

**SUMMARY OF MINUTES  
BOARD OF DIRECTORS  
MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
Held at Atwood Lake Resort and Conference Center  
July 23, 2010, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Atwood Lake Resort and Conference Center, Sherrodsville, Ohio, on Friday, July 23, 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. Boyle, Mr. Horstman, Mr. Kokovich, Mr. Parham, and Mr. Pryce (arrived at approximately 10:00 a.m.).

Present from MWCD staff were Josh Bauer, Donnie Borland, Mary Burley, James Cugliari, Samantha Greene, John Hoopingarner, Darrin Lautenschleger, David Lautenschleger, Kelli Karns, Tony Luther, Karen Miller, John Olivier, Mike Rekstis, Bernie Schreiner, and Boris Slogar.

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: Robert Fuerst (*Attorney with Meyers, Roman, Friedbert & Lewis, Cleveland*); Amy Rutledge (*Carroll CountyCVB*); Todd Davis (*FFA Camp Muskingum*); Brian Valot (*Atwood Marinas*); and Eric Reip (*New Philadelphia resident*).

**3. APPROVAL OF MINUTES**

On motion by Mr. Kokovich, seconded by Mr. Boyle, the minutes of the May 21, 2010, meeting of the Board of Directors were approved.

**4. FINANCIAL**

Mr. Cugliari presented the financial report for the period ending June 30, 2010. The total revenue for operations excluding Atwood Resort is \$5,965,237.00 with expenses of \$4,311,174.00, resulting in an excess of revenues over expenses of \$1,654,062.00.

**General Fund**

- Revenues are 19.14% of budget with expenses at 52.14% of budget. All expense line items are within budget expectations through June.

**Conservation Fund**

- Total revenues are 21.59% of budget and at this point in line with budget projections.
- Total expenses are also within budget; the majority of expenses in this area are attributed to Farm Operations – Sharecrops.

**Recreation Fund – Parks**

- Total revenues are 72.42% of budget, which is exactly where we were in 2009.
- Vacation cabin revenue is at 74.54% of budget and slightly ahead of last year, 72.69%.
- Park camping revenue is 79.81% of budget in comparison to 78.75% of budget in 2009. Revenues are up nearly \$100,000.00 from last year.
- Expenses are 39.76% of budget compared to 43.02% in 2009 and nearly \$200,000.00 less.

**Recreation Fund – Non Park**

- Total revenues are 58.70% of budget compared to 54.56% in 2009.

- Overall marina operations are performing well due mostly to the performance of Piedmont Marina.
- Cottage Sites, Club Sites, and Multiple Docks revenues are all on target with budget and ahead of last year.
- Expenses are up in comparison to last year with all of it being attributed to the operation of Piedmont Marina.

**Maintenance Assessment Fund**

- Total revenues are 60.17% of budget, which now includes all first half settlements being completed by the counties.
- Expenses are within budget expectations, with the payment to OWDA of \$896,671.00 being made for the loan.

All other areas are within expectations. We continue to monitor and streamline expenses where we can and will continue that through the entire 2010 year.

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

**5. PAYMENT OF BILLS**

On motion by Mr. Parham, seconded by Mr. Boyle, a report of the payment of bills for the periods ending May 31, and June 30, 2010, was approved as presented.

**6. BUSINESS**

**6.01a LEASE TRANSACTIONS**

On motion by Mr. Boyle, 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.

Action on termination of lease #7498-R was deferred for discussion in executive session. In open session, on motion by Mr. Kokovich, seconded by Mr. Boyle, the termination and cancellation of lease #7498-R were approved as recommended and set forth in the above memorandum.

**6.01b WC-200 COTTAGE ACQUISITION**

On motion by Mr. Parham, seconded by Mr. Boyle, a request that MWCD facilitate the execution of a Bill of Sale transferring ownership of the cottage and all improvements located on lot WC-200 at Wills Creek from Theresa Riffle to the MWCD, as recommended and set forth in the above memorandum, was authorized.

**6.01c ADDENDUM TO OHIO FFA (CAMP MUSKINGUM) LEASE**

On motion by Mr. Kokovich, seconded by Mr. Parham, a request to combine the Geib Family Charitable Foundation lease area (4.12 acres) with the Ohio Future Farmers of America Camp Muskingum lease area (53.971 acres) via a lease addendum, as recommended and set forth in the above memorandum, was authorized.

