

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas
August 19, 2011, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at Kent State University Tuscarawas, 330 University Drive NE, New Philadelphia, Ohio, on Friday, August 19, 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, Mike Rekestis, Boris Slogar, and Mark Swiger.

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 were: Jim Pringle (*MWCD Legal Counsel*); Robert S. Fabris (*Vice President of Land and Business Development, Sierra Buckeye, Houston, Texas*).

Mr. Fabris addressed the Board relative to oil and gas rights on MWCD property in the Tuscarawas County area.

3. APPROVAL OF MINUTES

On motion by Mr. Horstman, seconded by Mr. Parham, the minutes of the July 22, 2011, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the periods ending July 31, 2011. The total revenue for operations excluding Atwood Resort is \$10,265,926.00 with expenses of \$5,628,956.00 resulting in an excess of revenue over expenses of \$4,636,970.00.

Conservation Fund

- Revenues are on pace with budget, specifically in the forestry operations.
- Expenses are 60.67% of budget and in line with budget.

Recreation Fund – Parks

- Total revenues are 83.91% of budget compared to 2010 when revenues were at 84.69%.
- Vacation cabins revenue continues to be ahead of last year, mainly due to the fact that reservations are being taken earlier for next year's rentals.
- Park camping revenue is 88.08% of budget compared to 89.14% last year. Total camping revenue is slightly ahead of last year.
- Total expenses are 58.40% of budget, compared to 56.23% of budget last year.
- Water and sewer maintenance expenses are up approximately \$100,000.00 from last year.
- Park camping expenses are also up approximately \$114,000.00 from last year, due in part to trying to take care of some maintenance issues in the park areas.

Recreation Fund – Non Park

- Total revenues are 64.31% of budget compared to 67.30% of budget last year.

- Marina operations revenue overall continue to run slightly behind last year.
- Cottages, clubs and multiple docks revenue all continue to run in line with budget.
- Expenses continue on pace with budget.

Maintenance Assessment Fund

- Total revenue is 64.68% of budget. We are beginning to receive second half settlements with the majority anticipated to be received by the end of August.
- Total expenses are 61.78% of budget.
- Funds for dam safety upgrades in the amount \$3,201,779.00 were disbursed to the U.S. Army Corps of Engineers for the Bolivar PPA.

Overall financials are running within our budget expectations. As reported last month cash flow has improved.

Mr. Pryce requested that a detailed report of the monthly costs related to Atwood Resort be prepared for the September meeting.

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

5. PAYMENT OF BILLS

On motion by Mr. Horstman, seconded by Mr. Parham, a report of the payment of bills for the period ending July 31, 2011, 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 with the exception of lease 9122-R due to incomplete information.

6.01b ARTEX – ASSIGNMENT OF DEEP MINERAL RIGHTS -- SENECA

On motion by Mr. Parham, seconded by Mr. Horstman, assignment of deep rights on a lease at Seneca Lake from Artex Oil Company to Artex Energy Group LLC and Anadarko E & P Company LP, as recommended and set forth in the above memorandum, was approved.

6.01c ATLAS ENERGY – ASSIGNMENT OF DEEP MINERAL RIGHTS – TAPPAN

On motion by Mr. Boyle, seconded by Mr. Parham, assignment of two leases at Tappan Lake from Atlas Energy, Inc. to Atlas America, LLC, as recommended and set forth in the above memorandum, was approved. The 200.17 acres of lease #579 from Viking Resources, LLC assignment will be considered at a later date. On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Parham-yes; and Mr. Pryce-abstain.

6.02a BUDGET ADJUSTMENTS

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

6.02b WORKERS' COMPENSATION GROUP RATING PROGRAM

On motion by Mr. Pryce, seconded by Mr. Horstman, authorization to enter into a group rating agreement with CompManagement Incorporated for the year 2012, as recommended and set forth in the above memorandum, was granted.

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 POSITION DESCRIPTION REVISION – WASTEWATER SPECIALIST

On motion by Mr. Boyle, seconded by Mr. Horstman, revisions to the position description, title change to Lead Utilities Technician, and posting of said position, as recommended and set forth in the above memorandum, were approved.

**6.04 COOPERATIVE WORK AGREEMENT –
ODNR, DIVISION OF SOIL AND WATER RESOURCES**

On motion by Mr. Horstman, seconded by Mr. Boyle, release of funds in the amount of \$17,319.50 for a project through the above-mentioned agreement, as recommended and set forth in the above memorandum, was approved.

6.05 SENECA COTTAGE AREA ROADWAYS MAINTENANCE

On motion by Mr. Parham, seconded by Mr. Boyle, award of a roadway paving contract to Specialized Construction, Inc. at their quoted unit prices, as recommended and set forth in the above memorandum, was approved.

6.06 PLEASANT HILL LAKE SLOPE STABILIZATION PHASE III – CONSTRUCTION

On motion by Mr. Pryce, seconded by Mr. Horstman, award of a contract in an amount not to exceed \$975,000 for construction of the Pleasant Hill slope stabilization project, as recommended and set forth in the above memorandum, was approved. In addition, approval was granted for proceeding with acquisition of property adjacent to this project (at no cost to the District), pending approval of the Board of Appraisers.

