

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at New Philadelphia City Council Chambers
February 18, 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, John Knisley Building, 150 East High Avenue, New Philadelphia, Ohio, on Friday, February 18, 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, Donnie Borland, Mary Burley, James Cugliari, John Hoopingarner, Kelli Karns, Darrin Lautenschleger, Karen Miller, John Olivier, 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 were: Jim Pringle (*MWCD Legal Counsel*); Mark Jukich (*Massillon resident*); Chad Amos (*ODNR Division of Soil and Water*); John Meeske (*TREC Atwood*); Ozeas Costa (*The Ohio State University, Mansfield Campus*); Eric Reip (*New Philadelphia resident*).

3. APPROVAL OF MINUTES

On motion by Mr. Parham, seconded by Mr. Horstman, the minutes of the January 21, 2011, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the periods ending December 31, 2010 and January 31, 2011.

FOR THE PERIOD ENDING DECEMBER 31, 2010

The total revenue for operations, excluding Atwood Resort is \$10,038,955.00 with expenses of \$9,565,233.00, resulting in an excess of revenues over expenses of \$473,723.00.

Conservation Fund

- Total revenues for this fund were \$1,096,633.00 with a budget of \$1,040,000.00, thus meeting and exceeding budget by 5.45%.
- Expenses were within budget as we wrapped up the Farm Operations – Sharecrops for the year.

Recreation Fund-Parks

- Total revenues finished the year at 101.85% of budget, with all the major revenues in the area meeting or exceeding budget.
- Total expenses exceeded budget by 1.83% of budget. A large portion was in the water and sewer maintenance areas, while the park camping, general parks and beach facilities offset each other.

Recreation Fund-Non Park

- Total revenues finished the year at 98.39% of budget with the Road Maintenance and Water & Sewer Maintenance not meeting budget.
- Total expenses finished at 87.29% of budget.

Maintenance Assessment Fund

- Total revenues finished the year at 105.09% of budget with \$9,550,771.00 in assessment funds collected.
- Total expenses finished at 55.02% of budget. The two major areas of expenses were Shoreline Protection and Dam Safety Upgrades.

FOR THE PERIOD ENDING JANUARY 31, 2011

The total revenue for operations excluding Atwood Resort is \$206,091.00 with expenses of \$454,833.00, resulting in an excess of expenses over revenues of \$248,742.00.

Conservation Fund

- There was limited activity this month, with a total of \$38,976.00 in revenue being generated.
- Total expenses were only \$2,711.00.

Recreation Fund-Parks

- Total revenues for the month were \$131,728.00 compared to \$65,062.00 last year. The main reason for the difference is the timing of the park reports.
- Total expenses were up from last year, mainly in the area of the water and sewer maintenance.

Recreation Fund-Non Park

- Revenues are very limited in January with some money being brought in from the Piedmont Marina operations.
- Expenses are in line with past performance.

Maintenance Assessment Fund

- There is no revenue received from the assessment in January.
- Expenses are up from last year, specifically in the area of Shoreline Protection and Reservoir Maintenance.

On motion by Mr. Pryce, seconded by Mr. Boyle, the financial reports were accepted as presented.

5. PAYMENT OF BILLS

On motion by Mr. Horstman, seconded by Mr. Boyle, a report of the payment of bills for the periods ending December 31, 2010, and January 31, 2011, were approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Parham, seconded by Mr. Horstman, 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 COTTAGE SITE LEASE RATE ADJUSTMENT FOR 2011

A motion by Mr. Pryce for no utilization in the year 2011 of the 0-4% discretionary clause (as stipulated in new and renewal leases executed since February 1, 2000) was seconded by Mr. Horstman. On roll call: Mr. Boyle-abstain; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-abstain; and Mr. Pryce-yes. Motion passed.

A motion by Mr. Pryce that the current lease language allowing for an increase in cottage site lease rates of the CPI through January not be implemented for the year 2011 was seconded by Mr. Horstman. On roll call: Mr. Boyle-abstain; Mr. Horstman-no; Mr. Kokovich-no; Mr. Parham-abstain; and Mr. Pryce-no.

Mr. Horstman requested clarification of the above action. Mr. Hoopingarner responded that the action taken would allow for an increase in the cottage site lease rates in accordance with the current lease language consisting of the CPI through January. Mr. Horstman stated his opinion that there was a misunderstanding of the intent of the above motion; further, that his intent was that there be no increase in the lease rates for 2011.

Then, a motion by Mr. Pryce to negate and not follow the current lease language for the CPI through January increase in lease rates for the year 2011 was seconded by Mr. Horstman. On roll call: Mr. Boyle-abstain; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-abstain; and Mr. Pryce-no.

Mr. Hoopingarner informed the Board that their action will result in there being no increase in the cottage site lease rates for 2011 and that their decision is contrary to the recommendation of both the Board of Appraisers and staff.

