

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas
July 22, 2016, 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, July 22, 2016, 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. Pryce, and Mr. Sprang.

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

Ms. Limbach, 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: Steve Walker (*Buckeye Trail Association*); David Kiefer (*Sterling resident*); Rob Moorehead and Doug McLarnan (*MWCD Development Advisory Committee*); Terry Fercana (*Environmental Design*); Sean Logan (*Woolpert, Inc./Sean Logan & Associates, LLC*).

3. APPROVAL OF MINUTES

On motion by Mr. Sprang, seconded by Mr. Maupin, the minutes of the May 20, June 23, and July 11, 2016, meetings of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending June 30, 2016. The total operating revenue is \$10,641,232.00 with operating expenses of \$6,817,807.00 resulting in an excess of revenue over expense of \$3,823,425.00.

Maintenance Fund-General

- Revenue is 34.79% of budget and down 17.57% from 2015.
- Expenses are 45.13% of budget and up 5.69% from 2015.

Conservation Fund

- Revenue is 36.54% of budget and down 9.96% from 2015.
- All revenue line items are running behind 2015 actual.
- Mineral Operations-Gas and Oil Royalties reflect a (\$1,578,57.00) amount which is due in part to a refund issued to Antero Resources as discussed with the Board in May.
- Expenses are 42.62% of budget and down 12.34% from 2015 primarily in the Farm Operations-Sharecrops area and Mineral Operations-Gas and Oil Royalties.

Recreation Fund-Parks

- Revenue is 71.42% of budget and up 3.03% from 2015.
- Nearly all revenue line items are running ahead of 2015 with the exception of Campers Firewood and Alive Festival. The Alive Festival line item is due to the festival being held in July this year.
- Expenses are 42.36% of budget and down 1.09% from 2015.

Revenue Fund-Non Parks

- Revenue is 59.84% of budget and running at about the same pace as 2015.
- Most Marina revenue line items are running ahead of 2015 with the exception of the leased Marina Camping and Piedmont Marina Camping line items.
- Expenses are 47.85% of budget and 3.38% below 2015.

Recreation Improvement Fund

- Expenses are 15.81% of budget and up 26.09% ahead of 2015.
- Park Master Planning expenses are 15.30% of budget but running significantly higher than 2015.

Maintenance Assessment Fund

- Expenses are 49.28% of budget and 50.18% ahead of 2015.
- The main area of increase from 2015 is the Sediment Removal line item, where nearly \$4.7 million more has been spent in 2016.
- Included in the financial report is a Schedule of Assessment Collections for the First Half Calendar Year 2016.

Overall, the financial operations of the district are performing well. Revenue in the recreation areas are currently in line with budget projections while some of the conservation revenue areas are running behind, mainly due to timing. Expenses are being held in check, with overall operating expenses being about 1% lower than 2015.

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

5. PAYMENT OF BILLS

On motion by Mr. Maupin, seconded by Mr. Sprang, a report of the payment of bills for the periods ending May 31, and June 30, 2016, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Pryce, 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 ASSIGNMENT OF LEASE – ECLIPSE RESOURCES, OHIO LLC TO DIVERSIFIED OIL & GAS, LLC – LEASE #463 AT MOHAWK

On motion by Mr. Maupin, seconded by Mr. Pryce, a consent to assign the well and a portion of Eclipse Resources rights of the lease to Diversified Oil & Gas, as recommended and set forth in the above memorandum, was authorized.

6.01c ASSIGNMENT OF LEASE – ECLIPSE RESOURCES, OHIO LLC TO DIVERSIFIED OIL & GAS, LLC – LEASE #465 AT MOHAWK

On motion by Mr. Maupin, seconded by Mr. Pryce, a consent to assign the well and a portion of Eclipse Resources rights of the lease to Diversified Oil & Gas, as recommended and set forth in the above memorandum, was authorized.

