

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Stark County Park District Exploration Gateway, Canton, Ohio
March 19, 2010, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Stark County Park District Exploration Gateway, Canton, Ohio, on Friday, March 19, 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.

Present from MWCD staff were Scott Barnhart, James Cugliari, John Hoopingarner, Kelli Karns, Darrin Lautenschleger, Karen Miller, John Olivier, 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: Mark Jukich (*Massillon resident*); Allyson Kolbl and Matt Holt (*Canton residents*); and Eric Reip (*New Philadelphia resident*).

3. APPROVAL OF MINUTES

On motion by Mr. Kokovich, seconded by Mr. Parham, the minutes of the February 19, 2010, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending February 28, 2010. The total revenue for operations excluding Atwood Resort is \$976,618.00 with expenses of \$1,144,128.00, resulting in an excess of expenses over revenue of \$167,510.00, as indicated on Page 3.

Conservation Fund

- Total revenues are \$55,782.00 for the year down nearly \$85,000.00 from last year. The main difference is a \$41,170.00 timber sale in 2009.
- Expenses in the Conservation Fund are being kept to a minimum and are within the approved temporary budget.

Recreation Fund – Parks

- Total revenues are 18.15% of budget and currently running slightly behind last year at this time. The main reason is the timing on the way park reports are submitted. We will continue to monitor this.
- Expenses are 8.90% of budget and running slightly behind last year.

Recreation Fund – Non-Parks

- Total revenues are 1.88% of budget. The increase in Marina Operations (Camping) is due to the district operating Piedmont campground.
- Expenses are running ahead of last year in the Marina area, again because of the Piedmont operation and also in the Road Maintenance as a result of the winter weather we have experienced.

Maintenance Assessment Fund (Page 4)

- Total revenues again this month are a reduction as a result of refunds issued from the review process.
- Expenses are in line with budget expectations at this point.

Overall fund balance at this point is \$6,002,700.97. Of that \$5,363,254.91 is in the Maintenance Assessment Fund. There is \$236,315.64 available in the main checking account at JP Morgan Chase as of February 28, 2010.

In addition, an Economic Summary is included on page 5 as requested by the Board which shows the net income/loss through February 28, 2010.

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

5. PAYMENT OF BILLS

On motion by Mr. Boyle, seconded by Mr. Kokovich, a report of the payment of bills for the period ending February 28, 2010, 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 RANGE RESOURCES – ASSIGNMENT OF MINERAL RIGHTS

On motion by Mr. Pryce, seconded by Mr. Boyle, authorization of the assignment of MWCD oil and gas operations currently held by Range Resources to EnerVest and its affiliates, as recommended and set forth in the above memorandum, as granted.

EXECUTIVE SESSION

On motion by Mr. Pryce, seconded by Mr. Parham, the Board of Directors entered into executive session at 9:20 a.m. to discuss matters related to ORC §121.22 (G) (1) employment/dismissal. On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. On motion by Mr. Boyle, seconded by Mr. Parham, the Board returned to open session. The executive session ended at 9:30 a.m.

6.02a 2010 BUDGET

On motion by Mr. Pryce, seconded by Mr. Kokovich, the proposed 2010 budget, as recommended and set forth in the above memorandum, was adopted.

Mr. Pryce requested that a plan be prepared for Board review relative to Piedmont Marina and Atwood Resort – budgetary projections including the amount of any potential loan and a plan of repayment.

Mr. Boyle inquired about the forestry, agricultural, oil and gas operations for 2010. Mr. Cugliari responded with stating that MWCD has heavily relied upon forestry operations in the past to supplement revenue shortfall. Oil and gas is an extremely fluctuating revenue and difficult to predict. Mr. Boyle suggested that

consideration be given to obtaining the services of a farming management planner.

Some discussion occurred concerning the progress of establishing the operation of Piedmont Marina by MWCD. Mr. Barnhart informed the Board that the majority of equipment necessary for operation of this facility is now not available there and will need to be acquired.

