

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the MWCD Annex Building
September 21, 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, September 21, 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, and Mr. Sprang.

Ms. Limbach, Vice President of the Board of Directors, presided.

On motion by Mr. Sprang, seconded by Mr. Maupin, Mr. Gresh and Mr. Moorehead were excused.

Present from MWCD staff were Scott Barnhart, Adria Bergeron, Jim Cugliari, John Hoopingarner, Brad Janssen, John Maxey, Karen Miller, John Olivier, Jim Pringle, Boris Slogar, and Nate Wilson.

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: Bruce Robinson (*MWCD Development Advisory Committee*); Kevin Fox (*New Philadelphia resident*); and J. D. Long (*Harrison News Herald*).

3. APPROVAL OF MINUTES

On motion by Mr. Maupin, seconded by Mr. Sprang, the minutes of the August 24, 2018, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the eight-month period ending August 31, 2018. The total operating revenue is \$19,964,037.00 and operating expenses of \$10,430,279.00, resulting in an excess of revenue over expenses of \$9,533,758.00.

Maintenance Fund

- Total revenues are 64% of budget, down 1% from 2017.
- Total expenses are 61% of budget, up 6% from last year.

Conservation Fund

- Total revenues are 44% of budget, up nearly double from 2017.
- Timber Harvesting revenue is 52% of budget, up 8% from 2017.
- Pine Pulpwood Operations revenue is 71% of budget, up 7% from 2017. It is anticipated that overall, between Timber Harvesting and Pine Pulpwood Operations, that the total revenue budget will be met.
- Total expenses are 56% of budget, down 27% from 2017, primarily in Farm Operations-Sharecrops and Mineral Operations-Gas and Oil line items.

Recreation Fund: Parks

- Total revenues are 89% of budget, up 2% from 2017.
 - Vacation Cabin revenue is 82% of budget and running 2% ahead of 2017.
 - Park Camping revenue is 94% of budget, 3% ahead of 2017. Year-end projection is that Park Camping will be close to meeting budget.
 - General Park is 82% of budget, 14% lower than 2017.
- Total expenses are 69% of budget, 8% ahead of 2017.

Recreation Fund: Non-Parks

- Total revenues are 81% of budget, 12% ahead of 2017. The main area for the 12% increase over 2017 is the District operation of Tappan Marina. By looking at the overall revenue, less the operation of Tappan Marina, we are still seeing a 4% increase from last year.
- Multiple Docks revenue has met and exceeded budget by 2%, up 7% from 2017.
- Total expenses are 75% of budget, up 22% from 2017. Again due, in part, to the operation of Tappan Marina. By removing the Tappan Marina expenses, the overall expense increase is 9.5%.

Recreation Improvement Fund

- Total expenses are 59% of budget, up 77% from 2017, mainly in the Park Master Plan line item.

Maintenance Assessment Fund

- Assessment Fund-Revenue Collection is 83% of budget with most counties reporting the second half settlements. There are five counties yet to report the second half settlement.
- Total expenses are 43% of budget, down 28% from 2017.

Overall, revenues and expenses are in line for the most part with budget expectations as we wrap up much of the recreation season. We continue to manage our investments to allow for proper cashflow to meet the ongoing Park Master Plan contracts.

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

5. PAYMENT OF BILLS

On motion by Mr. Sprang, seconded by Mr. Maupin, the report of the payment of bills for the period ending August 31, 2018, were approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Sprang, 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 CHARLES MILL EASEMENT

On motion by Mr. Maupin, seconded by Mr. Sprang, an easement granting ingress and egress across approximately 383 feet of MWCD property at Charles Mill, as recommended and set forth in the above memorandum, was approved.

6.01c SENECA MARINA RESTAURANT LEASE – ADDITION TO LEASE AREA

On motion by Mr. Maupin, seconded by Mr. Sprang, an addendum to the current lease for the operation of the Dockside Restaurant at Seneca Marina, as recommended and set forth in the above memorandum, was approved.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Mr. Sprang, 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 BUDGET REVISION – TAPPAN MARINA

On motion by Mr. Sprang, seconded by Mr. Maupin, a budget revision in the amount of \$10,000 for utilities expense at Tappan Marina, as recommended and set forth in the above memorandum, was approved.

6.02c PARK AND MARINA AUDITS

On motion by Mr. Sprang, seconded by Mr. Maupin, park and marina audit reports, as recommended and set forth in the above memorandum, were accepted as presented.

6.02d 2019 BUDGET

Mr. Cugliari updated the Board on the status of the preparation of the 2019 budget.