**6.01d ASSIGNMENT OF LEASE – ECLIPSE RESOURCES, OHIO LLC TO
DIVERSIFIED OIL & GAS, LLC – LEASE #522 AT DOVER**

On motion by Mr. Maupin, seconded by Mr. Pryce, a consent to assign the well and a portion of Eclipse Resources rights of the lease to Diversified Oil & Gas, as recommended and set forth in the above memorandum, was authorized.

**6.01e ASSIGNMENT OF LEASE – ECLIPSE RESOURCES, OHIO LLC TO
DIVERSIFIED OIL & GAS, LLC – LEASE #530 AT DOVER**

On motion by Mr. Maupin, seconded by Mr. Pryce, a consent to assign the well and a portion of Eclipse Resources rights of the lease to Diversified Oil & Gas, as recommended and set forth in the above memorandum, was authorized.

6.01f PURCHASE OF PROPERTY AT PLEASANT HILL RESERVOIR

On motion by Mr. Maupin, seconded by Mr. Pryce, purchase of approximately 36 acres of property at Pleasant Hill Reservoir, as recommended and set forth in the above memorandum, was ratified and approved.

**6.01g AMENDMENT TO COMMERCIAL REAL PROPERTY DONATION AGREEMENT
ATWOOD LODGE**

On motion by Mr. Pryce, seconded by Mr. Sprang, the Amendment to Commercial Real Property Donation Agreement for Atwood Lodge, as recommended and set forth in the above memorandum, was ratified and approved.

6.02a BUDGET REVISION

On motion by Mr. Sprang, seconded by Mr. Maupin, a proposed budget revision for account 58800, Special Events, as recommended and set forth in the above memorandum, was approved.

6.02b BUDGET ADJUSTMENTS

On motion by Mr. Pryce, seconded by Mr. Maupin, budget adjustments for the second quarter of 2016, as recommended and set forth in the above memorandum, were approved.

6.02c AUDIT OF DISTRICT RECORDS

On motion by Mr. Maupin, seconded by Mr. Sprang, the 2015 audit report that has been filed, accepted and released by the office of the Auditor of State, as recommended in the above memorandum, was accepted. In addition, MWCD has received the Auditor of State Award, which is given to entities that file timely financial reports in accordance with GAAP, as well as received a “clean” audit report.

6.03a HUMAN RESOURCES SUMMARY

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

**6.03b POSITION DESCRIPTION REVISION/TITLE CHANGE
NATURAL RESOURCES MANAGER**

On motion by Mr. Pryce, seconded by Mr. Maupin, a revised position description and title change for the Natural Resources Manager to Forest Operations Coordinator, as recommended and set forth in the above memorandum, were approved.

6.04a ATWOOD PARK CAMPGROUND AREA 20 – REQUEST TO ADVERTISE AND AWARD

On motion by Mr. Pryce, seconded by Mr. Sprang, a request to advertise and award a construction contract for the Atwood Park Campground Area 20 project, as recommended and set forth in the above memorandum, was approved.

**6.04b MASTER PLAN IMPLEMENTATION – AUTHORIZATION FOR
EXPENDITURE OF ADDITIONAL FUNDS FOR PMC**

On motion by Mr. Pryce, seconded by Mr. Sprang, additional funding for Project Management Consultant fees for the Park Master Plan, as recommended and set forth in the above memorandum, was authorized.

6.04c PLEASANT HILL – RICHLAND COTTAGE AREA ROAD IMPROVEMENTS

On motion by Mr. Sprang, seconded by Mr. Maupin, a request to advertise for bids for improvements to the Pleasant Hill Richland Cottage Area roadways, as recommended and set forth in the above memorandum, was authorized.

6.04d TAPPAN PARK WATER TREATMENT PLANT PHASE 1 FINAL DESIGN

This memo was withdrawn.

6.04e TAPPAN PARK WASTE WATER TREATMENT PLANT PHASE 1 FINAL DESIGN

On motion by Mr. Pryce, seconded by Mr. Maupin, a contract with DLZ Ohio, Inc. in the amount of \$141,106.91 for final design of the Tappan Park waste water treatment plant phase 1, as recommended and set forth in the above memorandum, was approved.

