

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the McDonald Marlite Conference Center
October 17, 2012, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the McDonald Marlite Conference Center, New Philadelphia, Ohio, on Friday, October 17, 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, Jim Pringle, 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: Marissa Geib (*Rural Action, Huff Run/Mud Run Watershed Coordinator*); Kathryn Hanratty (*People's Oil & Gas Collaborative-Ohio and the Ohio Environmental Council*); Paty Steward and Josh Harris (*Stewards of the Land*); Alison Auciello (*Food & Water Watch, Cincinnati*); Annette McCormick (*Lucas resident*); Chuck Hootman (*MWCD lessee*); William Baker and John Marvas (*Frack Free Ohio*); Carol Haley; Mechtild "Micky" Wittkowski (*Columbus resident*); Rome Marinelli (*New Philadelphia resident*); Jan Kennedy (*concerned citizen*); Brenda Collins (*Mansfield resident*); Connie Harris (*Occupy Ohio*); Meghan Millea (*The Times Reporter*); John Brewer (*Marietta resident*); Cole Young and Brooke Young (*What the Frack*); Nathan Johnson (*Buckeye Forest Council*); Doug Cornett (*Howard resident*); Leatra Harper (*Southeast Ohio Alliance to Save Our Water*); Steven Jansto (*Senecaville homeowner*); Peter Nara (*Seneca Lake lessee*); Kyle Valentini (*Dover resident/Southeast Ohio Alliance to Save Our Water*); Elaine Baer (*Mansfield resident*); Doug McLarnan (*member of the MWCD Development Advisory Committee*); and Tom Terez (*consultant for customer feedback survey*).

Ms. Geib, Huff Run/Mud Run Watershed Coordinator, addressed the Board with an update of "Rural Action, Huff Run, Mud Run."

The following individuals addressed the Board with their concerns for the supply of water for the purposes of hydraulic fracturing for oil and gas exploration. For those individuals who submitted written comment, documents have been placed on file with the MWCD and copies will be distributed to the members of the Board of Directors: 1) Kathryn Hanratty; 2) Paty Stewart; 3) Alison Auciello (see note below); 4) Annette McCormick; 5) Bill Baker; 6) Carol Haley; 7) Rome Marinelli; 8) Nathan Johnson; 9) Doug Cornett; 10) Leatra Harper; 11) Steven Jansto; 12) Peter Nara; 13) Elaine Baer; and 14) Josh Harris. Following the presentation of Mr. Harris, many of the attendees departed the meeting.

Ms. Auciello, organizer of Food & Water Watch of Cincinnati, Ohio, delivered petitions from more than 800 residents within the MWCD opposed to water sales and requested that they be entered into the official record. Mr. Lautenschleger responded that the petition and signatures were received in advance of today's meeting and a copy has been placed on file with the MWCD.

Mr. Lautenschleger reported that the members of the Board were given a copy of a letter dated October 18, 2012, submitted by Toledo Attorney Terry Lodge relative to "comments on proposed MWCD public participation policy." This letter has been placed on file with the MWCD.

3. APPROVAL OF MINUTES

On motion by Mr. Parham, seconded by Mr. Pryce, a correction was requested to be made to the minutes to change the terminology in a matter under other business, “Gulfport Requests for Temporary Sale of Water” changing the term “temporary” to “short term.”

On motion by Mr. Horstman, seconded by Mr. Kokovich, the minutes of the September 21, 2012, meeting of the Board of Directors were approved.

Mr. Parham observed that a letter from the Ohio Township Association which was favorable was only referenced in the minutes, while the entire content of letters of opposition were included. Mr. Hoopingarner commented that the individuals who submitted letters of opposition specifically requested that they be included in the minutes. Following some discussion, the Board directed that in the future, when written information is submitted for the Board, the document will be referenced in the minutes, however, the content of the document not be included in the minutes. These documents are to be placed on file and referenced in the minutes. Board members do not want an assumption that views or opinions expressed in these documents are not necessarily the views or opinions of the Board or MWCD.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending September 30, 2012. The total operating revenue is \$30,944,383.00 with expenses of \$9,944,860, resulting in an excess of revenue over expenses of \$20,999,523.00.