6.03a HUMAN RESOURCES SUMMARY

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

6.04a 2018/2019 SHORELINE STABILIZATION PROJECTS

On motion by Mr. Maupin, seconded by Mr. Sprang, advertisement for bids and award of a contract for proposed shoreline stabilization work, as recommended and set forth in the above memorandum, was approved.

**6.04b CLENDENING MARINA CAMPGROUND PAVEMENT IMPROVEMENTS PROJECT:
BID AND AWARD**

At the July 2018 meeting, the Board authorized the advertisement for bids and award of a contract for the Clendening Marina Campground Pavement Improvements project.

Sealed bids were received August 16, 2018, with the following results:

Contractor	Total Bid
Albatross Management, LLC	\$124,841.00
NLS Paving	\$143,581.00

The bid falls within 10% of the engineer’s estimated cost of \$115,000.00. The bid was reviewed; references were checked and the bid is deemed to be awardable.

A contract was executed with Albatross Management, LLC, in the amount of \$124,841.00. Substantial completion for the project is scheduled for November 1, 2018. This memo is provided for informational purposes only and no Board action is required.

6.04c SENECA EAST SHORE/CHESTNUT GROVE COTTAGE AREAS PAVING; CHANGE ORDER SUMMARY

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 contract for base repairs and chip/seal of Bass Lane, Margo Lane and Sunset Drive at Seneca Lake was awarded to Albatross Management on September 27, 2017, in the amount of \$207,869.50. The contract was for a double chip and seal on all the roadways with base repairs as needed.

Multiple issues developed that required change orders which caused the contract amount to exceed 10% of the original contract. Below is a summary of the change order costs:

Original contract amount	\$207,869.50
Change Order #1 for time extension	-0-
Change Order #2.....	13,846.63
• Change of backfill stone source to western Ohio limestone	
• Replacement of deteriorating 18-inch concrete culvert on Margo Lane	
Change Order #3.....	95,916.88
• Added significant areas of additional base repairs on Bass (+21%), Margo (+40%) and Sunset (+99%)	
• Added an asphalt leveling course to mitigate rutting	
• Added length to the amount of ditch cleanout	
• Added chip/seal to two (2) stub roads on Margo Lane	
• Added a catch basin and sewer to eliminate ongoing drainage issue for lessee	
Change Order #4.....	2,200.00
• Fixing damage to Sunset Drive caused by lessee’s contractor	
Total not-to exceed contract price (53.9% over the original contract amount)	\$319,833.01

No Board action is necessary.

6.04d PURCHASE OF WORK BOAT

On motion by Mr. Sprang, seconded by Mr. Maupin, purchase of a work boat from Clark Boats, Inc., at a cost of \$92,993, as recommended and set forth in the above memorandum, was approved.

6.05 ATWOOD AREA FALL FESTIVAL AGREEMENT

On motion by Mr. Sprang, seconded by Mr. Maupin, a proposed agreement with the Atwood Area Fall Festival Committee, Inc., for the 2018 event, as recommended and set forth in the above memorandum, was approved.

6.06 2018 ANNUAL MAINTENANCE ASSESSMENT

On motion by Mr. Maupin, seconded by Mr. Sprang, the maintenance assessment in the aggregate sum of \$5,841,340.84, as recommended and set forth in the above memorandum, was approved.

OTHER BUSINESS

Ms. Limbach suggested that consideration be given to an update to the book entitled *A Valley Renewed* or that a second edition be compiled in order to bring the history of MWCD up to date.

7. REPORTS

7.01 MARINAS REPORT

The boating season is wrapping up at all marinas, with plans in place for haul out of boats, winterization, storage, and dock removal. After a brief interlude, it will be a very busy time at all of these facilities, through the end of October and into early November.

The first season under MWCD ownership of Tappan Marina is winding down. The restaurant operation will close September 30. Expectations were not met and an evaluation is currently underway.

- Master planning for the facility continues. An RFP has been issued to secure an architectural firm to help guide the process. Work has begun on improvements to the off-season boat storage area. An advisory group has been formed, consisting of 18 local residents who have an interest in the future of the marina. A similar group helped in the planning process after MWCD assumed operation of Seneca Lake Marina.

Final landscaping has begun to help wrap up Phase 1 of the campground renovation project for Piedmont.

Work has begun on an expansion of the sales/showroom/repair facility at Atwood West Marina.

The new online boat rental reservation system, provided by Fare Harbor, was used successfully at MWCD marinas, beginning in July. It is expected that a full season of operation will result in a significant increase in boat rental revenues in 2019.

A new roof will be installed after this season at Leesville North Fork Marina. New siding, windows, and ADA improvements will follow next year. The installation of new docks, delayed by high water events this spring, will take place next spring, as well. These improvements, along with the new restroom shower building currently under design, will result in a much higher quality facility for our guests.

