

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the New Philadelphia City Council Chambers
February 17, 2012, 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, 150 East High Avenue, New Philadelphia, Ohio, on Friday, February 17, 2012, 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, Jim Crandall, John Hoopingarner, Darrin Lautenschleger, Sean Logan, Boris Slogar, Donnie Borland, Nick Lautzenheiser, John Olivier and Mark Swiger.

Mr. Boyle, 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: Jim Pringle (*MWCD Legal Counsel*) and Duane R. Meyers and Brian Stiteler of Coshocton, and Ray and Margaret Collins of Zanesville (*all from the Muskingum River Advisory Council, or MRAC*). Mr. Hoopingarner explained the recent “sunset” of the Muskingum River Advisory Council by the Ohio General Assembly, but that members of the council desire to continue meeting and working. Mr. Hoopingarner has been a participant on the council for the MWCD. Mr. Meyers addressed the Board about the history and achievements of the MRAC. Mr. Meyers said the MRAC members are not sure at this time how the MRAC will continue to function, but that they believe their meetings and discussions are valuable for all of the communities and residents in the watershed. Mr. Meyers said he believes the MRAC can be a potential and valuable partner with the MWCD in upcoming years. Mr. Hoopingarner said that a meeting with interested persons would be arranged to discuss how the MWCD may be of assistance, and further information could be presented to the Board of Directors at future meetings.

3. APPROVAL OF MINUTES

On motion by Mr. Kokovich, seconded by Mr. Parham, the minutes of the January 20, 2012, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Crandall presented the financial report for the period ending January 31, 2012. The total operating revenues are \$155,530.00 with expenses of \$554,021.00, resulting in an excess of expenses over revenue of \$398,491.00.

Conservation Fund

- Mineral Operations – Gas and oil generated \$21,842.00 for the month, which is comparable to last year.

Recreation Fund – Parks

- Park Camping generated revenues of \$79,959.00 for the month, which is lower than last year. This is merely a timing issue at this point.
- Total expenses are in line with budget.

- Maintenance Assessment Fund
- Total expenses are \$73,203 for the month compared to \$114,432.00 last year. We will see significant expenses in the area of Shoreline Protection during the month of February.

Through the month of January, as you can review in the financial reports, there are not a lot of activities generating revenues. However, expenses also are fairly limited.

The total cash balance is \$19,831,710, of which \$8,025,825 is maintenance assessment and the balance is operational.

Mr. Pryce said he noticed that expenditures were 17 percent higher than for the same period in 2011, and asked if the budget for 2012 reflects that type of increase. Staff will research the question and report back to him. Mr. Parham said he noticed that the recreation improvement fund reports a negative balance. Mr. Crandall said he believes that it is due to a timing issue, but that staff will research the report and provide additional information to Mr. Parham.

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

5. PAYMENT OF BILLS

On motion by Mr. Kokovich, seconded by Mr. Horstman, a report of the payment of bills for the period ending January 31, 2012, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Parham, seconded by Mr. Horstman, 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. In response to a question about sale volume and prices of cottages, staff will prepare a detailed analysis at an upcoming meeting.

6.01b ENERVEST PIPELINE PERMIT

On motion by Mr. Horstman, seconded by Mr. Pryce, staff was authorized to enter into a pipeline permit with Enervest Operating at Atwood Reservoir.

6.01c COTTAGE SITE LEASE RATE ADJUSTMENT FOR 2012

Mr. Hoopingarner distributed copies of a standard MWCD cottage site lease, highlighting the information about how cottage site leases are reviewed and updated on an annual basis. Mr. Borland reported that the rate of CPI for 2011 has been reported at 3.1 percent. According to the terms of the MWCD cottage site lease, lease rates would be increased by 3.1 percent. In addition, per the terms of the leases, the Board of Directors has the ability to increase by an amount up to 4 percent over the amount of the CPI. The Board of Appraisers and staff has recommended to the Board of Directors, that for 2012 rates, cottage site leases be increased by an amount equal to the rate of the CPI only, with no additional discretionary amount over and above the CPI. Mr. Pryce said he sees a public relations benefit could occur if the pricing structure for use at all MWCD facilities could be prepared and communicated to all users and the general public. Mr. Hoopingarner reported that the appraisal conducted on cottage site values in 1998 was the only such appraisal conducted in the history of the cottage site lease program. Pursuant to the terms of the cottage site leases, the rates for 2012 will increase by the CPI. The

Board decided to not implement any discretionary increase for 2012 (the Board of Appraisers and staff recommended there be no discretionary increase for 2012). In addition, on motion by Mr. Parham, seconded by Mr. Pryce, staff will begin the process for contracting for a reappraisal to be conducted in 2012 and completed in time for consideration of cottage site lease rates in 2013.