Maintenance Fund-General

- In the Black Fork Subdistrict line item, the first loan reimbursement has been received in the amount of \$27,286.00. Expenses to date are \$76,879.00. A second loan reimbursement request will be submitted in October/November.
- Total Maintenance Fund-General expenses are 74.30% with all line items within budget.

Conservation Fund

- In the Mineral Operations-Gas and Oil fund, the third and final payment was received from Chesapeake Energy for the lease at Leesville Reservoir in the amount of \$6,975,550.76. In addition, \$819,508.50 was received on a lease with Sierra Buckeye.
- Total expenses are 75.41% of budget and within expectations.

Recreation Fund – Parks

- Total park revenues are 95.95% of budget.
- Vacation Cabin revenue is 99.56% of budget; Park Camping is 99.74% of budget and General Park-Admissions is 111.06% of budget. Camper Trailer Storage revenue is coming in during October.
- As the third quarter wraps up, expenses are 74.77% of budget and are within expectations.

Recreation Fund – Non Park

- Total Non-Park revenues are 87.15% of budget with expenses at 64.69% of budget.
- Marina Operations (leased) have met and exceeded budget by about \$31,000.00.
- Piedmont Marina revenue is 82.75% of budget with camping at 141.95% of budget.
- Seneca Marina is currently at 58.05% of budget, due in part to the fact that all services were not available when the season began.
- Cottage Sites, Club Sites, and Multiple Docks are all on target with the revenue budget.

Recreation Improvement Fund

- Expenses are 20.77% of budget with the bulk of expenses in three areas: 1) marina facilities; 2) park facilities and camping; and 3) purchase of vehicles/equipment. The nearly \$4.3 million budget in Water and Sewer Systems is for the Atwood water treatment plant for which construction is scheduled to begin in the fourth quarter of 2012 and into 2013.

Maintenance Assessment Fund

- All funds have been received for the maintenance assessment collection and the gross distribution is \$11,035,921.28 as indicated on the supplemental information sheet (page 6) provided this month. The amount of \$11,018,802.00 as presented in the financial report is net of any refunds issued. The auditor's and treasurer's fees totaled \$218,105.00 or about 2% of the gross collection.
- Total expenses are 50.74% of budget and on target with expectations.

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. Pryce, a report of the payment of bills for the period ending September 30, 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 USACE RIGHT-OF-ENTRY - TAPPAN

On motion by Mr. Pryce, seconded by Mr. Parham, a right-of-entry with the U.S. Army Corps of Engineers for an approximate 4-acre site below Tappan Dam, as recommended and set forth in the above memorandum, was approved.

6.01c SIERRA BUCKEYE LEASE - ROCKLEDGE

On motion by Mr. Parham, seconded by Mr. Horstman, a deep oil and gas rights lease with Sierra Buckeye for a 16.875 acre tract north of Dover Dam, as recommended and set forth in the above memorandum, was approved.

6.01d AEP EASEMENT – ATWOOD LAKE

On motion by Mr. Kokovich, seconded by Mr. Parham, a permanent easement with American Electric Power for an underground electric distribution line at Atwood Park, as recommended and set forth in the above memorandum, was approved.

6.01e REAPPRAISAL OF COTTAGE LEASE SITES

On motion by Mr. Pryce, seconded by Mr. Horstman, a professional services agreement with Charles G. Snyder Company for a reappraisal of cottage lease sites, as recommended and set forth in the above memorandum, was authorized.

6.02a 2013 MARINE PATROL ASSISTANCE GRANT PROGRAM

On motion by Mr. Kokovich, seconded by Mr. Parham, a resolution of authorization to apply for grant funding for the 2013 marine patrol program, as recommended and set forth in the above memorandum, was adopted.

6.02b 2013 NAVIGATIONAL AIDS GRANT PROGRAM

On motion by Mr. Horstman, seconded by Mr. Kokovich, a resolution of authorization to apply for grant funding through the ODNR Navigational Aids Grant Program, as recommended and set forth in the above memorandum, was adopted.

6.02c 2012-2013 CLEAN OHIO FUND – PIEDMONT SHORELINE STABILIZATION

On motion by Mr. Kokovich, seconded by Mr. Pryce, a resolution of authorization to apply for grant funding through the Clean Ohio Program for a shoreline stabilization project at Piedmont Lake Marina, as recommended and set forth in the above memorandum, was adopted.

