

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the New Philadelphia City Council Chambers
December 16, 2011, 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, 150 East High Avenue, New Philadelphia, Ohio, on Friday, December 16, 2011, 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. Boyle, Mr. Horstman, Mr. Kokovich, Mr. Parham, and Mr. Pryce.

Present from MWCD staff were Scott Barnhart, Mary Burley, James Cugliari, Tom Fisher, John Hoopingarner, Darrin Lautenschleger, Sean Logan, Karen Miller, Tricia Miller, John Olivier, Mike Rekstis, Boris Slogar, and Mark Swiger.

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

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting was Jim Pringle (*MWCD Legal Counsel*).

3. APPROVAL OF MINUTES

On motion by Mr. Boyle, seconded by Mr. Parham, the minutes of the November 18, 2011, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending November 30, 2011. The total revenue, excluding the Atwood Resort operations, is \$26,116,076 with expenses of \$9,121,843 resulting in an excess of revenue over expenses of \$16,994,234.

Conservation Fund

- Farm Operations, share crop revenue is nearly wrapped up for the year and total revenue exceeded budget by \$218,250 or 72.75% over budget.
- Forestry Operations are currently behind budget but there are timber sales scheduled in December that will be applied to the revenue.

Recreation Fund – Parks

- Total revenue is 99.95% of budget, indicating another exceptional year. Total expenses are 94.96% of budget.

Recreation Fund – Non Park

- Total revenue is 92.82% of budget.
- All of the marina operations, including Piedmont, are near 100% of meeting revenue projections.
- Cottage Sites, Club Sites and Multiple Docks are also near 100% of meeting revenue projections.
- Expenses are at 78.07% of budget.

Maintenance Assessment Fund

- Debt Retirement/Assessment has been paid in full as approved by the Board at the November meeting.
- Shoreline protection projects have begun for the winter drawdown period and significant expenses will be seen over the winter months.

According to Mr. Cugliari, “Overall, this has been a pretty successful year. We have met many of our budgeted revenue projections while maintaining expenses. We have paid off the majority of debt and therefore providing funds for much-needed capital improvement projects.”

The total cash balance through November is \$21,767,051.88.

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

5. PAYMENT OF BILLS

On motion by Mr. Parham, seconded by Mr. Horstman, a report of the payment of bills for the period ending November 30, 2011, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Parham, seconded by Mr. Boyle, 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 TAPPAN MARINA LEASE EXTENSION

On motion by Mr. Boyle, seconded by Mr. Horstman, the proposed lease extension for Tappan Marina through June 30, 2012, as recommended and set forth in the above memorandum, was approved.

6.02a TRANSFER OF FUNDS

On motion by Mr. Parham, seconded by Mr. Boyle, execution of the necessary fund transfers for the 2011 budget by the Chief Financial Officer/Treasurer, as recommended and set forth in the above memorandum, was authorized.

6.02b BUDGET ADJUSTMENTS

On motion by Mr. Parham, seconded by Mr. Boyle, the budget adjustments for the month of November 2011, as recommended and set forth in the above memorandum, were approved.

6.02c 2012 BUDGET

On motion by Mr. Pryce, seconded by Mr. Horstman, the proposed budget for the year 2012, as recommended and set forth in the above memorandum, was approved.

During the discussion of the 2012 budget, Mr. Pryce mentioned the importance of developing a comprehensive plan for vehicles/fleet management. The Board generally agreed that a master plan needs to be developed for the parks prior to any major projects being implemented. Mr. Boyle urged that a highly-qualified consultant be sought to offer a broad and fresh perspective to planning for the parks. Key areas identified by the Board for focus in early 2011 were park master plan, sediment removal, acid mine drainage projects and GIS parcel development.

6.02d APPROPRIATION RESOLUTION FOR 2012

On motion by Mr. Pryce, seconded by Mr. Horstman, the appropriation resolution for the 2012 budget, as recommended and set forth in the above memorandum, was adopted.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b PERSONNEL POLICY – INFORMATION SYSTEMS AND TECHNOLOGY

Members of the Board received a draft personnel policy entitled “Information Systems and Technology,” for review and comment. The policy will be presented at the January meeting for final approval.

6.04a PURCHASE OF SEED FOR SHARE CROP OPERATIONS – 2012

On motion by Mr. Horstman, seconded by Mr. Parham, purchase of seed for the 2012 share crop operations at a cost not to exceed \$80,000, as recommended and set forth in the above memorandum, was approved.