6.05 ELECTION OF OFFICERS

On motion by Mr. Pryce, seconded by Mr. Sprang, Mr. Maupin was elected as President and Mr. Sprang as Vice-President for 2016-2017; Mr. Hoopingarner was affirmed as Secretary and Mr. Cugliari as Treasurer.

6.06 OTHER BUSINESS

No other business at this time.

7. REPORTS

7.01 MARINAS REPORT

A Summary of Marina Operations report for the period ending June 30, 2016, was distributed to Board members.

- Though the line-item details were not yet available at the time this report was prepared, figures show MWCD's share of leased marina revenues were up 5% year-to-date from 2015. End of May figures showed leased marina docking revenues up 8%, led by an increase of 28% at Charles Mill.
- All MWCD-operated marina facilities were up year-to-date at the end of June from last year – Seneca at 5%, Piedmont at 4%, and leading the way, Clendening up 10%. Of note:
 - Piedmont and Clendening docking revenues (almost all from seasonal dockers), are over budget. Seneca, with a much greater amount of transient docking, and hence, room for additional revenues, is close too, and likely to surpass, budget as well.
 - At the end of June, Seneca had sold 7,400 gallons of fuel, compared to 2,800 gallons by the same date last year.
 - The number of boat rentals at Seneca was double that of the same time period last year. Much of the credit goes to a new rate structure which features rental rates at 50% off Monday through Thursday, days that had seen historically low numbers of rentals.
- Plans are underway for new dock abutments at Seneca and Clendening. The new abutments will improve safety and accessibility.
- A new off-season boat storage area adjacent to Seneca Marina has been designed and is slated for completion in August. The area will also help alleviate crowding issues during the summer by providing overflow parking for campground guests.
- In planning for future dock expansions, research was conducted related to the market for houseboats. Statistics show a steady and dramatic decline in the number of new houseboats sold in the US from a high of 550 in 2004, to only 70 in 2013. Though these numbers obviously may not bode well for houseboat manufacturers, the houseboats docked at our marinas, with almost no exceptions, are older boats that are often refurbished and sold, changing hands, but not always changing locations. This phenomenon results in the number of houseboats on MWCD lakes remaining relatively stable, despite the steep decline in the sales of new boats.

7.02 UTICA ROYALTY REVENUE REPORT

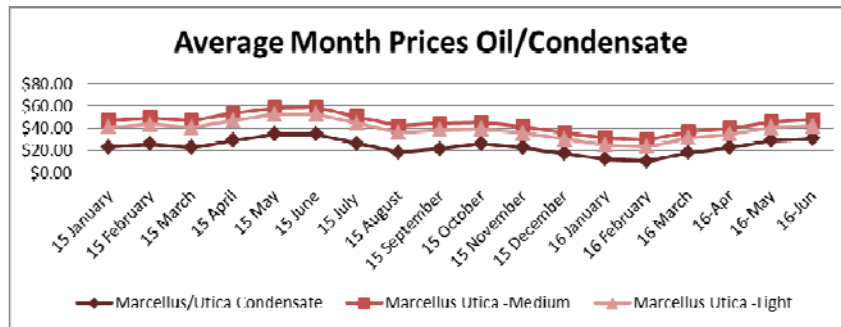
Utica royalty revenue is currently generated by 41 wells on adjacent private property. The MWCD's proportional share of the wells varies significantly (*a chart outlining this information was provided to the Board and a copy is on file*).

Utica royalty revenue decreased from May 2016 (\$379,974.48) to June 2016 (\$137,691.67).

Some individual items of note:

- The overpayment issue has been resolved and as a result we will see an increase from Antero in next month's Utica Royalty revenue report. The June check was "withheld."
- The Ohio Market Report prices posted for \$/barrel of Ohio Oil/Condensate on July 11, 2016

- Marcellus Utica Medium \$43.76
- Marcellus-Utica Light \$38.26
- Marcellus – Utica Condensate (Formerly ALS) \$26.76



Mr. Pryce requested that natural gas prices be included on this report for future meetings.

