

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas, New Philadelphia, Ohio
January 22, 2016, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Science and Technology Center, Kent State University Tuscarawas, 330 University Drive NE, New Philadelphia, on Friday, January 22, 2016, 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: Ms. Limbach, Mr. Maupin, Mr. Parham, and Mr. Sprang.

On motion by Mr. Maupin, seconded by Mr. Parham, Mr. Pryce was excused.

Present from MWCD staff were Scott Barnhart, Barbara Bennett, Mary Burley, Dan Castellucci, Jim Crandall, John Hoopingarner, Ted Lozier, Karen Miller, Clayton Rico, Boris Slogar, and Mark Swiger.

Ms. Limbach, 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: J.D. Long (*Harrison News Herald*), Brent Winslow (*GAI Consultants*), and Terry Fercana (*Environmental Design Group*).

3. APPROVAL OF MINUTES

On motion by Mr. Sprang, seconded by Mr. Maupin, the minutes of the December 18, 2015, meeting of the Board of Directors were approved with one correction to the financial report.

4. FINANCIAL

Mr. Crandall presented the financial report for the period ending December 31, 2015. The total operating revenue is \$19,560,829.00 with operating expenses of \$13,931,458.00 resulting in a base operating income of \$5,629,371.00.

Maintenance Fund-General

- Total revenues finished the year at 177.31% of budget with the Use of Water Assets line item ending at nearly triple the budget as a result of increased water sales.
- Total expenses wrapped up at 81.74% of budget.

Conservation Fund

- Total revenues were 83.45% of budget for the year with Mineral Operations-Gas and Oil Royalties finishing at 81.28% of budget.
- Total expenses finished at 63.81% of budget.

Recreation Fund-Parks

- Total revenues finished at 104.79% of budget and increased 6.14% from 2014.
- Total expenses were 90.31% of budget and 7.16% increase over 2014.

Recreation Fund-Non Park

- Total revenues were 101.18% of budget and increased 10.03% from 2014. Nearly all of the marina areas met budget expectations.

- Total expenses were 87.63% of budget and increased from 2014 by 24.09%. A major part of the increase was due to the first year operation of Clendening Marina.

Recreation Improvement Fund

- Total expenses were 67.68% of budget. The Park Master Planning Budget wrapped up with 69.22% of the budget being expended.

Maintenance Assessment Fund

- Total expenses were 54.51% of budget with the major areas of expenses being the Dam Safety Upgrades, Sediment Removal, Shoreline Protection, and Water Quality Monitoring.

Prior year month-to-date and year-to-date figures, most noticeably in the Recreation Improvement Fund, will reflect a negative number, as a result of year-end adjustments being made to prepare the annual financial report.

Overall for 2015, the financial performance was in line with budget expectations, with revenues finishing strong and expenses being maintained within budget.

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

5. PAYMENT OF BILLS

On motion by Mr. Sprang, seconded by Mr. Parham, a report of the payment of bills for the period ending December 31, 2015, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Maupin, 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.

6.02a BUDGET ADJUSTMENTS

On motion by Mr. Maupin, seconded by Mr. Parham, budget adjustments made during the third and fourth quarters of 2015, as recommended and set forth in the above memorandum, were approved.

6.02b BUDGET REVISIONS

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

6.03a HUMAN RESOURCES SUMMARY

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

6.03b POST AND FILL – SENECA MARINA ASSISTANT MANAGER

Mr. Sprang inquired about the financial impact of the addition of the proposed position. Mr. Barnhart responded that the 2015 revenue budget at Seneca Marina was \$382,086; the 2016 budgeted revenue is \$454,400, for an increase in revenue from 2015 to 2016 of \$72,314. The 2015 expenses were budget at \$341,822; the 2016

budgeted expense is \$375,151, for an increase of \$33,329. The approximate annual cost of the proposed Seneca Marina Assistant Manager position will be \$44,500, including benefits.

On motion by Mr. Sprang, seconded by Mr. Parham, the post and fill of a Seneca Marina Assistant Manager position, as recommended and set forth in the above memorandum, was approved.

6.04a SENECA CHESTNUT GROVE WTP IMPROVEMENTS
FINAL PROJECT ACCOUNTING

On motion by Mr. Parham, seconded by Mr. Maupin, ratification of all change orders and approval of a modification to the professional services contract for the Seneca Chestnut Grove Wastewater Treatment Plant, as recommended and set forth in the above memorandum, were granted.

