

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the Pioneer Career & Technology Center
September 21, 2012, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Pioneer Career & Technology Center, Shelby, Ohio, on Friday, September 21, 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, Jim Cugliari, John Hoopingarner, Darrin Lautenschleger, Sean Logan, Karen Miller, Boris Slogar, 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: William Baker and John Marvas (*Frack Free Ohio*); Arthur Zwierlein (*Chesapeake Energy*); Ray Lenczowski, Pat Carlisle, Eric Barkdull, Joe Gies, and Mayor Marilyn John (*City of Shelby*); Glenna Cannon (*Superintendent of Pioneer Career and Technology Center*); Tom Depler and Harv Traxler (*Shelby Flood Plain Committee*); Kaitlin Durbin (*Mansfield News Journal*); David Howard (*Office of U.S. Senator Sherrod Brown*); Annette McCormick (*Lucas resident*); Elain Baer (*Mansfield resident*); and Jack Shaner (*Ohio Environmental Council*).

CITY OF SHELBY, BLACK FORK SUBDISTRICT

Ms. Cannon welcomed the MWCD and meeting attendees on behalf of the Pioneer Career and Technology Center (Pioneer). Pioneer is Ohio's fifth largest vocational school and serves the area around Richland and Crawford counties. It offers over 35 career-training programs which are open to juniors and seniors that are enrolled at one of their 14 partner schools. Pioneer officially opened in 1968 and recently underwent a renovation that nearly doubled the size of the facility.

Mayor John welcomed the MWCD and meeting attendees on behalf of the City of Shelby and the Shelby Flood Plain Committee. She expressed appreciation for the cooperative efforts between the MWCD and the City of Shelby in the reactivation of the Black Fork Subdistrict. The decision to reactivate the Black Fork Subdistrict of the MWCD was historic for the city and residents of Shelby to battle the costly and emotional effects of frequent flooding from the Black Fork of the Mohican River. She reported that there is support from the community where residents are frustrated by the significant flooding they have experienced.

Mr. Gies displayed several photographs which illustrated the history of flooding in the Shelby area. He also reported that several buildings have been removed through FEMA funded flood mitigation efforts.

Mr. Slogar presented an update of the current status of the ongoing work to develop the official plan for the Black Fork Subdistrict. He recalled that the Black Fork Subdistrict originally was organized in 1959 to develop water resources for the region, but because of a lack of activity, the MWCD deactivated it several years later. The watershed of the Black Fork of the Mohican River primarily covers portions of Ashland and Richland counties, but also includes small portions of Crawford and Holmes counties. Since the initial meeting with the City of Shelby officials, Mr. Slogar and Mr. Hoopingarner, occurred in 2010, the MWCD Board of Directors authorized the reactivation of the Subdistrict in May 2011. That action was ratified by the Conservancy Court in

June 2011.

Currently, a U.S. Geological Survey contract is underway to develop a gaging program, hydraulic modeling, and, eventually, a calibration model. It is anticipated that preliminary solutions and a capital assessment methodology draft will be developed in 2013-2014.

Mr. Lautenschleger reported that through an agreement with a local firm, Lantz Star Graphics, the branding/logo for the Black Fork Subdistrict has been developed as well as a draft informational brochure. In addition, a website is planned to offer information to those interested in the Black Fork.

FRACK FREE OHIO

Mr. Baker submitted three documents for the record: 1) a letter dated September 21, 2012, to the MWCD Board, signed by Bill Baker, Organizer of Frack Free Ohio; 2) a paper entitled “Fracking in Ohio”; and a letter dated September 18, 2012, from Kathryn Hanratty of Chardon, Ohio (*these documents are on file in the MWCD administrative office*).

Mr. Baker read from his September 21, 2012, letter:

“I’m writing today on the concept of improving public input on the decision making process of the board, specifically in dealing with all issues pertaining to Gas & Oil exploration including: all water sales and consumption, leasing of land and sub-surface mineral rights, construction of all associated drilling, extraction, storage and pipeline systems and the dumping of toxic wastewater created by these processes on other communities throughout Ohio.

“Since the beginning of this year I have engaged representatives of MWCD on several occasions and have received an incredible volume of data from many sources indicating that there has been an abysmal failure of the MWCD staff to communicate the concerns of the public to the MWCD board and to the Judges (of the) Conservancy Court. Part of this failure stems from the fact that the language of state regulation is ambiguous and allows wide latitude in determining policy at MWCD, especially in catering to the Oil & Gas industry. Another failure has been the trust of the public in assuming that resource conservation was the primary focus of the district, rather than exploitation of resources. We have identified five key areas crucial to the improvement of the public input process:

*“1. **Time of public input process.** It is strongly suggested that a public input period of 30-90 days be adopted, during which time it would be the responsibility of MWCD employees to fully and completely engage the community in the proposed area with all details of business with the Oil & Gas industry. This should be followed by a revision and comment period, minimum 30 days, and an appeal period, minimum 30 days, to ensure that the public has sufficient time to educate themselves and weigh all the impacts to the conservancy lands in their community.*

*“2. **Scope of information available for public comments.** All dealings with the Oil & Gas extraction process should be a part of public transparency and availability. Water sales – long and short term, construction, transportation, storage, drilling, extraction, etc. all pose a significant impact to the watershed and cannot be separated into categories of importance when an honest attempt is being made to increase the awareness of the residents and recreational users of the public watershed.*

*“3. **Judge Appointees.** As was discussed after the annual Judges Conservancy Court on*

June 2, where the judges themselves suggested a three judge panel to provide oversight to the MWCD employees and board on the sale of water from the district, we also feel that a complete public input process would also involve the judge(s) from those districts affected.

