

**SUMMARY OF MINUTES  
BOARD OF DIRECTORS  
MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
Held at the Atwood Lake Lodge and Golf Club  
July 19, 2013, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Atwood Lake Lodge and Golf Club, 2650 Lodge Road, Sherrodsville, Ohio, on Friday, July 19, 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, Ms. Limbach, Mr. Parham and Mr. Pryce.

Present from MWCD staff were Scott Barnhart, Jim Cugliari, Tom Fisher, John Hoopingarner, Darrin Lautenschleger, Sean Logan, Karen Miller, John Olivier, 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: Zac Morris (*Rea & Associates*); Brent Winslow (*CONSOL Energy*); Dave Fisher (*Freeport resident*); Linda Yeager (*Carroll County SWCD*); Lori Morey (*Harrison County SWCD*); Myra Sikon (*Kent State University student*); Bruce Lunde and Dan Williams (*Lunde Williams*); Bruce Rankin, Jamie Dobrozsi, and Andrew Pack (*Woolpert*); Leon Younger and Michael Svetz (*PROS Consulting*); Tom Vonville (*Turner Oil and Gas/Antero*); JoEllen Hayes (*Cambridge resident*); Tom Wheaton (*Carroll County Commissioner*); Scott Yeager (*Radius Hospitality*); Paula and Wayne Caynor (*Norton residents and campers at Clendening Marina campground*); Luke Bates and Brad Janssen (*Uniontown residents*); Arth Zuierlein (*Canton resident*); Chad Amos (*Ohio Department of Natural Resources*); and Keith Fuller (*Chesapeake Energy*).

Mrs. Caynor addressed the Board with a list of concerns relative to conditions at Clendening Marina and campground where she and her husband, Wayne, camp. A list of her concerns, along with related photographs, are on file with the MWCD.

Mr. Hoopingarner displayed a plaque recognizing the Atwood Marinas for celebrating 50 years of operation. Brian Valot, operator of the marinas, had intended to attend today's meeting but was unable to do so. The recognition plaque will be delivered to the marina personnel.

Commissioner Wheaton addressed the Board to provide an update of the operations of Atwood Lodge. Nearly \$2 million has been expended to date on the facility with upgrades that include new mattresses and bed linens and new televisions in all rooms. He commended Radius Hospitality, the management company operating the facility, for their cooperation and efforts. Commissioner Wheaton explained that preparation of the Par 3 golf course for reopening took longer than anticipated with costs also exceeding what was expected. The Par 3 golf course will reopen in August. The opening of the 18-hole course will take longer than expected and the cost estimate for the improvement project is over \$3 million. Commissioner Wheaton commented that there is approximately \$700,000 remaining from the over \$2 million signing bonus received by Carroll County. He added that the Board of Commissioners will proceed with this project contingent upon receipt of additional oil and gas revenue.

Commissioner Wheaton also reported that there will be no partnership with Kent State University Tuscarawas.

Mr. Yeager reported to the Board regarding some of the specific operations of the Resort. When the facility reopened, there were 40 employees; staff has increased to 90. Room occupancy, as well as food and beverage service, are performing well. The local community has been supportive of the operation. People are returning to the facility.

### **3. APPROVAL OF MINUTES**

On motion by Mr. Horstman, seconded by Mr. Boyle, the minutes of the May 17, 2013, and May 22-23, 2013, meetings of the Board of Directors were approved.

### **4. FINANCIAL**

Mr. Cugliari presented the financial report for the period ending June 30, 2013. The total operating revenue is \$51,516,093.00, which includes \$43,518,879.00 oil and gas lease signing bonus payment, or \$7,997,214.00 without the lease signing bonus; and operating expenses of \$6,110,338.00, resulting in an excess of revenue over expenses of \$1,886,876.00. The operational surplus does not include the oil and gas lease signing bonus or the expenses incurred in the Recreation Improvement Fund and Debt Retirement.

#### **Maintenance Fund – General**

- Revenues are 66.68% of budget with the Use of Water Assets and Interest on Investments both exceeding budget.
- Expenses are 50.80% of budget and in line with budget projections.
- Safety expenses are 25.00% of budget and we incurred \$52,780.00 for the month. This increase from last year was due, in part, to \$23,000.00 spent on the contract for the Mass Notification System.

#### **Conservation Fund**

- Revenues in this fund are on target with budget at this point.
- The second payment on the Antero Resources lease at Seneca Reservoir was received in the amount of \$2,888,177.00. This is a part of the monthly total in the Mineral Operations – Gas and Oil.
- Expenses are 43.70% of budget.
- Forestry accounts are in line with budget at this point with a total of \$23,296.00 being expended in the Forest Inventory account.
- Farm Operations – Sharecrops are 63.37% of budget and running lower than last year.

