

**TRI-STATE WATER RESOURCE COALITION
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 21, 2012 – 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:

Brian Bingle – City of Nixa, Missouri
Lynn Calton – City of Lamar, Missouri
Melinda Piper – CPWSD #1, Lamar, Missouri
Pete Rauch – City of Monett, Missouri
Mike Ray – City of Branson, Missouri
Roddy Rogers – Springfield City Utilities, Springfield, Missouri
Gene Stanton – City of Mt. Vernon, Missouri
Chuck Surface – City of Webb City, Missouri
Hal VanDaGriff – Empire District Electric
Bob Williams – Carthage Water/Electric, Carthage, Missouri
Steve McIntosh – Senator Roy Blunt’s office
Paul Crabtree – Southwest Missouri Irrigation Association
Gail Melgren – Executive Director, Tri-State Water Resource Coalition
Susan Champlin - City of Joplin, Missouri

Approval of Minutes from January 18, 2012:

Mr. Rogers asked for any corrections or additions to the minutes from January 18, 2012. Receiving none, he asked for a motion to approve those minutes as written.

Hal VanDaGriff moved, seconded by Pete Rauch, that the minutes from January 18, 2012 be approved. The motion carried, with all voting “aye”.

President’s Report:

Mr. Rogers reported that he and Ms. Melgren have recently presented to the Watershed Committee of the Ozarks and the Springfield Chamber of Commerce. Mr. Rogers discussed the recent stakeholder meeting in Stockton. He thought this was a productive meeting to share information about regional water supply, about Tri-State Water Coalition and its mission, and to assure residents and business owners in the Stockton Lake region that current allocation of storage for public supply, and future possible allocations of storage for additional water, would not be a major impact on the lake.

Mr. Rogers shared an article about conflicts the state of Oklahoma is dealing with over water resources. He explained that litigation issues in Oklahoma related to these conflicts continue to slow down discussions related to shared water quantity resources between Oklahoma and

neighboring states, including the memorandum of agreement between MO, KS and OK which included both water quality and water quantity components.

Mr. Rogers reported that Oklahoma recently signed a memorandum of agreement for water quality between OK and AR. Mr. Rogers expressed concern that this agreement did not also address water quantity, only water quality.

Ms. Melgren explained that the original MOA idea involved Kansas, Oklahoma, and Missouri writing a memorandum of agreement, perhaps including Arkansas as well. At that time both quantity and quality were being discussed, with Kansas, Oklahoma, and Missouri state water agencies being engaged in the conversation, and Tri-State Water Coalition serving as facilitator. Ms. Melgren said Oklahoma has unique issues related to Indian tribes having legal standing in laying claims to water resources, as well as other legal considerations regarding water, including concerns about the export of water, whether through themselves or through the tribes.

Ms. Melgren explained that while water is a potential revenue generator for OK, there are some concerns about setting any kind of precedence for water export. Last fall, the Grand Lake Foundation offered the three states an alternative MOA which included water quality but not quantity. Oklahoma and Arkansas have since signed an agreement regarding water quality. Grand Lake experienced large blue-green algae blooms last summer and there is currently considerable political will in OK to work on that issue.

Ms. Melgren reported that the quality/quantity MOA effort, which Tri-State Water had been facilitating, is now with the state agencies. Tri-State Water has offered to serve again as facilitator, if needed.

Mr. Rogers and Ms. Melgren visited in March with various elected officials in Jefferson City.

Standing Committee Reports:

Executive:

An executive committee meeting is scheduled during May, with the main topic of discussion being membership and the JMUC.

Financial:

Mr. VanDaGriff reported that all bills have been paid, with a current bank balance of \$310,516. Ms. Melgren has included two financial reports in the agenda packet, one for January and one for February.

Mr. VanDaGriff reported that the 2007 990 tax questions are resolved in Tri-State's favor. Ms. Melgren explained that the 990 tax form for 2007 was inadvertently not filed. The error was discovered and brought to the IRS's attention when the review of finances to date was done last year. An abatement of the fine was requested and has now been granted.

Technical:

Mr. Rauch distributed an e-mail which contained a timeline from the Little Rock Corps of Engineers for completion of the population and demand study, and what it will include.

Mr. Rogers thought the Corps of Engineers have been very good to work with. Ms. Melgren discussed a training session conducted by a private vendor who is working with the DNR and the Corps.

Communications:

Mr. Hertzberg, committee chair, was absent, so Ms. Melgren reported on communications. She discussed the recent informational meeting in Stockton, which was in keeping with Tri-State Water's broader goal of educating leadership circles across our region about water supply and Tri-State Water.

Mr. Calton attended the meeting and reported to the board that recreational business owners have some concern that reallocation of water storage would lower the lake level, which is not the case – it would reallocate water storage space from one or more of the current uses to public drinking water supply.

