

**SUMMARY OF MINUTES  
BOARD OF DIRECTORS  
MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
Held at the MWCD Annex Building, New Philadelphia, Ohio  
February 23, 2018, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the MWCD Annex Building, 2050 Reiser Avenue SE, New Philadelphia, Ohio, on Friday, February 23, 2018, 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. Paquette, and Mr. Sprang.

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

Mr. Sprang, 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*); Brett Heffner, Gary Biglin, Dale Schroeder, and John Schroeder (*Shelby area residents*).

John Schroeder stated the purpose of attending today's meeting being to check on the progress of cleaning the Black Fork River from State Route 13 to Charles Mill Dam. He also said that he recalled discussion from the last MWCD Board of Directors meeting relative to the public's perception of MWCD – in his opinion, the opinion of MWCD in the Shelby community is not good. Mr. Schroeder submitted a copy of several emails received through a "freedom of information request" submitted to the City of Shelby (*copy on file*).

Dale Schroeder stated that he feels that their (the Black Fork residents) concerns about the project "have not been heard."

Mr. Slogar distributed a Black Fork Subdistrict update with a timeline and a process update (*copy on file*). The process update includes:

- Economic analysis results expected sometime in March
- If benefits outweigh costs (as expected), final project scenarios will be presented in open public meetings in the Shelby area in June/July timeframe
- Final scenario chosen and prepared with input from public meetings, area stakeholders, and public officials
- Go/No-Go decision to be made by the City of Shelby in the fourth quarter of 2018
- If Go decision is made, MWCD Board of Directors to consider Black Fork Official Plan at next appropriate meeting

Ms. Limbach stressed to the Black Fork Subdistrict project is still in the process of review. The earliest the matter could be presented to the Conservancy Court is June 2019. The final decision to proceed or not will be the responsibility of the City of Shelby. The MWCD will provide potential solutions for consideration.

### **3. APPROVAL OF MINUTES**

On motion by Ms. Limbach, seconded by Mr. Paquette, the minutes of the January 19, 2018, meeting of the Board of Directors were approved.

### **4. FINANCIAL**

Mr. Cugliari presented the financial report for the one-month period ending January 31, 2018. The total operating revenue is \$1,258,609.00 with operating expenses of \$798,704.00 resulting in an excess of revenue over expenses of \$459,905.00.

#### **Conservation Fund**

- Total revenues are 18% of budget and up 89% from 2017. The increase in 2018 is entirely in the Mineral Operations/Gas and Oil Royalties with more wells in production than one year ago.
- Total expenses are 6% of budget.

#### **Recreation Fund: Parks**

- Total revenues are 1% of budget with minimal revenue being received. However, significant seasonal camping revenues will be received during the months of February and March.
- Total expenses are 5% of budget.

#### **Recreation Fund: Non-Park**

- Total revenues are 1% of budget and up considerably for the reporting period from last year.
- Marina Operations revenue is up from 2017, specifically because of the new lease arrangements with a flat monthly payment being received from the leased marinas.
- Total expenses are 4% of budget.

#### **Recreation Improvement Fund**

- Total expenses are 2% of budget with the majority being incurred for Park Master Plan projects.

#### **Maintenance Assessment Fund**

- Total expenses are 4% of budget and up from 2017.
- The main area of expenses is in the Water Resources and Flood Control, Water Quality Monitoring and Watershed Management line items.

Overall, the first month of the year consisted mainly with the continuation of park master plan projects, while there were minimal revenues brought in outside of oil and gas.

Mr. Cugliari informed the Board that the accounting software conversion has occurred and gave kudos to not only the finance staff, but all MWCD staffers for their patience and cooperation in the process.

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

### **5. PAYMENT OF BILLS**

On motion by Mr. Moorehead, seconded by Mr. Maupin, the report of the payment of bills for the period ending January 31, 2018, was approved as presented.

## 6. BUSINESS

### 6.01a LEASE TRANSACTIONS

On motion by Ms. Limbach, seconded by Mr. Moorehead, 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 COTTAGE SITE LEASE RATE ADJUSTMENT FOR 2018

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 2017, 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 2.5% in 2017 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 2016 compared to January 2017. The 2.5% increase affected those lessees on 30-year leases by yielding revenue of \$1,734,097 from new leases initiated since the year 2000. Of 1,202 total leased lots, there are 847 lots in this group. Based upon the 2013 cottage area appraisal, the appraised value of the 847 lots is \$43,315,000. The resulting rate of return is 4.00%

Additional rental revenue of \$42,205 was realized during 2017 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 \$42,205 additional revenue increases the rate of return to 4.10%.