7.03 SPRING QUARTER 2016 FORESTRY REPORT

Forest Management – Forest Inventory and Invasive Species Control will be the main activities for this summer.

Active operations

- Leesville tree planting: Conservation staff plus several others from Recreation/Engineering/Human Resources and Finance planted 1,000 oak seedlings in order to enhance biodiversity, wildlife habitat and forest health.
- A 30-acre Timber Stand Improvement (TSI) project is underway and is 10% complete.
- 68 acres of Invasive Species Control on 5 projects have been completed by staff to date.

Future Operations

- An additional 70 acres of Invasive Species Control on 3 projects to be completed by staff by the end of summer.
- List TSI bid projects

Inventory

Hardwood Inventory is currently 67% complete.

- Completed: Clendening, Dover, Leesville, Tappan, and Wills Creek
- Current projects: Piedmont 68% complete; Seneca 55% complete; Pleasant Hill 64% complete

Pine Inventory is on hold until summer (91% complete)

- Completed: Atwood, Beach City, Bolivar, Clendening, Leesville, Piedmont, Seneca and Tappan
- Current project: Charles Mill 28% complete

Timber Harvesting – Dry weather has replaced the challenging weather from spring. Operations are running effectively.

Active/Recent Harvests

- Leesville – 25-acre thinning operation in conjunction with FFA Camp Muskingum harvest, 50% complete
- Tappan – Beall Grouse Pine Harvest, 30 acres, 60% complete
- Clendening – 19-acre Pine thinning, 10% complete

Future Harvests

- Leesville – 60-acre hardwood thinning planned for fall/spring
- Seneca – pine thinning totaling 16 acres planned for late summer/early fall.

Other Items

- Forestry staff provided 32 hours of educational instruction at the Ohio Forestry Association’s Forestry and Wildlife Conservation Camp held at FFA Camp Muskingum

7.04 RECREATION MARKETING REPORT

Ms. Bergeron provided a report covering the MWCD recreation marketing activities. The mission of the Marketing Division within MWCD parks is to create strong awareness for the value of MWCD parks to people of all ages in the region and to encourage experience at MWCD parks through effective communication, market research, effective programs and attractions that create memorable experiences. 2015 has been spent building and aligning the marketing infrastructure needed to support the master vision for the district including the following goals:

- **Create** a strong brand by streamlining and improving communication with employees, customers and community.
 - Individual park and marina websites were launched and overall views have increased and information is easier to disseminate that is specific to the park/marina.
 - Social Media has been utilized with each park and marina having their own social media pages which are linked to their webpage. As blogs are posted to the website, posts are auto-generated to social media sites including Facebook, Twitter, Google Plus, and You Tube.
 - New in 2016 is email database management and distribution where customers can opt-in to receive information.
 - Staff is working to create consistent and professionally produced signs at MWCD facilities. Individuals can text to 888777 for event notifications at each of the MWCD park locations.
- **Update** marketing collateral by creating consistent, visually appealing imagery to evoke emotion, draw reader attention and thematically tie print material together for consistent brand.
 - A professional photographer, Jim Celuch, has been hired to capture images that not only showcase the facilities, but capture moments that would evoke emotion where people are experiencing the benefits the MWCD has to offer.
 - MWCD brochures have been, or are scheduled for distribution around Ohio and surrounding states through services such as Backroads Advertising, Henley Graphics and CTM Media. Points of distribution include: Amish Country- Largest tourist destination in the Ohio; Hocking Hills; Ohio AAA; Pennsylvania AAA; festivals/flea markets; campgrounds/canoe liveries; historical sites/museums; lodging locations; and restaurants.
- **Increase** advertising to create awareness through traditional and non-tradition advertising.
 - Traditional advertising is radio, newspaper, magazine, brochures, convention and visitors bureau guides, and trade shows. In 2016, staff attended the following trade shows: RV Supershow, IX Center-Cleveland; Columbus Boat and RV Show; Pittsburgh RV Show; Clear Channel RV and Boat Show, Ashland County Fairgrounds; and AAA Travel Shows in Columbus, OH and Indianapolis, IN.
 - Non-traditional advertising efforts included: 1) a camper giveaway from which traffic to the MWCD website increased by 120,576 impressions over the same period last year and garnered 3,447 new likes on the MWCD social media pages reaching more than 28,000 views; 2) strong for bullies with 152 spots and segments on WOIO TV-19, Cleveland; WGAR Radio morning talk show host Brian Fowler stayed at Atwood in an RV provided by General RV and followed up with a promotion of MWCD on his show; WONE Campout with a live remote on location and exclusive “camp-out” with the DJ; and WTUZ Radio beach party.
 - The positive results of advertising were indicated by increased page views on the website: 299,361 views in 2014 compared to 679,970 views in 2015 – a 127% increase. Total revenue increased from \$5,574,660 in 2014 to \$5,810,656 – a \$236,000 or 4% increase in revenue for parks.
- **Strengthen** relationships in the community to create cross-promotional opportunities. The following partnerships have been developed:

