

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas, New Philadelphia, Ohio
August 25, 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, August 25, 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, Mr. Paquette, and Mr. Sprang.

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

Mr. Sprang, 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*); Holly Hinton and Sean Logan (*Woolpert*); A. Bruce Robinson (*MWCD Development Advisory Committee*); and Terry Fercana (*Environmental Design Group*).

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Moorehead, the minutes of the July 21, 2017, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the seven-month period ending July 31, 2017. The total operating revenue is \$13,334,260.00 with operating expenses of \$8,328,791.00 resulting in an excess of revenue over expenses of \$5,005,469.00.

Maintenance Fund-General

- Total revenues are 61.33% of budget and up 41.31% from 2016. In 2016 through July, we were 38.09% of budget.
- Use of Water Assets revenue is 36.93% of budget as there was \$164,186.00 generated in the month of July from water sales to the oil and gas industry.
- Total expenses are 52.46% of budget compared to 53.54% of budget in 2016.

Conservation Fund

- Total revenues are 50.15% of budget and up 8.9% from 2016. In 2016 through July, we were 46% of budget.
- Mineral Operations - Gas and Oil Royalties is 51.92% of budget, up 6.29% from 2016. In 2016, we were 50% of budget.
- Total expenses are 42.23% of budget and down 24.46% from 2016.

- Farm Operations - Sharecrops is down 58% from 2016 with two factors playing into this: 1) timing of payments on materials; and 2) the switch to a new production based cash rent where our expenses are reduced significantly.

Recreation Fund: Parks

- Total revenues are 83.04% of budget and up 1.87% from 2016. In 2016 through July, we were 82.54% of budget.
- Vacation Cabin revenue is 69.29% of budget, down 3.43% from 2016, when we were 74.17% of budget.
- Park Camping revenue is 90.11% of budget, up 1.86% from 2016, when we were 90.30% of budget.
- General Park (gate admissions) revenue is 73.76% of budget, up 4.57% from 2016 when we were 89.99% of budget.
- Total expenses are 53.11% of budget and pretty much flat from 2016.

Revenue Fund: Non-Parks

- Total revenues are 68.48% of budget and slightly less than 2016 when we were 70.73% of budget.
- Overall marina operations, both leased and self-operated, are on target with budget and running ahead of 2016.
- Multiple Docks have met and exceeded the budget of \$430,000.00 by .25%.
- Water and Sewer Maintenance Program revenue is 52.92% of budget and down 36.54% from 2016. This difference is mainly due to timing of payments.
- Total expenses are 59.92% of budget, up 7.44% of budget, when we were 56.63% of budget in 2016.
- Clendening Marina Operations expenses are 63.69% of budget and up 29.59% from 2016. This is due mainly to increase in wages with the marina manager position being vacant the first six months of 2016. Also, there is an increase in the concession supplies.

Recreation Improvement Fund

- Total expenses are 28.60% of budget and up 104.10% from 2016.
- Park Master Planning expense are 28.72% of budget, up 120.67% from 2016.

Maintenance Assessment Fund

- Assessment Fund-Revenue Collections is 65.72% of budget as the second half settlements by the counties have begun to come in.
- Total expenses are 35.30% of budget.
- The major expense item this month was in the Support/GIS line item for the contract payment to Woolpert on the preparation of the assessment record.

Overall, budget expectations are being met thru July as the recreation season begins to wind down. We have begun the process for the preparation of the 2018 budget, with the expectation to provide an update of our progress to the September Board meeting.

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

5. PAYMENT OF BILLS

On motion by Mr. Paquette, seconded by Ms. Limbach, the report of the payment of bills for the period ending July 31, 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 JOHNNY APPLESEED HERITAGE CENTER, INC.

