



“RESPONSIBLE STEWARDS”

Muskingum Watershed Conservancy District
ANNUAL REPORT OF OPERATIONS

2011

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MWCD Mission Statement

Responsible stewards
dedicated to providing the benefits of
flood reduction, conservation and recreation
in the Muskingum River Watershed.



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COVER PHOTO	Construction Site: Dover Dam Rehabilitation Project

Section 1

Narrative

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History

The Great Flood of 1913 claimed nearly 500 lives in Ohio and caused more than \$300 million in property damage.

It is the greatest natural disaster on record in Ohio's history.

It also left behind a trail of death, despair and property damage in the Muskingum River Watershed, which is the state's largest wholly contained watershed covering an area of all or portions of 27 counties and more than 8,000 square miles. In the Muskingum River Watershed drainage area alone, 11 people died and millions of dollars of property damage occurred.

That event, obviously, created great concern among the residents and leaders of the region and eventually led to the organization and operation of the Muskingum Watershed Conservancy District (MWCD).

But the story dates back to many years before the Great Flood of 1913.

In the 1800s early settlers came to the Muskingum River Valley in eastern Ohio for the abundance of natural resources, dense forests and excellent crop soil. As trees were cleared, the land's natural protection was destroyed, creating soil erosion and uncontrolled water runoff. These factors contributed to a number of major floods during the 1800s, causing widespread property damage and loss of life.

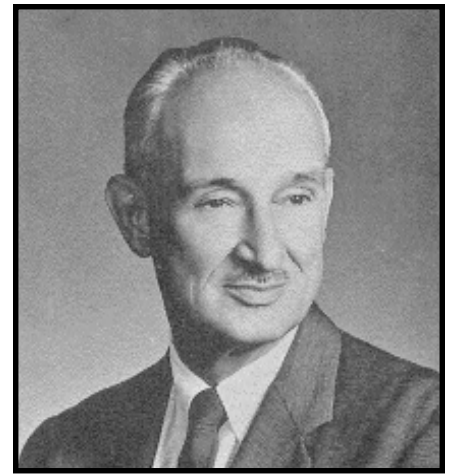
The Great Flood of 1913 followed, raising the awareness of state residents to the need for reliable flood protection and reduction. A conservation amendment to the Ohio Constitution was enacted in 1913 and a year later, in 1914, the Ohio Conservancy Act became effective.

The MWCD was created according to the Ohio Conservancy Act and continues today as a result of those identified needs.

The MWCD was organized in 1933 as a separate political subdivision to develop and implement a plan for flood reduction and water conservation.

The district itself encompasses 20 percent of the state and all or portions of 18 counties: Ashland, Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Knox, Licking, Morgan, Muskingum, Noble, Richland, Stark, Summit, Tuscarawas, Washington and Wayne.

In its Official Plan, the MWCD was responsible for raising funds and planning, constructing and administering flood reduction and water conservation projects. The federal government announced availability of funds to construct the necessary reservoirs and the MWCD joined forces with federal and state governments to accomplish the work. By 1938, the construction of 13 earthen dams and one concrete dam was complete.



Bryce C. Browning (1895-1984), founder of the MWCD, and its first General Manager



Raymond E. Eichel (1920-2010), MWCD's second General Manager



Arthur E. Morgan (1878-1975), first Chief Engineer of the MWCD

In 1939, the Federal Flood Control Act transferred flood control operations - namely, operation of the dams - to the U.S. Army Corps of Engineers (USACE). The MWCD partners with the USACE in the operation of the system of dams and reservoirs and the MWCD is responsible for conservation and recreation on its land and lakes located behind the dams.

Each of the 14 MWCD reservoirs connects with the Muskingum River, which was the foundation for the name Muskingum Watershed Conservancy District. The 10 permanent reservoirs are Atwood, Beach City, Charles Mill, Clendening, Leesville, Piedmont, Pleasant Hill, Seneca, Tappan and Wills Creek. Bolivar, Dover, Mohawk and Mohicanville dams impound water only in times of high water and are commonly identified as "dry dams." (Two other dams and reservoirs, Dillon near Zanesville in Muskingum County and North Branch Kokosing near Fredericktown in Knox County, were constructed later and are operated solely by the USACE.)

The MWCD's headquarters is located in New Philadelphia. The Conservancy District is governed by a five-person Board of Directors. The policies of the Board are administered on a day-to-day basis by the executive director/secretary and his staff.

The system of dams and reservoirs in the Muskingum River Watershed has tamed the watershed and led to scenic lakes that receive millions of visitors each year. MWCD has developed marinas, campgrounds, boat launch ramps, picnic areas and leased residential sites, which provide visitors with a variety of ways to enjoy the outdoors.

And equally important, but sometimes overshadowed by the recreational aspects of the MWCD's operations is that the system of dams and reservoirs has prevented more than \$8 billion worth of potential property damage from flooding in the watershed, according to the federal government.

In 2009, the MWCD Board of Directors took a major step to protect the infrastructure and ensure its effective operation for future generations when it enacted the Conservancy District's Amendment to the Official Plan originally adopted in 2005. The maintenance work outlined in the plan will spur the MWCD to participate with the USACE to repair aged dams and also be involved with other agencies interested in improving water conservation and quality, and flood reduction throughout the watershed.

During 2011, many projects were planned and implemented to carry out the 2005 Amendment to the Official Plan.

Introduction

The 12 months of 2011 found the Muskingum Watershed Conservancy District (MWCD) hard at work.

The MWCD, which spent several years preparing to participate in some projects and complete other projects to protect and maintain the system of flood-reduction reservoirs and dams in the Muskingum River Watershed, was fully immersed in that work in 2011.

"The past few years have included the planning for and now the completion of projects that will aid in the protection of the operations of the system of reservoirs and dams for decades to come," said John M. Hoopingarner, MWCD executive director/secretary. "What may be even more gratifying is that much of the maintenance work has now been put on a regular schedule to ensure that it occurs in a routine manner for the continued protection of people and property in the 18 counties of the watershed."

During 2011, the MWCD managed an aggressive list of projects that it handled completely or participated as a partner in, including:

- Tackling the largest shoreline protection program in its near 80-year history by completing more than 20 projects at a cost of more than \$1.2 million. The work covered more than two miles of shoreline at four reservoirs.
- Pulling more than 1,500 discarded tires and other debris from the reservoirs during the winter months.
- Celebrating the beginning of the second phase of work to assure the continued safe operation of Dover Dam in northern Tuscarawas County by serving as the local cost-share partner for the work conducted at the dam by the U.S. Army Corps of Engineers (USACE). The MWCD also committed to the upcoming safety assurance project at nearby Bolivar Dam by approving the official partnering agreement for the work with the USACE. The MWCD has committed to spend up to \$143.6 million on the priority safety assurance projects at Dover, Bolivar, Beach City and Mohawk dams, along with Zoar Levee, with a total estimated cost of \$683.5 million.
- Managing its own "Partners in Watershed Management" grant program that provided an estimated \$200,000 in 2011 to assist with projects that improve flood reduction and water quality programs in the Muskingum River Watershed.

The MWCD's Board of Directors also approved a request from officials in and around the Black Fork of the Mohican River to reactivate the Black Fork Subdistrict of the MWCD to develop and eventually enact a plan to reduce flooding in the Richland County region, including the City of Shelby. In the southeastern corner of the MWCD region, the conservancy district and local officials in Noble and Washington counties held a ceremony to mark the installation of river gauges along the Duck Creek that will report vital data to emergency officials and interested residents.

"The enactment of the Amendment to the Official Plan of the MWCD several years ago was another step in fulfilling the flood reduction and water conservation portions of the MWCD's mission," Hoopingarner said. "I am pleased to report to the residents and property owners of the watershed about the completion of these vital projects during 2011."

The MWCD, which also operates numerous recreational facilities, received input from the public and public officials about the future of Atwood Lake Resort and Conference Center during the past year, as well. The resort located in Carroll County closed in late 2010 after financial losses that topped \$1 million in each of 2009 and 2010. But by the end of 2011, final details were being worked out for the MWCD to donate the 104-room lodge and two golf courses on the property to Carroll County commissioners. (The transaction closed on February 10, 2012,

and a ceremony was held at the resort to mark the transition of the facility from the MWCD to the Carroll County commissioners.)

After several public meetings, the Ohio Department of Natural Resources' Division of Watercraft announced in the fall that there would be no changes to the 10-horsepower limit for boat motors operated on Charles Mill Lake near Mansfield. The Division of Watercraft, which has legal jurisdiction to establish and enforce horsepower limits on the state's waters, including all MWCD lakes, received a request in 2010 to consider an increase in the limit at Charles Mill Lake.

The MWCD also provided Internet users with options by installing wireless "hot spots" at several locations and hosted numerous safety and boater education courses during the year.

To keep residents of the Muskingum River Watershed and visitors and customers to the MWCD's recreational facilities updated, the MWCD also offers a website - www.mwcd.org - a newsletter, and has a presence in the growing world of social media through Facebook and Twitter pages.

And the MWCD staff is well aware that the work is only beginning.

"We look forward to another ambitious year in 2012 and are committed, as always, to furthering the MWCD mission in the Muskingum River Watershed," Hoopingarner said. "Nearly 80 years ago the people of the region formed the MWCD to address flooding and water conservation issues, and today it is our job to ensure that their vision is carried out for future generations."

The MWCD mission statement reads: "Responsible stewards dedicated to providing the benefits of flood reduction, conservation and recreation in the Muskingum River Watershed."

Hoopingarner said that the MWCD's mission is clear that flood reduction, conservation and recreation are the focal points for the staff and general public to recognize. However, the challenge for the staff to embrace is performing as "Responsible stewards" in its daily and long-range work.

In 2011, the MWCD focused on its performance with the goal of being "Responsible Stewards" day in and day out for the residents of the Muskingum River Watershed.

Conservancy Court

The Ohio Revised Code provides that the Conservancy Court, comprised of one common pleas court judge from each county in the Conservancy District, shall exercise the jurisdiction conferred by Chapter 6101 of the Code (also known as The Conservancy Act), including the appointment of the Board of Directors and the Board of Appraisers.

The Court of the Muskingum Watershed Conservancy District, which traditionally meets annually in June, held one session during 2011 - on June 4. The session was convened in the Tuscarawas County Courthouse at New Philadelphia.

The Honorable Edward E. O'Farrell (Tuscarawas County) presided over the session.

During the session, the Court heard from Col. Robert D. Peterson, commander of the Huntington (West Virginia) District of the U.S. Army Corps of Engineers (USACE), who provided a review of USACE projects planned in upcoming years. Col. Peterson told the member judges that the federal government has begun a major rehabilitation project at Dover Dam in northern



Tuscarawas County as the first of five priority projects at dams and levees in the Muskingum River Watershed. The federal government could potentially spend more than \$600 million to address the safety and maintenance concerns of the dams. The MWCD serves as the federally required local cost-share sponsor for the work.

The Court also approved the 2010 Annual Report of Operations for the MWCD.

Judges of the Court also appointed David Parham of the Atwood Lake region in Carroll County to a second consecutive five-year term on the MWCD Board of Directors. Parham originally was appointed to the Board of Directors in 2006. Members of the Board of Directors are limited to two consecutive five-year terms of service.

Members of the MWCD Board of Directors and Board of Appraisers are appointed by the judges of the Conservancy Court to oversee the operations and business affairs of the Conservancy District.

The Court is scheduled to convene again in June 2012.

Board of Directors

Ohio law mandates that the Muskingum Watershed Conservancy District Board of Directors consist of five members appointed by the Conservancy Court. The Board is empowered to handle all of the items necessary or incident to the fulfillment of the purposes for which the Conservancy District was established.

Members of the Board of Directors as of December 31, 2011, were:

- William P. Boyle, Jr., of the Charles Mill Lake area, term expires July 18, 2014
- Steve Kokovich of New Concord, term expires June 3, 2013
- Harry C. Horstman of Scio, term expires June 3, 2015
- David L. Parham of the Atwood Lake area, term expires June 8, 2016
- Richard J. Pryce of North Canton, term expires July 18, 2012

Meetings of the Board of Directors are open public sessions and conducted in accordance with the public meetings laws as required by the Ohio Revised Code. A total of 14 meetings were held during 2011 at various locations. Meetings routinely are held on the third Friday of each month and begin at 9:00 a.m.

Meetings of the Board were held in 2011 on the following dates and at the following locations:

January 21	New Philadelphia City Council Chambers
February 18	New Philadelphia City Council Chambers
March 25	New Philadelphia City Council Chambers
April 22	Kent State University at Tuscarawas
May 20	FFA Camp Muskingum (Leesville Lake)
June 30	New Philadelphia City Council Chambers
July 22	Dellroy Community Center
August 19	Kent State University at Tuscarawas
September 23	New Philadelphia City Council Chambers
October 21	Tuscarawas County Senior Center
November 2 and 3	Kent State University at Tuscarawas
November 18	New Philadelphia City Council Chambers
December 16	New Philadelphia City Council Chambers

Steve Kokovich served as president of the Board during 2011 while William P. Boyle Jr. was vice president. Minutes of all meetings are on file in the MWCD's main office at New Philadelphia.

William P. Boyle Jr.

- Appointed to MWCD Board of Directors on June 6, 2009, to fill vacancy created by retirement of Thomas L. Tribbie of Cambridge
- Retired from The J.M. Smucker Company at Orrville, where he served as President International, Senior Vice President-Director of Marketing and as a member of the company Board of Directors
- Also held positions with Flint Ink Corporation and The Pillsbury Company
- Held rank of first lieutenant in the U.S. Army
- Graduate of Cornell University with bachelor's degree in agricultural economics and master's degree in marketing

William P. Boyle Jr. owns a cottage on property leased from the MWCD at Charles Mill Lake. The owner of two Ohio farms with formal soil conservation and forestry plans in place, Boyle also has traveled throughout South America with the Farm Bureau to study soil conservation practices.



William P. Boyle, Jr.

Harry C. Horstman

- Appointed to the MWCD Board of Directors on June 8, 2002, to fill vacancy created by retirement of Joseph J. Sommer of North Canton
- Member and past chairman of MWCD Development Advisory Committee
- Inaugural member of the Muskingum Watershed Conservancy Foundation, Inc., Board of Trustees
- Camp manager for the United Methodist Church's Camp Aldersgate on property leased from the MWCD at Leesville Lake, 1965-99
- Commodore of Atwood Yacht Club, 2002
- Member and former chairman of the Conotton Creek Trail development committee
- Spent 34 years as a teacher and administrator in school districts in Carroll, Harrison and Tuscarawas counties, retiring in 1991
- Has served on the boards and/or held memberships in numerous area and regional civic and community organization
- Graduate of Ohio University with a bachelor's degree in education and Kent State University with vocational director's certification



Harry C. Horstman

Harry C. Horstman has been associated with the Muskingum Watershed Conservancy District for more than 40 years. As the former manager of Camp Aldersgate on Leesville Lake for 35 years, Horstman spent his summers leading activities for youths and adults.

Upon his retirement as an educator, Horstman has continued his work with the MWCD in various capacities, including as a charter member of the Muskingum Watershed Conservancy Foundation, Inc., Board of Trustees, and as a member and past chairman of the MWCD's Development Advisory Committee.

Steve Kokovich

- Appointed to MWCD Board of Directors on June 14, 2003, to fill vacancy created by fulfillment of two-term service by Frederic J. Grant III of Zanesville
- Administrator and member of the education department faculty at Muskingum University
- Member of New Concord Village Council for many years
- Former member of the board of directors for the John and Annie Glenn Historical Site at New Concord
- Active in development of system of walking trails and community lake for New Concord area. Also involved in the National Road historical and tourism effort
- Member of Board of Directors of Evergreen Village, a retirement community at New Concord
- Graduate of Muskingum College, Ohio State University and Ohio University



Steve Kokovich

Steve Kokovich may spend most of his days at Muskingum University, but he hardly is a stranger to the facilities of the MWCD. The Harrison County native grew up as a regular visitor to Clendening, Piedmont, Seneca and Tappan lakes in the region.

Kokovich has taught at Muskingum University since 1976.

David L. Parham

- Appointed to the MWCD Board of Directors on June 10, 2006, to fill vacancy created by fulfillment of two-term service by Joanne Limbach of New Philadelphia
- Member of the MWCD Development Advisory Committee, 2002-06
- Chairman of MWCD Development Advisory Committee, 2004
- Retired attorney from the law firm of Thompson Hine LLP in Cleveland, Ohio
- Held numerous leadership positions in local, state and national bar associations, including service as vice president of the Sixth Circuit for the Federal Bar Association
- Former member of Shaker Heights City Council
- President, chairman and/or member of numerous advisory boards and planning committees in community
- Air Force veteran; held the rank of captain
- Graduate with a bachelor's degree from Case Institute of Technology, a master's degree from the University of Dayton and a law degree from the Case Western Reserve University School of Law



David L. Parham

David Parham, a cottage site lessee on MWCD-owned property at Atwood Lake, has held numerous positions of leadership in his professional and civic careers. With the MWCD, Parham has served as the chairman of the Conservancy District's Development Advisory Committee and currently serves on the Board of Trustees for the Muskingum Watershed Conservancy Foundation, and on the Board for the Atwood Regional Water and Sewer District.

Richard J. Pryce

- Appointed to MWCD Board of Directors on August 1, 2007, to fill vacancy created by fulfillment of two-term service by David E. Brightbill of Lower Salem
- Member of MWCD Development Advisory Committee, 2006-07
- Retired president and chief executive officer of Aultman Health Foundation in Stark County with more than 20 years of service
- Formerly employed by Arthur Andersen and Co. consulting staff and chief operating officer for St. John Hospital in Detroit
- Member of numerous community and environmental improvement programs, including Citizens for a Better Stark County, Stark County Drainage Task Force, Governor's Commission to Improve Teaching in Ohio and chairman of the Ohio General Assembly's Medicaid Administrative Study Council
- Former U.S. Navy officer
- Graduate of the University of Michigan



Richard J. Pryce

Richard J. Pryce hardly has taken the time to sit still since his retirement as the leader of the Aultman Health Foundation, which operates Aultman Hospital at Canton and other healthcare facilities in the region.

While taking a role on a state level to assist with improvements in education and healthcare, he also has kept an eye on his neighborhood and county. Pryce has been appointed to serve on committees by both the Ohio governor's office and the Ohio General Assembly, and participated in Stark County improvement programs.

At the end of 2007, he also was elected to serve as vice president of the MWCD Board of Directors for 2008.

Board of Appraisers

The Muskingum Watershed Conservancy District's Board of Appraisers is a three-member panel responsible for appraising property to be acquired for rights of way, reservoirs and other works of the MWCD and to appraise all benefits or damages resulting from the execution of the Official Plan. Any assessments levied by the Board are apportioned on the basis of appraisal of benefits.

The board members, who are appointed by the Conservancy Court and serve staggered terms, also make recommendations to the Board of Directors on property sales and acquisitions based on presentations by MWCD staff.

Meetings of the Board of Appraisers are open public sessions and conducted in accordance with Ohio's Public Meetings Law.

Meetings of the Board of Appraisers in 2011 were held on the following dates and locations:

January 19	New Philadelphia City Council Chambers
August 31	Kent State University at Tuscarawas

Members of the Board of Appraisers as of December 31, 2011, were as follows:

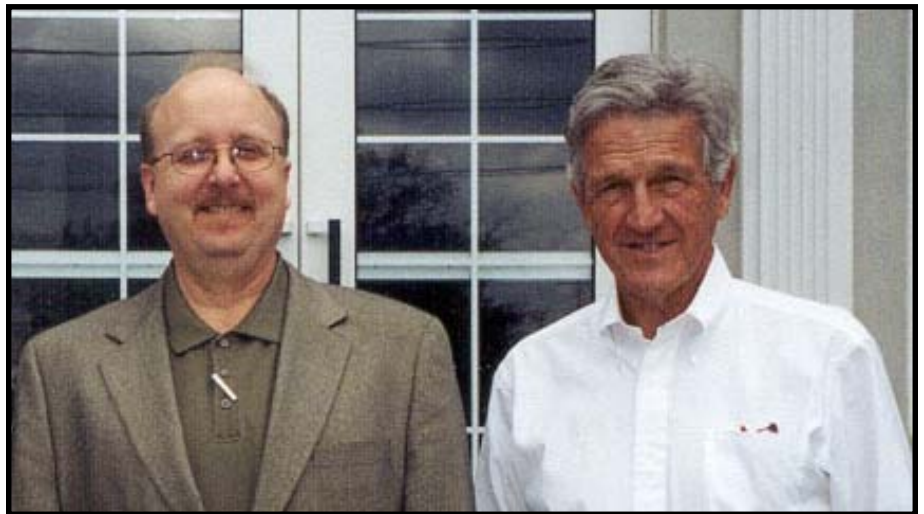
- James Navratil of Medina, term expires June 3, 2013
- Mark J. Waltz of Dover, term expires June 3, 2013
- Open seat

Mark J. Waltz served as chairman of the Board of Appraisers in 2011. Minutes of all meetings are on file in the MWCD's main office at New Philadelphia.

