

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the The Hampton Inn, New Philadelphia, Ohio
November 20, 2015, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at The Hampton Inn, 1299 West High Avenue, New Philadelphia, on Friday, November 20, 2015, 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. Parham, Mr. Pryce, and Mr. Sprang.

Present from MWCD staff were Bill Alderman, Scott Barnhart, Barbara Bennett, John Bird, Donnie Borland, Mary Burley, Jim Crandall, Jim Cugliari, Scott Heller, John Hoopingarner, Ted Lozier, Karen Miller, John Olivier, David Sicker, Boris Slogar, Mark Swiger, and Melissa Tylke.

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: J.D. Long (*Harrison News Herald*), Brent Winslow (*GAI Consultants*), Katherine Holmok (*Environmental Design Group*), and Sean Logan (*Woolpert, Inc./Sean Logan & Associates, LLC*).

3. APPROVAL OF MINUTES

On motion by Mr. Sprang, seconded by Mr. Parham, the minutes of the October 23, 2015, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending October 31, 2015. The total operating revenue is \$16,357,353.00 with operating expenses of \$12,008,462.00 resulting in an excess of revenue over expenses of \$4,348,891.00.

Maintenance Fund-General

- Revenues have far exceeded budget for the year by 30%. Water sales have doubled what was budgeted, while interest on investments is at 73.65% of budget.
- Overall expenses are at 66% of budget and in-line with budget expectations.

Conservation Fund

- Revenues are 56.24% of budget at this point with the forestry revenues nearly meeting budget
- Farm Operations-Sharecrop revenues are currently at 50% of budget with little activity to occur in the last couple months of the current year.
- Mineral Operations-Gas and Oil Royalties are 52.56% of budget. Currently we are waiting to see if the first payment on some new wells will be received by year end. Our projection for the year is approximately \$5,750,000.00
- Expenses are 57.35% of budget and 10% from 2014.

Recreation Fund-Parks

- Total revenues are 101.13% of budget with nearly all revenue categories at 100%. Camper Trailer Storage revenues are continuing to come in and should meet budget.
- Expenses are 78.71% of budget and up 8% from 2014.

Recreation Fund-Non Park

- Total revenues are 95.50% of budget with most areas meeting budget.
- Total expenses are 78.50% of budget and up 21.39% from last year. The main contributing reason for the increase from the prior year is our operation of Clendening Marina.

Recreation Improvement Fund

- Total expenses are 46% of budget as things begin to pick up in the park master plan area. Total expenses are up 56% from 2014.

Maintenance Assessment Fund

- Total expenses are 46.30% of budget.
- Dam Safety Upgrades, which is the Districts cost share obligation to the Corps is 74.34% of budget and a little over one million under budget as we have met all their obligations for this budget year.

Overall, revenues for the year have done very well when comparing to budget. In addition, expenses have been maintained even with budget increases from the prior year.

On motion by Mr. Pryce, 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 period ending October 31, 2015, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Pryce, seconded by Mr. Sprang, 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 TAPPAN MARINA LEASE EXTENSION

On motion by Mr. Pryce, seconded by Mr. Sprang, an addendum to the Tappan Marina lease to extend it to December 31, 2016, as recommended and set forth in the above memorandum, was approved.

6.01c HINKLE PROPERTY DEMOLITION

On motion by Mr. Pryce, seconded by Mr. Maupin, removal of a structure on the property located at Atwood Reservoir and known as the Hinkle Property and reclamation of said property to green space, as recommended and set forth in the above memorandum, was authorized.

6.02a 2016 BUDGET

Mr. Cugliari reviewed the 2016 budget with the Board. No action was requested. The following comments were offered:

- Mr. Pryce suggested a separate report indicating the 2016 budget figures compared to the 2013, 2014, and 2015 budget projections. This report would help the Board and staff to understand how much the District has expanded over the past few years. He added that the same process is being followed in development of the current \$30 million budget as was used when the annual budget was \$5 million – suggesting that the process needs to be updated. One element missing is a high level analysis.

