

**SUMMARY OF MINUTES  
BOARD OF DIRECTORS  
MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
Held at the New Philadelphia City Council Chambers  
December 21, 2012, 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, 150 East High Avenue, New Philadelphia, Ohio, on Friday, December 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, Jim Pringle and Boris Slogar.

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: Zack Space (*Vorys Advisors*); Don Bethel (*Harrison County Commissioner*); Bob Hendricks (*Harrison County CIC and Mayor, Village of Scio*); Tom Tugend (*TGT, Inc. LLC*); Larry Wickstrom (*Wickstrom GeoScience, LLC*); Leon Younger (*PROS Consulting*); Brian Akers (*Creative Director, LPK*); Brent Winslow (*Borton-Lawson Engineering*); Luke Bates (*Chesapeake Energy*); and Tim Vonville (*Turner Oil & Gas*).

Members of the Board received a copy of a letter dated December 17, 2012, from Lea Harper, Southeast Ohio Alliance to Save Our Water, regarding "Pleading for Inclusion in 12/21/12 Board Meeting Minutes." A copy of the letter is on file with the MWCD.

Mr. Winslow informed the Board that the Ohio Oil and Association (OOGA) Executive Committee, at Mr. Winslow's request, approved the formation of the Water Resources Subcommittee of which he is a member. This subcommittee will provide input, monitor any proposed regulations and serve in an advisory capacity to provide the organization a unified voice for the industry. There was unanimous support for the formation of this subcommittee from the members of the Executive Committee.

Commissioner Bethel stated appreciation for the consideration given by MWCD related to the proposed partnership between MWCD and Harrison County for water supply to the oil and gas industry. He assured the Board that Harrison County officials are prepared to work with MWCD in this regard when and if the Board decides to proceed.

Mr. Hendricks addressed the Board and staff with wishes for Happy Holidays.

**3. APPROVAL OF MINUTES**

On motion by Mr. Kokovich, seconded by Mr. Parham, the minutes of the November 16, 2012, meeting of the Board of Directors were approved.

#### 4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending November 30, 2012. The total operating revenue is \$32,594,817.00 with expenses of \$12,456,958.00, resulting in an excess of revenues over expenses of \$20,137,859.00.

##### Conservation Fund

- Timber Harvesting revenue is 41.52% of budget and will not meet budget for 2012. This is due, in part, to new personnel being hired. Pine Pulpwood operations are at 111.70% of budget for the year.
- Farm Operations-Sharecrops revenue has met and exceeded budget by nearly doubling the original budget of \$340,000.00, with the actual being \$664,166.00. This is due, in part, to exceptional prices and a high yield.
- Expenses are in line at 87.37% of budget.

##### Recreation Fund-Parks

- Total revenue is 101.04% of budget with all major revenue categories meeting and exceeding budget.
- Total expenses are 91.18% of budget.

##### Recreation Fund-Non Park

- Total revenue is 98.34% of budget with expenses at 93.62% of budget.
- The leased marina operations met and exceeded budget by 15%.
- Piedmont Marina Operations revenue, including camping, exceeded budget by \$30,000.00.
- Seneca Marina Operations revenue will fall considerably short of budget due to the late start on the season and the operations conducted.
- Cottage Sites, Club Sites and Multiple Docks revenue have all met budget.

##### Maintenance Assessment Fund

- Total revenue exceeded budget by 11% while expenses are at 60%.
- Major expenses for the remainder of the year will be in the areas of Shoreline Protection and the PWM projects.

Referring to the Economic Engine Report, the Base Operating Income through November is at \$892,820.00.

At the November 16, 2012, meeting, Board members requested that further details be provided pertaining to one-time expenditures and additional expenses included in the 2013 budget because of expenditure growth from past years. Mr. Cugliari distributed a report entitled “2013 Budget Expense Comparison” providing this information.

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

#### 5. PAYMENT OF BILLS

On motion by Mr. Parham, seconded by Mr. Horstman, a report of the payment of bills for the period ending November 30, 2012, was approved as presented.

#### 6. BUSINESS

##### 6.01a LEASE TRANSACTIONS

On motion by Mr. Horstman, seconded by Mr. Parham, 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 – HALF INTEREST ROBB PROPERTY**

On motion by Mr. Parham, seconded by Mr. Pryce, the Board granted authorization to enter into the lease at the terms as recommended and set forth in the above memorandum.