James Navratil

- Appointed to the MWCD Board of Appraisers on June 30, 1998, to fill vacancy created by the retirement of Jill Lawhead from the Board of Appraisers
- Licensed to sell real estate in Ohio in 1955
- More than 40 years of experience in rural land brokerage and development of rural land in Medina County
- Land development experience including rural residential and commercial
- Served as farm and land consultant for firm responsible for right-of-way land acquisition for I-71 development from Cuyahoga through Morrow counties
- Completed undergraduate credits at Kent State University, Ashland University and John Carroll University
- Completed American Institute of Real Estate Appraisal Courses
- Resident of Medina County

James Navratil is part of a family tradition in real estate that has spanned portions of two centuries. He has provided a broad range of experience and talent to the MWCD Board of Appraisers. Besides his general real estate experience, Navratil has a strong knowledge of the Chippewa Subdistrict of the MWCD. He began his career in real estate with his father, James J. Navratil, who was a farm land broker in Medina County beginning in 1927.



Mark Waltz (left) and James Navratil

Mark J. Waltz

- Appointed to the MWCD Board of Appraisers on June 3, 2003, to fill vacancy created by the retirement of Ronald L. Pissocra from the Board of Appraisers
- Owner of Waltz Appraisal Services at Dover
- State-certified residential appraiser
- Served as chief deputy auditor and senior staff appraiser for Tuscarawas County Auditor's Office from 1981-98
- Field appraiser for Sabre Systems and Service Inc. in numerous Ohio counties from 1978-81
- Completed several real estate and appraisal professional courses
- Graduate of Kent State University with bachelor's degree
- Resident of Tuscarawas County

Mark J. Waltz has a wide range of experience in both the public and private sectors. As a state-certified residential appraiser, Waltz has performed appraisals on properties in much of Ohio. He also completed more than 17 years of work as the chief deputy auditor and senior staff appraiser for the Tuscarawas County Auditor's Office. A member of Dover Rotary, Waltz also has served as a member of the Board of Trustees of the United Way of Tuscarawas County.

Five administrators lead general course for MWCD

According to Ohio law, the Conservancy Court of the Muskingum Watershed Conservancy District exercises jurisdiction over the district, including the appointment of the Board of Directors.

The day-to-day operations and business of the Conservancy District are handled by the full-time and part-time MWCD staff, under the leadership of five administrators. John M. Hoopingarner is the executive director/secretary; Boris E. Slogar, P.E., is the chief engineer; James B. Cugliari is the chief financial officer/treasurer; Scott D. Barnhart is the chief of recreation and Sean D. Logan is the chief of conservation.

John M. Hoopingarner

- Appointed to position September 1, 1989, by the Board of Directors.
- Prior to appointment was in private law practice for 10 years in New Philadelphia.
- Served as chief counsel to MWCD from 1986-89 and associate legal counsel from 1979-86.
- Tuscarawas County native also served as instructor of real estate law at Kent State University, 1985-89.
- Graduate of Muskingum College (bachelor's degree, 1976) and Ohio Northern University College of Law (juris doctor, 1979).
- Member of numerous professional and social boards, associations and organizations.
- Resides in Dover with his wife; they have two adult children.



John M. Hoopingarner

As the executive director/secretary, John M. Hoopingarner holds what generally can be considered the most visible position in the MWCD organization. He routinely serves as the source of official news and information from the Conservancy District, actively participating in public relations and civic affairs as the representative of the MWCD.

Only the agency's third chief executive, following Bryce C. Browning and Raymond Eichel, Hoopingarner performs a mix of mandated and generally expected duties on a daily, weekly and yearly basis. He is expected to perform the responsibilities of secretary of the conservancy district as detailed by law in the Ohio Revised code Chapter 6101 and executive director in accordance with the bylaws of the MWCD. He also advises the Board of Directors and Conservancy Court on such matters.

Hoopingarner also directly supervises the performance of several MWCD staff members, including the chief engineer, chief of conservation, chief of recreation/chief ranger and chief financial officer/treasurer. His role also is to administer and coordinate the development of Conservancy District policies, rules and regulations.

Boris E. Slogar, P.E.

- Appointed to position October 19, 2007.
- Prior to MWCD appointment, served as executive director of the Ohio Partnership for Excellence
- Appointed in 2001 as Deputy Tax Commissioner and Chief of Staff for the Ohio Department of Taxation, directing operations for the 1,420-employee state agency
- Began career with Ohio Department of Natural Resources' Division of Water-Dam Safety Engineering Program, managing dam safety projects across the state and implementing Ohio's dam safety repair program

- Previously served on the executive board of the Water Management Association of Ohio and as a member of the Association of State Dam Safety Officials
- Graduate of Ohio State University with a bachelor's degree in civil engineering, majoring in hydraulic/hydrologic engineering and fluid mechanics. Received master's degree in project management from DeVry University
- Resides with wife and two children in Stark County

Boris E. Slogar performs the work of chief engineer as prescribed by law in Chapter 6101 of the Ohio Revised Code and advises the executive director/secretary and Board of Directors on these items. Slogar provides general supervision of operations as superintendent of all the works and improvements of the Conservancy District and its subdistricts.

Slogar also is responsible for MWCD communication with agencies of government such as the U.S. Army Corps of Engineers, the Ohio Department of Transportation, Ohio Department of Natural Resources, Ohio Environmental Protection Agency and others.



Boris E. Slogar

James B. Cugliari

- Appointed to office of treasurer April 17, 1995.
- Began career with MWCD in December 1985 as assistant auditor/ systems manager
- Prior to employment with Conservancy District, served as an auditor for the Auditor of State's Office for three years
- Graduate of Marietta College in 1982 with a bachelor's degree in accounting
- Tuscarawas County native graduated from Tuscarawas Central Catholic High School
- Member of numerous professional, community and social organizations and activities
- Resides in Dover in Tuscarawas County with wife and four children

In his position as chief financial officer/treasurer of the MWCD, James B. Cugliari manages and directs the finances of the MWCD, including planning, procurement and investment of funds; preparation of the annual budget; conducting audit functions; maintenance of all personnel records; long-range forecasting; and the insurance activities for the organization. He also advises the executive director/secretary and Board of Directors on these matters.



James B. Cugliari

Cugliari prepares monthly and annual financial statements and analyzes financial data to determine the fiscal position of the MWCD and subdistricts, along with preparing forecasts of the future financial position and budget requirements of the Conservancy District. He oversees internal audit functions, coordinates the work of outside auditors and authorizes the procedures for the protection and custody of all funds.

His role also involves managing and supervising the work to be performed by Conservancy District employees, contractors, subcontractors and others relative to the finances of the MWCD. He oversees a staff consisting of an accountant, development coordinator and two accounting clerks.

Scott D. Barnhart

- Appointed to position May 22, 2009
- Began career with MWCD in 1989 and has served in various capacities, including managing park operations at Atwood and Tappan parks
- Graduate of Hocking College at Nelsonville with a degree in recreation and wildlife
- Harrison County native graduated from Cadiz High School
- Resides in Harrison County with wife and two children

In his role as the chief of recreation, Scott Barnhart oversees arguably the most visible of the MWCD's operations - its recreation programs. With thousands of campsites, leased properties for business and recreation, and hundreds of employees during the peak recreation season in the summer months, the MWCD's recreation programs are popular and have a major economic impact in the region.



Scott D. Barnhart

Barnhart is in charge of the budget development and implementation of recreation programs for the MWCD. The Harrison County native is a life resident of the MWCD region and is well acquainted with the lakes and their recreation operations, spending his entire career with the MWCD.

Sean D. Logan

- Appointed to position of chief of conservation of the MWCD on September 26, 2011
- Served as director of the Ohio Department of Natural Resources from 2007-10
- Columbiana County Commissioner from 2001-07
- Elected member of Ohio House of Representatives from 1990-2000
- Columbiana County native graduated from Muskingum University with a degree in political science and speech communication; earned a law degree from Capital University Law School
- Resides in Columbiana County with wife and three children

Natural resources have played a role in the entire career of Sean D. Logan.

As the chief of conservation for the MWCD, Logan oversees the MWCD's conservation operations and management, which include forest and timber harvest and planting, agricultural activities, water quality testing, partnerships with other agencies involved in flood reduction and water conservation, and mineral resources management.



Sean D. Logan

He was the 11th person to serve as director of ODNR since it was formed in 1949 when he was appointed by former Ohio Gov. Ted Strickland in 2007. As a member of the Ohio General Assembly, Logan sat on the House's Agriculture and Natural Resources Committee.

Personnel

Staff from the Muskingum Watershed Conservancy District work at several locations and in numerous positions in fulfilling the mission and operations of the Conservancy District.

The MWCD employs nearly 300 people during the summer months when its recreational facilities are in peak demand. This includes part-time and seasonal status employees. The MWCD has about 80 full-time employees.

The following employees received special recognition for their years of service through 2011.

5 years

Shawn J. Mahoney Pleasant Hill Lake Park
Jared D. Oakes Tappan Lake Park

10 years

Daniel D. Atterholt Charles Mill Lake Park

15 years

Peggy J. May Main Office
Susan M. Williams Pleasant Hill Lake Park

25 years

Donnie J. Borland Main Office
Jayne Ann Fankhauser Main Office

30 years

Mark Lashley Seneca Lake Park

35 years

Mark G. Swiger Main Office

A complete listing of employees of the Conservancy District as of December 31, 2011, is located on Page 84 of this report.

Development Advisory Committee

Created by the MWCD Board of Directors in 1992, the 18-member Development Advisory Committee (DAC) provides an organized public support system for responsive and effective economic development, conservation and recreation programs.

DAC members are appointed by the Board of Directors and serve staggered three-year terms.

Kevin Keffer served as chairman of the DAC during 2011, and Marty Larsen was vice chair. The DAC held three meetings at the New Philadelphia City Council Chambers during 2011:

- January 28
- July 29
- November 4

Through their regular, subcommittee and work group meetings, DAC members are updated about MWCD projects and operations. DAC members also present items as assigned for discussion and make recommendations for possible action by the MWCD Board of Directors.



Kevin Keffer, chairman of the Development Advisory Committee in 2011, receives a certificate of appreciation from MWCD Executive Director/Secretary John M. Hoopingarner.

Members of the DAC as of December 31, 2011, including their county of residence, term and any relationship to the Conservancy District, were the following (one seat was open due to the resignation of a member prior to the end of the year):

- Allyn Adams - Cuyahoga County - 2013 - Adams, a cottage site lessee with a residence at Atwood Lake, is a retired accountant and financial advisor.
- Todd A. Davis - Carroll County - 2011 - Davis is the director of FFA Camp Muskingum located on Leesville Lake. A former Ohio Farm Bureau coordinator, Davis directs the operations of the year-round camp.
- Douglas R. Davis - Muskingum County - 2013 - Davis is the Muskingum County engineer.
- Andrew S. Dix - Guernsey County - 2013 - Dix is the publisher of The (Cambridge) Jeffersonian.
- Jeff Heacock - Muskingum County - 2014 - Heacock is a cottage site lessee with a residence at Seneca Lake and is the assistant vice president for student affairs at Muskingum University. He spent 26 years as the head football coach at Muskingum, along with athletic director for several years at the university.
- Kevin Keffer - Tuscarawas County - 2011 - Keffer is an educator who spent several years as a lake ranger for the MWCD. Currently the athletic director at Dover High School, Keffer is familiar with numerous MWCD reservoirs.
- Marty Larsen - Richland County - 2013 - Larsen, an account manager for Clear Channel Communications in the Richland County area, has been an MWCD cottage site lessee for many years at Charles Mill Lake.
- Rich Milleson - Harrison County - 2013 - Milleson operates insurance agencies with offices in Freeport and Scio. A life resident of Harrison County, Milleson also served as a deputy director with the Ohio Department of Natural Resources.
- Marilyn Ortt - Washington County - 2012 - Ortt is president of Friends of Lower Muskingum River, a citizens' group committed to the health of the Muskingum River and the region it serves.
- John Prelac - Stark County - 2012 - Prelac is an avid fisherman and boaters and visits the MWCD lakes frequently. He is an attorney with the Stark County firm of Day Ketterer LTD, with one of his areas of focus dealing with family cottage law.
- Robert C. Prince - Carroll County - 2012 - Prince owns a home near Leesville Lake and is the park manager for the Rockwood Property Owners Association. He is retired from the U.S. Postal Service at Pittsburgh.
- George Romanoski - Summit County - 2013 - Romanoski docks a boat at Piedmont Marina. An Akron resident, Romanoski retired after a career with the City of Akron in which he worked in several departments and served as deputy mayor.
- Denny Roudebush - Carroll County - 2011 - Roudebush, a Carrollton resident, is a boater on Atwood Lake and the director of marketing for the Carroll Electrical Cooperative Inc.
- James A. Rowe - Tuscarawas County - 2011 - Rowe is a dairy farmer in northern Tuscarawas County. He is a member of the Ohio Farm Bureau.
- Chasity Schmelzenbach - Noble County - 2012 - Schmelzenbach is the director of the Noble County Emergency Management Agency and Homeland Security.
- Dirck W. TenBroeck - Harrison County - 2012 - TenBroeck, a retired insurance company executive, resides on a farm located less than five miles away from Tappan Lake. He is a member of numerous Harrison County civic and social organizations.
- David White - Summit County - 2011 - White is a deputy engineer in the office of the Summit County Engineer.

Work on shorelines of MWCD lakes 'most ambitious' in history

As spring and summer arrived at the Muskingum Watershed Conservancy District (MWCD) reservoirs in 2011, visitors noticed that shoreline projects at many lake locations had been completed during the winter months.

Nearly two miles of shoreline was protected and restored at four reservoirs after the completion of more than 20 individual stabilization projects that cost more than \$1.2 million, according to Boris E. Slogar, MWCD chief engineer.

"The shorelines have been eroding for many years and this winter the MWCD began the most ambitious program in the conservancy district's history to protect the shorelines," Slogar said. "Even more important, this is an ongoing program that is part of the routine maintenance of the reservoirs to ensure their continued effective performance for years to come."

The MWCD projects were completed at:

Atwood Reservoir	11 projects at \$399,157
Charles Mill Reservoir	4 projects at \$201,300
Seneca Reservoir	7 projects at \$365,957
Tappan Reservoir	4 projects at \$255,795

Some of the projects were completed by MWCD staff members and others were completed by private contractors that were awarded contracts for the work through the public bidding process.

The MWCD announced in 2010 that nearly 500 individual sites were in need of varying amounts of shoreline improvements. A team of MWCD engineering staff members has been using innovative mapping and aerial photographic technology to review the 300 total miles of shoreline at the reservoirs. The work that has been identified would cover about 24 miles worth of shoreline at the 10 MWCD lakes.

The work is paid for through the MWCD's funds collected from property owners in the Muskingum River Watershed who receive identified benefits from the Amendment to the Official Plan of the MWCD that calls for

Work on stabilization of shorelines at the MWCD reservoirs began in earnest in the winter of 2010-11. The photos on the left is the site prior to the work and on the right is the same site as work is completed.



LOCATION: Seneca LakeView Boat Club



LOCATION: Atwood Glens Cottage Area



LOCATION: Charles Mill Park campground

maintenance and rehabilitation in the system of flood-reduction and water conservation reservoirs and dams in the region. Two of the projects - one each at Seneca and Tappan reservoirs - received grant funding from the State of Ohio's Clean Ohio Grant Fund program.

Planning also is under way for projects in upcoming years.

More than 1,500 tires, other debris removed from reservoirs

More than 1,500 old tires and 20 dumpsters full of trash were removed in the early part of 2011 from the Muskingum Watershed Conservancy District (MWCD) reservoirs.

Staff members from the MWCD removed tires and other trash and debris from inside the reservoirs and along the shorelines at Atwood, Clendening, Charles Mill, Leesville, Piedmont, Pleasant Hill, Seneca, Tappan and Wills Creek reservoirs.

The MWCD partnered with the Ohio Environmental Protection Agency (OEPA) for the removal of the tires for recycling. John Bird, MWCD's lake ranger supervisor who oversaw the work, said that the winter months offer the ideal setting for the cleanup projects since the lake levels have been reduced as usual.



A pile of tires removed from an MWCD reservoir is prepared for disposal under the partnership with the Ohio Environmental Protection Agency.

“This was a complete team effort with MWCD staff members from our parks and other facilities working together to remove the old tires and the trash,” Bird said. “Tires in the lakes that we find usually have either been discarded illegally or were part of old boat docks that fell into disrepair or were abandoned.”

Some of the items removed from the reservoirs and around the shorelines include:

- Metal posts, pipe, wheel rims and other discarded metals that will be recycled.
- Car seats, chairs, household furniture, televisions, bed mattresses and plastic drums.
- Old tools
- A car engine
- Thousands of feet of discarded monofilament fishing line (this can be extremely harmful to fish, waterfowl and other wildlife, as well as presenting problems for boats when caught around propellers)

Bird said that the work also helped MWCD staff members identify areas where dumping occurred that now will be gated off for more limited access for such illegal activities.

MWCD approves grants for watershed improvement projects

Several projects around the communities of the Muskingum River Watershed that feature improvements in flood reduction, water quality and watershed education were assisted through grants from the Muskingum Watershed Conservancy District (MWCD).

The MWCD's "Partners in Watershed Management" grant program provided an estimated \$200,000 in 2011 to assist with projects that were considered through a competitive application process. The Partners in Watershed Management program was developed in 2009 by the MWCD to assist local groups, organizations and communities in implementing water quality projects, flood reduction and mitigation programs, and watershed education efforts throughout the 18-county MWCD region.

"This is the second full year that the MWCD has offered the Partners in Watershed Management program grants and our staff is very pleased with the quality of the applications that we have received," said Boris E. Slogar, MWCD's chief engineer. "There is a growing awareness of how important a healthy watershed is for a community's quality of life. The MWCD is committed to assisting worthy projects in the Muskingum River Watershed."

Project awards from the MWCD in 2011 included:

- Muskingum County Soil and Water Conservation District (SWCD), \$50,000 as part of an \$89,981 project for the development of an interactive mobile watershed and conservation education trailer that can be transported to various locations. Other partners involved in the project include Zane State University, Cincinnati Museum Center and Union Terminal, Guernsey County SWCD, Coshocton County SWCD, Perry County SWCD and the City of Zanesville.
- Huff Run Watershed Restoration Partnership in Carroll and Tuscarawas counties, \$10,475 as part of a \$23,355 environmental education project that includes a field trip series, watershed awareness community festival, watershed tours, environmental children's club and newsletters. Other partners involved in the project include the Ohio Department of Natural Resources' (ODNR) Division of Mineral Resource Management, Carroll and Tuscarawas County SWCD offices, Norma Johnson Center, Ohio Environmental Protection Agency, Tuscarawas County Health Department and Sunday Creek Watershed Group.
- Friends of Lower Muskingum River (FLMR), \$28,000 as part of a \$140,000 watershed management plan development for the region including Morgan, Muskingum, Noble and Washington counties. The MWCD grant will provide the required matching funds for FLMR to obtain a grant of \$112,000 from ODNR.
- FLMR, \$20,000 as part of a \$45,000 project to cap two leaking orphan oil wells along Cabin Run in Morgan County, a tributary of the Muskingum River. The U.S. Coast Guard has agreed to award the remaining \$25,000 for this work, which will stop the flow of oil directly into the stream, improving water quality in the region and eliminating a foul odor and unsightly seepage from the well.
- Muskingum Valley Park District in Muskingum County, \$47,000 as a portion of a \$103,531 project to implement stormwater runoff best management practices in a highly visible urban residential development at Zanesville. The 50-acre area will include the installation of rain gardens, broad-based dips and a retention pond and will serve as a demonstration site for educational tours and research. Other partners involved in the project are the City of Zanesville and the Muskingum County SWCD office.

