

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Tolloty Technology Incubator, New Philadelphia, Ohio
March 20, 2015, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Tolloty Technology Incubator, 1776 Tech Park Drive NE, New Philadelphia, Ohio, on Friday, March 20, 2015, 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. Horstman, Ms. Limbach, Mr. Maupin, and Mr. Parham.

On motion by Ms. Limbach, seconded by Mr. Parham, Mr. Pryce was excused.

Present from MWCD staff were Scott Barnhart, Barbara Bennett, John Bird, Mary Burley, Jim Crandall, Jim Cugliari, John Hoopingarner, Ted Lozier, Karen Miller, Boris Slogar, Mark Swiger, and John Watkins.

Mr. Horstman, 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*); Sean Logan (*Woolpert*); Derek Conrad and Zac Morris (*Rea & Associates*); Ken Woodard (*U.S. Army Corps of Engineers*); Doug McLarnan (*member of the MWCD Development Advisory Committee*); and Mary January (*DLZ*).

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Maupin, the minutes of the February 20, 2015, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending February 28, 2015. The total operating revenue is \$2,998,654.00 with operating expenses of \$1,732,694.00, resulting in an excess of revenue over expenses of \$1,265,960.00.

Conservation Fund

- For the month there was approximately \$130,000.00 generated from Timber Harvesting and Pine Pulpwood Operations.
- Total expenses are 9.17% of budget and up 43% from 2014.

Recreation Fund-Parks

- Overall revenues are up 12.82% from 2014.
- Park camping revenues are at 27.47% of budget and up 13.25% from 2014. Seasonal camping revenues have begun to come in for the year which will account for some of the early variances early due to timing of payments.
- Total expenses are 8.81% of budget and up 5.25% from 2014.

Recreation Fund-Non Park

- Total revenues are 3.44% of budget and up 71.57% from 2014. Most of the increase is due to operation of Clendening Marina this year.

- Total expenses are 13.06% of budget and up 42.92% from 2014. Expenses are up pretty much across the board in this fund.
- Marina Operations expenses are up due mainly to the expense being incurred for the marina audits.
- Clendening Marina expenses are also a factor as mentioned earlier on the revenue side with operation of the marina.

Recreation Improvement Fund

- Total expenses are 6.31% of budget and up 41.68% from 2014.
- The main area of increase in comparison to 2014 is the Water and Sewer System account which is up approximately \$260,000.00 from 2014.

Maintenance Assessment Fund

- Total expenses are 4.77% of budget and down considerably from 2014 due to the payment made to the Corps in 2014.
- The areas of significant expense, so far in 2015, are the PWM Program, Sediment Removal, Shoreline Protection and Water Quality Monitoring.

Overall operations are getting off to a good start for 2015 as preparations for the 2015 recreation season begin.

Mr. Maupin suggested that consideration be given to implementing some additional timber stand improvement (TSI) operations. Mr. Lozier reported that students from Buckeye Career Center will be participating in a tree planting project at Leesville where approximately 1,500 hardwoods will be planted during the upcoming season.

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

5. PAYMENT OF BILLS

On motion by Ms. Limbach, seconded by Mr. Maupin, a report of the payment of bills for the period ending February 28, 2015, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Ms. Limbach, seconded by Mr. Maupin, 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 SENECA LAKE MARINA DOCKSIDE RESTAURANT LEASE

On motion by Mr. Parham, seconded by Mr. Maupin, the proposed new lease for the operation of the Dockside Restaurant at Seneca Lake Marina, as recommended and set forth in the above memorandum, was approved.

6.01c ANTERO NATURAL GAS PIPELINE - PIEDMONT

Antero Resources has requested a permanent easement to install a 20-inch natural gas pipeline across approximately 9,155 feet of MWCD property at Piedmont Reservoir. The entire length of line under MWCD property would be bored, eliminating disturbance of the surface except for the entry point, which would be within the limits of disturbance of the proposed Cleveland oil and gas pad.