#### **Recreation Fund-Parks**

- Total park revenues are 77.59% of budget, compared to 75.69% in 2012.
- Vacation Cabin revenue is 74.47% of budget and running slightly behind 2012.
- Park Camping is 85.85% of budget compared to 83.40% of budget in 2012. Total revenue in camping is 3.50% higher than 2012 or \$116,461.00 more.
- General Park Admissions is 26.05% of budget and down from 2012. We will continue to monitor this line item.
- Total expenses are 43.58% of budget. Total expenses have increased \$287,748.00 from 2012 but are within budget projections.
- The areas of increased expenses are in the Water and Sewer Maintenance (\$157,402.00); Park Camping (\$41,685.00); and General Park (\$140,411.00).

#### **Recreation Fund-Non Park**

- Total revenues are 61.31% of budget compared to 59.13% of budget in 2012.
- Piedmont Marina revenues are running slightly ahead of 2012 at this point or about \$12,000.00, while camping at Piedmont is about \$4,000.00 ahead of 2012.

- Seneca Marina Operations are at 50.00% of budgeted revenue and about \$83,000.00 ahead of last year. This is due mainly to the timely opening of the marina this year.
- Cottage Sites, Multiple Docks and Club Sites revenues are all in line with budget projections.
- Expenses are 54.33% of budget and have increased from 2012 mainly due to the self-operation of Piedmont and Seneca marinas.

#### **Recreation Improvement Fund**

- Total expenses in this fund are 30.22% of budget.
- Marina Facilities expenses incurred \$647,106.00 this month with a little over \$400,000.00 expended on the Seneca Marina restoration. In addition, there was \$140,000.00 expended on purchase of boats for the rental fleets at Piedmont and Seneca.
- There was \$418,460.00 expended on Vehicles and Equipment this month. This was mainly due to the purchase of vehicles and \$253,000.00 for the new radio system.

#### **Maintenance Assessment Fund**

- Total revenues are 60.00% of budget with the first half collection complete.
- Expenses are 60.00% of budget with the \$4,252,590.00 being expended for Dam Safety Upgrades.

Overall, revenues are in line with our budget and expenses are also following closely with projections.

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

Mr. Cugliari added that MWCD received Auditor of State awards for achieving standards of excellence for its 2011-2012 reporting periods.

### **5. PAYMENT OF BILLS**

On motion by Mr. Pryce, seconded by Mr. Boyle, a report of the payment of bills for the periods ending May 31, 2013, and June 30, 2013, was approved as presented.

### **6. BUSINESS**

#### **6.01a LEASE TRANSACTIONS**

On motion by Ms. Limbach, 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 ANTERO LEASE AMENDMENT - SENECA**

On motion by Ms. Limbach, seconded by Mr. Horstman, an Amendment and Ratification of the Miley Gas Company lease # 330 at Seneca to permit the unitization of adjacent private property with MWCD property and to add additional environmental protection to the 1955 oil and gas lease, as recommended and set forth in the above memorandum, was authorized.

On motion by Ms. Limbach, seconded by Mr. Horstman, approval of the assignment of 140 acres of the deep oil and gas rights below the bottom of the Marcellus shale geologic formation on Miley Oil and Gas lease #330 at Seneca to Antero Resources for an assignment fee of \$250.00, as verbally recommended by Mr. Swiger, was granted. Miley holds 140 acres by the production from two shallow natural gas wells.

**6.01c ANTERO SHORT-TERM WATER SUPPLY AGREEMENT AT SENECA (AUG-OCT 2013)**

On motion by Mr. Boyle, seconded by Ms. Limbach, a short-term water supply agreement with Antero Resources for Seneca Reservoir, as recommended and set forth in the above memorandum, was approved.

**6.02a BUDGET ADJUSTMENTS**

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

**6.02b BUDGET REVISION – VEHICLE PURCHASES**

On motion by Mr. Pryce, seconded by Mr. Horstman, a report of the vehicles purchased in 2013 along with the necessary budget revision, as recommended and set forth in the above memorandum, was approved.

**6.02c BUDGET REVISION – MR&R FUND FOR VACATION CABIN EXPENSES**

On motion by Ms. Limbach, seconded by Mr. Horstman, expenditures for maintenance, repair, and replacement of items in park vacation cabins along with the necessary budget revision, as recommended and set forth in the above memorandum, were approved.

