Melgren suggested discussing strategic planning goals during the January board meeting.

Comments by Representatives of Federal and State Offices/Agencies:

Mr. Kollmeier from Congressman Long's office had no new information at this time.

Mr. Schlegel explained that the DNR conducted a stakeholders' meeting in Springfield and have been working for the last two years on a new design guide to replace the 2003 design guide. This guidance document covers all aspects of drinking water from the sources to the treatment, to the storage, to the distribution mostly for community water systems. The design guide also includes a section dealing with non-community systems.

Mr. Schlegel explained that the Joint Legislative Committee on Regulations, the Attorney General's office, and some other entities have been pushing DNR to convert this design guide into regulations. He stated that Chapter 8 governs wastewater treatment plant design.

Mr. Schlegel explained that stakeholders meetings have been conducted around Missouri with each regional office and in Jefferson City, with Springfield's meeting being the last stakeholders meeting. The intention of these meeting is to solicit comments from the stakeholders and regulating communities. Steve Sturgess, the director of DNR's drinking water program, explained that this process is ongoing and is nearing completion at this point.

Mr. Schlegel explained that the DNR writes the regulations, but the Safe Drinking Water Commission enforces the regulations. This commission actually promulgates the regulations and is comprised of large, medium, and small utilities, along with public representatives. Many comments have been raised through the stakeholders meetings. The new version of the design guide is not markedly different from the 2003 guide.

Ms. Piper asked Mr. Schlegel about the attendance at the stakeholders' meeting in Springfield, and he replied that about 60 people were in attendance. Other meetings were held at Poplar Bluff, St. Louis, Kansas City, and Jefferson City.

Mr. Rogers asked Mr. Schlegel if DNR has received two rounds of comments, and he replied that is correct. He will be accepting comments until Friday, November 18, on the most recent draft of the design guide.

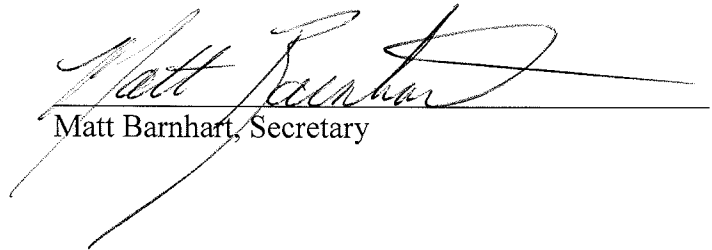
New Business:

There was no new business to discuss at this time. Ms. Melgren thanked the current officers for serving again during 2012

Adjourn:

Mr. Rogers asked for any additional business to come before the Board of Directors. Being none, he asked for a motion to adjourn the meeting.

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



Matt Barnhart, Secretary