“4. Oil & Gas Representation. *It would be highly beneficial to have a representative of the specific industry entity available for public questioning at the public input session. The board and public area only receiving a condensed or diluted version of what MWCD staff is sufficiently knowledgeable to inform the public about. We have been told repeatedly that MWCD is being approached by the industry and that MWCD is not soliciting for oil & gas exploration which would indicate that the most current and concise information would come from the industry, not MWCD employees who are not specifically trained to extract the mineral resources.*

“5. Accountability of Public Report Submitted to the Board. *There are grave concerns over the public input being condensed, revised and altered to downplay the concerns and desires of the people, and that it would only reflect the desire to continue the sale of water, the leasing of land, drilling and extraction which is currently being done regardless of actual public input. Using inadequate state regulation as a shield to allow this devastating process of unconventional mineral resource extraction is not only foolhardy but borders on criminal behavior. The last decade has seen a blatant disregard by our state legislators for public concern and involvement by the passage of several bills, which were written and lobbied for by Oil & Gas interests. These include: SC 278, passed in 2004, which took away local decision making; HB 133, which opened up state lands to oil and gas exploration and most recently, SB 315, which did not include amendments that would have strengthened the protection of our fresh water resources and citizens health. Any public input process should include, word for word, in every communication, the desires of the public that would be impacted by this process.*

“In closing let me state that the willingness to engage the public by MWCD is commendable and an improvement of public input necessary. You should also know that we will continue to be vigilant in all the processes of the board and district representatives. If a fully transparent and completely fair, unbiased and comprehensive procedure is not adopted by the board, we will continue to engage our community, our elected officials, our judges, our attorneys and the MWCD board and staff with all the resources available at our disposal to stop the process of fracking in our public lands. This is an industrial process with associated risks and it has no place in areas that are to be for wildlife and resource conservation. The mineral resources have been stored away under our feet for thousands of years and will not disappear anytime soon – there is no need to rush into a deal that could possibly change the landscape and pristine nature of the land forever. This board is at a moment in history where critical decisions decided by you today will become the legacy of the district in the near future. As our world population grows and our vital basic resources shrink, the vision of this district should be focused on preserving our water and natural environment over the profit driven industry of Oil & Gas exploration.”

Mr. Hoopingarner informed the Board that Leatra Harper recently submitted the following letter, dated August 10, 2012, on behalf of Kathryn Hanratty of Chardon, Ohio. In her message, Ms. Harper wrote, “This is the letter I wanted to read to be entered into the Board meeting minutes when I was cut off and not allowed to speak further.”

“As a frequent visitor to the MWCD region, I can tell you that these lakes and reservoirs are treasures valued by all Ohioans. The clean fresh water held in these reservoirs is incredibly valuable, supporting the needs of local people, agriculture, local industries and tourism. I am very concerned about this water being sold for a completely consumptive and unsustainable use. Other users of the water, such as agriculture and public water users return much of the water they take to the water cycle – this use does not.

“Pressure on the water resources could seriously threaten the recreational value of the lakes and reservoirs, now and in the future. Large water withdrawals during a time of drought are unwise, to say the least. Even before it affects boaters, lower volume of water may concentrate pollutants and affect water temperature increasing the risk of problems such as harmful algal blooms. We have seen the devastating effects of harmful algal blooms in other parts of the state including Grand Lake St. Marys and even Lake Erie. No one knows what the “Tipping Point” is that could spur such a calamity but we can be pretty sure that the cost of such a problem would surely dwarf any profit made from the sale of water.

“The structures which contain and control the water were built with federal funds and the maintenance is funded by local taxpayers. This is a valuable public resource. We cannot allow it to be threatened by a short sighted boom town mentality. The shale is here, it cannot go anywhere. Threats that the boom will pass us by are designed to scare us into making hasty decisions that will benefit the Oil and Gas industries rather than our people and our future.

“Making profit for out of state industries is not worth the potential for harm.

“Water is too precious to squander.

“Thank you for hearing my comments.”