7.02 UTICA ROYALTY REVENUE REPORT

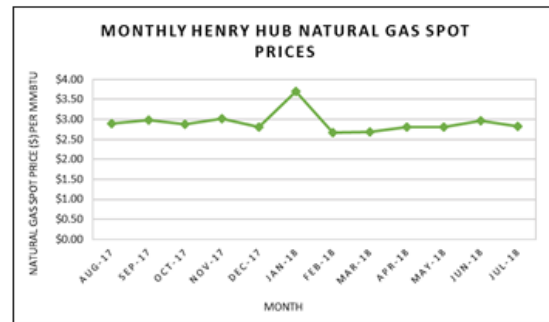
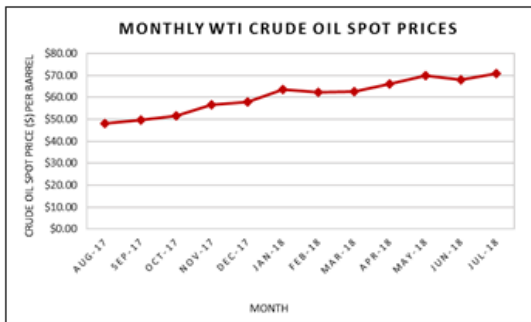
Utica royalty revenue is currently generated by 67 producing wells at Clendening, Seneca, and Leesville Reservoirs. A breakdown of the currently producing wells by operator and reservoir, along with the monthly royalty revenue can be seen on the attached page.

The monthly Utica royalty revenue decreased about 10% from July 2018 (\$761,594.12) to August 2018 (\$682,804.32).

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

- The WTI Crude Oil Spot Price² for July 2018: \$70.98 per barrel

- The Henry Hub Natural Gas Spot Price³ for July 2018: \$2.83 per MMBTU



¹ The U.S. Energy Information Administration Prices Reports¹ (July 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 LAKE DRAWDOWN SCHEDULE FOR 2018-2019

In accordance with the U.S. Army Corps of Engineers Control Manuals, the following table shows proposed lake drawdowns for the winter of 2018-2019. This schedule will be presented to the U.S. Army Corps of Engineers and the Ohio Department of Natural Resources for their review.

Reservoir	Normal Pool	Winter Level	Total Drawdown (feet)	Begin 2018 Drawdown	Release Duration (days)	Suggested intermediate refill schedule by March 15, 2019
Atwood	928.00	920.00	8.0	November 15	42	926.00
Charles Mill	997.00	994.00	3.0	November 1	30	995.00
Clendening	898.00	893.00	5.0	November 15	35	896.00
Leesville	963.00	958.00	5.0	November 1	35	961.00
Piedmont	913.00	908.00	5.0	November 1	35	911.00
Pleasant Hill	1020.00	1014.00	6.0	November 15	42	1018.00

Seneca	832.20	825.20	7.0	November 15	45	830.20
Tappan	899.30	894.30	5.0	November 15	35	897.30
<p>NOTE: Due to planned construction at Atwood and Seneca Lakes, we request that additional drawdown occur to the elevations noted. All reservoirs with extended drawdown will be held at the requested elevation until February 15, 2019 and then returned to the normal winter schedule elevations.</p>						

- To accommodate autumn boating, fishing and hunting, and to help reduce shoreline erosion, it is recommended that the drawdowns occur on an even release basis and at the rate stipulated above (release duration) to reach the intended lowered elevation.
- We request of the U.S. Army Corps of Engineers that refill begin February 15 on those reservoirs that can reasonably meet the intermediate refill date due to the nature of the reservoir, precipitation in that area, etc. For those reservoirs that cannot reasonably meet the March 15 refill date, please continue to begin refill on February 1. This delay will allow MWCD an additional two weeks to address any projects that need to be completed during drawdown, i.e. shoreline stabilization projects, dredging, dock repairs, etc.

This is provided for informational purposes only and requires no action on the part of the Board.

7.04 MASTER PLAN UPDATE

Mr. Slogar distributed and reviewed a Park Master Plan status report.