6.01d SENECA LAKE MARINA - APPRAISAL

This subject was discussed in executive session. In open session, on motion by Mr. Kokovich, seconded by Mr. Pryce, staff was authorized to submit a purchase offer for Seneca Lake Marina to the former lessee per the terms of the lease.

6.02 COOPERATIVE BOATING FACILITY GRANT PROGRAM – PIEDMONT LAKE LAUNCH RAMP IMPROVEMENTS

On motion by Mr. Horstman, seconded by Mr. Kokovich, a resolution of authorization for application of grant funding from the Ohio Department of Natural Resources Cooperative Boating Facility Grant Program, as recommended and set forth in the above memorandum, was approved.

6.03 BUDGET ADJUSTMENTS

On motion by Mr. Parham, seconded by Mr. Kokovich, budget adjustments made during the month of January 2012, as recommended and approved in the above memorandum, were approved.

6.04a HUMAN RESOURCES SUMMARY

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

6.04b REQUEST TO POST AND FILL POSITION – PIEDMONT MARINA ASST. MANAGER

On motion by Mr. Pryce, seconded by Mr. Parham, staff was authorized to post and fill the Piedmont Marina assistant manager position, as recommended and set forth in the above memorandum.

6.04c REQUEST TO POST AND FILL POSITION – MARINE MECHANIC

On motion by Mr. Pryce, seconded by Mr. Parham, staff was authorized to post and fill the marine mechanic position, as recommended and set forth in the above memorandum.

6.04d SEASONAL STAFFING PLAN FOR 2012

On motion by Mr. Horstman, seconded by Mr. Pryce, the seasonal staffing plan for 2012 for the MWCD facilities, as recommended and set forth in the above memorandum, was approved.

6.04e UTILITIES OPERATOR POSITION

On motion by Mr. Parham, seconded by Mr. Kokovich, the position of Utilities Operator, as recommended and set forth in the above memorandum, was approved.

6.05 PARK CAMPGROUND GUIDELINES – REVISIONS

On motion by Mr. Kokovich, seconded by Mr. Horstman, revisions to the Park Campground Guidelines, as recommended and set forth in the above memorandum, were approved.

6.06 PARK CONCESSION OPERATIONS – PLEASANT HILL LAKE PARK

On motion by Mr. Pryce, seconded by Mr. Kokovich, staff was authorized to enter into a lease agreement with Phase II Pizza, Inc., for the operation of the food service and general store at Pleasant Hill Lake Park activity center, as recommended and set forth in the above memorandum.

6.07 PURCHASE OF RENTAL BOATS

On motion by Mr. Pryce, seconded by Mr. Parham, the purchase of rental boats for Piedmont and Seneca marinas, recommended and set forth in the above memorandum, was approved.

6.08 BIDS ON BOAT MOTORS

On motion by Mr. Pryce, seconded by Mr. Kokovich, a bid was approved for award to Mercury Marine – A Division of Brunswick, for its low bid of \$34,473.96 for six Mercury boat motors with accessories, as recommended and set forth in the above memorandum.

6.09 ATWOOD LAKE RESORT UPDATE

Mr. Hoopingarner reported that the donation by the MWCD of Atwood Lake Resort and Conference Center to the Carroll County commissioners has been completed with the final documents signed for the transaction on Friday, Feb. 10. A public donation ceremony was held at the resort on that date with an estimated 150 people in attendance, including participation from Darrell Kick (a representative of the office of U.S. Rep. Bob Gibbs), State Sen. Lou Gentile, State Rep. Al Landis, State Rep. Mark Okey and Jason Wilson, director of the Governor's Office of Appalachia. Mr. Hoopingarner represented the MWCD at the ceremony, and was joined by the three Carroll County commissioners.

6.10 STRATEGIC PLANNING UPDATE

Mr. Hoopingarner reported that administrative staff has conducted several planning sessions for development of the Strategic Plan for the MWCD. An updated draft plan has been prepared and is being reviewed by staff and will be presented at an upcoming meeting.

6.11 MWCD ID BRANDING

On motion by Mr. Pryce, seconded by Mr. Kokovich, an agreement with LPK of Cincinnati for brand development services at its estimated cost of \$55,000, as recommended and set forth in the above memorandum, was approved.

**6.12 PARTNERS IN WATERSHED MANAGEMENT PROGRAM JOINT FUNDING
AGREEMENT WITH USGS – FLOOD WARNING SYSTEM GAUGES**

On motion by Mr. Parham, seconded by Mr. Kokovich, a joint funding agreement with USGS in an amount of \$51,225, as recommended and set forth in the above memorandum, was approved.