Mr. Lautenschleger distributed copies of a letter dated September 10, 2012, from Lea Harper on letterhead from “Fresh Water Accountability Project,” Grand Rapids, Ohio. The content of this letter follows:

“Open Letter to MWCD Board of Directors

“As you know on August 24, Leslie and I on behalf of the FreshWater Accountability Project once again attended an MWCD Board Meeting to provide public comment asking for consideration of our continued requests for a permanent halt on water sales to for unconventional shale drilling. In addition, for the last six months, we have especially requested that the MWCD Board not allow further leasing of lands and reservoirs to this risky and highly unregulated industry. Our continued records requests reveal that the MWCD has actively solicited bids and is meeting with this industry to entertain water sales and leasing contracts. We have no participation and input into these meetings. In fact, little is written about the outcome, and with the lack of information about what takes place in these internal meetings, we are left to speculate about when and where the MWCD will decide to lease and sell water.

“It is difficult to prepare and travel to Board meetings and be allotted only three minutes to express our grave concerns. This is obviously ineffective, so we must appeal to the Conservancy Court and the media once again. A YouTube video documenting how we were cut off from the comments we wanted to make can be viewed at <http://www.youtube.com/watch?v=qmoEi7MoGDw>. The fact that we were not able to question or give objection during the meeting discussions was also documented at <http://www.youtube.com/watch?v=hKBOstJH-0c>.

“Even though we were blamed by S. Logan that we did not follow-up on the meeting that was initiated by the MWCD on July 2, I question why we should meet because it seems the conservancy district is determined to pursue leasing for horizontal fracturing and water sales. If S. Logan and J. Hoopingartner continue to want to meet with us, they do not show good faith and initiate another meeting themselves. It appears another meeting will take place but on a date that we could not attend. That is fine because I can see that S. Logan would rather argue with me than listen to our valid concerns. During the break at the last Board meeting, S. Logan accused me of initiating the alert from the Food and Water Watch. I do not tell the FWW what to do or that there would be a vote on water sales on 8/24, which S. Logan falsely accused me of doing. Food and Water Watch is a nationally-known and well-recognized group, just one of many who are watching the MWCD activities very closely and will certainly respond if more leasing and water sales are undertaken. I resent that as an individual I have been singled out with attempts to intimidate and hope this behavior does not continue.

“We want the MWCD to stop leasing land or selling water from our public reservoirs to this industry. In fact, we would like publicly-funded MWCD employees to stop spending their time meeting with industry representatives on this matter. At the very least, we would like equal time to present our concerns and facts that the industry has been given to express theirs. From MWCD meeting minutes, we can see that others have portrayed our concerns as being ill-founded. We have credible science that we would like to share with you and the Conservancy Court and have retained a consultant at our expense to do so.

“We will continue to seek more public input with increased local control and accountability, but we can see that attending Board meetings does not allow adequate opportunity. The current decisions being made and considerations of further leasing and water sales without the involvement of the Conservancy Court must be addressed to preserve the public interest in natural resources and the public benefit that justified the property tax assessment. To make decisions that engages the conservancy directly in a “wildcat” business with a highly unregulated industry puts our public resources at risk and defies the doctrine of public trust.

“Because there is not adequate public participation with no direct dialogue with the Board to have our serious concerns and questions answered, we are asking for a meeting with you and the Conservancy Court on this matter. We believe that as the government body for this large district, we should have the opportunity to meet with you and have open and honest exchange, just as we are able to do with other elected officials in the legislature. There is no other governing body that would not be allowed to speak with us, and there would be a citizen’s outcry if our legislature operated in such a way as the MWCD. We have no way of knowing how our concerns are presented or received by the Board or by the Conservancy Court. This is a serious flaw in the charter for the MWCD. We ask that this be changed so that we can speak directly with voting bodies to insure we

have adequate participation and hearing on important matters.

“We would like a meeting with the Board and the Conservancy Court judges to document our grave concerns and present our research on this topic. We will bring in our consultant, Dr. Paul Rubin, from New York to present the facts about the threats the horizontal hydraulic fracturing poses to our water supply, especially when done near reservoirs. We provided a copy of his testimony in New York regarding the hazards of horizontal hydraulic fracturing for your information. We have no way of knowing whether you have read the information we have provided in the past or if it is considered seriously. There is no way to know if any of our concerns, participation, pleadings or testimony have been considered by the Board, much less whether it has been communicated to the Court. There is no reaction or input at all from our voting bodies. This is a serious shortcoming in the democratic process when such important and far-reaching decisions are being made that could have a very detrimental impact on individual health and property values within the district as well as degradation of air quality, recreation and tourism, and destruction of our freshwater supplies for the future.

“Thank you very much for your thoughtful consideration of this request.

3. APPROVAL OF MINUTES

On motion by Mr. Horstman, seconded by Mr. Kokovich, the minutes of the August 24, 2012, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending August 31, 2012. The total operating revenue is \$22,551,649.00 with expenses of \$8,833,854.00, resulting in an excess of revenue over expenses of \$13,717,795.00.

Maintenance Fund-General

- Use of Water Assets revenue shows a negative for the month due to a refund being submitted to Gulfport Energy for the successful completion of water withdrawal at Clendening reservoir.
- Overall expenses in this fund are 66.48% of budget and in line with expectations.

