

Annual Report of Operations 2012



MWCD Mission Statement

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

Muskingum Watershed Conservancy District

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Table of Contents

Mission Statement	i
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Section 1: Narrative

History	3
Introduction	5
Conservancy Court.....	7
Board of Directors	8
William P. Boyle, Jr.	9
Harry C. Horstman	9
Steve Kokovich	9
David L. Parham.....	10
Richard J. Pryce	10
Board of Appraisers.....	11
James Navratil	11
Mark J. Waltz.....	12
Five administrators lead general course for MWCD	13
John M. Hoopingarner.....	13
Boris E. Slogar, P.E., M.P.M.	14
James B. Cugliari	14
Scott D. Barnhart	15
Sean D. Logan	15
Personnel	16
Development Advisory Committee	16
MWCD donates Atwood Lake Resort to Carroll County commissioners.....	18
Work continues to ensure performance of dams, reservoirs; community programs enhance MWCD mission	19
MWCD signs oil and gas lease for Leesville property; prepares for lease at Seneca	23
MWCD reviews policy as drilling industry requests water from lakes	25
MWCD begins work on master plan for recreational facilities	26
Seneca Marina	27
Clows retire from Leesville Marina	28
Brown pelican sighting a “sensation” at Atwood Lake	29
Atwood Lake Region trail planning.....	29
Storm event – Piedmont/Seneca/Tappan	30
Chief Engineer’s Report	31
MWCD working under 3 main priorities to enact Amendment to Official Plan	31
Staff projects fill busy year	32
Engineering.....	32
Public Information	33
Human Resources.....	33
Safety	33
Conservation	34
Recreation	34
Information Systems/Information Technology	34
Reservation System.....	35
GIS partnership promoted within Appalachian Ohio	35

Cooperating agencies enhance MWCD offerings	36
U.S. Army Corps of Engineers	36
Ohio Department of Natural Resources	37
Ohio Department of Transportation	37

Section 2: Financial

Management Discussion and Analysis	41
Financial Highlights	41
Overview of the Financial Statements	41
Financial Analysis of the Conservancy District as a Whole	41
Capital Assets and Debt Administration	44
Current Issues	45
Requests for Information.....	46
Statement of Net Position / Proprietary Fund	47
Statement of Revenues, Expenses and Changes in Net Position / Proprietary Fund	48
Statement of Cash Flows / Proprietary Fund	50
Notes to the Basic Financial Statements	
Note 1: Nature of Basic Operations and Description of Entity	52
Note 2: Summary of Significant Accounting Policies.....	53
Note 3: Deposits and Investments	56
Note 4: Receivables.....	59
Note 5: Capital Assets	59
Note 6: Risk Management.....	60
Note 7: Defined Benefit Pension Plan	61
Note 8: Post-Employment Benefits.....	61
Note 9: Legal Proceedings	62
Note 10: Long-Term Obligations	63
Note 11: Capital Leases – Lessee Disclosure	64
Note 12: Operating Lease	64
Note 13: Contractual Commitments.....	65
Note 14: Subsequent Events	65
Combining Statement of Net Position / Proprietary Fund	67
Combining Statement of Revenues, Expenses, and Changes in Net Position / Proprietary Fund.....	69
Combining Statement of Cash Flows: Proprietary Fund	72

Section 3: Financial Supplement

Chart 1: Year End Cash Balance/Receipts and Disbursements.....	76
Chart 2: Major Revenue Sources	77
Land and Forestry Operations: Total Cash Receipts by Reservoir.....	79
Recreation Operations; Total Cash Receipts by Reservoir	79

Section 4: Subdistricts

Blackfork Subdistrict	83
Chippewa Subdistrict	84
Buffalo Creek Subdistrict	86
Duck Creek Subdistrict.....	86

Appendix

Summary of MWCD Land by County	88
Summary of MWCD Land by Reservoir	89
Park Contact Information	90
Marina Contact Information	91
Governing Bodies	92
Conservancy Court	92
Board of Directors	92
Board of Appraisers	92
Cooperating Agencies	93
MWCD Staff	94
MWCD Recreational Facilities	97
Atwood Lake Park and Campgrounds.....	97
Charles Mill Lake Park and Campgrounds	97
Piedmont Marina and Campgrounds.....	98
Pleasant Hill Lake Park and Campgrounds.....	98
Seneca Lake Park and Campgrounds	99
Seneca Marina.....	99
Tappan Lake Park and Campgrounds	100
MWCD Facilities at a Glance.....	101
Fish Species of the MWCD Lakes.....	102
Muskingum River Watershed (map)	103

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.



This photograph shows people traveling in boats during the 1913 flood in Marietta. The image was taken March 29, 1913. The photograph shows Putnam Street opposite the courthouse. – Photo courtesy of Washington County Public Library

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.

