

A special meeting of the Board of Directors was held in compliance with the Sunshine Law and The Miami Conservancy District (MCD) Bylaws. The meeting information was posted on MCD's website. Miami Valley news media and individuals requesting such notification were notified of the meetings by electronic mail dated January 15, 2025. The meeting was held at MCD headquarters located at 38 East Monument Avenue in Dayton.

The special meeting of the Board of Directors of MCD was called to order at 9:07 a.m. by Mark G. Rentschler, President, with Beth G. Whelley, Vice President, and Michael H. van Haaren, member, present.

Members of the staff in attendance at the special meeting: MaryLynn Lodor, General Manager/Board Secretary; James B. Casper, Manager, Operations and Maintenance; Sarah Hippensteel Hall, Manager of Communications, Outreach, and Stewardship; Kenneth P. Moyer, Treasurer; Donald P. O'Connor, Chief Engineer; Christina M. Pfeiffer, Executive Assistant; Shannon E. Phelps, Manager of Administration; and Barry M. Puskas, Chief of Technical and Engineering Services. Ginger Clark, Manager of the Great Miami Riverway, arrived at 9:30 a.m.

Legal counsel in attendance at the special meeting: Lee A. Slone, McMahon DeGulis LLP. John M. Hoopingarner, McMahon DeGulis LLP, attended via Teams.

MCD Consultant, John Menninger of Stantec Consulting Services, Inc., was in attendance at the special meeting. Carol Malesky, and Katie Greer, also from Stantec Consulting Services, Inc., attended via Teams.

MCD lobbyist, Lori Kershner of LMK Advocacy, was also in attendance.

Guests in attendance at the special meeting: Tim Naab, Hamilton City Counsel; Dan Bates, Greater Hamilton Chamber of Commerce; Craig Bucheit, Manager, City of Hamilton; David Stark, Artspace Hamilton Lofts; and Matt Lindsay, Miami Valley Regional Planning Commission.

Mr. Rentschler called the meeting to order, and Ms. Lodor introduced John Menninger of Stantec Consulting Services, Inc. (Stantec), so that he could present information regarding Phase 1 of the Benefit Assessment Study.

Mr. Menninger summarized the purpose of the study. Mr. Menninger explained that currently, Stantec and MCD are in the stage of understanding priorities, concerns, and alternatives. Next, MCD will form an Advisory Committee. MCD will then gather feedback and Stantec will refine the alternative methodologies based on that feedback. Stantec will then make recommendations as to future benefit assessments.

Mr. Menninger began with a review of MCD's current methodology. During its analysis, Stantec used some MCD modeling. Stantec then enhanced/created models without MCD's levees, for example the "without project" conditions was created to mimic the original narrower channel through Hamilton in place to estimate flooding if MCD's structures and work were not in place.

Mr. Menninger explained the process for appraising benefits: 1) determine the flood risk reduction provided by MCD; 2) calculate the benefits provided to people, corporations, and other public entities; and 3) appraise the benefits to real properties and/or political subdivision.

To evaluate flood risk reduction and flood control benefits, Stantec recommended two pilot areas for the Phase 1 study which were the cities of Hamilton and Dayton. Non-urban or agricultural areas were not included at this stage. Mr. Menninger showed a model of what flooding would look like in the pilot areas if MCD never existed.

Mr. Menninger then discussed direct benefits and explained the differences between MCD's methodology and the methodology used by the Federal Emergency Management Agency (FEMA). Mr. Menninger explained that the two are similar, but FEMA has more factors that they consider in quantifying benefits. That said, neither methodology captures all benefit factors, *i.e.*, loss of motor vehicles during flooding was not considered.

Using the federal benefit cost methodology resulted in approximately \$1.67B in direct benefits provided by MCD. This is approximately ten times the current benefit appraisal value calculated by MCD, with the vast majority of benefits accrued by properties that flooded by more than ten feet in the 1913 flood. There was little variation in benefits calculated for structures flooded less than eight feet in the 1913 flood.

Mr. Rentschler remarked about increasing rainfall, and changing watershed conditions. Mr. Menninger stated that the models do not consider climate change and that the models assume the climate will remain consistent with the conditions of the last 100 years.

Next, Mr. Menninger discussed indirect benefits to the broader community. Indirect benefits are accrued to individuals who are not directly impacted by flooding, such as loss of hospital services, delay due to road and bridges damage, loss of medical services, loss of potable water, loss of wastewater services, and loss of electricity.

From the pilot areas, nearly \$1.61B in indirect benefits were identified, which is almost a 1:1 ratio with the identified direct benefits. Mr. Menninger indicated that the federal benefit cost methodology includes a \$13M monetary value for a human life.

Mr. Menninger then moved on to the benchmarking survey Stantec conducted to determine how other flood districts appraised benefits and how they funded their organizations. Responses were received from Maumee Watershed Conservancy District, Muskingum Watershed Conservancy District, Hunter's Run Conservancy District, and Hocking Conservancy District in Ohio, plus Tarrant Regional Water District and Harris County Flood Control District in Texas, Pajaro Regional Flood Management Agency, Riverside County Flood Control and Water Conservation District, and Santa Clara Valley Water District in California, Urban Flood Safety & Water Control District in Oregon, and Mile High Flood Control District in Colorado.