6.04b LONG TERM MAINTENANCE DREDGING PROGRAM – TAPPAN LAKE
GMP AMENDMENT #2 WITH PCi DREDGING

On motion by Mr. Maupin, seconded by Mr. Sprang, execution of Amendment #2 to the contract with PCi Dredging, as recommended and set forth in the above memorandum, was ratified. (On roll call: Mr. Parham-no.)

Mr. Sprang and Mr. Parham expressed concern about the modifications to the contracted work to be performed on this project regarding removing approximately 10% less sediment from the reservoir area than originally planned. Mr. Slogar responded that in order to keep the project on budget given the change in dredging methods from hydraulic to mechanical during the winter drawdown period, a slight reduction in sediment volume was negotiated with the dredging contractor in return for trucking of the sediment to various placement areas on MWCD property around Tappan as well as a mining operation nearby in Cadiz. Mr. Slogar further explained that providing the material to a mining operation for reclamation purposes provides a beneficial reuse of the sediment which meets one of the goals of the dredging program.

6.04c ALIVE MUSIC FESTIVAL AGREEMENT

On motion by Mr. Sprang, seconded by Mr. Parham, a new agreement with Northeast Productions, Inc. for the Alive Music Festival held at Atwood Park, as recommended and set forth in the above memorandum, was approved.

6.05 SCHEDULE OF RECORDS DISPOSITION

On motion by Mr. Maupin, seconded by Mr. Sprang, a records disposition schedule for Recreation Department files, as recommended and set forth in the above memorandum, was approved.

6.06 PROPOSED MARINA RULES

On motion by Mr. Parham, seconded by Mr. Maupin, proposed Marina Rules for MWCD-operated facilities, as recommended and set forth in the above memorandum, were approved.

6.07 DEVELOPMENT ADVISORY COMMITTEE APPOINTMENTS

On motion by Mr. Maupin, seconded by Mr. Parham, the membership of the Development Advisory Committee (DAC) was increased from 18 to 20, capping the membership at 20. On motion by Mr. Parham, seconded by Mr. Sprang, the following individuals were then appointed to the DAC:

- Matt Abbott
- Al Fearon
- Susan Bratcher
- Robert Moorehead
- Ed Lee
- Kim Hoover
- Dana McDaniel
- John Wirtz

OTHER BUSINESS

**ATWOOD LAKE PARK CAMPGROUND AREA 20 TREE CLEARING
REQUEST TO ADVERTISE AND AWARD**

On motion by Mr. Maupin, seconded by Mr. Sprang, authorization to bid and enter into a contract for a tree clearing project at Atwood Lake Park Campground Area 20, as recommended and set forth in the above memorandum, was granted.

COMMITTEES

Ms. Limbach reported that appointments have been made to Work Groups for the year:

Conservation	Mr. Maupin
Budget.....	Mr. Sprang
Master Plan	Mr. Pryce
Maintenance Assessment	Mr. Parham
Recreation	Ms. Limbach

7. REPORTS

7.01 MARINA REPORTS

Members of the Board received individual marina reports for the period ending December 31, 2015.

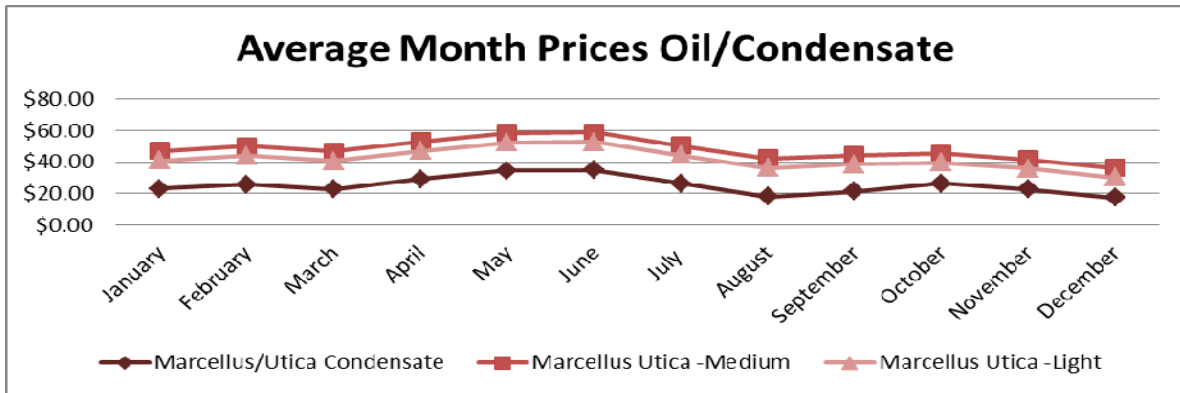
7.02 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 29 wells on adjacent private property. The MWCD’s proportional share of the wells varies significantly see attachment for more detail.