Mr. Pryce posed the question of staff – “what are the three biggest things that you (MWCD) want to accomplish with maintenance assessment funds (other than partnering with the USACE)?” Mr. Slogar responded with addressing shoreline erosion, sediment removal, and Partners in Watershed Management program projects. Mr. Pryce stressed the importance of addressing these three major areas, stating that organizations tend to address projects minor in nature first and focus on the major areas later rather than from the very beginning.

Mr. Slogar informed the Board that there is a great deal of preparation and planning before sediment removal work can begin.

The Board inquired about acid mine drainage projects and the average cost of a project. Mr. Slogar replied that MWCD will rely upon the Ohio Department of Natural Resources (ODNR) to identify and prioritize these projects. There are some 180 sites in the state of Ohio. A project at Piedmont Reservoir is already underway. As to the average cost of acid mine drainage projects, Mr. Hoopingarner stated that costs widely vary depending upon the nature and extent of the problem. All acid mine drainage projects will be accomplished in partnership with ODNR.

6.02a.1 APPROPRIATION RESOLUTION FOR 2010

On motion by Mr. Pryce, seconded by Mr. Parham, the proposed appropriation resolution for the year 2010, as recommended and set forth in the above memorandum, was adopted.

6.02b GRANT APPLICATION – PIEDMONT MARINA LAUNCH RAMP

On motion by Mr. Parham, seconded by Mr. Boyle, a proposed resolution of authorization for application of a grant request for the Piedmont Marina launch ramp facility, 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 ORGANIZATIONAL CHANGE

On motion by Mr. Boyle, seconded by Mr. Kokovich, the proposed changes and additions in staffing for water/wastewater operations of the MWCD, as recommended and set forth in the above memorandum, were approved.

6.04 PIEDMONT MARINA DOCKING RATES

On motion by Mr. Kokovich, seconded by Mr. Pryce, proposed rates for watercraft rental, watercraft storage, service, etc, for Piedmont Marina for the 2010 season, as recommended and set forth in the above memorandum, were approved

6.05 SHORELINE STATUS INVESTIGATION – OBLIQUE AERIAL IMAGERY

Following February, 2010 Board approval, staff released a Request for Proposal for the above-mentioned project. As a result, proposals were received from Kucera/GEOSPAN and Pictometry International. Evaluation of the two proposals received yielded the following information:

Vendor	Location	Estimate	Average Score
Kucera/GEOSPAN	Willoughby, OH	\$76,000	78.6/100
Pictometry International	Rochester, NY	\$75,865	68.4/100
Woolpert Consulting	Chicago, IL	Did Not Submit	N/A

After careful evaluation, Pictometry International Corp. was chosen for our oblique aerial imagery project. Pictometry is a leading provider of geo-referenced aerial, oblique image libraries and related software. With customers throughout the U.S. and licensing partners around the globe, Pictometry uses a proprietary image capture process to produce oblique images and incorporate the existing Ohio Statewide Imaging Program (OSIP) data we currently use on a regular basis for our assessment applications.

Pictometry technologies are widely used by county GIS, planning and assessing professionals around the country and a growing number of commercial businesses including those in insurance, utilities, real estate and construction.

We have given a flight deadline of April 15, 2010 to minimize the amount of foliage in the imagery. This will give an estimated delivery date of June 15, 2010. Maintenance assessment dollars will completely fund this project.

This is provided for information purposes only and no action is required by the Board.

6.06 PARTNERS IN WATERSHED MANAGEMENT GRANT PROGRAM – 2010 FUNDING RECOMMENDATIONS

Each individual project recommended for funding was reviewed and explained by Mr. Slogar and Mr. Olivier. The Board made several inquiries about the project recommendations.

In general, the Board indicated a need for additional specifics concerning the funding recommendations. Mr. Pryce suggested, for example, that a matrix be prepared to provide the projected amount of runoff that would be prevented by the floodplain management project proposed in Guernsey County. Board members stated their reluctance to approve the funding recommendations at this time without the opportunity to review additional information.

Mr. Parham questioned the flood mitigation project in Guernsey County.