- Mr. Sprang informed the Board that he spent some time with Mr. Hoopingarner and Mr. Cugliari on November 19 to offer some insight from his perspective relative to the budget process. He suggested that the Board and staff need to work and learn together to use the budget to the organization's best advantage. The budget needs to be used as a management tool and should be based upon a strategic planning process.
- Mr. Pryce encouraged staff to get goals and objectives in place prior to the budget process and develop an overall budget in August/September. Then the "bottom up" budget has a target to be met.
- Mr. Maupin encouraged that consideration be given to increasing tree planting in the forestry operations where a low cost investment can yield a high return in the future.

6.02b APPROPRIATION RESOLUTION FOR 2016

This memo was withdrawn.

6.02c 2016 PARK MASTER PLAN BUDGET

Mr. Cugliari, Mr. Slogar, and Mr. Sicker reviewed the 2016 park master plan budget with the Board. No action was requested.

**6.02d PARTNERS IN WATERSHED MANAGEMENT GRANT PROGRAM –
2015 FINAL PROJECT FUNDING RECOMMENDATIONS**

On motion by Mr. Parham, seconded by Mr. Maupin, funding for five PWM projects totaling \$350,000, as recommended and set forth in the above memorandum, were approved.

6.02e 2016 MARINE PATROL ASSISTANCE GRANT PROGRAM

On motion by Mr. Pryce, seconded by Mr. Sprang, a proposed Resolution of Authorization to apply for grant funding for the 2016 Marine Patrol program, as recommended and set forth in the above memorandum, was adopted.

6.03a HUMAN RESOURCES SUMMARY

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

6.04a EMPLOYMENT CONTRACT WITH CHIEF COUNSEL

On motion by Mr. Parham, seconded by Mr. Pryce, a contract with the firm of Kyler, Pringle, Lundholm & Durmann to provide legal services for the period of December 1, 2015, through November 30, 2016, as recommended and set forth in the above memorandum, was approved.

6.05 OPERATIONAL POLICY – NETWORK SECURITY AND ACCESS

On motion by Mr. Sprang, seconded by Mr. Parham, a proposed new operational policy entitled, "Network Security and Access," as recommended and set forth in the above memorandum, was adopted.

6.06 LEXIPOL LAW ENFORCEMENT POLICY UPDATES

On motion by Mr. Pryce, seconded by Mr. Sprang, proposed updates and four new policies for the Lexipol Law Enforcement Policy Manual, as recommended and set forth in the above memorandum, were

adopted. For future updates/revisions to Lexipol policies, the Board agreed that staff should provide a summary report of changes, along with some statistics of MWCD law enforcement activities, on an annual basis.

6.07 PROPOSED RATES FOR 2016

On motion by Mr. Parham, seconded by Mr. Sprang, proposed rates for the 2016 season for parks, marinas, and boat decals, as recommended and set forth in the above memorandum, were approved.

6.08 SCHEDULE OF BOARD MEETINGS FOR 2016

On motion by Mr. Parham, seconded by Mr. Sprang, the proposed schedule of meeting dates for the year 2016 for the Board of Directors, as recommended and set forth in the above memorandum, was approved.

OTHER BUSINESS

- Mr. Hoopingarner informed the Board that Mr. Slogar received a commendation from the Water Management Association of Ohio for his service as president of that organization for the past two years.
- Mr. Hoopingarner reported that the Muskingum Watershed Conservancy Foundation's first annual meeting was held on Friday, November 6, at the Kent State University Tuscarawas Performing Arts Center. There were over 180 reservations for the event. Dr. Jeffrey Reutter of The Ohio State University was the keynote speaker. Dr. Reutter served as the director of the F.T. Stone Laboratory, the Ohio Sea Grant College Program, the Center for Lake Erie Area Research, and the Great Lakes Aquatic Ecosystem between 1987 and 2015. An aquatic biologist and limnologist, Dr. Reutter is expert on issues related to the changing Lake Erie ecosystem, harmful algal blooms, nutrient loading, aquatic invasive species, linking environmental health and coastal economic development, Great Lakes research needs and priorities, the importance of science education and research, and the importance of scientists communicating with the public. Dr. Reutter's presentation was entitled *Understanding the Causes and Remedies for Harmful Algal Blooms and Dead Zones: A Problem for Lake Erie, Ohio, and the World*.
- Ms. Limbach requested that a report be provided to the Board at the December meeting regarding the status of the potential partnership between MWCD and the Ohio Water Development Authority.

7. REPORTS

7.01 MARINAS REPORT

At this time of the year, marina operators are completing the process of moving docks to winter storage areas, and are busy winterizing, shrink wrapping, and storing customers' boats.