Utica royalty revenue increased 278.12% from November (\$416,157.27) to December (\$1,573,592.62).

Some individual items of note:

- Antero Resources: Seneca Unit and Ervin Unit began paying royalties
- The Ohio Market Report prices posted for \$/barrel of Ohio Oil/Condensate on January 11, 2016:
 - Marcellus Utica Medium \$30.41
 - Marcellus – Utica Light \$24.41
 - Marcellus – Utica Condensate (Formerly ALS) \$11.41



7.03 FORESTRY REPORT

Mr. Castellucci and Mr. Rico presented an update regarding the forestry operations of the MWCD, a copy of which is on file. Their presentation included the following written report:

Forest Management

Winter is a great time to spend in the woods. The fallen leaves provide for an extended view of the forests and in some ways make forest management decisions easier.

Active Operations

- Outer boundary marking - We have marked just over 14.75 miles (39%) of the outer boundary at Clendening and hope to finish the marking by the end of January.
- Conservation long-range visioning

Future Operations

- Bolivar crop tree release site: 40 acres
- Leesville tree planting site, Oak reintroduction: +/- 1,000 trees

Inventory

No inventory activities took place this quarter as we established the outer boundary marking program, and evaluated harvests and TSI projects for the upcoming year. Forest inventory is currently 55% complete.

- Completed: Clendening, Leesville, Tappan, and Wills Creek
- Current project: Piedmont is 48% complete

Pine Inventory is 91% complete

- Completed pine: Atwood, Beach City, Bolivar, Clendening, Leesville, Piedmont, Seneca and Tappan
- Current project: Charles Mill is 28% complete

Timber Harvesting

Both the hardwood and pine harvest budgets were met for 2015. The Forestry revenues totaled \$537,125 or 103% of budget.

Active/Recent Harvests

- Seneca - 46 Acres. Converting White Pine forest to hardwood. (near completion)
- Clendening – 68 Acres for 330,000 board feet selection harvest (completed)

Future Harvests

Future plans are focused on clearing areas for park master planning expansion areas, mid-late summer projects are in planning now.

- Tappan - park master planning expansion areas (mid-January)
- Pleasant Hill - parks master planning expansion areas (February?)

Other Items

- The interns returned to work over winter break, and provided a jump start to the outer boundary marking process.

7.04 2016 GOALS

Mr. Hoopingarner presented proposed 2016 Goals for review and comment.

FISCAL MANAGEMENT/PLANNING

The MWCD will review and revise its strategic plan in 2016, and develop a 2 to 3 year budget forecast. The strategic plan and budget forecast will be used as the basis for the annual budget process to be completed in the fourth quarter of 2016. The updated strategic plan will be completed in the third quarter of 2016.

OIL AND GAS DEVELOPMENT

The MWCD will continue to develop and audit financial compliance procedures for the oil and gas leases. Financial compliance procedures will be completed in the second quarter of 2016 and the audit process will be ongoing. In addition, MWCD will develop a shale royalty forecast to be reviewed at least quarterly. The shale royalty forecast will be used for strategic planning, budgeting and to determine revenue distribution of deep shale royalties (in accordance with the proposal adopted by the Board of Directors on December 18, 2015).

CAPITAL IMPROVEMENTS/MASTER PLAN IMPLEMENTATION

The MWCD will complete preliminary design of all projects in the first quarter of 2016. Construction activities will continue on utility and infrastructure needs. Major projects for 2016 include commencing construction of campground areas in the third and fourth quarters of 2016 at Atwood, Pleasant Hill, Seneca, and Tappan parks. A complete program schedule will be submitted to the Board of Directors for review and approval in the second quarter of 2016. Business plans will be developed for the Master Plan Implementation period within ninety (90) days of approval of the program schedule by the Board of Directors.

DREDGE PROGRAM

The MWCD will continue dredging operations at Tappan Reservoir with completion by the end of the fourth quarter of 2016. Based on the priorities and needs identified in the comprehensive dredging plan completed in 2014, a plan for dredging at Seneca Reservoir will be complete by the end of the third quarter of 2016. The dredge program is a multi-year program.