On February 16, 2018, 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 2018. Staff also advised the Board of Appraisers that the Bureau of Labor Statistics January 2018 CPI is 2.1%

For 2018, staff concurs with the Board of Appraisers that lease rates are aligned with projected goals of the leasing program and, subsequent to the 2.1% CPI rate adjustment, 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.

### 6.01c AEP EASEMENTS AT ATWOOD PARK

On motion by Mr. Moorehead, seconded by Mr. Paquette, two easements with American Electric Power to allow for installation of primary underground electric service to the Atwood main campground improvement Phase 1 project, as recommended and set forth in the above memorandum, were approved.

**6.01d AEP EASEMENT AT TAPPAN PARK**

On motion by Ms. Limbach, seconded by Mr. Moorehead, an easement with American Electric Power to allow for installation of primary underground electric service to the Tappan campground renovations Phase 1 project, as recommended and set forth in the above memorandum, was approved.

**6.01e PARTIAL ASSIGNMENT OF LEASE #602 - CLENDENING**

On motion by Mr. Moorehead, seconded by Ms. Limbach, a partial assignment of lease #602 at Clendening from Gulfport to Ascent/Utica Minerals, as recommended and set forth in the above memorandum, were approved.

**6.02a INVOICES PRIOR TO PURCHASE ORDERS**

On motion by Ms. Limbach, seconded by Mr. Moorehead, a “then and now” certificate for invoices received prior to processing of a purchase order, as recommended and set forth in the above memorandum, was authorized.

**6.02b FUND TRANSFERS**

On motion by Ms. Limbach, seconded by Mr. Maupin, resolutions necessary for fund transfers for the year 2017, as recommended and set forth in the above memorandum, were adopted as presented.

**6.03a HUMAN RESOURCES SUMMARY**

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

**6.03b POSITION DESCRIPTION REVISION: ENGINEERING TECHNICIAN**

On motion by Mr. Maupin, seconded by Ms. Limbach, proposed revisions to the CAD Technician position description, including a change in the position title to Engineering Technician, as recommended and set forth in the above memorandum, were approved.

**6.04a MASTER PLAN IMPLEMENTATION – CONSTRUCTION SERVICES**

On motion by Ms. Limbach, seconded by Mr. Moorehead, contracts for construction services for upcoming Master Plan projects, as recommended and set forth in the above memorandum, were approved for the following: Michael Baker International in the amount of \$756,035; Omnipro Services, LLC, in the amount of \$856,655; and ms Consultants in the amount of \$187,310.

**6.04b PLEASANT HILL CAMPGROUND REDEVELOPMENT PHASE 1  
MODIFICATION OF CONSTRUCTION SERVICES CONTRACT AND ADDITIONAL DESIGN SERVICES**

On motion by Ms. Limbach, seconded by Mr. Maupin, authorization for a modification to a contract with Stantec Consulting Services, Inc., in the amount of \$74,660 for final design of the Pleasant Hill campground redevelopment Phase 1, as recommended and set forth in the above memorandum, was granted. Mr. Moorehead-abstain.

**6.04c SENECA FUEL SYSTEM UPGRADE PROJECT: BID AND AWARD RESULTS**

At the December 2017 meeting, the Board authorized solicitation of bids and award of a contract for the Seneca Lake Fuel System Upgrade project.

Sealed bids were received on Wednesday January 17, 2018, with the following results:

<b>Contractor</b>	<b>Total Bid</b>
SM Miller Construction, Grove City, OH	Non-responsive
A. Graziani & Co., New Castle, PA	\$149,480.00

SM Miller Construction bid was incomplete therefore their bid is considered non-responsive. The amount of the low bid was within ten percent of the engineer’s estimate of \$140,000.00. The bid was reviewed; references checked and it is an acceptable bid.

A contract will be executed with A. Graziani and Company in the amount of \$149,480.00. Substantial completion for the project is scheduled for March 15, 2018. This memo is provided for informational purposes only and no Board action is required.

**6.04d TAPPAN PARK CAMPGROUND RENOVATION PHASE 2 – DESIGN CONTRACT**

This memo was withdrawn.

**6.04e PARK AMENITIES BID AWARD AND PURCHASE**

On motion by Mr. Maupin, seconded by Mr. Moorehead, purchase of park amenities, as recommended and set forth in the above memorandum, were approved as follows: American Athletix in the amount of \$24,267.24 for purchase of benches; RJ Thomas Manufacturing Company, Inc., in the amount of \$347,286.70 for purchase of fire rings, grills, trash cans, recycling receptacles, and picnic tables; and Jamestown Advance in the amount of \$6,604.00 for purchase of grills.