The marinas continue to have a strong 2015, with leased marina operations up 6% from last year. Charles Mill and Pleasant Hill marinas, both owned and operated by Bob Schraedly, are up 21% and 13%, respectively. Leesville Petersburg Marina saw boat, motor and gas sales rise 39%, while Charles Mill was not far behind with a 26% hike. This falls in line with information in a recent Boating Industry article indicating that nation-wide, outboard powered and sport fishing boat sales are up 10%, with personal watercraft and ski boat sales up 15%. Industry experts attribute at least some of the boost in boat purchases to the lower cost of fuel.

Newly purchased Clendening will not quite meet revenue budget, but expenses will be lower than budgeted as well. A rough projection shows Clendening's revenues over expenses will end up at around 8%. Piedmont and Seneca will both exceed budgeted revenue amounts by approximately \$50,000.00, with revenues over expenses of 40% and 31%, respectively.

Construction has begun on a new water-line to serve the public at the restroom shower building at Atwood West Marina.

The recently approved purchase of storage buildings near Piedmont Marina is already producing results, with over 40 boats stored indoors, and over \$18,000 in new revenues. Two of the four buildings are filled, and we anticipate being at capacity as soon as next year. Minor improvements to the buildings’ electrical and lighting systems have been made, and cosmetic enhancements to the exteriors of the buildings will begin shortly.

MWCD has pledged to begin working on Ohio Clean Marina certifications for Piedmont, Clendening, and Seneca marinas. Certification involves putting best management practices in place to protect water quality. The program, jointly administered by Sea Grant, OSU Extension, and ODNR’s Division of Watercraft, has only recently been made available to inland marinas. We hope to include our privately operated marinas as well.

7.02 UTICA ROYALTY REVENUE REPORT

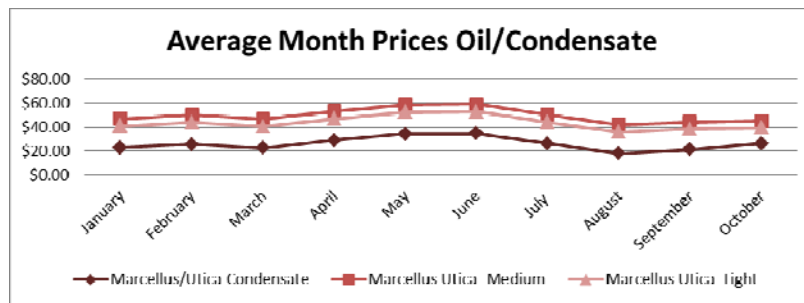
Utica royalty revenue is currently generated by 14 wells on adjacent private property. The MWCD’s proportional share of the wells varies significantly, and is shown below on the right.

Number of Wells	Description	Reservoir	MWCD Proportional Share
4	Boy Scout Unit	Clendening	64.2% of the 747 acre unit
5	Jones Unit	Clendening	19.2% of the 635 acre unit
2	Stout Unit	Piedmont	0.21% of the 633 acre unit
3	Myron Unit	Seneca	92.3% of the 817 acre unit

Utica royalty revenue decreased by -1.31% from September (\$217,915.65) to October (\$215,104.94)

Some individual items of note:

- Ascent Resources Jones Pad 5th well is producing and paying royalties.
- The Ohio Market Report prices posted for \$/barrel of Ohio Oil/Condensate on November 09, 2015
 - Marcellus Utica Medium \$42.87
 - Marcellus-Utica Light \$36.87
 - Marcellus – Utica Condensate (Formerly ALS) \$23.87



7.03 BOARD OF APPRAISERS – JAMES NAVRATIL

James C. Navratil, long-time member of the MWCD Board of Appraisers, passed away Monday, October 26, 2015. He was a self-employed realtor and land developer in the Medina County area. Mr. Navratil had been associated with the MWCD for many years, beginning with his association with the Chippewa Subdistrict project in the 1960s.

We will begin the process of seeking a replacement of Mr. Navratil to the Board of Appraisers.

7.04 DEATH AT PLEASANT HILL

On October 31, 2015, Monroe Township Emergency Medical Service received a call at 12:32 p.m. reporting a hunter down and unresponsive. Richland County Sheriff's Office and the Richland County Coroner responded to the scene and 55 year-old Thomas Grobe of Northfield Village, Ohio, was pronounced dead.

