



Board of Directors Virtual Meeting  
Wednesday, March 10, 2021  
(Rescheduled from February 17, 2021 because of inclement weather)

## MINUTES

### Welcome:

Treasurer Skip Schaller called the meeting to order. The following were present:

Brad Gray – City of Willard  
Bob Wilson – City Utilities of Springfield  
Chad Johnson – CDM Smith  
Clayton Campbell – U.S. Senator Josh Hawley  
David Shorr – Lathrop GPM  
David Hertzberg – City of Joplin  
Doug Colvin – City of Nixa  
Drew Landoll – Liberty Utilities/Empire Electric  
Eric Dove – HDR Engineering  
Gail Melgren – Tri-State Water Coalition and SWMO Joint Municipal Water Commission  
Hannah Humphries – Missouri Department of Natural Resources Financial Assistance Ctr.  
Jane Hood – Southwest Missouri Council of Governments  
Jen Henggeler – Corps of Engineers, Kansas City District  
Jeremy Parsons – City of Ozark  
Joe Kelley – City of Mt. Vernon  
Joe Richards – United States Geological Survey  
Lacey Hirschvogel – Missouri Association of Municipal Utilities  
Mathew Kirsch – MO Department of Natural Resources  
Mike Pessina – City Utilities of Springfield  
Phil Walsack – Burns & McDonnell  
Roddy Rogers – City Utilities of Springfield  
Skip Schaller – City of Monett  
Theresa Landewe – INTERA  
Travis Cossey – City of Nixa

**Approval of Minutes from Previous Meeting:**

Mr. Schaller asked for any corrections or additions to the minutes from November 18, 2020, and none were received.

**ACTION:** Doug Colvin moved, seconded by Roddy Rogers, that the minutes from November 18, 2020, be approved. The motion carried, with all voting “aye”.

**Standing Committee Reports:**

**President:**

Mr. Schaller welcomed attendees to the virtual meeting.

**Executive:**

Mr. Schaller reminded attendees of the executive committee and officers for 2021, approved at the November 2020 board meeting. He noted that the executive committee and officers represent a balance between the east side and west side of the Coalition footprint. He said Springfield is represented by CU with two surrounding communities participating, and Mo Am/Joplin is represented plus two surrounding communities.

2020	2021
<i>Executive Committee/Officers*</i>	<i>Executive Committee/Officers</i>
President – Chuck Bryant	President – Matt Barnhart
Past President – Skip Schaller	Past President – Chuck Bryant
Vice President – Matt Barnhart	Vice President – Doug Colvin
Treasurer – Mike Ray	Treasurer – Skip Schaller
Secretary – Doug Colvin	Secretary – Jeremy Parsons
<i>At Large</i>	<i>At Large</i>
Technical Chair – Roddy Rogers	Technical Chair – Roddy Rogers
Legislative Chair – David Hertzberg	Legislative Chair – David Hertzberg

*\*The 2020 officers have served the maximum two-year terms.*

Mr. Schaller reported that the executive committee had not met since the last board meeting.

**Financial:**

Treasurer Skip Schaller reported a February 26, 2021 checking balance of \$10,508.96, and a balance in the Prime Advantage account of \$387,244.71. Total assets of Tri-State Coalition were \$397,753.67.

**ACTION:** David Hertzberg moved, seconded by Doug Colvin, that the financials through February 26, 2021, be approved. The motion carried with all voting “aye”.

Ms. Melgren gave a supplemental “big picture” potential funding sources report. She anticipates that the Department of Natural Resources Multipurpose Fund will likely be both a short-term and long-term funding source for SWMO Water. In addition to the currently approved \$985K, she said the Multipurpose Fund is a likely source for additional cycles of technical study funding, which will

