

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the John McIntire Library, Zanesville, Ohio
March 15, 2013, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the John McIntire Library, 220 North Fifth Street, Zanesville, Ohio, on Friday, March 15, 2013, 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 Cugliari, John Hoopingarner, Darrin Lautenschleger, Sean Logan, Karen Miller, Jim Pringle, Boris Slogar, and Mark Swiger.

Mr. Parham, 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: Blair Tom (*Assistant Director, John McIntire Library*); Brent Winslow (*CONSOL Energy*); Dan Williams and Bruce Lunde (*Lunde Williams, LLC*); JoEllen and Tim Hayes (*Cambridge residents*); Bruce Rankin, Leon Younger, Mike Flannery, and Andrew Pack (*Woolpert, Inc.*); Gary Allen (*Great Flood of 1913 presentation*); Brad Stubbs (*Zanesville resident*); Doug McLarnen and Jeff Heacock (*members of the MWCD Development Advisory Committee*); Greg Hanahan (*Coalition of Ohio Regional Districts*).

Mr. Tom welcomed MWCD to the library facility and briefly explained the programs offered by the library as well as its participation in the commemoration of the Great Flood of 1913.

The John McIntire Public Library is hosting three events as well as a display of memorabilia from the Great Flood of 1913. On March 9, a panel discussion occurred about the flood and the unveiling of the display and memorabilia, along with a showing of a special flood commemoration film developed by area resident Gary Allen. On March 16, Zanesville area historian Tom Brown will discuss the Great Flood of 1913 and its impact on the Zanesville area.

On March 23, a dedication ceremony will be held in the library auditorium to unveil a special 1913 Flood Marker that has been designed and developed by community members and a Zanesville graphic design firm. The markers, expected to be about 40 in all, will be placed at key buildings and streets in and around Zanesville that were noteworthy for flood inundation during the Great Flood. State legislators, local officials and many other folks have been invited to this event.

Mr. Allen explained the process of his becoming involved in the commemoration of the 100th anniversary of the Great Flood of 1913 and showed the film that was developed as a result of the photographs and information that he has gathered.

Mr. Lautenschleger pointed out one item on display at the entrance to the library is a large family Bible that survived the flood event and upon which there is actual mud/debris that has been left in place.

Brent Winslow, Utica Area Water Manager, Utica Operations, Consol Energy of Leetonia, Ohio, addressed the Board stating that he is attending as a representative of the Ohio Oil and Gas Association (OOGA). He offered the experience, knowledge, and resources of OOGA to assist the MWCD as a good neighbor. With the

production of Utica Shale moving forward there will be a need for reliable and consistent water supply sources. Mr. Hoopingarner informed the Board that OOGA has offered to participate in a workshop with MWCD and members of its Board of Directors in a workshop to discuss issues related to the oil and gas industry.

3. APPROVAL OF MINUTES

On motion by Mr. Kokovich, seconded by Mr. Horstman, the minutes of the February 15, 2013, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending February 28, 2013. The total operating revenue is \$41,985,696.00, which includes \$40,630,702.00 oil and gas lease signing bonus payment, or \$1,354,994.00 without the lease signing bonus; and operating expenses of \$1,480,732.00, resulting in an excess of expenses over revenues of \$125,738.00. The operational deficit does not include the oil and gas lease signing bonus or the expenses incurred in the Recreation Improvement Fund.

Maintenance Fund – General

- The revenue generated in the Use of Water Assets account is for the existing agreements with the Village of Cadiz and the City of Cambridge.
- Expenses are over 2012 in the area of Chippewa Subdistrict by \$6,118.00, Blackfork Subdistrict by \$19,961.00, Administrative-Operations by \$52,514.00, due mainly to the retirement payouts and Health Insurance-Laser of \$45,877.00.

Conservation Fund

- Payment has been received for the Antero Resources lease at Seneca in the amount of \$40,630,702.00, as indicated in the Mineral Operations-Oil and Gas line item.
- Expenses are up from 2012 specifically in the areas of Farm Operations-Share Crops and Mineral Operations-Gas and Oil. Share Crops is due to taking advantage of an early payment discount while Gas and Oil is due to the activity.

Recreation Fund-Parks

- Revenues received are 22.39% of budget with Park Camping at 27.65%. The difference between 2012 and 2013 in Park Camping is strictly timing of seasonal payments.
- Expenses are 8.53% of budget and in line with budget.

Recreation Fund-Non Park

- There is little activity in the revenue area at this point with the exception of Piedmont and Seneca marinas.
- Expenses are 16.09% of budget and up from 2012 due mainly in part to our operation of Piedmont and Seneca marinas and the appraisal contract for the cottage site lease areas.

Recreation Improvement Fund

- Expenses are in line with budget with major projects in progress for the Seneca welcome center, Atwood water treatment plant, and the park master planning.