Conservation Fund

- Pine Pulpwood Operations revenue is 77.59% of budget while Timber Harvesting is 31.46% of budget.
- Farm Operations – Sharecrops revenue should start to come in the last quarter of the year and we are hopeful to meet budget taking into account the higher than anticipated expenses incurred.

Recreation Fund – Parks

- Total park revenues are 92.98% of budget.
- Vacation Cabin revenue is 93.61% of budget; Park Camping is 97.67% of budget and General Park is 107.45% of budget; indicating an exceptional year from our park operations.
- Expenses are 65.44% of budget and well within the budget expectations.

Recreation Fund – Non Park

- Total Non-Park revenues are 78.38% of budget.
- All marina operations (leased and district operated) revenues are performing well and near budget expectations.
- Multiple Docks has met and exceeded budget by 3%.
- Expenses are 57.49% of budget and again well within budget expectations.

Recreation Improvement Fund

- Work is progressing in this area as we chip away at the critical projects list and other improvements in our facilities. To date, we have reinvested \$1,550,000.00.

Maintenance Assessment Fund

- Total collections to date are 88.29% of budgeted revenue. To date, four counties that have not settled for the second half. This should be completed by the end of September.
- Total expenses are 49% of budget.
- Major expense items are the Dam Safety Upgrades with the USACE and the shoreline protection projects.

Overall, revenues have done well compared to expectations and we will continue to monitor operating expenses.

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

5. PAYMENT OF BILLS

On motion by Mr. Kokovich, seconded by Mr. Parham, a report of the payment of bills for the period ending August 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.

6.01b SIERRA BUCKEYE LEASE - GAUSEWITZ

On motion by Mr. Kokovich, seconded by Mr. Parham, a lease with Sierra Buckeye for approximately 33 acres northeast of Dover Dam, as recommended and set forth in the above memorandum, was approved.

6.01c CHESAPEAKE EXPLORATION – ASSIGNMENT OF DEEP MINERAL RIGHTS

On motion by Mr. Parham, seconded by Mr. Pryce, assignment of six leases to Enervest Operating, as recommended and set forth in the above memorandum, was approved.

6.01d COUGAR LAND SERVICES – ATWOOD

On motion by Mr. Pryce, seconded by Mr. Horstman, an agreement with Cougar Land Services to conduct a geophysical survey on MWCD property at Atwood, as recommended and set forth in the above memorandum, was approved.

6.01e DOVER RESERVOIR – RIGHT-OF-ENTRY

This memo was withdrawn.

6.02a BUDGET REVISIONS

On motion by Mr. Kokovich, seconded by Mr. Parham, budget revisions, as recommended and set forth in the above memorandum, were approved.

6.02b BUDGET ADJUSTMENTS

On motion by Mr. Parham, seconded by Mr. Horstman, budget adjustment for the month of August 2012, as recommended and set forth in the above memorandum, were approved.

6.02c 2013 PRELIMINARY BUDGET

Mr. Cugliari reviewed the 2013 preliminary budget with the Board. No action requested. A final budget will presented to the Board in November for review and then for consideration at their December meeting. Mr. Pryce requested that 2011 and 2012 figures be added to the economic engine document.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b PERSONNEL POLICY UPDATE – DRUG-FREE WORKPLACE

On motion by Mr. Horstman, seconded by Mr. Pryce, proposed revisions to Personnel Policy No. 708, Drug-Free Workplace, as recommended and set forth in the above memorandum, were adopted.

6.04 2012 ANNUAL MAINTENANCE ASSESSMENT

In order to maintain the works of the Muskingum Watershed Conservancy District, it is necessary to levy an annual maintenance assessment as set forth in Ohio Revised Code, Section 6101.55. Following is the Certificate of Annual Levy for the MWCD.

It is recommended that the Board approve a maintenance assessment in the aggregate sum of \$11,252,091.96.

On motion by Mr. Pryce, seconded by Mr. Parham, the following resolution was adopted:

**RESOLUTION OF ANNUAL LEVY
OF THE
MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

Resolved:

1. That on this 21st day of September, 2012, the Board of Directors of the Muskingum Watershed Conservancy District hereby determines, orders and levies a maintenance assessment for the year 2012, in the aggregate sum of \$11,252,091.96 for the account of the Maintenance Fund of said District. That said maintenance assessment shall be duly apportioned to the benefited properties and public corporations in

said District in proportion to the benefits and that the amounts of said maintenance assessment imposed upon the properties and public corporations in said District be recorded in the Conservancy Assessment Record of the Muskingum Watershed Conservancy District.

2. That a certified copy of this resolution be recorded in the Conservancy Assessment Record of the MWCD.
3. The President and Secretary are directed to certify this Annual Levy to the County Auditors in the District, pursuant to law.
4. That the said amounts of said maintenance assessment shall be collectible and payable in the year 2013 in the sums specified at the same time that the state and county taxes are due and collectible.