6.04b ENGINEERING SERVICES – W.E. QUICKSALL AND ASSOCIATES

On motion by Mr. Pryce, seconded by Mr. Horstman, an agreement with W.E. Quicksall and Associates to provide engineering services during the year 2012, as recommended and set forth in the above memorandum, was approved.

6.04c PLEASANT HILL LAKE SLOPE STABILIZATION PHASE III – CONSTRUCTION AWARD

The Pleasant Hill Lake Shoreline Project construction bids were opened on November 30, 2011. This project is located in Ashland and Richland Counties. The bid results are as follows:

Company	Total Base Bid	Alternate	Total Bid including Alternate
Wenger Excavating, Inc.	\$276,531.50	-\$13,160.00	\$263,371.50
Terra Valley Excavating	\$290,348.10	-\$20,078.40	\$270,269.70
Haynes Construction	\$285,570.00	-\$11,280.00	\$274,290.00
Stillion Brothers Excavating, Inc.	\$273,344.40	\$7,520.00	\$280,864.40
Stanley Miller Construction	\$301,246.00	-\$18,800.00	\$282,446.00
Elite Excavating Company	\$314,150.00	-\$3,760.00	\$310,390.00
Rietschin Construction, Inc.	\$324,730.00	-\$7,520.00	\$317,210.00
Page Excavating, Inc.	\$341,815.00	-\$7,520.00	\$334,295.00

At its October 21, 2011, meeting, the Board authorized the re-bid of this project with a revised scope and award the construction contract.

Bids were reviewed and Wenger Excavating, Inc. was determined to have the lowest and best bid (total bid including alternate) at a total cost of \$263,371.50. The alternate consists of on-site disposal of spoil

materials. Notice to proceed will be issued upon finalization of contract documents.

This memo is provided for informational purposes only, and no Board action is necessary. Funds for this project are available in the 2011 and 2012 maintenance budgets.

6.04d ENGINEERING SERVICES – ATWOOD WATER TREATMENT PLAN

On motion by Mr. Pryce, seconded by Mr. Boyle, Amendment No. 4 to an agreement in an amount not to exceed \$319,000 with W.E. Quicksall and Associates for consulting services for development of design plans for the new Atwood Lake water treatment plant, as recommended and set forth in the above memorandum, was approved.

6.05a DOCKING FEES FOR 2012

On motion by Mr. Horstman, seconded by Mr. Boyle, the proposed docking fee schedule for 2012, as recommended and set forth in the above memorandum, was approved. Fees remain unchanged from 2011 with no increase.

6.05b PARK AND PIEDMONT MARINA RATES FOR 2012

On motion by Mr. Boyle, seconded by Mr. Parham, the proposed park and Piedmont Marina fee schedule for 2012, as recommended and set forth in the above memorandum, was approved.

6.06 MEMORANDUM OF UNDERSTANDING – HARRISON COUNTY

On motion by Mr. Boyle, seconded by Mr. Parham, authorization to enter into an agreement with Harrison County for emergency assistance, as recommended and set forth in the above memorandum, was granted.

6.07 ATWOOD LAKE RESORT UPDATE

Attorney Pringle reported on the progress of the transition of ownership of the Atwood Lake Resort to Carroll County and development of a donation agreement which will outline the terms of the transaction.

6.08 STRATEGIC PLANNING UPDATE

Mr. Slogar presented information to the Board regarding the progress of strategic plan preparation outlining the four major areas of focus derived from the MWCD mission statement:

- 1) Stakeholder focus (improve public opinion; improve our market brand; and develop and improve partnerships)
- 2) Operational excellence (effectively manage our operations; upgrade our facilities; improve architecture and applications; and develop new and expand existing products and services)
- 3) Learning and growth (improve employee capability and morale)
- 4) Stewardship (ensure compliance with regulations; optimize fiscal balance; properly manage risk; and safely leverage oil and gas royalties)

Mr. Pryce suggested several major areas that should be addressed during the strategic planning process:

- Master plan for parks including ID branding
- Policy for vehicles/fleet
- Assessment projects that outline sediment removal, shoreline, and acid mine drainage issues
- Information technology
- Marinas
- Mineral rights and the related water withdrawal issues

Mr. Pryce further suggested that a “dashboard report” be developed to help the Board better understand the status of these major areas.