The proposed easement, as shown on the attached aerial photograph and concept drawing, would cross under approximately 925 feet of Piedmont Reservoir, shoreline to shoreline, and be approximately 60 feet below the lake bottom.

The purpose of the natural gas pipeline is to provide a connection from the proposed MWCD Cleveland pad on the east side of the reservoir with the existing MWCD Kirkwood pad on the west side of the reservoir.

Antero's request is being evaluated and does not require Board action at this time. It is anticipated that a recommendation will be made at the April meeting of the Board of Directors.

**6.01d SHORT-TERM WATER SUPPLY AGREEMENT
 PIEDMONT/ANTERO RESOURCES**

On motion by Mr. Parham, seconded by Ms. Limbach, a short-term water supply agreement with Antero Resources for withdrawal of water from Piedmont Reservoir, as recommended and set forth in the above memorandum, was approved.

**6.01e SHORT-TERM WATER SUPPLY AGREEMENT
 SENECA/ANTERO RESOURCES**

On motion by Mr. Parham, seconded by Ms. Limbach, a short-term water supply agreement with Antero Resources for withdrawal of water from Seneca Reservoir, as recommended and set forth in the above memorandum, was approved.

**6.01f SHORT-TERM WATER SUPPLY AGREEMENT
 TAPPAN/CHESAPEAKE**

On motion by Ms. Limbach, seconded by Mr. Parham, a short-term water supply agreement with Chesapeake Operating L.L.C. for withdrawal of water from Tappan Reservoir, as recommended and set forth in the above memorandum, was approved.

6.02a AUDIT OF DISTRICT RECORDS

Zac Morris of Rea & Associates presented an oral report of the audit of District records for the period of January 1, 2013, through December 31, 2014. The draft report is currently under review by the state auditor's office and, once approved, will be posted on their website. A formal report will be presented for consideration of the Board at the April meeting. On motion by Ms. Limbach, seconded by Mr. Parham, the Board accepted the preliminary report of the audit of District records.

Resulting from a recommendation by Mr. Cugliari, on motion by Ms. Limbach, seconded by Mr. Maupin, the Board authorized staff to submit a request to the Auditor of State for an annual, instead of a biannual, audit of District records.

6.02b BOLIVAR DAM LOCAL COST SHARE FUNDING REQUEST

On motion by Ms. Limbach, seconded by Mr. Parham, requests for release of local cost share funds for the Bolivar Dam Major Rehabilitation Project in the total amount of \$3,038,000.00, as recommended and set forth in the above memorandum, were approved.

6.02c DOVER DAM LOCAL COST SHARE FUNDING REQUEST

On motion by Ms. Limbach, seconded by Mr. Parham, a request for release of local cost share funds for the Dover Dam – Dam Safety Assurance Project in the amount of \$25,000.00, as recommended and set forth in the above memorandum, was approved.

6.02d BUDGET REVISION – OPERATION OF SENECA PARK CONCESSION

On motion by Mr. Maupin, seconded by Ms. Limbach, a budget revision necessitated by the MWCD operation of the Seneca Park Concession for the upcoming recreation season, as recommended and set forth in the above memorandum, was approved.

6.02e 2015 NATUREWORKS GRANT APPLICATIONS

On motion by Mr. Maupin, seconded by Ms. Limbach, resolutions of authorization for six proposed NatureWorks grant applications, as recommended and set forth in the above memorandum, were adopted.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b EMERGENCY SUCCESSION PLAN

On motion by Mr. Maupin, seconded by Ms. Limbach, a proposed emergency succession plan, as recommended and set forth in the above memorandum, was approved.

6.03c LAW ENFORCEMENT POLICY MANUAL

On motion by Mr. Parham, seconded by Ms. Limbach, the proposed Lexipol Law Enforcement Policy Manual, as recommended and set forth in the above memorandum, was approved for implementation.

6.04a ATWOOD LAKE PARK TRAIL – PHASE I

The Board of Directors, at the January 23, 2015, meeting, authorized solicitation of bids and entering into a construction contract for Phase 1 of the Atwood Lake Park Trail. Construction documents were prepared by Environmental Design Group of Akron, Ohio.

