

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas, New Philadelphia, Ohio
February 17, 2017, 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, Ohio, on Friday, February 17, 2017, 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. Moorehead, Mr. Pryce, and Mr. Sprang.

Present from MWCD staff were Scott Barnhart, Barbara Bennett, Donnie Borland, Mary Burley, Jim Crandall, John Hoopingarner, Brad Janssen, Karen Miller, John Olivier, Boris Slogar, and Clarissa Thompson.

Mr. Maupin, 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*); Doug McClarnan and Al Fearon (*MWCD Development Advisory Committee*); Thomas Wince (*Antero Resources*); Sean Logan (*Sean Logan & Associates, LLC and Woolpert*); Ken Chaffman (*Woolpert*); and Bruce Millage (*Millersburg resident*).

Mr. McLarnan presented a book entitled "The Journal of the Sub Alpine Club of America Incorporated," by Frank J. VanVoorhis and James P. Buchwald, to the Board. Entries in the book describe the excursions of club members from 1930 to 1960 and include such topics as local history, geology, flora and fauna.

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Sprang, the minutes of the January 20, 2017, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Crandall presented the financial report for the one month period ending January 31, 2017. The total operating revenue is \$784,020.00 with operating expenses of \$775,483.00 resulting in an excess of revenue over expense of \$8,537.00.

CONSERVATION FUND

- Total revenues are 7% of budget and up nearly 19% from 2016. The main area of increase is in the Mineral Operations-Gas and Oil Royalties line item.
- Expenses are 6.62% of budget and up significantly from 2016, mainly in Mineral Operations-Gas and Oil Royalties line item for legal defense.

RECREATION FUND - PARKS

- Total revenues are nearly 2% of budget with revenues mainly coming in from the Park Camping line item.
- Expenses were 4.66% of budget and up 6.55% from 2016.

RECREATION IMPROVEMENT FUND

- Total expenses are 2% of budget with most of the expense in the Park Master Planning line item.
Overall, as the new fiscal year begins, revenues are slow, but the activity in the projects area is picking up. The total fund balance as of January 31, 2017 is \$157,942,210.72 of which \$ 137,000,000.00 is in our investment portfolio.

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

5. PAYMENT OF BILLS

On motion by Ms. Limbach, seconded by Mr. Sprang, report of the payment of bills for the period ending January 31, 2017, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Sprang, seconded by Ms. Limbach, the assignments, cancellations, new leases, farm leases, mortgage consent and agreement cancellations, and mortgage consent and agreements were approved and execution by the proper officers of the MWCD authorized.

Mr. Hoopingarner referred to a consent and agreement included on this memorandum that is in the name of Atwood Lake Boats, Inc. for a loan in the amount of \$700,000 through The Citizens Bank of Martins Ferry. He is a member of the Board of Directors of The Citizens Bank and disclosed to the Board that he was not involved with this transaction in his capacity as a director.

6.01b COTTAGE SITE LEASE RATE ADJUSTMENT FOR 2017

Since February 1, 2000, all new and renewing MWCD cottage site leases have contained language that allows the Board of Directors to add an additional 0-4% discretionary increase over and above the annual Consumer Price Index (CPI) adjustment. A long-term goal, identified by the Board of Directors in 2001 and reaffirmed with the acceptance of the 2013 cottage site appraisal, was to achieve a 5% aggregate rate of return on the appraised value of all cottage sites.

For the year 2016, the Board of Directors elected to forego utilization of the 0-4% discretionary clause, as recommended by the Board of Appraisers and MWCD staff. Cottage site lease rates were increased 1.2% in 2016 in accordance with the annual rent adjustment provision, which is contained in all residential leases that increases lease rates using the percent change in CPI from January 2015 compared to January 2016. The 1.2% increase affected those lessees on 30-year leases by yielding revenue of \$1,643,043 from new leases initiated since the year 2000. Of 1202 total leased lots, there are 821 lots in this group. Based upon the 2013 cottage area appraisal, the appraised value of the 821 lots is \$42,074,500. The resulting rate of return is 3.91%

Additional rental revenue of \$38,746 was realized during 2016 as “old leases” (those that were initiated prior to the year 2000) transferred to new owners who typically pay a higher “new lease” amount. The \$38,746 additional revenue increases the rate of return to 4.0%.