ENTERPRISE CONTENT MANAGEMENT

The MWCD will initiate implementation of the Enterprise Content Management (ECM) system which is an electronic records management system. This includes creating policies for capturing, storing and retrieving newly created documents and records, as well as policies for archiving both electronic and hard copy historic records by the first quarter. Records retention policies will be developed for all records by the second quarter of 2016. Staff training regarding the ECM will be completed by the third quarter of 2016. Full implementation of a scan/store/retrieve phase of the ECM will be completed by the end of 2016. Back scanning of historic documents will continue throughout 2016 and beyond.

TRAILS PLAN

MWCD will develop a Trails Blueprint by December of 2016 that will address not only various types of trails, but also linkages between communities and our lakes, between MWCD lakes, and between regional trail systems and MWCD lands. The development of trails was one of the higher priorities identified by customers surveyed as part of the parks master planning process. A Trails Blueprint Development Team will be chartered and begin by the end of the second quarter. The activities and processes developed and implemented by the internal trails workgroup of 2014 and 2015 will be utilized to aid in the development of the blueprint.

Mr. Sprang suggested that an additional goal be included relative to human resources development. Staff will compile the human resources goal for Board consideration for the next meeting.

7.05 MASTER PLAN UPDATE

Mr. Slogar distributed a written report to the Board on the Master Plan Implementation.

Program Status

- Preliminary Design Reports (PDR) have been received from the individual park design teams for Atwood, Charles Mill, Piedmont, Pleasant Hill and Seneca are currently being reviewed by MWCD staff and ms consultants. The PDR for Tappan will be submitted on January 29, 2016.
- The PDRs include a recommended priority listing and sequencing of projects for each park which meets MWCD mas plan budget constraints. Scope of services meetings for the detailed design of the 2016 projects will be held with the design teams in January and February 2016 with construction to start in late summer or fall 2016.
- MWCD Engineering, Recreation and Conservation staffs are working to have trees cleared from the work limits of the 2016 master plan projects. Federal regulations restrict tree cutting to the period between October 1 and March 31.
- The cabin development team is considering options to control costs on proposed cabins. In addition to pre-designed cabins, park-model cabins are being considered at some parks.
- MWCD has reviewed the comments from the Village of Perrysville on a draft wastewater treatment agreement for Pleasant Hill. A revised draft will be sent to Perrysville in February 2016.

Individual Project Status

- Atwood Lake Park Welcome Center
 - NL Construction Corporation of Canton is approximately 80% complete. Current work includes drywall finishing and painting, final HVAC, plumbing and electrical, completion of stone veneer, exterior siding and metal roof installation. Substantial completion is scheduled for March 2016 with final paving to be completed in April, as weather permits.
- Atwood Lake Park Trail, Phase I
 - VIP Construction Corporation of Canton has completed the project and the final change order has been processed. Additional wood railing and crosswalk markings will be installed by separate contract.
- Tappan ADA Restroom and Shower House
 - Plan revisions have been made to the restroom/shower building design based on an internal value-engineering review. The revised plans are now undergoing an independent third-party value engineering review to look for additional cost savings measures. The project will be rebid in the first or second quarter of 2016.
- Atwood Lake Bridge and Trail Phase II
 - Dennison Bridge received notice to proceed and the contractor has mobilized and constructed a temporary causeway across the lake. Pile driving is scheduled to begin in late January. Substantial completion is end of June, 2016.
- Atwood Amphitheater Trail Lighting
 - Wood Electric Inc. of New Philadelphia has substantially completed the project

- Tappan Sanitary Sewer
 - DLZ has completed construction plans for a new sanitary sewer trunk line to connect the new restroom/shower building and future campgrounds to the treatment plant. The project is currently out for bid with the bid opening scheduled for February 9, 2016.

7.06 DREDGE PROGRAM UPDATE

Dredging Operations

- Mechanical dredging from the upstream end of the reservoir has been progressing well with over 30,000 cubic yards removed thus far of approximately 175,000 cubic yards to be removed this winter.

Navigational Dredging Program

- Staff continues to evaluate options for smaller-scale dredging options meant to target areas in the reservoirs that would be inefficient and costly for large-scale dredging machinery.

7.07 USACE PROJECTS STATUS REPORT

Bolivar Dam

- Foundation seepage barrier construction is 70% complete. Substantial completion expected in May.
- Post Implementation Evaluation (PIE) will begin soon. This will take about a year to go through final review.
- Service gate contract: new gates will be shipped back to the fabricator for modifications. This should take about 9 months or so before the gates will be ready for installation.
- Funding request for Bolivar forthcoming.

Dover Dam

- PIE to be presented to Huntington senior group in a few weeks.
- Foundation report and as-built drawings are being finalized and should be finished by October.