**6.02a BUDGET REVISIONS**

On motion by Mr. Boyle, seconded by Mr. Kokovich, proposed budget revisions, as recommended and set forth in the above memorandum, were approved.

**6.02b BUDGET ADJUSTMENTS**

On motion by Mr. Kokovich, seconded by Mr. Parham, proposed budget adjustments, as recommended and set forth in the above memorandum, were approved.

**6.02c 2010 CLEAN OHIO FUND APPLICATION – TAPPAN LAND ACQUISITION**

On motion by Mr. Parham, seconded by Mr. Boyle, a proposed Resolution of Authorization to apply for financial assistance through the Ohio Public Works Commission Clean Ohio Conservation Fund for funding of a land acquisition near the northeast end of Tappan Lake with an amendment to paragraph 3 of the resolution that states that MWCD participation will be contingent upon the Trust for Public Land involvement, as recommended and set forth in the above memorandum, was adopted.

**6.02d PIEDMONT MARINA DEPOSITORY AGREEMENT**

On motion by Mr. Kokovich, seconded by Mr. Boyle, a depository agreement with WesBanco of Freeport, Ohio, for Piedmont Marina funds, as recommended and set forth in the above memorandum, was approved.

**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 FOP CONTRACT AMENDMENT**

On motion by Mr. Kokovich, seconded by Mr. Parham, a proposed amendment to the FOP contract, as recommended and set forth in the above memorandum, was ratified.

**6.03c OUT-OF-STATE TRAVEL**

On motion by Mr. Parham, seconded by Mr. Boyle, a request for out-of-state travel for Tom Fisher to attend FEMA Basic HAZUS-MH Training in Emmitsburg, Maryland, as recommended and set forth in the above memorandum, was approved.

**6.04 PROPERTY TAXES AT MARINAS**

In March 2009, at a meeting between marina operators and MWCD officials, many issues and concerns were discussed, but a most prominent issue was the fact that marinas have to pay the annual real estate tax on the property occupied by the marina. Prior to the last marina lease renewals (January 1998), marinas paid real estate taxes on the improvements made to the property occupied by the marina, but the MWCD paid the real estate taxes on the land.

When leases were renewed, they included a provision that taxes on the land would be passed along to the marinas, and they have been. All marina owners were not in favor of this, but as a group they agreed to it at the time. Some marina owners believe this was a mistake, and has created a financial burden on marinas. They believe payment of taxes on the improvements is reasonable, but they do not think it is fair that they should have to pay taxes on land they don't own.

Pursuant to the March meeting, in April 2009 we received a letter (copy attached) from the Muskingum Marina Owners Association (MMAOA), a newly formed coalition of marina owners on MWCD lakes. The letter explains that the most important issue that concerns marina owners is this property tax issue. A follow

up meeting with Brian Valot, MMOA President and owner of both marinas at Atwood Lake, again verified the primary importance of this issue.

The MWCD leases land to three other groups: cottage site lessees, private clubs, and youth camps. Property taxes are not passed along to any of these groups. The practice of passing along real estate taxes instituted at the last lease renewals has resulted in resentment on the part of certain marina owners toward the MWCD, and the reversal of this would generate significant good will.

In anticipation of the possibility that in 2010 property taxes might not be passed along to marina owners, the 2010 marina budget, approved by the Board, does not include reimbursement of property taxes, which amounted to \$19,607.00 in 2009. The property tax amount for 2010 is \$19,671.14; however, this amount includes \$2,333.46 for Piedmont Marina which would not be reimbursed because the MWCD has taken over operation of the marina. Therefore, the 2010 amount that would not be reimbursed is \$17,337.68.

This memo is intended as informational and no Board action is required at this time. We will bring the issue back to the Board for action at the August 20, 2010 meeting.

Mr. Valot addressed the Board on behalf of the Muskingum Marina Owners Association. He recited some recent marina financial statistics and reviewed some of the more significant changes in the marina industry. Mr. Valot stated that the last two years have been the most difficult in marina operations – financial issues are predominant – gross receipts are decreasing while expenses are increasing.

