



*Powhatan Point Revitalization Association  
PO Box 148, Powhatan Point, Ohio  
Tel: 201-299-8321 FAX: 201-299-9757*

July 14, 2012

**To: PPRA Board of Directors**  
**From: PPRA Business Manager, Michael Stora**  
**Subject: PPRA Meeting Minutes; 6-21-2012**  
**Location: Town Municipal Building**

Meeting of 6-21-2012 called to order by President, Roberta Hendershot at 7:00 pm. Four Directors present: R.Hendershot, Randy Sisson, J. Jack, and J. Green, as well as Mayor Mark McVey, and Councilman Brady Dierkes, Jerry Binni, and Dave Walters.

Presentation, Exhibit 1, was provided to guide meeting under a defined agenda:

- 1. Attendance was taken for quorum and found only three directors present. Since a nominee for Director, Jim Green was present, meeting order was changed to consider his nomination. All members are permitted to vote. Vote was unanimous and Jim was installed to meet quorum criteria.**
- 2. Minutes for previous meeting were reviewed and approved without change.**
- 3. Treasurers report showed current account balance at \$3,690.00 with only \$10.00 being allocated for Switzerland School District Bid for the school bid down payment. A \$90.00 obligation is required at closing on October 15th, 2012.**
- 4. It was noted that the Switzerland School District had accepted the PPRA Bid (\$100.00) for the Powhatan School, although would not accept any conditions other than stated in the standard Sale T&C's presented at the auction. We expect to submit in the coming weeks a request to reconsider our points as part of the closing.**
- 5. It was noted that the PPRA received notification from the State that we the organization was formally registered with State of Ohio as a Non-Profit Corporation. Formal application for non-profit status as 501(c)(3) corporation to the US Internal Revenue Service was authorized to proceed to include \$300.00 application fee.**
- 6. Website review was conducted and final development approved for Entheos to proceed under payment terms of \$799.00 plus Hosting services with Fatcow under a \$125.00 fee.**
- 7. PPRA Director/Member Liability Insurance was discussed identifying two companies: (a) First Choice Non-Profits ; and (b) Wells Fargo for consideration. Annual premiums ranged between \$604.00 to \$870.00 to which it was unclear how they compared in terms. As such, the Business Manager was instructed to review terms and provide information at next meeting for final decision.**



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**Reports were submitted for committees:**

## **8. Powhatan High School Committee Report**

**Director Chairpersons: Jim Jack**

Committee current tasks are as follows:

- a) Recruit committee members; (suggest Rose and Terry Snively, Chuck and Debbie Stora, Maude Brown, Kathy Carpenter, Dave Corwin, Judy and Donny Buff, Ed and Joanne Baldwin.
- (b) Define renovation requirements and cost impact; develop facility plan and description (photo and descriptive narrative) for marketing the building space; and determine what county/state/federal grants, loan subsidies and support is available to us;
- (c) Develop a tenant lease plan (preliminary layout use described in attached graphic), begin dialog with potential tenants and visitation arrangements;
- (d) Establish task requirements, financial projections and implementation schedule for all major activities;

### **Activities:**

Identify major tasks to implement school plan. Establish teams to address those efforts and distribute workload/objectives.

## **9. Powhatan as Destination Community Committee Report**

**Director Chairpersons: Dorothy Milton, Randy Sisson and Carolyn Rutter**

Committee current tasks are as follows:

- (a) Recruit committee members; (suggest Marjorie Baumgarden, Tracey and Terry Matesick, Daniella Gummer,
- (b) Develop a promotion/tourism plan for the marketing of Powhatan as a destination community;
- (c) Coordinate with respective groups of the state/county tourism and arts councils;
- (d) Establish task requirements, financial projections and implementation schedule for all major activities;
- (e) Develop an events calendar to attract weekend programs vendors and participants;
- (f) Establish budget/space lease/entertainment/food costs financial projections to implement activities.