- YMCA Stark County, which operates Camp Tippecanoe on a portion of property owned by the camp and a portion owned by the MWCD at Clendening Reservoir in Harrison County, \$25,000 as part of the \$249,000 cost to replace an aging and poorly functioning wastewater treatment plant that discharges directly into the lake. The camp, which opened in 1958, offers a wide variety of camp and outdoor educational programs. Other partners involved in funding the project are the Hoover Price Foundation, the Northern Ohio Golf Charities and Foundation, and the Game Reserve Association.
- Ohio Lake Management Association, \$24,600 as part of a \$56,036 water quality monitoring program that includes testing at several MWCD reservoirs. The MWCD also participated in the program in 2010 by providing funding and personnel to conduct testing.

"Besides the obvious benefits that can be seen by all of the partners involved with these projects, there also are benefits to the entire system of dams and reservoirs in the Muskingum River Watershed," Slogar said. "Clean water and education are a benefit to the environment in our watershed, and help to improve healthy lifestyles for our residents."

MWCD, USACE kick off second phase of work at Dover Dam; agree to partner on project at Bolivar Dam

The Muskingum Watershed Conservancy District (MWCD) was involved with the federal government in 2011 on maintenance and rehabilitation projects at Bolivar and Dover dams.

The \$60 million rehabilitation project on Dover Dam in northern Tuscarawas County will protect the benefits of flood reduction and water conservation in the region, preventing the "catastrophic impact" that could occur if the dam failed, according to U.S. Representative Bob Gibbs of Ohio's 18th Congressional District.

Gibbs and several other speakers appearing at a groundbreaking ceremony held November 7, 2011, at the 70-year-old dam to kick off Phase II of the Dover Dam Safety Assurance Project, talked about the importance of ensuring the dam will operate effectively in order to protect the safety of residents in the Muskingum River Watershed. The U.S. Army Corps of Engineers (USACE) operates the dam and the MWCD, which manages much of the reservoir



The groundbreaking ceremony for Phase II of the Dover Dam rehabilitation projects was held in the fall of 2011. Participants included Harry Horstman (left), a member of the MWCD Board of Directors; State Rep. Al Landis, R-Dover; John M. Hoopingarner, MWCD executive director/secretary; Ohio Rep. Bob Gibbs, R-Lakeville; and Col. Robert Peterson, commander of the Huntington (WV) District of the U.S. Army Corps of Engineers.



The Dover Dam Safety Assurance Project was very visible during 2011. From the equipment and workers at the dam on a daily basis, to the groundbreaking ceremony held in the fall, the project to ensure stability and performance of the dam was the first major rehabilitation project for local cost-share funding from the MWCD.

cost more than \$60 million and the MWCD will invest more than \$2 million as its share of the work on the dam located on the Tuscarawas River north of the City of Dover.

Gibbs was joined at the ceremony by State Rep. Al Landis, R-Dover, of the 96th Ohio House District; Col. Robert D. Peterson, commander of the Huntington (WV) District of the USACE; John M. Hoopingarner, executive director/secretary of the MWCD; Glenn Cobb, deputy director of the Ohio Department of Natural Resources (ODNR); and Scott Dodds, vice president of Brayman Construction Corp. Brayman recently was awarded a \$20.1 million contract from the USACE for the Phase II work.

Hoopingarner told the audience that the partnership between the MWCD and the USACE involves a strong commitment to safety in the sprawling Muskingum River Watershed, which covers about 20 percent of the state and is the largest wholly contained watershed in Ohio.

"The MWCD is proud to serve as the local cost-share sponsor for this work to be done to repair this system of dams and to assure their future viability," Hoopingarner said. "Under the leadership of Col. Peterson and the staff of the Huntington District of the U.S. Army Corps of Engineers, these projects will address the aging infrastructure and will serve to reinforce the federal and local commitments to these projects."

areas behind Dover Dam and the other dams in the watershed, is the source of the local cost-share funding for the work.

"The Dover Dam is a very important link in the whole system (of 16 flood-reduction dams and reservoirs)," said Gibbs, R-Lakeville. "You can tell by looking at it that it needs work and needs repairs."

The recommended plan for rehabilitation of the concrete Dover Dam consists of installing three dozen multi-strand anchors in the spillway section of the dam in holes ranging in size from nine inches to 17 inches in diameter and from lengths ranging from 103 feet to 153 feet to secure sections of the dam to bedrock, along with other improvements. Phase II of the project specifically will include installation of 21 of the anchors, construction of a parapet wall on the right abutment, construction of a sidewalk and new parking lot on the right abutment, installation of precast concrete parapet wall panels on the right abutment and installation of 60 bar anchors in the stilling basin.

The entire project is estimated to

The first phase of work on the project began late last year and has continued throughout 2011 and includes \$11.9 million worth of upgrades.

"I appreciate the vigilance of both the USACE and the MWCD to watch over our safety at this dam and the other dams," Landis said. "Groundbreaking is just another step in ensuring this dam will be here for years to come."

Peterson said that the entire project is expected to be completed in 2015.

"We're always looking at public safety as our top priority at the USACE," Peterson said. "Projects like this are important to the livelihoods of the residents of this watershed, to their properties and to the economy."

For Bolivar Dam, the MWCD and the USACE confirmed their commitment for a safety assurance project that is estimated to cost between \$150 million to \$175 million. Members of the MWCD Board of Directors approved a Project Partnership Agreement (PPA) with the USACE for the work, which is scheduled to get under way in 2013 on the dam in northern Tuscarawas County. As the required non-federal local cost-share sponsor for the project, the MWCD will contribute an estimated \$34.5 million to \$40 million - or 23 percent of the total cost - for the work to address seepage concerns at the dam.



Bolivar Dam

The expected work at Bolivar Dam includes installation of a concrete seepage barrier on the upstream toe of the dam and of a seepage barrier cutoff wall in the left abutment of the dam, augmentation of the existing downstream seepage blanket, rehabilitation of the operating machinery and gates, maintenance and/or rehabilitation of the existing relief well system and improvements to an installation of additional instrumentation.

The USACE has identified five priority projects in the Muskingum River Watershed - at Beach City, Bolivar, Dover and Mohawk dams, along with Zoar Levee - and estimates these projects will cost up to \$683.5 million, with the MWCD's share of the work estimated at up to \$143.6 million.

MWCD prepares to donate Atwood Lake Resort to Carroll County commissioners

As 2011 drew to a close, the future operation of Atwood Lake Resort and Conference Center was being taken over by the Carroll County commissioners.

The Muskingum Watershed Conservancy District (MWCD) Board of Directors approved its intention to donate the 104-room lodge and property that it sits on to the Carroll County commissioners. (Final terms and conditions of the donation were negotiated and were completed early in 2012, with the transaction closing February 10, 2012, with a public ceremony held at the resort.)

"This is a very exciting day for Carroll County and its residents as we prepare for a bright future for Atwood Lake Resort and Conference Center," said Carroll County Commissioner Thomas A. Wheaton. "We want to thank the MWCD, its Board of Directors and its staff for their hard work on making this donation possible, and for their commitment to Carroll County to preserve the lodge and its future possibilities."

John M. Hoopingarner, MWCD executive director/secretary, said the commissioners showed an obvious interest in taking over the lodge, which was developed by the MWCD and opened in 1965.

"I want to congratulate the Carroll County commissioners for their dedication to the community and the future of the lodge," Hoopingartner said. "The MWCD Board of Directors has taken a great deal of time and effort to ensure that all potential uses for the future of this property have been explored, and this step to donate the resort to Carroll County opens a new chapter for the resort and for Carroll County."

Members of the MWCD Board of Directors agreed earlier in the year to determine the interest of other governmental agencies in taking over the Atwood Lake Resort property through donation, and specifically the consideration of Carroll County commissioners, Kent State University at Tuscarawas, and the Ohio Department of Natural Resources (ODNR). Officials from ODNR declined the offer, and Kent State University at Tuscarawas had said on several occasions that it is interested in potential partnerships with any future operation of the resort, but that it does not want to own the property.

Wheaton said the commissioners had an immediate interest in taking over the lodge and will be working to find an appropriate operator as the terms of the donation are finalized.

"We are pleased that we have reached this point in the process and look to the days ahead that include a very vibrant operation at Atwood Lake Resort that benefits the Atwood Lake region and the entire Carroll County community," Wheaton said.



By the end of 2011, the MWCD and Carroll County Commissioners were working out the terms of the donation of the resort to the commissioners by the MWCD.

Atwood Lake Resort, commonly referred to as "Atwood Lodge," closed in October 2010 after suffering from increasing deficits that exceeded \$1 million in each of its last two years of operation. Historically, the resort had not been a source of revenues for the MWCD, losing an average of more than \$159,000 per year since it opened in 1965.

Occupancy rates and use of the resort's guest and conference rooms had decreased sharply in recent years, while utility and maintenance costs for the main structure had increased. MWCD officials also said the increasing losses have hampered the conservancy district's ability to address basic maintenance, infrastructure and customer requests at its other recreational operations at Leesville, Tappan, Clendening, Piedmont, Seneca, Wills Creek, Charles Mill, Pleasant Hill, Beach City and Atwood lakes, including its parks, campgrounds, cottage areas and marinas.

The conservancy district was spending more than \$60,000 per month in utilities, insurance, taxes, general maintenance and security for the idle property, in addition to staff time.

Atwood Lake Park, which is operated by the MWCD, and the two marinas located on Atwood Lake (Atwood Lake Boats Marina East and Atwood Lake Boats Marina West that are owned by private operators on property leased from the MWCD) remain open for business as usual and are not affected by the transaction.

The lodge is located on about 600 acres of property owned by the MWCD off State Route 542 between Sherrodsville and Dellroy in Carroll County and when it was fully operational, included the 104-room main hotel, dining room and conference center, two golf courses (an 18-hole regulation course and a lighted, nine-hole, par-3 course), 17 vacation cabins and indoor and outdoor swimming pools, along with other amenities.

Interest from oil and gas industry extends to MWCD properties

The Muskingum Watershed Conservancy District (MWCD) has managed leases for oil and gas drilling on its properties for all of its nearly 80 years of existence.

By 2011, the MWCD had an interest in about 275 wells that produce royalties for the conservancy district of more than \$250,000 annually. Of those, there are 120 wells that are located on MWCD property, with the remaining wells located on properties that the MWCD had sold through the years, but retained a percentage of the royalty rights.

However, at probably no other time in its history, did the interest in the MWCD properties concerning oil and gas drilling reach the heights that it did in 2011.

The aggressive review in Eastern Ohio of oil and gas drilling property rights and leasing related to the predicted rich reserves in the Marcellus and Utica shale formations under much of the Muskingum River Watershed region had drilling companies contacting the MWCD on a routine basis. By the end of 2011, the MWCD had received approval from its Board of Directors to sign one lease as part of the pragmatic and thorough consideration of the opportunities presented by the industry, as well as the need to protect the reservoirs from environmental concerns related to the MWCD's mission.

"It is very evident from the activity in the county courthouses around the MWCD region to the trucks on the roads and the well sites being developed that the oil and gas industry has a very strong interest in development of the Marcellus and Utica shale formations in Eastern Ohio," said Sean D. Logan, MWCD's chief of conservation. "This also presents a series of opportunities and challenges for the MWCD. The opportunities from a financial standpoint are very exciting from the investments that will be made in the MWCD's facilities to improve our guests' outdoor recreational experiences.

"But from an environmental standpoint, the MWCD must be vigilant to protect the reservoirs, which in turn protects the Muskingum River Watershed, to ensure the conservancy district's mission of flood reduction and water conservation are not adversely compromised."

The MWCD employed legal counsel that specializes in oil and gas strategies and negotiations, as well as the services of an experienced petroleum engineer. During 2011, the MWCD Board of Directors announced that the conservancy district would take a conservative approach to leasing any of its available properties, and that the MWCD's standard lease that has evolved over more than nine decades would be the starting point for any negotiations with oil and gas drilling firms. That standard lease is labeled by many in the industry as the "gold standard" for protection of property from environmental concerns related to drilling, and has been used by many other public entities through the years in lease development and negotiations.

In July 2011, the MWCD Board of Directors approved a lease for the conservancy district with Gulfport Energy Co. of Oklahoma for drilling on more than 6,000 acres of property at Clendening Reservoir in Harrison County. The lease included a signing bonus payment of more than \$15 million (at \$2,400 per acre), as well as a negotiated percentage of the royalties (16 percent of gross revenues) from any production from the lease. The MWCD retained, as part of the negotiations, the final approval for proposed well sites.

The MWCD pledged to dedicate the use of the funds from oil and gas drilling to defray the conservancy district's debt, improve its recreational and public facilities through needed upgrades and addressing long-deferred maintenance, and to improve public access to its properties.

The conservancy district has identified more than \$80 million worth of needed facility upgrades, ranging from the replacement of pest-infested and aged office and storage facilities, to infrastructure repairs and upgrades, replacement of restrooms and shower buildings in its campgrounds, and much more. Staff was developing a priority list for short-term and long-term budget and planning programs that will be addressed beginning in 2012.

"The wise management of the natural resources programs through the years by the staff members of the MWCD has positioned the conservancy district in a favorable position to be selective, negotiate with a primary emphasis on safety and protection of the reservoirs managed by the MWCD, and to invest the resulting funds in ways that enhance customer service and demands," said John M. Hoopingarner, MWCD executive director/secretary. "We must treat this opportunity as one that could produce revenues for many years to come, or that could be decreased significantly or even eliminated depending on factors outside the MWCD's control. Therefore, we must plan accordingly to ensure that the MWCD's mission will be carried out effectively in any scenario."

The MWCD reservoirs also have been identified by the oil and gas drilling companies as a source of needed water for the production process, which utilizes hydraulic fracturing to release the product from the shale. By the close of 2011, the MWCD was receiving initial contact from drilling firms interested in purchasing raw water from the MWCD reservoirs.

The MWCD, which was organized in 1933 for two purposes - one, to reduce the effects of damaging flooding in the watershed, and two, to capture the floodwaters in permanent reservoirs for beneficial public benefit - will consider the proposals according to its legal authority that governs short-term (or temporary) and long-term sales of water.

"The oil and gas industry will need water, and the MWCD must consider requests and must consider the potential impacts on the reservoirs for withdrawals of water," Logan said. "We will be studying any potential sales closely for consequences on normal recreational activities at the lakes, as well as other concerns."

Horsepower limit remains at 10 hp on Charles Mill Lake

After discussion at three public meetings, no change was made to the horsepower limit of 10 hp for boats operating on Charles Mill Lake.

The Ohio Department of Natural Resources (ODNR) announced in October that the current horsepower limit would remain in effect for boat motors operated on the lake in Ashland and Richland counties.

ODNR's Division of Watercraft has legal jurisdiction over the enforcement of horsepower limits on all of Ohio's waterways, including the MWCD lakes.

A petition was presented to the Division of Watercraft and the MWCD in 2010 requesting that the horsepower limit on Charles Mill Lake be increased to 30 hp. Three public hearings were held to accept comments



After a series of public meetings, the Ohio Department of Natural Resources' Division of Watercraft announced that no changes would be made to the 10-horsepower limit for boat motor engines operated on the lake.

and suggestions, and to discuss proposed alternate solutions. However, a consensus could not be achieved on either the original petition request or an alternate solution.

MWCD working to develop strategic plan

The Muskingum Watershed Conservancy District (MWCD) took steps in 2011 to prepare the conservancy district for the many years to come.

One of the goals established by the MWCD Board of Directors during the year was to begin a strategic planning process to identify the key items that the MWCD will invest its resources - both from its budget and from its human resources - for upcoming years.

As 2011 wound down to a conclusion, the MWCD Board members and administration team had devoted many hours to discussion, planning and review, including some time spent with outside facilitator to aid the process.

"The MWCD Board of Directors recognizes that the staff has many day-to-day projects that it is focused on in serving the residents and property owners of the Muskingum River Watershed," said John M. Hoopingarner, MWCD executive director/secretary. "The strategic planning process will allow the needed time and effort for the MWCD to focus on the larger scale topics that will help our administration, managers and staff to set priorities to improve our work and service."

One of the first initiatives was the slight adjustment of the MWCD mission.

As it entered 2011, the MWCD mission statement read:

"Responsible stewards dedicated to conservation, recreation and flood control in the Muskingum River Watershed, striving to enhance the quality of life in the region."

The updated mission statement reads as follows:

"Responsible stewards dedicated to providing the benefits of flood reduction, conservation and recreation in the Muskingum River Watershed."

Hoopingarner said the adjustment may not be noticed by most who are aware of the MWCD, but that it does provide a more compact and easy-to-understand statement about the conservancy district and its work.

"While I believe that the MWCD's history and current operations and focus are contained in the words that make up the mission statement, it's the first two words of 'Responsible Stewards' that I want the staff to be considering strongly," he said. "Every person associated with this conservancy district, from the full-time staff to the volunteers who are so vital in our campgrounds, is a 'responsible steward' who represents the conservancy district and must consider that with each decision that is made and carried out."

Hoopingarner said he expects that updated reports about the strategic planning process and any items for consideration of support of the plan will be presented beginning in 2012.

Chief Engineer's Report

MWCD working under three main priorities to enact Amendment to Official Plan

by Boris E. Slogar, P.E., MWCD Chief Engineer

The enactment in 2009 of the Muskingum Watershed Conservancy District (MWCD) Amendment to the Official plan put programs and projects in place and in planning phases to protect the operation of the system of reservoirs and dams in the Muskingum River Watershed for generations to come.

During 2011, the MWCD staff oversaw the planning, construction and completion of many projects, developed agreements for additional projects for upcoming months and years, and measured the proposals and eventual programs against the objectives developed in the Amendment to the Official Plan of the MWCD, which was adopted in 2005.

Three main priorities define the conservation and flood reduction aspects of the MWCD's mission in the Muskingum River Watershed, which covers all or portions of 27 counties and spans more than 8,000 square miles in Eastern Ohio. The planning and budgeting process for these projects has been conducted in short-term (annual budget plan) and long-term periods (up to 20 years).

Here are those priorities and a brief progress update for each of them:

- 1) Rehabilitate the Muskingum flood control system through partnership with the U.S. Army Corps of Engineers (USACE) as a local cost-share sponsor.

The year 2011 was significant as construction began for the Dover Dam Safety Project, which will include the installation of foundation anchors and other maintenance initiatives to stabilize the dam and ensure its continued effective performance. A ceremony also was held near the end of 2011 to kick off Phase II of the work at the dam.

The total cost is estimated at more than \$60 million for the project, and the MWCD will invest 3.45 percent of the cost.

Also during 2011, the MWCD approved a Project Partnership Agreement with the USACE for the Bolivar Dam rehabilitation work. The modifications at Bolivar Dam will repair seepage problems with the dam's foundation. The USACE prepared requests for construction proposals after the approval of the partnering agreement for the dam.

- 2) Maintain MWCD's reservoirs by addressing sedimentation buildup, shoreline degradation and threats to water quality.

Shoreline Protection: The MWCD's shoreline protection initiative began in earnest during the winter of 2010-11. More than 20 shoreline sites were improved and stabilized at a cost of more than \$1.2 million. Since the construction of the reservoirs in the 1930s, this work represents the largest shoreline program in the conservancy district's history.

Projects were completed at Atwood, Charles Mill, Seneca and Tappan reservoirs. The work is part of an ongoing program and the MWCD has identified nearly 500 individual sites at its reservoirs.

Planning also is under way for projects in upcoming years.

Dredging: Preparations continue for dredging operations at the MWCD reservoirs, with work expected to begin as early as 2013. Understanding sediment deposit characteristics and patterns at each reservoir will aid the MWCD staff in planning and prioritization of dredging. In addition, identifying the prominent sources of sediment from each reservoir's watershed will allow future conservation program efforts to focus on problem areas and partner with other agencies and groups for solutions.

The MWCD entered into a partnership with Ohio University to inventory existing sediment information from the reservoirs, along with studying individual watershed characteristics for use in future erosion modeling.

- 3) Assist in the implementation of watershed conservation projects with a focus on flood control and water quality.

The MWCD's Partners In Watershed Management Program (PWM) provides funding and in-kind assistance to local communities, agencies and groups involved in projects and programs that support conservation and flood reduction in the Muskingum River Watershed.

PWM programs include: debris/logjam removal in streams, creeks and rivers; flood cleanup; stream gauging and water quality testing; flood warning system implementation; acid-mine drainage projects in partnership with the Ohio Department of Natural Resources; hazard mitigation grant program projects in partnership with the Ohio Emergency Management Agency; small conservation projects in partnership with county Soil and Water Conservation District staffs; and assistance with education and outreach programs.

During 2011, seven grants for a total of about \$200,000 were awarded through the PWM competitive grant program.

