A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at Kent State Tuscarawas, Science and Advanced Technology Center, New Philadelphia, Ohio, on Friday, December 18, 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 MWCD staff were Scott Barnhart, Mary Burley, James Cugliari, John Hoopingarner, Mark Jukich, Kelli Karns, Darrin Lautenschleger, Karen Miller, John Olivier, and Boris Slogar.

Mr. Pryce, 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: Neil Praznik and Bob Andrews (Prospera Hospitality); Mark Buchenic (URS Corporation); Eric Reip (New Philadelphia resident).

3. APPROVAL OF MINUTES

On motion by Mr. Horstman, seconded by Mr. Parham, the minutes of the November 20, 2009, meetings of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending November 30, 2009. The total revenue is $18,090,285.00, with expenses of $10,925,313.00, resulting in an excess of revenue over expenses of $7,164,971.00. The total cash balance as of November 30, 2009 is $7,815,108.12, of which $366,606.45 is in the general checking account and business savings account and $7,144,144.54 is in the maintenance assessment business savings account.

**Maintenance Fund – General**
- Revenues are 45.02% of budget with expenses at 97.33% of budget.
- The major revenue here comes from the reimbursement by the Chippewa Subdistrict for expenses incurred during 2009.

**Maintenance Fund - Conservation**
- Revenues are 77.49% of budget.
- Timber Harvesting and Pine Pulpwood Operations, combined, should meet revenue projections for the year.
- A major area of decline is the Mineral Operations-Gas and Oil which is 66.86% of budget, nearly $200,000 behind 2008 year-to-date revenue.

**Maintenance Fund – Recreation Parks**
- Total parks revenue is 100.38% of budget; and expenses are 95.36% of budget.
- Most of the major revenue here has met or will meet budget projections, with the exception of the vacation cabins.
Maintenance Fund – Recreation - Non Parks

- Total revenues in this area are 94.04% of budget.
- Marina operations overall continue to lag behind budget projections and last year’s actual. Currently, marinas are $45,805 short of budget and $60,000 behind 2008 actual revenue.
- Other revenue and expense areas continue to run in line with budget.

Overall, operational revenues exceed expenses by $166,554.00 compared to the annual budget of $84,075.00.

We will continue to monitor expenses and cash flow through the end of the year and into 2010 as work continues on preparation and finalization of the 2010 budget plan.

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

5. PAYMENT OF BILLS

On motion by Mr. Horstman, seconded by Mr. Parham, a report of the payment of bills for the period ending November 30, 2009, was approved as presented.

6. BUSINESS

6.01 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.

6.02a BUDGET ADJUSTMENTS

On motion by Mr. Horstman, seconded by Mr. Parham, budget adjustments made during the months of October and November 2009, as recommended and set forth in the above memorandum, were authorized.

6.02b TRANSFER OF FUNDS

On motion by Mr. Boyle, seconded by Mr. Horstman, fund transfers necessitated by budget adjustments made throughout the year 2009, as recommended and set forth in the above memorandum, were authorized.

6.02c 2010 BUDGET

Members of the Board expressed their concern that they did not have sufficient time to fully review the proposed 2010 budget and therefore, on motion by Mr. Boyle, seconded by Mr. Kokovich, determined that they will approve 2010 operations on a month-to-month basis, based upon the 2009 budget levels until an approved 2010 budget is developed. They further authorized staff to proceed with those proposed capital projects that are directly affected by the winter drawdown of reservoirs.

Mr. Pryce requested that a monthly cash-flow statement be presented in addition to the routine financial reports.
A separate maintenance assessment fund budget was presented for approval. On motion by Mr. Horstman, seconded by Mr. Boyle, the maintenance assessment fund budget (page 3 of the proposed overall budget) was approved.

6.02d TEMPORARY APPROPRIATION RESOLUTION FOR 2010

Mr. Cugliari indicated that action taken with reference to the 2010 budget requires no further action on this matter.

6.02e PARK AUDITS – 2009

On motion by Mr. Kokovich, seconded by Mr. Horstman, park audits for the year 2009, as recommended and set forth in the above memorandum, were approved. The Board requested that Mr. Byrom be commended for his work on the park audits.