6.01c PIEDMONT GOODRICH COTTAGE AREA ENTRANCE GATE AND SECURITY LIGHTING

On motion by Mr. Parham, seconded by Mr. Boyle, the ownership, maintenance and liability of the gate and security light located at Piedmont Goodrich Cottage Area will remain the sole responsibility of the Piedmont Goodrich Cottage Area Association, as recommended and set forth in the above memorandum.

6.01d ENERVEST OPERATING – ASSIGNMENT OF DEEP MINERAL RIGHTS

On motion by Mr. Pryce, seconded by Mr. Parham, assignment of the deep rights to 30 leases from EnerVest Operating to Chesapeake Exploration, as recommended and set forth in the above memorandum, was approved.

6.02a FINANCIAL OPERATING PRINCIPLES

Board members received proposed financial operating principles with the original information provided for this meeting. In the meantime, a revised document with suggested revisions from Mr. Parham was also prepared. In order to provide additional time for the Board to review this document, on motion by Mr. Pryce, seconded by Mr. Parham, this matter was tabled until the next meeting.

6.02b AUDIT OF MWCD FINANCIAL RECORDS

On motion by Mr. Boyle, seconded by Mr. Horstman, a recommendation to the Auditor of State to obtain the services of Rea & Associates to perform an audit of MWCD financial records, as recommended and set forth in the above memorandum, was authorized.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b SEASONAL STAFFING PLAN FOR 2011

On motion by Mr. Boyle, seconded by Mr. Parham, the proposed seasonal staffing plan for 2011, as recommended and set forth in the above memorandum, was approved.

6.03c POSITION DESCRIPTION REVISION

On motion by Mr. Horstman, seconded by Mr. Parham, changes to the position description of Recreation Group Administrative Assistant (Group 2) to Recreation Group Administrative Specialist (Group 1), as recommended and set forth in the above memorandum, were approved.

6.04 REQUEST FOR PERMISSION TO ERECT BUILDING AT ALIVE SITE

On motion by Mr. Parham, seconded by Mr. Horstman, an agreement between MWCD and Northeast Productions for the purpose of allowing construction of a storage facility at the Atwood Park Amphitheater, as recommended and set forth in the above memorandum, was approved.

6.05 PURCHASE OF VEHICLE FOR RECREATION PARKS

On motion by Mr. Horstman, seconded by Mr. Boyle, lease/purchase of a 2011 Ford F350 Super Cab duel wheel truck chassis with a Reading utility body from Pallotta Ford at the total bid price of \$37,581.04, as recommended and set forth in the above memorandum, was approved.

6.06 SENECA LAKE SHORELINE STABILIZATION PROJECT

On motion by Mr. Horstman, seconded by Mr. Pryce, an increase in the contract amount not to exceed \$80,000 for a Seneca Lake shoreline stabilization project change order, as recommended and set forth in the above memorandum, was authorized.

6.07 RECOMMENDATION FOR DAC APPOINTMENT

On motion by Mr. Parham, seconded by Mr. Horstman, appointment of Rich Milleson of the Piedmont area, Harrison County, to a 3-year term on the Development Advisory Committee, as recommended and set forth in the above memorandum, was approved.

6.08 MEMORANDUM OF UNDERSTANDING WITH ODNR

On motion by Mr. Boyle, seconded by Mr. Parham, execution of a memorandum of understanding between MWCD and Ohio Department of Natural Resources, as recommended and set forth in the above memorandum, was authorized.

6.09 ANNUAL REPORT OF OPERATIONS 2010

Mr. Lautenschleger presented a preliminary draft of the narrative portion of the Annual Report of Operations 2010 for review and comment.

6.10 2011 GOALS

Board members received proposed goals for 2011 along with the same document with revisions as suggested by Mr. Parham shown in red. Following are the goals as presented:

- 1) To develop and implement a strategic plan of management for the Muskingum Watershed Conservancy District. The purpose of the plan will be to guide the Board and administration in the operation of the Conservancy District. As part of the strategic plan, key goals and objectives will be identified along with the implementation of financial operating principles. A measurement system will be developed and implemented to report progress on the plan to the Board, staff, key stakeholders and the public.
- 2) To evaluate and recommend a course of action in light of current oil and gas development opportunities. This goal will involve the consideration of the environmental impacts as it relates to our mission. If it is agreed that oil and gas resources will be further developed, then a plan for the wise stewardship of these resources will be developed.
- 3) To reduce ~~and eventually eliminate~~ the negative financial liability of the Atwood Lake Resort and Conference Center ~~to the MWCD so that it is no longer a material factor in the overall operations of MWCD.~~ This goal will identify the options for the Resort property, reduce expenditures and develop a plan for the future of the Resort property in light of the MWCD mission to provide recreational opportunities to the residents of the watershed and beyond.
- 4) To address recreation operations in light of current economic conditions and customer demands. This goal will address plans for reinvestment in the recreation infrastructure, capital improvements and other recreational opportunities. This goal will focus on the development of a plan for capital improvements to recreation facilities. In addition, this goal will address the challenges faced by our marina operators and develop solutions resulting in improved service to our public.
- 5) To identify and develop conservation programs under the Amendment to the Official Plan. This goal will address work to be performed in the related categories of sediment removal, shoreline protection, water quality improvements, watershed management, reservoir maintenance and partnering with local, state and federal agencies. This goal will include the recruitment of leadership to guide this program. As a result of this goal, quantification of our progress in the above categories will be tracked and reported.
- 6) To submit for consideration of the Conservancy Court the Subsequent Appraisal Record as required by law. This goal will involve the review of the process by the Board of Appraisers, due process compliance, and include certification of the Annual Levy Detail. This goal ensures the continued fair and equitable application of the maintenance assessment.

