

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at The Pritchard Laughlin Civic Center
August 21, 2009, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Pritchard Laughlin Civic Center, Cambridge, Ohio, on Friday, August 21, 2009, 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 Conservancy District staff were Scott Barnhart, James Cugliari, John Hoopingarner, Mark Jukich, Kelli Karns, Darrin Lautenschleger, David Lautenschleger, Karen Miller, John Olivier, and Boris Slogar.

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

2. APPROVAL OF MINUTES

On motion by Mr. Parham, seconded by Mr. Horstman, the minutes of the July 24 and August 10, 2009, meetings of the Board of Directors were approved.

3. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: Ray "Butch" Collins (*Zanesville resident*); Ron Komorowski (*S.R. Snodgrass*); and Eric Reip (*New Philadelphia resident*).

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending July 31, 2009. The total revenue is \$11,928,767.00 and total expenses \$7,275,216.00 resulting in an excess of revenue over expenses of \$4,653,551.00. The total cash balance is \$5,726,092.48, of which \$1,062,444.75 is in the general checking account and business high yield savings account and available for meeting operational needs. There is also a cash balance of \$4,349,915.79 in the maintenance assessment business high yield savings account.

Maintenance Fund – General Fund

- Total revenues are at 35.79% of budget. Interest income is behind budget expectations and will need to be adjusted.
- Total expenses are 69.89% of budget.
- Purchase of vehicles/equipment is in line with budget but we have spent approximately \$83,000.00 more in 2009 than 2008. This is in an effort to try and keep pace with our capital equipment needs, both new items and replacement of old items.
- The Administrative – Operation and Non-Operations are running ahead of last year. Most of this is due to increased staffing levels. Some of these wages will still need to be pro-rated against the maintenance assessment accounts.

Conservation Fund

- Conservation fund revenues are 34.41% of budget.
- Mineral operations oil and gas continue to run below budget expectations and much lower than 2008.
- Expenses are 62.79% of budget with all items being in line with expectations.

Recreation Fund – Parks

- Total park revenues are 83.42% of budget.
- Vacation cabins revenue is at 77.44% of budget compared to 75.63% of budget in 2008.
- Park camping revenue is at 88.86% of budget compared to 89.95% in 2008. Some of this variance is due to the new payment plan option in place.
- General park revenue is 73.64% of budget and running ahead of last year, which was at 60.56% of budget.
- Overall expenses are at 58.95% of budget compared to 52.67% of budget in 2008. A big part of the increase in the month-to-date expense is that there were three pay periods in July 2009.

Recreation Operations – Non-Park

- Total non-park revenues are 64.06% of budget.
- Marina operations revenue continues to run behind budget expectations, while most of the other areas are on budget.
- Expenses are 53.61% of budget.
- Cottage sites expenses month-to-date are higher than last year due to real estate taxes being paid in July this year.

All other areas continue to run in line with budget expectations. As the summer season closes, spending should begin to be reduced. However, we will continue to monitor our spending habits and adjust accordingly.

On motion by Mr. Kokovich, seconded by Mr. Parham, 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 July 31, 2009, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Kokovich, 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 DOCKING REQUEST – NEWELL

This memo was withdrawn.

6.02 2007-2008 STATE AUDIT

Ron Komorowski of S.R. Snodgrass addressed the Board with preliminary 2007-2008 state audit conducted for the MWCD. He explained the process and procedure followed by S.R. Snodgrass in performance of the audit. There were no issues of compliance with the preliminary audit and all records found to be in order. The preliminary audit has been submitted to the State of Ohio for their consideration and approval. The preliminary audit is not for public record; it will become public record when certified by the Auditor of State.

Mr. Cugliari informed the Board that the MWCD is required to have a state audit every two years. Several years ago, the Auditor of State made a decision to allow an independent auditing firm to perform the

audit for many public agencies, including the MWCD. An RFP process is required with a recommendation made to the Auditor of State for approval of the independent auditing firm selected.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b REVISED POSITION DESCRIPTIONS – CONSERVATION GROUP

On motion by Mr. Kokovich, seconded by Mr. Boyle, the revised position descriptions for the Conservation Group, as recommended and set forth in the above memorandum, were approved. These are existing positions with no change in wage rates.

**6.03c ORGANIZATION OF INFORMATION SYSTEMS/
INFORMATION TECHNOLOGY (IS/IT) GROUP**

On motion by Mr. Boyle, seconded by Mr. Kokovich, proposed revisions to position descriptions for the IS/IT Group, as recommended and set forth in the above memorandum, were approved. These are existing positions with no change in wage rates. On motion by Mr. Parham, seconded by Mr. Boyle, the above motion was amended to include five (5) position descriptions that were attached to the memo.

