

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the MWCD Annex Building
November 16, 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, November 16, 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: Mr. Gresh, Ms. Limbach, Mr. Maupin, Mr. Moorehead, and Mr. Sprang.

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

Present from MWCD staff were Scott Barnhart, Adria Bergeron, Jim Cugliari, Scott Heller, Lucas Hershberger, John Hoopingarner, Brad Janssen, Dave Lautenschleger, Karen Miller, John Olivier, Jim Pringle, Clayton Rico, and Boris Slogar.

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: Bruce Robinson (*MWCD Development Advisory Committee*); Steve Stevenson and Dan Chitti (*New Philadelphia residents*); Richard Lutz and Steve Walker (*Buckeye Trail Association*); Sean Logan (*Woolpert*); and J. D. Long (*Harrison News Herald*).

3. APPROVAL OF MINUTES

On motion by Mr. Sprang, seconded by Ms. Limbach, the minutes of the October 19, 2018, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the ten-month period ending October 31, 2018. The total operating revenue is \$25,919,384 and operating expenses of \$12,717,918, resulting in revenue over expenses of \$13,201,466.

Maintenance Fund

- Total revenues are 75% of budget with the Interest on Investments meeting and exceeding budget by 5% through October.
- Total expenses are 77% of budget, and in line with budget expectations.

Conservation Fund

- Total revenues are 66% of budget and double what was received last year during the same reporting period.
 - Pine Pulpwood Operations revenue has met and exceeded budget by over \$80,000.
 - Mineral Operations – Gas and Oil Royalties revenue is 66% of budget with a large payment of over \$3 million received from Antero Resources for new wells that were put into production.
- Total expenses are 67% of budget and in line with expectations.

Recreation Fund: Parks

- Total revenues are 97% of budget, up approximately \$185,000 or 3%.
- Most of the revenue line items in this section are at or near budget.
- Total expenses are 84% of budget and up 4% from 2017.

Recreation Fund: Non-Parks

- Total revenues are 96% of budget, and up 12% from 2017.
- Nearly all the marina operations revenue line items have met budget.
- Total expenses are 86% of budget.

Recreation Improvement Fund

- Total expenses are 79% of budget and up 62% from 2017.
- Master Plan expenses are 83% of budget with nearly \$30 million being expended to date.

Maintenance Assessment Fund

- Revenue collections on the assessment are 99% of budget with one county left to report.
- Total expenses are 55% of budget and down 30% from 2017.
- During the month of October, the two larger expenditure line items were Debris Removal in Stream Channels at \$45,543 and the Assist Local Property Owners with BMPs (Cover Crop Program) at \$380,140.

Overall, operations continue to be within our budget expectations from both a revenue and expense standpoint.

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

5. PAYMENT OF BILLS

On motion by Ms. Limbach, seconded by Mr. Sprang, the report of the payment of bills for the period ending October 31, 2018, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Ms. Limbach, seconded by Mr. Maupin, the assignments, cancellations, new leases, farm leases, mortgage consent and agreement cancellations, and mortgage consent and agreements were approved and execution by the proper officers of the MWCD authorized.

6.01b SENECA MARINA – BOAT, MOTOR, TRAILER SALES AND SERVICE LEASE RENEWAL

On motion by Mr. Gresh, seconded by Ms. Limbach, renewal of the lease for Seneca Marina boat, motor, trailer sales and service, as recommended and set forth in the above memorandum, was approved.

6.01c MOHICAN MALABAR BIKE CLUB – MOUNTAIN BIKE TRAIL AGREEMENT

On motion by Mr. Sprang, seconded by Mr. Gresh, an agreement with the Mohican Malabar Bike Club to construct a bike trail at Pleasant Hill, as recommended and set forth in the above memorandum, was approved, with the proviso that motorized bikes be prohibited.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Ms. Limbach, seconded by Mr. Maupin, a “then and now” certificate for invoices received prior to processing of a purchase order, as recommended and set forth in the above memorandum, was authorized.

6.02b PRELIMINARY 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 Ms. Limbach, seconded by Mr. Maupin, human resources activities, as recommended and set forth in the above memorandum, were approved.

6.03b SEASONAL AND VARIABLE HOUR EMPLOYEE STAFFING PLAN – 2019

On motion by Ms. Limbach, seconded by Mr. Sprang, the seasonal and variable hour employee staffing plan for 2019, as recommended and set forth in the above memorandum, was approved.

6.03c WAGE ADJUSTMENTS – 2019

On motion by Ms. Limbach, seconded by Mr. Gresh, a three percent (3%) wage increase for eligible non-contracted, non-bargaining unit full-time and part-time employees, as recommended and set forth in the above memorandum, was approved, effective on the first pay date in January, 2019.