On motion by Mr. Pryce, seconded by Mr. Parham, the following certification was adopted:

**CERTIFICATE OF ASSESSMENT RECORD
OF THE
MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

This is to Certify:

1. That on the 20th day of August, 2007, the Court of Common Pleas, Tuscarawas County, Ohio, Conservancy Division confirmed a readjustment of the appraisal of benefits to all the benefited property and public corporations in the Muskingum Watershed Conservancy District.
2. That the said readjustment of the appraisal of benefits to all the benefited lands and public corporations has been recorded in the Conservancy Assessment Record of the Muskingum Watershed Conservancy District which contains a notation of the items of property and the public corporations to which benefits have been appraised, the total amount of benefits appraised against each item or public corporation, and the total assessment levied against each item or public corporation.
3. That the Conservancy Assessment Record of the Muskingum Watershed Conservancy District contains a true and correct record of the benefits approved and confirmed by the Court.

On motion by Mr. Pryce, seconded by Mr. Parham, the following certification was adopted:

**CERTIFICATE OF ANNUAL LEVY
OF THE
MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

This is to Certify:

1. That on the 21st day of September, 2012, the Board of Directors of the Muskingum Watershed Conservancy District duly levied a maintenance assessment for the year 2012, in the aggregate sum of \$11,252,091.96 for the account of the Maintenance Fund of said District. That said maintenance assessment has been duly apportioned to the benefited properties and public corporations in said District in proportion to benefits and that the amounts of said maintenance assessment imposed upon the properties and public corporations in said District have been recorded in the Conservancy Assessment Record of the Muskingum Watershed Conservancy District.

2. That the Conservancy Assessment Record of the Muskingum Watershed Conservancy District contains a true and correct record of the Annual Levy of 2012 and of the maintenance assessment for the year 2012 as determined, ordered, and levied by the Board of Directors of the Muskingum Watershed Conservancy District on the 21st day of September, 2012.
3. That the said amounts of said Annual Levy and of said maintenance assessment shall be collectible and payable in the year 2013 in the sums specified at the same time that the state and county taxes are due and collectible.
4. Following here is: (A) The descriptions of the property opposite the names of the owners; and (B) The total amount of the annual levy on each piece of property and on each public corporation for the account of all funds and the amount of each item making up the total.

6.05a PURCHASE OF RENTAL BOATS

On motion by Mr. Pryce, seconded by Mr. Horstman, purchase of pontoon boats for the rental fleet at Tappan Park, as recommended and set forth in the above memorandum, was approved.

6.05b SENECA PARK WELCOME CENTER

On motion by Mr. Parham, seconded by Mr. Horstman, award of the contract for construction of the Seneca Park Welcome Center to Benchmark Construction at a total cost of \$630,924, as recommended and set forth in the above memorandum, was affirmed.

6.05c RESERVOIR INUNDATED ROADS STUDY

On motion by Mr. Kokovich, seconded by Mr. Horstman, a professional services contract with W.E. Quicksall and Associates for an inundated roads study for MWCD reservoirs, as recommended and set forth in the above memorandum, was authorized.

6.05d 2012 / 2013 SHORELINE STABILIZATION PROJECTS

On motion by Mr. Pryce, seconded by Mr. Parham, advertisement for bids for shoreline stabilization projects, as recommended and set forth in the above memorandum, was authorized.

6.05e PROFESSIONAL SERVICES AGREEMENT – CH2M HILL ENGINEERING

On motion by Mr. Parham, seconded by Mr. Pryce, a professional services contract with CH2M Hill Engineering for a water study of Seneca Reservoir, as recommended and set forth in the above memorandum, was authorized.

6.06 PWM – DEBRIS REMOVAL PROGRAM – ASHLAND SWCD/YOUNG PROJECT

On motion by Mr. Pryce, seconded by Mr. Parham, a funding request from the Ashland County SWCD under the PWM Debris Removal Program in the amount of up to \$9,625, as recommended and set forth in the above memorandum, was approved.

6.07 OTHER BUSINESS

GULFPORT REQUESTS FOR SHORT-TERM SALE OF WATER

Mr. Logan and Mr. Swiger mentioned that requests were received in the past couple of days for the short-term sale of water for wells being drilled near the Clendening and Piedmont reservoirs for exploration in the Utica shale regions. Mr. Logan reported that the winter drawdown of the MWCD reservoirs results in billions of gallons water released, making this the optimum time for such sales to occur without negative impact on recreational activities at Clendening and Piedmont. By removing the water from the lakes, potentially thousands of loaded tanker truck trips will be eliminated across township and county roads that normally are not constructed to withstand such activity, reducing inconveniences for residents of the regions and the additional hassle and expenses for township governments for road repairs.