On motion by Mr. Pryce, seconded by Mr. Boyle, to approve the 2011 goals as originally presented. Prior to roll call vote, on motion by Mr. Parham, seconded by Mr. Horstman, to table consideration of the 2011 goals as originally presented. On roll call: Mr. Boyle-no; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-no. Action tabled.

On motion by Mr. Parham, seconded by Mr. Horstman, to approve the proposed 2011 red-line version of the goals. On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-no; Mr. Parham-yes; and Mr. Pryce-no.

The 2011 goals as revised by Mr. Parham (the red-line version) are approved. Mr. Kokovich requested that the mission statement be included on the final publication of the goals for 2011.

6.11 ATWOOD LAKE RESORT AND CONFERENCE CENTER

This matter was discussed executive session.

In open session, management reported that the vacation cabins and golf courses located at Atwood Lake Resort and Conference Center will not be operated by the MWCD during the upcoming season. Staff will continue to work toward the disposition of the Resort property.

6.12 STRATEGIC PLANNING

On motion by Mr. Pryce, seconded by Mr. Boyle, authorization to enter into an agreement with Active Strategy for strategic plan facilitation and documentation, as recommended and set forth in the above memorandum, was granted.

Mr. Boyle emphasized core competencies and measurement on achievement; and Mr. Pryce noted the importance of the involvement of staff in this process.

6.13 OTHER BUSINESS

There was no other business at this time.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Board members received a copy of the Summary of Marina Operations report through December 31, 2010. No action required.

7.02 “THE OHIO WATER TABLE,” WINTER 2011 EDITION

Board members received a copy of the Winter 2011 edition of “The Ohio Water Table,” a publication of the Water Management Association of Ohio. This issue features an article entitled “Setting the Course for the Present and Future by Enacting MWCD Plan.”

7.03 COSHOCTON COUNTY COMMISSIONERS LETTER DATED 01.31.2011

Board members received a copy of a letter dated January 31, 2011 from the Coshocton County Commissioners expressing appreciation for financial support of the Coshocton SWCD fencing program. The letter states “This program is currently providing valuable resource protection to seven (7) landowners with four (4) others interested in the program if additional funding becomes available. These fencing funds help protect our streams and provide an alternative water source for the livestock; a beneficial situation for water quality in our community as well as the landowners.”

7.04 OIL AND GAS LEASING

This matter was discussed in executive session. In open session, no action was taken.

7.05 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that the project agreement for Bolivar is nearing completion. Mr. Slogar and Mr. Cugliari recently attended a meeting in San Antonio, Texas, sponsored by the U.S. Army Corps of Engineers. They were able to provide some input relative to the partnership between the MWCD and the Corps. MWCD has one of the longest standing partnerships with the Corps. The Corps is looking for ways in which they can improve and build upon their partnerships.

7.06 PARTNERS IN WATERSHED MANAGEMENT UPDATE

Mr. Slogar reported that the Partners in Watershed Management (PWM) projects for the coming year are currently under review. A meeting with Technical Review Advisory Committee is scheduled in March and Mr. Slogar anticipates that recommendations for PWM projects will be presented to the Board at the March meeting.

Mr. Amos addressed the Board regarding the existing partnership between MWCD and the ODNR Division of Soil and Water. He cited some fencing projects that have been accomplished in Coshocton County where MWCD funds were leveraged with \$90,000 in funding from U.S. Fish and Wildlife Service. These fencing projects will keep livestock out of stream areas and thus improve water quality.

Mr. Amos presented an example of a grant application that was submitted for consideration, explaining the major areas that factor into potential award of funding. To date, the partnering of MWCD and the ODNR Division of Soil and Water to work together to provide funding for conservation programs has been very well-received.

7.07 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

There was no report at this time.

7.08 IMMINENT OR PENDING LITIGATION

This matter was discussed in Executive Session.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

Mr. Hoopingarner reported that legislative related activities and efforts are focused on acquainting newly elected officials with the MWCD.

9. SUBDISTRICTS

No business at this time.

EXECUTIVE SESSION

On motion by Mr. Boyle, seconded by Mr. Horstman, the Board of Directors entered into executive session at 11:15 a.m. to discuss matters related to ORC §121.22 (G) (2) , 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 12:30 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Horstman, seconded by Mr. Parham, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, March 25, 2011, at 9:00 a.m. at the New Philadelphia City Council Chambers.

02/18/2011

Approved 03/25/2011