**Action:** Program discussion to be addressed in next meeting.



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## **10. Downtown Redevelopment Committee Report** **Director Chairpersons: Roberta Hendershot and Theresa Stillion**

Committee current tasks are as follows:

- (a) Recruit committee members; (suggest Suzanne and Dennis Hendershot, Greens, Riverside owners, Roscoe and Bonnie Golf, Danny Popp, Diane Kennon,
- (b) Develop a redevelopment plan for the Powhatan downtown; Initiate a first development of a hotel/conference center.
- (c) Coordinate with state/county/federal government agencies for technical and financing assistance; and
- (d) Establish task requirements, financial projections and implementation schedule for all major activities;

Initial concepts explored in for downtown area where captured in attached graphic. A preliminary development plan for the hotel/conference center (Exhibit 4) was generated by the Business Manager for review by the committee.

**Action:** Review plans

## **11. Coal, Oil and Gas Energy Program Committee Report** **Director Chairperson: Marvin Brown**

Committee current tasks are as follows:

- (a) Recruit committee members; (suggest Tom Carpenter, Jeff Brown, Bill Boltz, and Chuck Stora)
- (b) The PPRA through its Business Manager, as a result of North American Coal (NAC) having water treatment needs (200,000 per day), attempted to define added revenue generating opportunities for the town and PPRA, by marketing the NAC waste water treatment capability to the gas drill sites for cleaning their waste water requirements;
- (c) A proposed joint venture between NAC, LBG (company having pump station water access agreement with the town), and LLC Equity partnership including the PPRA was proposed as a result of numerous discussions with all parties including the mayor as early as Feb 27, 2012. For record purpose a chronological iteration is described in Attachments A thru D.

**Action:** Awaiting decision by NAC as to its interest in the proposal and/or solution for its waste water treatment.

12. Discussions subsequent to this report and Attachment D distribution by the Mayor to the attendees was confrontational and reflected the Council Members strong opposition to any joint venture involving the town government. Given the prior correspondence and detail of the memo distributed it was a surprise that the outrage displayed was warranted. Specific concern was raised that the PPRA was negotiating for the town, which could be indirectly inferred, although no verbage of the proposal identified government's Involvement.



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**9. Adjourned Meeting at 8:10pm**

Michael Stora  
Business Manager

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**Attachment A**

From: Michael Stora <mjs@sysintech.com>  
Subject: Fwd: Aqua-Pure Info Package  
**Date: February 27, 2012 7:58:03 PM EST**

To: Mark T McVey <mact@windstream.net>, Kenneth Rea <kennethrea@gmail.com>, Rodger L Burgess <artistrlburgess@gmail.com>, Larry Bayless <bayless47@windstream.net>

Gentlemen,

Spoke to Rich Magnus (CEO) and Pat Horner (VP-Engr) of Aqua-Pure Ventures. See attachments for more data. These folks are handling the Gas and Oil industry drilling water waste issues and offer us a great way to immediately provide waste water treatment for our drilling operations here (see write-up on who is playing in this business). I also spoke to Steve Hill on his own water treatment issues at the Cove Slate Dump site. Based on discussions with both folks, we have an opportunity to implement the Aqua-Pure NOMAD operation at the Cove site with little or no investment, if we can get Exxon and North American Coal to sign up to a usage program similar to what we are doing with Harbor on the water pumping station. Aqua-Pure Ventures operates on usage rate basis requiring commitment from the well drillers to deliver certain amount of untreated water to them each day to keep full-time operation going, or provide on-site containment that they initially would collect water, then run a two day operation, before shut-down. The plant has capability to treat other sources like Steve's, or maybe Murray's operation sludge, etc.. A single NOMAD unit (\$4M each) is capable of processing 2,000 barrels per day (84,000 gallons) a day, which sufficient to handle a dozen wells (typically each well returns 15-20% of water ejected). Added units would augment capability over time.