6.04a 2018/2019 SHORELINE STABILIZATION PROJECTS: BID AND AWARD RESULTS

At the September 2018 meeting, the Board authorized the bid and award of the Atwood Lake Peninsula Shoreline Stabilization Project.

The engineer’s estimate is \$1,529,000.00. Bids were received on October 30, 2018, with the following results:

Company	Base Bid
Tucson, Inc., New Philadelphia	\$1,377,205.00
Lockhart Concrete, Akron	\$1,519,133.00

All bids are within 10% of the engineer’s estimated cost. The lowest bid was reviewed; references were checked and the bid is deemed awardable.

A contract will be executed with Tucson, Inc., in the amount of \$1,377,205.00. Substantial completion is scheduled for March 1, 2019. This memo is provided for informational purposes only and no Board action is needed.

**6.04b PLEASANT HILL AREA 22 CAMPGROUND PROJECT
FINAL PROJECT ACCOUNTING AND CHANGE ORDER RATIFICATION REQUEST**

On motion by Mr. Maupin, seconded by Mr. Gresh, execution of all change orders for the Pleasant Hill Area 22 campground project, as recommended and set forth in the above memorandum, was ratified.

**6.04c PLEASANT HILL SANITARY COLLECTION SYSTEM IMPROVEMENTS PROJECT
FINAL PROJECT ACCOUNTING AND CHANGE ORDER RATIFICATION REQUEST**

On motion by Ms. Limbach, seconded by Mr. Maupin, execution of all change orders for the Pleasant Hill sanitary collection system improvements project, as recommended and set forth in the above memorandum, was ratified.

**6.04d SENECA MARINA POINT CAMPGROUND REDEVELOPMENT PHASE I
BID AND AWARD RESULTS**

At the August 2018 meeting, the Board authorized the bid and award of the Seneca Lake Marina Point Campground Redevelopment Phase I Project.

The engineer's estimate is \$6,000,000.00. Bids were received on October 16, 2018, with the following results:

Company	Base Bid	Alternate #1	Alternate #2	Alternate #3
Tucson Inc. New Philadelphia, OH	\$6,172,680.00	\$326,238.00	\$129,667.00	\$1,825,275.00
Cast and Baker Canonsburg, PA	\$6,568,179.33	\$316,437.00	\$97,914.00	\$395,975.00

All bids are within 10% of the engineer's estimated cost. The lowest bid was reviewed; references were checked and the bid is deemed awardable.

A contract will be executed with Tucson Inc. in the amount of \$6,302,347.00 which includes the base bid and Alternate #2, the purchase and installation of a picnic shelter. Substantial completion is scheduled for October 30, 2019. This memo is provided for informational purposes only and no Board action is needed.

6.04e TAPPAN PARK CAMPGROUND RENOVATION PHASE 2: REQUEST TO BID AND AWARD

On motion by Mr. Sprang, seconded by Mr. Gresh, bid and award of a contract for the Tappan Park campground renovation phase 2 project, as recommended and set forth in the above memorandum, was authorized.

6.05 SCHEDULE OF BOARD MEETINGS FOR 2019

On motion by Ms. Limbach, seconded by Mr. Gresh, the proposed schedule for Board meeting in 2019, as recommended and set forth in the above memorandum, was approved with a revision to change the recommendation of April 19 to April 26.

6.06 PWM GRANT PROGRAM – 2018 FUNDING RECOMMENDATIONS

On motion by Mr. Sprang, seconded by Mr. Gresh, award of PWM grant funding for two projects, as recommended and set forth in the above memorandum, was authorized.

OTHER BUSINESS

Mr. Pringle reviewed for the Board part of the history of the Atwood Resort property with respect to the District and the Carroll County Commissioners. The property was donated by the District to the Commissioners in January of 2012. When the Commissioners returned most of the Resort property to the District, a balance remained in the account that was funded by oil and gas revenue from the property. By contract, that fund was to be transferred to the District. An Amendment to the Donation Agreement was agreed to by the Commissioners and the District. The District agreed to donate a portion of the oil and gas revenue fund dollars to aid in the financing of a water and sewer construction project contemplated by the Commissioners. That agreement was subject to a number of conditions. The Commissioners did not pursue the project and the commitment expired.

Currently, the Commissioners are requesting the Board to provide a portion of the funding for a different water and sewer construction project. The project would include approximately 2100 feet of water line and 7800 feet of sewer. The project would serve 40 residences, the County Home, Carroll Hills School, Carroll Count Transit, Countryview Manor, the Carroll County Dog Pound and the future site of a new ODOT outpost. A preliminary estimate of the total project cost is \$1,910,000. Contributions have been identified from the Ohio Department of Transportation, the Carroll County Community Improvement Corporation, Carroll Hills School and the Carroll County Commissioners. The request directed to the District is for \$300,000.