**6.04f PURCHASE OF ELECTRIC RV POWER PEDESTALS**

On motion by Mr. Moorehead, seconded by Ms. Limbach, purchase of 350 recreational vehicle power pedestals for use in newly constructed campgrounds from Eaton Marina Power and Lighting at their total bid price of \$115,150.00, as recommended and set forth in the above memorandum, was authorized.

**6.05 CAMPGROUND RULES - REVISIONS**

On motion by Ms. Limbach, seconded by Mr. Moorehead, proposed revisions for the 2018 Campground Rules, as recommended and set forth in the above memorandum, were approved.

**6.06 OTHER BUSINESS**

**PIEDMONT MARINA AND CAMPGROUND  
SUMMARY OF DESIGN CONTRACT MODIFICATIONS**

In accordance with MWCD Operational Policy No. 1037:1 (B): all change orders shall be reported to the Board of Directors at the conclusion of the project, unless the total cost of the project, including change

orders, is less than \$50,000.00. Change orders (single or cumulative) which exceed the lesser of 10% of the project cost or \$100,000.00 must be approved by the Executive Director or Chief Financial Officer and reported to the Board of Directors at their next regularly scheduled meeting.

Two design contracts were modified for design of projects at Piedmont Lake Marina and Campground. These modifications were agreed to by Boris Slogar, Chief Engineer, and subsequently approved by Jim Cugliari, Chief Financial Officer:

- **Water Distributions and Storage System** – Plans were revised to include the proposed water treatment plant and update plan bidding documents in the amount requested of \$13,294. The original contract amount was \$49,880.
- **Wastewater Treatment Plant** – Plans were revised to incorporate plant location and include additional features into the design. Relocation of the plant is needed to provide an adequate buffer from a new water supply well that was constructed during 2017. The additional amount is \$18,025. The original contract amount was \$62,920.

No Board action is necessary.

## **7. REPORTS**

### **7.01 MARINAS REPORT**

The transition process at Tappan Lake Marina continues to go very smoothly.

- An agreement in principle has been reached with Dino Pangrazio and Pangrazio's Pizza Company, Inc., to operate the restaurant at Tappan Lake Marina. Mr. Pangrazio has a current relationship with us as the operator of the beach concession at Tappan Lake Park, and his successful restaurant, Dennison Yard, is very popular and well-known, with a large, local customer base. We will bring a lease agreement for approval to the March Board meeting.
- Mr. Pangrazio joins Keith Ott, already onboard, giving MWCD two tremendous lease partners to help Tappan Lake Marina reach its full potential. Planning has already begun in-house to determine the improvements needed to reach that potential, with initial efforts focusing on identifying and improving storage areas for use this fall. An architectural firm will be brought on board shortly to look at building needs and site improvements, as well.

A contract was awarded to A. Graziani Co. for improvements to the fueling system at Seneca Lake Marina, with project completion scheduled for mid-April. The firm performed above expectations last year while completing a similar project at Piedmont Marina.

The launch ramp project at Charles Mill Marina has been completed. This project will help make marina operations more efficient, and provide improved public access to nearby fishing areas.

The campground renovation project for Piedmont continues. It is still anticipated that a portion of the renovated area will be reopened later this spring.

Dock replacement projects are under way at Leesville North Fork Marina, and Seneca Lake Marina. The Leesville project will entail an almost complete replacement of the older docks at the facility, while the new dock at Seneca will replace the only one remaining from previous ownership.

**MWCD Board of Directors – Summary of Minutes  
February 23, 2018 – Page 7 of 10**

Brian Valot, owner of Atwood Lake Boats, is undertaking a project to expand the size of an on-site service and storage building at Atwood West Marina.

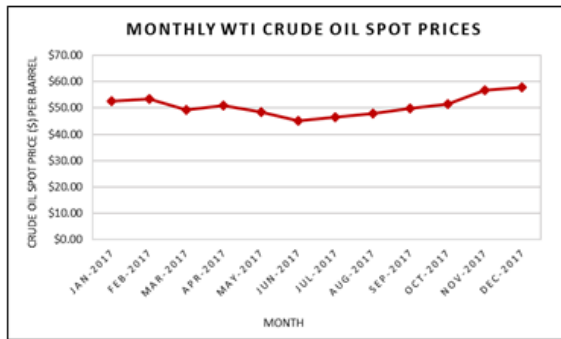
**7.02 UTICA ROYALTY REVENUE REPORT**

Utica royalty revenue is currently generated by 64 producing wells at Clendening, Seneca, and Leesville Reservoirs. A breakdown of the producing wells by operator and reservoir, along with the monthly royalty revenue can be seen on the attached page.