Members of the Board were provided a copy of a letter dated September 12, 2012, from Matthew J. DeTemple, Executive Director of the Ohio Township Association in which he writes “that the Board of Directors of the Ohio Township Association has taken formal action to support the sale of water by the Muskingum Watershed Conservancy District for the purposes of hydraulic fracturing operation...” and further citing the MWCD lakes as “the most appropriate source of water supply” for the hydraulic fracturing process used for development of Utica shale operations and that by obtaining water from the MWCD lakes, truck traffic will be reduced, reducing damage to township roads.

The Board of Directors took the following actions:

On motion by Mr. Parham, seconded by Mr. Pryce, the Board approved a sale of water from Clendening Reservoir using the same location and the same requirements and standards as the previous short-term sale of water.

On motion by Mr. Parham, seconded by Mr. Pryce, authorization for the short-term sale of water from Piedmont Reservoir to Gulfport Energy subject to the Engineering and Conservation groups’ review and approval of the plan and detail.

The Board directed that any sales from either Clendening Lake in Harrison County or Piedmont Lake, located primarily in Belmont County, can occur only during the upcoming fall and winter months when lake levels are in “drawdown stage,” or reduced as part of the flood-control operations conducted by the U.S. Army Corps of Engineers (USACE), which manages the dams at the MWCD lakes. In order to provide for flood-storage capacity of water during the winter months, the USACE reduces the levels of all of the MWCD lakes by varying amounts of several feet each before “refilling” them beginning in late winter and early spring. These operations result in the release of billions of gallons of water from the lakes during the fall and winter, which is in contrast to the small fraction of the amounts of water being requested by the oil and gas companies.

The combined amount of water released from Clendening and Piedmont lakes during the drawdown operations is more than 6 billion gallons. The amount normally required by oil and gas companies for the hydraulic fracturing process at individual well sites ranges from 5 million to 10 million gallons of water.

Any short-term sales at these two reservoirs must occur prior to the February 1 refill schedule of the MWCD reservoirs.

PUBLIC INPUT MEETING AT SENECA

Mr. Logan and Mr. Lautenschleger reported that plans are underway for a public meeting on October 17, 2012, at the Robert Secrest Senior Center in Senecaville, Ohio, to allow for public input on the sale of water.

OHIO TOWNSHIP ASSOCIATION LETTER

Mr. Hoopingarner provided a copy of a letter dated September 12, 2012, from Matthew J. DeTemple, Executive Director of the Ohio Township Association in which he writes “that the Board of Directors of the Ohio Township Association has taken formal action to support the sale of water by the Muskingum Watershed Conservancy District for the purposes of hydraulic fracturing operation...”

COTTAGE SITE ROAD PROGRAM

Mr. Slogar read a note received from John Abbott, lessee at Seneca, expressing appreciation for recent action taken by the Board relative to changes in the cottage site road program. Mr. Barnhart reported that he also received favorable comments for the same.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Board members received a copy of the Summary of Marina Operations report through August 31, 2012. No action required.

7.02 PARKS REPORT

A report of the gross receipts for MWCD parks/campgrounds for the period ending September 2, 2012, was presented. No action required.

7.03 MESSAGES RECEIVED FROM FOOD & WATER WATCH WEBSITE

The Muskingum Watershed Conservancy District (MWCD) has received nearly 300 messages sent via e-mail and opposing the sale of water from MWCD reservoirs for hydraulic fracturing by the oil and gas industry. The messages are generated from the Food & Water Watch organization’s website most of the messages were sent August 23-31 and are addressed to the MWCD Board of Directors.

A copy of the webpage at www.foodandwaterwatch.org where participants can complete personal information to be included in a message prepared by the organization and to be sent to the MWCD was provided to Board members, as well as a copy of a sample message that was sent.

The MWCD will prepare an appropriate response to send to the writers of the messages, who had to provide an e-mail address and a U.S. Postal Service mailing address to Food & Water Watch in order for their messages to be sent to the MWCD.

According to its website, “Food & Water Watch works to ensure the food, water and fish we consume is safe, accessible and sustainable. So we can all enjoy and trust in what we eat and drink, we help people take charge of where their food comes from, keep clean, affordable, public tap water flowing freely to our homes, protect the environmental quality of oceans, force government to do its job protecting citizens, and educate about the importance of keeping shared resources under public control.”

This information is being provided to the Board of Directors for information purposes and no action is required.

7.04 LAKE DRAWDOWN SCHEDULE FOR 2012-2013

In accordance with the U.S. Army Corps of Engineers (USACE) Control Manuals, the following table shows proposed lake drawdowns for the winter of 2012-2013. This schedule will be presented to the U.S. Army Corps of Engineers and the Ohio Department of Natural Resources for their review and approval.