After two years of grant awards, the MWCD has invested nearly \$450,000 for 11 projects located throughout the Muskingum River Watershed.

Staff projects fill busy year

The staff of the Muskingum Watershed Conservancy District dedicates itself to dozens and even hundreds of projects and activities simultaneously throughout a year's time. In 2011, it was no different.

Besides the routine projects conducted by MWCD work groups, many staffers also volunteer for outreach programs that extend the Conservancy District's involvement, influence and education.

Following is a listing of many noteworthy activities the MWCD participates in during the course of a year, broken down by classification.

Engineering

Routine and specialty maintenance is a major concern and an important part of the short-term and long-term planning processes for the MWCD. In addition, a considerable portion of the MWCD budget is related to maintaining the facilities as overseen by the engineering group.

The Conservancy District manages 10 permanent lakes, more than 54,000 acres of property, five lake parks, a marina complex and campgrounds at Piedmont Lake, and other facilities to be concerned with on a day-to-day and more long-term basis.



The main boat launch ramp at Tappan Lake located off State Route 250 near the dam underwent a number of upgrades for the popular launching location.

Staff members in the MWCD's engineering group and at the parks are in charge of the planning and execution of the maintenance and major repair/replacement needs for the facilities and equipment.

The engineering and park staffs at all MWCD facilities conducted dozens of routine and specialty projects during 2011. Work, as in most years, ranged from routine maintenance to scheduled and unscheduled improvements.

The engineering group develops a list of priority projects each year through the planning process that involves the MWCD administration, managers and coordinators, park staffs and others. In most years, more than 100 projects are completed by the end of each calendar year.

Public Information

The public information support arm of the Conservancy District's operations spent most of its time in 2011 as it does in other years: utilizing public education opportunities to promote the mission of the MWCD and marketing the recreational opportunities at the facilities of the Conservancy District.

The public information effort for the MWCD utilizes and manages several forms of media to portray the message and image of the Conservancy District. These include the following:

- Lake Views - A quarterly newsletter published by the MWCD and distributed free to more than 11,000 mailing addresses.
- Internet site - Information about the MWCD is posted on its website at www.mwcd.org.
- Press releases - Official information from the Conservancy District is provided to media in the watershed and beyond.
- Promotional activities - The MWCD participates in numerous activities each year, some of which it sponsors, to promote the lakes, facilities and/or mission of the MWCD.
- Social media - The MWCD maintains several social media sites on Facebook and has a Twitter account, and has found success in using those to provide messages about the MWCD, its operations and marketing.

Other activities also are conducted through the public information office for direct marketing and advertising about the recreational programs at the lakes and parks.

Human Resources

With a staff of around 80 full-time employees that swells to more than 300 total workers during the summer months, the work to service the needs of both staff and the MWCD organization is the focus of the human resources office.

Besides routine reviews of the Conservancy District's benefit package, health plan and communications efforts for its employees, the human resources support office also studies all aspects of the employment experience, for the staff member and the organization.

Numerous other projects also were conducted in 2011 to enhance the employee-employer relationship for the MWCD.

Safety

Safety is a priority for the staff of the MWCD.

Numerous upgrades in staff work practices and conditions of the Conservancy District's facilities to promote safety for employees and guests have made over the past several years.

Various programs have been instituted, including a work team that focuses on safety in the workplace, routine safety meetings at regular work locations and special programs designed to promote safe work practices.

Compliance issues for safety have become more complex in recent years and the MWCD's safety coordinator spent much of 2011 designing specific programs to ensure adherence to local, state and federal guidelines and laws.

Conservation

The Conservation staff concentrates its efforts in the stewardship of the MWCD's natural resources programs. Areas managed in this group include agricultural, forestry, minerals, dredging/shoreline stabilization and water quality monitoring operations.

Staff members with specific position descriptions are directed to handle specialized activities related to these areas, ranging from identification of trees for harvesting as part of the forest renewal program, to testing samples of water from the permanent impoundments of water for quality, and many other activities.

During 2011, the MWCD named Sean Logan as chief of conservation (see biography in the administration section of this report). Logan, the former director of the Ohio Department of Natural Resources and a former elected state legislator, brings years of legislative and management experience in natural resources to the MWCD.

The work in conservation in 2011 was dominated by the continuing interest in development of the Utica and Marcellus shale regions for natural gas and oil exploration in Eastern Ohio. The MWCD, which has had an oil and gas management program in place on its property for nearly its entire existence, lies in the heart of that region.

During the summer of 2011, the MWCD agreed to a lease for more than 6,000 acres of property at Clendening Reservoir in Harrison County with Gulfport Energy Corp. of Oklahoma City. While the MWCD was approached by other drilling firms for proposed leases at other MWCD reservoirs, the conservancy district has said it has adopted a conservative approach to potential leases. The MWCD has sought the assistance of a petroleum engineer and legal counsel that specializes in oil and gas leasing to guide it through the process, and MWCD officials said they will only enter into leases that place a premium on protection of the reservoirs and the environment in general.

The MWCD already has an interest in about 275 wells that are located on and off MWCD property, with those wells producing revenues of more than \$275,000 annually.

Recreation

The Recreation staff members oversee numerous programs for the highly visible recreation operations of the MWCD.

Programs include boating at the MWCD permanent reservoirs (lakes), law enforcement and education on the lakes, camping and activities at the five lake parks and other campgrounds operated by the MWCD, leases with private homeowners on land leased from the MWCD, business leases with the owners of marinas operated on property leased from the MWCD at permanent reservoirs and leases with organizations that operate youth and other camps at MWCD lakes.

Staff members with specific position descriptions are directed to handle the business operations of the MWCD in these recreation programs.

MWCD hosts boating education classes

Ohio residents who are 29 years old and younger and planning to operate boats with motors of greater than 10 horsepower must comply with a mandatory boater education law.

The Muskingum Watershed Conservancy District (MWCD) hosted classes during the month of October at Tappan, Seneca and Pleasant Hill lake parks to assist boaters with meeting the education requirements.

According to state law, all boaters born on or after January 1, 1982, must show proof that they have successfully completed an approved boating safety education course if they operate any powered watercraft great than 10 horsepower on a state waterway, including any MWCD lake. The law includes those who operate personal watercraft, rental powercraft and persons 18 years old and older who supervise youth powerboat operators.



The lake ranger staff of the MWCD obtained a grant for kayaks and a transportation trailer as part of an education program to provide free instruction for those learning or seeking to refresh their kayak skills on the MWCD lakes.

Vacation cabin reservation policy updated at 4 MWCD parks

Guests now will be able to make reservations up to one year in advance for the popular family vacation cabins at four lake parks operated by the Muskingum Watershed Conservancy District (MWCD).

As part of the updated reservation policy approved by the MWCD Board of Directors in May 2011, guests of the family vacation cabins located at Atwood, Pleasant Hill, Seneca and Tappan lake parks can reserve the same cabin and reservation period up to one year in advance prior to checking out.



Vacation cabins, like the one pictured above, offer guests an alternative to camping.

Previously, cabin guests were not able to make reservations until the first Monday in November for the following year. The change was prompted by guest concerns and comments in recent years, said Scott Barnhart, MWCD's chief of recreation.

"In comments from guests and in a formal guest survey that was conducted, we learned that guests considered this to be inconvenient and antiquated," Barnhart said. "We agree that we should accommodate our loyal guests who plan to return by offering them a convenient reservation service."

Barnhart said the new policy also will prevent some guests from having to arrange time off work and other scheduling hassles to permit them to call or visit a park office to make their reservation.

The family vacation cabins at the four lake parks sleep up to six guests, feature two bedrooms and have their own kitchens and bathrooms. They offer guests an alternative to camping for an overnight stay at an MWCD lake park.

"We already have been contacted by guests who support this change and told us they are very happy to see this updated reservation service," Barnhart said.

Reservations for the cabins are handled by the individual park offices.

Information Systems/Information Technology

Emerging technology has provided the MWCD with past and future opportunities to improve its efficiencies in providing services to its customers and the general public.

Staff working in the Information Technology (IT) and Geographic Information Systems (GIS) operations of the MWCD provide numerous services that have reduced expenses and provided MWCD staff with additional resources to address tasks.

Staff members tasked with managing the IT programs for the MWCD have been busy developing a customer management system that would provide users of the MWCD's recreational programs with an opportunity to make online reservations, improve registration of overnight docking at the MWCD lakes and numerous other tasks to improve efficiency for customers and staff members.

The IT staff also has established free WiFi hotspots to customers at the MWCD campgrounds and marinas, so that people who need to stay connected via e-mail have a place to access the web. The MWCD continues to explore options to offer higher-speed Internet service to all park and marina customers. In an effort to meet the demand for lake level information, the IT staff published a QR code, that when scanned by a capable smartphone, will take the user to a web page that reports near real-time lake levels within the Muskingum River Watershed.

The GIS staff conducts the work of development and enhancement of the information delivered to counties in the MWCD jurisdiction for collection of an annual maintenance assessment. There are nearly 500,000 parcels of property in the MWCD region subject to the assessment, and GIS staff members work with public officials and property owners to ensure accurate and fair application of the assessment program. Additionally, the GIS staff utilizes highly specialized skills to create and analyze spatial data related to assessment projects and produces cartography for use by MWCD staff and the public.



The MWCD has established a Quick Response (QR) code that can be scanned quickly and easily by smartphones and provides users with a direct link to current levels of the MWCD lakes.



APPALACHIAN OHIO
GEOSPATIAL DATA
PARTNERSHIP

During 2011, the GIS staff completed the Subsequent Appraisal Record for the MWCD that was filed and approved by the Conservancy Court, which created a more accurate and fair overall appraisal record for management of the maintenance assessment record. In addition, the staff participated in the organization of the non-profit Appalachian Ohio Geospatial Data Partnership that includes the Appalachian counties of the southern region of the Muskingum River Watershed. The mission of the group is to adopt and promote geospatial data standards in Appalachia Ohio for the integration and sharing of data between federal, state, regional and local governments, academia, non-profits and private industry.

Cooperating agencies enhance MWCD offerings

The Muskingum Watershed Conservancy District is fortunate to have the support of several state and federal agencies that enable the MWCD to improve its facilities on an annual basis.

From stocking of fish in the MWCD lakes to operation of the dams, the Conservancy District benefits from the expertise and support of trained professionals at these agencies. Officials from the organizations normally meet at least annually with MWCD representatives for planning and discussion of shared issues.

U.S. Army Corps of Engineers

Flood control operations of the 14 MWCD dams were assumed by the U.S. Army Corps of Engineers (USACE) under the 1939 Flood Control Act. The dams continue to be operated by the USACE's Huntington (W.Va.) District Office. The Muskingum Area Office is located off Rt. 800 just north of Dover in Tuscarawas County.

During 2011, officials of the USACE and MWCD met twice in accordance with their formal partnering agreement to discuss common goals and issues. The agencies have assigned various staff members to study designated areas of interest and make recommendations to the administrations of each.

Ohio Department of Natural Resources

The Ohio Department of Natural Resources (ODNR) and the MWCD cooperate in a number of aspects, and have since the organization of the conservancy district in 1933. The MWCD annually receives a grant from ODNR's Division of Watercraft for marine patrol operations. Grants also have been obtained from ODNR for numerous other MWCD construction and improvement projects.

The MWCD lakes and most of the surrounding land owned by the Conservancy District are open for public use, including boating, fishing, hunting, hiking and other activities. ODNR's Division of Wildlife annually stocks the fish in the MWCD lakes and conducts other wildlife research and development efforts at the reservoirs.

The Conservancy District lakes are located throughout three separate districts of jurisdiction of the Division of Wildlife. In District 3 in the northeast portion of the state, the MWCD lakes include Atwood, Beach City, Clendening, Leesville and Tappan. District 4 handles activities at Piedmont, Seneca and Wills Creek lakes, while District 2 encompasses Charles Mill and Pleasant Hill lakes.

Ohio Department of Transportation

The MWCD and the Ohio Department of Transportation (ODOT) also have cooperated since the formation of the Conservancy District for highway relocations, bridge construction, rights-of-way and maintenance and repair of roads. As part of this effort, ODOT provides an annual paving program for the MWCD to maintain access roads for the MWCD parks, launch ramps and marinas.



Col. Robert Peterson
Commander
Huntington District
U.S. Army Corps of Engineers

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Section 2

Financial

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Management Discussion and Analysis

The discussion and analysis of the Muskingum Watershed Conservancy District's (the "Conservancy District") financial performance provides an overall review of the Conservancy District's financial activities for the fiscal year ended December 31, 2011. The intent of this discussion and analysis is to look at the Conservancy District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Conservancy District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- Total assets increased \$2,582,460. This increase is due to a large increase in pooled cash and cash equivalents, which was directly related to proceeds received from the sale of oil and gas rights during 2011.
- Net assets increased \$11,009,261 as a result of the increase in cash and the decrease in long-term liabilities.
- Outstanding debt decreased from \$7,148,560 to \$1,780,553 through principal payments.
- Outstanding notes payable were repaid in full during 2011.

Overview of the Financial Statements

This annual report consists of two parts - management's discussion and analysis and the basic financial statements. These statements are organized so that the reader can understand the financial position of the Conservancy District. The statement of net assets represents the basic statement of position for the Conservancy District. The statement of activities and changes in net assets present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. The statement of cash flows reflects how the Conservancy District finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

Financial Analysis of the Conservancy District as a Whole

The Conservancy District is not required to present government-wide financial statements as the Conservancy District is engaged in only business-type activities. Therefore, no condensed financial information derived from government-wide financial statements is included in the discussion and analysis.

The following tables represent the Conservancy District's condensed financial information for 2011 and 2010 derived from the statement of net assets and the statement of receipts, disbursements, and changes in net assets.

	2011	Restated 2010
Assets		
Current and Other Assets	\$ 25,006,805	\$ 23,452,050
Capital Assets, net	13,271,430	12,243,725
Total Assets	38,278,235	35,695,775
Liabilities		
Current Liabilities	754,423	5,745,958
Long-Term Liabilities	2,310,449	5,745,715
Total Liabilities	3,064,872	11,491,673
Net Assets		
Invested in Capital Assets, Net of Related Debt	11,582,283	10,195,918
Restricted	10,140,647	12,250,271
Unrestricted	13,490,433	1,757,913
Total Net Assets	\$ 35,213,363	\$ 24,204,102

Changes in Net Assets - The following shows the changes in net assets for 2011 and 2010.

	2011	Restated 2010
Operating Revenues		
Timber Sales	\$ 336,799	\$ 340,476
Pine-Pulpwood Sales	110,241	108,670
Land and Building Rentals	23,270	24,690
Mineral Rights and Royalties	15,867,706	273,321
Share Crop Lease	547,141	374,167
Atwood Lodge Receipts	0	2,548,680
Road Maintenance	42,671	4,187
Cottage Sites	2,020,847	1,982,197
Private Docks	446,491	435,240
Club Sites	61,344	64,187
Lake Patrol Operations	41,822	36,020
Marina Operations	686,742	729,236
Fishing Rights	62,647	62,647
Marina Camping	160,983	136,072
Water Resources/Flood Control	38,358	37,825
Beach Facilities	120,546	122,864
Water and Sewer Systems	713,577	36,650
Vacation Cabin	421,654	387,444
Park Camping	4,128,482	4,089,767
General Park Facilities	148,534	155,222
Special Events	116,335	116,925
Miscellaneous Income	261,459	29,275
Total Operating Revenues	\$ 26,357,649	\$ 12,095,762

	2011	Restated 2010
Operating Expenses		
Water quality	\$ 215,757	\$ 54,679
Vehicles and equipment	127,514	184,172
Debris removal/flood mitigation	4,896,839	1,144,724
Boundary survey	57,267	12,922
Conservation	28,625	28,024
Reservior Maintenance	27,964	31,663
Office remodeling and equipment	87,313	0
Shoreline Protection	327,371	347,581
Land and building rentals	10,627	9,857
Share crop expenses	182,761	217,199
Atwood lodge expenses	669,525	4,723,231
Mineral operation expenses	176,596	13,551
Watershed management	35,638	2,434
Beach facilities	201,645	225,738
Auto and truck	201,626	188,170
Office building	115,461	98,902
Administrative and finance	1,661,321	1,293,452
Engineering	500,899	628,760
Planning and development	84,693	78,769
GIS and Parcel Development	411,472	409,160
Forestry maintenance expenses	118,688	290,910
Park camping expense	2,315,617	1,832,596
Cottage sites and clubs	713,565	647,192
General park facilities expense	1,832,199	1,754,391
Cost of lake dredging	30	10,355
Public launching facilities	29,771	25,363
Vacation cabin expense	141,212	108,813
Marina operation expenses	336,957	334,363
Water and sewer system expense	335,747	304,170
Lake patrol operation expenses	240,486	252,173
Education and public information	177,210	203,661
Safety expenses	95,511	89,994
Recreation maintenance	171,176	192,235
Parks - special events	15,595	25,851
Assessment	4,680,777	1,560,259
Depreciation	736,958	815,809
Total Operating Expenses	21,962,413	18,141,123
Operating Income/(Loss)	4,395,236	(6,045,361)

	2011	Restated 2010
Non-Operating Revenues (Expenses)		
Maintenance assessments	\$ 10,399,509	\$ 10,536,440
Grants	65,389	525,033
Interest on investments	51,566	41,605
Debt retirement - Interest	(566,854)	(452,938)
<i>Total Non-Operating Revenues (Expenses)</i>	9,949,610	10,650,140
<i>Income Before Special Item</i>	14,344,846	4,604,779
Special Item	(3,335,585)	0
<i>Change in Net Assets</i>	\$ 11,009,261	\$ 4,604,779

Revenues and expenses related to the Atwood Lodge decreased significantly in 2011 due to the closing of the Lodge in October 2010. The increase in the mineral rights and royalties is due to the lease of oil and gas rights for approximately 6,468 acres of land during 2011. Assessments expenses increased in 2011 due to the complete amortization of deferred costs associated with the maintenance assessment study. The Conservancy District repaid the entire OWDA loan related to these deferred charges during 2011. Debris removal/flood mitigation expenses increased in 2011 as the Conservancy District utilized assessment collections.

Capital Assets and Debt Administration

Capital Assets

At the end of 2011 the Conservancy District had \$13,271,430 of capital assets net of accumulated depreciation. The following table shows 2011 balances compared with 2010:

	2011	Restated 2010
Land	\$ 1,806,650	\$ 1,806,650
Capitalized Development Costs	1,534,495	1,534,495
Land Improvements	1,956,980	729,955
Buildings	2,945,048	3,080,479
Building Improvements	1,360,826	1,414,041
Furniture, Fixtures and Equipment	615,666	780,621
Vehicles	368,213	339,831
Infrastructure	2,683,552	2,557,653
<i>Totals</i>	\$ 13,271,430	\$ 12,243,725

The majority of the increase in capital assets in 2011 related to land improvements. Additional information on the Conservancy District's capital assets can be found in Note 6.

Debt

The outstanding debt for the Conservancy District as of December 31, 2011 was \$1,780,553 with \$77,539 due within one year. The following table summarizes the Conservancy District's debt outstanding as of December 31, 2011 and 2010:

	2011	2010
1998 Revenue Bonds - 4.75%	\$ 0	\$ 259,517
1999 Revenue Bonds - 5.31%	0	466,386
2001 Revenue Bonds - Variable	649,680	670,616
OWDA #2162 - 5.56%	366,195	386,039
OWDA #4213 - 5.1%	0	4,914,230
OWDA #5413 - 0%	169,996	157,580
OWDA #5575 - 3.25%	566,827	265,250
OWDA #5558 - 3.25%	27,855	28,942
Totals	\$ 1,780,553	\$ 7,148,560

Additional information on the Conservancy District's long-term debt can be found in Note 12.

Current Issues

The Conservancy District is in the process of finalizing a five year strategic management plan. This plan will set the stage for the Conservancy District's operational needs as well as potential capital development. In addition, park master plans will be developed for each of the five major Conservancy District park facilities as well as establishing a "MWCD brand" that will be a theme for our works within the Conservancy District.

The recent surge in the Utica shale activity in Ohio has presented the Conservancy District with opportunities to utilize its natural resources. With over 20,000 acres available for lease, the Conservancy District is continuing to develop and implement its plan for the prudent use of the resources it has available.

Finally, the Conservancy District will begin construction of a new water treatment facility at Atwood Park and also the Atwood Resort area. This is a project that has been considered for a couple years and now will be done in order to meet EPA guidelines with an estimated cost of \$4 million.