On motion by Ms. Limbach, seconded by Mr. Gresh, the Board approved a funding request submitted by the Carroll County Commissioners contingent upon submission of a formal written resolution from the Commissioners and preparation of a formal agreement for signature by both parties. Staff was also directed to present a summary for the December Board meeting.

7. REPORTS

7.01 MARINAS REPORT

This is a busy time at all marinas on MWCD lakes. Boats are coming off docks, being winterized, and moved to storage locations. Docks are being moved to their winter storage areas as well.

Domokur Architects was selected to lead the master planning efforts at Tappan Marina. We are familiar with their team and look forward to working with them. Our first working meeting is scheduled for November 13 and will involve our newly-formed advisory group which consists of 20 area residents and users of the facility. RFP's for the operation of the restaurant are due November 16. We have received two already and anticipate at least two to three additional proposals as well.

A major paving project is underway in the campground at Clendening Marina. Many existing drainage issues were addressed prior to paving. When complete, the campground will have received a much-needed facelift.

Installation of a new roof for the Leesville North Fork Marina main building will be completed this month.

A gas line repair project is set to begin at Charles Mill Marina. MWCD engineers are reviewing the project and working with owner Bob Schraedly to make sure it is done correctly.

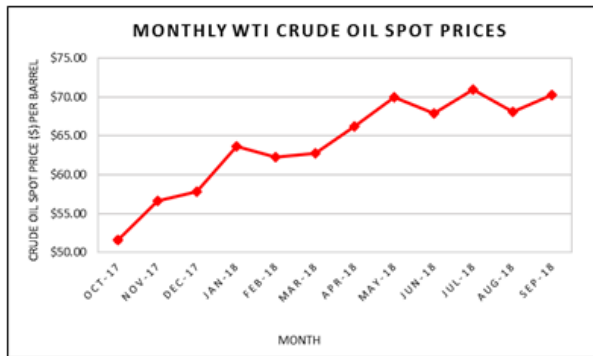
7.02 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 73 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.

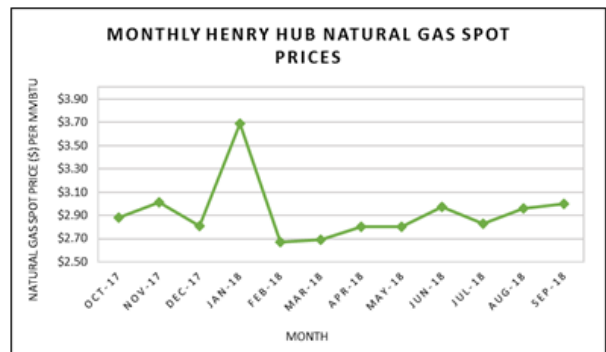
The monthly Utica royalty revenue increased 407% month-over-month with total revenue from September 2018 (\$682,804.32) to October 2018 (\$3,472,035.50).

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

- The WTI Crude Oil Spot Price² for September 2018: **\$70.23** per barrel



- The Henry Hub Natural Gas Spot Price for September 2018: **\$3.00** per MMBTU



¹ The U.S. Energy Information Administration Prices Reports¹ (September 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 2018 GOALS PROGRESS REPORT

Members of the Board each received a copy of report (*copy on file*) entitled “2018 Goals – Progress Tracking,” along with a copy of the 2018 Goals. Staff members provided comments on their specific areas of responsibility.