Maintenance Assessment Fund

- Expenses are 42.51% of budget and in line with budget expectations.
- The major expenditure at this point is the Dam Safety Upgrade line item which is the agreement with the U.S. Army Corps of Engineers.

Overall, the operations are moving along pretty well for the first couple of months of the year. Expenditures are in line with the budget projects and revenues are starting to be generated from some of the recreation operations

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

5. PAYMENT OF BILLS

On motion by Mr. Boyle, seconded by Mr. Pryce, a report of the payment of bills for the period ending February 28, 2013, 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 PLEASANT VALLEY CEMETERY

On motion by Mr. Horstman, seconded by Mr. Pryce, donation of approximately 1 acre to the Harrison County, Stock Township Board of Trustees, for the purpose of cemetery expansion, as recommended and set forth in the above memorandum, was authorized.

6.02a BUDGET ADJUSTMENTS

On motion by Mr. Pryce, seconded by Mr. Horstman, budget adjustments made during the month of February 2013, as recommended and set forth in the above memorandum, were approved.

6.02b CREDIT CARD SECURITY POLICY

On motion by Mr. Horstman, seconded by Mr. Boyle, a new operational policy entitled “Credit Card Security,” as recommended and set forth in the above memorandum, was adopted.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b RECREATION REORGANIZATION PLAN

On motion by Mr. Pryce, seconded by Mr. Horstman, the proposed reorganizational plan for the recreation group, as recommended and set forth in the above memorandum, was approved with the following changes: the Business Manager will report directly to the Executive Director under the Administration Group.

6.04a CHARLES MILL BEACH RESTROOM/CONCESSION

On motion by Mr. Horstman, seconded by Mr. Kokovich, rebid of the Charles Mill beach restroom/concession, as recommended and set forth in the above memorandum, was authorized.

6.04b EMERGENCY GENERATOR INSTALLATION PROJECT

On motion by Mr. Pryce, seconded by Mr. Boyle, advertisement for bids for purchase of emergency generator installations, as recommended and set forth in the above memorandum, was approved.

6.04c WWTP SLUDGE DISPOSAL PROJECT CHANGE ORDER

On motion by Mr. Pryce, seconded by Mr. Boyle, a change order in the amount of \$67,050 for a sludge removal project at facilities located at Seneca, Tappan and Charles Mill reservoirs, as recommended and set forth in the above memorandum, was approved. On roll call: Mr. Boyle-yes; Mr. Horstman-no; Mr. Kokovich-yes; and Mr. Pryce-yes.

6.04d PURCHASE OF RESTAURANT EQUIPMENT FOR SENECA MARINA

On motion by Mr. Kokovich, seconded by Mr. Horstman, purchase of commercial restaurant grade kitchen equipment for Seneca Marina, as recommended and set forth in the above memorandum, was authorized.

6.05 ATWOOD AREA FALL FESTIVAL AGREEMENT

On motion by Mr. Boyle, seconded by Mr. Horstman, a new five-year agreement between MWCD and the Atwood Area Fall Festival Committee, Inc., as recommended and set forth in the above memorandum, was approved.

6.06 PARTNERS IN WATERSHED MANAGEMENT – 2013 FUNDING RECOMMENDATIONS

On motion by Mr. Pryce, seconded by Mr. Horstman, funding for 9 projects at a total of \$750,000 for the Partners in Watershed Management Program (PWM), as recommended and set forth in the above memorandum, was approved.

Members of the Board had several questions about the PWM program which concluded in a plan for a presentation to the Board at a future meeting to review the program, how grant applications are processed and how funding award is determined.

6.07 ANNUAL REPORT OF OPERATIONS

On motion by Mr. Horstman, seconded by Mr. Kokovich, preparation of the 2012 Annual Report of Operations, as recommended and set forth in the above memorandum, was authorized.

6.08 RECOMMENDATION FOR BOARD OF APPRAISERS APPOINTMENT

On motion by Mr. Kokovich, seconded by Mr. Horstman, recommendation to the Conservancy Court for the appointment of Bradley M. Stubbs to the MWCD Board of Appraisers, as recommended and set forth in the above memorandum, was approved.

6.09 OTHER BUSINESS

ORGANIZATIONAL STRUCTURE CHANGE

On motion by Mr. Horstman, seconded by Mr. Kokovich, a recommended change in the organizational structure to reflect that a GIS Specialist position formerly reporting to the IS/IT Manager in the Administrative Group will now report to the Surveying/Facilities GIS Coordinator in the Engineering Group, was approved

ENCROACHMENT AT CLENDENING RESERVOIR

Relative to an encroachment by MarkWest Energy Partners discovered in the Clendening Reservoir area, on motion by Mr. Horstman, seconded by Mr. Kokovich, the Board directed staff and legal counsel to take the appropriate action to protect the integrity of MWCD property, to remove the encroachment and pursue any claim for damages. On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; and Mr. Pryce-abstain.