On February 9, 2017, staff met with the Board of Appraisers and discussed the above details with respect to determining the need to utilize the 0 - 4% discretionary lease clause in addition to the annual CPI lease provision adjustment for 2017. Staff also advised the Board of Appraisers that the December CPI was 2% and that the scheduled release date from the Bureau of Labor Statistics for the January 2017 CPI is February 15.

For 2017, staff concurs with the Board of Appraisers that lease rates are aligned with projected goals of the leasing program and that no additional increase in lease rates is required through utilization of the 0-4% lease discretionary clause at this time.

This information is provided to the Board as a cottage site lease program update and requires no further action.

Mr. Moorehead disclosed to the Board of Directors that he is an MWCD cottage site lessee and, as such, took no part in the above discussion.

6.01c ANTERO LAND USE – KRUPA WELL PAD – SENECA

On motion by Ms. Limbach, seconded by Mr. Moorehead, the proposed Well Operations Easement and Compensation Agreement with Antero Resources, as recommended and set forth in the above memorandum, was approved.

6.01d LEESVILLE PETERSBURG MARINA LEASE

On motion by Mr. Moorehead, seconded by Ms. Limbach, a lease with Leesville South Fork, LLC, for the operation of Leesville Petersburg Marina and Campground, as recommended and set forth in the above memorandum, was approved.

6.01e ECLIPSE SHORT-TERM WATER SUPPLY AGREEMENT - PIEDMONT

On motion by Mr. Pryce, seconded by Mr. Sprang, a short-term water supply agreement with Eclipse Resources for water from Piedmont Reservoir, as recommended and set forth in the above memorandum, was approved.

6.01f OHIO POWER COMPANY EASEMENT – TAPPAN

On motion by Mr. Sprang, seconded by Ms. Limbach, a permanent easement between MWCD and Ohio Power Company for primary power service to the new restroom/shower house building at Tappan Park, as recommended and set forth in the above memorandum, was approved.

6.02a 2017 CLEAN OHIO CONSERVATION FUND GRANT APPLICATION

On motion by Mr. Pryce, seconded by Ms. Limbach, a resolution of authorization for grant application to the Clean Ohio Conservation Fund, as recommended and set forth in the above memorandum, was adopted.

6.02b FUND TRANSFERS

On motion by Ms. Limbach, seconded by Mr. Sprang, fund transfers for the year 2016 to be presented to the Conservancy Court for their consideration, as recommended and set forth in the above memorandum, were approved.

6.02c BUDGET REVISION – REISER BUILDING PURCHASE/MODIFICATIONS

On motion by Mr. Pryce, seconded by Mr. Moorehead, a budget revision in the amount of \$1.3 million to cover the costs of the purchase of and initial necessary modifications to additional office space located on Reiser Avenue, New Philadelphia, as recommended and set forth in the above memorandum, was approved.

6.02d BUDGET REVISION – PURCHASE OF LEESVILLE PETERSBURG MARINA

On motion by Ms. Limbach, seconded by Mr. Moorehead, a budget revision to cover the costs of acquisition of Leesville Petersburg Marina, as recommended and set forth in the above memorandum, was approved.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b PROPOSED IS/IT STAFFING CHANGES

On motion by Ms. Limbach, seconded by Mr. Sprang, proposed organizational changes for IS/IT staffing, as recommended and set forth in the above memorandum, were approved.

6.03c POSITION DESCRIPTION REVISION – CLENDENING MARINA

On motion by Mr. Sprang, seconded by Ms. Limbach, proposed revisions to the position description for the Assistant Marina Manager at Clendening, as recommended and set forth in the above memorandum, were approved.

6.04a CONTRACTED SERVICES FOR MWCD AND CHIPPEWA SUBDISTRICT MAINTENANCE ASSESSMENTS

On motion by Mr. Pryce, seconded by Ms. Limbach, a contract with Woolpert, Inc. for providing GIS maintenance assessment services for both the main district and Chippewa Subdistrict, as recommended and set forth in the above memorandum, was approved with a change in the deliverable date to September 13, 2017, instead of September 30. The Board directed staff to review the progress in June to evaluate what course of action may be necessary for preparation of the maintenance assessment data for the following year.