Requests for Information

This financial report is designed to provide our citizens, investors and creditors with a general overview of the Conservancy District's finances and to show the Conservancy District's accountability for the money it receives. If you have questions about this report or need additional information, contact James Cugliari of the Muskingum Watershed Conservancy District.

Statement of Net Assets: Proprietary Fund

for the year ending December 31, 2011

Assets	
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 22,344,446
Accounts Receivable	1,262,032
Maintenance Assessments Receivable	1,400,327
Total Current Assets	25,006,805
Non-Current Assets	
Non-Depreciable Capital Assets	3,341,145
Depreciable Capital Assets, Net	9,930,285
Total Non-Current Assets	13,271,430
Total Assets	38,278,235
Liabilities	
Current Liabilities	
Accounts Payable	97,643
Performance Bond Payable	8,475
Escrow Land Rentals	175
Accrued Retirement Insurance	44,840
Accrued Wages and Benefits	104,231
Accrued Interest Payable	100
Accrued Industrial Insurance	156,939
Accrued Disability Income	6,980
Claims Payable	149,266
Compensated Absences	55,759
Capital Leases Payable	52,476
Revenue Bonds Payable	22,550
OWDA Loans Payable	54,989
Total Current Liabilities	754,423
Long-Term Liabilities	
Deferred Revenue	60,633
Compensated Absences - net of current portion	492,834
Capital Leases Payable - net of current portion	53,968
Revenue Bonds Payable - net of current portion	627,130
OWDA Loans Payable - net of current portion	1,075,884
Total Long-Term Liabilities	2,310,449
Total Liabilities	3,064,872
Net Assets	
Invested in Capital Assets, Net of Related Debt	11,582,283
Restricted for Maintenance Assessment	10,140,647
Unrestricted	13,490,433
Total Net Assets	\$ 35,213,363

Statement of Revenues, Expenses and Changes in Net Assets: Proprietary Fund
for the year ending December 31, 2011

Operating Revenues	
Timber sales	\$ 336,799
Pine/pulpwood sales	110,241
Land and building rentals	23,270
Mineral rights and royalties	15,867,706
Share crop lease	547,141
Road maintenance	42,671
Cottage sites	2,020,847
Private docks	446,491
Club sites	61,344
Lake patrol operations	41,822
Marina operations	686,742
Fishing rights	62,647
Marina camping	160,983
Water resources/flood control	38,358
Beach facilities	120,546
Water and sewer systems	713,577
Vacation cabin	421,654
Park camping	4,128,482
General park facilities	148,534
Special events	116,335
Miscellaneous income	261,459
Total Operating Revenues	26,357,649
Operating Expenses	
Water Quality	215,757
Vehicles and equipment	127,514
Debris removal/flood mitigation	4,896,839
Boundary survey	57,267
Conservation	28,625
Reservior Maintenance	27,964
Office remodeling and equipment	87,313
Shoreline Protection	327,371
Land and building rentals	10,627
Share crop expenses	182,761
Atwood Lodge expenses	669,525
Mineral operation expenses	176,596
Watershed management	35,638
Beach facilities	201,645
Auto and truck	201,626
Office building	115,461
Administrative and finance	1,661,321

continued next page

Statement of Revenues, Expenses and Changes in Net Assets: Proprietary Fund
for the year ending December 31, 2011

Engineering	500,899
Planning and development	84,693
GIS and Parcel Development	411,472
Forestry maintenance	118,688
Park camping expense	2,315,617
Cottage sites and clubs	713,565
General park facilities expense	1,832,199
Cost of lake dredging	30
Expense of public launching facilities	29,771
Vacation cabin expense	141,212
Marina operation expenses	336,957
Water and sewer system expense	335,747
Lake patrol operation expenses	240,486
Education and public information	177,210
Safety expenses	95,511
Recreation maintenance	171,176
Parks - special events	15,595
Assessment	4,680,777
Depreciation	736,958
Total Operating Expenses	21,962,413
Operating Income	4,395,236
Non-Operating Revenues (Expenses)	
Maintenance assessments	10,399,509
Grants	65,389
Interest on investments	51,566
Debt retirement - Interest	(566,854)
Total Non-Operating Revenues (Expenses)	9,949,610
<i>Income Before Special Item</i>	14,344,846
Special Item	(3,335,585)
<i>Change in Net Assets</i>	11,009,261
Net Assets - Beginning of Year (Restated - See Note 3)	24,204,102
Net Assets - End of Year	\$ 35,213,363

Statement of Cash Flows: Proprietary Fund

for the year ending December 31, 2011

Cash Flows from Operating Activities	
Cash Received from Customers	\$ 25,682,346
Cash Payments to Suppliers for Goods and Services	(10,155,989)
Cash Payments for Employees Services and Benefits	(6,216,499)
Net Cash Provided by Operating Activities	9,309,858
Cash Flows from Noncapital Financing Activities	
Proceeds from Line of Credit	144,625
Proceeds from OWDA Loans	21,860
Principal Payments on OWDA Loans	(4,924,761)
Principal Payments on Line of Credit	(972,898)
Intergovernmental Grants	65,389
Maintenance Assessments	8,991,502
Interest Paid on Debt	(239,007)
Transfers In	
Transfers Out	0
Net Cash Provided by Noncapital Financing Activities	3,086,710
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(1,599,713)
Maintenance Assessments	1,295,789
Proceeds from OWDA Loans	324,999
Principal Payments on Revenue Bonds	(746,839)
Principal Payments on OWDA Loans	(43,266)
Principal Payments on Mortgage Note	(2,560,000)
Principal Payments on Capital Leases	(58,506)
Interest Paid on Debt	(327,847)
Net Cash Used for Capital and Related Financing Activities	(3,715,383)
Cash Flows from Investing Activities	
Receipts of Interest	51,566
Net Cash Provided by Noncapital Financing Activities	51,566
Net Increase in Cash and Cash Equivalents	8,732,751
Cash and Cash Equivalents Beginning of Year	13,611,695
Cash and Cash Equivalents End of Year	\$ 22,344,446
Reconciliation of Operating Income To Net Cash Provided by Operating Activities	
Operating Income	\$ 4,395,236
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	736,958
Deferred Charges	4,680,777
Accounts Receivable	(678,326)

continued next page

Increase (Decrease) in Liabilities	
Accounts Payable	28,821
Proformance Bonds Payable	0
Deferred Revenue	3,023
Claims Payable	(43,710)
Accrued Wages and Benefits	82,685
Accrued Disability Income	5,990
Compensated Absences	147,139
Accrued Retirement Insurance	2,576
Accrued Industrial Insurance	(51,311)
<i>Net Cash Provided by Operating Activities</i>	<i>\$ 9,309,858</i>
Noncash Capital Financing Activities	
During 2011, capital assets were acquired through capital leases in the amount of \$164,950.	

Notes to the Basic Financial Statements

Note 1: Nature of Basic Operations and Description of Entity

The Muskingum Watershed Conservancy District was created as a separate political subdivision by the Ohio Legislature in 1933. The Muskingum Watershed Conservancy District (the "Conservancy District") was created in accordance with Section 101 of the Ohio Revised Code which is concerned with the formation and governing of conservancy Districts. The Conservancy District operates under an elected conservancy court consisting of eighteen court of common pleas judges, with one judge serving on the court from each county. Muskingum Watershed Conservancy District had a five member board of directors in 2011 appointed by the court. All other officers and employees are hired in accordance with the provisions of Section 6101 of the Ohio Revised Code. The Conservancy District is a separate governmental entity within the eighteen county area served by the Conservancy District.

2011 Board of Directors

Harry C. Horstman, President	Term Expires June 3, 2015
Steve Kokovich , Vice President	Term Expires June 3, 2013
David Parham, Member	Term Expires June 8, 2016
Richard J. Pryce, Member	Term Expires July 18, 2012
William P. Boyle, Jr., Member	Term Expires July 18, 2014

2011 Officers

John M. Hoopingarner	Executive Director/Secretary
James B. Cugliari	Chief Financial Officer/Treasurer

Services provided by the Conservancy District are defined in detail in the Ohio Conservancy District Act and Section 6104.04 of the Ohio Revised Code and include among other duties the following:

- A) Flood reduction
- B) Regulating stream channels by changing, widening, and deepening the same
- C) Providing a water supply for domestic, industrial, and public use
- D) Providing for the collection and disposal of sewage and other liquid waste
- E) Regulating the flow of streams and conserving the waters thereof

The Conservancy District manages fourteen reservoirs and receives income from the following and other sources:

- A) Park camping
- B) Rental of sites for cottages
- C) Sale of crops
- D) Sale of timber and pulpwood
- E) Boat marina rentals and docking
- F) Assessment

Subdistricts

Chippewa Subdistrict, Black Fork Subdistrict, Buffalo Subdistrict and Duck Creek Subdistrict are blended component units of Muskingum Watershed Conservancy District. Each subdistrict was formed in accordance with Chapter 6101-71 of the Ohio Revised Code; organization of subdistricts. They were put into action as a result of petitions of the owners of real property subject to flooding within their areas. To date the only active subdistrict is the Chippewa Subdistrict. Currently the Muskingum Watershed Conservancy District is going through a readjustment of the assessment of Chippewa Subdistrict so that additional maintenance funds can be obtained to maintain the project. Black Fork Subdistrict, Buffalo Creek Subdistrict and Duck Creek Subdistrict are inactive.

Note 2: Summary of Significant Accounting Policies

The financial statements of the Conservancy District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Conservancy District applies generally accepted accounting principles that were issued prior to November 30, 1989 by the Financial Accounting Standards Board ("FASB") to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The entity has elected not to follow FASB guidelines for proprietary funds issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The most significant of the Conservancy District's accounting policies are described below.

A. Basis of Presentation

The Conservancy District uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Conservancy District operates as a self-supporting governmental enterprise and uses accounting policies applicable to governmental enterprise funds.

B. Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Conservancy District are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Conservancy District finances and meets the cash flow needs of its enterprise activity.

C. Budgetary Process

Budget

The Conservancy District's annual budget of revenues, expenses, and capital expenditures is prepared under the cash basis of accounting. The budget is adopted by resolution of the Board of Directors. The Conservancy District utilizes such budget and related budgetary accounting to ensure that: (1) service objectives are attained, (2) expenditures are properly controlled; and (3) adequate resources will be available to finance current operations and meet capital outlay requirements.

Because the Conservancy District's revenues and expenses may fluctuate, a flexible-rather than fixed-dollar budget is utilized to permit budgetary revision. Actual results of operations are compared to the final revised budget of the Conservancy District for the year.

Appropriations

The annual appropriation measure is passed on the last meeting of the year in December, for the period January 1 to December 31 of the following year. The appropriation measure may be amended or supplemented by the board. The total amount appropriated from any fund for any year shall not exceed the sum of the unencumbered balance in the fund at the beginning of the year and the amounts to be received during such year from bonds authorized, and taxes and special assessments imposed prior to their appropriation, together with all other moneys estimated to be received by the fund during the year. At the close of each calendar year, all unencumbered balance of appropriations shall revert to the funds from which they were made and shall be subject to re-appropriation.

Encumbrances

The Conservancy District is required to use the encumbrance method of accounting by virtue of Ohio Law. Under this system purchase order, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of the calendar year, the unencum-

bered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

D. Property Assets/Depreciation

Capital Assets are defined by the Conservancy District as assets with an initial, individual cost of more than \$500.

Property, plant and equipment acquired by the Conservancy District are stated at cost (or estimated historical cost), including architectural and engineering fees where applicable.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Land Improvements	20 - 25 Years
Buildings	30 - 50 Years
Building Improvements	10 - 20 Years
Furniture, Fixtures and Equipment	3 - 15 Years
Vehicles	3 - 5 Years
Infrastructure	20 - 50 Years

E. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Conservancy District records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the Conservancy District's past experience of making termination payments.

F. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

G. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

H. Revenue and Expenses

Operating revenues consist primarily of fees for services, rents and charges for use of Conservancy District facilities and other income. Operating expenses include the cost of providing these services, including administrative expenses and depreciation on capital assets.

Non-operating revenues and expenses are all revenues and expenses not meeting the definition of operating revenues and expenses. Non-operating revenues include intergovernmental grants, interest from investments and maintenance assessment. Non-operating expenses include interest expense on long-term debt.

I. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Directors and that are either unusual in nature or infrequent in occurrence. During 2011, the Atwood Lake Resort and Conference Center was offered for donation to public entities with the anticipation that the donation would occur in the first quarter of 2012. Land, buildings, machinery and equipment associated with the Atwood Lake Resort and Conference Center had a net carrying value of \$3,335,585. During 2011, the Conservancy District had no extraordinary items.

J. Implementation of New Accounting Policies

For the year ended December 31, 2011, the Conservancy District implemented Governmental Accounting Standards Board GASB Statement No. 59, "Financial Instruments Omnibus."

GASB Statement No. 59 updated and improved existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. Implementation of this GASB statement did not affect the presentation of the financial statements of the Conservancy District.

Note 3: Restatement of Net Assets

In prior years, several errors were made in reporting capital assets, which resulted in an overstatement of \$1,592,135. Additionally, in 2010, assets in the amount of \$102,420 related to the Atwood Resort were erroneously reclassified as assets held for sale. Beginning net assets have been restated as follows:

	Proprietary Fund
Previously Reported Net Assets, 12/31/10	\$ 25,898,657
Overstatement of Capital Assets (Net)	(1,592,135)
Overstatement of Assets Held for Sale	(102,420)
Restated Net Assets, 1/1/11	\$ 24,204,102

Note 4: Deposits

State statutes classify monies held by the Conservancy District into three categories:

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Conservancy District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Conservancy District has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Conservancy District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Bonds and other obligations of the State of Ohio;
4. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
5. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Conservancy District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all uninsured public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of uninsured public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Conservancy District's name. During 2011, the Conservancy District and public depositories complied with the provisions of these statutes.

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the Conservancy District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as collateral against all of the uninsured public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Conservancy District.

At fiscal year-end, the carrying amount of the Conservancy District's deposits was \$22,341,146. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2011, \$19,942,983 of the Conservancy District's bank balance of \$22,367,180 was exposed to custodial risk as discussed above, while \$2,424,197 was covered by Federal Deposit Insurance Corporation.

Cash on Hand

As of December 31, 2011, the Conservancy District had \$3,300 of cash on hand.

Note 5: Receivables

Receivables at December 31, 2011 consisted of accounts (billed user charged services) and delinquent maintenance assessments. All receivables are deemed collectible in full.

Note 6: Capital Assets

Proprietary capital assets - summary by category at December 31, 2011:

	Restated Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Capital Assets Not Being Depreciated				
Land	\$ 1,806,650	\$ 0	\$ 0	\$ 1,806,650
Construction in Progress	0			0
Capitalized Development Costs	1,534,495	0	0	1,534,495
<i>Total Capital Assets Not Being Depreciated</i>	<i>3,341,145</i>	<i>0</i>	<i>0</i>	<i>3,341,145</i>
Capital Assets Being Depreciated				
Land Improvements	1,115,146	1,295,789	0	2,410,935
Buildings	8,001,228	0	0	8,001,228
Building Improvements	2,043,304	0	0	2,043,304
Furniture, Fixtures and Equipment	3,881,933	15,346	0	3,897,279
Vehicles	1,549,650	164,950	(202,694)	1,511,906
Infrastructure	3,697,934	288,578	0	3,986,512
<i>Total Capital Assets Being Depreciated</i>	<i>20,289,195</i>	<i>1,764,663</i>	<i>(202,694)</i>	<i>21,851,164</i>
Less Accumulated Depreciation				
Land Improvements	(385,191)	(68,764)	0	(453,955)
Buildings	(4,920,749)	(135,431)	0	(5,056,180)
Building Improvements	(629,263)	(53,215)	0	(682,478)
Furniture, Fixtures and Equipment	(3,101,312)	(180,301)	0	(3,281,613)
Vehicles	(1,209,819)	(136,568)	202,694	(1,143,693)
Infrastructure	(1,140,281)	(162,679)	0	(1,302,960)
<i>Total Accumulated Depreciation</i>	<i>(11,386,615)</i>	<i>(736,958)</i>	<i>202,694</i>	<i>(11,920,879)</i>
<i>Total Capital Assets Being Depreciated, Net</i>	<i>8,902,580</i>	<i>1,027,705</i>	<i>0</i>	<i>9,930,285</i>
<i>Capital Assets, Net</i>	<i>\$ 12,243,725</i>	<i>\$ 1,027,705</i>	<i>\$ 0</i>	<i>\$ 13,271,430</i>

Note 7: Risk Management

A. Comprehensive Liability Insurance

The Conservancy District maintains comprehensive insurance coverage with private carriers for the following:

- A) All risks (building and contents 80% coinsurance)
- B) Business auto
- C) Law enforcement
- D) Directors/Officers
- E) Boiler and machinery
- F) Umbrella liability
- G) Public employee disability
- H) Employee bonds

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage in the year 2011.

B. Self-insurance

Muskingum Watershed Conservancy District has a self-funded health insurance plan administered by third party administrator Aultcare.

The monthly premium in 2011 for a single employee is \$605.50, \$945.86 for an employee plus 1, and for the family of an employee is \$1,429.62.

The overall stop loss for the plan is \$869,797 at December 31, 2011.

The limit per occurrence was \$55,000 for 2011 with one claim exceeding this limit. When Muskingum Watershed Conservancy District pays claims or reimburses employees for medical bills in excess of the limits they are reimbursed by Excess Re-insurance Underwriters Agency, Inc.

The claims liability of \$149,266 at December 31, 2011, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims liability for 2011 and 2010 are as follows:

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2010	\$ 42,125	\$ 699,504	\$ 548,653	\$ 192,976
2011	\$ 192,976	\$ 705,746	\$ 749,456	\$ 149,266

Note 8: Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description - The Conservancy District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value

of the member and vested employer contributions plus any investment earnings. The combined plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. Members in the State and local divisions may participate in all three plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2011, members in State and local classifications contributed 10 percent of covered payroll.

The Conservancy District's contribution rate for 2011 was 14.0 percent of covered payroll. The portion of the Conservancy District's contribution equal to 4.0 percent of covered payroll was allocated to fund the post-employment health care plan, during calendar year 2011. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Conservancy District of 14 percent.

The Conservancy District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2011, 2010, and 2009 were \$510,519, \$322,428 and \$311,328, respectively; 94 percent has been contributed for 2011 and 100 percent for 2010 and 2009.

Note 9: Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2011, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment

health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 4.0 percent of covered payroll for 2011.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected. Active members do not make contributions to the post-employment health care plan.

The Conservancy District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$204,208, \$234,144 and \$261,293, respectively; 94 percent has been contributed for 2011 and 100 percent for 2010 and 2009.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Note 10: Legal Proceedings

The Conservancy District is involved in litigation in the normal course of business. Although the eventual outcome of these matters cannot be predicted, it is the opinion of management that the ultimate liability is not expected to have a material effect on the Conservancy District's financial position.

Note 11: Notes Payable

In December 2010, the Conservancy District entered into a promissory note line of credit with Key Bank. The line of credit had a limit of \$1,000,000 and a variable interest rate. The proceeds were used to fund the wind down costs related to the closure of the Atwood Lodge and Conference Center.

In May 2010, the Conservancy District issued a mortgage note with Fifth Third Bank in the amount of \$2,560,000. The proceeds of this note were used to repay their existing revenue bond with Fifth Third Bank in the same amount. The mortgage note has an interest rate of 2.75 percent plus LIBO.