- Ohio Tourism with a visit in 2015 from Chief Mary Cusick which resulted in an increased awareness of MWCD and impact on Tourism for the state of Ohio. Ms. Cusick included MWCD information as she toured the state launching the new Ohio branding campaign with key officials and tourism operators around the state
- Adventures in NE Ohio on which Ms. Bergeron is a board member and committee chair.
- Ohio's Appalachian Country
- Partnership with Carroll County CVB and Tuscarawas County CVB for Eastern Ohio's Lake Region
- Tuscarawas County Chamber of Commerce on which Ms. Bergeron is a board member and Governance Council and Committee chair
- Ohio Parks and Recreation Association on which Ms. Bergeron is a member of the Communications Committee
- National Recreation and Parks Association, Ms. is a member and attended the annual conference in 2015
- A cross-promotional RV Dealership Coupon is provided to ten RV dealerships. These coupons are for one free night of camping provided when customers purchase a new camper from their dealership

7.05 2016 GOALS

Mr. Hoopingarner provided an update on the status of accomplishment of the 2016 goals.

7.06 MASTER PLAN UPDATE

Mr. Rekstis distributed and reviewed the Park Master Plan Program Second Quarter Report for the Board of Directors. Mr. Slogar distributed a written report to the Board on the Master Plan Implementation.

Program Status

- Detailed design continues on the following 2016 projects:
 - Atwood Campground Area 20, sanitary sewer system, and special event parking improvements
 - Piedmont water and electric utility improvements
 - Pleasant Hill Area 22 Campground, sanitary system improvements
 - Seneca P-13 and P-21 Campgrounds, beach concession/restroom building, sanitary force main
 - Tappan East Campground
- Pending Board approval, consultants will begin detailed design on the following additional FY16-FY17 projects: Tappan wastewater treatment plant phase 1 improvements
- Tentative agreements have been reached with the Village of Perrysville for wastewater treatment from Pleasant Hill Lake Park and with the Village of Senecaville for wastewater treatment from Seneca Lake Parkside. These agreements have been sent to the respective villages for final review and signature. We anticipate requesting Board approval for both agreements at the August 2016 meeting.

Individual Project Status

- Atwood Lake Park Welcome Center is COMPLETE.
- Atwood Lake Park Trail, Phase I is COMPLETE.
 - Additional crosswalk markings will be installed by a separate contract as soon as weather permits.
- Tappan ADA Restroom and Shower House
 - Notice to proceed was issued to CCI Construction of Canton on July 5. The contractor is currently working on the building foundation. The project is scheduled to be substantially completed within 210 days after notice to proceed.
- Atwood Lake Bridge and Trail Phase II
 - Dennison Bridge has completed most of the bridge construction and grading for the trail. Remaining work includes pouring concrete for the forward approach slab and kayak landing pathway, aesthetic treatments to concrete surfaces, placing aggregate and asphalt for the trail surface and seeding and landscaping. The substantial completion date of June 30 was not met and liquidated damages will be assessed as

appropriate. A review substantial completion date has been set for August 6.