6.04b PURCHASE OF RENTAL BOATS – BID RECAP

To upgrade the rental boat fleets at Seneca, Clendening, and Piedmont marinas, approval was requested and granted at the January Board of Directors meeting to solicit bids and award a contract for the purchase of 10 new rental pontoon boats, in an amount not to exceed \$130,000.00. Following is a recap of the bids received on January 25 (prices reflect deductions for trade-in values):

Bidder	4 Boats for Clendening/Piedmont	6 Boats for Seneca	Total
Charles Mill Marina	\$40,980.00	\$68,700.00	\$109,680.00
Leesville South Fork Marina	\$48,132.00	\$83,946.00	\$132,078.00
Atwood Lake Boats	\$59,760.64	\$80,511.24	\$140,271.88
Grove Lawn & Marine	\$67,860.00	\$101,982.00	\$169,842.00
Sizzle Marine	\$75,300.00	\$98,500.00	\$173,800.00

Charles Mill Marina submitted the lowest bid. They have supplied quality rental boats to MWCD in the past.

MWCD has entered into a contract with Charles Mill Marina for the purchase of the boats described above in the amount of \$109,680.00. Funds for this purchase are included in the 2017 Budget. No action is required.

6.04c MASTER PLAN IMPLEMENTATION: CONSTRUCTION SERVICES

On motion by Mr. Sprang, seconded by Mr. Pryce, contracts for construction services administration and inspection for Master Plan projects, as recommended and set forth in the above memorandum, were approved as follows:

Area	Services	Firm	Amount
Atwood Lake Charles Mill Lake Pleasant Hill Lake	Construction Administration and Inspection	Michael Baker International, Canton	\$537,160.00
Piedmont Lake Seneca Lake Tappan Lake	Construction Administration and Inspection	Omnipro Services, LLC, Canton	\$899,949.00
All Reservoirs	Construction Program Management	ms consultants, Youngstown	\$194,631.00

6.04d PIEDMONT LAKE MARINA AND CAMPGROUND REDEVELOPMENT PHASE 1: DESIGN CONTRACT

On motion by Mr. Sprang, seconded by Ms. Limbach, a contract with OHM Advisors in the amount of \$193,560.00 for final design of the Piedmont Lake Campground project, as recommended and set forth in the above memorandum, was approved.

6.04e SENECA PARK – PARKSIDE CAMPGROUND TREE CLEARING

On motion by Mr. Pryce, seconded by Mr. Moorehead, solicitation of bids and award of a contract in an amount not to exceed \$85,000.00 for a tree clearing project at Seneca Lake Parkside Campground, as recommended and set forth in the above memorandum, were authorized.

6.04f LONG-TERM MAINTENANCE DREDGING PROGRAM – TAPPAN LAKE GMP AMENDMENT #5 WITH PCi DREDGING

On motion by Mr. Moorehead, seconded by Mr. Sprang, Amendment #5 for the dredging contract with PCi Dredging in the amount of \$60,395.00, as recommended and set forth in the above memorandum, was approved.

6.05 MEMORANDUM OF UNDERSTANDING WITH ODNR

On motion by Ms. Limbach, seconded by Mr. Moorehead, execution of a Memorandum of Understanding between MWCD and Ohio Department of Natural Resources, as recommended and set forth in the above memorandum, was authorized.

6.06 PWM GRANT PROGRAM – 2017 FUNDING RECOMMENDATIONS

On motion by Mr. Sprang, seconded by Mr. Pryce, award of 2017 funding of the Partners in Watershed Management Program, as recommended and set forth in the above memorandum, was approved as follows:

