

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the MWCD Annex Building, New Philadelphia, Ohio
March 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, March 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, and Mr. Paquette. On motion by Ms. Limbach, seconded by Mr. Paquette, Mr. Sprang was excused.

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

Mr. Moorehead, Vice-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: Zack Morris (*Rea & Associates*); J.D. Long (*Harrison News Herald*); Brett Heffner, Gary Biglin, Dale Schroeder, John Schroeder, Stephanie Metzger, and Mark Metzger (*Shelby area residents*); Terry Fercana (*Environmental Design Group*); and Bruce Robinson (*MWCD Development Advisory Committee*).

John Schroeder addressed the Board and stated his main purpose for attending today's meeting is to remind the Board about their request for clearing of the Black Fork and to check on progress. Ms. Limbach asked Mr. Schroeder if a PWM grant funding request has been completed. Mr. Schroeder replied that no application has been completed and added that he and his group were hopeful that there may be another avenue available to them and suggested that MWCD should be able to work with the U.S. Army Corps of Engineers (USACE) on this issue. Mr. Slogar stated that easements to which Mr. Schroeder refers are actually flowage easements meant for the USACE to have the ability to store water up to a certain elevation. Mr. Slogar again reviewed the process to apply for PWM funding. He also mentioned that MWCD also has a Debris Removal Program which may be another avenue for funding assistance.

Mr. Schroeder mentioned that the proposals for Black Fork Subdistrict work proposes potential work on 17 bridge replacements. He stated that, at a recent meeting in Shelby, the Richland County Engineer reported that there are no bridges in the Shelby area in need replacement. Mr. Hoopingarner and Mr. Slogar stated that inspection of said bridges reported by the Richland County Engineer are from a different perspective than what is considered for the purposes of flood reduction in the Black Fork Subdistrict. The Richland County Engineer's report would only include safety of the bridge structure. He submitted a newspaper article regarding said report (*copy on file*). Mr. Schroeder concluded with a statement that he wants to be "on record" requesting the work to clear the Black Fork, alluding to potential accidents that could occur.

Dale Schroeder addressed the Board and submitted a resolution adopted by the Richland County Township Trustees Association in opposition to the Black Fork Subdistrict and the involvement of MWCD (*copy on file*).

Brett Heffner addressed the Board stating that he has reviewed the PWM grant application process information. He stated that the “meaningful” factor of involving the USACE is the right of access to properties along the Black Fork.

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Maupin, the minutes of the February 23, 2018, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the two-month period ending February 28, 2018. The total operating revenue is \$4,277,470.00 with operating expenses of \$2,001,429.00 resulting in an excess of revenue over expenses of \$2,276,041.00.

General Fund

- Total revenues are 13% of budget and up considerably from 2017. The increase is specifically in the Interest on Investments line item where we are up nearly \$100,000.00.
- Total expenses are 14% of budget and up 13% from 2017. There are no specific reasons for the increase from last year other than the timing of expenditures.

Conservation Fund

- Total revenues are 47% with the Mineral Operations-Gas and Oil Royalties up \$1.5 M from 2017. This is mainly due to the new wells coming on line as well as price.
- Total expenses are 12% of budget.

Recreation Fund: Parks

- Total revenues are 17% of budget and down 9% from 2017. Most of this is due to the timing of seasonal camping being received, where Park Camping is currently down \$130,000 from 2017.
- Total expenses are 10% of budget with an increase of 7% from 2017.

Revenue Fund: Non-Parks

- Total revenues are 6% of budget and up from 2017. The main reason is in the Marina Operations line item where in 2017 there was a reimbursement that occurred for an overpayment at Atwood Marina which reduced revenue.
- Total expenses are 18% of budget and flat from 2017.

Recreation Improvement Fund

- Total expenses are 13% of budget and up considerably from 2017. The main area is in the Master Plan line item where 14% of budget has been expended.

Maintenance Assessment Fund

- There has been no revenue through February but we have entered March and first half settlements are beginning to come in from the counties.
- Total expenses are 14% of budget.

Overall, the activity is beginning to pick up as we wrapped up February. Park and Marina revenues were beginning to come in and expenses were picking up as we begin to gear up for the recreation season.

Mr. Cugliari informed the Board that the audit of the MWCD financial records for the 2017 is underway by representatives of the office of the Auditor of State.

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

5. PAYMENT OF BILLS

On motion by Mr. Maupin, seconded by Ms. Limbach, the report of the payment of bills for the period ending February 28, 2018, 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 NEW LEASE WITH ANTERO – SENECA

On motion by Mr. Paquette, seconded by Ms. Limbach, a lease for mineral rights on 1,876 acres at Seneca Reservoir with Antero, as recommended and set forth in the above memorandum, was approved.

