

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas, New Philadelphia, Ohio
March 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, March 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, and Mr. Pryce.

On motion by Ms. Limbach, seconded by Mr. Moorehead, Mr. Sprang was excused.

Present from MWCD staff were Scott Barnhart, Barbara Bennett, Mary Burley, Jim Cugliari, Jim Crandall, Brad Janssen, Karen Miller, Boris Slogar, and Jeff Yohe.

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 (*MWCD Development Advisory Committee*); Sean Logan (*Sean Logan & Associates, LLC and Woolpert*); Brian Stevens (*Woolpert*); Steve Walker (*Buckeye Trail Association*); Jim Fracker and Dana Launder (*Rea & Associates*).

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Moorehead, the minutes of the February 17, 2017, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the two-month period ending February 28, 2017. The total operating revenue is \$2,611,509.00 with operating expenses of \$1,955,451.00 resulting in an excess of revenue over expenses of \$656,058.00.

GENERAL FUND

- Total revenues in this fund are 10.37% of budget and down from 2016 due mainly to the Use of Water Assets line item for Water Sales.
- Total expenses are 12.10% of budget and currently down 5.40% from 2016.

CONSERVATION FUND

- Total revenues in this fund are 14% of budget and down 32.29% from 2016.
- Mineral Operations-Gas and Oil Royalties revenue is down 32.90% from 2016 due to the newer wells being on-line at Seneca in 2016.
- Total expenses are 14.87% of budget and up 6% from 2016.

RECREATION FUND: PARKS

- Total revenues in this fund are 20% of budget and up .25% from 2016. The main revenue generated is in the Park Camping line item with receipt of seasonal camping revenue. At this point in the year, timing is always an issue as to when payments are received, so there is variation from year to year in the first three to four months of the year.
- Total expenses are 9.73% of budget and up 2.79% from 2016.

RECREATION FUND: NON-PARKS

- Total revenues in this fund are 3.18% of budget and down 3.46% from 2016.
- The Marina Operations line item is a (30,473.00) for the month due to a reimbursement of an overreporting of docking at Atwood Marina.
- Total expenses are 19.73% of budget and up 27.41% from 2016.
- The Cottage Sites expense line item is up considerably from 2016 due to the timing of the MWCD paying the full amount of real estate taxes for the year.

RECREATION IMPROVEMENT FUND

- Total expenses are 3.16% of budget and down 11% from 2016.
- Park Master Planning expenses to date are \$903,455.00.

MAINTENANCE ASSESSMENT FUND

- Total expenses are 13.78% of budget and down 66% from 2016. The main area where expenses are down is the Sediment Removal line item.

Overall, the first couple months of the year are on pace with budget as we continue to monitor royalty revenues and seasonal park camping revenues.

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

5. PAYMENT OF BILLS

On motion by Ms. Limbach, seconded by Mr. Moorehead, report of the payment of bills for the period ending February 28, 2017, 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 ANTERO WATER SUPPLY LOCATION – SENECA LAKE

On motion by Mr. Pryce, seconded by Ms. Limbach, the proposed water withdrawal location along State Route 313 for future water withdrawal agreements with Antero Resources at Seneca Lake, as recommended and set forth in the above memorandum, was approved.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Mr. Moorehead, seconded by Ms. Limbach, a “then and now” certificate for purchase orders issued after invoices were received, as recommended and set forth in the above memorandum, was authorized.

6.02b BOLIVAR DAM LOCAL COST SHARE FUNDING REQUEST

On motion by Mr. Moorehead, seconded by Ms. Limbach, release of funds in the amount of \$100,000.00 to the U.S. Army Corps of Engineers for the Bolivar Dam Major Rehabilitation Project, as recommended and set forth in the above memorandum, was approved.

6.02c ODOT COOPERATIVE PURCHASING PROGRAM

On motion by Mr. Moorehead, seconded by Mr. Pryce, participation in the Ohio Department of Transportation Cooperative Purchasing Program, as recommended and set forth in the above memorandum, was authorized.

6.02d UTICA SHALE ROYALTY AUDIT

Mr. Fracker and Mr. Launder of Rea & Associates presented their report of the royalty audit performed for MWCD. The audit was a Level 1 royalty analysis of the MWCD interest in the Gulfport Energy Corporation, Boy Scout Unit, wells 1-33H, 2-33H, 4-33H, and 5-33H, located in Harrison County. The analysis was for the production period from inception of production through September 30, 2015.

Mr. Maupin instructed Board members to contact Mr. Cugliari, Mr. Hoopingarner, or Mr. Janssen with any questions they may have and, if necessary, the report will be discussed at the April meeting.

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 ORGANIZATIONAL STRUCTURE: FINANCE DEPARTMENT

On motion by Mr. Pryce, seconded by Ms. Limbach, proposed organizational changes for the finance department staff, as recommended and set forth in the above memorandum, were approved.