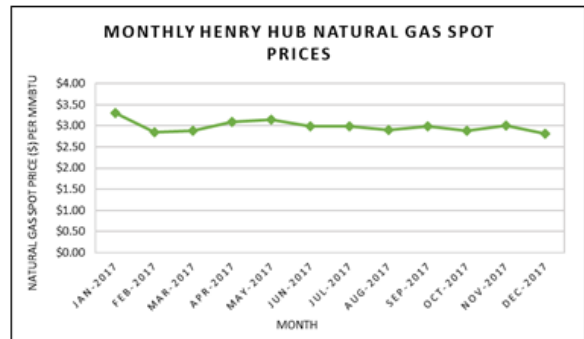
The monthly Utica royalty revenue decreased about 18% from December 2017 (\$1,225,808.49) to January 2018 (\$1,009,022.13).

The U.S. Energy Information Administration Prices Reports<sup>1</sup> (December 2017):

- The WTI Crude Oil Spot Price<sup>2</sup> for December 2017: \$57.88 per barrel



- The Henry Hub Natural Gas Spot Price<sup>3</sup> for December 2017: \$2.81 per MMBTU



<sup>1</sup> The U.S. Energy Information Administration Prices Reports<sup>1</sup> (December 2017)

<sup>2</sup> 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.

<sup>3</sup> 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 OPRA AWARD OF EXCELLENCE**

The MWCD recently received an award at the Ohio Parks and Recreation Association’s annual conference. The award was third place in the category of Programs – Special Event, and was in recognition of The Best Dam Motorcycle Poker Run. The event took place on Saturday, June 3, 2017, to support veterans and take a scenic, back-road tour with stops at five MWCD dams to complete a poker hands. All proceeds benefited Save22, a non-profit organization dedicated to awareness and prevention of veteran suicide.

**7.04 MASTER PLAN UPDATE**

**Program Status**

Detailed design continues for the following projects:

- **Charles Mill:** Campground Redevelopment Phase 2

- **Piedmont:** Water and Electric Utility Improvements
- **Pleasant Hill:** Cabin Roadway and Infrastructure Improvements, Cabins Phase 1
- **Seneca:** Marina Point Campground Phase I
- **Tappan:** Waste Water Treatment Plant (WWTP) Phase 1 Improvements

#### Individual Projects Status

- **Atwood Lake Area 20 Campground:** Work on the project is substantially complete. Portions of landscaping and punch list items remain to be completed in Spring 2018.
- **Atwood Main Campground Improvements – Phase I:** Sheckler Excavating has completed installation of erosion control measures and tree clearing and is currently working on sanitary sewer and gas line installation. The project will provide 106 full-hookup RV campsites, a restroom/shower building, 2 shelters with playgrounds, walking paths, cluster dock and abutments, new dump station, gas line replacement and improvements to the special event parking area. Substantial completion for the project is scheduled for October, 2018.
- **Atwood Special Event Parking Improvements:** MWCD's in-house construction crew has completed new aggregate driving lanes, a communication conduit and installation of additional drainage piping in the special event parking area located on the north side of Shop Road. A section of multi-purpose trail between the Activity Center and the Amphitheater trail has been constructed by staff this winter.
- **Charles Mill Lake Park Water and Wastewater Utility Improvements:** Work has started this month with Simonson Construction Services from Ashland on the project. The project consists of a new 25,000 gallon per day (GPD) wastewater treatment plant, 1,500 linear feet of gravity sewer, and 3,100 linear feet of force main to provide collection from the main campground and Eagle Point. The project also includes a new water treatment plant, one new water well, a 50,000-gallon elevated water storage tank, and 5,500 linear feet of new water lines to connect from the main campground and Eagle Point to the new storage tank. Substantial completion is scheduled for October 2018.
- **Charles Mill Lake Park Main Campground Redevelopment – Phase I:** Shrock Custom Premier Construction of Loudonville has begun work this month on the project. This project involves the reconstruction of the existing northern section of the campground with 79 full-hookup RV campsites with gravel pads, renovations to the existing restroom/shower building, and a new CXT restroom/shower building. Substantial completion for the campground is scheduled for October 2018.
- **Piedmont Campground Renovations Phase I:** Underground utilities are being installed. Coordination of AEP electric relocation is underway. Stream restoration is underway. Camper pad construction is prioritized to build the sites located between the proposed restroom and the lake.
- **Pleasant Hill Lake Area 22 Campground:** Work on the project is substantially complete. Portions of landscaping and punch list items remain to be completed in spring 2018.
- **Pleasant Hill Lake Sanitary Collection System Improvements:** Installation of the 4" and 8" diameter sanitary sewers are complete. Precast concrete wet wells and valve vaults for the two lift stations have been installed. Electric installations are ongoing. The substantial completion is scheduled for February 2018.
- **Pleasant Hill Seasonal Campground Redevelopment – Phase I:** Shrock Custom Premier Construction is approximately 70% complete with Restroom/Shower building renovations. Demolition and tree clearing in the campground are complete. Topsoil stripping and sanitary sewer installation is ongoing. The project will provide 45 full-hookup RV campsites, a small CXT restroom building, and walking paths. Reconstruction of the existing restroom/shower building in Camp Area A, and the addition of a family restroom and laundry room, will also be included in the project. Substantial completion for the project is scheduled for March, 2019.
- **Seneca Lake Terminal Pump Station and Force Main to Senecaville:** Border Patrol has set the pump station and has completed building the force main including the tie-in to Senecaville's wastewater treatment plant. The project will be substantially completed in March 2018.