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 \$10 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 2012, many projects were planned and implemented to carry out the 2005 Amendment to the Official Plan.

Introduction

Twenty-four hours a day.

Three hundred sixty-five days a year.

All the time.

Basically, that is the “work schedule” of the system of reservoirs and dams that were designed, constructed and have operated for nearly 80 years now in the Muskingum River Watershed. The determination and dedication of residents and officials in the watershed in the days, months and years following the Great Flood of 1913 led to the organization of the Muskingum Watershed Conservancy District (MWCD) to develop and implement a plan to reduce the effects of flooding and conserve water for beneficial public uses in the watershed.

The results have included an effective compliance with the MWCD’s mission, which reads:

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

Since the construction of the dams and reservoirs, more than \$10 billion worth of property damage has been spared from flooding, according to the U.S. Army Corps of Engineers (USACE), and no doubt, many lives have been saved. Flood events in recent years have proved the worth of the system as potentially damaging flood waters have not inundated homes, businesses and schools, interrupting normal activities and costing dollars that lead to recovery costs and increased insurance premiums, along with other hardships.

It’s not something that most of us would normally think about, but the MWCD system is part of the region’s infrastructure that is **“Touching Lives Every Day.”**

The “captured” flood waters at the MWCD reservoirs also have provided benefits to the residents and property owners in the watershed. The water at Tappan Lake serves as a direct source of the domestic water supply for the Village of Cadiz, and the lakes themselves have become known as prime sources of outdoor recreation, attracting visitors from a wide area and adding to the quality of life in the 18-county region served by the MWCD.

It’s not something that most of us would normally think about, but the MWCD system is part of the region’s infrastructure that is **“Touching Lives Every Day.”**

To carry out the mission, the MWCD staff not only takes care of the visible daily needs and operations of the conservancy district, but also for the planning, maintenance and protection of the system for its continued effective performance for many years to come.

In 2012, this work took on many varying roles, projects and programs.

From a recreation standpoint, the MWCD actually stepped away from one of its long-time operations with the successful donation of Atwood Lake Resort and Conference Center to Carroll County commissioners. After closing the resort in the fall of 2010 following years of mounting financial losses, the MWCD spent 2012 looking for alternative uses and/or owners for the 104-room facility.

A donation agreement was created that ensures any dollars generated from oil and gas development on the resort property is invested solely for maintenance and improvements at the resort. The MWCD had developed and opened the resort in 1965.

The MWCD also peered into its long-term future in 2012 by taking a major step to improve its recreational and public-use facilities and programs. Woolpert, a planning firm, was selected by the MWCD staff to embark on development of a master plan for the conservancy district that will provide recommendations to the MWCD based on current and projected customer and industry demands and trends, as well as including input from visitors, users and customers. A final report is due in 2013.

Basic protection of the system of reservoirs and dams is an important and vital function of the MWCD and its staff and partners. Through the Amendment to the Official Plan of the MWCD that was enacted several years ago, projects managed by the USACE at Dover and Bolivar dams are under way to address serious safety concerns, and the MWCD is serving as the local cost-share partner for the projects.

In addition, work overseen by the MWCD at its shorelines, as well as programs the MWCD participates in through its "Partners in Watershed Management" grant agreements also provide for benefits in flood reduction and to protect the quality of surface water in the watershed.

But, as most people in Ohio are aware, the MWCD and its properties also are located in the heart of the very active development area in the Utica Shale formation by the oil and gas industry. The MWCD has managed oil and gas leases on its properties for its entire existence and has refined a lease document through the years that is held as an example to be used by other public property owners to maximize environmental safeguards.

In 2012, the MWCD completed a second lease in the Utica Shale play for land it owns at Leesville Lake in Carroll County, and is noteworthy because it prohibits any location of well pads and drilling activity on MWCD property. The conservancy district also announced in the fall that it would lease property it owns at Seneca Lake in Guernsey and Noble counties, and provided for a process that featured a public meeting and invited comments about any concerns and input that the region's residents and users of the lake may have about leasing and the drilling process. The MWCD staff also said it would make any proposed lease of a large-acre area, such as at Seneca Lake, available for public review for a period of a few weeks prior to any recommendation of approval it would present to the Board of Directors.

The Utica Shale leasing has created opportunities for the MWCD, too, because of the dollars generated by signing bonuses that are a part of the leases. While the conservancy district had not yet received any royalty revenues from its two leases by the end of 2012, the money generated from the signing bonuses has permitted the MWCD to pay off nearly all of its debt and to begin discussions about the long-term financial forecast of the conservancy district. During 2012, the Board of Directors requested that the staff begin to review and develop financial forecasts for the MWCD, and to determine if any reduction is warranted of the assessment collected by the MWCD

from property owners in the watershed to fund the projects and programs identified in the Amendment to the Official Plan of the MWCD. This process is expected to take several months because of the various financial and legal issues that must be examined.

