

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the MWCD Annex Building, New Philadelphia, Ohio
April 20, 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, April 20, 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. Sprang.

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

Mr. Sprang, President of the Board of Directors, presided.

A moment of silence was observed in memory of Stephen Paquette, who unexpectedly and suddenly passed away in his home in Stark County, on Friday, April 7, 2018. Memorial services were held at The Chapel in North Canton on Friday, April 13, 2018.

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: J.D. Long (*Harrison News Herald*); Terry Fercana (*Environmental Design Group*); Sean Logan (*Woolpert*); Bruce Robinson (*MWCD Development Advisory Committee*); Ken Moffat (*Mayor of the Village of Sherrodsville*); and Kevin Vandegraft (*Chief, Village of Sherrodsville E.M.S.*).

Mayor Moffat and Chief Vandegraft addressed the Board regarding the concept of creating a regional ambulance district for the Atwood area. They are hopeful to have the issue on the November 2018 ballot. Current response time is approximately 45 minutes. In explanation of the proposal, Chief Vandegraft said that the total cost annually is estimated at \$885,000 per year. Mr. Hoopingarner responded that this is an issue of great concern and directed that Scott Barnhart will be contact person for this group

3. APPROVAL OF MINUTES

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

4. FINANCIAL

Mr. Cugliari presented the financial report for the three-month period ending March 31, 2018. The total operating revenue is \$8,349,386.00 with operating expenses of \$3,371,716.00 resulting in an excess of revenue over expenses of \$4,977,670.00.

General Fund

- Total revenues are 19% of budget and continue to run ahead of 2017 with Interest on Investments being up approximately \$86,000.00.
- Total expenses are 25% of budget and up 11% from 2017.

- Vehicle Maintenance line item is double from 2017; some larger expenses have been incurred with the field crew's tandem dump trucks.
- Health Insurance Laser is up from 2017 by nearly \$100,000.00. This is due mainly to the timing of the processing of claims.

Conservation Fund

- Total revenues are 66% of budget and up nearly double from 2017.
- Mineral Operations-Gas and Oil Royalties are 73% of budget and up considerably from 2017. As indicated in previous meetings, this is due mainly to new wells coming on line in 2018 as opposed to the end of 2017 as we had first thought and the price of oil. We will be reviewing this budgeted line item and most likely submit a budget revision to the Board at a future meeting.
- Total expenses are 26% of budget and pretty much in line with 2017.

Recreation Fund – Parks

- Total revenues are 47% of budget and up 2% from 2017.
- The main revenue received at this point is from Park Camping where we have received 57% of the budget with a 1% increase over 2017.
- Total expenses are 18% of budget and up 5% from 2017. This is a consistent spending pattern for the first quarter of the year.

Recreation Fund – Non-Park

- Total revenues are 23% of budget and up 31% from 2017.
- Marina Operations revenue is up from 2017 due to the change in the lease and the method by which payments are received. The leased marinas are now paying the District a set amount monthly rather than previously paying a percentage of revenues received.
- The Tappan Marina line item is an increase of nearly \$100,000.00 as this is the first year of operation by the District.
- Multiple Docks revenue is 15% of budget and up 29% from 2017. Some of the increase is due to the rate increase while the balance is due to the timing of when revenue is received.
- Total expenses are 26% of budget and up 9% from 2017.

Recreation Improvement Fund

- Total expenses are 21% of budget and have doubled from 2017. This is due mainly to the Park Master Plan projects

Maintenance Assessment Fund

- Total revenues are 21% of budget.
- The Assessment Fund – Revenue Collections is the money received from the counties for first half settlement. Through this reporting period we are at 23% of budget. Through April 10, there are only four remaining counties to report as we have received settlements from five counties in April.
- Total expenses are 18% of budget with the major line item expenditure being Shoreline Protection.

Overall, as the first quarter is complete, operations are in line with budget expectations with no areas of major concern.

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. Maupin, the report of the payment of bills for the period ending March 31, 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 SALE OF ALCOHOLIC BEVERAGES – LEESVILLE SOUTH FORK MARINA

On motion by Mr. Moorehead, seconded by Ms. Limbach, a request from Keith Ott to proceed with the process of obtaining a liquor license for Leesville South Fork Marina, as recommended and set forth in the above memorandum, was approved with the condition to prohibit carry-out sales.