Reservoir	Normal Pool	Winter Level	Total Drawdown (feet)	Begin 2012 Drawdown	Release Duration (days)	Suggested intermediate refill schedule by March 15, 2013
Atwood	928.00	921.00	7.0	November 15	35	926.00
Charles Mill	997.00	994.00	3.0	December 1	30	995.00
Clendenning	898.00	893.00	5.0	November 1	35	896.00
Leesville	963.00	955.00	8.0	November 1	35	961.00
Piedmont	913.00	908.00	5.0	November 15	35	911.00
Pleasant Hill	1020.00	1014.00	6.0	November 15	30	1018.00
Seneca	832.20	827.20	5.0	November 1	35	830.20
Tappan	899.30	891.30	8.0	November 15	35	897.30

NOTE: Due to planned construction at Atwood, Leesville, and Tappan, we recommend that drawdown continue from 5' to specified levels at the release rates noted. Construction is also planned at Pleasant Hill, although no additional drawdown is needed to facilitate the work. All reservoirs with extended drawdown will be held at the requested elevation until February 15, 2013 and then returned to the normal winter schedule elevations.

- To accommodate autumn boating, fishing and hunting, and to help reduce shoreline erosion, it is recommended that the drawdowns occur on an even release basis and at the rate stipulated above (release duration) so as to reach the intended lowered elevation.
- We request of the USACE that refill begin February 15 on those reservoirs that can reasonably meet the intermediate refill date due to the nature of the reservoir, precipitation in that area, etc. For those reservoirs that cannot reasonably meet the March 15 refill date, please continue to begin refill on February 1. This delay will allow MWCD an additional two weeks to address any projects that need to be completed during drawdown, i.e. shoreline stabilization projects, dredging, dock repairs, etc.

This is provided for informational purposes only and requires no action on the part of the Board.

7.05 DAC RECOMMENDATION

At the August 10, 2012, Development Advisory Committee meeting, there was discussion relative to the sale of water from MWCD reservoirs for the oil and gas industry. The following action was taken:

On motion by Mr. Elsasser, seconded Ms. Padgett, encourage the Board to be prudent on the issue of short-term sales of water and encourage a speedy resolution to the policy update for long-term sales of water.

Upon roll call vote the motion passed with the following members voting for the motion: Allyn Adams, Andrew Dix, Jon Elsasser, Rich Milleson, Joy Padgett, John Prelac, Robert Prince, George Romanoski and David White; and the following members voting against the motion: Dirck Ten Broeck, Doug McLarnan, and Jeff Heacock. Members absent were: Doug Davis, Marty Larsen, Marilyn Ort and Chasity Schmelzenbach.

7.06 UPDATE ON 2012 GOALS

Mr. Hoopingarner reviewed the 2012 goals with the Board.

- 1) Financial Management
- 2) Strategic Planning
- 3) Market Branding
- 4) Master Planning
- 5) Natural Resources
- 6) Marinas
- 7) Official Plan

7.07 STRATEGIC PLANNING

Mr. Hoopingarner reported that staff will be meeting on Friday, September 28, with Jack Steele of Active Strategy. Review current strategic initiatives, all high priority initiatives – establish key measures in order to measure progress. Map the next steps in wrapping up documentation for the report.

Mr. Barnhart distributed a schedule of meetings set for the park master planning efforts. Meetings are scheduled with key staff and individual meetings with each member of the Board. Open House Public Meetings are scheduled as follows: October 12, 2012, 6:00 p.m. to 8:00 p.m. at the Tappan Park Activity Center; October 13, 2012, at 9:00 a.m. to 11:00 a.m. at the Shelter at Point (campside) Seneca Lake / Marina; October 13, 2012, 1:00 p.m. to 3:00 p.m. at Piedmont Lake Marina; October 19, 2012, 6:00 p.m. to 8:00 p.m. at Atwood Park Activity Center; and October 20, 2012, 9:00 a.m. to 11:00 a.m. at the Pleasant Hill Park Activity Center.

7.08 ID BRANDING

Mr. Lautenschleger reported that the guidelines for branding, which were expected to be ready for presentation at this meeting, should be available at the October meeting. Issues relative to signage and building guidelines have been essentially resolved.

**7.09 COST SHARE COOPERATIVE WORK AGREEMENT –
ODNR, DSWR – PROJECTS UPDATE**

Mr. Logan reported the Division of Soil and Water Resources (DSWR) has contacted him to inform the MWCD that Guernsey and Noble counties have expressed an interest in participating in projects on private land through the cooperative work agreement. Ohio Division of Wildlife has also committed to DSWR to put some of their U.S. Fish and Wildlife funding to similar conservation practices on agricultural lands.

The U.S. Army Corps of Engineers recently released their report for a Great Lakes/Mississippi River Inter-Basin Study to identify aquatic invasive species pathways. An area ranked “medium” priority is in the upper headwaters of Little Killbuck Creek where it meets the headwaters of Black River (Lake Erie Basin) near Burbank, Ohio. Mr. Logan will be in contact with Rich Carter, Fisheries Administrator, Ohio Division of Wildlife, to inquire of how MWCD may be of assistance.

7.10 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that 31 of the 36 anchors have been installed at the U.S. Army Corps of Engineers (USACE) project at Dover. However, 2 strands broke during a recent testing process and the contractor is conducting an analysis to determine the cause.