Mr. Horstman mentioned that constituents may not view the projects on the list of recommendations as high priority, stating that shoreline erosion and sediment removal would be projects that might be higher priority projects. Mr. Hoopingarner advised the Board that the types of projects that would address shoreline erosion and sediment removal would not likely be through this type of funding request. Those projects will be, for the most part, funded entirely by the MWCD.

This matter was tabled until such time that the additional information as discussed can be prepared and the Board given sufficient time to review the projects. Mr. Kokovich stated that, while he appreciates the finding and opinions of the members of the Technical Review Advisory Group (TRAG) and their level of

expertise, the ultimate responsibility and accountability for award of the Partners in Watershed Management Program funding requests rests with the Board of Directors.

6.07 ATWOOD LAKE RESORT AND CONFERENCE CENTER

This matter was deferred to executive session (reported below).

6.08 AQUA OHIO, INC. – AMENDMENT #3 TO OPERATIONS AGREEMENT

On motion by Mr. Parham, seconded by Mr. Boyle, amendment no. 3 to the operations agreement between MWCD and Aqua Ohio, Inc. for operation of water production facilities at Atwood Lake Resort and Atwood Park, as recommended and set forth in the above memorandum, was authorized.

6.09 OTHER BUSINESS

No other business at this time.

7. REPORTS

7.01 ANNUAL REPORT OF OPERATIONS 2009

Mr. Lautenschleger reported on the progress of compilation and preparation of the 2009 Annual Report of Operations. It is anticipated that the finalized document will be presented for Board consideration at the April 23, 2010 meeting.

7.02 USACE ASSESSMENT PROJECTS STATUS REPORT

Mr. Slogar reported on the status of U.S. Army Corps of Engineers current projects in the Muskingum Basin:

- Dover Dam Project: plans were submitted earlier this month by the consultant, Stantec, and included proposal for installation of 18 anchors. The plan underwent a “peer review process” by Batelle. A meeting will be scheduled in the near future with local landowners to answer their questions and concerns about the project
- Bolivar Reservoir Project: This project is on track and a PPA will be presented for consideration later this year.

7.03 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham represents the MWCD on the Atwood Regional Water and Sewer District Board of Trustees. At its most recent meeting, the Board of Trustees approved (by a 5 to 1 vote) submission of a grant request to the Department of Agriculture for a \$15-\$20 million grant. The current proposal for a regional water system would include a fire control component at an estimated cost to customers of \$11-\$12 per month for fire protection for homes within 500 feet of a proposed hydrant. Projections of connection fee costs are in the range of \$1,500, which would be discounted by 50% for those who would sign up early. Monthly cost projections for both water and sewer service to each individual connection are approximately \$75-\$80. Currently there are no plans for mandatory tie-in. The proposed system would utilize a water well field located near New Philadelphia.

7.04 IMMEDIATE OR PENDING LITIGATION

Members of the Board received notification that the case of Jeanie Walton, et al, vs. Boykin Enterprises Limited Liability Company, et al, has been settled and the lawsuit will be dismissed. No Board action is required.

7.05 UPDATE ON 2010 GOALS

Mr. Hoopingarner presented the following revised 2010 goals for consideration by the Board:

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. This goal will result in the production of financial statements that clearly indicate for separation of capital and operating expense, separation of personnel cost from supply, service and other costs, connect some metrics to our major services, consolidate Atwood Resort activities, include a monthly economic summary, and assure our continued compliance with the Ohio Revised Code.
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.

The 2010 Goals will presented for consideration at the next meeting with revisions to Goal #3 to reflect that a top-down proposed budget will be presented in September of each year as requested by Mr. Pryce.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

No business at this time.

9. SUBDISTRICTS

No business at this time.

EXECUTIVE SESSION

On motion by Mr. Kokovich, seconded by Mr. Boyle, the Board of Directors entered into executive session at 11:27 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. Kokovich, seconded by Mr. Parham, the Board returned to open session. The executive session ended at 12:05 p.m.

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, April 23, 2010, at 9:00 a.m. at the New Philadelphia City Council Chambers.

03/19/2010

Approved 4/23/2010