Given the town would not need to make an up front financial investment, we may want to control the business relationships to get revenue. If so, we need to put our heads together to determine what can be done. Getting an operation set-up first should create more volume from surrounding areas before other units are established. It may also be beneficial to talk with the Board of Ed on supporting the sewer requirements, which can be applied to this same treatment process.



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Aqua-Pure typically operates on a usage fee of 12-15 cents per gallon for their initial costs and follow-on operation costs in treating the water to distilled water condition. That could be reduced if the drill sites would accept reuse of brine water condition (sediment and certain impurities removed but not desalinated). This reduces costs to likely < 8 cents per gallon. The site requirement space needed is less than 1/4 acre (see site examples in attachments that house three units in building at Williamsport, PA. In Steve Hill's case, it could be set-up next to leach pond/building area.

Please advise how we should proceed.

Mike

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***Attachment B***

From: Michael Stora <mjshome@optonline.net>

Subject: Fwd: Water pump station and waste treatment

**Date: April 22, 2012 11:54:38 PM EDT**

To: Mark T McVey <mact@windstream.net>, Revitalization Committee <powpt@windstream.net>

Cc: Marvin Brown <dkb111453@aol.com>, Randy Sisson <oldsouth@cpcable.com>, Theresa Stillion <tstillion@hotmail.com>, Roberta Hendershot <rhendershot01@windstream.net>, Jim Jack <jjack209@comcast.net>, Rodger Burgess <artistrburgess@gmail.com>, Carolyn Rutter <crutter@windstream.net>, Larry Bayless <bayless47@windstream.net>, Dorothy Milton <Dorothy@choicesfordesign.com>

Gentlemen,

I am deeply concerned that the problem you have raised has occurred. The attached email shared that concern with Roger actions prior to the meeting with Jim Harbor, along with separate telephone conversations with my hope that my recommendations would be applied. To my and your dismay, that did not occur and I offer my sincere apologies for not being a stronger leader to insist that these actions did not happen.

At this stage, conversations I had with Marvin B. and Steve Hill did not confirm Roger's statements (see Rodger's referenced email). Steve Hill conveyed his preference to purchase his own plant operation and is unlikely to consider buying into Jim Harbor and screwing the town out of water supply revenue. Marvin has not received any proposal from Harbor which was the purpose of the meeting, but unfortunately was side tracked by Harbor's waste treatment interests. A conversation with Steve Hill by Mark or Revitalization Committee members should provide perspective to this issue.



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From my viewpoint and what I believe the sense of the majority of the PPRA Directors is that we do not support Rodger Burgess views or approach. Instead we fully embrace Steve Hill creating his own operation and our desire to see Marvin Brown development of the pump station. My direct involvement is/has been finding water treatment manufacturers for Steve, and encouraging Marvin to offer Jim Harbor a pump site proposal to build and operate it. I also pressed the idea held by many of you to pipe water to Marvin's pump station from Steve Hill's operation. This preserves the town, Marvin and Steve compensation. Harbor would be welcome to be make the arrangements with his customers but I strongly believe we should control the facilities and its pricing. I also think exclusive rights limit our ability to market those facilities.

In summary, I regret what occurred and hope the comments made will restore your trust in our efforts. I am asking our PPRA Directors to restrict our dialog between the PPRA and Council Revitalization Committee to resolve this. Please contact me anytime to discuss this matter further.

Mike

Michael Stora, Business Manager  
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**Attachment C**

From: Michael Stora <mjshome@optonline.net>  
Subject: Joint Venture Waste Treatment/Pump Station  
**Date: June 6, 2012 2:22:08 PM EDT**  
To: Jim Harber <lbglandservicesllc@gmail.com>  
Cc: Marvin Brown <dkb111453@aol.com>, Roberta Hendershot <rhendershot01@windstream.net>, Mark T McVey <mact@windstream.net>

Jim,

Thank you for taking my call. As discussed, the Powhatan Point Revitalization Association (PPRA) would welcome an opportunity to work with you in developing and operating a combined water waste treatment and water pump station as a joint venture with North American Coal and LBG.