Sealed bids were received February 17, 2015, with the following results:

Company	Total Bid
VIP Construction, Inc., Canton OH	\$219,776.30
Central Allied Enterprises, Inc., Canton OH	\$243,619.90
Tucson Inc., New Philadelphia, OH	\$248,382.00
Enviro Construction Company, Alexandria OH	\$251,322.00
Ohio Paving and Construction, Willoughby OH	\$253,546.96
Stanley Miller Construction, East Sparta OH	\$276,573.00
Neff Paving, Zanesville, OH	\$279,232.15

Glenn O. Hawbaker, New Philadelphia, OH	\$285,834.95
Wenger Excavating, Inc., Dalton OH	\$286,121.70
Border Patrol, LLC, Richmond OH	\$296,905.97

The engineer's estimate for this project was \$271,524.00.

The contract will be awarded to VIP Construction, Inc. of Canton, Ohio, in the amount of \$219,776.30. Construction will begin as soon as possible with a substantial completion date of June 15, 2015.

This is provided for informational purposes only and no Board action is required.

6.04b ATWOOD PARK UTILITIES BUILDING

On motion by Mr. Parham, seconded by Mr. Maupin, award of a contract for construction of a utilities building at Atwood Park to Stanley Miller Construction of East Sparta at a cost of \$288,850.00, as recommended and set forth in the above memorandum, was approved.

**6.04c CHARLES MILL – SITES LAKE ROADWAY IMPROVEMENTS
CONTRACT MODIFICATION NO. 1 – CIVIL DESIGN ASSOCIATES**

On motion by Ms. Limbach, seconded by Mr. Maupin, a contract modification in the additional amount of \$20,750.00 for design and services provided by Civil Design Associates, as recommended and set forth in the above memorandum, was approved.

**6.04d TAPPAN LAKE WEST SHORE COTTAGE AREA – PAVING PROJECT
CONTRACT MODIFICATION NO. 2 – CIVIL DESIGN ASSOCIATES**

On motion by Ms. Limbach, seconded by Mr. Parham, a contract modification in the additional amount of \$3,220.96 for construction inspection and administrative services provided by Civil Design Associates, as recommended and set forth in the above memorandum, was approved.

6.04e PURCHASE OF COMPACT EXCAVATOR

On motion by Mr. Parham, seconded by Ms. Limbach, purchase of a Bobcat E50 T4 model compact excavator at cost of \$58,927.72 through state purchasing, as recommended and set forth in the above memorandum, was approved.

6.05

OTHER BUSINESS

ZOAR LEVEE – RESOLUTION OF PARTICIPATION

On motion by Mr. Maupin, seconded by Ms. Limbach, the following resolution was adopted. On roll call: Mr. Horstman-yes; Ms. Limbach-yes; Mr. Maupin-yes; and Mr. Parham-yes. (Mr. Pryce was absent.)

RESOLUTION
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
CONSTRUCTION OF THE ZOAR LEVEE – DAM SAFETY MODIFICATION PROJECT
TUSCARAWAS COUNTY, OHIO

A RESOLUTION AUTHORIZING PARTICIPATION AND RATIFYING PRIOR PARTICIPATION OF THE MUSKINGUM WATERSHED CONSERVANCY DISTRICT, TUSCARAWAS COUNTY, OHIO, WITH THE DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS, FOR THE DESIGN AND CONSTRUCTION OF THE ZOAR LEVEE – DAM SAFETY MODIFICATION PROJECT, AND AUTHORIZING THE PRESIDENT OF THE BOARD OF DIRECTORS OF THE MUSKINGUM WATERSHED CONSERVANCY DISTRICT AND OTHER OFFICIALS, TO ACT FOR AND ON BEHALF OF THE MUSKINGUM WATERSHED CONSERVANCY DISTRICT, IN EXECUTING, ACCEPTING OR OTHERWISE APPROVING ALL DOCUMENTS, AGREEMENTS, INSTRUMENTS, OR OTHER NECESSARY PAPERS REQUIRED BY THE DEPARTMENT OF THE ARMY TO IMPLEMENT SAID PARTICIPATION IN THE PROJECT.