Mr. Horstman stated that the Board could be more favorable of this type proposal if there was some assurance that marina operators would maintain facilities to meet a determined standard.

#### **6.05 PURCHASE OF VEHICLE FOR SHORELINE AND DREDGING PROJECTS**

On motion by Mr. Parham, seconded by Mr. Boyle, solicitation for bids for a heavy-duty 4 x 4 diesel pickup truck and purchase at a total cost not to exceed \$49,000, as recommended and set forth in the above memorandum, was authorized.

#### **6.06 RESERVOIR SEDIMENTATION STUDY**

On motion by Mr. Pryce, seconded by Mr. Kokovich, an agreement with Ohio University for compilation and preparation of a reservoir sedimentation study, as recommended and set forth in the above memorandum, was approved.

#### **6.07 WATER SALE RATES AND GUIDELINES**

On motion by Mr. Boyle, seconded by Mr. Kokovich, water sale rates and guidelines along with a proposed water purchase agreement for requests for limited water withdrawals from MWCD reservoirs, as recommended and set forth in the above memorandum, was approved.

#### **6.08 BOLIVAR DAM PPA**

On motion by Mr. Parham, seconded by Mr. Pryce, a letter of intent to enter into a proposed Project Partnership Agreement (PPA) between the U.S. Army Corps of Engineers and MWCD for construction of the Bolivar Dam major rehabilitation project, as recommended and set forth in the above memorandum, was approved for signature along with a statement to be signed by the Chief Financial Officer for assurance of available funds.

#### **6.09 ATWOOD LAKE RESORT AND CONFERENCE CENTER**

This matter was discussed in executive session.

On motion by Mr. Parham, seconded by Mr. Pryce, approval of an “Agreement Granting Exclusive Right to Sell, Lease and/or Purchase” that would expire October 3, 2010, between MWCD and TREC-Atwood, was considered. On roll call: Mr. Boyle-no; Mr. Parham-yes; Mr. Horstman-yes; Mr. Kokovich-no; and Mr. Pryce-no. Motion failed.

On motion by Mr. Parham, seconded by Mr. Horstman, the following action was considered: negotiations with TREC-Atwood for the sale of property south of State Route 542 to be concluded with a minimum net price of \$2,560,000 pursuant to a purchase agreement that becomes unconditional on or before October 3, 2010 and would require forfeiture of substantial earnest money if TREC-Atwood fails to close under the purchase agreement by October 31, 2010. On roll call: Mr. Boyle-no; Mr. Parham-yes; Mr. Horstman-yes; Mr. Kokovich-no; and Mr. Pryce-no. Motion failed.

#### **6.10 OTHER BUSINESS**

No other business at this time.

### **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 June 30, 2010.

#### **7.02 PARKS REPORT**

Members of the Board received a copy of a report of gross receipts for MWCD park facilities for the period ending July 11, 2010.

#### **7.03 ALIVE 2010**

The Alive Festival, a Christian-themed music and seminar festival held for the first time at Atwood Lake Park on June 23-26, 2010, is the largest attended single special event ever hosted by the Muskingum Watershed Conservancy District. More than 60,000 people were in attendance during the four-day festival. The event also is the largest tourist-themed event in terms of attendance in Carroll and Tuscarawas counties. The MWCD signed a 10-year agreement to begin in 2010 for the festival to be held at Atwood Lake Park annually with Northeast Productions Inc. of Canal Fulton, producers of the Alive Festival.

Following are some facts and figures relative to Alive 2010:

- Estimated attendance was more than 60,000 over the four-day event
- There were more than 6,000 campers in the Atwood campgrounds
- There were three stages for entertainment, speakers and seminars
- More than 60 concerts were presented
- Large volunteer force (300) organized through Alive Festival
- Coordinated safety response strategy

Following are some financial facts relative to Alive 2010:

- Pre-sale ticket revenue for MWCD was \$63,081
- Gate ticket sale revenue for MWCD was \$21,180
- Premium camping site revenue for MWCD was \$8,760
- Standard camping site revenue for MWCD was \$18,360
- “Early Camping” (June 21-22) revenue for MWCD was \$10,543
- Total revenue received by MWCD per agreement with Northeast Productions Inc., \$121,924

Related operations saw a drastic increase with the park beach concession sales at \$7,185 compared to \$1,479 in 2009; activity center sales were \$26,810 (MWCD share \$1,609) compared to \$7,379 (MWCD share \$443) in 2009.

