

**SUMMARY OF MINUTES  
BOARD OF DIRECTORS  
MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
Held at the New Philadelphia City Council Chambers  
August 29, 2014, 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, on Friday, August 29, 2014, 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. Horstman, Ms. Limbach, Mr. Maupin, Mr. Parham, and Mr. Pryce.

Present from MWCD staff were Scott Barnhart, Adria Bergeron, Donnie Borland, Mary Burley, Jim Cugliari, Scott Heller, John Hoopingarner, Ted Lozier, Karen Miller, Jim Pringle, Boris Slogar, and Mark Swiger.

Mr. Pryce, 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: Robert Villella (*Canton resident*); Frank Bronzo (*Environmental Design Group*); Brad Janssen (*American Energy – Utica, LLC*); James Long (*Harrison News-Herald*); and Carol Galano (*Gulfport Energy*).

**3. APPROVAL OF MINUTES**

On motion by Ms. Limbach, seconded by Mr. Parham, the minutes of the July 18, 2014, meeting of the Board of Directors were approved.

**4. FINANCIAL**

Mr. Cugliari presented the financial report for the period ending July 31, 2014. The total operating revenue is \$10,800,506.00 with operating expenses of \$7,845,126.00, resulting in an excess of revenue over expenses of \$2,955,380.00.

**Maintenance Fund – General**

- Interest on investments is 88.79% of budget and 80.45% ahead of 2013.
- Total expenses are 55.98% of budget, 23.71% ahead of 2013. The areas running significantly higher than 2013 are Safety, Office Building Maintenance and Health Insurance Laser.

**Conservation Fund**

- Total revenues are 39.56% of budget and 89.89% ahead of 2013.
- Timber harvesting revenue is 63.87% of budget and 142.23% ahead of 2013 due to the timing of a harvest in the second quarter of this year.
- Mineral Operations – Gas and Oil Royalties are 39.65% of budget and 84.71% ahead of 2013. Note that the negative amount of (\$244,440.00) is due in part to a journal entry made that deducted a land lease payment out of this line item and moved it to the Mineral Operations – Gas and Oil Land Lease line on page 3 of this report.

**Recreation Fund-Parks**

- Total revenues are 86.69% of budget and 2.51% ahead of 2013.
- Park Camping revenue is 93.60% of budget and 4.51% ahead of 2013.

- General Park admissions are 75.29% of budget and 28.06% ahead of 2013.
- Alive Festival line item shows -50.02% compared to 2013. The settlement for this year's Alive Festival occurred in August with \$48,394.00 being received, which at this point would leave a shortfall to budget of approximately \$7,000.00.
- Total expenses continue to run in line with the budget at 56.07% of budget and 8.63% ahead of 2013.

**Recreation Fund-Non Park**

- Total revenues are 71.65% of budget and are 3.44% ahead of last year.
- Most of these revenue line items are running in line with budget expectations with both Piedmont and Seneca marina revenues running ahead of 2013.
- Total expenses are 59.16% of budget and 2.61% lower than 2013.

**Recreation Improvement Fund**

- Total expenses are 32.50% of budget as we continue to work on deferred and capital items.

**Maintenance Assessment Fund**

- Assessment Fund- Revenue collections line item is 62.42% of budget as the second half settlements from the counties have begun.
- Total expenses are 59.60% of budget and in line with budget projections.

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

**5. PAYMENT OF BILLS**

On motion by Ms. Limbach, seconded by Mr. Horstman, a report of the payment of bills for the period ending July 31, 2014, was approved as presented.

**6. BUSINESS**

**6.01a LEASE TRANSACTIONS**

On motion by Mr. Parham, seconded by Ms. Limbach, 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 ANADARKO ASSIGNMENT OF DEEP MINERAL RIGHTS - SENECA**

On motion by Mr. Maupin, seconded by Ms. Limbach, assignment of the deep mineral rights on property located at Seneca Reservoir from Anadarko E & P Onshore LLC to Artex Energy Group LLC, as recommended and set forth in the above memorandum, was approved.

**6.01c RHDK OIL AND GAS LEASE ASSIGNMENT AND AMENDMENT – TAPPAN**

On motion by Mr. Horstman, seconded by Mr. Parham, assignment of the deep mineral rights on property located at Atwood Reservoir from RHDK Oil & Gas to American Energy – Utica, along with an amendment to permit units up to 1,280 acres, as recommended and set forth in the above memorandum, was approved.

