

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at New Philadelphia City Council Chambers
May 21, 2010, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the New Philadelphia City Council Chambers, New Philadelphia, Ohio, on Friday, May 21, 2010, at 9:00 a.m., pursuant to notice duly given all Directors, and the general public in accordance with law.

1. ROLL CALL

Directors present were: Mr. Horstman, Mr. Kokovich, Mr. Parham, and Mr. Pryce.

On motion by Mr. Pryce, seconded by Mr. Parham, Mr. Boyle was excused.

Present from MWCD staff were Scott Barnhart, Mary Burley, James Cugliari, John Hoopingarner, Darrin Lautenschleger, Karen Miller, John Olivier, Boris Slogar, and Mark Swiger.

Mr. Horstman, President of the Board of Directors, presided.

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: John Kessler and Chad Amos (*ODNR Division of Soil and Water Resources*); Robert Fuerst (*Attorney with Meyers, Roman, Friedbert & Lewis, Cleveland*); Neil Praznik (*Atwood Lake Resort and Conference Center*); John F. Meeske (*Chairman/CEO of Resorts and Clubs, Inc.*); Ray Gill, Jr. (*Architect, R Gill & Associates*); Charles R.R. Cherney (*President, Cherney & Associates, Inc.*); Roy Wilson (*MWCD Development Advisory Committee*); Harold Wagoner (*New Philadelphia resident*); and Jan Kennedy (*Canton Repository*).

3. APPROVAL OF MINUTES

On motion by Mr. Pryce, seconded by Mr. Kokovich, the minutes of the April 23, 2010, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending April 30, 2010. The total revenue for operations excluding Atwood Resort is \$4,205,986.00 with expenses of \$2,376,248.00, resulting in an excess of revenues over expenses of \$1,829,738.

Conservation Fund

- Total revenue is 14.71% of budget and in line with budget projections.
- Total expenses are 15.22% of budget and also in line with budget projections.

Recreation Fund – Parks

- Total revenue is 57.58% of budget and 4.3% higher than 2009.
- Park vacation cabins revenue is 4.7% higher than 2009 while park camping is 2.7% higher.
- The other revenue area is under special events where the first payment of \$36,934.60 has been received from the Alive Festival.
- Expenses are 19.60% of budget and currently 12% below 2009 levels.

Recreation Fund – Non-Park

- Total revenue is 32.23% of budget. The main difference, compared to 2009, is marina operations where MWCD is operating Piedmont Marina in 2010.
- Cottage sites and multiple docks revenue are both on target and ahead of 2009.
- Expenses are 34.80% of budget and ahead of 2009, due mainly to the operation of Piedmont Marina.

Recreation Improvement Fund

- Grant revenue for the Tappan launch ramp in the amount of \$82,689.00 has been received.
- Expenses are within budget in all areas with about 25% of the launch ramp expenditures being paid.

Maintenance Assessment Fund

- Total collections for the assessment are at 55.65% of budget with two counties remaining to distribute the MWCD allocation.
- Total expenses are 5.72% of budget. However, there will be an increase in expenses in May as a result of payment to the U.S. Army Corps of Engineers in the amount of \$624,000.00 for the Dover Dam project.

On motion by Mr. Parham, seconded by Mr. Pryce, the financial report was accepted as presented.

5. PAYMENT OF BILLS

On motion by Mr. Kokovich, seconded by Mr. Parham, a report of the payment of bills for the period ending April 30, 2010, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Pryce, seconded by Mr. Kokovich, the assignments, cancellations, new leases, farm leases, mortgage consent and agreement cancellations, and mortgage consent and agreements were approved and execution by the proper officers of the MWCD authorized.

6.01b ENERVEST PIPELINE PROPOSAL

On motion by Mr. Pryce, seconded by Mr. Kokovich, a permit for Enervest Operating to install approximately 365 feet of natural gas line at Atwood Park, as recommended and set forth in the above memorandum, was granted.

6.01c ASHLAND COUNTY PARK DISTRICT TRAIL EASEMENT

On motion by Mr. Parham, seconded by Mr. Pryce, a trail easement to the Ashland County Park District, as recommended and set forth in the above memorandum, was granted.