6.02f 2010 ATWOOD RESORT BUDGET

Members of the Board received two separate budgets for the operation of Atwood Lake Resort and Conference Center as prepared by Boykin-Prospera Hospitality. One for a 12-month operation and the other for a 6-month operation. Mr. Praznik and Mr. Andrews addressed the Board about the budgets for the Resort and a third scenario was distributed with a proposal of weekend operation only (Friday through Sunday). No action was taken by the Board.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b WAGE ADJUSTMENTS FOR 2010

On motion by Mr. Parham, seconded by Mr. Horstman, the Board directed that there will be no increase in wages for the year 2010 for non-bargaining unit employees.

6.04a PURCHASE OF SEED FOR SHARE CROP OPERATIONS – 2010

On motion by Mr. Parham, seconded by Mr. Horstman, purchase of seed for the 2010 share crop operations at a cost not to exceed $81,000, as recommended and set forth in the above memorandum, was approved.

6.04b AMENDMENT TO OPERATIONS AGREEMENT – AQUA OHIO, INC.

On motion by Mr. Boyle, seconded by Mr. Kokovich, an amendment to the operations agreement with Aqua Ohio, Inc. for operation of water production facilities at Atwood, as recommended and set forth in the above memorandum, was approved.

6.04c SEDIMENT REMOVAL AT SENECA LAKE

On motion by Mr. Horstman, seconded by Mr. Boyle, advertisement for bids for a sediment removal project at Seneca and acceptance of a bid not to exceed $35,000, as recommended and set forth in the above memorandum, were approved.
6.04d  **ENGINEERING SERVICES – W.E. QUICKSALL AND ASSOCIATES**

On motion by Mr. Horstman, seconded by Mr. Kokovich, an agreement with W.E. Quicksall and Associates to provide engineering services to the MWCD in 2010, as recommended and set forth in the above memorandum, was approved.

6.04e  **2009 WELL ABANDONMENT PROJECT**

On motion by Mr. Parham, seconded by Mr. Boyle, a contract with Civiello Drilling in the amount of $59,275 for performance of a well abandonment project, as recommended and set forth in the above memorandum, was approved.

6.04f  **BIDS FOR TRASH REMOVAL**

On motion by Mr. Kokovich, seconded by Mr. Horstman, an agreement with Rumpkie Waste Management to provide trash removal services at Charles Mill, Pleasant Hill and Kokosing, as recommended and set forth in the above memorandum, was approved.

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

Members of the Board received a copy of a final draft proposed Cooperative Working Agreement between MWCD and ODNR, Division of Soil and Water Resources.

6.06  **PARK RATES FOR 2010**

On motion by Mr. Parham, seconded by Mr. Horstman, proposed park rates for 2010, as recommended and set forth in the above memorandum, were approved. The rates remain the same as 2009 with one minor reduction; in addition, new rates will be established for facilities at Piedmont.

6.07  **ELECTION OF OFFICERS**

On motion by Mr. Parham, seconded by Mr. Boyle, Mr. Horstman was elected as President and Mr. Kokovich as Vice-President for 2010. On motion by Mr. Kokovich, seconded by Mr. Horstman, Mr. Hoopingarner was affirmed as Secretary and Mr. Cugliari as Treasurer.

6.08  **OTHER BUSINESS**

No other business at this time.

7.  **REPORTS**

7.01  **SUMMARY OF MARINA OPERATIONS**

No report was presented at this time.
7.02 CUSTOMER SATISFACTION SURVEYS

The MWCD Recreation Group developed and mailed through the U.S. Postal Service nearly 7,700 customer satisfaction surveys to five specific guest groups (cottage site lessees, seasonal campers, overnight campers, family vacation cabin guests and boat owners with overnight docking at MWCD facilities).

The primary objective of the program were to provide guests with a method to evaluate the facilities and services offered by the MWCD during 2009, and to collect feedback to assist the MWCD in planning and the budget process to enhance guests’ experiences at MWCD facilities in the future. This is considered to be the first step in development of a comprehensive guest survey and feedback program to assist the MWCD.

To date, a total of 1,982 surveys have been received to the MWCD through a postage-paid envelope that was provided by the MWCD. This represents an overall return percentage of 25.8 percent on the 7,688 surveys that were sent out.

A breakdown of the returns follows:

- Boat owners with overnight docking, 3,100 mailed, 641 returned (20.7%)
- Seasonal campers, 1,529 mailed, 419 returned (27.4%)
- Overnight campers, 1,329 mailed, 303 returned (22.8%)
- Family vacation cabin guests, 530 mailed, 174 returned (32.8%)
- Cottage site lessees, 1,200 mailed, 410 returned (34.2%)

A total of 35 surveys (18 from boat owners with overnight docking and 17 from cottage site lessees) could not be entered into the final return numbers because of insufficient information provided.