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The combination of waste treatment and pump station offers benefits for all parties, from both the expected oil and gas exploration and water treatment requirements of North American Coal (NAC). Under a NAC relationship, we would have an immediate water treatment requirement and investment by NAC. That puts in place a treatment site that is scalable, which would be more marketable to local O&G sites (within 15 mile radius), who are still in infant stages and have limited needs. Having water treatment and pump station co-located further offers efficiencies to operate and service the industry, that is attractive to all effected parties.

Under a joint venture with PPRA, LBG and NAC, (a) the PPRA would arrange the site property lease, site construction, pump station, and manage the site, as illustrated subsequently; (b) with NAC contributing to the treatment equipment lease/costs (assumes the Crown LLC or your ozone approach under portable/scalable treatment process) for its waste water, piping link and processing of its water; (c ) while LBG would support servicing the O&G industry/marketing aspects for the team. Profit margins generated from the combined waste treatment and water provisions would be equally shared between NAC/PPRA/LBG.

LBG costs are limited to marketing and O&G contract admin costs, while maintaining LBG's self-interest to be the controlling agent to the O&G industry. The town municipal government would benefit from: site water rights and equal provision for waste treatment. Tanker transportation interests would be outside any relationship and could be another independent revenue source for LBG.

Greater detail would be required in any formal agreement which we would defer to NAC/LBG, given your industrial experience in these matters and desire by the PPRA to offer NAC/LBG the most attractive implementation means possible.

Thank you for considering this proposal. I look forward to meeting with you to further discuss our options.

Jim, please acknowledge receipt of this email.

Mike

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**Attachment D**

From: Michael Stora <mjshome@optonline.net>  
Subject: Joint Venture Waste Treatment/Pump Station  
**Date: June 23, 2012 12:02:46 AM EDT**  
To: David White <dave.white@nacoal.com>  
Cc: Roberta Hendershot <rhendershot01@windstream.net>, Jim Jack <jjack209@comcast.net>, Marvin Brown <dkb111453@aol.com>, Mark T McVey <mact@windstream.net>

Dave,

Thank you for your call Tuesday. As discussed, I have expanded upon the earlier proposed joint venture (would be formed under separate LLC) between the Powhatan Point Revitalization Association Equity Group (PPRAEG), North American Coal (NAC), and Third Party O&G Marketing Firm (OGMF), to develop and operate a combined water waste treatment and water pump station servicing North American Coal and the local gas drilling operations. Under this arrangement, NAC retains total control over its waste treatment equipment, selection, ownership, operation and maintenance, with caveat that NAC can terminate relationship after the second year and remove equipment for its own use. The venture operation would remain as long as needed by NAC. The basic roles, responsibilities and commitments are outlined below:

North American Coal (NAC)

- Select and arrange lease and costs for the water waste treatment plant (Recommending Aqua-Pure NOMAD unit).
- Define waste water treatment volume/priority requirements and Captina Creek water dispensing under permit requirements.
- Provide means to bring waste water to the treatment facility via pipe or tanker.
- Maintain water processing priority over gas well waste water treatment.
- Maintain treatment plant ownership and option to terminate from joint venture.
- Receive compensation for NAC water sold to drill site operators.
- Share equally in profits generated by the joint venture.

Powhatan Point Revitalization Association Equity Group, LLC, (PPRAEG)

- Provide Build Site and Facility to house pumps, storage, waste water treatment equipment and tanker transfer.
- Provide infrastructure to Captina Creek water access for collection or dispensing.
- Provide administrative, service and maintenance personnel for pumping and transfer operation (waste treatment equipment is operated and maintained by supplier).
- Option to support pipeline interface for North American Coal water collection sites (Town Run/ Cove) and treatment facility.
- Share equally in profits generated by the joint venture.