6.01d EQUESTRIAN TRAIL SECTION LEASE

On motion by Mr. Kokovich, seconded by Mr. Parham, a lease agreement with the Ohio Horseman's Council to develop and maintain an equestrian trail at Pleasant Hill Lake Park, as recommended and set forth in the above memorandum, was approved.

6.01e ACCESS AGREEMENT FOR COAL REFUSE RECLAMATION PROJECT

On motion by Mr. Kokovich, seconded by Mr. Pryce, an Exploratory Right-of-Entry with ODNR for the purpose of gaining information for the design phase of a coal refuse reclamation project, as recommended and set forth in the above memorandum, was granted.

6.02a LOAN – FIFTH THIRD BANK

Mr. Cugliari advised the Board that the bond issue that had been structured with the assistance of Fifth Third Bank for renovation funding for Atwood Lake Resort and Conference Center had been called with approximately \$2,560,000 of debt outstanding. On motion by Mr. Parham, seconded by Mr. Kokovich, the Board authorized senior management to secure short-term financing with Fifth Third Bank on an interest only basis with longer-term financing to be secured after discussions with Fifth Third Bank and other financial institutions. Mr. Pryce abstained.

6.02b MESSERLY ACTIVITY BUILDING FUND AGREEMENT

On motion by Mr. Parham, seconded by Mr. Pryce, a proposed agreement establishing the Messerly Activity Building Fund within the Muskingum Watershed Conservancy Foundation, as recommended and set forth in the above memorandum, was approved.

6.02c BUDGET REVISION – MR&R REQUEST

On motion by Mr. Pryce, seconded by Mr. Parham, a proposed budget revision to allow repair and replacement of items in park vacation/patio cabins, as recommended and set forth in the above memorandum, was authorized.

6.03a HUMAN RESOURCES SUMMARY

On motion by Mr. Pryce, seconded by Mr. Kokovich, human resources activities, as recommended and set forth in the above memorandum, were approved.

6.03b GROUP HEALTH BENEFIT PLAN REVIEW

On motion by Mr. Kokovich, seconded by Mr. Parham, renewal of the group health plan for MWCD staff with AultCare for a one-year period effective June 1, 2010, as recommended and set forth in the above memorandum, was approved. Mr. Pryce abstained.

6.04 CHARLES MILL MARINA SKI TOURNAMENT REQUEST

On motion by Mr. Parham, seconded by Mr. Pryce, a request from Charles Mill Marina to hold four water ski tournaments during the summer season of 2010, as recommended and set forth in the above memorandum, was approved.

6.05 COOPERATIVE WORK AGREEMENT – ODNR, DIVISION OF SOIL AND WATER

On motion by Mr. Pryce, seconded by Mr. Kokovich, a cooperative work agreement between MWCD and ODNR Division of Soil and Water Resources and utilizing maintenance assessment funds for local projects throughout the Muskingum Watershed, as recommended and set forth in the above memorandum, was approved.

6.06 MUSIC FESTIVAL AGREEMENT ADDENDUM

On motion by Mr. Parham, seconded by Mr. Kokovich, an addendum to the Music Festival Agreement with Northeast Productions, Inc. (Alive Festival), as recommended and set forth in the above memorandum, was approved.

6.07 ATWOOD LAKE RESORT AND CONFERENCE CENTER

On motion by Mr. Parham, seconded by Mr Pryce., a memorandum of understanding with The Resorts Experience Company – Atwood, LLC, as recommended and set forth in the above memorandum, was approved. This memorandum of understanding is a non-binding agreement as both parties and has the objective to keep the Lodge and Resort open without incurring any further financial obligation for MWCD.

6.08 OTHER BUSINESS

Mr. Slogar advised the Board of the status of the transition of operation of water plants at Atwood from Aqua Ohio to the responsibility of internal staff. The original plan of organization presented to the Board at the March 2010 meeting requested authorization to fill two (2) Group 4 operators. However, in discussion with individuals interested in applying/filling these positions, it has been determined that the same number of hours with the same funds budgeted might possibility be spread over three to four Group 4 operators instead.