**6.01c WILLS CREEK AREA ROADWAY VACATIONS AND DEDICATIONS**

On motion by Mr. Kokovich, seconded by Mr. Parham, roadway vacation/dedications in Muskingum County in the area of Wills Creek Reservoir, as recommended and set forth in the above memorandum, were approved.

**6.01d ATWOOD MARINAS – LEASE EXTENSIONS**

This memo was withdrawn.

**6.01e LEESVILLE PETERSBURG MARINA – LEASE EXTENSION**

This memo was withdrawn.

**6.01f COUGAR LAND SERVICES – ATWOOD EXTENSION**

On motion by Mr. Parham, seconded by Mr. Horstman, a supplemental agreement with Cougar Land Services for geophysical survey work at Atwood Reservoir, as recommended and set forth in the above memorandum, was authorized with the understanding that all equipment will be removed from the lake prior to the 2013 boating season.

**6.02a BUDGET ADJUSTMENTS**

On motion by Mr. Pryce, seconded by Mr. Parham, budget adjustments made during the month of November 2012, as recommended and set forth in the above memorandum, were approved.

**6.02b TRANSFER OF FUNDS**

On motion by Mr. Pryce, seconded by Mr. Kokovich, execution of the necessary fund transfers for the 2012 budget by the Chief Financial Officer/Treasurer, as recommended and set forth in the above memorandum, was authorized.

**6.02c BOND OF TREASURER**

On motion by Mr. Parham, seconded by Mr. Pryce, authorization to secure the bond for the treasurer in amount of 1% of the fund balance as of the end of each fiscal year, with a minimum amount of \$100,000 and a maximum of \$500,000, as recommended and set forth in the above memorandum, was granted.

**6.03a HUMAN RESOURCES SUMMARY**

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

**6.03b WAGE ADJUSTMENTS FOR 2013**

This matter was discussed in executive session.

In open session, the Board took the following actions: on motion by Mr. Parham, seconded by Mr. Pryce, wage adjustments for MWCD non-bargaining unit employees in the amount of 3.5%, were approved.

On motion by Mr. Parham, seconded by Mr. Horstman, contracts for executive management, Assistant Chief Engineer, and IS/IT Manager, were approved subject to revisions as were discussed in executive session.

**6.04a PURCHASE OF SEED FOR SHARE CROP OPERATIONS - 2013**

On motion by Mr. Parham, seconded by Mr. Horstman, purchase of seed for the 2013 share crop season in an amount not to exceed \$112,000, as recommended and set forth in the above memorandum, was authorized.

**6.04b WWTP SLUDGE DISPOSAL PROJECT**

On motion by Mr. Pryce, seconded by Mr. Kokovich, an agreement with Agri-Sludge, Inc. for sludge removal and disposal at three MWCD wastewater treatment plants, as recommended and set forth in the above memorandum, was approved. Upon completion of this project, the Sites Lake lagoons will be closed and the area reclaimed.

**6.04c ENGINEERING SERVICES – W.E. QUICKSALL AND ASSOCIATES**

On motion by Mr. Horstman, seconded by Mr. Kokovich, an agreement with W.E. Quicksall and Associates for engineering services, as recommended and set forth in the above memorandum, was approved.

**6.04d PREFABRICATED RESTROOM/SHOWER BUILDINGS**

On motion by Mr. Pryce, seconded by Mr. Parham, a contract in the amount of \$500,600 with CXT, Inc. to provide 7 new precast concrete restroom/shower buildings, as recommended and set forth in the above memorandum, was approved.

**6.04e ACTIVE STRATEGY SOFTWARE AND SERVICES**

On motion by Mr. Kokovich, seconded by Mr. Pryce, expenditures to ActiveStrategy for software and software-related professional services, annual renewal of software licensing and maintenance, and ongoing professional services, as recommended and set forth in the above memorandum, were authorized.

**6.04f RESERVOIR SEDIMENT REMOVAL PROGRAM – URS CONTRACT**

On motion by Mr. Pryce, seconded by Mr. Horstman, a contract with URS to perform tasks related to the reservoir sediment removal program, as recommended and set forth in the above memorandum, was approved.

**6.05 PWM – DEBRIS REMOVAL PROGRAM  
SOUTH FORK LICKING RIVER DEBRIS REMOVAL PROJECT**

On motion by Mr. Pryce, seconded by Mr. Horstman, a request from ODNR for funding from the PWM grant program, as recommended and set forth in the above memorandum, was approved.