6.04a PURCHASE OF FIXED ASSET ACCOUNTING SOFTWARE

On motion by Mr. Pryce, seconded by Ms. Limbach, purchase of a fixed asset accounting software module from SSI at a cost of \$13,000.00, as recommended and set forth in the above memorandum, was approved.

6.04b ATWOOD EVENT PARKING IMPROVEMENTS – PURCHASE OF AGGREGATE MATERIALS

On motion by Ms. Limbach, seconded by Mr. Moorehead, purchase of aggregate materials through the ODOT Cooperative Purchasing Program for the Atwood Park event parking area improvements, as recommended and set forth in the above memorandum, was authorized.

6.04c CHARLES MILL RV AND BOAT STORAGE LOT: REQUEST TO ADVERTISE AND BID

On motion by Mr. Pryce, seconded by Ms. Limbach, solicitation of bids and award of a contract for the new RV and boat storage lot at Charles Mill, as recommended and set forth in the above memorandum, were authorized.

6.04d PIEDMONT LAKE MARINA RENOVATIONS: RATIFICATION OF ARCHITECTURAL CONTRACTS

On motion by Ms. Limbach, seconded by Mr. Pryce, contracts with Sol Harris Day Architecture for professional services in the development and construction of Piedmont Lake Marina renovations project, as recommended and set forth in the above memorandum, were ratified.

6.04e PLEASANT HILL PARK ROADWAY AND INFRASTRUCTURE IMPROVEMENTS – PHASE I

On motion by Ms. Limbach, seconded by Mr. Moorehead, a contract with Stantec Consulting Services, Inc. in the amount of \$125,135.20 for final design of the Pleasant Hill Park Roadway and Infrastructure Improvements projects, as recommended and set forth in the above memorandum, was approved.

6.04f SENECA LAKE OWL'S NEST COTTAGE AREA WASTEWATER TREATMENT PLANT EASEMENT

On motion by Mr. Pryce, seconded by Mr. Moorehead, a permanent easement between MWCD and Noble County for location of a new wastewater treatment plant, as recommended and set forth in the above memorandum, was approved.

6.04g SENECA PARK – NEW PARKSIDE CAMPGROUND: REQUEST TO ADVERTISE AND AWARD

On motion by Mr. Pryce, seconded by Ms. Limbach, solicitation of bids and award of a contract for the new Seneca Lake Parkside Campground project, as recommended and set forth in the above memorandum, were authorized.

6.04h SENECA PARK TERMINAL PUMP STATION AND FORCE MAIN TO SENECAVILLE EASEMENT

On motion by Ms. Limbach, seconded by Mr. Pryce, easements with Barbara J. Ellison, property owner along Hatchery Road, and the Village of Senecaville for installation of a 6-inch force main serving the Senecaville wastewater treatment plant, as recommended and set forth in the above memorandum, were approved.

6.05 OTHER BUSINESS

Mr. Maupin announced the following assignments of Board members to work groups: Mr. Pryce – master plan; Mr. Sprang – budget; Mr. Maupin – conservation; Mr. Moorehead – recreation; and Ms. Limbach – maintenance assessment.

7. REPORTS

7.01 MARINAS REPORT

The marina building renovation project at Piedmont is moving along. The interior of the building, done with a natural finish poplar, is shown in the attached photos, as is the new addition housing new ADA restrooms.

USACE permits were received for dock abutment projects at Clendening, Seneca, and Tappan marinas. The abutments have been completed at Clendening Marina, with the others set to begin shortly.

The customer docks at Tappan Lake Marina are currently being fabricated with delivery expected in April. Installation of the new dock piling system, and the docks themselves, will be contracted.

The public launch ramp project at Charles Mill Marina, originally set for completion this March, has been delayed until the drawdown of 2017/2018, because of high water levels. Work on the Leesville South Fork ramp replacement project is almost complete, as can be seen in the attached photos.

The Asset Purchase Agreement for Tappan Lake Marina is close to being finalized.

The Request for Proposals (RFP), to operate Tappan Lake Marina, issued in December, is due March 20. Proposals will be reviewed and interviews will be scheduled with those selected.

The lease agreement with Keith Ott, owner/operator of Leesville South Fork Marina, to operate the recently purchased Petersburg Marina, has been finalized, approved, and is awaiting signatures.