6.01c SHORT-TERM WATER SUPPLY AGREEMENT WITH ANTERO – SENECA

On motion by Mr. Maupin, seconded by Mr. Paquette, a short-term water supply agreement with Antero for water withdrawal from Seneca Lake, as recommended and set forth in the above memorandum, was approved.

6.01d SHORT-TERM WATER SUPPLY AGREEMENT WITH ECLIPSE – PIEDMONT

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

6.01e ATWOOD PARK CONCESSION AGREEMENT

On motion by Ms. Limbach, seconded by Mr. Maupin, a concession agreement with Kathy Stotzer for operation of the Atwood Camp Store and Concession, as recommended and set forth in the above memorandum, was approved.

6.01f TAPPAN MARINA RESTAURANT CONCESSION AGREEMENT

On motion by Mr. Maupin, seconded by Ms. Limbach, a concession agreement with Pangrazio's Pizza Company, Inc., for operation of the Tappan Marina restaurant, as recommended and set forth in the above memorandum, was approved.

6.01g AEP EASEMENTS - PIEDMONT

On motion by Mr. Paquette, seconded by Ms. Limbach, two easements with American Electric Power for service installations at Piedmont, as recommended and set forth in the above memorandum, were approved.

6.01h SALE OF PROPERTY – TAPPAN

On motion by Mr. Maupin, seconded by Mr. Paquette, sale of a 1.65-acre tract at Tappan Reservoir to Ken and Linda Davison, as recommended and set forth in the above memorandum, was approved.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Ms. Limbach, seconded by Mr. Maupin, 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 ALIVE FESTIVAL – REVIEW OF RECORDS

This matter was discussed in executive session with Zack Morris, representative from Rea & Associates.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b POSITION DESCRIPTION REVISION: PROGRAM MANAGER (MASTER PLAN)

On motion by Ms. Limbach, seconded by Mr. Paquette, proposed revisions to the Project Engineer position description, including a change in the position title to Program Manager, as recommended and set forth in the above memorandum, were approved.

6.04a ATWOOD EAST MARINA PARKING LOT IMPROVEMENTS

On motion by Mr. Paquette, seconded by Mr. Maupin, advertisement for bids and award of a contract for parking lot improvements at Atwood East Marina, as recommended and set forth in the above memorandum, were approved.

6.04b ATWOOD PARK MAIN LIFT STATION GENERATOR

At the July 2017 meeting, the Board authorized seeking bids and award of a contract for the Atwood Park Main Lift Station Generator project.

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

Contractor	Total Bid
Abbott Electric, Inc., Canton	\$76,450.00
Wood Electric, New Philadelphia	\$83,447.00

The engineer’s estimated cost is \$80,500.00. The bid was reviewed, references checked and the bid deemed to be awardable.

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A contract will be awarded to Abbott Electric Inc. in the amount of \$76,450.00. Substantial completion for the project is scheduled for August 15, 2018. This memo is provided for informational purposes only. No Board action is required.

6.04c CHARLES MILL MAIN CAMPGROUND REDEVELOPMENT PHASE 2 – DESIGN

On motion by Ms. Limbach, seconded by Mr. Paquette, award of a contract with Environmental Design Group in the amount of \$172,470.00 for design of the Charles Mill main campground redevelopment phase 2 project, as recommended and set forth in the above memorandum, was authorized.

6.04d PLEASANT HILL PARK CABIN ROADWAY AND INFRASTRUCTURE

On motion by Mr. Maupin, seconded by Ms. Limbach, advertisement for bids and award of a contract for the Pleasant Hill Park cabin roadway and infrastructure project, as recommended and set forth in the above memorandum, was authorized.

6.04e TAPPAN PARK WWTP PHASE 1 – CONTRACT MODIFICATION

On motion by Mr. Paquette, seconded by Ms. Limbach, contract modification #1 in the amount of \$11,503.00 and modification #2 in the amount of \$25,088.00 for the Tappan Park wastewater treatment plant phase 1 project, as recommended and set forth in the above memorandum, were ratified and approved, respectively.

6.04f TAPPAN PARK CAMPGROUND RENOVATION PHASE 2 – DESIGN

On motion by Ms. Limbach, seconded by Mr. Paquette, award of a contract with DLZ Ohio, Inc., in the amount of \$410,265.13 for design of the Tappan Park campground renovation phase 2 project, as recommended and set forth in the above memorandum, was approved.

6.05 PWM GRANT PROGRAM – 2018 FUNDING RECOMMENDATIONS

On motion by Mr. Maupin, seconded by Ms. Limbach, a recommendation for award to five applicants for funding through the Partners in Watershed Management program totaling \$428,168.00, as recommended and set forth in the above memorandum, were approved.