Program Status

Detailed design continues for the following projects:

- **Charles Mill:** Campground Redevelopment Phase 2
- **Piedmont:** Water and Electric Utility Improvements
- **Pleasant Hill:** Campground Redevelopment Phase 2
- **Seneca:** Marina Point Campground Phase I

Individual Projects Status

- **Atwood Main Campground Improvements – Phase I:** The event parking area and new dump station are complete and in service. Sanitary sewer, water line, gas line, electrical, and data/communications installations are done or nearly complete. Pouring of concrete campsite pads is ongoing with over half completed. Metal roofing, ceramic tile and siding and trim are nearly complete on restroom building. Painting is ongoing. The project will provide 106 full-hookup RV campsites, a restroom/shower building and two shelters with playgrounds. Substantial completion for the project is scheduled for November.
- **Charles Mill Lake Park Water and Wastewater Utility Improvements:** Simonson Construction Services has completed the installation of the new wastewater treatment plant and water tower. The sewer and water line installation is complete. Work is continuing on the water treatment plant. 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, 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 completed the installation of new utilities within the redevelopment area. Gravel pad construction is currently underway along with preparations of the road subgrade for paving. 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:** The new CXT restroom is installed. Landscaping is underway with paving to proceed next. Construction is ahead of schedule.
- **Pleasant Hill Seasonal Campground Redevelopment – Phase I:** Shrock Custom Premier Construction has completed renovations on the restroom/shower building. All underground utilities are installed and concrete campsite pads and asphalt paving are complete in the campground. Landscaping work is ongoing. The project will provide 38 full-hookup RV campsites. Substantial completion for the campground is scheduled for November.
- **Pleasant Hill Cabin Roadway & Infrastructure Improvements:** Sanitary sewer installation is complete. Waterline and electrical installations are underway. The project involves site construction for a new cabin neighborhood located south of East Loop Road and east of the main park entrance road. Planned work includes grading, underground utilities installation, roadway construction and drainage improvements. Substantial completion for the project is scheduled for November.
- **Pleasant Hill Cabins Phase 1:** The project will be advertised for bids in Fall 2018 with cabin construction scheduled for completion in mid-2020.
- **Seneca Lake Parkside Central and Woodlands Campgrounds:** Cast & Baker Corp. is finishing pouring the remaining concrete RV pads and performing landscaping. Two CXT restrooms were installed earlier this month. Work is continuing on the shower house and picnic pavilions. The project will be substantially completed by the end of November.
- **Tappan Lake Park Campground Renovation – Phase I:** Sanitary sewer and water lines installed with testing of utility sections continuing. Corrections are underway as needed to pass air pressure tests. Electric service lines are installed. Conduit for electric main is installed. AEP to be on site to energize in early October. French drain installation continues in the upper portion of the project. Approximately 31 of 74 concrete pads have been poured. The CXT restroom installation is scheduled for late fall.

Reservoir Dredging and Shoreline Stabilization (Ongoing)

Dredging Program

- **Seneca Lake:** The initial phase of dredging has been completed near the Churchman Point Dock Association, and dredging will continue at several locations near the West Shore, East Shore, and Chestnut Grove cottage areas. Design work continues for one additional settling basin, while the additional dredging associated with this basin is planned for 2019.

Shoreline Program

- **Atwood Lake Park Peninsula Shoreline Stabilization:** Design work will be completed this summer for a 1,500-ft project along the causeway leading to the Area F campground.

7.05 USACE PROJECTS STATUS REPORT

Mohawk Dam and Zoar Levee Projects:

- Both projects have received full federal funding. Mohawk will likely be awarded in FFY20 while Zoar will be likely be awarded in FFY 21.
- Project Partnership Agreements and other necessary documents are being drafted by USACE and will be submitted to MWCD soon for review.
- An overview meeting for both projects is scheduled for October 4 in Huntington. John Hoopingarner, Jim Cugliari, Boris Slogar, and Jim Pringle are tentatively scheduled to attend.
- A public meeting is scheduled for October 17.

Tappan Dam:

- USACE Dam Safety Oversight Group reclassified Tappan Dam from DSAC 2 to DSAC 4. Minor modifications to the relief well system and relief well maintenance plan are under design.

Bolivar Dam:

- The project is slated to be completely closed out by January, 2019.

7.06 IMMEDIATE OR PENDING LITIGATION

No report.

8. SUBDISTRICTS

8.01 PAYMENT OF BILLS – CHIPPEWA SUBDISTRICT

On motion by Mr. Sprang, seconded by Mr. Maupin, the report of the payment of bills for the period ending August 31, 2018, for the Chippewa Subdistrict, was approved as presented.

8.02 CHIPPEWA SUBDISTRICT – 2018 ANNUAL MAINTENANCE ASSESSMENT

On motion by Mr. Sprang, seconded by Mr. Maupin, the maintenance assessment in the aggregate sum of \$333,666.92, as recommended and set forth in the above memorandum, was approved.

9. EXECUTIVE SESSION

No executive session necessary.

10. ADJOURN

There being no further business, on motion by Mr. Maupin, seconded by Mr. Sprang, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, October 19, 2018, at 9:00 a.m. at the MWCD Annex Building.

09.21.2018,km

Approved 10.19.2018