PUBLICATION: “WASHED AWAY”

Mr. Boyle presented a book, “Washed Away,” to Mr. Hoopingarner. The book, written by Geoff Williams, is a story of “How the Great Flood of 1913, America’s Most Widespread Natural Disaster, Terrorized a Nation and Changed It Forever.” Reviews of this book say that it is “a well-honed chronicle of a significant national disaster...” and that it is “deeply researched, personal accounts of the Midwestern natural disaster whose ramifications can be felt today.” Mr. Hoopingarner informed the Board that a copy is already on order to have available for staff and Board members to read.

7. REPORTS

7.01 DEATH ON MWCD PROPERTY

Mr. Barnhart reported that on February 9, 2013, park officials were notified by the Ashland County Sheriff’s that they received a call from Brenda L. Pence that her husband’s car was parked in the Fisherman’s Point parking lot at Charles Mill Lake Park and had an empty firearm holster lying on the seat.

An MWCD ranger, along with a deputy and an officer from a nearby village, found a man in the woods. The man was later identified as Ronald L. Pence, age 64, dead of an apparent self-inflicted gunshot wound. Mr. Pence was a cottage site lessee at the Sites Lake Cottage Area at Charles Mill.

MWCD staff assisted the Coroner’s Investigator at the scene and the Coroner has officially ruled the death as a suicide.

7.02 UPDATE ON 2013 GOALS

Mr. Hoopingarner reviewed the 2013 goals with the Board.

- 1) Oil and Gas Development
- 2) Park Capital Improvements
- 3) Marina Operations
- 4) Fiscal Management

7.03 STRATEGIC PLANNING

Jack Steele of Active Strategy will be meeting with MWCD representatives on March 20-22 to help develop “dashboards” and again March 25-28 to provide software training for measuring performance and progress with the strategic planning effort.

7.04 PARK MASTER PLANNING

Messrs. Pack, Rankin, Flannery, and Younger presented information about progress of the park master planning. Woolpert and PROS Consulting continues to work with staff to develop the park master plan which also includes Piedmont and Seneca marinas and proposals for the Atwood Peninsula area. Current efforts focus on visioning, goals and objectives.

The visioning process includes: identification and prioritization of program options; identification of theme options for each area; and assessment of buildable land and ranking the land by value. This process will also consist of testing alternative concepts, selecting a preferred concept and refining it, estimating capital/operational costs/potential revenues, and complete cost benefit evaluation. This will incorporate staff and Board workshops.

Mr. Younger discussed the development of the business model: 1) improvements are prioritized within each park and within the system; 2) variables evaluated for each project including project costs, public need, health and safety issues, regulatory compliance, business continuity, operational evaluation, and return on investment.

As an example, Mr. Rankin discussed a concept for the Atwood Peninsula area and conceptual development options.

The next steps were outlined as follows:

- MARCH: Continue with refining program/concepts with cost benefit and return on investment
- APRIL: Staff workshops; Board workshops; alternative master plans, capital improvement plans and business plans rolled out and timelines to complete
- MAY/JUNE: Public workshop, master planning, action plans and draft report
- JULY: Final presentation
- AUGUST: Final deliverables

7.05 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that Phase I of the construction at Dover Dam is complete. Installation of anchors as part of Phase II continues with eight anchors completed in the ogee section and another three complete in the downstream spillway slab section. Real estate easements and acquisitions are nearly complete along the left side abutment area. Work continues on the walls and closure structure along State Route 800. Total project cost is \$103.5 million with MWCD's obligated local cost share being \$3.57 million. \$1.67 million or 53% has been expended to date.

At Bolivar Dam, the office construction is complete as is installation of the downstream seepage blanket. Seepage barrier trench plans and specifications are complete and are undergoing an internal USACE review. Award for the seepage cutoff trench contract is expected in the fall of 2013. Total project cost is \$165 million with MWCD's obligated local cost share being \$37.95 million. \$9 million or 24% has been expended to date.

7.06 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

No report at this time.

7.07 IMMINENT OR PENDING LITIGATION

These matters were discussed in executive session.

8. SUBDISTRICTS

CHIPPEWA SUBDISTRICT

Mr. Slogar reported that the Project Advisory Committee recently met and reviewed the projects planned for 2013.

BLACKFORK SUBDISTRICT

Mr. Slogar reported that modeling for the Blackfork is moving forward with U.S. Geological Survey. Once that is complete, a Request for Proposals will be issued, possibly prior to the end of the year.

9. EXECUTIVE SESSION

On motion by Mr. Kokovich, seconded by Mr. Horstman, the Board of Directors entered into executive session at 12:24 p.m. to discuss matters related to ORC §121.22 (G) (1) [employment] 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 2:30 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Horstman, seconded by Mr. Pryce, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, April 19, 2013, at 9:00 a.m. at the New Philadelphia City Council Chambers.

03.15.2013, km
Approved 04.19.2013