help SWMO Water build a foundation for future transmission project(s). She said the Multipurpose Fund is also a possible source of loan funding to cover the potential reallocated water storage annual debt service payment, to be reimbursed once revenue is being generated from the project. Ms. Melgren noted that funding from DNR's Multipurpose Fund requires compliance with the Multipurpose Water Resource Act and approval of applications for funds. Ms. Melgren stated that U.S. Army Corps of Engineers Planning Assistance to States (PAS) funds have been used by SWMO Water in the past and will be sought in the future to fund additional technical planning studies. PAS funds are matching funds and can leverage DNR Multipurpose funds, or other funds, making the most of regional, state, and federal dollars. Ms. Melgren explained that PAS funds are limited to planning efforts. They may not be used for design or build. PAS can match funds to cover future expenses such as corridor studies, hydraulic modeling, timing, staging, and permitting. Ms. Melgren reported that a scope is currently being developed to request matching PAS funds for some of the next-step technical work already approved through DNR's Multipurpose fund. Ms. Melgren explained that the U.S. Army Corps of Engineers allows amortization for the cost of reallocated water storage. She suggested that the current Corps interest rate of 1.75% would likely present the best option for financing the cost of potential reallocated water storage from Stockton Lake. She noted that the Water Infrastructure Finance and Innovation Act Loan Program (WIFIA) and Missouri's State Revolving Fund (SRF) would likely be important funding sources for future infrastructure development.

#### Communications:

Ms. Melgren said the COVID-19 pandemic continues to restrain in-person activities.

#### Membership:

Ms. Melgren reported that most membership dues payments for 2021 have been received. She anticipates a stable membership for 2021.

#### Legislative/Regulatory:

Ms. Melgren described a call with the Assistant Secretary of the Army for Civil Works office (ASA-CW) on February 11, 2021. She reminded the board that the ASA-CW gives final approval for water storage reallocations from U.S. Army Corps of Engineers reservoirs. Ms. Melgren and Mr. Rogers talked with Mr. David Leach, Deputy Assistant Secretary. Ms. Melgren had met with Mr. Leach twice in Washington DC in previous years. The transition to the Biden administration was discussed. Mr. Leach said two new political appointees will be nominated. The first appointee will be the Assistant Secretary of the Army (ASA). This position had not yet been nominated and Mr. Leach said it could take 3-6 months. He noted that the previous ASA, R.D. James, took 14 months to be nominated and confirmed. Mr. Leach said the second appointee will be the Principal Deputy. Mr. Leach said a nominee has accepted the position but still must be confirmed. In the meantime, Mr. Leach is serving as the acting Principal Deputy. He indicated that current staff may be able to process the Stockton Lake reallocation study if it arrives in their office prior to the new political appointees being confirmed. Ms. Melgren reported they also discussed the opposition of hydropower to the Stockton Lake reallocation request. Ms. Melgren explained to Mr. Leach that an "independent science analysis" is being conducted by the Corps to review hydropower data

within the Stockton Lake reallocation report. This analysis is taking place concurrently within the timeline of the Stockton Lake reallocation report, with results due approximately May 2021.

Ms. Melgren said no trip to Washington DC is yet scheduled because DC offices are still not scheduling in-person meetings.

Ms. Melgren reminded the board that Mr. Schaller, Mr. Rogers, and Mr. Hertzberg are serving as an ad hoc committee to scope and hire a federal lobbying firm to help shepherd the Stockton Lake reallocation study through to completion. The committee has developed a scope of work, RFP, and a list of firms of interest. Proposals are due by the end of April.

Ms. Melgren reported that MO Senate Bill 7 was introduced to committee on Friday, February 5<sup>th</sup> and approve on Tuesday, February 9<sup>th</sup>. There was no opposition and DNR spoke in favor. The bill is of interest to the North Central Missouri Regional Water Commission which asked that the State of Missouri support additional loans for North Central Commission from the U.S. Department of Agriculture.

Ms. Melgren reported having spoken recently with Dru Buntin, deputy director of DNR, as well as Jennifer Hogget, director of DNR's Water Resources Center, and Rich Gurminder, director of policy and legislative affairs for DNR. She reported a discussion about SB7 and how it fit into potential future funding for Southwest Missouri Water and other regional water commissions in the state. Ms. Melgren said DNR has developed a core annual budget which it believes will adequately cover currently anticipated costs related to all regional water supply districts in Missouri.

Ms. Melgren reminded the board that Missouri Association of Municipal Utilities (MAMU) has taken a neutral position on SWMO Water's request for reallocated water storage from Stockton Lake. She said members of MAMU represent both hydropower and municipal water supply interests. Ms. Melgren reported recently having spoken with leadership of both MAMU and Missouri Public Utility Alliance (MPUA). Because of potential conflicts, neither organization will advocate for SWMO Water's Stockton Lake reallocation request. Ms. Melgren noted that MAMU did not write a letter of support during the Corps public comment period during the summer of 2020.