6.02d LOCAL COST SHARE FUNDING REQUEST – BOLIVAR

On motion by Mr. Parham, seconded by Mr. Horstman, release of \$224,000 to the Department of the Army for the Bolivar Dam rehabilitation project, as recommended and set forth in the above memorandum, was authorized.

6.02e 2013 BUDGET

Information was provided the members of the Board on the preparation of the 2013 budget. No action was requested at this time.

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 SURVEYING TECHNICIAN

On motion by Mr. Parham, seconded by Mr. Kokovich, the revised position description and a request to post and fill a surveying technician position, as recommended and set forth in the above memorandum, were approved.

6.04a WWTP SLUDGE DISPOSAL PROJECT

On motion by Mr. Parham, seconded by Mr. Horstman, bidding of a WWTP sludge disposal project, as recommended and set forth in the above memorandum, was approved.

6.04b PREFABRICATED RESTROOM/SHOWER BUILDINGS

On motion by Mr. Kokovich, seconded by Mr. Pryce, authorization to include an alternate to include purchase of up to six additional buildings on a previously Board-approved advertisement for bids, as recommended and set forth in the above memorandum, was granted.

6.05 DOCKING DECAL RATES

On motion by Mr. Pryce, seconded by Mr. Kokovich, the proposed docking decal rate structure for 2013, as recommended and set forth in the above memorandum, was approved.

6.06 OTHER BUSINESS

There were no other items of business at this time.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Board members received a copy of the Summary of Marina Operations report through September 30, 2012. No action required.

7.02 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

An update of the MWCD Parks Master Plan Process was submitted by Andrew Pack, Project Manager for Woolpert.

- The planning team is currently performing the demographics assessment, deferred maintenance reviews, management structure reviews, park programming and facilities analysis on data collected during August and September. In addition, the team is benchmarking other similar agencies to evaluate and compare overall management and operations of the MWCD facilities as part of the overall assessment process.
- A workshop with MWCD park managers occurred on October 11 to obtain input on the park needs, current and future operations. Major items discussed were deferred maintenance issues, staffing needs, key amenities missing at the parks, policies, cost of services, and program/facility cost analysis.
- Woolpert team continues to evaluate the park's infrastructure and architectural elements at the parks. Opportunities and constraints maps have been prepared for each park as a summary of the team's observation. These maps were displayed at the first round of open house public workshops.
- "Open House" public workshops occurred on October 12 and 13 for Tappan Park, Seneca Park and Marina, and Piedmont Marina/Campground. Attendance was exceptional as over 200 dropped in over the two-day event. Other open houses are scheduled for October 19 (evening) and 20 for Atwood Park, Pleasant Hill Park and Charles Mill Park. Over 1,500 flyers/mailers were sent out to advertise these events.
- The customer satisfaction survey is currently in process. First results from the survey are anticipated to be within 4-5 weeks.
- A progress planning workshop is being proposed to update the Board of Directors for November 16, 2012.

7.03 ONLINE CUSTOMER FEEDBACK

Mr. Terez gave an overview of the new online customer feedback survey that will be available for MWCD – FishingForFeedback.com. He explained the process of initial conversations and preliminary work, planning and development, work sessions with various members of the MWCD staff, and the testing and fine tuning of the survey system. There will be meetings with marina owners and managers, internal training for MWCD staff, and a general "spreading the word" to get the system up and running.

7.04 STRATEGIC PLANNING

Mr. Hoopingarner reported that a work session took place in late September with Jack Steele of Active Strategy to continue work on the strategic plan process. Mr. Slogar stated that Active Strategy has submitted a proposal for the reporting, measurement, and progress of the strategic plan. That proposal will be presented to the Board for consideration at the November meeting.

7.05 ID BRANDING

Mr. Lautenschleger distributed copy of the ID branding guidelines as developed by LPK in cooperation with MWCD staff. Work continues to finalize the guidelines related to signage and the exterior building standards. He reported that he is working with Mr. Cugliari to begin development of budget considerations for implementation of the branding items and establishing priorities for the immediate and long-range future.