Mr. Grobe and his son, Tyler, had rented a cabin at Pleasant Hill Lake Park for the purpose of hunting deer for the week. Mr. Grobe was last seen at approximately 6:00 a.m. on October 31 when he left the cabin to go hunting. Tyler discovered his father in the woods at the base of a tree.

The Coroner has ruled the death to be from natural causes and no autopsy or further investigation is being performed.

7.05 MASTER PLAN UPDATE

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

Program Status

- Individual park design (IPD) teams are nearing completion on park layouts and test fits.
- The IPD teams continue to work on the location and size for all new water, sewer, electric, communications and gas lines throughout each park.
- The cabin development team continues to refine the floor plans, exterior look and costs for the proposed cabins at all parks.
- Preliminary cost estimates for all proposed master plan improvements have been received for all parks. The MWCD master plan team is working with the IPDs to prioritize those projects that will fall within the established master plan budget and determine a sequence of project construction.
- A draft wastewater treatment agreement was sent to the Village of Perrysville on August 28, 2015. We are currently waiting for their response.

Individual Project Status

- Atwood Lake Park Welcome Center
 - NL Construction Corporation of Canton continues working on the framing and window installation.. Heavy timber trusses have been fabricated and are ready for installation. Asphalt base course paving and decorative concrete sidewalk is complete. Plumbing and electric rough-in is complete and HVAC installation is ongoing. Landscaping is underway. Project completion date is set for March 15, 2016.
- Atwood Lake Park Trail, Phase I
 - VIP Construction Corporation of Canton has substantially completed the project and the trail and parking lot are open. The final change order is being prepared. Additional wood railing will be installed by separate contract.
- Tappan ADA Restroom and Shower House
 - MWCD staff and ms Consultants have completed value engineering on the restroom/shower building and plan revisions are underway. The project will be rebid in the first quarter of 2016.
- Atwood Lake Bridge and Trail Phase II
 - The project is currently being advertised and bids will be opened on December 8,, 2015. Construction will run from approximately January until July 2016.
- Atwood Amphitheater Trail Lighting
 - Wood Electric, Inc. of New Philadelphia has completed installation of concrete pole foundations, conduit and wiring. The wood light poles will be delivered and installed in mid-December 2015.

- Tappan Sanitary Sewer
 - DLZ is currently working on construction plans for a new sanitary sewer trunk line to connect the new restroom/shower building and future campgrounds to the treatment plant. Construction will start in early 2016.

7.06 DREDGE PROGRAM UPDATE

Dredging Operations

- PCi is finalizing their mechanical dredging removal program scheduled to occur during the reservoir drawdown period.
- Approximately 175,000 cubic yards of material are expected to be removed this winter.
- Activities are underway to prepare a parcel of MWCD land located off of Deersville Road to receive mechanically-removed material.

Navigational Dredging Program

- Staff continues to evaluate options for smaller-scale dredging options meant to target areas in the reservoirs that would be inefficient and costly for large-scale dredging machinery.

7.07 USACE PROJECTS STATUS REPORT

Bolivar Dam

- Past 50% of seepage barrier project length complete. Slight slowdown last week – working through a clam shell issue. Contractor is working in a good rhythm and will continue provided weather cooperates.
- Grouting at left abutment is nearly complete.
- Service gates contract – first new gate being installed. Slight issue with fitment but working through it.
- Completion date contract end date will be adjusted for adverse weather dates.

Dover Dam

- Completing as-built drawings.
- Inflow Design Flood (IDF) being reviewed by the Louisville District team.

Zoar Levee

- Headquarters gave approval to move forward with finalizing design plans. Will take time to approve next year.
- Likely to award construction in late 2017 with work starting spring of 2018.

Mohawk Dam

- Sending the existing condition risk assessment for internal review.

Muskingum 729 Watershed Assessment

- Watershed Assessment Management Plan (WAMP) agreement and associated documents heading to division office for review.

7.08 DISCUSSION OF 2015 GOALS

Members of the Board received a copy of the goals for 2015. No oral report was presented.