Ms. Melgren reported that Senator Roy Blunt has announced his retirement from the Senate.

#### Technical:

Mr. Rogers reported that planning continues for next-step technical studies, including corridor, modeling, timing, staging, permitting, aerial, and archaeological studies. He noted that moving forward with these studies will help lay a foundation for future projects and flatten the cost curve over time.

Mr. Rogers reported that Corps of Engineers Planning Assistance to States funds are being sought to match some of the next-step technical work. He said not all tasks funded through the Multipurpose Fund will qualify for PAS, but some will.

Mr. Rogers said scopes of work have been shared with the board for corridor definition studies, including aeriels, archaeological, and environmental. Mr. Rogers reported that a permitting study scope has also been shared with the board.

Mr. Rogers noted that each member community has the Rate Study information and should be working toward a decision about whether to purchase a portion of the potential reallocated water storage from Stockton Lake.

**Executive Director Report:**

Ms. Melgren noted the Rate Study materials available are: full report, summary report, individual utility reports, and addendum with first half/second half costs for the reallocated water storage plus O&M per member community. Ms. Melgren continues to work with member communities regarding decisions about purchase of potential reallocated water supply storage from Stockton Lake, if it becomes available. Meetings to discuss purchase contracts, both between SWMO Water/JMUC and the Corps for water supply storage (the Corps purchase contract) and between SWMO Water members who participate together in purchase of water storage (the member purchase contract within the Joint Municipal Water Utility Commission) will be scheduled this year amongst members indicating an interest in purchasing water storage. Ms. Melgren noted that the member contract will ideally allow water storage purchases to be fungible.

Ms. Melgren reported having sent a letter to Col. William Hannan, leader of the Corps of Engineers Kansas City District, expressing concern about a possible “pause” of the Stockton Lake reallocation study which has been requested by hydropower interests. The letter stated that the findings of the draft reallocation report unambiguously justify the request for reallocation of water storage from Stockton for regional drinking water supply. Ms. Melgren said the 39 MGD being requested would only run the turbines at Stockton Lake for less than a minute, but during drought could make the critical difference for community drinking water supply in southwest Missouri. Ms. Melgren said the USACE finding in the draft report is “no significant impact”. She reminded board members that when agreeing to a final alternative for the Stockton Lake reallocation request, SWMO Water agreed to ask for only half of the reallocation from the hydropower (multipurpose) pool and agreed to take extra risks, and spend more time and money, to request the second half of the reallocation from the flood pool (a request which benefits hydropower because it would create more head pressure for electrical generation). Ms. Melgren reported that Colonel Hannon sent a response letter in which he said USACE will not be pausing the Stockton Lake reallocation study, but it will be participating in a parallel study to reevaluate the hydropower data. Col. Hannan’s response letter stated that a final decision will not be made on the Stockton reallocation study until the review has been substantially completed and the findings have been considered. It is anticipated that the findings from the review will immediately follow the report finalization and should not incur any further delays.

Ms. Melgren reported that the Corps of Engineers Kansas City District requires an additional \$75K in contributed funds from SWMO Water to complete the reallocation study for Stockton Lake.

ACTION: Roddy Rogers moved, seconded by Jeremy Parsons, that the board approve payment of \$75K to Corps of Engineers Kansas City District as contributed funds toward the Stockton Lake reallocation study. The motion was approved with all members voting “aye”.

Ms. Melgren noted that Matt Barnhart of Missouri American Water had a conflict and could not attend the meeting. She gave his report. Mo Am recently received results of a yield study for their proposed reservoir for Joplin. The Yield study results indicated that the proposed reservoir would provide adequate water supply for 30 -50 years. The cost of developing the reservoir is a considerable undertaking for Mo Am and their rate payers. Consequently, Mo Am has indicated an interest in purchasing long-term water storage from the second half of the Stockton Lake water reallocation, not the first half. Mr. Barnhart has indicated that Mo Am will continue as a member of SWMO Water and is still interested in Stockton water as a long-term source of supply for the growing Joplin area. Mo Am has planned the reservoir development as a way of creating more immediate water storage. The building of the reservoir creates the container with which water from Stockton Lake can eventually be held. Ms. Melgren noted that each member community of SWMO Water has its own internal water supply infrastructure and future planning. She said the Joplin reservoir is part of Joplin’s individual system and is separate from SWMO Water. Ms. Melgren noted that with MO Am/Joplin indicating interest in the second half of the water storage reallocation currently being requested through SWMO Water, the possibility exists for the east side hub of Springfield and surrounding communities to purchase the first half of the reallocated water storage from Stockton, with Joplin and surrounding communities potentially purchasing the second half of the reallocated water storage. She noted that discussions continue amongst all members regarding possible purchase of potential water storage, with no final purchase decisions having been made.