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 COMPREHENSIVE PROPERTY AND LIABILITY COVERAGE RENEWAL

On motion by Mr. Moorehead, seconded by Ms. Limbach, renewal of the comprehensive property and liability coverage with Ohio Plan Risk Management, Inc., as recommended and set forth in the above memorandum, was approved.

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 GROUP HEALTH PLAN REVIEW

On motion by Ms. Limbach, seconded by Mr. Maupin, renewal of the MWCD employee group health plan with AultCare for a one-year period effective June 1, 2018, as recommended and set forth in the above memorandum, was approved.

6.03c PROPOSED NEW POSITIONS: LEGAL COUNSEL

On motion by Mr. Maupin, seconded by Ms. Limbach, position descriptions and proposed organization charts for new positions of Chief Counsel and Associate Counsel, as recommended and set forth in the above memorandum, were approved.

6.03d BUILDING AND FLEET TECHNICIAN – MAIN OFFICE

On motion by Mr. Moorehead, seconded by Mr. Maupin, proposed changes to the Building and Fleet Technician and Safety Coordinator, along with the associated organizational chart, as recommended and set forth in the above memorandum, were approved.

6.04a SENECA DREDGING PROJECT

On motion by Mr. Moorehead, seconded by Mr. Maupin, amendment #2 to a contract with PCi Dredging for the Seneca Lake dredging project, as recommended and set forth in the above memorandum, was authorized.

6.05 MEMORANDUM OF UNDERSTANDING WITH ODNR

On motion by Ms. Limbach, seconded by Mr. Maupin, a memorandum of understanding between MWCD and Ohio Department of Natural Resources, as recommended and set forth in the above memorandum, was ratified.

6.06 ANNUAL REPORT OF OPERATIONS FOR 2017 (DRAFT)

A draft copy of the annual report will be mailed to the Board members for their review.

6.07 OTHER BUSINESS

SUMMARY OF TAPPAN SCADA CHANGE ORDERS

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.

The sewer system Supervisory Control and Data Acquisition (SCADA) project at Seneca Lake allows monitoring of pump conditions at two sewage lift stations, as well as several components of the Chestnut Grove Wastewater Treatment Plant. The project also includes replacement on outdated electrical panels that serve three sewer lifts stations near the end of Bass Lane. The SCADA system will also allow new lift stations being installed with the Seneca Park Master Plan projects to be connected for additional monitoring of our critical facilities. Deskins Electric was awarded the contract in October 2017 in the amount of \$123,000.

One change order has been previously issued for the project in the amount of \$12,275. Two issues have since developed that will require a second change order which causes the contract amount to exceed 10% of the original contract. Below is a summary of the contract costs.

Original contract amount	\$123,000
Change Order No. 1	12,275

- MWCD-requested change. Additional buried conduit and control signal wiring at the WWTP to allow monitoring of the lagoon blowers and the main lift station at the head of the treatment plant.

Change Order No. 2 (which is a not-to-exceed amount) includes 5,382

- \$1,792 for new underground service at the Bass Lane main lift station site. The original plan was to utilize the existing MWCD-owned service pole, however the power company is requiring we replace the pole before they will install the new service. Rather than replace the pole, it is cheaper for us to run a new underground service to the power company’s primary pole.
- \$3,593 to reposition the new Bass Lane main lift station pump control panel. The newly installed control panel was larger than the existing panel and interferes with our ability to pull the pumps out for service. By mounting the panel to the opposite side of the support poles, we will then have adequate clearance to remove the pumps freely. This work will be done on a time and material basis with the quoted price being a not-to-exceed maximum.

Total not-to-exceed contract price (14.3% over the original contract amount) \$140,660

No Board action is necessary.

MEMORIAL FOR STEPHEN PAQUETTE

Mr. Sprang requested that staff prepare some information and costs for a potential memorial for Mr. Paquette at the May meeting.

7. REPORTS

7.01 MARINAS REPORT

Dino Pangrazio has begun hiring staff to operate the restaurant at Tappan Marina, with restaurant services slated to begin in May. Using the existing kitchen will limit the menu and Mr. Pangrazio will work with MWCD staff this season to plan for renovations to the kitchen and dining area. This is like the planning process used successfully at Seneca Marina. The goal will be to provide a unique waterfront dining experience for our guests.