RECOMMENDED FOR APPROVAL						
Applicant	County	Project Title	Official Plan Category	Project Cost	Amount Requested	Amount Recommended
1 Holmes County Park District	Holmes	Killbuck Wetlands Acquisition and Conservation	WM-6, WQ-5	\$122,648	\$30,655	\$25,000
2 Washington Township	Holmes	Twp. Rd. 451 Stream Bank Stabilization	DS-4, WM-6	\$77,300	\$77,300	\$65,000
3 City of Mt. Vernon Heidelberg	Knox	Blackberry Alley Restoration	DS-7, WQ-2, WQ-5, WM-6	\$370,267	\$161,753	\$135,000
4 University	Morgan	Muskingum River Gage at McConnellsville	WQ-2, DS-8, WQ-5	\$20,580	\$16,000	\$10,000
5 City of Zanesville	Muskingum	Lock 10 Debris Removal	DS-4, DS-8	\$176,000	\$160,000	\$55,000
6 City of Massillon	Stark	Tuscarawas River Improvement Corridor	WM-1, WM-6, WQ-5	\$30,119	\$28,500	\$22,500
7 Village of Wilmot	Stark	Wilmot Stream Restoration	DS-4, DS-6, WM-6	\$439,094	\$150,000	\$130,000
8 City of Green	Summit	Regional Stormwater Basin Study	DS-6, DS-7, WM-1	\$59,500	\$59,500	\$45,000
9 City of Dover	Tuscarawas	Dover Low Head Dam	WM-1, WM-6, WQ-2	\$18,687	\$15,813	\$12,500
SUBTOTAL				\$1,314,195	\$699,521	\$500,000

OTHER BUSINESS

Mr. Hoopingarner requested that Mr. Maupin consider the Board members’ assignments to work groups. Currently the assignments are: Mr. Pryce – master plan; Mr. Sprang – budget; Mr. Maupin – conservation; and Ms. Limbach – recreation. A Board member needs to be assigned to maintenance assessment, to which Mr. Parham was previously assigned. It was suggested that Mr. Moorehead and Ms. Limbach might consider to which areas they would be assigned, recreation or maintenance assessment.

7. REPORTS

7.01 MARINAS REPORT

Members of the Board received a copy of the Summary of Marina Operations for the period ending December 31, 2016.

The marina building renovation project at Piedmont continues. The interior of the building, done with a natural finish poplar, looks fantastic. Framing has begun on the addition which will house the new ADA restrooms.

Dock abutment projects are set to begin at Clendening, Seneca, and Tappan marinas.

Design work for the replacement of the customer docks at Tappan Lake Marina is complete. Manufacturing of the docks will now begin. Delivery will be required in April.

The public launch ramp project at Charles Mill Marina, has been delayed by high water levels. Work on the Leesville South Fork Ramp replacement project has not been impacted significantly yet.

The Asset Purchase Agreement for Tappan Lake Marina, and lease extension, are being finalized.

A Request for Proposals (RFP), to operate Tappan Lake Marina, was issued in December with proposals due March 20. Walk-throughs with two prospective operators have been held. The RFP has been sent to multiple marina owners around the state and Great Lakes, and advertised nationally through the Marina Dock Age magazine’s website.

A lease agreement with Keith Ott, owner/operator of Leesville South Fork Marina, to operate the recently purchased Leesville Petersburg Marina, is being finalized, and being brought to the Board for approval 7.01this month.

A new outdoor freezer unit will be installed at Seneca Lake Marina in March to handle the increased business and food storage needs of the owners of the Dockside Restaurant.

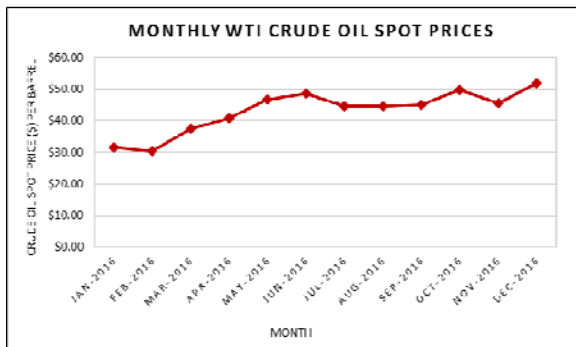
7.02 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 50 wells at Clendening, Seneca, and Leesville Reservoirs. A breakdown of the wells by operator and reservoir, and the monthly royalty revenue can be seen on the attached page.