RECOMMENDED FOR APPROVAL						
Applicant	County	Project Title	Official Plan Category	Project Cost	Amount Requested	Amount Recommended
Camp Roosevelt-Firebird	Carroll	Wastewater Treatment Plant Phase 2	WQ-1	\$16,813	\$14,203	\$14,203
Rural Action	Coshocton	Walhonding River Mussel Study	WQ-2, WQ-5	\$55,370	\$46,770	\$46,770
Knox County	Knox	Howard Wellfield Kokosing River Streambank Stabilization	WM-1, WM-6, WQ-5	\$420,017	\$150,000	\$150,000
City of Newark	Licking	Log Pond Run Main Channel Easement Plan	DS-6, WM-6, WQ-5	\$410,674	\$184,795	\$184,795
Rural Action	Tuscarawas	Middle Tuscarawas River Watershed Education	WQ-3, WQ-5, WM-1	\$47,283	\$32,400	\$32,400

7. REPORTS

7.01 MARINAS REPORT

An agreement with Dino Pangrazio and Pangrazio's Pizza Company, Inc., to operate the restaurant at Tappan Marina, is being presented to the Board for approval this month. Mr. Pangrazio joins Keith Ott, already onboard to provide boat sales, service and storage. Planning efforts for the revitalization of the facility continued, with a very fruitful on-site meeting with representatives of the Morton Building Company, original builders of the existing showroom. Their evaluation of the structure indicated that it can easily be renovated to meet both the service and sales needs of Keith Ott. Utilizing the existing building should result in significant cost savings, while still producing an attractive building that will appear to be brand-new, inside and out.

Graziani Co. began work on the improvements to the fueling system at Seneca Marina. This project was in danger of being delayed due to the recent high water levels, but marina staff and engineering crews took advantage of a one-day window with just the right amount of water to get the new fuel dock in place. The following day, Seneca was drawn down significantly to allow for completion of shoreline project, which would have precluded the installation of the new dock.

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

Recent high water levels may have an impact on dock abutment projects at Leesville North Fork Marina, and Tappan Marina, which may have an impact on new dock installations.

A much-needed parking lot improvement project at Atwood East Marina is slated to begin later this spring. This lot is heavily used by marina customers, and boaters launching at the public ramp there, as well.

A new online boat rental reservation system is being considered for MWCD-owned and operated marinas. Fare Harbor is a nationally-known company doing \$3 billion in sales, and is currently in use at both Atwood Lake West and East marinas. Brian Valot reports that boat rental revenues have increased dramatically at those facilities since use of the new system began. In addition to increased revenues, the reservation system will be much more staff, and customer friendly, and will help eliminate lost revenues due to no-shows and double-booking.

Bids were received March 1 for the purchase of five new rental pontoon boats – two for both Tappan and Piedmont marinas, and one for Tappan Park. Charles Mill Marina submitted the low bid at \$66,248.00, followed by Atwood Lake Boats at \$69,995.00, and Boat Masters Marina at \$99,652.00. An amount not to exceed \$75,000.00 was approved by the Board on January 19, 2018.

7.02 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 67 producing wells at Clendening, Seneca, and Leesville Reservoirs. A breakdown of the currently producing wells by operator and reservoir, along with the monthly royalty revenue can be seen on the attached page.

The monthly Utica royalty revenue increased about 52% from January '18 (\$1,009,022.13) to February '18 (\$1,532,335.38).

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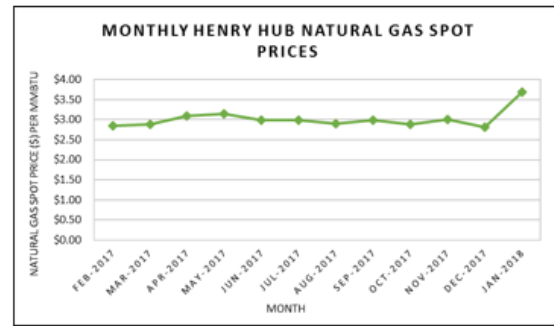
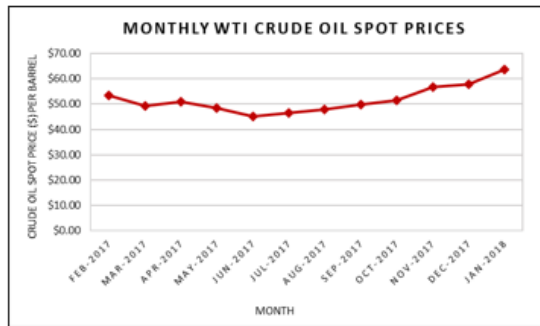
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Some individual items of note:

- Three new wells at Leesville were added in January 2018. These include three Ellie Unit wells where Chesapeake is the Producer.