As the year began to draw to a close, the MWCD staff, as well as the watershed's residents and property owners, again were reminded about the significance of the work of the reservoirs and dams in the region. The 100th anniversary of The Great Flood of 1913 will be observed in 2013, and perhaps no event in the history of the State of Ohio changed lives in a moment's notice as quickly as that flood did.

It is the reason there is a system of reservoirs and dams that provide the benefits of flood reduction and water conservation in the Muskingum River Watershed.

It also is the reason that the people involved in the planning and development of the system of reservoirs and dams were so committed to develop and carry out the plan for its operation. Their method of handling this monumental task for them was the Muskingum Watershed Conservancy District.

And that flood is the reason that the MWCD is **"Touching Lives Every Day"** nearly 100 years later.

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 2012 – on June 2. 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 under way and planned in upcoming years in the flood-reduction system of reservoirs and dams. Col. Peterson told the member judges that the federal government made significant progress on a major rehabilitation project at Dover Dam in northern Tuscarawas County, and that work at Bolivar Dam will follow next. 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 2011 Annual Report of Operations for the MWCD.

Judges of the Court also appointed Richard J. Pryce of North Canton in Stark County to a second consecutive five-year term on the MWCD Board of Directors. Pryce originally was appointed to the Board of Directors in 2007. 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 2013.

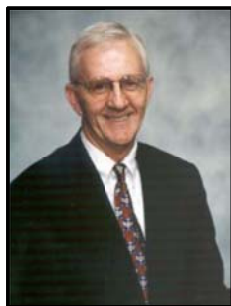
Board of Directors



William P. Boyle, Jr.
President



Harry C. Horstman
Member



Steve Kokovich
Member



David L. Parham
Vice President



Richard J. Pryce
Member

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, 2012, were:

William P. Boyle, Jr., Charles Mill Lake area	Term expires July 18, 2014
Steve Kokovich, New Concord	Term expires June 3, 2013
Harry C. Horstman, Scio.....	Term expires June 3, 2015
David L. Parham, Atwood Lake area	Term expires June 8, 2016
Richard J. Pryce, North Canton	Term expires July 18, 2017

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 11 meetings were held during 2012 at various locations. Meetings routinely are held on the third Friday of each month and begin at 9 a.m.

Meetings of the Board were held in 2012 on the following dates and at the following locations:

January 20	New Philadelphia City Council Chambers
February 17	New Philadelphia City Council Chambers
March 23	New Philadelphia City Council Chambers
April 20	New Philadelphia City Council Chambers
May 18.....	New Philadelphia City Council Chambers
July 20 and 21	Salt Fork Lodge and Conference Center
August 24	Pleasant Hill Lake Park Activity Center
September 21	Pioneer Career and Technology Center, Shelby
October 19	McDonald Marlite Conference Center, New Philadelphia
November 16	New Philadelphia City Council Chambers
December 21	New Philadelphia City Council Chambers

William P. Boyle Jr. served as president of the Board during 2012 while David L. Parham 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's 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.

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 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 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, OH
- 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 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 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.

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.



Member

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 2012 were held on the following dates and locations:

January 30	New Philadelphia City Council Chambers
August 22	New Philadelphia City Council Chambers

Members of the Board of Appraisers as of December 31, 2012, were as follows:

James Navratil, Medina	Term expires June 3, 2013
Mark J. Waltz, Dover	Term expires June 3, 2013
Open seat	

Mark J. Waltz served as chairman of the Board of Appraisers in 2012. 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 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



John M. Hoopingarner
Executive
Director/Secretary



Boris E. Slogar, P.E.
Chief Engineer



James B. Cugliari
Chief Financial
Officer/Treasurer



Scott D. Barnhart
Chief of Recreation/
Chief Ranger



Sean D. Logan
Chief of
Conservation

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.

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 of recreation/chief ranger, chief engineer, chief of conservation, and chief financial officer/treasurer.

Boris E. Slogar, P.E., M.P.M.

- 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
- Serves on executive boards for the Water Management Association of Ohio, the Ohio Dam Safety Organization, The Ohio State University Civil Engineering Alumni Association, and also serves on the Association of State Dam Safety Officials national peer review team
- Graduate of The 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.

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.

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 a senior staff accountant, staff 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.

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.

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 more than 300 total 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 2012.

