

**SUMMARY OF MINUTES  
BOARD OF DIRECTORS  
MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
Held at New Philadelphia City Council Chambers  
January 21, 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, January 21, 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, James Cugliari, John Hoopingarner, Darrin Lautenschleger, Karen Miller, and Boris Slogar.

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: James Pringle (*KPLD Law, MWCD legal counsel*).

**3. APPROVAL OF MINUTES**

On motion by Mr. Horstman, seconded by Mr. Parham, the minutes of the December 17, 2010, meeting of the Board of Directors were approved.

**4. BUSINESS**

**4.01 2011 CLEAN OHIO FUND APPLICATION – PIEDMONT SHORELINE STABLIZATION**

On motion by Mr. Pryce, seconded by Mr. Parham, a Resolution of Authorization to apply for financial assistance through the Clean Ohio Fund for a shoreline stabilization project at Piedmont, as recommended and set forth in the above memorandum, was adopted.

**4.02 PURCHASE OF SEED FOR 2011 SHARE CROP OPERATIONS**

On motion by Mr. Parham, seconded by Mr. Horstman, purchase of seed for the 2011 share crop operations in an amount not to exceed \$74,000, as recommended and set forth in the above memorandum, was approved.

**4.03 PARTNERS IN WATERSHED MANAGEMENT PROGRAM  
DUCK CREEK FLOOD WARNING SYSTEM GRANT**

On motion by Mr. Boyle, seconded by Mr. Pryce, a request for PWM grant funds in the amount of \$78,341 to the Noble and Washington county commissioners, as recommended and set forth in the above memorandum, was awarded.

**4.04 MISSION STATEMENT**

The mission statement of the Muskingum Watershed Conservancy District was reviewed.

*Responsible stewards dedicated to conservation, recreation and flood control in the Muskingum River Watershed, striving to enhance the quality of life in the region.*

**4.05 AMENDMENT TO THE OFFICIAL PLAN**

The Official Plan of the MWCD was approved by the Conservancy Court in November of 1934, and revised both in April and June the following year. The next change was not made until seventy years later, when in June of 2005, the Conservancy Court approved the Amendment to the Official Plan, to begin addressing the maintenance needs of the aging flood reduction system, and the many important water quality and watershed management issues faced throughout the MWCD.

The Amendment was developed from a process that took over two years and involved various agencies in addition to MWCD: U.S. Army Corps of Engineers, Ohio Department of Natural Resources, Crossroads RC&D, U.S. Forest Service, Natural Resources Conservation Service, Buckeye Hills RC&D, The Ohio State University OARDC, Ohio Environmental Protection Agency, NEFCO, U.S. Fish and Wildlife Service, and U.S. Geological Survey. Jim Rozelle was also a consultant to the MWCD during this process.

During the process of implementation of the maintenance assessment, many meetings occurred with state and local officials as well as property owners utilizing the Amendment to the Official Plan document which includes Exhibit 2, “Troubled Waters – A National Call for Renewal” booklet published by the U.S. Army Corps of Engineers.

**4.06 GOALS FOR 2011 (DRAFT)**

Goals for 2011 were presented for consideration as follows:

- 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 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 address plans for reinvestment in the recreation infrastructure, capital improvements and other recreational opportunities. For example, this goal will focus on improvement of marina operations in light of performance and customer service concerns.

- 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.
- 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.

The proposed goals were discussed and the Board offered several suggestions for revisions, including separating Goal 4 into two separate items (capital improvements/marina concerns) and Goal 5 into two separate items (specific amounts of sediment removal/shoreline protection). These revisions will be incorporated into the proposed goals and presented for consideration at the February meeting.

#### **4.07 STRATEGIC PLANNING PROCESS UPDATE**

Mr. Hoopingarner reported that interviews have been held with three strategic planners. Following the interviews, one of the firms removed themselves from the process due to time constraints. He, along with Mr. Slogar and Mr. Boyle, have participated in these interviews. It is anticipated that a recommendation for the selection of a firm to work with the Board and staff on a strategic plan will be presented to the Board at the February meeting.