Changes in the note obligations of the Conservancy District during the year ended December 31, 2011 consisted of the following:

	Outstanding 1/1/2011	Additions	Reductions	Outstanding 12/31/2011	Amounts Due in One Year
Key Bank	\$ 828,273	\$ 144,625	\$ (972,898)	\$ 0	\$ 0
Fifth Third Bank	2,560,000	0	(2,560,000)	0	0
Total	\$ 3,388,273	\$ 144,625	\$ (3,532,898)	\$ 0	\$ 0

Note 12: Long-Term Obligations

The changes in the Conservancy District's long-term obligations during the fiscal year 2011 were as follows:

	Principal Outstanding 12/31/2010	Additions	Reductions	Principal Outstanding 12/31/2011	Amount Due in One Year
1998 Revenue Bonds - 4.75%	\$ 259,517	\$ 0	\$ (259,517)	\$ 0	\$ 0
1999 Revenue Bonds - 5.31%	466,386	0	(466,386)	0	0
2001 Revenue Bonds - Variable	670,616	0	(20,936)	649,680	22,550
OWDA Loan #2162 - 5.56%	386,039	0	(19,844)	366,195	20,962
OWDA Loan #4213 - 5.1%	4,914,230	0	(4,914,230)	0	0
OWDA Loan #5413 - 0%	157,580	21,860	(9,444)	169,996	9,444
OWDA Loan #5575 - 3.25%	265,250	324,999	(23,422)	566,827	23,423
OWDA Loan #5558 - 3.25%	28,942	0	(1,087)	27,855	1,160
Total	7,148,560	346,859	(5,714,866)	1,780,553	77,539
Other Long-Term Obligations					
Capital Leases - Vehicles	0	164,950	(58,506)	106,444	52,476
Compensated Absences	401,454	159,744	(12,605)	548,593	55,759
Total other long-term obligations	401,454	324,694	(71,111)	655,037	108,235
Total Long-Term Liabilities	\$ 7,550,014	\$ 671,553	\$ (5,785,977)	\$ 2,435,590	\$ 185,774

Revenue Bonds

On February 24, 1998 the Conservancy District issued \$1,300,000 in revenue bonds for the renovation, construction and improvement of the Conservancy District's administration building in New Philadelphia, Ohio. These fifteen year revenue bonds mature on February 24, 2013 and principal and interest payments are due on the 24th of each month.

Revenue Bonds totaling \$1,300,000 were issued December 17, 1999 with a maturity of December 13, 2014. These bonds were borrowed for the purpose of paying all or a portion of the costs of renovating, construction, acquiring and installing improvements to cabins and other facilities at Tappan and Atwood Parks. Principal and interest are due on the 13th of each month.

In 2001 the Conservancy District issued \$795,000 in revenue bonds through Aqua Ohio. The proceeds of these bonds were used to improve and upgrade the water system at Charles Mill Sites Lake cottages. The revenue bonds mature in twenty-five years and have monthly payments due on March of each year.

Ohio Water Development Authority Loans

In 1999, the Conservancy District was awarded a loan from the Ohio Water Development Authority (OWDA) in the amount of \$550,692. The proceeds of this loan are for the construction of a 75,000 and 10,000 gallon water tank. Also, a 3,807 linear feet of 6" water line and 3,676 linear feet of 4" water line are being constructed with these proceeds. All construction is at Tappan Lake Park. This loan agreement has a term of twenty-five years and matures July 1, 2024. Principal and interest payments are due January 1 and July 1, annually.

The Conservancy District was awarded a \$7,741,217 loan from OWDA in 2004. This loan was utilized to fund the implementation costs of the maintenance assessment and was fully repaid during 2011.

In 2009 the Conservancy District was awarded a loan from OWDA in the amount of \$188,884. The proceeds of this loan were used for painting of water towers. The loan is interest-free and matures on January 1, 2030.

In 2010, the Conservancy District was awarded a loan from OWDA in the amount of \$637,001 for improvements to the Sites Lake Cottage Area wastewater treatment plant. The loan has an interest rate of 3.25 percent and matures on July 1, 2030. As of December 31, 2011, the Conservancy District had drawn down \$601,680. Since this loan is not fully disbursed, the amortization schedule is not available and therefore, not reflected in the table below.

The Conservancy District was awarded a \$30,065 loan from OWDA in 2010 for an abandoned water well capping project. The loan has an interest rate of 3.25 percent and matures on January 1, 2030.

The annual requirements to retire debt are as follows:

Year	Ohio Water Development Authority Loans		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 31,566	\$ 20,969	\$ 22,550	\$ 48,101	\$ 54,116	\$ 69,070
2013	32,786	19,749	24,290	46,362	57,076	66,111
2014	34,074	18,461	26,163	44,489	60,237	62,950
2015	35,433	17,102	28,182	42,470	63,615	59,572
2016	36,869	15,668	30,355	40,296	67,224	55,964
2017-2021	208,823	53,854	190,728	162,532	399,551	216,386
2022-2026	150,329	9,761	276,546	76,714	426,875	86,475
2027-2029	34,166	337	50,866	1,915	85,032	2,252
	\$ 564,046	\$ 155,901	\$ 649,680	\$ 462,879	\$ 1,213,726	\$ 618,780

Note 13: Capital Leases - Lessee Disclosure

In 2011 the Conservancy District entered into capitalized leases for the acquisition of vehicles. These leases meet the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.

The assets acquired by the leases have been capitalized in the governmental activities in the amount of \$164,950, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability is recorded and is reduced for each required principal payment.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2011:

		Capital Leases
Year ending December 31, 2012	2012	\$ 58,506
Year ending December 31, 2013	2013	39,715
Year ending December 31, 2014	2014	18,021
Minimum lease payments		116,242
Less: amount representing interest at the Conservancy District's incremental borrowing rate of interest		(9,798)
Present value of minimum lease payments		\$ 106,444

Note 14: Operating Lease

On June 17, 2011, the Conservancy District (the "Lessor") entered into a lease agreement with Gulfport Energy Corporation (the "Lessee"). The Conservancy District leased approximately 6,468 acres of land at Clendening Reservoir to the Lessee. The Lessee will pay the Conservancy District lease royalty payments of 16.5% of the gross proceeds attributable to the applicable wells. In addition, the Conservancy District received a bonus payment in 2011 in the amount of \$ 2,400 per acre, or approximately \$15,565,896. This payment was recorded as mineral rights and royalties revenue.

Note 15: Subsequent Events

On January 26, 2012, the Ohio Water Development Authority approved a loan for the Black Fork Subdistrict in the amount of \$1,500,000. The loan will be used to pay planning costs associated with a maintenance assessment. The loan has an interest rate of 3.99% and matures on January 1, 2018.

Atwood Lake Resort and Conference Center was donated to Carroll County on February 10, 2012. The donation included over 500 acres and all buildings and structures, with the exception of the water treatment facilities, 17 vacation cabins, and 2 former residences.

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Combining Statement of Net Assets Proprietary Fund

for the year ending December 31, 2011

		SUBDISTRICTS						
	Muskingum Watershed Conservancy District	Black Fork	Buffalo Creek	Chippewa	Duck Creek	Eliminating Entries	Total	
Assets								
Current Assets								
Equity in Pooled Cash and Cash Equivalents	\$ 21,013,510	\$ 0	\$ 0	\$ 1,322,530	\$ 8,406	\$ 0	\$ 22,344,446	
Accounts Receivable	1,280,756	0	0	0	0	(18,724)	1,262,032	
Maintenance Assessments Receivable	1,400,327	0	0	0	0	0	1,400,327	
Assets Held for Sale	0						0	
Total Current Assets	23,694,593	0	0	1,322,530	8,406	(18,724)	25,006,805	
Non-Current Assets								
Non-Depreciable Capital Assets	1,806,650	1,822	27,593	1,499,680	5,400	0	3,341,145	
Depreciable Capital Assets, Net	9,930,285	0	0	0	0	0	9,930,285	
Total Non-Current Assets	11,736,935	1,822	27,593	1,499,680	5,400	0	13,271,430	
Total Assets	35,431,528	1,822	27,593	2,822,210	13,806	(18,724)	38,278,235	
Liabilities								
Current Liabilities								
Accounts Payable	76,643	1,822	27,593	4,272	6,037	(18,724)	97,643	
Performance Bond Payable	8,475	0	0	0	0	0	8,475	
Escrow Land Rentals	175	0	0	0	0	0	175	
Accrued Retirement Insurance	44,840	0	0	0	0	0	44,840	
Accrued Wages and Benefits	104,231	0	0	0	0	0	104,231	
Accrued Interest Payable	100	0	0	0	0	0	100	
Accrued Industrial Insurance	156,939	0	0	0	0	0	156,939	
Accrued Disability Income	6,980	0	0	0	0	0	6,980	
Claims Payable	149,266	0	0	0	0	0	149,266	
Compensated Absences	55,759	0	0	0	0	0	55,759	
Capital Leases Payable	52,476	0	0	0	0	0	52,476	
Revenue Bonds Payable	22,550	0	0	0	0	0	22,550	

OWDA Loans Payable	54,989	0	0	0	0	0	0	0	54,989
Total Current Liabilities	733,423	1,822	27,593	4,272	6,037	(18,724)			754,423
Long-Term Liabilities									
Deferred Revenue	60,633	0	0	0	0	0	0	0	60,633
Compensated Absences - net of current portion	492,834	0	0	0	0	0	0	0	492,834
Capital Leases Payable - net of current portion	53,968	0	0	0	0	0	0	0	53,968
Revenue Bonds Payable - net of current portion	627,130	0	0	0	0	0	0	0	627,130
OWDA Loans Payable - net of current portion	1,075,884	0	0	0	0	0	0	0	1,075,884
Total Long-Term Liabilities	2,310,449	0	0	0	0	0	0	0	2,310,449
Total Liabilities	3,043,872	1,822	27,593	4,272	6,037	(18,724)			3,064,872
Net Assets									
Invested in Capital Assets, Net of Related Debt	10,047,788	1,822	27,593	1,499,680	5,400	0	0	0	11,582,283
Restricted for Maintenance Assessment	10,140,647								10,140,647
Unrestricted	12,199,221	(1,822)	(27,593)	1,318,258	2,369	0	0	0	13,490,433
Total Net Assets	\$ 32,387,656	\$ 0	\$ 0	\$ 2,817,938	\$ 7,769	\$ 0	\$ 0	\$ 0	\$ 35,213,363

Combining Statement of Revenues, Expenses and Changes in Net Assets: Proprietary Fund
for the year ending December 31, 2011

		SUBDISTRICTS							
	Muskingum Watershed Conservancy District	Black Fork	Buffalo Creek	Chippewa	Duck Creek	Eliminating Entries	Total		
Operating Revenues									
Timber sales	\$ 336,799	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 336,799		
Pine/pulpwood sales	110,241	0	0	0	0	0	110,241		
Land and building rentals	23,270	0	0	0	0	0	23,270		
Mineral rights and royalties	15,867,706	0	0	0	0	0	15,867,706		
Share crop lease	547,141	0	0	0	0	0	547,141		
Road maintenance	42,671	0	0	0	0	0	42,671		
Cottage sites	2,020,847	0	0	0	0	0	2,020,847		
Private docks	446,491	0	0	0	0	0	446,491		
Club sites	61,344	0	0	0	0	0	61,344		
Lake patrol operations	41,822	0	0	0	0	0	41,822		
Marina operations	686,742	0	0	0	0	0	686,742		
Fishing rights	62,647	0	0	0	0	0	62,647		
Marina camping	160,983	0	0	0	0	0	160,983		
Water resources/flood control	38,358	0	0	0	0	0	38,358		
Beach facilities	120,546	0	0	0	0	0	120,546		
Water and sewer systems	713,577	0	0	0	0	0	713,577		
Vacation cabin	421,654	0	0	0	0	0	421,654		
Park camping	4,128,482	0	0	0	0	0	4,128,482		
General park facilities	148,534	0	0	0	0	0	148,534		
Special events	116,335	0	0	0	0	0	116,335		
Miscellaneous income	400,566	0	0	0	0	(139,107)	261,459		
Total Operating Revenues	26,496,756	0	0	0	0	(139,107)	26,357,649		
Operating Expenses									
Water Quality	215,757	0	0	0	0	0	215,757		
Vehicles and equipment	127,514	0	0	0	0	0	127,514		
Debris removal/flood mitigation	4,262,569	0	0	773,377	0	(139,107)	4,896,839		

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	SUBDISTRICTS					
	Muskingum Watershed Conservancy District	Black Fork	Buffalo Creek	Chippewa	Duck Creek	Eliminating Entries
Non-Operating Revenues (Expenses)						
Maintenance assessments	10,041,959	0	0	357,550	0	0
Grants	65,389	0	0	0	0	0
Interest on investments	50,774	0	0	784	8	0
Debt retirement - Interest	(566,854)	0	0	0	0	0
Total Non-Operating Revenues (Expenses)	9,591,268	0	0	358,334	8	0
Income (Loss) Before Special Item	14,759,881	0	0	(415,043)	8	0
Special Item	(3,335,585)	0	0	0	0	0
Change in Net Assets	11,424,296	0	0	(415,043)	8	0
Net Assets - Beginning of Year	20,963,360	0	0	3,232,981	7,761	0
Net Assets - End of Year	\$ 32,387,656	\$ 0	\$ 0	\$ 2,817,938	\$ 7,769	\$ 0
						\$ 35,213,363

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Combining Statement of Cash Flows: Proprietary Fund for the year ending December 31, 2011

	SUBDISTRICTS						
	Muskingum Watershed Conservancy District	Black Fork	Buffalo Creek	Chippewa	Duck Creek	Eliminating Entries	Total
Cash flows from Operating Activities							
Cash Received from Customers	\$ 25,821,453	\$ 0	\$ 0	\$ 0	\$ 0	\$ (139,107)	\$ 25,682,346
Cash Payments to Suppliers for Goods and Services	(9,598,213)	0	0	(696,883)	0	139,107	(10,155,989)
Cash Payments for Employees Services and Benefits	(6,092,183)	0	0	(124,316)	0	0	(6,216,499)
Net Cash Provided by Operating Activities	10,131,057	0	0	(821,199)	0	0	9,309,858
Cash Flows from Noncapital Financing Activities							
Proceeds from Line of Credit	144,625	0	0	0	0	0	144,625
Proceeds from OWDA Loans	21,860	0	0	0	0	0	21,860
Principal Payments on OWDA Loans	(4,924,761)	0	0	0	0	0	(4,924,761)
Principal Payments on Line of Credit	(972,898)	0	0	0	0	0	(972,898)
Intergovernmental Grants	65,389	0	0	0	0	0	65,389
Maintenance Assessments	8,633,952	0	0	357,550	0	0	8,991,502
Interest Paid on Debt	(239,007)	0	0	0	0	0	(239,007)
Net Cash Provided by Noncapital Financing Activities	2,729,160	0	0	357,550	0	0	3,086,710
Cash Flows from Capital and Related Financing Activities							
Acquisition of Capital Assets	(1,599,713)	0	0	0	0	0	(1,599,713)
Maintenance Assessments	1,295,789	0	0	0	0	0	1,295,789
Proceeds from OWDA Loans	324,999	0	0	0	0	0	324,999
Principal Payments on Revenue Bonds	(746,839)	0	0	0	0	0	(746,839)
Principal Payments on OWDA Loans	(43,266)	0	0	0	0	0	(43,266)
Principal Payments on Mortgage Note	(2,560,000)	0	0	0	0	0	(2,560,000)
Principal Payments on Capital Leases	(58,506)	0	0	0	0	0	(58,506)
Interest Paid on Debt	(327,847)	0	0	0	0	0	(327,847)
Net Cash Used for Capital and Related Financing Activities	(3,715,383)	0	0	0	0	0	(3,715,383)
Cash Flows from Investing Activities							
Receipts of Interest	50,774	0	0	784	8	0	51,566
Net Increase in Cash and Cash Equivalents	9,195,608	0	0	(462,865)	8	0	8,732,751
Cash and Cash Equivalents Beginning of Year	11,817,902	0	0	1,785,395	8,398	0	13,611,695
Cash and Cash Equivalents End of Year	\$ 21,013,510	\$ 0	\$ 0	\$ 1,322,530	\$ 8,406	\$ 0	\$ 22,344,446

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Reconciliation of Operating Income To Net Cash Provided by Operating Activities									
Operating Income	\$	5,168,613	\$	0	\$	0	\$	0	\$ 4,395,236
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities									
Depreciation		736,958		0		0		0	736,958
Deferred Charges		4,680,777		0		0		0	4,680,777
Accounts Receivable		(678,326)		0		0		0	(678,326)
Increase (Decrease) in Liabilities									
Accounts Payable		76,643		0		0		0	28,821
Deferred Revenue		3,023		0		0		0	3,023
Claims Payable		(43,710)		0		0		0	(43,710)
Accrued Wages and Benefits		82,685		0		0		0	82,685
Accrued Disability Income		5,990		0		0		0	5,990
Compensated Absences		147,139		0		0		0	147,139
Accrued Retirement Insurance		2,576		0		0		0	2,576
Accrued Industrial Insurance		(51,311)		0		0		0	(51,311)
Net Cash Provided by Operating Activities	\$	10,131,057	\$	0	\$	0	\$	0	\$ 9,309,858
Noncash Capital Financing Activities									
During 2011, capital assets were acquired through capital leases in the amount of \$164,950.									

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Section 3

Financial

Supplement

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The following charts represent the financial history of the Muskingum Watershed Conservancy District over the past ten years (*information source: 2002-2010 Annual Reports of Operations*).

Chart 1

Year End Cash Balance/Receipts and Disbursements

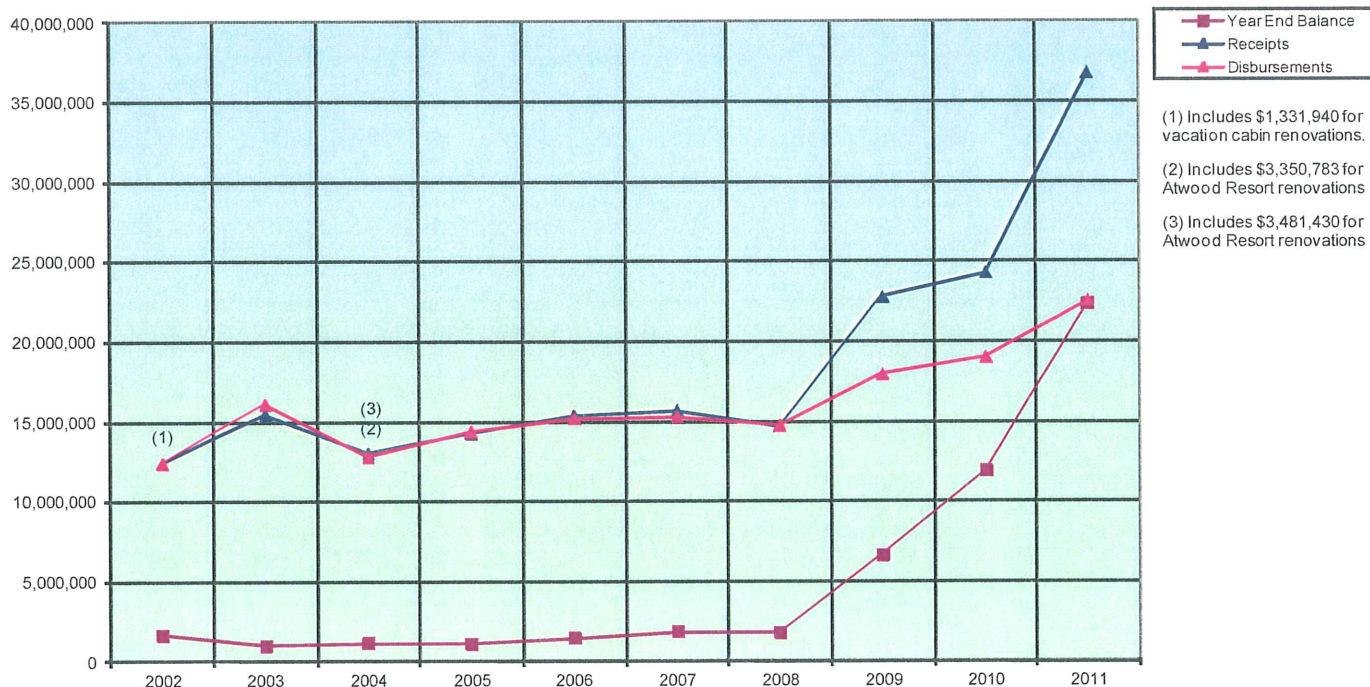
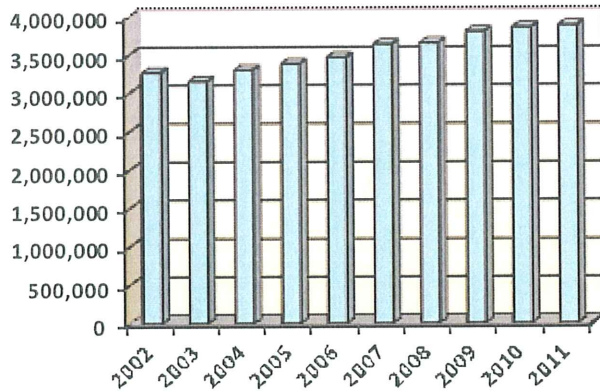