**6.01d LOT LINE REVISIONS – A-100½ AND A-104**

On motion by Ms. Limbach, seconded by Mr. Parham, revision of lot lines for A-100½ and A-104 to eliminate off lot encroachments, as recommended and set forth in the above memorandum, was approved.

**6.01e MEMO WITHDRAWN**

**6.01f RESIDENTIAL RENTAL AGREEMENT**

On motion by Mr. Maupin, seconded by Ms. Limbach, a proposed residential rental agreement form for implementation upon expiration of existing agreements, as recommended and set forth in the above memorandum, was approved.

**6.01g PURCHASE OF SENECA LAKE MARINA**

On motion by Mr. Parham, seconded by Ms. Limbach, purchase of Seneca Lake Marina from Roger Barack in the amount of \$425,000.00, as recommended and set forth in the above memorandum, was approved along with the necessary budget revision.

**6.01h TAPPAN – SOUTH CENTRAL POWER EASEMENT**

On motion by Ms. Limbach, seconded by Mr. Horstman, a permanent easement with South Central Power for an aerial distribution line located at Tappan Reservoir, as recommended and set forth in the above memorandum, was approved.

**6.02a 2014 MASTER PLAN IMPLEMENTATION BUDGET**

On motion by Mr. Horstman, seconded by Mr. Maupin, the proposed 2014 Master Plan Implementation budget, as recommended and set forth in the above memorandum, was approved.

**6.02b 2014 NatureWorks GRANT APPLICATIONS**

On motion by Ms. Limbach, seconded by Mr. Horstman, resolutions of authorization for submission of seven NatureWorks grant applications, as recommended and set forth in the above memorandum, were approved.

**6.03a HUMAN RESOURCES SUMMARY**

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

**6.03b WELLNESS PROGRAM INCENTIVE**

On motion by Mr. Parham, seconded by Mr. Maupin, implementation of an employee incentive for the current MWCD Wellness Plan, as recommended and set forth in the above memorandum, was approved.

**6.04a TAPPAN LAKE WEST SHORE COTTAGE AREA – PAVING PROJECT**

On motion by Ms. Limbach, seconded by Mr. Horstman, award of a paving contract for the Tappan Lake West Shore Cottage Area, as recommended and set forth in the above memorandum, was approved. Bids will be received for this project on September 9, 2014.

**6.04b PARK MASTER PLAN CONSULTANT SELECTION**

On motion by Mr. Parham, seconded by Mr. Maupin, the negotiation phase for an agreement with ms Consultants for professional services as the Park Master Plan consultant, as recommended and set forth in the above memorandum, was authorized.

**6.05 OTHER BUSINESS**

No other business at this time.

**7. REPORTS**

**7.01 MARINA REPORTS**

Members of the Board received a copy of the Summary of Marina Operations report for the period ending July 31, 2014.

All marinas have been busy this season with overall revenues now up almost 9% from last year. Two good measures of boating activity - boat, motor and gas sales, and boat rentals - are up 15% and 18% respectively, District-wide. The increase in boat sales follows national trends. Atwood West at 36%, and Pleasant Hill at 50%, have seen particularly high increases. New management at Atwood East Marina's restaurant has resulted in an increase in revenues of 131%!

Campers and dockers at Clendening Marina have commented positively on the replacement of the facility's older, metal docks.

Final site planning is taking place for the new restroom/shower building at Clendening. Site work and construction will begin after the current camping season.

Site work has been completed and work has begun on the construction of the service/repair building at Seneca Lake Marina. Completion is expected by late September.

Other than some minor punch list items, the launch ramp, parking, restroom, and waterfront improvements project at Piedmont Lake Marina has been completed. The facility has been almost completely transformed. A ribbon-cutting ceremony is planned for August 29.

The Dockside Restaurant at Seneca is continuing its very successful season. Increased revenues from alcohol sales are now showing up in their monthly report. Alcohol sales are still occurring without incident, and being conducted in a tasteful manner.

Occupancy rates for docking at Seneca Lake Marina are now over 100%, as Marina Manager Jeff Davis, has added about 30 slips to the dock inventory.