At Bolivar, the construction office is approximately 67% complete. Plans are nearing completion for the seepage barrier that will be installed. The next step in that process will be an inter-agency study.

7.11 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

No report at this time.

7.12 IMMEDIATE OR PENDING LITIGATION

No report at this time.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

No report at this time.

9. SUBDISTRICTS

9.01 CHIPPEWA SUBDISTRICT – 2012 ANNUAL MAINTENANCE ASSESSMENT

In order to maintain the works of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District, it is necessary to levy an annual maintenance assessment as set forth in Ohio Revised Code, Section 6101.55. Attached is the Certificate of Annual Levy for the Chippewa Subdistrict.

It is recommended that the Board approve a maintenance assessment in the aggregate sum of \$359,972.24. This total is equal to one-half of the one-percent of the total appraisal of benefits for the Subdistrict. The assessment is apportioned, based on the benefits appraisal.

On motion by Mr. Kokovich, seconded by Mr. Horstman, the following resolution was adopted:

**RESOLUTION OF ANNUAL LEVY
OF THE
CHIPPEWA SUBDISTRICT OF THE
MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

Resolved:

1. That on the 21st day of September, 2012, the Board of Directors of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District hereby determines, order and levies a maintenance assessment for the year 2012, in the aggregate sum of \$359,972.24 for the account of the Maintenance Fund of said Subdistrict. That said maintenance assessment shall be duly apportioned to the benefited properties and public corporations in said Subdistrict in proportion to the benefits and that the amounts of said maintenance assessment imposed upon the properties and public corporations in said Subdistrict and be recorded in the Conservancy Assessment Record of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District.
2. That a certified copy of this resolution be recorded in the Conservancy Assessment Record of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District.

3. The President and Secretary are directed to certify this Annual Levy to the County Auditors in the District, pursuant to law.
4. That the said amounts of said maintenance assessment shall be collectible and payable in the year 2013 in the sums specified at the same time that the state and county taxes are due and collectible.

On motion by Mr. Kokovich, seconded by Mr. Horstman, the following certification was adopted:

**CERTIFICATE OF ASSESSMENT RECORD
OF THE
CHIPPEWA SUBDISTRICT OF THE
MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

This is to Certify:

1. That on the 15th day of July, 2002, the Court of Common Pleas, Conservancy Division for the Chippewa Subdistrict, confirmed a readjustment of the appraisal of benefits to all the benefited property and public corporations in the Chippewa Subdistrict of the Muskingum Watershed Conservancy District.
2. That the said readjustment of the appraisal of benefits to all the benefited lands and public corporations has been recorded in the Conservancy Assessment Record of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District which contains a notation of the items of property and the public corporations to which benefits have been appraised, the total amount of benefits appraised against each item or public corporation, and the total assessment levied against each item or public corporation.
3. That the Conservancy Assessment Record of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District contains a true and correct record of the benefits approved and confirmed by the Court.

On motion by Mr. Kokovich, seconded by Mr. Horstman, the following certification was adopted:

**CERTIFICATE OF ANNUAL LEVY
OF THE
CHIPPEWA SUBDISTRICT OF THE
MUSKINGUM WATERSHED CONSERVANCY DISTRICT**

This is to Certify:

1. That on the 21st day of September, 2012, the Board of Directors of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District duly levied a maintenance assessment for the year 2012, in the aggregate sum of \$359,972.24 for the account of the Maintenance Fund of said Subdistrict. That said maintenance assessment has been duly apportioned to the benefited properties and public corporations in said Subdistrict in proportion to the benefits and that the amounts of said maintenance assessment imposed upon the properties and public corporations in said Subdistrict and have been recorded in the Conservancy Assessment Record of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District.
2. That the Conservancy Assessment Record of the Chippewa Subdistrict of the Muskingum Watershed Conservancy District contains a true and correct record of the Annual Levy of 2012 and of the maintenance assessment for the year 2012 as determined, ordered, and levied by the Board of Directors of

the Chippewa Subdistrict of the Muskingum Watershed Conservancy District on the 21st day of September, 2012.

3. That the said amounts of said Annual Levy and of said maintenance assessment shall be collectible and payable in the year 2013 in the sums specified at the same time that the state and county taxes are due and collectible.
4. Following here is: (A) The descriptions of the property opposite the names of the owners; and (B) The total amount of the annual levy on each piece of property and on each public corporation for the account of all funds and the amount of each item making up the total.

EXECUTIVE SESSION

On motion by Mr. Horstman, seconded by Mr. Parham, the Board of Directors entered into executive session at 12:02 p.m. to discuss matters related to ORC §121.22 (G) (2). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 12:13 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Horstman, seconded by Mr. Kokovich, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, October 19, 2012, at 9:00 a.m. at the New Philadelphia City Council Chambers.

Following the meeting, members of the Board and staff toured areas that have experienced flooding conditions in the City of Shelby.

09.21.2012, km
Approved 10.19.2012