Legal:

David Shorr, Lathrop GPM, SWMO Water counsel, reported that his team has worked on several items for SWMO Water to date, including a draft water purchase contract for Stockton Lake water storage between the JMUC and USACE, and a draft water purchase contract between participating JMUC members for Stockton Lake water storage purchase. He said the template can be used as a starting point of conversation to refine a final purchase agreement between the members. Ms. Melgren noted that the signed member contract will serve as collateral for the purchase contract between SWMO Water and USACE. Several board members discussed an interest in having individual members’ water storage purchase be fungible.

Mr. Shorr noted that he had reviewed a letter from SWMO Water to Colonel Hannan of the KC District Corps of Engineers regarding hydropower interests.

Mr. Shorr noted that he had reviewed a programmatic agreement which is part of the Stockton reallocation report.

Mr. Shorr noted that the second half of the water storage reallocation at Stockton was likely to be more complicated than the first.

Mr. Shorr commented that the loss of Colonel Hannan at KC District Corps, the loss of Senator Blunt (who is not running for reelection), and the loss of R.D. James at the Assistant Secretary of the Army (who will be leaving as a result of administration change), will require the establishment of new lines of communication as the reallocation request nears the finish line.

#### New Business:

##### Report from the Southwest Missouri Joint Municipal Water Utility Commission (JMUC):

Mr. Rogers noted that the JMUC had not met since the last Tri-State Water meeting.

##### Reports from Legislative or Agency Officials:

*Corps of Engineers Kansas City District* – Jennifer Henggeler, project manager for the Stockton Lake Water Supply Storage Reallocation Study, gave an update. Ms. Henggeler reported that the comments gathered during the public review of the draft reallocation report, which took place in July/August of 2020, along with the Corps responses to those comments, which have been revised over the past several months, are near completion. Once submitted to the vertical team, the Corps will schedule an Agency Decision Milestone meeting.

Ms. Henggeler reported again that Southwestern Power Administration (SWPA) opposes the reallocation of water supply storage at Stockton Lake. She reported SWPA has submitted objections about methodology and calculation of hydropower benefits forgone. She reported that SWPA sent a request, through Northwest Division of USACE, to the Chief of Operations at USACE HQ, asking for an additional review of the methodology used for calculation of hydropower benefits forgone/hydropower credits for Stockton Lake storage being considered for reallocation. That request has been approved by the Corps and a review is underway. The Corps HQ Hydropower Business Line has hired an independent contractor who is working on the review. Though the possible pool raise is advantageous to hydropower, they are still concerned about lost generation. Ms. Henggeler said the outside review will not be charged to the current Stockton Lake reallocation study budget, and that it should not slow down the current reallocation study. Rather, it will take place in parallel within the current reallocation study timeline.

Ms. Henggeler noted that the schedule/timeline is on a second revision. A copy of the revised timeline was shared with the board. She said she will be meeting more frequently with Ms. Melgren as the report nears completion. Ms. Henggeler said the contributed funds approved earlier in the meeting would hopefully enable the Corps to finish out the reallocation report. She noted other concerns being addressed as part of the report include dam safety and fish/wildlife.

Mr. Shorr asked Ms. Henggeler about the possibility that the threshold for a final decision could shift from ASA approval to congressional approval, and if that threshold were to change, if such a decision would be an administratively changeable decision. Ms. Henggeler will investigate.

*MO Department of Natural Resources* – There was no report from Missouri DNR.

Presentations:

There were no presentations.

Adjournment:

Roddy Rogers moved, seconded by David Hertzberg, that the meeting be adjourn. The motion carried, with all voting "aye".

The next Tri-State Water Coalition board meeting will be May 19, 2021.



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Jeremy Parsons, Secretary