Docks were in place at Tappan by mid-March. Owners and status of all boats historically left in front of the marina have been identified. With only a few exceptions, these boats will be on docks this season. The remaining will be moved to storage areas off-site, leaving the area in front of the marina clear for the first time in recent memory. Planning efforts for the revitalization of other facets of the facility continue. The Morton Building Company, original builders of the existing showroom, will be providing us with budget numbers for a potential renovation and expansion of the existing Morton Showroom Building.

Graziani Company is nearing completion on the improvements to the fueling system at Seneca Marina. Fuel sales are expected to begin before the end of April.

The campground renovation project for Piedmont continues. Concrete camper pads are currently being poured and almost complete, and landscaping will follow.

High water levels continue to have an impact on dock abutment and dock installation projects at Leesville North Fork and Tappan marinas.

Cabin repair/maintenance projects are underway at Clendening Marina, involving replacement of logs and installation of support beams. A program of staining and sealing will begin next season as well.

We are anticipating going live with the new online boat rental reservation system, provided by Fare Harbor, in May. We expect rental revenues to increase through use of the new system. The reservation system will be much more staff, and customer friendly, and will help eliminate lost revenues due to no-shows and double-booking.

New kitchen equipment has been installed at the Dockside Restaurant. This will further improve the efficiency of the restaurant as it begins its sixth year serving diners at Seneca Marina.

An inspection of on-board sanitation systems was performed on approximately 60 houseboats at Piedmont. Staff stressed the importance of compliance with rules in protecting the water quality of Piedmont Lake. Most shortcomings were easily corrected. The process was well-received by boaters and will be repeated at other marinas in the future.

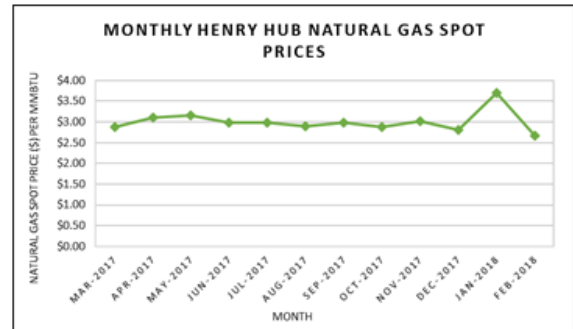
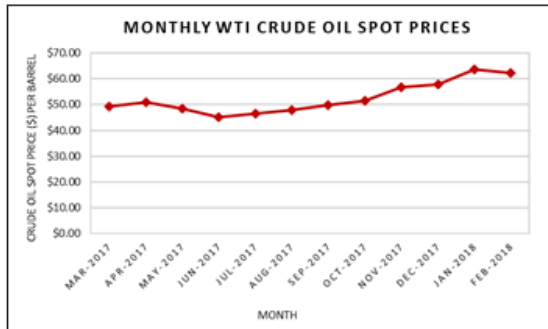
7.02 UTICA ROYALTY REVENUE REPORT

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 decreased about 30% from February 2018 (\$1,532,335.38) to March 2018 (\$1,075,424.53).

Some individual items of note:

- No new wells were added in February 2018.
- The WTI Crude Oil Spot Price² for February 2018: \$62.23 per barrel
- The Henry Hub Natural Gas Spot Price³ for February 2018: \$2.67 per MMBTU



¹ The U.S. Energy Information Administration Prices Reports¹ (February 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

Mr. Slogar distributed a Park Master Plan Program Update for the first quarter of 2018.

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, tree clearing and gas line installation. Sanitary sewer is approximately 80% complete. Waterline and electrical conduit 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.
- **Atwood Special Event Parking Improvements:** MWCD's in-house construction crew has completed new aggregate driving lanes, installation of communication conduit and handholes, and 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 by staff 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 gallons per day 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.
- **Charles Mill Lake Park Main Campground Redevelopment – Phase I:** Shrock Custom Premier Construction has been working on tree removal and demolition of existing electrical infrastructure. 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.
- **Piedmont Campground Renovations Phase I:** Underground utilities are being installed. Electric relocation is now complete. The first 15 sites should be available this week. Construction is ahead of schedule.
- **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 sanitary sewer and main pump stations are substantially complete and in service. Punch list work, pavement repairs and clean-up are ongoing. Final completion of the project is expected in May.