Mr. Hoopingarner informed the Board that representatives of the Johnny Appleseed Heritage Center, Inc. (JAHCI) have verbally notified him that they will be unable to pay their expenses beyond August 31. Mr. Hoopingarner has requested that a written request from JAHCI be submitted; that document not been received to date. Once the lease is terminated and MWCD assumes ownership, it will be necessary to make arrangements for basic maintenance (mowing, etc.), utilities, insurance, and security for the property. Ms. Bennett has been working with some groups who have expressed an initial interest in use of the facility but there are no definite plans submitted.

Mr. Hoopingarner requested Board approval to take the necessary steps to secure the property as described above. On motion by Mr. Moorehead, seconded by Mr. Maupin, the Board authorized staff to proceed as necessary after the JAHCI lease termination.

6.02a BUDGET REVISION

On motion by Mr. Paquette, seconded by Ms. Limbach, a proposed budget revision, as recommended and set forth in the above memorandum, was approved.

6.02b INVOICES PRIOR TO PURCHASE ORDERS

On motion by Ms. Limbach, seconded by Mr. Moorehead, 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.

6.02c PARK AND MARINA AUDITS

On motion by Mr. Moorehead, seconded by Ms. Limbach, park and marina audits performed by MWCD Finance staff, as recommended and set forth in the above memorandum, were accepted as presented.

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 PERSONNEL POLICY REVISION: INFORMATION SYSTEMS AND TECHNOLOGY

On motion by Ms. Limbach, seconded by Mr. Paquette, revisions to Personnel Policy No. 1001, “Information Systems and Technology,” as recommended and set forth in the above memorandum, were approved effective immediately.

**6.04a ATWOOD LAKE PARK MAIN CAMPGROUND IMPROVEMENTS PHASE I
REQUEST TO ADVERTISE AND AWARD**

On motion by Mr. Maupin, seconded by Ms. Limbach, a request to advertise for bids and award a contract for the Atwood Lake Park main campground improvements phase 1, as recommended and set forth in the above memorandum, was authorized.

**6.04b SENECA LAKE EAST SHORE AND CHESTNUT GROVE COTTAGE AREA PAVING PROJECT
REQUEST TO ADVERTISE AND AWARD**

On motion by Ms. Limbach, seconded by Mr. Paquette, a request to advertise for bids and award a contract for the Seneca Lake East Shore and Chestnut Grove Cottage Area paving project, as recommended and set forth in the above memorandum, was authorized. Mr. Moorehead abstained.

**6.04c TAPPAN LAKE PARK MAIN PUMP STATION IMPROVEMENTS FINAL DESIGN
REQUEST APPROVAL TO ENTER CONTRACT**

On motion by Mr. Maupin, seconded by Mr. Moorehead, award of a contract to DLZ Ohio, Inc., in the amount of \$67,779.00, as recommended and set forth in the above memorandum, was approved.

**6.04d MWCD REISER AVENUE BUILDING PARKING LOT PAVING
REQUEST TO ADVERTISE AND AWARD**

On motion by Mr. Paquette, seconded by Ms. Limbach, a request to advertise for bids and award a contract for improvements to the main parking lot at the Reiser Avenue facility, as recommended and set forth in the above memorandum, was authorized.

6.05 PARK AND MARINA MAINTENANCE STANDARDS

The attached park and marina standards (*copy on file*) for maintenance of grounds and facilities creates benchmarks for maintenance of MWCD park and marina property. Implementation of these standards will create a consistent level of service and attention to detail that will set MWCD facilities apart from the competition, while preserving new facilities for generations.

The documented maintenance standards allow for a clearly defined and measurable expectation for the type, frequency, and level for each identified task.

Early in 2017, the MWCD Board of Directors approved the Goals for 2017, which included the development and implementation of recreation facilities maintenance standards. That goal reads as follows:

RECREATION FACILITIES MAINTENANCE STANDARDS IMPLEMENTATION

To ensure quality and consistent levels of maintenance throughout the District, we will develop park and marina maintenance standards by the second quarter of 2017. Implementation of high priority standards will occur in the second quarter with refinement of these standards occurring by the end of the fourth quarter. The refinement of these standards in 2017 will allow for the development of a cost of service module in 2018.