From the benchmark study, Stantec found that appraising benefits and assessment rates for individual properties is not common for districts outside of Ohio. In addition, most districts surveyed operate and manage infrastructure that was constructed through partnerships with federal agencies such as the U.S. Army Corps of Engineers or Natural Resources Conservation Service, which contrast with MCD's self-implementation of the Official Plan.

Other benchmarking study findings include that eleven of the twelve responding districts appraised benefits and/or assessed properties beyond the direct flood benefit area. Outside of Ohio, flood districts are funded with ad valorem property taxes and watershed-based assessments. Finally, caps and credits are not commonly applied with the exceptions of caps on the increase in assessed/taxed property value common with homestead exemptions, abatements, and California Proposition 13.

In addition, Stantec found multiple examples of flood control districts that utilize methods such as flat-rate assessments based on area / property type to determine at least a proportion of the assessment value.

Mr. Menninger then discussed the four alternative methodologies that Stantec developed for calculating benefits and assessments. MCD currently assesses approximately 39,000 parcels with the five counties directly affected by the 1913 flood. Expanding the boundaries of the MCD flood protection to the areas within Shelby, Preble, Clark, and Greene Counties would include the entire Great Miami River (GMR) watershed in nine counties and would capture indirect benefits Stantec identified and discussed previously. Each alternative was discussed at length.

Alternative 1 is a direct-watershed approach that expands the MCD boundary to the entire GMR watershed within nine counties. Benefits would be calculated using the current methodology and appraised based on stormwater contribution of each property. This alternative is similar to the methodology used by Muskingum Watershed Conservancy District and is based on Equivalent Residential Units (ERUs). All residential parcels would be considered one ERU (regardless of parcel size), and non-residential ERUs would be determined by the amount of impervious area on the parcel. A discussion was had concerning differences between stormwater control by County and local governments and stormwater control benefits from the MCD's flood control system. MCD controls river water once it enters the rivers, keeping it from leaving the river systems, backing up into urban centers, or damaging infrastructure.

Alternative 2 calculates direct benefits within the current boundary of the MCD flood protection district, and indirect benefits within the GMR watershed in the nine counties. Parcels within the current boundary would be grouped into three flood recurrence zones: 10 – 100-year flood, 100 – 500-year flood, and greater than 500-year flood. Modifying factors would include land use (e.g., industrial, commercial, residential) and protection level (dams, levees, or both). Indirect benefits would be calculated on developed parcels within the watershed boundary, and vacant parcels would be appraised a nominal share. Unit benefits would be appraised in municipalities and counties within the MCD boundary.

Mr. Menninger then presented Alternative 3, which similarly to Alternative 2, calculates direct benefits within the current boundary of the MCD flood protection district, and indirect benefits to the watershed within the nine counties. Parcels within the current boundary would be grouped into five flood recurrence zones: less than 10-year flood, 10 – 50-year flood, 50 – 100-year flood, 100 – 500-year flood, and greater than 500-year flood. Modifying factors would include land use (e.g., industrial, commercial, residential) and protection level (dams, levees, or both). Assessments would be extended to parcels that would be affected by an Official Plan Flood (1913 levels +40%). Indirect benefits would be calculated on developed parcels within the revised boundary with two different zones, and vacant parcels would be appraised a nominal share. Unit benefits would be appraised in municipalities and counties within the current boundary.

A question was raised whether the pilot studies for the cities of Dayton and Hamilton could predict Shelby County's indirect benefits. Mr. Menninger responded that Stantec is evaluating methods to quantify indirect benefits across the watershed using information we have now from the pilot studies, but an additional pilot area may be necessary.

Mr. Menninger then discussed Alternative 4, which is a simplified benefit appraisal to the MCD's current methodology. Direct benefits would be appraised for properties within the current boundary. This alternative would maintain the current approach, although the flood factors would be simplified to contain only three flood recurrent zones just like Alternative 2. Unit assessments would include an indirect assessment for all municipalities within the nine counties. This alternative is an option that could occur without modifying the boundaries and the indirect benefits would be assessed to the counties directly, not individuals.

Next, Menninger compared the estimated total assessment revenues generated by each of the four alternative methodologies against (1) the Paused 7th Readjustment of Appraisal of Benefits and (2) the 2025 Maintenance and Capital Assessments based on the 6th Readjustment of Appraisal of Benefits. He also showed a comparison of sample properties valued at \$100,000.00 under each of the four alternative methodologies.

Mr. Menninger stated that there were three outlier or high-value properties within the pilot area of the study that increased the average assessment estimates.

Asked whether there were other alternatives available that were not presented as part of this report, Mr. Menninger stated no, these four alternatives fit within the range of standards set by other conservancy districts.

It was observed that the Conservancy Court would have to ratify any revisions to the current MCD flood control district's boundary.