7.04 MASTER PLAN UPDATE

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

Projects in Design

- **Pleasant Hill:** Campground Redevelopment Phase 2

Individual Projects Status

- **Atwood Main Campground Improvements – Phase I:** The event parking area and new dump station are complete and in service. Restroom/shower house building and two picnic shelters are complete. All underground utilities and concrete campsite pads are complete. Asphalt paving of the roadways is complete and landscaping is 90% complete. Paving of walking trails and remaining landscaping will likely be postponed until spring due to weather. Punch list work is in progress. The project includes 106 full-hookup RV campsites and a new restroom/shower building. 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. Sewer and water line installation is complete. Work is wrapping up on the water treatment plant. Startups for the facilities taking place and the water tower has been filled. Substantial completion is scheduled for November.
- **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 complete and paving has begun on the roadways. Landscaping is underway around the campsites. Demolition on the existing restroom/shower building has begun. Substantial completion for the campground is scheduled for December and for the restroom building in March 2019.
- **Charles Mill Lake Park Main Campground Redevelopment – Phase 2:** Bids will be opened on December 20, 2018. This project involves the reconstruction of the existing middle section of the campground with 66 full-hookup RV campsites with gravel pads, 9 tent sites, renovations to the existing restroom/shower building, and a new CXT restroom/shower building.
- **Piedmont Campground Renovations Phase I:** The project is nearing completion with the following items remaining to be completed: landscaping, catch basin field change, final seeding and mulching, asphalt surface course, washer and dryer install in the CXT and valve replacement in front of the CXT. Substantial completion is scheduled for December.
- **Piedmont Water Storage and Distribution Improvements:** Notice to proceed was given to Xpress Underground Inc. on October 15. Approximately 75% of waterline is installed. Pad preparation for the storage tank is underway. Substantial Completion for project is scheduled for March, 2019.
- **Pleasant Hill Seasonal Campground Redevelopment – Phase I:** Punch list work is in progress. The project includes 38 full-hookup RV campsites and a renovated restroom. The project is substantially complete.
- **Pleasant Hill Cabin Roadway and Infrastructure Improvements:** The project provides site construction for a new cabin neighborhood. Underground electrical work by the contractor is complete and waiting to be energized by Firelands Electric Coop. Sanitary lift station construction is complete. Roadway paving is complete. Landscaping will be postponed until spring due to weather. Punch list work is in progress, and substantial completion for the project should take place in late November or early December, after Firelands supplies power to the site and lift station pump start-up occurs.
- **Pleasant Hill Cabins Phase 1:** The project is being rebid following a value engineering (VE) process and a bid opening was held November 15. Cabin construction scheduled for completion in the first quarter of 2020.
- **Seneca Lake Parkside Central and Woodlands Campgrounds:** Cast & Baker Corp. is working on restoration, paving and landscaping. Work continues the shower house and picnic pavilions. The project will be substantially complete by early December.

- **Seneca Lake Marina Point Campground Redevelopment Phase 1:** Tucson Inc. has been awarded the contract. The project will provide 98 seasonal RV sites with full utility hook-ups, a new CXT restroom and shower building, playground, basketball court, and picnic shelter.
- **Tappan Lake Park Campground Renovation – Phase I:** All camper pads are poured. All utilities complete. Water and sanitary utilities need to be tested prior to acceptance. Paving complete through intermediate course. CXT restroom delivery install date is December 11.
- **Tappan Waste Water Treatment Plant:** Notice to proceed was given to Tucson Inc. October 8. The project includes a septic receiving dump station and screening, lagoon repair, side stabilization with new lining and level control, along with a pre-fabricated building and associated equipment housing improvements. Site work will include fencing, grading, access drive, seeding and mulching of all disturbed areas and electrical power improvements including a backup generator. The existing pump station will also be replaced which pumps all wastewater from the park to the WWTP. Substantial completion is scheduled for April 2019.

Reservoir Dredging and Shoreline Stabilization (Ongoing)

Dredging Program

- **Seneca Lake:** Dredging in the Locust Lane and Bass Lane areas is nearing completion and the dredge will be removed from the lake in late November or early December. Design work continues for one additional settling basin at the peninsula and additional dredging is planned for 2019.

Shoreline Program

- **Atwood Lake Park Peninsula Shoreline Stabilization:** Bids were opened October 30 and the project has been awarded to Tucson, Inc. The project includes approximately 450 linear feet of auger cast pile wall to reinforce the bank along the northern end of the project, and approximately 1,400 linear feet of rock riprap to protect against further shoreline erosion. Construction is expected to begin in December.

7.05 USACE PROJECTS STATUS REPORT

Mohawk Dam and Zoar Levee Projects

- Draft Project Partnership Agreements and other necessary documents have been submitted to MWCD and are under legal review.

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.

Dover Dam

- USACE staff are investigating potential impacts, if any, related to potentially raising outflow from Dover Dam.

7.06 IMMEDIATE OR PENDING LITIGATION

This matter was discussed in executive session.

8. SUBDISTRICTS

8.01 PAYMENT OF BILLS – CHIPPEWA SUBDISTRICT

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

OTHER BUSINESS

Mr. Pringle reported that the Honorable Kevin W. Dunn has been appointed to the Chippewa Subdistrict Conservancy Court, representing Medina County.

9. EXECUTIVE SESSION

On motion by Mr. Limbach, seconded by Mr. Gresh, the Board of Directors entered executive session at 11:20 a.m. to discuss matters related to ORC §121.22 (G) (1) [Employment] and (3). On roll call: Mr. Gresh-yes; Ms. Limbach-yes; Mr. Maupin-yes; Mr. Moorehead-yes; and Mr. Sprang-yes. The executive session ended at 12:45 p.m.

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, December 21, 2018, at 9:00 a.m. at the MWCD Annex Building.

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Approved 12.21.2018