6.04 REQUEST FOR PROPOSALS – ATWOOD LAKE RESORT AND CONFERENCE CENTER

This matter was discussed in executive session. In open session, the following action was taken:

On motion by Mr. Parham, seconded by Mr. Boyle, issuance of a Request for Proposals concerning the potential sale of the Atwood Lake Resort, as recommended and set forth in the above memorandum, was authorized with the following revisions:

- 1) The vacation cabins will not be included in the RFP.
- 2) Elimination of reference to the airstrip.
- 3) On page 3, goals and objectives, no. 1, state specifically to “eliminate MWCD operational responsibility.”
- 4) On page 3, goals and objections, no. 2, strike the word “reduce” to read, “Eliminate financial losses and debt currently borne by MWCD...”
- 5) On page 3, goals and objectives, no. 3, add recreation-oriented use.
- 6) Rental amount for any land lease
- 7) Add language to clearly state that MWCD will not capitalize/fund any of the operation

6.05 ATWOOD RESORT – PAINTING CONTRACT FOR WATER TOWER

On motion by Mr. Parham, seconded by Mr. Boyle, a request for authorization to advertise for bids for the repainting of the Atwood Resort water tower, as recommended and set forth in the above memorandum, was approved.

6.06 PLEASANT HILL SLOPE STABILIZATION CONSULTANT CONTRACT

On motion by Mr. Parham, seconded by Mr. Boyle, an agreement with a partnership representing CT Consultants of Columbus and BBC&M Engineering, Inc. of Dublin to provide consulting services for severe

erosion and slope stability concerns at Pleasant Hill Lake, as recommended and set forth in the above memorandum, was authorized. This expenditure is not to exceed \$275,000 for the Pleasant Hill Lake slope stabilization project – Phase I for the year 2009.

In addition, the above motion includes a request by the Board that an overall complete plan for the next five years be developed for the entire District, instead of incremental projects, with categorization and prioritization of the needs. It was determined, however, to proceed with the engineering study on the above project in order to determine the overall severity of the slope and the extent of remedy that may be required at this location.

6.07 OTHER BUSINESS

ATWOOD REGIONAL WATER AND SEWER DISTRICT

Mr. Slogar and Mr. Olivier attended a meeting earlier this week in Carrollton to discuss with other interested parties a potential regional rural water system for an area that would include the Atwood Lake region. There is some interest on the part of Congressman Space's office to explore options for funding of such a project. Two funding sources would be involved: 1) Community Block Grant and 2) USDA Rural Development. There is a possibility of up to 75 percent funding for the project.

On motion by Mr. Parham, seconded by Mr. Horstman, a resolution of support of a potential regional water supply for the Atwood area through the Atwood Regional Water and Sewer District, as recommended and set forth in the above-referenced memo, was adopted. The resolution follows:

Resolution of Support and Authorization

WHEREAS, the Atwood Regional Water and Sewer District is a special purpose independent political subdivision of the State of Ohio charged with administering and operating a regional wastewater system within its jurisdictional boundary, while having the same authority to administer and operate any proposed regional water system within its jurisdictional boundary including the Atwood Lake area.

WHEREAS, the **Muskingum Watershed Conservancy District**, which owns and operates two separate water system plants within the Atwood Lake area, is in support of replacing its water system plants with a regional water system for the Atwood Lake area.

NOW, THEREFORE, be it resolved by the **Muskingum Watershed Conservancy District**

1. That the **Muskingum Watershed Conservancy District** supports the creation of a regional water system for the Atwood Lake area including the Atwood Resort and Atwood Lake Park facilities.
2. That **Boris E. Slogar, P.E.**, is hereby authorized and directed to provide technical assistance to the Atwood Regional Water and Sewer District on behalf of the **Muskingum Watershed Conservancy District** for the purpose of designing and implementing a regional water system.

PIEDMONT MARINA

The owners of Piedmont Marina have notified MWCD of their intent to terminate their lease for operation of the marina effective December 31, 2009.

REQUEST FOR FUNDING, MIFFLIN TOWNSHIP

A request has been received from the Mifflin Township, Ashland County, Trustees requesting donations for The Mifflin Volunteer Fire Department. The letter states that “For many years the township has furnished fire equipment, an EMS unit and trained personnel to your district events at the Charles Mill Lake area at no cost to you. For this service the township received a verbal “*thank you*” and was “*rewarded*” with a tax assessment against its cemeteries and land parcels...To continue with your yearly event requests, the township is asking for a donation to help with the expenses of the department.”