Mr. Rentschler asked if anyone is using exemptions for non-profit organizations nationally. Mr. Menninger responded that Stantec did not find any exemptions in the survey responses. He added that Hunter's Run charged a reduced assessment rate for exempt land use types.

Mr. Rentschler stated that he believes the Board of Directors does not have reservations in changing the MCD's flood control district boundary and he hopes the Conservancy Court would also recognize that necessity. Ms. Whelley added that she believes it is the Board's duty to expand the boundary considering the indirect benefits identified by the study.

When considering Alternative 1, Mr. Rentschler stated that he does not believe the responsibility should be equal between commercial, industrial, institutional, and residential properties, and there should be some differentiation between direct and indirect benefit areas.

The ratio of direct to indirect benefited parcels identified through the pilot studies was discussed. The Board inquired about methods that might be employed to reduce the proportion of assessments paid by directly benefitted parcels. The study is ongoing and Stantec may identify additional factors that could change the ratio of direct to indirect benefits from the MCD system.

Next, Mr. Rentschler opened the meeting to public comment.

Mr. David Stark of Hamilton began by stating he'd like MCD to establish a flat-rate assessment. It would be equitable to all residents, and he does not believe that anyone would sue over a \$20.00 assessment. Ms. Lodor asked if he was referring to Alternative 1, and Mr. Stark replied he'd like a truly flat rate. Mr. van Haaren asked about tweaking the flat rate for commercial, industrial, and institutional parcels.

Mr. Stark asked what are the objections to a flat rate? Mr. Rentschler replied that beneficiaries would complain that a flat rate of \$20.00 paid by a commercial entity like Spooky Nook and \$20.00 paid by an individual is not equal.

Mr. Dan Bates, President/CEO of Hamilton Chamber commented that he understands the MCD needs funding but asked that MCD makes sure that the assessment doesn't put people out of business or increase rents to the point where businesses cannot operate. Mr. Rentschler agreed and stated that MCD needs to come up with a process that maintains its system.

Mr. Timothy Naab, Councilmember of Hamilton, asked how many people will serve on the Advisory Committee. Ms. Lodor responded that right now she believes there will be 15 to 17 people.

Mr. Naab then stated that a \$20.00 assessment would be a "non-factor" for most of his constituents. He then congratulated MCD on hiring this consultant (Stantec) and hopes the Board will listen to the Advisory Committee. Finally, he stated that the City of Hamilton is favorable to increasing MCD's boundary to include the entire watershed as that would spread the burden of assessment to everyone who benefits.

Mr. van Haaren stated that spreading the cost to people who have never paid an assessment to MCD could be a hard argument to make.

Mr. Stark advised that MCD should keep it simple: \$20.00 would work across the board. MCD should give responsibility to the affected cities to spread the word about the system and the assessment.

Following the public comments, Mr. Menninger returned to discussing the benefits study and presented a summary and key findings. He stated that direct benefits for the pilot areas were approximately \$1.67B when calculated using the federal benefit-cost analysis methodology. This number is approximately ten times higher than benefits calculated using MCD's current method. Indirect benefits were approximately \$1.61B, nearly equivalent to direct benefits, demonstrating significant impact.

Mr. Menninger stated that MCD's detailed benefit appraisal methodology is unique compared to other Ohio and U.S. flood control districts. Common funding methods in other districts include ad valorem property taxes or stormwater contribution-based assessments.

Mr. Menninger then summarized and compared the four alternatives developed by Stantec. Alternative 1 is a stormwater contribution approach using impervious surface calculations and equivalent residential unit (ERU) allocations. Alternatives 2 & 3 are both flood zone-based, with groupings for direct benefits and uniform rates for indirect benefits across the

watershed. Alternative 4 is a streamlined version of the current MCD method with fewer flood factors and unit assessments extended to county governments. Alternative 1 offers the lowest average maintenance assessments. Alternatives 2 & 4 moderately reduce assessments by balancing high- and low-benefit properties. Alternative 3 generates the highest assessments for large, high-risk properties.

Mr. Rentschler stated that he believes everyone in the MCD watershed should pay an assessment, and that direct beneficiaries should pay more. Mr. Moyer added that pursuant to ORC 6101, assessments have to be proportionate to benefits received.

Dr. Hippensteel Hall stated that Muskingum has a program that uses assessment dollars to support small, visible projects within the watershed that align with the organization's mission.

FUTURE BOARD MEETINGS

During their December 18, 2024 meeting, the Board members set the following dates for the 2025 regular meetings of the Board of Directors of The Miami Conservancy District:

Wednesday, March 12, 2025

Wednesday, June 25, 2025

Wednesday, September 10, 2025

Wednesday, December 17, 2025

In addition, the Board members set the following date for a special meeting of the Board of Directors of The Miami Conservancy District:

Thursday, May 22, 2025

ADJOURN

There being no further business, the meeting was adjourned on motion by Mr. van Haaren and seconded by Mr. Rentschler at 1:34 p.m. Ms. Whelley departed the meeting before the motion was made.

ATTEST:

APPROVED:



MaryLynn Lodor
General Manager/Board Secretary



Mark G. Rentschler
President