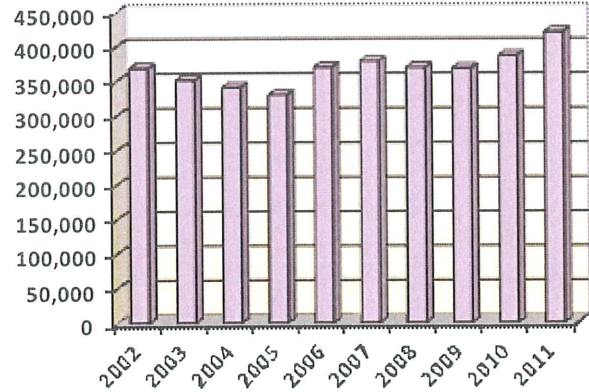
Chart 2

Major Revenue Sources

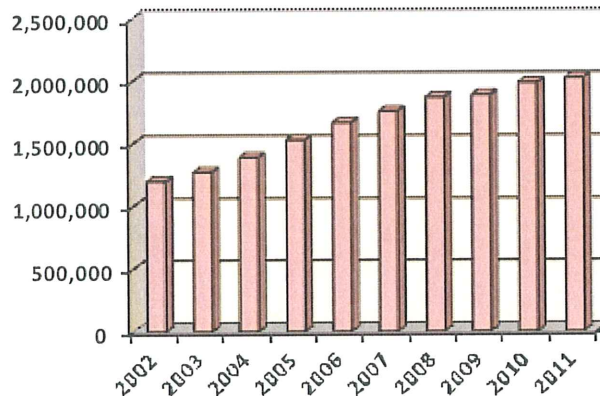
Park Camping



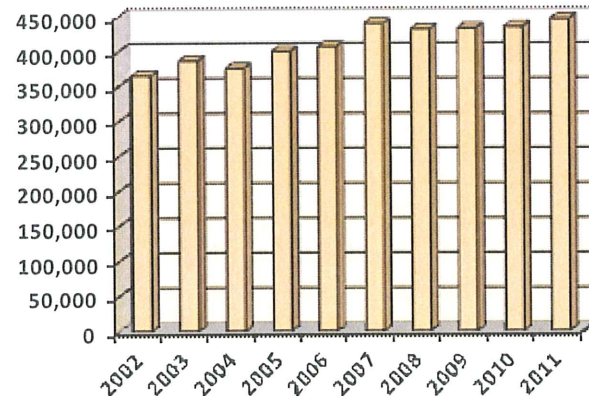
Vacation Cabins



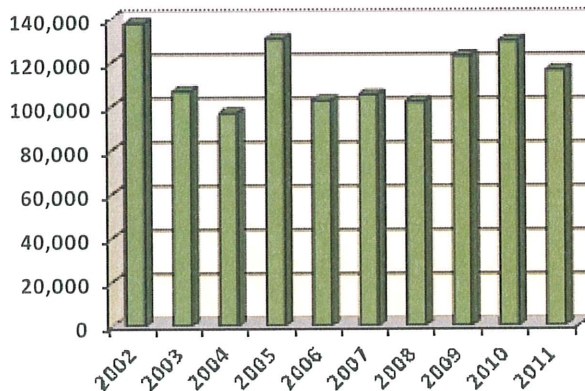
Cottages



Docking

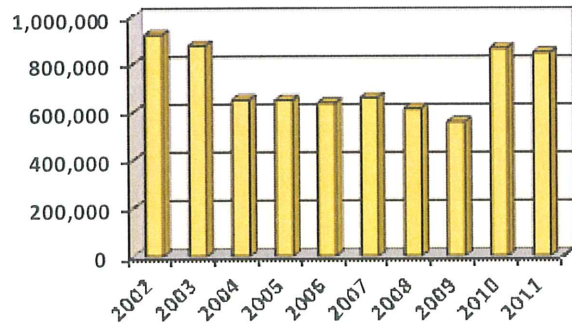


Park Gate Admissions

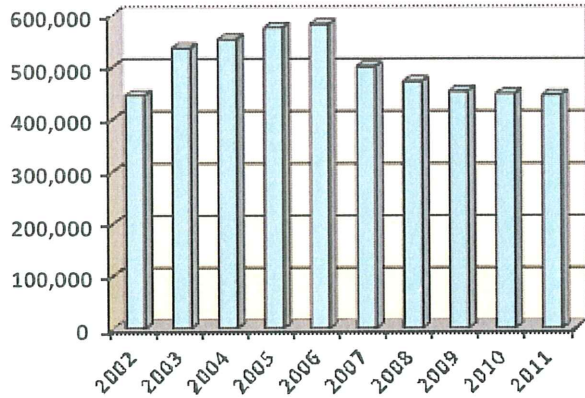


Marinas

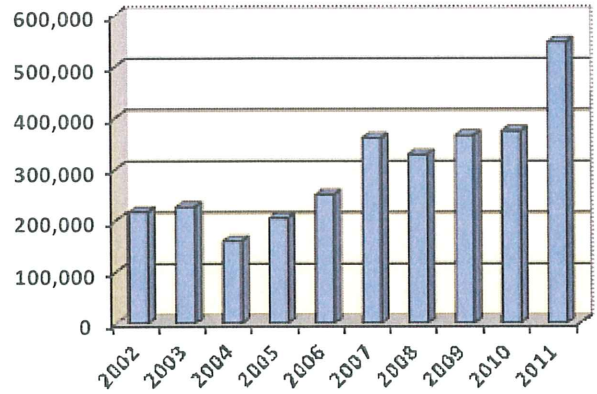
NOTE: MWCD began self-operation of Piedmont Marina in 2010



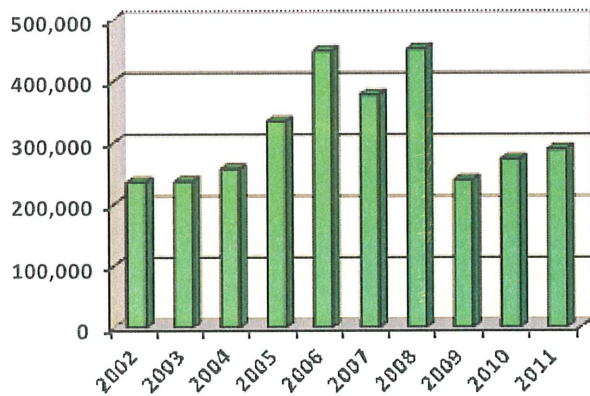
Forestry Operations



Sharecrop



Oil and Gas Royalty



NOTE: During 2011, MWCD received an upfront payment in the amount of \$15,577,734 for deep mineral rights at Clendening Reservoir.

Land and Forestry Operations: Total Cash Receipts by Reservoir
for the year ending December 31, 2011

	Agricultural, Building, and Lot- Acres Leased	Land and Building Rentals	Gas, Oil, Stone, Coal	Cash Rent and Sharecrops	Timber	Pulpwood	Totals
Atwood			78,651.15			47,509.21	126,160.36
Beach City	60.3 acres		67,607.63	6,332.00			73,939.63
Bolivar			18,031.85				18,031.85
Charles Mill	25 acres	935.00	11,208.86	1,250.00			13,393.86
Clendenning			15,578,051.09			46,401.13	15,624,452.22
Dover			61,904.05				61,904.05
Leesville					316.40	316.40	632.80
Mohawk	905.9 acres		18,252.33	289,143.74	178,546.42		485,942.49
Kokosing							
Mohicanville			56.00				56.00
Piedmont					7,385.30		7,385.30
Pleasant Hill	150.7 acres		5,552.68	13,368.00			18,920.68
Seneca	7 acres	9,490.00	1,999.64				11,489.64
Tappan	127 acres	6,900.00	8,212.57	2,950.00	150,229.00	8,155.07	176,446.64
Wills Creek	534.25 acres	5,945.00	18,178.57	234,097.20		7,858.94	266,079.71
Totals	1810.15 acres	23,270.00	15,867,706.42	547,140.94	336,477.12	110,240.75	16,884,835.23

Recreation Operations: Total Cash Receipts by Reservoir
for the year ending December 31, 2011

	ODNR Division of Watercraft	Lake Patrol	Cottages, Clubs, and Dock Sites**	Road, Water and Sewer Maintenance	Marina Operations	Park Operations	Total Recreation
Atwood	8,733.14	4,000.00	777,037.00		186,376.98	1,241,277.49	2,217,424.61
Beach City	1,102.68						1,102.68
Bolivar			2,003.00				2,003.00
Charles Mill	4,313.12	4,000.00	363,686.62	28,227.78	66,349.76	582,692.39	1,049,269.67
Clendenning	4,195.08	4,000.00	3,750.00		56,181.94		68,127.02
Dover							-
Leesville	10,202.58	4,000.00	256,442.84		60,584.93	80,462.83	411,693.18
Kokosing						56,609.74	56,609.74
Mohicanville							-
Piedmont	6,134.62	4,000.00	218,585.00		362,059.72		590,779.34
Pleasant Hill	10,735.80	4,000.00	170,102.00		51,055.49	569,543.59	805,436.88
Seneca	7,033.64	4,000.00	432,631.18	60,398.96	36,731.69	1,288,549.20	1,829,344.67
Tappan	9,133.02	4,000.00	285,123.75		28,383.92	1,108,827.08	1,435,467.77
Wills Creek	1,063.06		19,319.00				20,382.06
Totals	62,646.74	32,000.00	2,528,680.39	88,626.74	847,724.43	4,927,962.32	8,487,640.62
** Reported on an accrual basis							

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Section 4

Subdistricts

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Black Fork Subdistrict

The Black Fork Subdistrict took a major stride forward to reactivation in 2011.

Marilyn S. John, the mayor of Shelby, says the decision to reactivate the Black Fork Subdistrict of the Muskingum Watershed Conservancy District (MWCD) will be "historic" for the city and residents of Shelby in Richland County to battle the costly and emotional effects of frequent flooding from the Black Fork of the Mohican River.

Prior to a unanimous vote of the MWCD Board of Directors in May, John told Board members that the desire to see a subdistrict someday develop and implement a plan to control flooding most recently has represented the effort of the Flood Plain Management Commission in the city, but really is the culmination of years of frustration caused by significant floods.

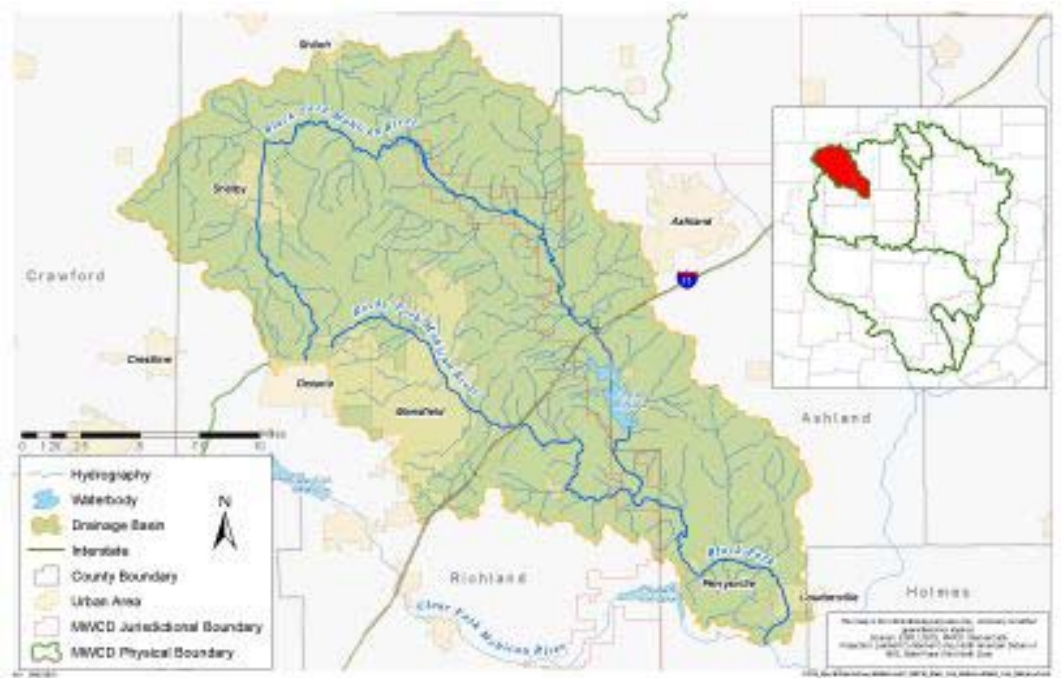
"We have generations of people who have worked on this for our community," she said. "We feel like this is our opportunity. This is historic for our community."

The process to develop and begin implementation of a plan should take at least two years, according to MWCD officials. However, during recent meetings with officials and residents from Shelby and Richland County, it is obvious that the "genuine drive exists to help residents, business owners and others affected by the flooding from the Black Fork," said John M. Hoopingarner, MWCD executive director/secretary.

"We have had numerous meetings with Mayor John and other leaders and interested residents in the community and have been impressed with the detail and work that they have put into studying all available options and opportunities," Hoopingarner said. "The reactivation of the Black Fork Subdistrict allows the community to further explore what can be identified and accomplished in that watershed to reduce flooding and foster an environment where the Black Fork will be an asset."

The MWCD, with assistance from the Flood Plain Management Commission in Shelby, will begin the legal process to reactivate the subdistrict and develop the required plan that will detail the causes of flooding in the Black Fork watershed, the potential projects to reduce the flooding and the benefits that will be developed for property owners and residents through the activation of the plan.

The Black Fork Subdistrict originally was organized in 1959 to develop water resources for the region, but because of a lack of activity, the MWCD deactivated it several years later.



The watershed of the Black Fork of the Mohican River primarily covers portions of Ashland and Richland counties, but also includes small portions of Crawford and Holmes counties.

The Black Fork is controlled by Charles Mill Dam and Reservoir located just off I-71 and State Route 30 near Mansfield in Ashland and Richland counties. However, the city of Shelby is located northwest, or above, the dam. Water also flows slowly from Shelby through the Black Fork to Charles Mill Dam because of a small drop in elevation, which can add to potential flooding problems in the Shelby area.

The Flood Plain Management Commission of Shelby was authorized by the city in June 2009 and by July 2010, its recommendation to reactivate the Black Fork Subdistrict was approved by Shelby City Council.

The Ohio law dealing with conservancy districts permits separate subdistricts to function with the conservancy district serving as the business agent for the subdistrict. The MWCD has one active subdistrict operating within it, the Chippewa Subdistrict in portions of northern Wayne and southern Medina counties. That subdistrict, formed in the 1960s, enacted a plan that led to the construction of eight small dams and 33 miles of channel improvements along the Chippewa Creek to reduce the effects of flooding in that watershed.

Thomas Depler, a Shelby resident and a former member of the MWCD Board of Directors, has been a member of the Flood Plain Management Commission and has encouraged the need for the reactivation of the Black Fork Subdistrict for many years. He told members of the MWCD Board of Directors that the subdistrict will benefit the residents of the Black Fork watershed.

"The true headwaters of the Muskingum River and the Muskingum River Watershed are right there in Shelby," Depler said. "The MWCD affords the opportunity to be multi-jurisdictional and bring the whole project together."

Buffalo Creek Subdistrict

There is no present activity in the Black Fork Subdistrict. No cost is involved in continuing the subdistrict as a vehicle for its intended purpose. In the future should the need arise, its existence could save considerable time and expense in lieu of forming another subdistrict.

Chippewa Subdistrict

The Chippewa Subdistrict is the only active subdistrict in the Muskingum Watershed Conservancy District (MWCD) system. The Chippewa Creek Watershed Project is a flood-control program that began in 1956 and was completed in 1980 with the construction of eight dams. It encompasses 188 square miles (more than 120,000 acres) in northern Wayne and southern Medina counties.

The watershed project was established to reduce the acreage prone to flooding and to decrease the time periods of inundation. The Chippewa Creek flows to the Tuscarawas River and has been a source of major flooding in the watershed.

The subdistrict has an office located in the Seville area. A watershed specialist staffs the office and oversees maintenance of the system of dams and reservoirs, as well as responding to inquiries from property owners and residents of the watershed.

The MWCD serves as the business agent for the subdistrict, which was formed in 1970 from a request of property owners in the region.

Maintenance work in the subdistrict is funded through an assessment of property owners as provided for in the Ohio law that governs conservancy districts, and assessment dollars can be used solely in the subdistrict region according to law.



Dam VII-C at Chippewa — on Little Chippewa Creek, constructed on private property in 1974-1975, the structure is not open to the public.

This map shows the location of the Chippewa Subdistrict relative to the Muskingum Watershed Conservancy District and the state of Ohio.

The Chippewa Subdistrict comprises 120,320 acres or 188 square miles.

SIZE

Medina County

51,905 acres

Wayne County

67,959 acres

Summit and Stark counties

456 acres

The Chippewa Subdistrict rests on the St. Lawrence Seaway Divide. Rainfall north of our watershed drains to Lake Erie. Rainfall south of our watershed drains to the Ohio River and eventually, the Gulf of Mexico.



Present maintenance needs of the dams and channel improvements include, but are not limited to:

- Tree and brush removal
- Slip repairs
- Debris removal
- Hydraulic structure repairs and upgrades
- Monitor/remove sedimentation
- Ongoing maintenance
- Mowing and maintaining dam slopes and surfaces
- Mowing and maintaining channel banks and access points
- Maintaining spillway systems and clearing debris that clogs spillway inlets

During 2011, subdistrict personnel conducted numerous projects related to the maintenance and operation needs of the subdistrict. Heavy rains during the course of the year resulted in a large amount of debris that was removed and disposed of.

Other work that is continuing included the repair and replacement of drains, culverts, catch-basin and gate structures (there are more than 600 of these types of structures along 33 miles of channel).

Duck Creek Subdistrict

The Duck Creek flows through Noble and Washington counties and the original watershed protection project was started as a subdistrict of the MWCD.

And while the subdistrict officially is inactive, there was activity in the subdistrict in 2011.

The installation of three new data-reporting river gauges along the Duck Creek will provide emergency officials, residents and business owners with vital information during potential flooding from the fast-rising creek.

Officials from the federal, state and local levels celebrated the new gauges during a ribbon-cutting event held in November in the Lower Salem Community Building. The MWCD served as the primary local cost-share partner on the project by providing \$78,000 toward the \$200,000 total cost of the gauges, and the MWCD also will contribute toward the operation and maintenance costs.



Officials cut the ribbon to celebrate the installation of three data collection gauges located in the Duck Creek Watershed as part of an early flood warning system.

Flooding along Duck Creek in 1998 caused five deaths and property damage estimated at \$20 million, and local officials have been working to improve warning and information systems since then. The installation of the gauges in the Duck Creek at sites in Macksburg, Harrietsville and Whipple, are key steps in that ongoing process, said Lower Salem Mayor David Brightbill.

"The flood of 1998 is something I never want to see again," said Brightbill, a former member of the MWCD Board of Directors. "But after that flood and several years of talking about what we wanted to do and a lot of frustration, it's good to see this system finally in place."

The U.S. Army Corps of Engineers (USACE) managed the project and the federal government paid for the majority of the costs of the gauges, which utilize the data and expertise of the U.S. Geological Survey (USGS) and the National Weather Service (NWS). Data is collected on rainfall, water level and streamflow in as near real-time as possible and transmits the data to a dedicated website, as well as to interested residents and officials.

Jim Mangus, a data chief for the USGS, said that the gauges can be key for local officials to provide vital warnings to Duck Creek residents and business owners that can save lives and reduce property damage in the event of potential flooding. With about 48 hours of advance information for a potential flooding event, property damage from flooding can be reduced by about 60 percent, he said.

"Subscribing" to the water alert data from any or all of the three gauges, as well as other managed through the USGS and NWS, is free and can be completed at water.usgs.gov/wateralert. The website alerts system permits users to have daily or hourly updates sent via e-mail or text message when the current conditions meet or surpass selected levels.

Washington County Commissioner Cora Marshall said that since she entered office in 2009, one of her "assignments" has been the river gauge project in the Duck Creek Watershed. She praised all of those associated with the planning and installation of the river gauges, and pointed out the MWCD's financial commitments to the project.

"This is what the assessment funds (collected by the MWCD) are being used for and what they are intended to be used for," Marshall said. "These funds have been set aside for Noble and Washington counties for this to assist our residents."

Boris E. Slogar, MWCD's chief engineer, said the conservancy district is committed to the early warning systems and said the MWCD also will be part of the system being developed in the Marietta area.

"We'll be involved in the maintenance of the system here and ensure that the gauges work properly because we recognize how important this information can be for the residents in the watershed," Slogar said.

The work to reduce the effects of flooding in the Duck Creek Watershed has involved the MWCD at various points for nearly 50 years.