The Chief Financial Officer advised that donations of this type would be an unauthorized expenditure of public funds and Mr. Hoopingarner will prepare the appropriate response to the Mifflin Township Trustees expressing thanks for the fire department’s service, the intent of MWCD to continue full cooperation with the department and an explanation as to why MWCD cannot make such donations.

7. REPORTS

7.01 PARK REPORTS

Members of the Board received a report of the gross receipts at MWCD park facilities for the period through August 9, 2009.

7.02 SUMMARY OF MARINA OPERATIONS

Members of the Board received a Summary of Marina Operations report through July 31, 2009.

7.03 CHANGE OF COMMAND – U.S. ARMY CORPS OF ENGINEERS, HUNTINGTON DISTRICT

Board members were informed that representatives of the MWCD attended a Change of Command and Retirement Ceremony on July 29, 2009, in the Huntington City Hall Auditorium, Huntington, West Virginia. Each Board member received a copy of the program for this event.

Colonel Dana R. Hurst assumed command of the Huntington District on July 12, 2006. Colonel Hurst was responsible for carrying out the Huntington District’s mission within the Ohio River Basin, which includes more than 300 navigable miles of the Ohio River in West Virginia, Kentucky, and Ohio, plus nine major tributaries.

Colonel Robert “Bob” Peterson assumes command of the Huntington District after having completed a one-year tour in Iraq as the Deputy C7 for Multi-National Corps, Iraq, during Operation Iraqi Freedom. Colonel Peterson graduated with a Bachelor of Science degree from the U.S. Military Academy at West Point.

7.04 IMMINENT OR PENDING LITIGATION

In the case of Allen Bush, Administrator of the Estate of Drew Bush v. County of Ashland, et al (Muskingum Watershed Conservancy District), Ashland County Common Pleas Case No. 2007-CIV-160, the

Board was advised that the Plaintiff has filed an appeal from the decision of the Ashland County Common Pleas Court granting a Motion for Summary Judgment. The Fifth District Court of Appeals will hear the appeal.

7.05 UPDATE ON 2009 GOALS

Mr. Hoopingarner reported on the progress of meeting the “Goals for 2009” as adopted by the Board on January 23, 2009.

- Our first maintenance assessment projects have already begun. The GIS Group is preparing for the filing of the Conservancy Assessment Record for the 2010 collection of the maintenance assessment. As directed by the Board, staff will continue the process of development of a five-year plan of overall maintenance assessment projects relative to shoreline stabilization.
- The Board is now receiving a newly formatted financial report that clearly sets forth maintenance assessment funds separate from recreational funds.
- An agenda item for this meeting relates to a proposed RFP process for the Atwood Lake Resort property.
- The organizational structure is nearly complete with some fine-tuning to be done by the end of the year.
- The implementation of the reorganization of the recreation areas continues. Focus will be on marketing and feedback from customers.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

Mr. Hoopingarner reported that staff has been working to compile information for Senate President Bill Harris in response to his recent letter concerning wage adjustments given to MWCD employees.

9. SUBDISTRICTS

9.01 SEDIMENT REMOVAL ANALYSIS/DESIGN FOR STRUCTURES IV-A AND V-D

On motion by Mr. Horstman, seconded by Mr. Boyle, authorization for a contract with Gannett Fleming Engineers and Architects, P.C. for consulting work a project at Chippewa Subdistrict Structure IV-A and V-D, as recommended and set forth in the above memorandum, was granted.

9.02 CHIPPEWA SUBDISTRICT – ASSET MANAGEMENT PROJECT UPDATE

Members of the Board heard a report by David Lautenschleger, MWCD AM/FM GIS Specialist, with an update of his work in the Chippewa Subdistrict area. A copy of the PowerPoint presentation is on file in the administrative office.

Mr. Lautenschleger explained the process of identifying structures within the Chippewa Subdistrict. This project will serve as a model for future/similar asset management projects within the MWCD parks and other facilities.

EXECUTIVE SESSION

On motion by Mr. Parham, seconded by Mr. Kokovich, the Board of Directors entered into executive session at 11:07 a.m. to discuss matters related to ORC §121.22 (G) (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. Parham, seconded by Mr. Kokovich, the Board returned to open session. The executive session ended at 11:58 a.m.

10. ADJOURN

There being no further business, on motion by Mr. Boyle, seconded by Mr. Parham, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Monday, September 28, 2009, at 9:00 a.m. at Kent State University Tuscarawas, New Philadelphia, Ohio.

08/21/2009

Approved 9/28/2009