Mr. Rauch thought the meeting was very productive, and that the Corps representatives discussed Corps lake function very well.

Ms. Melgren reported that the mayor expressed interest in gaining access to Stockton Lake water, and that this would likely be more successful if Stockton becomes part of a regional coalition like Tri-State Water.

Mr. Rogers and Ms. Melgren gave a Tri-State Water update recently to the Jasper County Commission. Commission members remembered the early days, when Tri-State was just starting, and they were very supportive of the coalition's continued efforts.

Membership:

Ms. Melgren suggested recruiting for membership the fastest growing counties in Tri-State's footprint which are not yet members. She will meet with officials from Christian County this Friday.

Legislative/Regulatory:

Mr. Bingle reported that Representative Ray Weter has introduced a bill in the MO House seeking authorization on behalf of Christian County to have the authority to build reservoirs. Ms. Melgren has subsequently visited with Rep. Weter to introduce Tri-State Water. She reported that Rep. Weter reported having no particular project in mind, just had seen another area of the state pass a similar measure and thought it would be a good idea to have in his district as a legacy for the future. She has scheduled a meeting with Rep. Weter, Rep. Kevin Elmer, Commissioner Dennis Wood, and representatives from Ozark and Nixa, to discuss.

Ad Hoc Committee Reports:

JMUC:

Mr. Williams presented the final draft of the JMUC joint contract for board consideration and vote. All members of Tri-State have received several opportunities to discuss the joint contract and offer suggestions. The ad hoc JMUC committee met during February and discussed the last of the comments that were received and made a few small changes, which Mr. Williams explained.

Mr. Williams explained that signing the Joint Contract and joining the JMUC is not the same as joining any particular project. Down the road, members of the JMUC will consider whether to join any project(s). Projects will be governed by additional contracts specific to each project. Becoming a member of the JMUC by signing the joint contract gives a seat at the table of the decision making process but it does not obligate any member to participate in any potential project. The cost of JMUC membership will be minimal. The cost of projects will likely be significant, but each project's costs (and benefits) will be shared by whichever municipalities and water providers decide to participate.

Mr. Williams clarified that if an entity is not involved in any project(s), and if they no longer wish to pay the dues of the JMUC, they may withdraw from the JMUC, with notice.

Bob Williams moved, seconded by Pete Rauch, for approval by the Board of Directors of the Southwest Missouri Joint Municipal Water Utility Commission joint contract to be sent to Tri-State's members for approval by their governing body.

Mr. Williams presented copies of a sample ordinance for those who wish to use it. The Board members asked Ms. Melgren to forward them this ordinance electronically.

Mr. Calton asked Ms. Melgren if she needs copies of the executed ordinances after approval by the governing bodies. She explained that Tri-State's board of directors is not the governing body for the JMUC. Once two signatories sign, the JMUC will be brought to life, and the JMUC will need to form their own board of directors to make governing decisions about that legal entity, but Tri-State will continue to shepherd the effort forward until then.

Mr. Williams explained that each municipal or water provider's governing body which chooses to join will need a copy of the signed Joint Contract agreement, and a second copy will be needed for the JMUC's records. He assumed that one of the JMUC's first official duties will be to appoint Ms. Melgren as the person in charge of the records.

Mr. Williams explained that it only takes two members to form a JMUC, but several members will be needed to contribute to a well functioning board. Mr. Williams explained that the next step will be establishing the by-laws and to develop a relationship between the Tri-State Water Resource Coalition and the JMUC.

Mr. Calton asked if an electronic copy from a city to Ms. Melgren be sufficient or if the agreement must be certified. She thought it would be good to have an original signed copy in her records.

Mr. Ray asked if the Tri-State Water Resource Coalition will continue to exist, but the JMUC will be a separate entity. He asked if the reason for forming the JMUC is to do bonding and projects.

Mr. Rogers said yes, that is the case. Ms. Melgren stated that Tri-State will remain as an education and advocacy group – a sister organization to the JMUC, though with a separate board of directors.

The motion as stated above carried, with all voting “aye”.

Mr. Rogers thanked Mr. Williams for his role in chairing the development of the JMUC. He also thanked the ad hoc committee members who assisted Mr. Williams.

Mr. Rogers is taking this agreement to Springfield City Utilities next week for their consideration and encouraged other Tri-State Water members to do the same.

Executive Director Report:

Ms. Melgren distributed a financial summary of the water conference from last November. The summary outlines the registrations, sponsorship income, expenses, and net profit. She reminded the board members of the memorandum of understanding with Missouri State University that pays expenses first, and then pays MSU an administrative fees for publications, marketing, and staff time. Once those expenses are paid, any net income is divided between MSU and Tri-State Water Resource Coalition. She has already begun planning for next November’s conference and asked the board members for suggestions for key note speakers and for conference topics.