**6.02d MARINA AUDIT REPORTS**

Zac Morris, representative of Rea & Associates, Inc., presented findings relative to audits conducted recently at Atwood Marina West and Charles Mill Marina.

On motion by Ms. Limbach, seconded by Mr. Horstman, audit reports conducted at Atwood Marina West and Charles Mill Marina, as recommended and set forth in the above memorandum, were approved.

**6.02e MWCD PARK AND MARINA AUDITS**

On motion by Mr. Horstman, seconded by Ms. Limbach, audit reports conducted at the five MWCD parks and two marinas by MWCD Finance Group personnel, as recommended and set forth in the above memorandum, were approved.

**6.03 HUMAN RESOURCES SUMMARY**

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

**6.04a PIEDMONT MARINA SITE IMPROVEMENT PROJECT**

On motion by Mr. Boyle, seconded by Ms. Limbach, a contract with GPD Group for the design phase of the Piedmont Marina site improvements project, as recommended and set forth in the above memorandum, was authorized.

**6.04b SENECA LAKE PARK WELCOME CENTER ROADWAY PAVING**

On motion by Mr. Horstman, seconded by Mr. Boyle, a contract revision in the amount of \$11,834.60 with McB Paving, LLC, to perform the work necessary to complete the Seneca welcome center roadway paving project, as recommended and set forth in the above memorandum, was approved.

**6.04c SENECA CHESTNUT GROVE WWTP IMPROVEMENTS**

On motion by Mr. Boyle, seconded by Ms. Limbach, a contract with Hammontree and Associates for the design phase of the Seneca Chestnut Grove WWTP improvement project, as recommended and set forth in the above memorandum, was approved. Mr. Pryce-abstain.

**6.04d TAPPAN PARK CAMP AREA 2 CULVERT REPLACEMENT**

On motion by Mr. Pryce, seconded by Mr. Horstman, a request to bid the Tappan Park Camp Area 2 culvert replacement project, as recommended and set forth in the above memorandum, was approved.

**6.04e TAPPAN PARK SURVEYING SERVICES**

On motion by Ms. Limbach, seconded by Mr. Boyle, a contract with David Bodo and Associates, Inc. for surveying services at Tappan Park in an amount not to exceed \$55,000.00, as recommended and set forth in the above memorandum, was approved.

**6.04f USACE NIMISHILLEN WATERSHED ASSESSMENT MANAGEMENT PLAN**

On motion by Mr. Pryce, seconded by Ms. Limbach, funding in the amount of \$33,268.00 for the USACE Nimishillen Watershed Assessment Management Plan, as recommended and set forth in the above memorandum, was approved.

**6.04g 2012/2013 SHORELINE STABILIZATION PROJECTS  
FINAL PROJECT ACCOUNTING AND CHANGE ORDER RATIFICATION REQUEST**

On motion by Mr. Boyle, seconded by Mr. Horstman, a change order in the amount of \$3,947.32 for the 2012/2013 shoreline stabilization projects, as recommended and set forth in the above memorandum, was ratified.

**6.05 SALE OF ALCOHOLIC BEVERAGES – SENECA MARINA DOCKSIDE RESTAURANT**

On motion by Mr. Boyle, seconded by Mr. Horstman, a request to sell alcoholic beverages at the Dockside Restaurant at Seneca Marina, as recommended and set forth in the above memorandum, was authorized.

**6.06 JOINT SWCD PROJECT FOR WATERSHED SPECIALIST PROPOSAL**

On motion by Mr. Horstman, seconded by Ms. Limbach, funding for a watershed specialist position in cooperation with the Harrison and Carroll County SWCDs, as recommended and set forth in the above memorandum, was approved.

**6.08 OTHER BUSINESS**

**PROPOSED OPERATIONAL POLICY – MAINTENANCE ASSESSMENT**

Members of the Board received a draft operational policy entitled “Maintenance Assessment Adjustment” for review and discussion. No action was taken.

**7. REPORTS**

**7.01 SUMMARY OF MARINA OPERATIONS**

Members of the Board received a Summary of Marina Operations report through April 30, 2013. No action was requested.

**7.02 DEATH AT PLEASANT HILL**

On June 27, 2013 at 9:09 p.m., Pleasant Hill Park Rangers were notified by the Ashland County Sheriff’s Office that they received a call of a man down and unresponsive at Pleasant Hill Lake. The MWCD Ranger responded to a lake access pull-off on County Road 1027 and assisted Perrysville and Loudonville EMS loading the victim for transport to Ashland Samaritan Hospital.

The victim was later identified as Joel B. Newberry of Lodi, Ohio. Mr. Newberry was pronounced dead at Ashland Samaritan Hospital. He was 74 years of age.