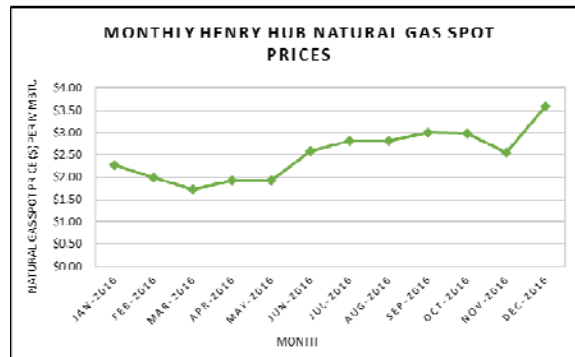
There were no specific items to note, and the monthly Utica royalty revenue decreased about 3.9% from December ‘16 (\$551,465.70) to January ‘17 (\$529,817.32).

The U.S. Energy Information Administration Prices Reports¹ (January 2017):

The WTI Crude Oil Spot Price² for December 2016: \$51.97 per barrel



The Henry Hub Natural Gas Spot Price³ for December 2016: \$3.59 per MMBTU



¹ Source: U.S. Energy Information Administration (January 2017)

² WTI: Otherwise known as West Texas Intermediate is an oil benchmark and serves as a reference price for buyers and sellers of crude oil. One of the three primary crude benchmarks, WTI is associated with North American crude since this is where the market is. The New York Mercantile Exchange (NYMEX) oil futures contracts are based on WTI, and it has become one of the most common indexes when referencing the price of oil in North America.

³ Henry Hub Natural Gas: A natural gas benchmark commonly used as a pricing point for natural gas futures contracts on The New York Mercantile Exchange (NYMEX) and generally used as the primary price set for the North American natural gas market.

7.03 2017 GOALS

Mr. Hoopingarner reviewed the 2017 goals with the Board.

7.04 MASTER PLAN UPDATE

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

Program Status

- Detailed design continues for the following projects:
 - Atwood: Special event parking improvements, main campground improvements – Phase 1
 - Charles Mill: Boat storage lot, water and wastewater treatment plans, main campground redevelopment – Phase 1
 - Piedmont: Water and electric utility improvements
 - Pleasant Hill: Sanitary system improvements, seasonal campground redevelopment – Phase 1
 - Seneca: P-13 and P-21 Campgrounds
 - Tappan: WWTP Phase 1 improvements, campground renovation – Phase 1
- The following projects are in the scope development or fee negotiation process and will be under design in FY17:
 - Piedmont: Campground redevelopment Phase I
 - Pleasant Hill: Seasonal campground redevelopment Phase I, Area 27 Cabin Road and utilities
 - Seneca: Area M-10 campground (south)

Individual Projects Status

- **Atwood Area 20 Campground:** on the restroom/shower building and the floor slab was poured Beaver Excavating is currently performing sanitary sewer and waterline installation. Masonry walls are complete February 13. Substantial completion is scheduled for September, 2017 with an interim milestone date of June 30, 2017 for completion of 75 campsites and the restroom/shower building.
- **Tappan ADA Restroom and Shower House:** CCI Construction has completed installation of all trusses and rough plumbing and electrical work. Installation of roofing materials is nearing completion and tile installation and interior finish work is ongoing. The project will be substantially completed prior to the 2017 camping season.
- **Seneca Lake Park – Terminal Pump Station and Force Main to Senecaville:** A construction contract in the amount of \$941,338.73 was awarded to Border Patrol LLC on January 18. A pre-construction meeting will be scheduled in the coming weeks with construction following shortly thereafter. The project will involve the replacement of the existing terminal parkside pump station located near the middle shower house and construction of approximately 11,500 feet of 6-inch force main across MWCD property and along Hatchery Road right of way to the Senecaville wastewater treatment plant. The project will be substantially completed in October.