Members of the Board requested that LPK attend a meeting to present information on the ID branding.

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

Mr. Logan offered the following information regarding activities related to the cost share cooperative work agreement with ODNR, DSWR:

- Regarding land conservation projects in conjunction with the ODNR divisions of Soil and Water Resources and Wildlife as well as utilizing USFW monies there are one new project in each of the counties of Morgan and Muskingum.
- Cover crop assistance program in Carroll will reach about 800 acres of the 1,000 acre goal and in Tuscarawas County it should be close to their goal of 1,000 acres.
- The Water Quality Trading Program partnership with the Joint Muskingum River SWCD in the main stem of the Upper Tuscarawas is near the final phase of the Ohio EPA approval process.

7.07 SENECA LAKE PUBLIC MEETING

Mr. Lautenschleger reported that a public input meeting was held at the Robert T. Secrest Senior Center in Senecaville, Ohio, on Wednesday, October 17, 2012, at 6:00 p.m. Nearly 1,500 notices were mailed to announce the meeting. The meeting was attended by nearly 90 individuals from which approximately 20 individuals addressed the group. A court recorder was present and will be providing a transcript of the meeting within the next few days. In addition, those in attendance were offered the opportunity to submit written comments by November 1, 2012. A report will be compiled for presentation to the Board at the November meeting.

7.08 OIL AND GAS UPDATE

Mr. Swiger reported that additional requests have been received on small isolated parcels that will be presented to the Board at future meetings. A second well is being drilled by Gulfport Energy from the well pad at the Boy Scout Camp site at Clendening. Requests from various oil and gas producers about potential leasing at Seneca Reservoir and staff will be meeting with them to discuss their proposals.

7.09 WATER SUPPLY UPDATE

Mr. Logan informed the Board that regarding the contingent approval at the September 21, 2012, meeting of the Board of Directors of short-term water supply agreements for drilling and/or hydraulically

fracturing of three specific horizontal wells, he will be recommending to Mr. Hoopingarner that he sign an agreement for well number 5-33H. This Gulfport Energy well is currently being drilled on the Boy Scout pad at Clendening Reservoir. Gulfport anticipates the need for between 11 to 13 million gallons of raw water some time during the month of November and/or in December. Gulfport has not yet developed details for the third Boy Scout well previously approved for short-term water supply.

Conversely, Mr. Logan informed the Board of his recommendation that MWCD not enter into an agreement with Gulfport for their first well on the Clay pad at Piedmont Reservoir for various reasons but primarily the time needed to raise his comfort level with the proposed land use footprint.

7.09a HARRISON COUNTY COMMISSIONERS – REQUEST FOR SUPPLY OF RAW WATER

Members of the Board received a copy of a letter dated October 10, 2012, from the Harrison County Commissioners requested “MWCD to include Harrison County in its discussions in sale of ‘draw down’ water from Tappan, Piedmont and Clendening Lakes, with interest in possibly entering into an extended water sale agreement with revenues advancing water quality in the Muskingum Watershed Conservancy District.”

7.10 USACE PROJECTS STATUS REPORT

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

The semi-annual meeting with the U.S. Army Corps of Engineers, Huntington, was held on Thursday, October 18, at the Holiday Inn Express in New Philadelphia.

7.11 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham reported that after the reopening of Atwood Resort, a problem arose with the sewer connection. During the period that the Resort was closed, tree roots penetrated the lines and caused a blockage. There is a recommendation that the pipeline will need to be completely replaced. He added that there will be no increase or deduction of ARWSD rates for the year 2013.

7.12 IMMINENT OR PENDING LITIGATION

No report at this time.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

No report at this time.

9. SUBDISTRICTS

No business at this time.

EXECUTIVE SESSION

On motion by Mr. Horstman, seconded by Mr. Parham, the Board of Directors entered into executive session at 1:00 p.m. to discuss matters related to ORC §121.22 (G) (1) [*employment/compensation*], (2) and (3). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 2:15 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Kokovich, seconded by Mr. Parham, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, November 16, 2012, at 9:00 a.m. at the New Philadelphia City Council Chambers.

10.19.2012, km
Approved 11.16.2012