BE IT RESOLVED by the Muskingum Watershed Conservancy District, Tuscarawas County, Ohio, that:

Section 1: The Muskingum Watershed Conservancy District authorizes participation by the Conservancy District by and through its officers and employees with the Department of the Army, Corps of Engineers, in the design and construction of the Zoar Levee – Dam Safety Modification Project, which project is located in Zoar, Tuscarawas County, Ohio.

Section 2: The President of the Board of Directors of the Muskingum Watershed Conservancy District, its Executive Director, Chief Engineer, Chief Financial Officer and, the Conservancy District’s Legal Counsel, are authorized to execute on behalf of the Muskingum Watershed Conservancy District, Tuscarawas County, Ohio, all documents necessary to implement participation by the Muskingum Watershed Conservancy District in the design and construction of a Dam Safety Modification Project, being installation of an internal erosion interceptor trench and weighted filter berm on the inside of the levee, excavation of the ponding area and installation of filter material in the ponding area in the vicinity of the pump station, in Zoar, Tuscarawas County, Ohio, in conjunction with the Department of the Army, Corps of Engineers, including but not limited to the Project Partnership Agreement between the Department of the Army and the Muskingum Watershed Conservancy District, for the design and construction of the Zoar Levee – Dam Safety Modification Project, that provides, among other things, that the Muskingum Watershed Conservancy District shall:

- a. Pay its percentage share of total project costs as required by The Water Resources Development Act of 1986, (Public Law 99-662), and by the Project Partnership Agreement;
- b. Prevent obstruction of or encroachment on the Project that would reduce the level of protection it affords or that would hinder operation and maintenance thereof; AND

Section 3: The Muskingum Watershed Conservancy District hereby approves and ratifies all prior participation and acts of the Conservancy District, by and through its officials and employees, with the Department of the Army, Corps of Engineers, in relationship to said Project.

CAPITAL IMPROVEMENT PROJECTS

Mr. Maupin requested that a report be provided to keep Board members informed of the current status of capital improvement projects.

Mr. Maupin and Ms. Limbach also suggested that a brief informational piece (“elevator talk”) about the MWCD would be helpful to Board members when approached with questions by members of the public.

7. REPORTS

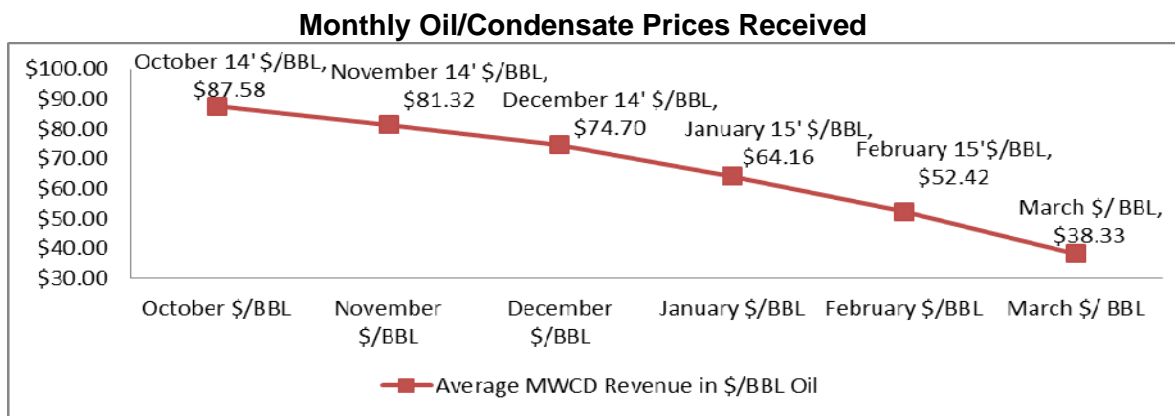
7.01 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 13 wells on adjacent private property. The MWCD’s proportional share of the wells varies significantly, and is shown below on the right.