- **Atwood Sanitary Sewer System:** A construction contract in the amount of \$229,721.72 was awarded to Tucson, Inc. on January 3. Construction began February 6 and is approximately 30% complete. The project will construct just over 3,000 feet of sanitary sewer from the proposed Campground Area 20 to the existing main lift station located near Camp Area B. The project is scheduled for substantial completion in May.
- **Pleasant Hill Area 22 Campground:** A construction contract in the amount of \$2,876,024.35 was awarded to Shrock Premier Custom Construction LLC on December 29, 2016. The pre-construction meeting was held January 19 and notice to proceed was given February 16 following USACE consent permit approval. The project will include 59 full hookup RV camp sites, a CXT restroom/shower building, picnic shelter and playground to be located on the east side of the park near existing Camp Area E. The project is scheduled to be substantially completed in October.
- **Seneca Beach Concession/Restroom Building:** A construction contract was awarded to Brannon Contracting & Maintenance Services LLC in the amount of \$303,261.60. The contractor has completed demolition of the existing concession building. Site work and utility installation will commence as weather permits. A new concession and restroom building will be purchased from Public Restroom Company under a separate contract. The project is scheduled for substantial completion in April.
- **Tappan East Campground:** Advertisement for bids began February 1 and a pre-bid meeting was held February 16. The engineer's estimate for the project is \$5,750,000.00. Bids will be opened March 1. The project will include 76 full hook-up transient RV camp sites, a CXT pre-fabricated restroom building, picnic shelter and playground to be located on the east side of the park near the site of the ADA restroom and shower house currently under construction. The project is scheduled to be substantially complete in October.

7.05 DREDGE PROGRAM STATUS – TAPPAN LAKE DREDGING PROJECT

- Wye-Bay dredging is complete. Dock users have been having difficulty accessing their docks due to shallow water depths, so approximately 1,500 cubic yards of material was removed to restore the area to an adequate depth.
- Planning for Dredge Material Relocation Areas (DMRA's) at Seneca is underway.

7.06 USACE PROJECTS STATUS REPORT

Dover Dam (no significant update since last report)

- Real estate work continuing over the next few months (ODOT easement at the right abutment and a potential mineral rights easement at the left abutment).
- Project will be closed out by the end of the federal fiscal year (September 2017).

Bolivar Dam (no significant update since last report)

- Four of the six gates are replaced and completely rehabbed with the final two to be replaced by the end of February.
- Final restoration and pavement work on the dam have been postponed until Spring because of weather. Road over the dam will remain closed until then but will be available for emergency access including when necessary during times of flooding.
- Left abutment restoration will take place next year along with the installation of additional piezometers to monitor the performance of the seepage barrier. In addition, the relief wells will be cleaned out next year.
- USACE is considering a public outreach event in conjunction with the final ribbon cutting event in October.

Mohawk Dam

- Dam Safety Modification Report was submitted for review January 31. Additional changes are required to the DSMR and will delay final review until May.

Zoar Levee

- The scope for geotechnical analyses and archeological services should be ready to be awarded in April.
- Zoar is planning a bicentennial celebration May 20.

Partnering Meeting

- The next biannual partnering meeting is scheduled for March 15 in Huntington.

7.07 IMMEDIATE OR PENDING LITIGATION

No business at this time.

8. SUBDISTRICTS

8.01 BLACK FORK SUBDISTRICT: EMH&T CONTRACT AMENDMENT

On motion by Ms. Limbach, seconded by Mr. Sprang, an amendment to the contract with EMH&T in an amount not to exceed \$282,857.82 for development of an official plan for the Black Fork Subdistrict, as recommended and set forth in the above memorandum, was approved.

8.02 CLEAR FORK SUBDISTRICT: USGS CONTRACT AMENDMENT

On motion by Ms. Limbach, seconded by Mr. Moorehead, an amendment to the contract with U.S. Geological Survey to evaluate flood characteristics of the Clear Fork of the Mohican River and select tributaries, as recommended and set forth in the above memorandum, was approved.

8.03 CHIPPEWA SUBDISTRICT: USGS JOINT FUNDING AGREEMENT

On motion by Mr. Sprang, seconded by Mr. Moorehead, a joint funding agreement with the U.S. Geological Survey for data collection relative to the Chippewa Subdistrict, as recommended and set forth in the above memorandum, was approved.

9. EXECUTIVE SESSION

On motion by Mr. Sprang, seconded by Mr. Moorehead, the Board of Directors entered executive session at 11:57 a.m. to discuss matters related to ORC §121.22 (G) (1) [Employment]. On roll call: Ms. Limbach-yes; Mr. Maupin-yes; Mr. Moorehead-yes; Mr. Pryce-yes; and Mr. Sprang-yes. The executive session ended at 12:30 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Moorehead, seconded by Mr. Pryce, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, March 17, 2017, at 9:00 a.m. at the Kent State University Tuscarawas, Science and Technology Center.