Mr. Barnhart informed the Board of two recent incidents that occurred on MWCD property. First, a recent accident involving three golf carts at Atwood Lake that resulted in citations issued. There was some mention from those involved of blaming the recent golf cart policy implementation for the citations being issued. On the contrary, citations would have been issued for type of incident regardless of the existence of the golf cart policy.. In fact, Mr. Barnhart mentioned that insurance was in place that will take effect because of the golf cart policy.

The second was a fatality on the water at Tappan Lake when a boat occupied by two fishermen capsized as a result of wind and wave action. On occupant of the boat died as a result of cardiac arrest and there was no drowning involved.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Members of the Board received a copy of the Summary of Marina Operations report for the period through April 30, 2010.

7.02 UPDATE ON 2010 GOALS

Mr. Hoopingarner reported on the progress of work toward accomplishing the 2010 goals as adopted by the Board of Directors.

1. To implement projects and programs under the Amendment to the Official Plan.
2. To develop financial operating principles.
3. To divest Atwood Lake Resort and Conference Center.
4. To address recreation operations in light of current economic conditions and customer demands.

7.03 USACE ASSESSMENT PROJECTS STATUS REPORT

Mr. Slogar reported on the status of U.S. Army Corps of Engineers current projects in the Muskingum Basin:

- A very informative article was recently published in The Times Reporter and The Canton Repository about the Dover Dam project. Plans and specifications for this project are in the final review stage and the Corps anticipates advertising for bids in the near future. A public meeting recently took place in Dover to discuss the project that is moving forward on schedule.
- Drafts of agreements between MWCD and the Corps for the Bolivar project are currently being reviewed.
- The Corps is initiating the process of an assessment phase for Class I and II dams across the U.S. in an effort to prioritize projects. This risk assessment may or may not have an impact on MWCD projects. A risk assessment meeting, which Mr. Slogar will attend, will be held in Coshocton early next week to review work needed at Mohawk Reservoir.

Mr. Hoopingarner informed the Board that he has been invited to chair a committee in a Corps program, Ohio River Basin Summit focusing on watersheds and water quality. Five watersheds will be studied, including the Muskingum River Watershed. In addition, the Corps has requested that an MWCD representative serve on a fish habitat committee for the Ohio River Basin Summit.

7.04 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham, who represents the MWCD on the Atwood Regional Water and Sewer District (ARWSD) Board of Trustees, reported. The Board of Trustees recently approved a three percent pay increase, across the board, for all employees of ARWSD.

The Department of Agricultural declined a request submitted by the ARWSD for funding for establishment of a regional water system for the Atwood area.

7.05 IMMINENT OR PENDING LITIGATION

Mr. Hoopingarner informed the Board that Piedmont Marina, Inc. has filed for Chapter 11 Bankruptcy in West Virginia. A request to move this case to the State of Ohio has been denied. This does not affect the operation of Piedmont Marina by MWCD.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

MWCD representatives attended a Legislative Day sponsored by the Ohio Conservancy District Conference in Columbus on May 19. In addition to the breakfast, several legislative visits occurred throughout the day.

9. SUBDISTRICTS

The Chippewa Subdistrict Project Advisory Committee met recently. The Mayor of the City of Shelby, along with other Shelby area officials, toured the Chippewa Subdistrict this past week because of their interest in possible reactivation of the Black Fork Subdistrict.

EXECUTIVE SESSION

On motion by Mr. Pryce, seconded by Mr. Parham, the Board of Directors entered into executive

session at 10:35 a.m. to discuss matters related to ORC §121.22 (G) (1) employment and (2) sale of property. On roll call: Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. On motion by Mr. Parham, seconded by Mr. Pryce, the Board returned to open session. The executive session ended at 12:56 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Parham, seconded by Mr. Kokovich, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, July 23, 2010, at 9:00 a.m. at the New Philadelphia City Council Chambers. The Conservancy Court will convene on Saturday, June 5, 2010, at 10:00 a.m. in the Tuscarawas County Courthouse in New Philadelphia.

05/21/2010

Approved 7/23/2010