Several campers at Clendening have experienced damage to their camping units caused by black vultures. Black vultures are a separate species from the more common turkey vulture, and are actually at the far northern limit of their range. They are known to be more aggressive than turkey vultures, and the damage they are currently causing, though not common, is not rare either. MWCD and the staff at Clendening are working with the Division of Wildlife and USDA on control measures.

## 7.02 UPDATE ON 2014 GOALS

Mr. Hoopingarner provided an update on the 2014 goals as follows:

### ① OIL AND GAS DEVELOPMENT

The MWCD will negotiate and enter into an oil and gas lease for Piedmont Reservoir in the first quarter of 2014, and for Tappan Reservoir in the third quarter of 2014. These leases will produce revenue to fund park, recreation, public access and conservation improvements. The leases will contain significant provisions focusing on the protective development of these natural resources. *A lease for oil and gas exploration at Piedmont Reservoir was signed early this year. A potential lease for Tappan Reservoir is anticipated to be negotiated during the first half of 2015.*

### ② MASTER PLAN IMPLEMENTATION

The MWCD will develop a schedule, budget, design and implementation plan for park capital improvement projects at each of the five lake parks and marinas it operates. Changes to the organizational structure of the MWCD will be implemented to accommodate the multi-year implementation of these projects. Capital improvement projects will begin in 2014. *This process is moving along quite well in light of agenda items that were approved today.*

### ③ DREDGE PROGRAM

The MWCD will launch a comprehensive dredging plan that will prioritize and identify reservoir dredging needs, secure necessary permits, and begin dredge operations in 2014. The dredge program will be a multi-year program. *Work to determine where dredge material will be placed during the dredge operations at Tappan Reservoir continues.*

### ④ FISCAL MANAGEMENT

The MWCD will continue the development of plans for the use of revenue generated from the development of oil and gas reserves and consider the amount of revenue needed to meet its obligations to fulfill the Official Plan and the Amendment to the Official Plan adopted in 2005. In the first half of 2014, the MWCD will address the issue of whether or not the current maintenance assessment should be adjusted. *This goal has been accomplished. However, staff continues to work with the Ohio Water Development Authority (OWDA) to establish a revolving loan fund for local projects to improve water quality and for flood reduction.*

## 7.03 STRATEGIC PLAN IMPLEMENTATION UPDATE

No oral report at this time.

## 7.04 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that the Dover Dam project is essentially complete with the exception of some minor items that will be accomplished in early 2015.

A groundbreaking ceremony for the Bolivar Dam project was held on Wednesday, August 27. The contractor will be performing some pilot project work later this year.

The agency comment and technical review processes for the Zoar project are complete. The public review process will take place throughout the remainder of the year.

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

Mr. Parham reported that water supply has been the topic of discussion with Atwood Regional at its recent meeting. This has occurred in light of requests by Atwood Yacht Club and Atwood Marina West to the MWCD to receive water from the recently completed Atwood water treatment plant.

**7.06 IMMINENT OR PENDING LITIGATION**

This matter was discussed in executive session. In open session, the following actions were taken:

On motion by Ms. Limbach, seconded by Mr. Maupin, the language in the settlement agreement with Heinlein Properties for Seneca Marina, as reported by Attorney Pringle, was approved.

On motion by Mr. Parham, seconded by Mr. Horstman, a budget revision in the amount of \$200,000 to cover expenses incurred relative to the Harper vs. MWCD lawsuit.

**8. SUBDISTRICTS**

**8.01 CHIPPEWA SUBDISTRICT – REPLACEMENT OF 11 HYDRAULIC STRUCTURES ALONG CHIPPEWA CREEK**

On motion by Ms. Limbach, seconded by Mr. Horstman, solicitation of bids and award of a contract for replacement of 11 hydraulic structures along Chippewa Creek, as recommended and set forth in the above memorandum, was authorized.

**9. EXECUTIVE SESSION**

On motion by Ms. Limbach, seconded by Mr. Parham, the Board of Directors entered into executive session at 11:05 a.m. to discuss matters related to ORC §121.22 (G) (1), and (3). On roll call: Mr. Horstman-yes; Ms. Limbach-yes; Mr. Maupin-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 12:05 p.m.

**10. ADJOURN**

There being no further business, on motion by Ms. Limbach, seconded by Mr. Maupin, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, September 26, 2014, at 9:00 a.m. at the New Philadelphia City Council Chambers.