**6.06 REFUND POLICY/VACATION CABIN RESERVATION POLICY**

On motion by Mr. Kokovich, seconded by Mr. Horstman, proposed revisions to operational policies – “Refund Policy” and “Vacation Cabin Reservation Policy,” as recommended and set forth in the above memorandum, were adopted.

**6.07 PROPOSED RATES FOR 2013**

On motion by Mr. Kokovich, seconded by Mr. Parham, park rates, vacation cabin rates, and Piedmont and Seneca marinas rates for 2013, as recommended and set forth in the above memorandum, were approved.

**6.08 ATWOOD LAKE TRAIL MASTER PLAN TASK FORCE**

On motion by Mr. Pryce, seconded by Mr. Parham, authorization to form a task force to assist in the implementation of the Atwood Lake Trail Master Plan, as recommended and set forth in the above memorandum, was granted. Mr. Pryce asked that information be provided concerning the estimated cost per mile to build and maintain a trail.

**6.09 DEVELOPMENT ADVISORY COMMITTEE**

On motion by Mr. Parham, seconded by Mr. Horstman, as recommended and set forth in the above memorandum, the following members of the DAC were reappointed to terms ending December 2015: Marilyn Ort, Joy Padgett, John Prelac, Robert Prince, Chasity Schmelzenbach, and Dirck Ten Broeck.

**6.10 ELECTION OF OFFICERS FOR 2013**

On motion by Mr. Horstman, seconded by Mr. Kokovich, Mr. Parham was elected as President and Mr. Pryce as Vice-President for 2013; Mr. Hoopingarner was affirmed as Secretary and Mr. Cugliari as Treasurer.

**6.11 OTHER BUSINESS**

There was no other 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 November 30, 2012. No action required.

Members of the Board inquired about and Mr. Barnhart commented on the progress of securing an agreement for the operation of the restaurant at Seneca Marina.

**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

**7.03 STRATEGIC PLANNING**

Members of the Board received copies of the Strategic Plan 2012 and Strategic Plan: High Priority Initiatives (July, 2012). A proposal submitted by ActiveStrategy for the reporting, measurement and progress module of the strategic plan was approved earlier in this meeting.

**7.04 PARK MASTER PLANNING**

Mr. Younger addressed the Board with an update on the progress of the park master planning effort.

**7.05 ID BRANDING**

Mr. Akers gave a presentation about the new ID branding.

**7.06 OIL AND GAS UPDATE**

Mr. Logan reported that only 2 of the 13 producers that had expressed an interest in entering into an oil and gas lease at Seneca had asked to make a presentation to the MWCD team once it was clear that MWCD staff was proposing a lease that prohibited surface activity. Of those two, Antero and Carrizo, it was the work team's unanimous and strong recommendation that staff begin negotiations with Antero.

Since last month's board meeting, negotiations have proceeded and staff is pleased with the progress made. As anticipated, a lease has been drafted that prohibits surface activity on MWCD property and yet adds some additional protection to the adjacent property.

**7.07 USACE PROJECTS STATUS REPORT**

Mr. Slogar reported that the contractor is currently installing the last two anchors at the Dover project. At Bolivar, the seepage blanket on the downstream slope of the dam is nearing completion; the construction office is nearly complete; and the design and review of the seepage barrier phase of the project is almost complete.

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

Mr. Parham reported that Atwood Regional Water and Sewer District (ARWSD) has been awarded a Certificate for Excellence in Financial Reporting (CAFR) by the Government Finance Officers Association of the United States and Canada (GFOA). The certificate was awarded for the ARWSD comprehensive annual financial report and is the highest form of recognition in the area of governmental accounting and financial reporting.

**7.09 IMMINENT OR PENDING LITIGATION**

These matters will be discussed in executive session.

## 8. SUBDISTRICTS

### 8.01 SUBDISTRICT CHARGES

On motion by Mr. Kokovich, seconded by Mr. Parham, authorization to execute the necessary charges for the year 2012 in order that the records accurately reflect the financial position of the MWCD and its subdistricts, as recommended and set forth in the above memorandum, was granted.

## 9. EXECUTIVE SESSION

On motion by Mr. Kokovich, seconded by Mr. Parham, the Board of Directors entered into executive session at 10:58 a.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 12:20 p.m.

On motion by Mr. Kokovich, seconded by Mr. Parham, the Board of Directors entered into executive session at 1:35 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 2:38 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, January 18, 2013, at 9:00 a.m. at a location to be determined.

12.21.2012, km  
Approved 01.18.2013