6.07 ATWOOD LAKE RESORT AND CONFERENCE CENTER

Mr. Hoopingarner reported that he has met with Ohio Department of Natural Resources, Carroll County Commissioners, and Kent State University Tuscarawas to discuss the potential of donation of the Resort property to any or all of these entities. All three organizations are considering the opportunities that the proposal of donation presents. This matter was discussed in executive session.

On motion by Mr. Parham, seconded by Mr. Horstman, the Board authorized the Executive Director to seek the professional assistance of a broker to provide guidance to the MWCD through the Resort donation/sale

procedures and to communicate preliminary terms of donation of the property to the Carroll County Commissioners, Ohio Department of Natural Resources, and Kent State University Tuscarawas, subject to review and approval by the MWCD Board of Appraisers.

6.08 STRATEGIC PLANNING

Mr. Slogar discussed the strategic planning process with the Board and tentative scheduling for this process was set with a Board participation event at the October meeting.

6.09 OTHER BUSINESS

Mr. Slogar reminded the Board that a draft document for a Partners in Watershed Management Debris Removal Program was distributed at the last meeting with the intent to discuss this matter at the August meeting. This matter will be now be brought back to the Board at the September meeting.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Board members received a copy of the Summary of Marina Operations report through July 31, 2011. No action required.

7.02 PARK REPORTS

Board members received a report of gross receipts for the MWCD parks for the period ending August 7, 2011.

7.03 UPDATE ON 2011 GOALS

Mr. Hoopingarner reported on the progress of work toward accomplishing the 2011 goals as adopted by the Board of Directors.

- 1) To develop and implement a strategic plan of management for the Muskingum Watershed Conservancy District.
- 2) To evaluate and recommend a course of action in light of current oil and gas development opportunities.
- 3) To reduce the negative financial liability of the Atwood Lake Resort and Conference Center so that it is no longer a material factor in the overall operations of MWCD.
- 4) To address recreation operations in light of current economic conditions and customer demands.
- 5) To identify and develop conservation programs under the Amendment to the Official Plan.
- 6) To submit for consideration of the Conservancy Court the Subsequent Appraisal Record as required by law.

7.04 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that work by the U.S. Army Corps of Engineers continues at Dover Dam. There is a great public interest in this project and it was noted that there are many individuals who stop by the project area to view the ongoing work. Phase II of the project, installation of additional anchors, will be advertised in the fall.

The contracting process of the Bolivar project is proceeding.

Mr. Slogar has requested that the Corps update their sediment survey for Tappan Reservoir. They

utilize sonar equipment and map levels of sediment – the process is 100% Corps cost. This will begin in approximately 2 weeks.

Meetings relative to the Zoar Levee project are being held on a monthly basis with a rising level of interest of the local legislators to be involved. This is a grassroots campaign with an interest in reviving the potential historic landmark designation. If this group is successful in obtaining the proposed historic landmark designation, this would create a potential for additional federal funding for work on the Zoar Levee.

Mr. Cugliari and Mr. Slogar have participated in recent conference calls with representatives of the U.S. Army Corps of Engineers in which the topic of discussion has been additional funding for their FY 2011 budgeted projects, which has the potential of increasing the demand on MWCD funds.

7.05 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham reported that a multimillion dollar project to reduce infiltration of water into the sanitary sewer lines is now completed. There are approximately 130 customers that continue with illegal connections with, for example, downspouts that drain into the sanitary sewer lines, who will receive notification requesting removal of the illegal connections.

Mr. Hoopingarner and Mr. Horstman attended the recent Board of Trustees meeting to present a request for relief from the amount of the monthly billing for the Atwood Resort facility. The ARWSD Board of Trustees took action to reduce the rate paid for Atwood Resort by \$3,800 per month; in addition, they unanimously approved (Mr. Parham abstained) a \$3 per month increase to residential customers which becomes effective with the October billing. It was noted that although there will be reduction in the billing for Atwood Resort, there will be a slight increase in the monthly billing for Atwood Park.

7.06 IMMINENT OR PENDING LITIGATION

This matter was discussed in executive session.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

Mr. Hoopingarner reported on current legislative activities. Meetings with the 9 legislators who sent a collective letter to MWCD dated July 21, 2011, expressing their concerns relative to Atwood Resort are in progress. A response letter dated August 18, 2011, was sent to members of the Ohio House of Representatives (Hall, Okey, Gentile, Landis and Thompson) and the Ohio Senate (Balderson, Schiavoni, Wilson and Obhof) in answer to their collective letter sent to MWCD.

9. SUBDISTRICTS

9.01 BLACK FORK SUBDISTRICT

Mr. Slogar and Attorney Pringle reported that meetings are being scheduled with representatives of the Black Fork Subdistrict to discuss the avenues of funding for the development of the official plan. A very small amount of this area is within area currently affected by the MWCD maintenance assessment; residents within a large portion of the area do not pay the current assessment.

EXECUTIVE SESSION

On motion by Mr. Parham, seconded by Mr. Horstman, the Board of Directors entered into executive session at 11:35 a.m. to discuss matters related to ORC §121.22 (G) (1) [employment matters] 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 1:00 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Horstman, seconded by Mr. Parham, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, September 23, 2011, at 9:00 a.m. at the New Philadelphia City Council Chambers.

08/19/2011

Approved 09/23/2011