We have begun the implementation of these standards as well as the correlating facility inspections. These standards are provided for your review. No action is necessary.

6.06 BOARD COMMITTEE ASSIGNMENTS

Mr. Pryce, former Board member, served as the Board of Directors' representative on the Master Plan Subcommittee. Mr. Sprang appointed Mr. Paquette to serve in this capacity.

OTHER BUSINESS

**PARTNERS IN WATERSHED MANAGEMENT GRANT PROGRAM
CAMP PIEDMONT GRANT AWARD RECOMMENDATION**

On motion by Mr. Moorehead, seconded by Mr. Maupin, award of a \$230,500.00 PWM grant to Eastern Ohio Extension Camps for the Camp Piedmont WWTP improvements project, as recommended and set forth in the above memorandum, was approved.

ATWOOD CAMPGROUND PROJECT CHANGE ORDER

Mr. Slogar informed the Board of the status of change orders that have occurred on the Atwood Campground project. This is a \$6.8 million project and there are change orders amounting to over \$564,000. No action is required now. The Board requested that Mr. Slogar present this information in writing at the September meeting.

CARROLL COUNTY COMMISSIONERS PROJECT

Mr. Hoopingarner reported that the Carroll County Commissioners have notified MWCD that the sewer project in a commercial area north of Carrollton will not take place. They have identified another project, similar in nature, and will be asking MWCD for consideration to use funds for this alternative project. The funds available to them from MWCD resulted from the sales transaction of Atwood Lodge as outlined in the amendment to commercial real property donation agreement. Carroll County will soon be providing more specific information regarding this matter.

7. REPORTS

7.01 MARINAS REPORT

Revenues at all MWCD owned and operated marinas are up from 2016, as are the MWCD shares of revenues from leased marina operations.

The purchase of Tappan Marina is moving forward and will become effective in October. An agreement with the current owners to provide storage and winterization services for the 2017/2018 off-season is close to becoming finalized. This will be an operational benefit to MWCD and help provide Tappan Lake Marina's customers with a very smooth transition.

Separate RFP's (Requests for Proposals), for the leased operation of the Tappan Marina restaurant, and for the provision of boat sales and repair services, will be issued this month, with the goal of having agreements in place this fall, and the new lessees on board the first of next year. MWCD will provide the core services of docking, boat rentals, and fuel and bait sales at the marina. This business model is similar to the one in place at Seneca Lake Marina, which has proven to be very successful, utilizing MWCD's strengths and experience, while taking advantage of the specific skills and business acumen provided by the private sector.

A concrete floor will be installed at the Clendening Marina maintenance building. The building currently has a gravel/crushed stone floor. The concrete floor will make work in the building easier and more efficient, and allow for the eventual provision of heat and proper ventilation. The project will also involve the installation of a separator tank, to collect and properly dispose of the waste materials produced during the repair and maintenance of boats and equipment. This will help us to continue protecting the water quality of Clendening Lake.

Keith Ott continues to be successful at Leesville North Fork Marina. Planning has been completed for much-needed dock replacements at the facility for the 2018 boating season.

MWCD's Engineering Department is designing a small shoreline protection project at Leesville South Fork Marina, which will prevent erosion and improve public access. This project will involve the very effective, yet attractive, Redi-Rock product recently utilized at Atwood East Marina.

The Dockside Restaurant at Seneca Marina, is now in its fifth year of operation. Revenues have more than tripled during that time, and now, except for January and February, the "seasonal" operation is open all year. After five years, some equipment will need to be replaced. A recent meeting with restaurant operators Annie Bride and Terry Lake, resulted in a relatively minor equipment replacement plan, which will result in a much more efficient provision of service.