The Soil Conservation Service, now Natural Resources Conservation Service, under Public Law 566, and co-sponsors MWCD and the Ohio Department of Natural Resources, had worked on the project since 1963. Due to disinterest by those affected landowners along the channel and adverse benefit-cost ratio, activity in the project dwindled. With reluctance, in 1981 the NRCS requested and received agreement from the subdistrict to close out the remaining activity.



The early flood warning system at Duck Creek will consist of Installation of five combined stream and rain gages (similar to the one shown in the above photo) and two stand alone rain gages. Once completed, the system will also include a computer monitoring station for each county, transmitters, gage equipment enclosures and security fencing.

In the past few years, interest has resumed among many public officials and agencies to further develop the flood control plan and revive subdistrict activities. Commissioners from Noble and Washington counties have passed resolutions supporting the reactivation of the subdistrict and said they believe the support has increased for a flood control project in recent years.

The Washington and Noble Soil and Water Conservation Districts have received funding to develop a watershed management plan for the Duck Creek Watershed. A watershed coordinator also has been hired to facilitate the process.

The management plan being developed will assist the SWCDs in the two counties in setting priorities and securing funds to assist landowners and residents in improving the overall health of the watershed.

Appendix

Summary of MWCD Land by County

as of December 31, 2011

County	Reservoir	Acres	Total	
			Acres	Lots
Ashland	Charles Mill	1810.7294	2576.1524	199
	Mohicanville	40.7540		
	Pleasant Hill	724.6690		
Belmont	Piedmont	5859.9680	5859.9680	
Carroll	Atwood	3410.2550	7119.4880	20
	Leesville	3709.2330		
Coshocton	Mohawk	3374.7738	7262.4848	3
	Wills Creek	3887.7110		
Guernsey	Piedmont	130.3010	1712.8761	11
	Senecaville	1461.3291		
	Wills Creek	121.2460		
Harrison	Clendening	6601.6080	14891.6370	58
	Piedmont	695.7800		
	Tappan	7594.2490		
Holmes	Mohawk	8.5900	8.5900	
Knox	Mohawk	356.7900	356.7900	
Muskingum	Wills Creek	1785.9000	1785.9000	
Noble	Senecaville	6154.4400	6154.4400	1
Richland	Charles Mill	1539.8400	3008.9790	63
	Pleasant Hill	1469.1390		
Stark	Beach City	64.0200	879.2315	2
	Bolivar	815.2115		
Tuscarawas	Atwood	1142.2500	2933.1074	75.5
	Beach City	1286.3780		
	Bolivar	19.9600		
	Dover	484.5194		
TOTALS		54549.6442	54549.6442	432.5

Summary of MWCD Land by Reservoir

as of December 31, 2011

Reservoir	County	Acres	Total	
			Acres	Lots
Atwood	Carroll	3410.2550	4552.5050	19
	Tuscarawas	1142.2500		
Beach City	Stark	64.0200	1350.3980	2
	Tuscarawas	1286.3780		
Bolivar	Stark	815.2115	835.1715	23.5
	Tuscarawas	19.9600		
Charles Mill	Ashland	1810.7294	3350.5694	199
	Richland	1539.8400		
Clendening	Harrison	6601.6080	6601.6080	
Dover	Tuscarawas	484.5194	484.5194	52
Leesville	Carroll	3709.2330	3709.2330	1
Mohawk	Coshocton	3374.7738	3740.1538	
	Holmes	8.5900		
	Knox	356.7900		
Mohicanville	Ashland	40.7540	40.7540	
Piedmont	Belmont	5859.9680	6686.0490	
	Guernsey	130.3010		
	Harrison	695.7800		
Pleasant Hill	Ashland	724.6690	2193.8080	63
	Richland	1469.1390		
Senecaville	Guernsey	1461.3291	7615.7691	1
	Noble	6154.4400		
Tappan	Harrison	7594.2490	7594.2490	58
Wills Creek	Coshocton	3887.7110	5794.8570	14
	Guernsey	121.2460		
	Muskingum	1785.9000		
TOTALS		54549.6442	54549.6442	432.5

Park Contact Information

Park	Park Manager	Assistant Park Manager	Administrative Assistant	Phone	Fax	Email Addresses
Atwood Lake Park 4956 Shop Road NE Mineral City, OH 44656	Aaron Stump	Jeremy Hoffer	Joan Wilson	330-343-6780	330-343-5454	atwood@mwcd.org astump@mwcd.org jhoffer@mwcd.org
Charles Mill Lake Park 1277A State Route 430 Mansfield, OH 44903	Dan Mager <i>Regional Park Mgr.</i>	Steven Rice		419-368-6885	419-368-4912	charlesmill@mwcd.org dmager@mwcd.org srice@mwcd.org
Pleasant Hill Lake Park 3431 State Route 95 Perrysville, OH 44864	William Martin		Sue Williams	419-938-7884	419-938-7884	pleasanthill@mwcd.org dmager@mwcd.org bmartin@mwcd.org
Seneca Lake Park 22172 Park Road Senecaville, OH 43780	M. Joe McGlothlin		Linda Leach	740-685-6013	740-685-6770	seneca@mwcd.org jmcglothlin@mwcd.org
Tappan Lake Park P.O. Box 29 Deersville, OH 44693	John Birney	Jared Oakes	Gina Ferri	740-922-3649	740-922-6086	tappan@mwcd.org jbirney@mwcd.org joakes@mwcd.org
For Kokosing Campground, please contact Pleasant Hill Lake Park						

Marina Contact Information

Marina	Operator	Phone	Fax
Atwood Marina West 9298 Atwood Lake Road NE Mineral City, OH 44656	C. Brian Valot www.atwoodlakeboats.com sales@atwoodlakeboats.com	330-364-4703	330-364-6358
Atwood Marina East 9298 Atwood Lake Road NE Mineral City, OH 44656	C. Brian Valot www.atwoodlakeboats.com sales@atwoodlakeboats.com	330-735-2323	330-364-6358
Charles Mill Marina 1277B State Route 430 Mansfield, OH 44903	Robert Schraedly www.charlesmillmarina.com info@charlesmillmarina.com	419-368-5951	419-368-3900
Clendening Marina 79100 Bose Road Freeport, OH 43973	Rob and Annette Ryser www.clendeninglake.com cmi12@verizon.net	740-658-3691	740-658-4266
Leesville Clow's Landing 4131 Deer Road SW Bowerston, OH 44695	Paul and Linda Clow www.clowsmarina.com clowsmarina@tusco.net	740-269-5371	740-269-1360
Leesville Petersburg Marina 2126 Azalea Road SW Carrollton, OH 44615	Mary Jo Turner John Whyte www.petersburgmarina.com jmmarina@live.com	330-627-4270	330-627-2490
Piedmont Marina 32281 Marina Road Freeport, OH 43973	Shawn Tharp, Marina Manager stharp@mwcd.org	740-658-1029	740-658-3709
Pleasant Hill Marina 3434 State Route 95 Perrysville, OH 44864	Robert Schraedly www.pleasanthillmarina.com info@pleasanthillmarina.com	419-938-6488 (summer only)	419-938-8208
Seneca Marina c/o Seneca Lake Park 22172 Park Road Senecaville, OH 43780	Joe McGlothlin Seneca Park Manager jmcglothlin@mwcd.org	740-685-6013	740-685-6770
Tappan Marina 33315 Cadiz-Dennison Road Scio, OH 43988	Cathy Cramblett Sandra and Richard Henry www.tappanlakemarina.com tappanlakemarina@gmail.com	740-269-2031	740-269-8002

Governing Bodies

as of December 31, 2011

Conservancy Court

The Honorable Damian J. Vercillo	Ashland County
The Honorable John M. Solovan	Belmont County
The Honorable John S. Campbell	Carroll County
The Honorable Robert J. Batchelor	Coshocton County
The Honorable David A. Ellwood	Guernsey County
The Honorable Michael K. Nunner	Harrison County
The Honorable Thomas C. Lee	Holmes County
The Honorable James Ronk	Knox County
The Honorable Thomas M. Marcelain	Licking County
The Honorable D. W. Favreau	Morgan County
The Honorable Mark C. Fleegle	Muskingum County
The Honorable John W. Nau	Noble County
The Honorable James D. Henson	Richland County
The Honorable Jim D. James	Stark County
The Honorable Paul J. Gallagher	Summit County
The Honorable Edward E. O'Farrell	Tuscarawas County
The Honorable N. Edward Lane, Jr.	Washington County
The Honorable Raymond E. Leisy	Wayne County

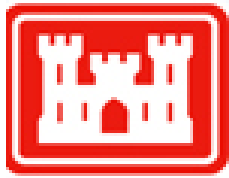
Board of Directors

Steve Kokovich (New Concord), President	Term expires June 3, 2013
William P. Boyle, Jr. (Mansfield), Vice President	Term expires July 18, 2014
Harry C. Horstman (Scio)	Term expires June 3, 2015
David L. Parham (Dellroy)	Term expires June 8, 2016
Richard J. Pryce (North Canton)	Term expires July 18, 2012

Board of Appraisers

Mark J. Waltz, Chairman (Dover)	Term expires July 14, 2013
James Navratil (Medina)	Term expires July 18, 2013
Open seat	

Cooperating Agencies



U.S. Army
Corps of Engineers



Ohio Department of
Natural Resources



Ohio Department of
Agriculture



Ohio Department of
Transportation



Ohio Agricultural Research
and Development Center



Ohio Environmental
Protection Agency

MWCD Staff

as of December 31, 2011

Administration

John M. Hoopingarner	Executive Director/Secretary
Mary Burley	Human Resources Administrator
Stacie Stein	Office Assistant
Karen Miller	Executive Assistant
Darrin Lautenschleger	Public Affairs Administrator
Scott Tritt	Safety Administrator
Thomas P. Fisher	IS/IT Manager
Stephen Demuth	IT Coordinator
Brittany Converse	GIS Analyst
Tami Taylor	GIS Analyst
Steve Voroselo	GIS Analyst
Skyler Dewey	GIS Technician
Diana Dodds	Clerical Assistant

Conservation

Sean D. Logan	Chief of Conservation
Mark Swiger	Conservation Administrator
James Bishop	Forest Resources Coordinator
Jonathan Kinney	Biology Intern

Engineering

Boris E. Slogar, P.E.	Chief Engineer
Michael C. Rekstis, P.E.	Assistant Chief Engineer
Douglas Little, P.E.	Project Engineer
Josh Bauer	Project Coordinator
David Lautenschleger	AM/FM GIS Specialist
Kelli Karns	Administrative Specialist
Erin Davis	CAD Technician
Darrell Larkin	Lead Equipment Operator
Randy Canfield	Equipment Operator
Eric Kinsey	Equipment Operator
Michael Kobilarcsik	Survey Intern
Benjamin Baker	Project Inspector
Frederick Mamarella	Project Inspector
Danny McKenzie	Project Inspector
Jason Collins	Project Inspector
Richard Emmons	Project Inspector
Bruce Horsfall	Equipment Supervisor
Matthew Miller	Building/Fleet Technician
Deborah J. Russell	Watershed Project Coordinator
Gary Taylor	Utilities Coordinator
John Sukosd	Utilities Technician
Jeremiah Warner	Lead Utilities Technician
Cynthia Mullins	Utilities Operator
Tim Parks	Utilities Operator

Finance

James B. Cugliari	Chief Financial Officer/Treasurer
Colby Byrom	Accountant
Nick L. Lautzenheiser	Development Coordinator
Jayne Ann Fankhauser	Accounting Clerk
Rebecca Warfield	Accounting Clerk

Recreation-Parks

Scott D. Barnhart	Chief of Recreation/Chief Ranger
Tony Luther	Recreation Coordinator
Donnie Borland	Recreation Lease Manager
Tricia Miller	Administrative Specialist
Peggy May	Lease Assistant
Tom Stanley	Lease Technician
John Traxler	Lease Technician
John L. Olivier	Marina/Docking Coordinator
Dave Olsafsky	Maintenance Specialist
Russ Erwin	Maintenance Technician
John Bird	Ranger Specialist Supervisor
Michael Cable	Ranger Specialist
Lucas Pace	Ranger Specialist

Atwood Lake Park

Aaron Stump	Park Manager
Jeremy G. Hoffer	Assistant Park Manager
Joan Wilson	Administrative Assistant
Richard Anderson	Ranger/Technician
Ed Davy	Ranger/Technician
Terry Genet	Lead Park Technician
Richard Law	Park Services Technician
Della Long	Clerk
Michelle McCoy	Facilities Attendant
Michael Nodo	Lake Ranger
Arthur Hopwood	Park Attendant
Joseph King	Park Attendant
Richard Newell	Park Attendant
James Rummes	Park Attendant
Timothy Seybert	Park Attendant
Richard Stemple	Park Attendant
William Reed	Resort Golf Maintenance
Robert Jennings	Resort Maintenance Supervisor
Stanley Snider, Jr.	Resort Maintenance

Charles Mill Lake Park

Dan Mager	Regional Park Manager
Steven Rice	Assistant Park Manager
Daniel Atterholt	Lead Park Technician
James Braeunig	Ranger/Technician
Stacy Karsmizki	Clerk

Donna Messerly	Activities Leader
Mike Bittinger	Park Ranger
Larry Goon	Park Ranger
Chelsea McLellan	Park Ranger
Charles K. Smetzer	Park Ranger
Alexander Webb	Park Ranger
Brian Vithous	Lake Ranger

Pleasant Hill Lake Park

William Martin, Jr.	Park Manager
Sue Williams	Administrative Assistant
Shawn Mahoney	Lead Park Technician
Corey Tedrow	Ranger/Technician
Kelly Gillette	Park Attendant
Christina Nell	Park Ranger
Denise Vales	Park Ranger
Cynthia Ridenour	Activities Leader

Seneca Lake Park

M. Joe McGlothlin	Park Manager
Lynn E. Lyons	Assistant Park Manager
Linda Leach	Park Administrative Assistant
William D. Mallett	Ranger/Technician
Troy Hannahs	Lead Park Technician
Randall Proffitt	Ranger/Technician
Juanita Justice	Lake Ranger
Richard Justice	Park Ranger
Eleanor Barry	Sales Clerk Supervisor
Shelley Blackburn	Activities Leader

Tappan Lake Park

John Birney	Park Manager
Jared Oakes	Assistant Park Manager
Gina Ferri	Administrative Assistant
David Schuler	Lead Park Technician
Kris Dickey	Park Technician
Jon Little	Ranger/Technician
Troy Noice	Ranger/Technician
Rose DeLong	Clerical Assistant
Lucas Pulley	Facilities Attendant
Deanna Pulley	Facilities Attendant
Nancy Sukosd	Facilities Attendant
Mark Battles	Lake Ranger
Kevin Hall	Park Ranger
Todd Hadorn	Park Ranger
Chris Mazeroski	Park Ranger
Matthew Smith	Park Ranger

Piedmont Marina

Shawn Tharp	Marina Manager
Carrie Rogers	Marina Attendant
Anthony Stine	Marina Attendant

MWCD Recreational Facilities

Atwood Lake Park and Campgrounds

Atwood Lake Park is located in Tuscarawas and Carroll Counties. An easy drive from Akron and Cleveland, Atwood Lake Park is a close getaway vacation. Atwood is one of the state's — and region's — top lakes for sailing and pleasure boating. Atwood Park features a wide, sandy beach, vending area, changing room with showers, playground, picnic area and picnic shelters.

- Over 500 camp lots (class A with full hookups, class A and B with electric and primitive)
- Swimming beach with concession stand
- Vacation and patio cabins
- Picnic shelters
- Activity Center and Nature Center
- Hiking trails
- Free Wi-Fi internet access at the Activity Center
- Special events and daily activities
- Laundry and camp store



Charles Mill Lake Park and Campgrounds

Located near Mansfield, Charles Mill is a quiet place to relax and enjoy nature. The park entrance is located near the junction of State Routes 430 and 603.

- Over 500 campsites (class A with and without electric) in two campground locations
- Swimming beach
- Patio cabins, camper cabins
- Picnic shelter
- Hiking trails
- Free Wi-Fi internet access at the Eagle Point campground
- Special events, daily activities



Piedmont Marina and Campgrounds

Piedmont Marina and Campgrounds is a full-service marina that permits visitors to make the most of their time at scenic Piedmont Lake in Belmont, Guernsey and Harrison counties. The marina features pontoon and fishing boat rentals, boating supplies, boater services, bait and tackle, and a restaurant. The campgrounds located at the marina feature about 80 campsites with a mix of full hookup and electric-only sites. Discounted rates for extended stays are available. The marina also offers a log cabin with daily (2-day minimum), weekly and monthly rentals, and a motel also is available for daily, weekly and monthly rentals.

- Boating supplies and services
- Bait and tackle
- Pontoon and fishing boat Rentals
- Restaurant
- Camping and supplies
- Log cabin
- Motel



Pleasant Hill Lake Park and Campgrounds

Located near Perrysville, Pleasant Hill Lake offers camping, water skiing, hiking and swimming and much more. A developing horse trail and designated camping area to accommodate horse owners also is available for visitors.

- 380 campsites (class A full hookups and with electric)
- 37 primitive campsites designed for campers with horses
- Group camping
- Swimming beach
- Vacation cabins, camper cabins
- Activity Center
- Special events, weekend activities from Memorial Day through Labor Day
- Playgrounds
- Hiking Trails
- Horse Trails
- House rental
- Free Wi-Fi internet access at the activity center
- Basketball and volleyball courts



Seneca Lake Park and Campgrounds

An easy drive from Cambridge and Marietta, Seneca is the largest of the MWCD lakes and the third largest inland lake in Ohio.

- 513 campsites in two locations (Class A full hookups and Class A with electric)
- Swimming beach with concession stand
- Vacation cabins, camper cabins
- Picnic shelters
- Log cabin nature center, special events
- Hiking trails
- Free Wi-Fi internet access at the swimming beach
- Amphitheater and playground



Tappan Lake Park and Campgrounds

Located between Cadiz and Uhrichsville, Tappan Lake is great for camping, swimming, boating, fishing and hiking.

- Over 500 campsites (class A full hookups and class A with electric)
- Swimming beach, concession stand
- Vacation cabins, camper cabins
- Activity Center, nature center, special events
- Laundry, camp store
- Playground
- Free Wi-Fi internet access at the vacation cabins
- A trail connects the park with the Tappan Wetlands, which has been designated as a watchable wildlife area



MWCD Facilities

Description	Atwood	Beach City	Charles Mill	Clendening	Leesville	Piedmont	Pleasant Hill	Seneca	Tappan	Wills Creek
Horsepower limit	25	10	10	10	10	10	unlimited	399	399	10
Acres of water	1540	420	1350	1800	1000	2270	850	3550	2350	900
Acres of land	3000	930	2000	4750	2600	4372	1345	4060	5000	4846
Conservation pool elevation*	928	948	997	898	963	913	1020	832.2	899.3	742
Spillway elevation **	941.0	976.5	1020.0	910.5	977.5	924.6	1065.0	742.5	909.0	779.0
Maximum depth (in feet)	38	13	12	38	43	33	50	27.2	29.3	22
Average depth (in feet)	16.3	4.1	5.5	15.5	19.5	14.8	15.9	12.3	14.9	6.7
Park										
Year round camping										
Seasonal camping rates										
Group camping										
Hot showers										
Modern restrooms										
Electric hookups										
Full hookups										
Swimming beach										
Hiking trails										
Activity center										
Nature center										
Group shelters										
18-hole golf course										
Full service marina	2		1	1	2	1	1	1	1	
Overnight lodging										
Resort										
Park vacation cabins										
Marina motel/cabins										
Camper cabins										
*Conservation pool is a lake surface elevation which is maintained during the boating season, unless affected by the operation of the dam for flood control, or by drought. Conservation pool is measured in feet above sea level.										
**Spillway elevation (the channel near the dam for surplus water) is measured in feet above sea level.										

Fish Species of the MWCD Lakes

Description	Atwood	Beach City	Charles Mill	Clendenning	Leesville	Piedmont	Pleasant Hill	Seneca	Tappan	Wills Creek
Muskellunge										
Northern Pike										
Channel Catfish										
Flathead Catfish										
Bullheads										
White Bass										
Striped Bass										
Largemouth Bass										
Smallmouth Bass										
Crappie										
Bluegill										
Yellow Perch										
Saugeye										
Hunting*										
Trapping*										
*Through an agreement, hunting, trapping, and fishing activities are regulated by the ODNR Division of Wildlife.										

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Muskingum River Watershed

