



Minutes
May 13, 2008, 10:00-12:00 pm
The Station, NWMSU

Members in Attendance: Harlan Higginbotham, Curtis Hedrick, Manley Tillison, Dick VanVactor, Ken Minter, Tom Bliss, Lance Rains, Tye Parsons, Marsha Boone, Bill Hills, Richard Graner, Norm Ellis, Marvin Nickell, Phil Lammers, and Bob Stiens.

Members not in Attendance: Dale Watson, Zac Johnson, Huey Jacobs, Wayne Voltmer, Randy Railsback, and Arnie Kreek.

Participants, Advisors, Staff and Visitors: Breck Summerford, Judy Bowman, Steve McIntosh, Beverly Maltsberger, D.J. Gehrt, Brock Pfost, Sam Panettiere-Senator Bond's Office, Terry Campbell, Bob Ross, Roger Lehr, Andy Shively, Bruce Hattig, Ed Proctor, Bernie Meyer, Bob Fuerman and Chad Higdon-Sam Graves Office.

Introductions

Harlan Higginbotham welcomed everyone and introduced Chad Higdon-Sam Graves Office, Ed Proctor-Atchison County Wholesale Water Commission attorney, and Bob Fuerman –Missouri American Water. The meeting opened at 10:00 am at The Station. A quorum was present.

Minutes were distributed to all members electronically and at the meeting. With no corrections the May 13, 2008 minutes were approved with a motion by Dick VanVactor and a second by Bob Stiens. Minutes approved.

Committee Reports/Updates

Atchison County Wholesale Water Commission – Bruce Hattig with Bartlett & West Engineers provided an update on the Atchison County project. Curtis Hedrick with the Commission and Ed Proctor, attorney for the commission were also in attendance. The Commission met about two weeks ago with DNR staff in Jefferson City looking hard at getting the initial funding to get started. Phasing the project was discussed to reduce the start-up costs and a plan was made and has been presented to the Commission and was accepted. However, still have the issue of needing funding to begin. Currently pursuing private and public funding from a variety of potential sources. Still working with the timeline, by January 2010 must have engineering, easements and a bid for some significant part of the project to generate some revenue. The phases include purchasing the land for the well field, land for the entire treatment plant and buy easements for the piping from the well field to the treatment plant and enough easements to get to the first two customers on the transmission side who are Atchison County #1 and Rock Port. This still leaves Tarkio, Fairfax and Nodaway County #1 which means buying a lot more easements and lines, so by reducing the project probably means getting this done by January 2010 to have access to the \$2.2M grant. The details within the well site and plant site are buying enough land for multiple wells, but will likely only build today, one or two new wells to serve the first two customers. Buying the treatment plant to serve for future expansion, but the initial construction or design will be for just a single process train. The future will be to add to a second process train and so on. By having less design efforts because of fewer eliminates and less easements can get sooner with less money to keep the project online for the bond monies. The cost to serve everyone was \$2.6M and now is \$1.7M which is a

rough estimate. This cost will be determined once the feasibility plan is completed. There are no wholesale rates currently.

Atchison County Survey Results – Marsha Boone gave an update on the survey. Amy Ryan conducted the survey. The members did receive a copy of the survey by email. Marsha received several comments back about the survey. Comments received were in regards to the initial grant, and issues about the raw data which will need to be fixed. The study tool the class used “Big Fish Small Pond” will not be used. Amy Ryan and Marsha Boone will work on the survey to make the changes and distribute back out to the public in June.