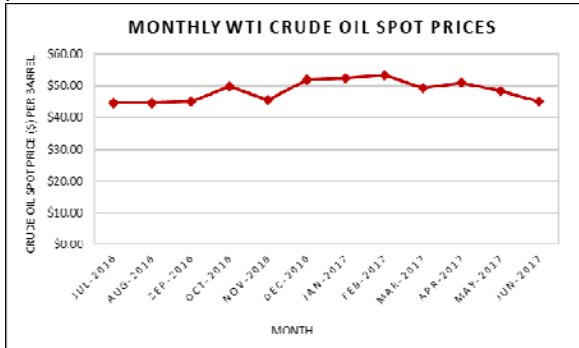
7.02 UTICA ROYALTY REVENUE REPORT

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 (copy on file).

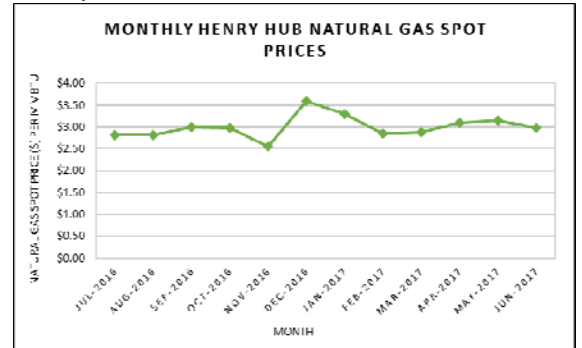
There were no specific items to note, and the monthly Utica royalty revenue decreased about 2.4% from June '17 (\$416,259.83) to July '17 (\$406,317.11).

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

The WTI Crude Oil Spot Price² for June 2017: \$45.18 per barrel



The Henry Hub Natural Gas Spot Price³ for June 2017: \$2.98 per MMBTU



¹ Source: U.S. Energy Information Administration (June 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 MAINTENANCE ASSESSMENT PROCESS PROGRESS REPORT

Ms. Bennett reported that the work by the consultant on the maintenance assessment process project, Woolpert, is on schedule for completion in September. The assessment record will be presented for Board consideration at the September 22 meeting. We are now evaluating additional internal staff vs. working with a consultant for this project in the coming year.

7.04 2017 GOALS

A chart entitled “2017 Goals – Progress Tracking,” was distributed to the Board for their review. Staff members provided comment on the areas for which they are responsible.

7.05 MASTER PLAN UPDATE

Mr. Slogar distributed a written report to the Board on the Master Plan Implementation as follows:

Program Status

Detailed design continues for the following projects:

- **Atwood:** Special event parking improvements, main campground improvements – Phase I
- **Charles Mill:** Water and wastewater treatment plants, main campground redevelopment – Phase I
- **Piedmont:** Water and electric utility improvements, campground renovations – Phase I
- **Pleasant Hill:** Seasonal campground redevelopment – Phase I, roadway and infrastructure improvements– Phase I

- **Seneca:** Marina Point South Campground redevelopment
- **Tappan:** WWTP Phase 1 improvements, campground renovation – Phase I