Mr. Hoopingarner suggested that, as the strategic plan is refined and implemented, the Board consider establishing committees to work with members of staff in specific areas

6.09 ELECTION OF OFFICERS

On motion by Mr. Horstman, seconded by Mr. Pryce, Mr. Boyle was elected as President and Mr. Parham as Vice-President for 2012; on motion by Mr. Parham, seconded by Mr. Boyle, Mr. Hoopingarner was affirmed as Secretary and Mr. Cugliari as Treasurer.

6.10 OTHER BUSINESS

On motion by Mr. Parham, seconded by Mr. Horstman, the Board authorized the following pay adjustments for contracted employees: an increase of 1% in 2011 wages retroactive to the pay date including July 1, 2011 and a 2.9% increase effective the first pay date in 2012; and an increase in the stipend for cell phones and car allowance by \$25 each per month. These increases will not apply to Mr. Logan since he is currently in a probationary period of employment.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Board members received a copy of the Summary of Marina Operations report through November 30, 2011. No action required.

7.02 OIL AND GAS LEASE NEGOTIATIONS UPDATE

This matter was discussed in executive session.

7.03 EMPLOYEE HEALTH FAIR

Ms. Burley reported that an employee health fair is scheduled on January 24, 2012, in conjunction with an all-employee meeting.

7.04 CAPITAL IMPROVEMENTS/DEFERRED MAINTENANCE REPORT

Mr. Rekstis presented information about preliminary capital improvements planning and gave a PowerPoint presentation with photographs illustrating deferred maintenance examples, i.e. campground/cabin renovations; well cleaning and replacements; water and wastewater improvements; utilities; building replacements; equipment replacements; dock replacements; and shower house and restroom renovations.

7.05 UPDATE ON 2011 GOALS

Mr. Hoopingarner reported on the progress of work toward accomplishing the 2011 goals as adopted by the Board of Directors.

- 1) To develop and implement a strategic plan of management for the Muskingum Watershed Conservancy District.
- 2) To evaluate and recommend a course of action in light of current oil and gas development opportunities.
- 3) To reduce the negative financial liability of the Atwood Lake Resort and Conference Center so that it is no longer a material factor in the overall operations of MWCD.
- 4) To address recreation operations in light of current economic conditions and customer demands.
- 5) To identify and develop conservation programs under the Amendment to the Official Plan.
- 6) To submit for consideration of the Conservancy Court the Subsequent Appraisal Record as required by law (this goal is complete).

Development of the 2012 goals will be in conjunction with the anticipated completion of the strategic plan, projected to be February 2012. Mr. Pryce requested that a preliminary list of 2012 goals be prepared for review at the January meeting.

7.06 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that the anchor drilling continues at the USACE Dover Dam project with 36 anchors to be installed in Phase I and 21 anchors in Phase II, making a total of 57 anchors; the project of installation of a seepage blanket at Bolivar Dam, being performed by Massillon Construction, is underway; and meetings with the residents of the Village of Zoar to discuss potential work on the Zoar Levee are conducted on a regular basis.

7.07 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham reported that the monthly billings reflecting the higher rate for Atwood Regional customers have been mailed and there has been no unusual amount of customer feedback. There is an opening on the Board of Trustees for the individual representing the Village of Sherrodsville.

7.08 IMMINENT OR PENDING LITIGATION

No report at this time.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

Mr. Lautenschleger reported that much of the legislative attention is focused on the redistricting. The nine legislators who contacted the MWCD regarding the Resort have responded with positive feedback. Mr. Lautenschleger reported on recent changes in legislators.

9. SUBDISTRICTS

9.01 SUBDISTRICT CHARGES

On motion by Mr. Parham, seconded by Mr. Boyle, authorization to execute the necessary charges for the year 2011 in order that the records accurately reflect the financial position of the MWCD and its subdistricts, as recommended and set forth in the above memorandum, was granted.

EXECUTIVE SESSION

On motion by Mr. Horstman, seconded by Mr. Boyle, the Board of Directors entered into executive session at 9:17 a.m. to discuss matters related to ORC §121.22 (G) (3). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 9:46 a.m.

On motion by Mr. Pryce, seconded by Mr. Horstman, the Board of Directors entered into executive session at 12:32 p.m. to discuss matters related to ORC §121.22 (G) (1) [employment] and (3). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 1:40 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Parham, seconded by Mr. Horstman, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, January 20, 2012, at 9:00 a.m. at the New Philadelphia City Council Chambers.