Corp of Engineer Study – Steve McIntosh gave an update on the Corp study. DNR had an agreement with the Corp of Engineers to perform a “Scope of Work” with a consultant to look at all the major pipeline routes through the study area which is the Sketch 7 to get a cost to get a facility feasibility plan to do the study. There were \$25,000 allocated by DNR and \$50,000 allocated by the COE. An agreement was signed between both parties and it was sent out for bids which came back to the consultant that was on a continuing contract with them on a much higher amount than what was anticipated or available. There was a total of \$100,000, including in-kind services, available for the project and the bid came in at + \$170,000. The Scope of Work was reduced and the COE were able to come up with an additional \$20,000, DNR contribute \$10,000 and the Water Partnership contributed \$10,000 for a total of \$40,000 for a total of \$105,000 in contractual money with a total project cost of \$140,000. This is the budget as of now and the new agreement is in draft form and still between the state and COE. The difference between what we had before, is we are trying to utilize the funds the Water Partnership has collected through the University and this caused some concern with the University in regards to the wording, since this is not actual the University’s money, so currently working on this to see if this is acceptable with the COE administration. The Scope of Work was also changed such as having all the seven hubs involved; now looking at only three sources of water which are St. Joseph, Atchison County Wholesale Water Commission and Smithville reservoir. Were not able to include Kansas City due to lack of funds, but doesn’t mean that can’t be included in the report at a later time. There were also negotiations with contractors about the local detail scope of work which held things up. The first agreement was done in January and since then it has been in different negotiating stages. We wanted to have an agreement that would give us a facility plan level of details which is expensive. The environmental issues will not be included in the plan. The plan will strictly include engineering costs, pumps, pipeline, storage facilities and what the wholesale rates will be to deliver the water to the customers. DNR really wanted the higher level of study, but the COE in Washington only contributed and additional \$20,000, this was not enough to bring up to the level of detail. DNR was willing to contribute more monies, but according to the Water Resources Development Act that authorizes the COE appropriations, *state or local contributions that are greater than 50% of the total project costs* are not allow by law ,so you can’t over match a project. Currently the COE and DNR have contributed \$70,000 each of cash or in-kind services for this project. The consultant has made the changes to the Scope of Work and if the COE accepts the changes in the agreement as far as the wording with the University funds, then the agreement should be signed by the COE in Kansas City and DNR Director, next monies are transferred, and finally the contractor can begin work.

Tye Parsons stated the water partnership has worked for a long time to come up with Sketch 7 and now there are changes to the scope from seven plus one hub to only three hubs. By doing this it looks like the Corp is driving the project and the WP driving the facility plan. If we don’t have enough money to do what needs to be done then we will find another way to do it. By drastically changing the scope of work, from seven hubs plus the one that does not exist yet, is a dramatic change. All the articles and newsletters that have gone out about the seven plus one hub and now spending all this money on facility plant that does not reflect the Sketch 7. Steve McIntosh stated that Sketch 7 comes up with what sources are sustainable such as Cameron, Maryville, Stanberry Middle Fork Water Company,

Bethany, and Savannah, so what we are saying is those people are sustainable on their own systems right now and it doesn't mean they will be sustainable in the future. Steve's opinion is Maryville is sustainable for Maryville and Nodaway County, if does not have water to share out on the transmission line. Bethany is sustainable in the long term for itself and Harrison County and *may* help share with Albany. Over the long term it's not going to be *extra water* and *only* 1.4 million gallons per day that's available for source water from Bethany and from Harrison County Lake. There is not going to be *enough water to ship* to Cameron or Plattsburg. Cameron only has approximately 3 million gallons a day and they are looking for more water coming from St. Joe. From an engineering committee perspective on the transmission line, we are looking at taking water and delivering water to other places and not just at the *sustainability of the individual systems*. Unless the system doesn't have at least 3 million gallons per day *extra* capacity then they are not a *source* player. The players would be St. Joseph, Atchison County, Smithville and perhaps Kansas City. There is no other system that has a 3 million gallon per day surplus to share. These hubs were not intended to serve into the pipeline and supply everyone. Overall, the lines are the same, but the sources are not the same on the Sketch 7. Bill Hills stated noting has changed in the scope of the project of what is going to occur. The only thing that is changing is the evaluating the potential of adding water to the system from only three sources. It has never been *said that* there would be water added from the hubs, because they never had any additional water, but did have a sustainable system that can be used to funnel water through. Brock Pfof asked what difference would it make to the public whether we get water from one or two or three sources. Bill Hills stated the costs would be affected ~~it~~. Water production has not been talked about to any of the hubs.

Tye asked if DNR had the capacity to do this type of work internally or the engineer and expertise to do this without having to use the COE money to spend \$100,000. Steve stated that DNR does not have the authority or appropriations to do *engineering feasibility* studies. They would need additional legislation.