Individual Projects Status

- **Atwood Area 20 Campground:** 76 concrete RV pads with full hook-ups were completed and in use during the Alive Festival. The restroom/shower building was partially complete and open with two women's restrooms and one men's available during Alive. The contractor is currently working on earthwork for the remaining 66 sites, completing restroom building and constructing the picnic pavilion. Substantial completion for the entire project is scheduled for November, 2017.
- **Atwood Lake Sanitary Sewer System:** The project is complete and in service.
- **Charles Mill Lake RV and Boat Storage Lot:** GE Baker began clearing and grubbing on August 4. Earthwork operations are starting. This project involves the construction of a 2.9-acre gravel storage lot with lighting located 1¼ miles west of the park entrance on State Route 430. The substantial completion is mid-October, 2017.
- **Pleasant Hill Lake Area 22 Campground:** Earthwork operations, sanitary sewer, storm sewer, and waterline installation are nearly complete with underground electric work nearly complete. Eighteen concrete RV campsite pads have been completed and the CXT restroom/shower building installation began on August 24. The project is scheduled to be substantially completed in November, 2017.
- **Pleasant Hill Lake Sanitary Collection System Improvements:** Elite Excavating Company from Mansfield was awarded a contract in the amount of \$1,438,490.00 to construct a new sanitary sewer force main and two lift stations through the park and connecting to the Village of Perrysville wastewater treatment plant. Shop drawing approvals are currently underway with construction to start soon. The substantial completion date is set for the end of November, 2017.
- **Seneca Lake Terminal Pump Station and Force Main to Senecaville:** Border Patrol is continuing work on installation of the force main between the park and the Senecaville WWTP. 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 WWTP. The project will be substantially completed in October.
- **Seneca Lake Parkside Central and Woodlands Campgrounds:** Cast & Baker Corporation from Canonsburg, PA has begun mobilizing onto the site within the last couple of weeks. This project involves the construction of a new seasonal campground which will include 107 full hook-up RV campsites, a new stick-build restroom/shower building, two CXT restroom/shower buildings, two picnic shelters, two playgrounds, new boat ramp, crib pier and abutments for new cluster docks. This project will be substantially completed in November, 2018.
- **Seneca Lake Beach Concession/Restroom Building:** Brannon Contracting & Maintenance Services LLC has completed the site and civil work for the project. We are working on the project closeout. The Certificate of Occupancy was received on July 10.
- **Tappan Lake ADA Restroom and Shower House:** This project has been completed and is now open to the public.
- **Tappan Lake East Campground:** Construction at Sycamore loop (near the beach parking lot) is progressing. Concrete camper pad construction will begin the last week of August. This project is scheduled to be substantially completed in November 2017.

Reservoir Dredging and Shoreline Stabilization (Ongoing)

Dredging Program

- **Tappan Lake:** PCi Dredging continues to work on restoration work at Tappan Lake and should be complete within the next month. The Addy Road and Tappan Park dewatering sites are essentially complete and have been seeded, while work is nearing completion at the Deersville Road dewatering site.
- **Seneca Lake:** PCi Dredging was awarded a construction management at-risk contract for the Seneca Lake dredging project. The initial contract, in the amount of \$210,460, is for preconstruction phase services while a Guaranteed Maximum Price (GMP) Amendment will be negotiated later this fall for the actual construction work. The preconstruction phase work has begun with sediment probing and Dredge Material Relocation Area (DMRA) site reconnaissance work being performed by PCi.

Shoreline Program

- Projects for the 2017/2018 winter drawdown are planned at Tappan and Seneca lakes. Grant dollars from the Clean Ohio program have been secured and will significantly reduce the District's cost for next year's shoreline stabilization work. Design work for these projects is nearly complete and we expect to advertise for bids in October.

7.06 USACE PROJECTS STATUS REPORT

Bolivar Dam

- Post Implementation Evaluation Report (IER) is finished and USACE now classifies Bolivar Dam as DSACS (the lowest and best possible condition rating in the Dam Safety Class Action class rating system). This is the first DSACS dam in all of Huntington District.
- The seepage barrier project punch list has been completed.
- The gate contract is complete.
- Remaining work is focused upon completing the abutment restoration and preparing for the 5k run and ribbon cutting ceremony in October.

Mohawk Dam

- Dam Safety Modification Report was transmitted to headquarters this past week with details on the solutions pertaining to upgrading the relief wells and collector system.

Zoar Levee:

- No significant update since last report.

Tappan Dam Issue Evaluation Study (IES)

- IES will be kicking off soon and a site visit by the USACE Louisville District cadre will occur in September or October. MWCD will be invited to participate.

7.07 IMMEDIATE OR PENDING LITIGATION

This matter was discussed in executive session.

8. SUBDISTRICTS

No business to conduct at this time.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, seconded by Mr. Maupin, the Board of Directors entered executive session at 11:00 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; Mr. Paquette-yes; and Mr. Sprang-yes. The executive session ended at 11:50 a.m.

10. ADJOURN

There being no further business, on motion by Mr. Moorehead, seconded by Mr. Paquette, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, September 22, 2017, at 9:00 a.m. at the Kent State University Tuscarawas, Science and Technology Building.

08.25.2017,km

Approved 09.22.2017