Southwest Missouri Joint Municipal Water Utility Commission

SWMO water

Board of Directors Meeting Minutes

Wednesday, August 17, 2022

CALL TO ORDER

The meeting of the Southwest Missouri Joint Municipal Water Utility Commission was called to order at The Casino,101 South Lincoln, Monett Missouri on August 17, 2022, at 9:06 a.m. by Executive Director Roddy Rogers. Roddy called for self-introductions, welcomed Mary Norell of Stockton on their return to membership, and turned the meeting over to President Skip Schaller.

SELF INTRODUCTIONS

Board Members Present:
Kendall Powell, Branson
Jason Choate, Carthage
Steve Stodden, City Utilities of Springfield
Mike Beatty, Liberty Utilities
Matt Barnhart, MO America
Skip Schaller, Monett,
Dustin Davis, Mt. Vernon
Travis Cossey, Nixa
Jeremy Parsons, Ozark
Mary Norell, Stockton

In Attendance:
Phil Walsack
Lauren Graessle
Sara Pringer
Mike Weller
Gail Melgren
Jack Schaller
TJ Whatley
Chuck Solomon
Jason Stutesman
Jennifer Henggeler
Dustin Davis
Doug Colvin
Jane Hood
Theresa Fernau-Dunn

APPROVAL OF PREVIOUS MINUTES

The Board Minutes from August 18, 2021 and April 20, 2022 meetings were unanimously approved. Travis Cossey made the motion to approve, and Steve Stodden made the second.

FINANCIAL REPORT

As of 8/8/22 Central account balance is $189,802.36

TECHNICAL REPORT

PAS (Planning Assistance to States) funding agreement in process of approval and DNR multipurpose fund has been amended to be consistent with the PAS funding agreement. Will be receiving $325,000 from COE PAS and $325,000 of the previously established multipurpose funding (985,000 total) will be used as matching funding for the COE PAS funding.
PAS agreement set up to use COE consultants to do hydraulic model, aerial photography, environmental archaeological studies, and timing/permitting studies. Had tried to do the environmental studies within the JMUC but got no responses back from RFPs and Can use PAS funds if do through COE. Board had approved doing thru JMUC. In last Board Meeting, approved to do through COE. These will begin to lay a foundation for the project. It was noted that Colonel Rayfield had written a memo indicating his excitement and desire to help communities all over the nation with drought.

EXECUTIVE DIRECTOR REPORT

Signed (professional liability) insurance policies for both JMUC and Tri State—at a cost of $2562--$3500 budgeted for each. $1 million coverage per occurrence. $2 million in aggregate. $50,000 auto damage.

Two existing policies renewing on Directors and Officers errors and omissions and workmans comp. Cost within budget.

Conference —Is Nov 1 at the Darr Center. We hope to have a representative from the Denver Office of the Bureau of Reclamation where they are dealing with a mega drought and rapidly dropping levels of Lakes Mead and Powell. Sponsorships are being solicited and the registration site is active on the MSU Outreach website.

A meeting is pending with COE legal to discuss possible issues with the reallocation.

Take or Pay Contracts—presented slides illustrating high level view of contract approaches outlined by Jones and Fortuna—one where JMUC suballocates to each entity or where have take or pay contracts between each entity and JMUC. One provides for an entity to be an owner of a volume of storage and one provides for an entity to be a customer receiving a certain water yield. An owner with a percentage of the volume will have a fixed investment with variable carrying costs and the customer arrangement allows for paying a variable price based on consumption of water

withdrawn/delivered. Hope to have Jones and Fortuna present more in depth at the next meeting and to discuss terms and negotiation options.

Storage accounting—The COE policy is to use storage accounting which means they give a percentage of inflows to each user based on their percent of storage. SWMO Water has encouraged a larger total storage number based on total usable storage because it is the denominator in the calculation of what we would pay for the storage—making cost lower. But this could work against us with storage accounting because we would also get a lower percentage of the inflows—i.e., less water. The ability to "save" this for use during drought could be very valuable. Need to know whether to seek storage accounting or not in the contract. This involves doing an analysis to see what the differences in costs and the pros and cons are. Jones and Fortuna has subcontracted with Hazen and Sawyer do this analysis at a cost of around $5000 so we can go into the contract in the know on this issue.
Storage accounting begins when pool goes below target elevation of 867 for 30 days, then the COE sends letters and will apportion inflows accordingly. Discussion of costs vs flows followed. In answer to Mary's question about climate modeling---There is a climate assessment appendix but no quantitative number to include in modeling, they are using the COE tools.

Dues are all paid. They are due again at the beginning of 2023.

DYMS--Dependable Yield Mitigation Storage is a COE process. In SWMO Water situation it will make Springfield CU whole wr to their current allocation of storage from Stockton. If outflows increase as a result of an additional reallocation of storage with inflows and lake volume remaining the same, then CU's storage allocation will yield less. Some of the additional allocation will need to go towards making the existing CU allocation yield the same amount. This will need to be handled in the contracts between the entities. This will result in less available for the region. Ultimately, with or without DYMS, if the requested reallocation is approved, it will meet about half of the SWMO regional gap need. Still need to pursue additional storage in Table Rock and or Pomme De Terre Lakes.

DNR Report: DNR SRF (State Revolving Fund) funding deviation approval—possibility of financing the purchase of the reallocation through the State Revolving Fund. Not traditionally eligible but DNR submitted documentation on behalf of SWMO Water and EPA has determined it meets the criteria for a deviation approval. This would be a loan over 20-30 years. Current interest rate of 1.07% ($4 million) and annual admin fee of $1.7 million over term of the loan. There is potential for significant savings over financing through the COE (millions). The loan would need to be secured by a bond. The firm of Gilmore and Bell was discussed as possible bond counsel. Ultimately would need to pay back about %110 of loan amount. Michael Weller (DNR) discussed the possibility of a hybrid arrangement of funding between the Multipurpose Fund and SRF. SRF

could serve as a "backstop". The SRF application can be filled out without committing. The final cost of the reallocation will need to be determined –hopefully this year.

SWMO Water and DNR continue to work through reimbursement of project expenses. Of the $985k funds available, $109,500 has been paid with $875k remaining. Right now, there is a total available of $37million plus and $28m committed.

COE Update—the recommended plan to reallocate some from each of the flood and multipurpose pools is moving forward. This will result in a 1.9 ft pool raise and Mary Norell indicated this could alleviate some of the concern around Stockton. The Dam rating will be a four which is in SWMO Water favor since that is policy compliant to recommend the pool raise. Jen Henggeler (COE) said there are no flooding issues to resolve at this point, as no additional flooding will result. They are now documenting this in the report. The last few reviews and quality control will be ongoing over the next few weeks followed by agency technical review. Rereview will address and close all comments and transmitting to HQ estimated early November. Division commander of COE has taken an interest and is watching to ensure the process moves forward.

FUTURE MEETINGS—October 19, January 18, April 19 (subject to change)

ADJOURNMENT

With no further business, the meeting was adjourned simultaneously with the adjournment of the Tri-State Water Resource Coalition meeting, at 10:08 a.m.

Kendall Powell, Secretary