7.09 CONSERVATION VISIONING PROJECT

Mr. Lozier reported that an initial meeting for Conservation Visioning was held on Monday, November 16. The purpose of the visioning project is to determine what should be done with the remaining undeveloped MWCD lands in the next 50-80 years; how to engage our partners in that vision; and how do our partners become a part of that vision.

An advisory work group is working with the Conservation staff, and includes:

- Gordon Maupin, representing the MWCD Board of Directors.
- Robert Boyles, Deputy Director over the divisions of Forestry, Mineral Resources Management and Wildlife, for the Ohio Department of Natural Resources (ODNR). He is also chief of the ODNR Division of Forestry and state forester.
- Jeff Herrick, former Manager of the ODNR Division of Wildlife in Akron, and currently with the Wildlife Management Institute.
- Richard Shank, previously served as executive director of the Ohio Chapter of the Nature Conservancy and former director of the Ohio Environmental Protection Agency.
- Dan Rice, president and chief executive officer of the Ohio & Erie Canalway Coalition.
- John Dorka, executive director of the Ohio Forestry Association and former chief of the ODNR Division of Forestry.
- Members of the MWCD Conservation staff along with Barb Bennett, John Olivier, Nick Lautzenheiser, and Boris Slogar.

Mr. Lozier stated that the visioning process is expected to take approximately 4-6 months to complete with an end goal in mind for a strategic planning process as it relates to the conservation operations of MWCD.

7.10 ORSANCO APPOINTMENT

Members of the Board were informed that Mr. Hoopingarner recently received an appointment as a commissioner to the Ohio River Valley Water Sanitation Commission. He will be one of three representatives from the State of Ohio.

The Ohio River Valley Water Sanitation Commission (ORSANCO), was established on June 30, 1948 to control and abate pollution in the Ohio River Basin. ORSANCO is an interstate commission representing eight states and the federal government. Member states include: Illinois, Indiana, Kentucky, New York, Ohio, Pennsylvania, Virginia, and West Virginia.

ORSANCO operates programs to improve water quality in the Ohio River and its tributaries, including: setting waste water discharge standards; performing biological assessments; monitoring for the chemical and physical properties of the waterways; and conducting special surveys and studies. ORSANCO also coordinates emergency response activities for spills or accidental discharges to the river, and promotes public participation in programs, such as the Ohio River Sweep and the RiverWatchers Volunteer Monitoring Program.

7.11 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham is the MWCD representative on the Atwood Regional Water and Sewer District (ARWSD) Board of Trustees. New officers of the Board of Trustees were elected at the last meeting. Gary Sterret, former superintendent of the East Holmes School District and now a resident of the Atwood Lake area, is the newly elected president.

7.11 IMMEDIATE OR PENDING LITIGATION

No significant activities to report at this time.

8. SUBDISTRICTS

8.01 SELECTED CLEARING OF MAINTENANCE BERM ALONG RIVER STYX

On motion by Mr. Parham, seconded by Mr. Pryce, authorization to solicit for bids and award a contract for a clearing project of a maintenance berm along River Styx, Chippewa Subdistrict, as recommended and set forth in the above memorandum, was granted.

**8.02a BLACK FORK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2016**

On motion by Mr. Pryce, seconded by Mr. Sprang, the budget and appropriation resolution for 2016 for the Black Fork Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

**8.02b BUFFALO CREEK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2016**

On motion by Mr. Pryce, seconded by Mr. Sprang, the budget and appropriation resolution for 2016 for the Buffalo Creek Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

**8.02c CHIPPEWA SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2016**

On motion by Mr. Pryce, seconded by Mr. Sprang, the budget and appropriation resolution for 2016 for the Chippewa Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

**8.02d CLEAR FORK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2016**

On motion by Mr. Pryce, seconded by Mr. Sprang, the budget and appropriation resolution for 2016 for the Clear Fork Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

**8.02e DUCK CREEK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2016**

On motion by Mr. Pryce, seconded by Mr. Sprang, the budget and appropriation resolution for 2016 for the Duck Creek Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

9. EXECUTIVE SESSION

An executive session was not necessary at this time.

10. ADJOURN

There being no further business, on motion by Mr. Maupin, seconded by Mr. Parham, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, December 18, 2015, at 9:00 a.m. at the Science and Technology Center, Kent State University Tuscarawas, 330 University Drive, New Philadelphia, Ohio.

11.20.2015,km

Approved 12.18.2015