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### Third Party O&G Marketing Firm (OGMF)

- Represent the Joint Venture Group as its marketing and contractual agent for water and waste water treatment arrangements with the oil and gas industry.
- Share equally in profits generated by the joint venture.

The intent is to provide a common site offering the combination of waste treatment and pump station functions that would serve both NAC treatment requirements and also the expected oil and gas (O&G) exploration industry. Providing initial treatment capability to service NAC will establish the only treatment plant in the area to support the O&G flow-back demand. By co-locating a water pump station and waste treatment, we would enhance the efficiencies of receiving NAC/O&G flow-back waste water and dispensing it back in the creek or to the drill sites.

The combined operation would minimize costs to treat NAC water (shared assets and operation), while offering opportunity to resell the treated NAC water to drill sites. Under the OGMF relationship, a direct marketing channel would be established with the O&G sites, that will be enhanced by offering water treatment services. The expectation that water needs will grow from 100,000 gals/day to 350,000 over the next 12-15 months at water rates of 1-3 cents per gallon, depends upon the competition. In comparison an expected flow-back waste treatment rate is expected to run 15-20 cents per gallon with an initial volume of 25,000 to 70,000 per day volume. Assuming we control the treatment rate and that all NAC treated water is sold, sufficient revenue could be realized to reduce NAC costs by as much as 50%.

Under the joint venture the PPRAEG would be represented by an equity partnership made up of several investment partners including the Powhatan Point Revitalization Association (PPRA). The site would be a permanent facility as illustrated subsequently, housing NAC recommended waste treatment products, pumping stations, storage, and tanker transfer stations capable of handling expected full capacity of NAC/O&G requirements. The PPRA is prepared to assist NAC in a piping link between the NAC catch basin ponds (Town Run/Cove) and combined operations site (Cove site is approx 300 yards from planned PPRAEG Facility). NAC would be responsible for the start-up/lease/operating costs for the waste treatment equipment, piping link and processing of its water. PPRAEG would construct site, facilities, and manage the site. All NAC water would be processed at cost. Profit margins generated from the combined waste treatment and water provisions would be equally shared between NAC, PPRAEG, and OGMF.

Greater detail would be required in any formal agreement which we would defer to NAC for initial terms, given your legal concerns and desire by the PPRAEG and OGMF to offer NAC the most attractive implementation means possible.

Although, NAC has final decision on equipment, our review of many technologies and products, found the Aqua-Pure Fountain Quail NOMAD equipment to be the most effective choice for NAC. The NOMAD offers a proven MVR evaporation process that has the greatest efficiencies and flexibility to meet a broad range of waste water treatment needs to include NAC and O&G requirements.



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Its system is modular, portable, and iterative/scalable to increase capacity, that can be installed and operating in days. Based upon NAC requirements, two units will be required, that offers redundancy/fault tolerance assuring greater operation reliability. The design is further segregated into a front end to remove particulate and most solubles leaving the follow-on evaporation process to finalize into a distilled water output. The front end treated water can be extracted and diluted to meet sulfate and salt brim disbursement for the O&G drill sites, which can reduce treatment costs. The attached files further describe NOMAD capabilities and performance.

In approaching the financial impact to NAC, the Joint Venture offers a cost offset in several areas: (a) no facility costs; (b) no facility operation responsibility/costs - less NAC water treatment equipment/operation costs by supplier; (c) ability to market water to drill sites offsetting treatment costs; and (d) shared profits that offset costs. Given NAC primary costs are related to treatment equipment, the supplier typically bases payment on monthly usage, that could be budgeted under current expenditures. Pipe interfaces could be further allocated on pay-out schedule. Both would minimize upfront ballon payment/budgeting. In effect the Joint Venture offers NAC maximum utility at a controllable expenditure that would be offset by marketable potential of the water and treatment facilities. NAC will always maintain control of the treatment equipment and have the option to terminate the relationship which minimizes any risk and no more investment than currently planned.