Staff is inputting the collected data and a summary report will be prepared and presented to the Board at an upcoming meeting.

7.03 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham is a member of the Atwood Regional Water and Sewer District (ARWSD) Board of Trustees as the representative from the MWCD. The engineering firm of Civil Design Associates presented its analysis of the potential central water system for the Atwood area with a recommendation of obtaining water from a well field near New Philadelphia. Associated costs are estimated at $14 million. Mr. Parham stated that this project would only be viable if stimulus funding becomes available.

7.04 IMMINENT OR PENDING LITIGATION

This matter was discussed in executive session.

7.05 UPDATE ON 2009 GOALS/DISCUSSION OF 2010 GOALS

Mr. Hoopingarner reviewed the progress of meeting the Goals for 2009. He then reviewed a draft list of proposed Goals for 2010 for the consideration by the Board and suggested revisions were noted. On motion by Mr. Boyle, seconded by Mr. Parham, the goals for 2010 were adopted as follows:

1) To implement projects and programs under the Amendment to the Official Plan. This goal will address work to be performed in the seven categories set forth in the plan: upgrades to dams, sediment removal, shoreline protection,
water quality improvements, watershed management, reservoir maintenance and partnering with local, state and federal agencies. A plan of work will be developed with specific objectives for each category.

2) To develop financial operating principles. This goal will identify and define key principles relative to financial management including operating margins, overhead costs, revenue producing vs. non-revenue producing functions, and borrowing money.

3) To divest Atwood Lake Resort and Conference Center. This goal will focus on the sale or lease of the Resort operation, reduce and eventually eliminate the financial liability of the MWCD relative to the Resort, and preserve the integrity of the land in light of our mission.

4) To address recreation operations in light of current economic conditions and customer demands. This goal will continue our effort of market analysis and customer feedback. We will continue to survey our users to ensure customer satisfaction. This information will assist in planning for capital projects.

FOR FUTURE CONSIDERATION...
To develop a strategic plan of management for the Muskingum Watershed Conservancy District. This goal will identify a specific time frame within which we consider the development of projects and services, market trends, changes in customer needs and preferences, technological change, capital intensity, and social, political and economic change as we plan the scope of future projects and services in our watershed.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

Mr. Hoopingarner reported that legislative activities have focused on visits with representatives from the area of the South Licking Watershed Conservancy District. The South Licking Court recently met and took action to delay any request for a merger with the MWCD for a period of one (1) year. A long-time director on the South Licking Board, John Weaver, recently retired after 50 years of service.

9. SUBDISTRICTS

9.01 SUBDISTRICT CHARGES

On motion by Mr. Kokovich, seconded by Mr. Boyle, necessary charges for the year 2009 for actual costs incurred for subdistricts of the MWCD, as recommended and set forth in the above memorandum, were approved.

EXECUTIVE SESSION

On motion by Mr. Parham, seconded by Mr. Horstman, the Board of Directors entered into executive session at 11:05 a.m: to discuss matters related to ORC §121.22 (G) (1) (employment); (2) sale of property; and (3) imminent or pending litigation. On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. On motion by Mr. Kokovich, seconded by Mr. Boyle, the Board returned to
open session. The executive session ended at 12:50 p.m.

The following actions were taken in open session:

On motion by Mr. Parham, seconded by Mr. Horstman, the Board granted authority for the Executive Director, in consultation with legal counsel, to take whatever steps are deemed appropriate with regard to Piedmont Marina and Piedmont Campground, including filing any necessary action in court, any action needed to preserve the property and to operate the Marina, if necessary or appropriate and campground if necessary or appropriate

On motion by Mr. Horstman, seconded by Mr. Parham, the Board meeting scheduled for January 22 was changed to Friday, January 15.

On motion by Mr. Horstman, seconded by Mr. Boyle, the Board accepted a resignation submitted by Mark Jukich, Chief of Conservation, and agreed to the terms of a release and severance agreement with Mr. Jukich. The Board commended Mr. Jukich for nearly 35 years of service to the MWCD.

10. ADJOURN

There being no further business, on motion by Mr. Kokovich, seconded by Mr. Boyle, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, January 15, 2010, at 9:00 a.m. at Kent State University Tuscarawas, Science and Advanced Technology Center.

12/18/2009
Approved 01/15/2010