7.02 UTICA ROYALTY REVENUE REPORT

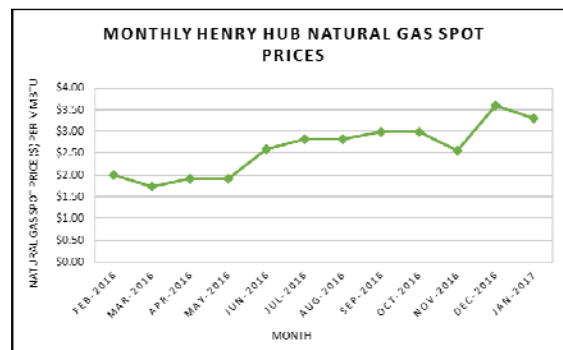
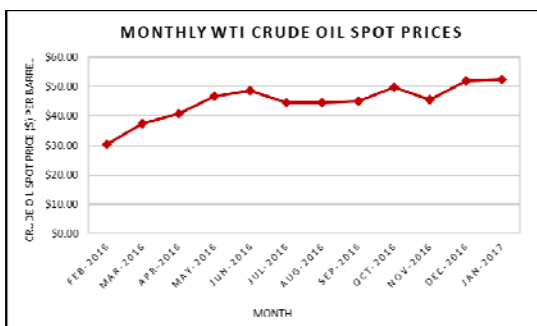
Utica royalty revenue is currently generated by 50 wells at Clendening, Seneca, and Leesville Reservoirs. A breakdown of the wells by operator and reservoir, and the monthly royalty revenue can be seen on the attached page.

There were no specific items to note, and the monthly Utica royalty revenue decreased about 5.1% from January '17 (\$529,817.32) to February '17 (\$502,824.41).

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

- The WTI Crude Oil Spot Price² for January 2017: \$52.50 per barre

- The Henry Hub Natural Gas Spot Price³ for January 2017: \$3.30 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. Cugliari reviewed progress on 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: Parkside central and woodland 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:
 - Pleasant Hill: Roadway and infrastructure improvements – Phase 1
 - Seneca: Marina Point South campground

Individual Projects Status

- **Atwood Area 20 Campground:** Beaver Excavating is currently performing sanitary sewer, water line, and underground electric installation. Substantial completion is scheduled for September with an interim milestone date of June 30 for completion of 75 campsites and the restroom/shower building.
- **Tappan ADA Restroom and Shower House:** CCI Construction is approximately 90% complete with the restroom and shower house building. Final utility service hookups remain to be completed. 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 and a pre-construction meeting was held March 2. 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 90% complete with all new sanitary sewer and manholes installed. 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. Clearing and grubbing operations are underway. 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 are underway. 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:** Bids were opened March 8 and the successful bidder was Tuscon, Inc., with a bid of \$4,069,271.65 which includes accepted alternates for all-concrete RV pads and full depth pavement replacement. 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 November.

7.05 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).
- No additional MWCD funds are required.

Bolivar Dam

- All six gates are installed and are fully operational. Machinery rehab in sluices 3 and 4 is complete.
- 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 (no significant update since last report)

- 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.
- The Flood Insurance Rate Map (FIRM) has been updated and accepted by FEMA and the levee has been recertified. This is significant as this means property owners protected by the levee will no longer be required to purchase federally-provided flood insurance for those properties with bank mortgages. This is believed to be the first time that a levee has been recertified by FEMA based upon a risk assessment methodology.

Partnering Meeting

- A biannual partnering meeting was held on March 15 in Huntington.

7.06 IMMEDIATE OR PENDING LITIGATION

No business at this time.

7.07 ATWOOD LODGE

Mr. Cugliari reported that Carroll County Commissioners have delivered a check to MWCD in the amount of \$1,461,000, in accordance with terms of the original donation agreement between MWCD and Carroll County.

Ms. Bennett reported that a meeting was held at Atwood Lodge on Thursday evening (March 16) and was attended by approximately 150 people. Operators of the proposed alcohol and drug treatment facility met with area residents and outlined plans for the treatment center.

8. SUBDISTRICTS

8.01 CHIPPEWA SUBDISTRICT: CONTRACTED SERVICES FOR DATA COLLECTION FOR CHIPPEWA ASSESSMENT

On motion by Ms. Limbach, seconded by Mr. Moorehead, a contract with Woolpert, Inc. for completion of the required data acquisition and processing for the Chippewa Subdistrict assessment in the amount of \$99,459.00, as recommended and set forth in the above memorandum, was approved.

8.02 BLACK FORK SUBDISTRICT UPDATE

Mr. Slogar reported that meetings are scheduled with affected property owners next Thursday and Saturday. There are two groups of property owners: 1) those from whom property will be purchased; and 2) those from whom easements will be needed for the proposed Black Fork structures.

The goal is to have an official plan for consideration by the Board of Directors in the spring of 2018 and subsequently ready for presentation to the Conservancy Court in 2018.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, seconded by Mr. Pryce, the Board of Directors entered executive session at 11:15 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; and Mr. Pryce-yes. The executive session ended at 11:33 a.m.

In open session, on motion by Ms. Limbach, seconded by Mr. Moorehead, an employment contract with James L. Crandall, III, Senior Staff Accountant/Assistant Treasurer, beginning March 26, 2017, through December 31, 2020, was approved.

10. ADJOURN

There being no further business, on motion by Ms. Limbach, seconded by Mr. Moorehead, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, April 21, 2017, at 9:00 a.m. at the Kent State University Tuscarawas, Science and Technology Center.