Fundraising Requests/Presentation – Marsha Boone spoke about presentations to the water systems and city councils. After discussion, it was decided to have Bill Hills conduct the presentations for the water partnership members before the partnership ask for money. The presentations will begin in June and members or alternates will attend with Bill in each of their perspective communities. Bill will begin contacting the cities and water systems and then notify the appropriate members to attend with Bill. The presentations will include an overview of the Sketch 7 and survey and then an opinion of the status of their water system and why they need to fund the second round of study. The study will include environmental impacts and mitigations requirements, refined cost estimates, management structure and analysis of financing which will costs about \$50,000. This process will generate \$10,000 to help pay for the study. If they believe in a regional system they are asking to send a letter stating they support a regional concept. Bill is going to suggest a .30 per customer which should generate \$25,000. If half of the systems give .30 this will get the amount needed. Members that have already contributed were for the first study. These contributions are for the second study. The contributions from the first study were very low.

Marsha asked Steve if we were confident *in our cast estimates* in the second study on what we are asking for. Steve said no, these costs amounts were based on a similar group who are doing a fundraiser. We need to find out what the study is going to cost before we ask the communities for money. That was the mistake that was made with the first study and the delay with the COE. The department just came up with an allocation of money and *it* was not enough. At this time, the cost is undetermined. These monies will only pay for the items Bill listed above. Phase I study can not be expanded at this time but may be later by mutual agreements. arrangement.

Harlan asked if the engineering committee needed to meet. The engineering committee needs to meet to determine how much is needed before asking the communities for money. A project estimation needs to be done, write the scope of work out and estimate the hours for it and then we will know how

much money to ask for. The committee will meet to determine the amount to ask for before giving the presentations.

Money that DNR put into the budget was \$25,000 and we received match from PAS-COE with \$10,000 from water partnership was for a total of \$35,000. The \$170,000 comes from the estimate the consultant came up to do basically for a level of work the COE *asked* for in the scope of work. This level of work was not the level of work for a facility plan level detail. This level was for transmission, source water and detailed cost estimates. The environmental portion was not very strong in the study.

Easements - Ed Proctor with Heavner, Jarrett & Kimball, PC, attorney for the Atchison County Wholesale Water Commission and Atchison County #1 Water District spoke about new easement requirements. Mr. Proctor distributed a copy of the new guidelines pertaining to Section 523. In 2006 the State of Missouri adopted a whole new set of statues dealing with the issues of eminent domain. The changes that came about affect obtaining the right for a waterline or sewer line. All the water transmission lines with the Atchison County Wholesale Water Commission will have to be acquired by eminent domain. New classifications were also established with homesteads and heritage farms before acquiring right-a-way across any property. Mandatory relocation benefits have also been added. Provisions have also been added that affect the strategy or ability for people to obtain a right-a-way. Easements must be acquired in the right way or entities can be sued for trespass and must pay all costs. This is new to the acquisition law. There are two statutory statues that have changed. One is the blanket easements which are now outlawed. Prior blanket easements must be acquired and get a new easement to cover the new use. Second, there are new three terms that must be met when acquiring right-a-way that specify to the landowner as to why and what you are acquiring. Easements must include the burden, scope of use, and footprint (actual line in ground) on new right-a-way easements. Waterlines must be installed as indicated on the easements.

Other Business & Announcements

It was the consensus to leave the Mission Statement as written.

The Planning Funds for 2008-2009 will be discussed at a later date.

Next Meeting Dates

The next meeting will be held June 24, 2008 from 10:00 am to 2:00 pm at The Station. Lunch will be provided. Bill Jarocki will present at this meeting. The committee has two assignments: 1) List of groups that need presentations to solicit match monies as well as dates and times; 2) Objectives from your counties (What do you want to see in your county).

The next schedule monthly meetings: Tuesday, July 8, Tuesday, August 12, and Tuesday, September 9.

Kansas City Water Services will present to the WP in the future.

Adjournment

Norman Ellis made a motion to adjourn the meeting at 11:45 am. Dick VanVactor seconded motion. All in favor, meeting adjourned.