Mr. Rogers recommended discussing the JMUC during the conference, and Ms. Melgren also suggested discussing Corps of Engineers lakes and how they work, and discussion of the DNR’s Spring River watershed project, which falls within Tri-State’s footprint.

Ms. Melgren reported having provided a letter to the DNR from Tri-State Water Coalition, signed by Mr. Rogers, supporting a grant DNR is applying for to obtain \$1 million to work within the Spring River watershed.

Ms. Melgren suggested that board members consider including language in their community’s strategic plans or legislative priority lists referencing the need to pursue additional regional long-term water supply.

Ms. Melgren mentioned visiting with legislators in Jefferson City and reported that legislators are supportive of Tri-State’s mission.

Ms. Melgren provided the board members with a revised board of directors listing for 2012. She welcomed Mike Ray, the water manager for the City of Branson, which recently joined Tri-State. Dean Kruthoff is the city administrator for Branson and may also attend meetings representing Branson.

Ms. Melgren stated that Harold McCoy and Jan Tupper remain on the list of board members and reminded the board that no decisions have yet been made about revised membership criteria. She asked about covering this issue during the next executive committee meeting.

Ms. Melgren presented an ad from Coca Cola which discussed the use of water in the world and promotes the importance of water for their business.

Mr. Rauch discussed the hot and dry conditions from last summer and asked Mr. Crabtree if more irrigation took place with more wells being drilled. Mr. Crabtree replied that several new wells have been drilled in the western side of Barton County. He explained that between high crop prices and the drought, some irrigation is added each year. Last year's dry conditions prompted a lot more investment in wells and irrigation.

Mr. Rauch asked Mr. Crabtree how far east his association covers, and he replied that his association includes several water users in Lawrence County in the Spring River watershed. Most of his members are from Barton, Jasper, Vernon, and Dade Counties. Most of the irrigators are larger, more progressive farmers, so they will always be expanding. Once a field is irrigated, it rarely goes back to being dry land.

Mr. Rauch asked Mr. Crabtree if the water users are mostly drilling wells and not building reservoirs, and he replied that is correct.

Mr. Stanton asked Mr. Crabtree about the depth of the wells. He replied 1,100 to 1,200 feet, with the pumps being placed 500 to 550 feet deep. The wells pump 1,400 to 1,600 gallons.

Ms. Melgren asked Mr. Crabtree about salt water intrusion to the west and he replied that there has been little change.

Mr. Crabtree reported having attended a meeting last Friday in Jefferson City with DNR, which included many agricultural groups. He attended on behalf of Jasper County.

Mr. Crabtree is a member of the Barton County Farm Bureau board. The idea of visiting with all the farm bureau boards in Tri-State's footprint to give presentations and educating them about Tri-State's mission was discussed.

Mr. Rauch asked Mr. Crabtree about his efforts in trying to obtain funding for metering. Mr. Crabtree replied that DNR committed \$25,000 to the original project, with 23 meters out, with two years of data from a five-year pilot project.

Mr. Rauch asked about reading data from wells more often, and Mr. Crabtree replied that DNR has a well in Golden City, which lies in the middle of the irrigation territory. The water levels are what can be expected over the last two or three years, with the levels rising slightly. The wells rebound back to a general level once the irrigation season is over.

Mr. Rauch asked how drought affects the economy, and suggested making that a part of Tri-State's next fall conference. He asked about inviting an economist to discuss what long-term drought does, and how it could affect our area. He explained that the drought of 2005, 2006, and 2007 was nothing compared to droughts during the 1930's and 1950's.

Mr. Rauch explained that the City of Monett approved a \$12 million bond issue in August to build a 4 million gallon a day water treatment facility to treat three of its big wells. They're excellent quantity, but not always excellent quality, with turbidity issues with those three wells from time to time. One of the wells had to be shut down for six months during the drought of 2005 and 2006. The proposed water treatment system is an active-flow system that removes the clay.

Comments by Representatives of Federal and State Offices/Agencies:

Steve McIntosh appeared representing Senator Blunt. He mentioned the upcoming meeting with Rep. Weter and suggested that Rep. Don Phillips of Stone County would likely be interested in attending.

Mr. McIntosh thanked Ms. Melgren for mentioning Senator Blunt's recent visit to Stockton Lake.

Ms. Melgren asked Mr. McIntosh for an update on the possibility of expanding the Corps of Engineers funding sources for reallocation studies. Mr. McIntosh had no new information on this.

New Business:

Ms. Melgren reported that, according to Mayor Patty Thompson of Stockton, Missouri, the Stockton City Council has voted to join Tri-State Water Coalition. She asked for a vote to approve the City of Stockton's membership in Tri-State.

Mr. Rauch moved, seconded by Mr. Stanton, that the City of Stockton's membership in the Tri-State Water Resource Coalition be approved. The motion carried, with all voting "aye".

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 Bob Williams, that the meeting be adjourned. The motion carried, with all voting "aye".

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Roddy Rogers, President