#### **4.08 FINANCIAL OPERATING PRINCIPLES**

The financial operating principles, as presented to the Board at their December 17, 2010, meeting were distributed for review and comment.

Businesses and organizations are measured by their financial principles. These principles will help mold the behavior of an organization and measure if the activities or processes will positively or negatively impact the finances of that organization. The following is a list of financial operating principles for the Muskingum Watershed Conservancy District (MWCD):

- 1) ~~The MWCD manages more than 50,000 acres of public property and numerous recreational facilities, striving to enhance the quality of life in the region. However, it is not intended to be an economic development agency solely for any one county, city or even the entire Muskingum River Watershed. Capital expenditures must be in line with the MWCD mission and strategic plan without jeopardizing financial stability.~~
- 2) Short-term assets will be financed with short-term liabilities, while long-term assets should be financed with long-term sources of financing when absolutely necessary, while working toward a goal to fund all capital improvements from its operations.
- 3) A minimum of 20% of Operating Revenues annually ~~shall~~ should be set aside for capital improvements/assets, debt reduction, and unforeseen circumstances that may occur.
- 4) An overall cash operating balance of a minimum of 25% of the operational expenses annually ~~shall~~ should be maintained.
- 5) There shall be a goal of preparing long-range budgets that forecast three to five years of operations along with a long-range cash flow projection and capital budget.
- 6) Solid investment strategies shall be put in place so that a proper return can be realized. (Investment Policy)

- 7) Recessions and economic booms will occur – during recessions, the MWCD must tighten its belt; during good economic times, the MWCD must save.
- 8) Each major recreational activity should fund itself. This is the only way that the MWCD can keep all programs competitive.
- 9) The MWCD should not use land as collateral when borrowing – land is not an endowment account the MWCD can tap for any project, crisis or budget shortfall.
- 10) The MWCD should strategically evaluate its land holdings by reviewing the possible disposal of non-critical properties, using the proceeds from the sales to acquire land in sensitive areas that have been identified as priorities.

The revisions as shown above (strikethrough and underlined text) will be incorporated into the proposed financial operating principles for presentation to the Board at its February meeting.

#### **4.09 ATWOOD LAKE RESORT**

This matter was discussed in executive session. In open session, the Board recognizes that the contractual agreement with TREC-Atwood (John Meeske) has expired effective January 4, 2011. MWCD will continue to explore options for the property.

On motion by Mr. Pryce, seconded by Mr. Horstman, a “First Modification of Open-End Mortgage, Assignment of Rents, and Security Agreement,” with Fifth Third Bank extending the stated maturity date of a loan for Atwood Lake Resort and Conference Center to May 15, 2011, was authorized for signature.

#### **4.10 OIL AND GAS LEASING**

This matter was discussed in executive session.

#### **4.11 OTHER BUSINESS**

#### **OUT-OF-STATE TRAVEL – USACE WATERSHED PLANNING WORK SESSION**

On motion by Mr. Pryce, seconded by Mr. Horstman, authorization for Jim Cugliari and Boris Slogar to travel to San Antonio, Texas, for a USACE event, as recommended and set forth in the above memorandum, was granted. There is no cost to the MWCD for this travel.

#### **IMMINENT OR PENDING LITIGATION**

This matter was discussed in executive session.

#### **EMPLOYMENT CONTRACT ADDENDUM**

On motion by Mr. Boyle, seconded by Mr. Horstman, an addendum to the employment contract for the Chief of Recreation/Chief Ranger to increase the cell phone stipend from \$25 to \$75 per month was approved.

**EXECUTIVE SESSION**

On motion by Mr. Horstman, seconded by Mr. Parham, the Board of Directors entered into executive session at 9:18 a.m. to discuss matters related to ORC §121.22 (G) (1) [employment], (2), and (3). 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. Horstman, the Board returned to open session. The executive session ended at 11:02 a.m.

**5. ADJOURN**

There being no further business, on motion by Mr. Parham, seconded by Mr. Pryce, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, February 18, 2011, at 9:00 a.m. at the New Philadelphia City Council Chambers.

*01/21/2011*

*Approved 02/18/2011*