- **Seneca Lake Parkside Central and Woodlands Campgrounds:** Cast & Baker Corp. has been working on the utility installation and construction of the new crib pier and boat ramp. The project will be substantially completed in November 2018.
- **Seneca Marina - Fuel System Upgrade:** Work is to begin later the end of this month on the project by A. Graziani and Company. Completion is scheduled for April 2018.
- **Tappan Lake East Campground:** The project is complete, with the exception of punch list items and final paving. Campers have been moved onto the camping pads to clear the project area for the next project.
- **Tappan Lake Park Campground Renovation – Phase I:** The construction contract was awarded to GLR Inc. of Dayton in the amount of \$3,115,693.22. This project includes construction of 77 RV campsites and construction of a new CXT restroom/shower building. Clearing and grubbing is underway. Utilities installation will be during March.

### **Reservoir Dredging and Shoreline Stabilization (Ongoing)**

#### **Dredging Program**

- **Seneca Lake:** Tree clearing and construction of the first two settling basins should be complete this winter to allow dredging to begin near the Churchman’s Point Dock Association in April or May. Design work continues for the development of additional settling basins, as well as to finalize the areas and volume of material to be dredged.

#### **Shoreline Program**

- **Leesville Lake – South Fork Marina Shoreline Project:** This rock riprap and segmental concrete block retaining wall project is being constructed by our Engineering crew, and should be completed by March 2018.
- **Seneca Lake Hickory Grove and East Shore Shoreline Stabilization Project:** The project was awarded to Tucson, Inc of New Philadelphia and a preconstruction meeting was held on December 20. Substantial completion is scheduled for March 2018.
- **Tappan Highlands Shoreline Stabilization Project:** The project was awarded to Tucson, Inc of New Philadelphia and a preconstruction meeting was held on December 20. Substantial completion is scheduled for March 2018.

### **7.05 USACE PROJECTS STATUS REPORT**

- No significant changes have occurred since January’s update.
- The National Weather Service is forecasting widespread flooding this weekend with possibly the highest crest on the Ohio river since Hurricane Ivan (2005) early next week. USACE is holding back flood waters behind the Muskingum dams which will impact MWCD reservoir levels.
- The next partnering meeting with USACE will take place March 28 in Huntington.

### **7.06 IMMEDIATE OR PENDING LITIGATION**

Mr. Hoopingarner reported that Chief Legal Counsel has been informed that the Ohio Supreme Court has declined to take jurisdiction of the Harper appeal from the Fifth District Court of Appeals. This sets the precedent of the Appeals Court decision confirming the statutory “powers of a corporation” of Conservancy Districts in Ohio. These “powers,” including the power to lease land and minerals, were being challenged by the Harper case.

**8. SUBDISTRICTS**

No business at this time.

**9. EXECUTIVE SESSION**

On motion by Ms. Limbach, seconded by Mr. Moorehead, the Board of Directors entered executive session at 11:05 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. Paquette-yes; and Mr. Sprang-yes. The executive session ended at 12:05 p.m.

In open session, on motion by Ms. Limbach, seconded by Mr. Moorehead, the Board approved the employment of Bradley Janssen as Chief of Conservation in accordance with the terms of the proposed employment contract.

**10. ADJOURN**

There being no further business, on motion by Mr. Moorehead, seconded by Ms. Limbach, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, March 23, 2018, at 9:00 a.m. at the MWCD Annex Building, 2050 Reiser Avenue SE, New Philadelphia.

*02.23.2018,km*  
*Approved 03.23.2018*