- **Pleasant Hill Seasonal Campground Redevelopment – Phase I:** Shrock Custom Premier Construction is continuing work on portions of the Restroom/Shower renovations while the building is in service. Demolition, tree clearing and topsoil stripping in the campground are complete. Construction of a grinder pump station and sanitary sewer installation are ongoing. The project will provide 38 full-hookup RV campsites and walking paths. 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 April.
- **Seneca Lake Parkside Central and Woodlands Campgrounds:** Cast & Baker Corp. has been working on the RV pad utility installation and lowering the grade at the beach entrance. 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 dock, fencing, piping and electrical work are complete. A temporary fuel dispenser is installed and will be in service until the new one is delivered. Completion is scheduled for April.
- **Tappan Lake East Campground:** The project is complete, except for punch list items and final paving.
- **Tappan Lake Park Campground Renovation – Phase I:** Campers have moved back into the transition area between existing areas 1 and 2. The primary construction area is fenced off. Sanitary Sewer and earthwork construction is underway.

Reservoir Dredging and Shoreline Stabilization (Ongoing)

Dredging Program

- **Seneca Lake:** Construction of two settling basins are nearing completion and dredging will be ready to begin in early May. Dredging to be completed in 2018 will include a small area near the Churchman Point Dock Association as well as several locations near the West Shore, East Shore, and Chestnut Grove cottage areas. Design work continues for one additional settling basin that is scheduled to be constructed later this year, while the additional dredging associated with this basin is planned for 2019.

Shoreline Program

- **Seneca Lake Hickory Grove and East Shore Shoreline Stabilization Project:** Final restoration work is ongoing and will be completed as soon as weather conditions allow.
- **Tappan Highlands Shoreline Stabilization Project:** Final restoration work is ongoing and will be completed as soon as weather conditions allow.
- **Atwood Lake Park Peninsula Shoreline Stabilization:** Design work will be completed this summer for this 1,500-foot long project along the causeway leading to the Area F campground.

7.04 USACE PROJECTS STATUS REPORT

- Our semi-annual partnering meeting with USACE was held March 28 in Huntington.
- A Relinquishment of Command ceremony will take place May 1 in Huntington with Lt. Col. Josh Miller taking over command from Col. Philip Secrist. Jim Cugliari and Boris Slogar will attend this ceremony on behalf of MWCD. Lt. Col. Miller will retain command until July when Col. Jason Evers will assume permanent command.
- No significant updates have occurred for the dam projects in the past month.

7.05 2018 GOALS

Members of the Board received a progress tracking report for the 2018 goals. Staff members each provided a brief overview of progress of goals for which they are responsible.

7.06 APPLESEED PROPERTY UPDATE

Ms. Bennett reported that staff met with a consultant on March 22. Representatives visited the Johnny Appleseed amphitheater site and then returned to the MWCD Annex to meet with key staff to discuss potential concepts for the facility. Staff is in the process of negotiating a contract with the consultant to continue with their services regarding the Appleseed property.

Mr. Sprang requested that a Board meeting be scheduled in that area later this year to afford an opportunity to tour the Appleseed facility.

7.06 IMMEDIATE OR PENDING LITIGATION

No report.

8. SUBDISTRICTS

8.01 PAYMENT OF BILLS – CHIPPEWA SUBDISTRICT

On motion by Mr. Limbach, seconded by Mr. Moorehead, the report of the payment of bills for the period ending March 31, 2018, for the Chippewa Subdistrict, was approved as presented.

8.02 CHIPPEWA SUBDISTRICT STRUCTURE V-D IMPROVEMENTS

On motion by Mr. Maupin, seconded by Ms. Limbach, the advertisement and award of a contract for improvements to Chippewa Subdistrict Structure V-D, as recommended and set forth in the above memorandum, were approved.

9. EXECUTIVE SESSION

On motion by Mr. Limbach, seconded by Mr. Moorehead, the Board of Directors entered executive session at 11:17 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. Sprang-yes. The executive session ended at 11:44 a.m.

In open session, on motion by Ms. Limbach, seconded by Mr. Maupin, proposed employment contracts for the Chief Counsel and Associate Counsel were approved.

On motion by Mr. Maupin, seconded by Mr. Moorehead, approved the following: the position description of Manager of Special Projects and a contract for same for Barbara Bennett; and proposed revisions to the position description of the Director of Human Resources.

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, May 18, 2018, at 9:00 a.m. at the MWCD Annex Building, 2050 Reiser Avenue SE, New Philadelphia.

04.20.2018, km

Approved 05.18.2018