6.13 OUT OF STATE TRAVEL – OHIO RIVER BASIN ALLIANCE

On motion by Mr. Parham, seconded by Mr. Horstman, out-of-state travel for Mr. Hoopingarner to attend the Ohio River Basin Alliance session March 27-28 in Nashville, Tenn., as recommended and set forth in the above memorandum, was approved.

6.14 OUT OF STATE TRAVEL – ACTIVE STRATEGY CONFERENCE

Board members discussed the conference. Mr. Boyle said that in reviewing the conference and the request to attend the conference, it may be best to postpone MWCD's participation in the conference to 2013 as the MWCD works on its Strategic Plan and reviews its satisfaction with Active Strategy's performance.

6.15 OTHER BUSINESS

**ITEM 1: COOPERATIVE WORK AGREEMENT –
ODNR, DIVISION OF SOIL AND WATER RESOURCES**

On motion by Mr. Kokovich, seconded by Mr. Horstman, the release of \$6,336.00 through the MWCD's Cooperative Work Agreement with the Ohio Department of Natural Resources Division of Soil and Water Resources, as recommended and set forth in the above memorandum, was approved. In addition, on motion by Mr. Parham, seconded by Mr. Kokovich, the Board authorized staff to proceed within approved budget guidelines for upcoming projects under this program including presentation of monthly updates to the Board of Directors.

7. REPORTS

7.01 ANNUAL REPORT OF OPERATIONS 2011 EDITORIAL DRAFT

Mr. Hoopingarner and Mr. Lautenschleger reported on the status of preparations of the Annual Report of Operations for 2011 to be presented as required to the Conservancy Court in June.

7.02 OIL AND GAS LEASE NEGOTIATIONS UPDATE

This matter was discussed in executive session.

7.03 2012 GOALS

Mr. Hoopingarner reported that he will be meeting with Mr. Boyle and Mr. Pryce to further discuss goals and that updated goals will be a subject of discussion at the March 23, 2012, meeting.

7.04 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that one anchor has been installed, stressed and passed performance testing at the Dover Dam rehabilitation project Phase I. Out of 36 total anchors to be installed in Phase I, one anchor is in place, two additional anchor holes have been drilled and have passed water tightness testing and nine additional holes have been drilled. The Phase II portion of the project is in the final planning stages. At Bolivar Dam, there are three contracts that are in various phases of award and execution for rehabilitation upgrades. Mr. Slogar expects that the USACE will be requesting pledged funds from the MWCD as its local cost-share obligation for the Bolivar project in the third quarter of this year.

7.05 PARTNERS IN WATERSHED MANAGEMENT STATUS UPDATE

Mr. Slogar distributed a report prepared by Mr. Lautzenheiser that summarizes the Partners in Watershed Management program project applications and recommendations for the current funding cycle. No action is being requested at this time.

7.06 OHIO LAKE MANAGEMENT SOCIETY WATER QUALITY MONITORING PROJECT UPDATE

Mr. Logan reported that he anticipates presenting a water quality monitoring project agreement with the Ohio Lake Management Society for review and consideration by the Board of Directors at the March 23, 2012, meeting.

7.07 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham reported that there is no significant activity to report at this time.

7.08 SUMMARY OF MARINAS REPORT

Mr. Crandall provided a brief description of the summary of marina activities that covered the period ending December 31, 2011. Overall, the MWCD's share of revenues from the operations of marinas on its lakes was down by 5.2 percent (or about \$13,000) from its share in 2010.

7.09 IMMINENT OR PENDING LITIGATION

This matter was discussed in executive session

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

Mr. Hoopingarner reported there has been little activity in this item. Mr. Pringle reported that SB 114 concerning utility vehicles currently is being reviewed for possible approval by the Ohio General Assembly. The MWCD is monitoring this bill and its potential impacts on MWCD operations.

9. SUBDISTRICTS

9.01 BLACK FORK SUBDISTRICT – USGS AGREEMENT

On motion by Mr. Pryce, seconded by Mr. Parham, an agreement with USGS for hydraulic and hydrologic analyses, as recommended and set forth in the above memorandum, was approved.

9.02 CHIPPEWA SUBDISTRICT – PAC MEETING

Mr. Slogar reported that two meetings are held each year with the Project Advisory Committee. A meeting was held February 2, 2012, with the committee members and it has been a productive process.

EXECUTIVE SESSION

On motion by Mr. Horstman, seconded by Mr. Parham, the Board of Directors entered into executive session at 12:30 p.m. to discuss matters related to ORC §121.22 (G) (2) and (3). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 1:15 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Pryce , seconded by Mr. Horstman, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, March 23, 2012, at 9:00 a.m. at the New Philadelphia City Council Chambers.

02/17/2012

Approved 03.23.2012