Plans are already underway for the Alive 2011 Festival scheduled June 22-25, 2011.

#### **7.04 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.

Mr. Kokovich inquired about water testing activities on MWCD reservoirs. Mr. Hoopingarner and Mr. Slogar reported on the current efforts by MWCD staff and other partnering agencies. Mr. Pryce indicated that it may be valuable to have a report on at least an annual basis.

#### **7.06 USGS – LICKING COUNTY EARLY FLOOD WARNING SYSTEM**

F. Scott Jackson, P.E. and David Straub of the U.S. Geological Survey (USGS), Ohio Water Science Center, Columbus, Ohio, addressed the Board. USGS is comprised of four major divisions: geologic, mapping, biological, and water resources. USGS has some 250 stream gages in the State of Ohio that are used to assess many facets of water resources.

A presentation was given relative to a flood warning system already developed by USGS for the Findlay, Ohio, area. This system was developed as a result of a flood event that occurred in 2007.

The Findlay flood warning system enhances the National Weather Service (NWS) forecast capabilities. Additional stream gages were installed within the Blanchard River drainage basin. Mapping, following FEMA guidelines, was developed that will increase the ability to identify areas of possible inundation.

Advance flood warning can prevent, for example, with a 24-hour notice, approximately 30% of potential flood damages.

Work on the proposed Licking County flood warning system is scheduled to begin in August 2010 and completion is anticipated by December 2011. The system will cover 40 miles of stream with four steady-flow static mapping products, an unsteady-flow model for I-70 and State Route 79 (Buckeye Lake region) in order to provide ODOT advance notice to determine the need to close these routes. There are currently six existing stream gages along the four stream reaches involved; four new stream gages (3 new locations and 1 discontinued/reinstalled) will be included.

The Licking County flood warning system project includes strong partnerships and well-leveraged funding efforts. Funding partners include the City of Newark, the Village of Granville, Denison University, Granville Township, Ohio Department of Transportation, Natural Resources Conservation Service, MWCD and USGS. The supporting partners include Licking County Planning, South Licking Watershed Conservancy District, Ohio Department of Natural Resources, Ohio Emergency Management Association, NWS and Ohio River Forecast Center.

Information will be presented to the Board for consideration of funding of this project at the August meeting.

**7.07 USACE ASSESSMENT PROJECTS STATUS REPORT**

No report at this time due to time limitation.

**7.08 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE**

No report at this time.

**7.09 IMMINENT OR PENDING LITIGATION**

No report at this time.

**8. LEGISLATIVE REVIEW**

**8.01 CURRENT LEGISLATIVE ACTIVITIES**

No report at this time.

**9. SUBDISTRICTS**

**9.01 CHIPPEWA SUBDISTRICT SEDIMENT REMOVAL PROJECTS  
DAM STRUCTURES IV-A AND V-D**

On motion by Mr. Kokovich, seconded by Mr. Pryce, authorization to bid sediment removal projects for Dam Structures IV-A and V-D at Chippewa Subdistrict and enter in agreements for services at the lowest and/or best bid(s), as recommended and set forth in the above memorandum, was granted.

**EXECUTIVE SESSION**

On motion by Mr. Pryce, seconded by Mr. Boyle, the Board of Directors entered into executive session at 11:19 a.m. to discuss matters related to ORC §121.22 (G) (1) employment and (2) sale of property. On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. On motion by Mr. Pryce, seconded by Mr. Boyle, the Board returned to open session. The executive session ended at 12:40 p.m.

**10. ADJOURN**

There being no further business, on motion by Mr. Boyle, seconded by Mr. Kokovich, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, August 20, 2010, at 9:00 a.m. at the New Philadelphia City Council Chambers. A special session of the Board will be held on Thursday, July 29, 2010, at 9:00 a.m. at a location to be determined.

*07/23/2010*

*Approved 08/20/2010*