Number of Wells	Description	Reservoir	MWCD Proportional Share
4	Gulfport Boy Scout	Clendening	64.2% of the 747 acre unit
4	AEU Jones	Clendening	19.2% of the 635 acre unit
2	Gulfport Stout	Piedmont	0.21% of the 633 acre unit
3	Antero Myron	Seneca	92.3% of the 817 acre unit

Utica royalty revenue decreased 17.81% from January (\$688,445.67) to February (\$584,373.32), while the royalty payment for a barrel of oil decreased from approximately \$64 per barrel to \$52 per barrel during the same payment period. The Utica Shale wells are experiencing the anticipated decline in production. Some individual items of note:

- The price of West Texas Intermediate crude, the U.S. benchmark, was at \$48.19 on March 11, 2015
 - The price of Condensate can be significantly less than crude



7.02 MASTER PLAN IMPLEMENTATION UPDATE

Mr. Slogar updated the Board on the Master Plan Implementation.

PROGRAM STATUS

- Continued to refine the Master Plan schedule and sequencing.
- Continued to refine Master Plan estimated construction budget:
 - Developed per site construction cost estimate for RV campsites
 - Finalizing utility/infrastructure costs
- A selection committee of MWCD Engineering and Recreation staff reviewed technical proposals from 22 prospective design teams for individual park design contracts. Anticipate requesting Board approval of individual park design contracts in April and/or May 2015.
- Ground survey control was performed by Kucera International in preparation for aerial flights which should occur before the end of the month.
- ms Consultants is continuing to assess the current utility infrastructure systems at all parks.

INDIVIDUAL PROJECTS STATUS

Atwood Lake Park Welcome Center

- Board approval was received on February 20, 2015 to enter into a contract with NL Construction Corporation of Canton. Bid price is \$1,691,212.
- A pre-construction meeting is scheduled for March 23, 2014.
- Completion date is set for March 15, 2016.

Atwood Lake Park Trail, Phase I

- Contract documents were forwarded to the low bidder, VIP Construction Corporation of Cantotn, on March 4, 2015.
- Completion date is set for June 15, 2015.

Tappan ADA Restroom and Shower House

- A meeting was held on March 5, 2015 with ms Consultants to review preliminary plans for a new ADA restroom and shower house to be built at Tappan. This will also serve as a prototype for use throughout all parks. Detailed design is ongoing.

7.03 DISCUSSION OF 2015 GOALS

Mr. Hoopingarner provided an update on the goals for 2015 as follows:

1) OIL AND GAS DEVELOPMENT

The MWCD will develop environmental and financial compliance audit procedures for its oil and gas leases. The major focus of environmental compliance will be on emergency preparedness. The major focus of financial compliance will be on assuring that royalties are accurately paid. Emergency preparedness plans and financial compliance procedures will be completed in the second quarter of 2015. *The Board attended a Oil and Gas Workshop event at Cherry Valley Lodge on March 13, 2015.*

2) MASTER PLAN IMPLEMENTATION

The MWCD will focus design and construction activities on utility and infrastructure needs. Major projects for 2015 include the construction of the Atwood Welcome Center, modifications to the Pleasant Hill Activities Center, and Atwood Trail Phase I construction. A complete program schedule will be completed and submitted to the Board of Directors for review and approval in the third quarter of 2015. Business plans will be developed for the Master Plan implementation period within 90 days of the Board of Directors approval of the program schedule. *Mr. Slogar presented a report regarding Master Plan Implementation earlier on the agenda.*

3) DREDGE PROGRAM

The MWCD will begin dredge operations in 2015, based on the priorities and needs identified in its comprehensive dredging plan completed in 2014. The dredge program is a multi-year program. The MWCD will also develop a navigational dredge plan in the third quarter of 2015. *Mr. Slogar provided the following information...*

DREDGING PROGRAM

Dredging Contract

- *Contract negotiations with Great Lakes Dock and Dredge (GLDD) were terminated following receipt of GLDD's final price proposal. GLDD was notified in writing that its services would not be used by MWCD.*
- *Negotiations are underway with PCi Dredging from Wisconsin.*
- *The MWCD dredge team attended the Western Dredging Association conference in Milwaukee in early March. Meetings were held with both GLDD and PCi while in Milwaukee.*