Mr. Newberry had been fishing at the lake with his grandson that evening. As they prepared to leave for the day, they started walking up the hill to the truck while carrying their fishing equipment. Mr. Newberry stopped on his way up the hill, approximately 20 yards from the truck, and then asked his grandson to go on up to the truck and put his fishing gear in the truck and then return to assist him with carrying his. After his grandson laid his fishing equipment at the truck he turned around and saw his grandfather on the ground unresponsive and immediately called 911.

**7.03 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

**7.04 STRATEGIC PLANNING**

Mr. Slogar reported that software has been developed for “scorecards” to measure performance as we continue to progress with our strategic planning effort. Executive managers have been trained on how to use the software to access the balanced scorecards. These scorecards will provide a structure for our strategic focus allowing managers to access information about what is going on in each of our departments, while also providing a holistic view of the organization. The scorecards also allow us to access information on perspectives, objectives and measures and track our progress. A more in-depth presentation to the Board on this topic is planned for the August/September board meetings.

**7.05 PARK MASTER PLANNING**

Mr. Pack and Mr. Rankin presented a progress report on park master planning with the following schedule for future presentations:

August 9/10, 2013.....	Public presentations
August 16, 2013.....	Submit final draft master plan and business plans
September 6, 2013 .....	Review comments from MWCD
September 13, 2013 .....	Final report to Board of Directors
September 20, 2013 .....	Final approval by Board of Directors

The objective of today’s presentation is give an overview of the proposed business plans and obtain authorization to present proposed master plans to the general public in early August.

Woolpert proposes lake park themes as follows:

Atwood.....	Special Events/entertainment
Charles Mill .....	Discovering Nature
Piedmont .....	Fishing Retreat
Pleasant Hill.....	Edge Sports
Seneca .....	Water Park
Tappan .....	Edge Sports

Mr. Younger and Mr. Svetz reviewed the common needs for the proposed park facility plans, common elements of park business plans, and pro forma assumptions of the park business plans

Preliminary plans for Piedmont Marina and Campground, Tappan Park and Atwood Peninsula were reviewed.

**7.06 USACE PROJECTS STATUS REPORT**

Mr. Slogar reported on the status of the U.S. Army Corps of Engineers projects at Dover Dam and Bolivar Dam.

- **Dover Dam:** Phase I of construction is complete with the exception of the installation of two replacement anchors in the spillway structure which should be completed by the end of July. Phase II is approximately 45% complete as work continues to anchor the stilling basin and install the parapet walls along the noon-overflow sections of the dam.
- **Bolivar Dam:** A pre-proposal conference and site visit was held for contractors to review the cutoff trench excavation site. Approximately 50 contractors attended the conference and meeting with 8 of those being prime contractors. The Corps of Engineers expects 6 proposals and anticipates awarding the contract by the end of 2013.

**7.07 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE**

No report at this time.

**7.09 IMMINENT OR PENDING LITIGATION**

This matter was discussed in executive session.

## **8. SUBDISTRICTS**

### **8.01 BUDGET REVISION – BLACKFORK SUBDISTRICT LOAN PAYMENT**

On motion by Mr. Pryce, seconded by Ms. Limbach, a budget revision necessitated by a payment to the Ohio Water Development Authority for a loan for the Blackfork Subdistrict, as recommended and set forth in the above memorandum, was approved.

## **9. EXECUTIVE SESSION**

On motion by Mr. Horstman, seconded by Mr. Pryce, the Board of Directors entered into executive session at 12:10 p.m. to discuss matters related to ORC §121.22 (G) (1) [employment], (2), and (3). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Ms. Limbach-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 12:35 p.m.

In open session, on motion by Ms. Limbach, seconded by Mr. Horstman, relative the settlement of an encroachment and by MarkWest Energy at the northwest corner of Clendening Reservoir, the Board authorized a “Damage Release Agreement” in the amount of \$85,000.00 and a “Restricted Easement Agreement” in the amount of \$25,000.00 between MWCD and Ohio Gathering Company, LLC. This encroachment occurred in early May of 2013. The proposed settlement includes:

- \$10,000 for sediment loading in two streams
- \$75,000 for subsequent offense
- \$25,000 for a restricted easement, 25’ wide adjoining where their pipeline is located (only for future maintenance of the line that is entirely located on private property)

## **10. ADJOURN**

There being no further business, on motion by Mr. Horstman, seconded by Ms. Limbach, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, August 16, 2013, at 9:00 a.m. at the new Seneca Lake Park Welcome Center.

*07.19.2013, km*  
*Approved 08.16.2013*