Zoar Levee

- Awaiting comments from HQ regarding dam safety modification study.
- MWCD will have another opportunity to review the PPA after the mod study is approved.

Mohawk Dam

- Existing Condition Risk Assessment – draft finished and under review (Agency Technical Review and Quality Control and Consistency).
- Future Without Action Conditions - draft finished and under review (Agency Technical Review and Quality Control and Consistency).
- Both will go to the Dam Safety Oversight Group in late January.

Muskingum 729 Watershed Assessment

- Expecting comments from Division office later in January.

7.08 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham reported that at their recent meeting, the ARWSD Board of Trustees completed its annual budget review and has determined that there will be no increase in rates in 2016.

7.09 IMMINENT OR PENDING LITIGATION

Mr. Hoopingarner reported on current imminent or pending litigation matters.

8. SUBDISTRICTS

8.01 CHIPPEWA SUBDISTRICT – BID SUMMARY FOR 2015 BOARD APPROVED PROJECTS

Board approval was granted to bid and award the following Chippewa Subdistrict projects during 2015. The projects were bid in accordance with MWCD policy and bid results are listed below. Contracts were awarded to the lowest and most responsive bidders and are highlighted.

Project 1:	Chippewa Creek Reach CC 06 RB Structure Replacement (2015 maintenance project budget)		
Board Approved:	July 17, 2015	Engineer's Estimate:	\$35,000.00
COMPANY		TOTAL BID PRICE	
Adena Corporation		\$29,536.89	
Neiman Excavating Company LLC		\$33,450.43	
Marks Construction		\$33,588.71	
Mark Haynes Construction, Inc.		\$38,081.00	
Lockhart Concrete Company		\$49,389.00	

Project 2:	Chippewa Creek Reach CC 07 Structure Replacement (2015 maintenance project budget)		
Board Approved:	July 17, 2015	Engineer's Estimate:	\$87,000.00
COMPANY		TOTAL BID PRICE	
Adena Corporation		\$76,438.46	
Marks Construction		\$85,448.70	

Project 3:	Chippewa Creek Reach CC 10 RB Structure Replacement (2015 maintenance project budget)		
Board Approved:	August 28, 2015	Engineer's Estimate:	\$36,500.00
COMPANY		TOTAL BID PRICE	
Mark Haynes Construction, Inc.		\$32,670.00	
Neiman Excavating Company LLC		\$35,454.00	
Adena Corporation		\$35,802.81	
Simonson Construction Services, Inc.		\$36,535.00	

Project 4:	Chippewa Creek Reach CC 12 RB Structure Replacement (2015 maintenance project budget)		
Board Approved:	August 28, 2015	Engineer's Estimate:	\$45,000.00
COMPANY		TOTAL BID PRICE	
Neiman Excavating Company LLC		\$42,962.50	
Mark Haynes Construction, Inc.		\$43,205.00	
Simonson Construction Services, Inc.		\$45,175.00	
Adena Corporation		\$47,292.55	

Project 5:	Chippewa Creek Reach RS 02 Structure Replacement (2015 maintenance project budget)		
Board Approved:	August 28, 2015	Engineer's Estimate:	\$35,000.00
COMPANY		TOTAL BID PRICE	
Mark Haynes Construction, Inc.		\$32,330.00	
Neiman Excavating Company LLC		\$34,480.50	
Simonson Construction Services, Inc.		\$34,768.00	
Adena Corporation		\$40,501.39	

Project 6:	River Styx RS03/RS04 Selective Clearing (2016 maintenance project budget)		
Board Approved:	November 20, 2015	Engineer's Estimate:	\$125,000.00
COMPANY		TOTAL BID PRICE	
Albatross Management LLC		\$75,709.00	
H & H Land Clearing		\$91,942.50	
G E Baker Construction, Inc.		\$97,515.00	
Advanced Business Services		\$116,303.30	
D C Landscape/Excavation LLC		\$101,705.00	

These bid results are provided for informational purposes and no action is required by the Board.

Mr. Maupin raised his concern regarding the Chippewa Subdistrict. He recently toured the area with Mr. Slogar and Ms. Bennett. He urged that Best Management Practices (BMPs) be implemented on the Chippewa channel areas. Staff will discuss this issue and report back to the Board at a future meeting.

9. EXECUTIVE SESSION

An executive session was not needed at this time.

10. ADJOURN

There being no further business, on motion by Mr. Maupin, seconded by Mr. Pryce, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, February 19, 2016, at 9:00 a.m. at the Kent State University Tuscarawas Science and Technology Center.

01.21.2016, km
 Approved 02.19.2016