- Atwood Amphitheater Trail Lighting is COMPLETE
- Tappan East Campground Sanitary Sewer Improvements are COMPLETE
- Atwood Campground Area 20 Tree Clearing is COMPLETE

7.07 DREDGE PROGRAM STATUS – TAPPAN LAKE DREDGING PROJECT

- Hydraulic dredging has been completed in the lower east end area where the mechanical dredging last winter could not reach due to the soft lake bed. These remaining areas were hydraulically dredged as part of the phase 2 contract. Dredging in Clear Fork Bay is approximately 40% complete and recent spraying of the American Lotus will allow for increased production going forward as the lotus dies off. Work in Beaverdam Run Bay is expected to start within the next month or so.
- Material is being pumped to open pit dewatering cells at both the Deersville Road and Addy Road sites. Total material dredged to date for the second phase is 49,400 cubic yards out of the 160,000 cubic yard contract.

7.08 USACE PROJECTS STATUS REPORT

Bolivar Dam

- All seepage barrier panels have been installed and accepted. The seepage barrier contractor (Travilcos) is demobilizing the equipment needed for seepage barrier placement. Site restoration is beginning and will take several months to complete. The seepage barrier contract should be “physically complete” by the end of the calendar year.
- The service gates contractor (BCI) has completed the replacement of gates #5 and #6 and is currently working in sluices #1 and #1. These should be complete by the end of August, and the remaining two complete by the end of October. The service gates contract should be “physically complete” by next summer provided no significant unforeseen circumstances occur.
- Huntington plans to award the Phase 3 instrumentation contract by the end of July. This contract will, essentially, install piezometers on either side of the seepage barrier to measure the effectiveness of the barrier.

Dover Dam

- Phase 2 as-built drawings are currently under review by the Government. The project is currently scheduled to be “physically complete” (all contract work complete) by the end of September and will be “fiscally” closed-out by the end of next September to allow time for a real estate acquisition. There are mineral rights that need to be acquired on a tract immediately adjacent to the dam.

Zoar Levee

- The dam safety modification report was approved by headquarters on May 27. The division office is awaiting federal funding to begin preliminary engineering and design. Over the next month, the team plans to develop a project management plan, schedule, and budget to implement the project.
- Project construction is slated to begin in October of 2018 and a project partnership agreement (PPA) will be drafted soon.

Mohawk Dam

- The tentatively selected plan was presented to the vertical team (HQ, LRD, RMC) on July 6. The group agreed to move forward with the District’s recommendation. The tentatively selected plan includes the installation of 11 additional relief wells, the selective upsizing of several existing pipes in the seepage collection system, and the extension of outlet pipes in a way that will eliminate an unfiltered exit point which currently exists in the outlet ditches. The team is scheduled to present the plan to the Dam Safety Oversight Group on November 3.

- The District is aiming to get the Dam Safety Modification Report approved by May of 2017, which will allow the project to be eligible for construction funding in 2019.

Muskingum 729 Watershed Assessment

- Stakeholder meetings were held June 13 through June 15 and MWCD was represented by Ted Lozier and Boris Slogar. Meetings were held in Bellville, Shreve, Canton, Dover, Cambridge, and Zanesville.

7.09 IMMEDIATE OR PENDING LITIGATION

No report at this time.

8. SUBDISTRICTS

No business at this time.

9. EXECUTIVE SESSION

There was no executive session.

10. ADJOURN

There being no further business, on motion by Mr. Sprang, seconded by Mr. Maupin, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, August 26, 2016, at 9:00 a.m. at the New Philadelphia City Council Chambers. The MWCD Conservancy Court will convene on Friday, August 26, 2016, at 1:00 p.m. in the Tuscarawas County Courthouse.

07.22.2016,km

Approved 08.26.2016