We hope this approach appeals to North American Coal and look forward to further dialog with you. I would welcome any opportunity to address your concerns-questions through my direct mobile phone access: 201-602-9568. Thank you again for considering this proposed approach.

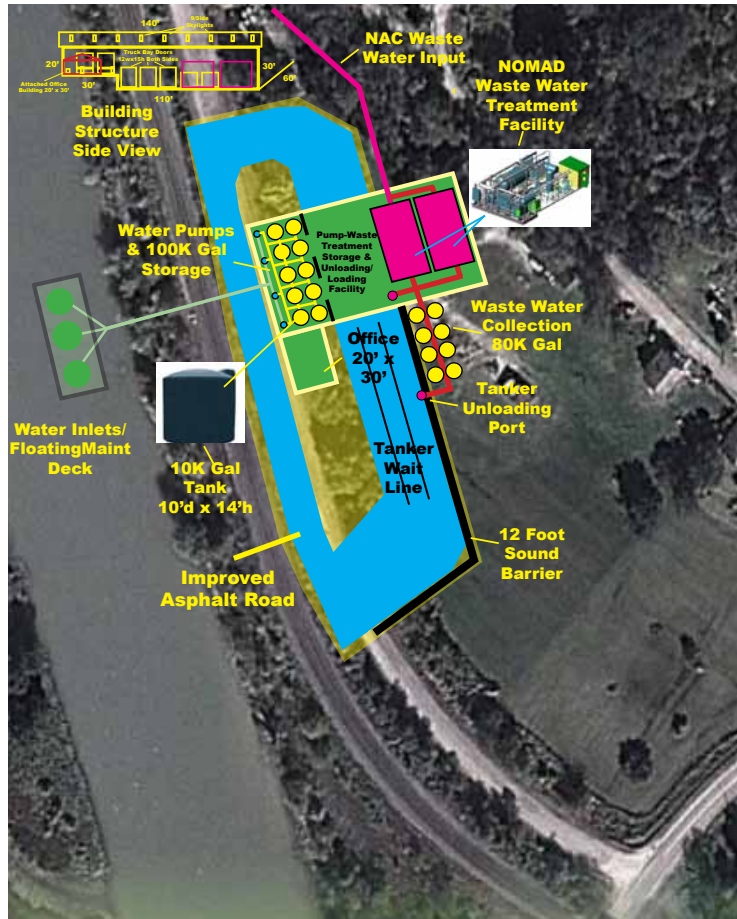
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## PPRA Water Treatment/Pump/Transfer Station



**Site:** Located near the Route 7/State Route 148/Captina Creek Intersection, Powhatan Point, Ohio, with easy access on and off Route 7. Covers area 150' by 500' with tanker road access, wait lots, covered tanker loading/pump/fresh water storage/office facilities.

**Operation:** 24/7 with capabilities to run three tanker loads plus one unloading simultaneously with high volume gravity feed loading for high efficiency turnaround of four trucks per 30 minutes. Backup diesel generator for electrical backup.

**Pumping capacity:** Four 300 GPM pump units/ with cross-over to three separate inlets for redundant operation. A access deck structure would be provided for inlet maintenance.

**Filtration and Storage:** Water Filtration is done in three stages (a) inlet screening; (b) pump inlet fine screening; and (c) out-flow filtering into storage tank storage. Tank storage on elevated level with Coal Haul Road represents a 10 x 10K gallons = 100,000 gallons storage above tanker loading bays using gravity discharge into the tankers at high volume capability. This provides added safety envelop (16 tankers - 2.5 hours) against power/pump/ inlet shutdowns.

**Water Waste Treatment (NOMAD Unit):** is portable modular configuration with footprint of three skids 12 x 40 foot; applies Mechanical Vapor Recompression (MVR) distillation technology, offering 2,000 bbl/day distillate capacity with 2,500 Bbl/day feed capacity. Highly adaptable system supports mine and drill site waste water.