Dredge Material Relocation Areas (DMRA's)

- *Permitting underway for Beall Ridge area at Tappan.*

- *ODNR Dam Safety reviewing preliminary design for two lagoon sites*
- *USACE working with staff on determining appropriate permits for discharge of runoff from dewatered sediment.*
- *Negotiations for use of private landowner's property for DMRA are on hold pending further analysis with PCi.*
- *Staff working with PCi to locate smaller parcels as a possibility to use should mechanical dewatering be used.*

4) FISCAL MANAGEMENT

The MWCD will continue the development of plans for the use of revenue generated from oil and gas leases. In light of recent market fluctuations and uncertainty, a forecast of oil and gas revenue will be developed. This forecast will be used to determine what changes may be needed in our plans for future expansion and development of facilities and programs. In the first half of 2015, the MWCD will address the issue of whether or not further adjustments of collection of the maintenance assessment should be made. This goal will require continual monitoring throughout the year.

5) HUMAN RESOURCE DEVELOPMENT

The MWCD will address management succession planning and will develop plans for leadership training and education for its staff. An emergency succession plan will be developed in the first quarter of 2015. Management training programs will be developed for Board review in the third quarter of 2015. *An emergency succession plan was presented and approved today.*

6) TAPPAN/LEESVILLE/CLENDENING/TRAILS PLANS

The MWCD will begin the process to develop master plans for the Tappan/Route 250 Corridor, Leesville Lake, Clendening Lake, and a general plan for trails. These plans will consider recently acquired properties and assets, and how to maximize their use and benefit to the public. Input from our partners, customers and the public will be sought in this initial phase. A draft report with several concepts and proposals for consideration will be developed in the fourth quarter of 2015. *Work on this goal is progressing.*

7.04 USACE PROJECTS STATUS REPORT

Dover Dam

- A ribbon cutting ceremony is scheduled for March 31, 2015, at 1:00 p.m. Attendees will be shuttled from USACE Dover office.
- Final project inspection is scheduled for March 24, 2015, at 8:00 a.m.
- Dover project will continue into next federal fiscal year for wrap-up and final project reporting. Once amounts are balanced, there may be a refund of MWCD dollars.

Bolivar Dam

- The contractor has picked up the pace on panel installation in the pilot phase. Seven of ten primary panels are complete. Secondary panels are excavated and first of secondary panel pours will take place this week.
- Removed concrete for one panel (down to 144 feet deep) as the batch plant malfunctioned while preparing the concrete mixture. Contractor placed a steel panel over the opening for safety and the 3-ton steel panel fell into the open excavation. The contractor is working on removal methods.
- IEPR site visit tomorrow.
- Gates at spillway structure: installation of bulkhead gates will likely begin in April. Fabrication inspection went well in Iowa and only a few minor modifications were required.

Zoar Levee

- Resolution of Support for MWCD was an item on today's agenda.
- MWCD FY16 will be when local cost-share dollars will be expected.

7.05 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham reported on the Atwood Regional Water and Sewer District's status regarding the issue of supplying water to the Atwood Yacht Club.

7.06 IMMINENT OR PENDING LITIGATION

No report at this time.

8. SUBDISTRICTS

No business at this time.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, seconded by Mr. Maupin, the Board of Directors entered into executive session at 12:20 p.m. to discuss matters related to ORC §121.22 (G) (1) employment and compensation, and (2). On roll call: Mr. Horstman-yes; Ms. Limbach-yes; Mr. Maupin-yes; and Mr. Parham-yes. The executive session ended at 12:36 p.m.

10. ADJOURN

There being no further business, on motion by Ms. Limbach, seconded by Mr. Maupin, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, April 17, 2015, at 9:00 a.m. at the Kent State University Tuscarawas, Science and Technology Center, New Philadelphia, Ohio.

03.20.2015, km
Approved 04.17.2015