The U.S. Energy Information Administration Prices Reports¹ (January 2018):

- The WTI Crude Oil Spot Price² for January 2018: \$63.70 per barrel
- .01The Henry Hub Natural Gas Spot Price³ for January 2018: \$3.69 per MMBTU



¹ The U.S. Energy Information Administration Prices Reports¹ (January 2018)

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 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 of 2018.
- **Atwood Main Campground Improvements – Phase I:** Sheckler Excavating has completed installation of erosion control measures, tree clearing and gas line installation. Sanitary sewer and waterline installation and construction of the new restroom/shower building and dump station are ongoing. The project will provide 106 full-hookup RV campsites, a restroom/shower building, two 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. Construction of a section of multi-purpose trail between the Activity Center and the Amphitheater trail has also been completed this winter.

- **Charles Mill Lake Park Water and Wastewater Utility Improvements:** Simonson Construction Services has been working on clearing and grubbing for the water tower and wastewater treatment plant site. 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 has been working on tree removal and demolition of existing electrical items. 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 existing restroom. The first 15 sites are scheduled to be complete around mid-April.
- **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 of 2018.
- **Pleasant Hill Lake Sanitary Collection System Improvements:** Installation the 4-inch and 8-inch diameter sanitary sewers and two main pump stations are complete. Fence installation around pump stations are complete except for gates. Pump station start-up was performed March 12. Punch list work, pavement repairs and clean-up are ongoing. The project is substantially complete with final completion expected by May 1.
- **Pleasant Hill Seasonal Campground Redevelopment – Phase I:** Shrock Custom Premier Construction is approximately 80% 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 is currently working on running a new service to the existing shower house number 2. 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:** A. Graziani and Company is currently working on removing the existing 2,000-gallon fuel tank and relocating the propane tank to meet code. The new fuel dock is in the water and ready for the piping to be installed. Completion is scheduled for April 2018.
- **Tappan Lake East Campground:** The project is complete, except for punch list items and final paving.
- **Tappan Lake Park Campground Renovation – Phase I:** Clearing and grubbing is complete. Utilities installation is underway. Construction is starting at the lower end where existing areas 1 and 2 abut. Campers will be allowed to move back into the transition area between existing areas 1 and 2 during early April.

Reservoir Dredging and Shoreline Stabilization (Ongoing)

Dredging Program

- **Seneca Lake:** Tree clearing and construction of the first two settling basins should be complete soon 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 was completed this winter by our Engineering Crew, with only minor restoration work left to complete once weather conditions allow.
- **Seneca Lake Hickory Grove and East Shore Shoreline Stabilization Project:** After high water levels prolonged the completion of this project, an extended drawdown until March 14 allowed Tucson Inc. to complete all work according to plan. Final restoration work will be completed once weather conditions allow.
- **Tappan Highlands Shoreline Stabilization Project:** This project was completed by Tucson, Inc. with only restoration work remaining to be done once weather conditions allow.

7.04 USACE PROJECTS STATUS REPORT

- No significant issues or problems were reported for the past month during which Bolivar Dam came within a few feet of reaching pool-of-record. There were also high pools behind Dover Dam and Mohawk Dam.
- Analysis continues for Tappan Dam and Magnolia Levee as Issue Evaluation Studies (IES) are underway.
- The next partnering meeting with USACE will take place March 28 in Huntington.

7.05 IMMEDIATE OR PENDING LITIGATION

No report.

8. SUBDISTRICTS

8.01 PAYMENT OF BILLS – CHIPPEWA SUBDISTRICT

On motion by Ms. Limbach, seconded by Mr. Maupin, the report of the payment of bills for the period ending February 28, 2018, for the Chippewa Subdistrict, was approved as presented.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, seconded by Mr. Paquette, the Board of Directors entered executive session at 10:35 a.m. to discuss matters related to ORC §121.22 (G) (1) [Employment] and (3). On roll call: Ms. Limbach-yes; Mr. Maupin-yes; Mr. Moorehead-yes; and Mr. Paquette-yes. The executive session ended at 12:15 p.m.

In open session, Mr. Hoopingarner recommended that the Board authorize negotiation of employment contracts with Jim Pringle as Chief Legal Counsel, and Jonathan Mizer as Associate Legal Counsel, with the expectation that the contracts would be presented to the Board for ratification at the April 20, 2018, meeting. On motion by Mr. Maupin, seconded by Ms. Limbach, the above recommendation was approved.

10. ADJOURN

There being no further business, on motion by Mr. Paquette, seconded by Mr. Maupin, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, April 20, 2018, at 9:00 a.m. at the MWCD Annex Building, 2050 Reiser Avenue SE, New Philadelphia.

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Approved 04.20.2018