5 years

- Michael C. Cable, Ranger Specialist
- John L. Oliver, Marina/Docking Coordinator
- Boris E. Slogar, P.E., Chief Engineer
- Steven J. Voroselo, GIS Analyst

10 years

- Lucas C. Pace, Ranger Specialist

15 years

- Mary C. Burley, Human Resources Administrator
- Gina L. Ferri, Tappan Park Administrative Assistant
- Troy R. Hannahs, Seneca Park Technician
- Darrell G. Larkin, Lead Equipment Operator
- Lynn E. Lyons, Piedmont Marina Assistant Manager
- William J. Martin, Jr., Pleasant Hill Park Manager

30 years

- John Traxler, Lease Technician

A complete listing of employees of the Conservancy District as of December 31, 2012, is located on pages 94-96 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.

Marty Larsen served as chairman of the DAC during 2012, and John Prelac was vice chair. The DAC held four meetings during 2012:

January 27New Philadelphia City Council Chambers
April 20.....New Philadelphia City Council Chambers

August 10..... New Philadelphia City Council Chambers
October 26..... New Philadelphia City Council Chambers

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.

Members of the DAC as of December 31, 2012, including their county of residence, term and any relationship to the Conservancy District, were the following (three seats were open):

- **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.
- **Jon Elsasser** – Tuscarawas County – 2014 – Elsasser is a retired executive from The Timken Company and currently serves as president of the Zoar Community Association, where he resides. He also serves as treasurer of the Ohio Historical Society, is board member of the Ohio and Erie Canalway Association, and sits on the boards of several private companies. Elsasser and his wife, Cindy, are the proprietors of the Canal Tavern of Zoar.
- **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.
- **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.
- **Douglas E. McLarnan** – Knox County – 2014 – McLarnan has had a long career in public service, currently serving as the operations director of the Knox County Park District. He leads several programs for the district, including weekly canoe trips during the recreation season.
- **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.
- **Joy Padgett** – Coshocton County – 2012 – Padgett is a former elected state legislator and the former director of the Governor's Office of Appalachia. A former schoolteacher, she also operated a business for many years in Coshocton.
- **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.
- **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 – 2014 – White is a deputy engineer in the office of the Summit County Engineer.

MWCD donates Atwood Lake Resort to Carroll County commissioners

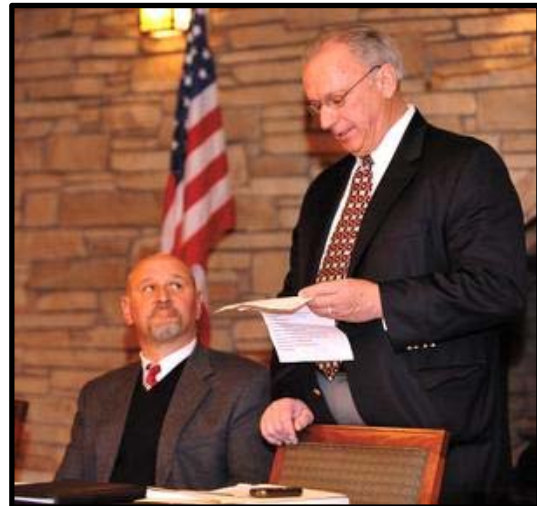
Atwood Lake Resort and Conference Center took a turn in a new direction at the beginning of 2012.

The Muskingum Watershed Conservancy District (MWCD) completed the donation of Atwood Lake Resort and Conference Center to the Carroll County commissioners during a ceremony held Friday, February 10, at the resort.

An estimated 150 people were in attendance as MWCD Executive Director/Secretary John M. Hoopingarner signed the final papers and handed the keys to the resort over to Commissioners Jeffrey L. Ohler, Doyle D. Hawk and Thomas A. Wheaton.

Numerous local, state and federal officials also were on hand and provided congratulatory comments, including:

- Darrell Kick, field representative for the office of U.S. Rep. Bob Gibbs of Ohio's 18th Congressional District
- State Senator Lou Gentile, 30th Ohio Senate District
- State Representative Al Landis, 96th Ohio House District
- State Representative Mark D. Okey, 61st Ohio House District
- Jason Wilson, Director of the Governor's Office of Appalachia



Carroll County Commissioner Thomas Wheaton speaks to a large crowd as Muskingum Watershed Conservancy District Executive Director John Hoopingarner looks on during the Atwood Lake Resort and Conference Center Donation Ceremony held at the resort on February 10. – Photo by Jim Cummings, Times Reporter

The official transfer of ownership of the 47-year-old lodge and golf course to the county from the MWCD concluded several years of work by the MWCD to find a new owner for the facility. Commissioners reopened the resort in October 2012 after reaching an agreement with Radius Hospitality of Canton to operate the facility.

The resort closed in October 2010 after the MWCD was unable to stop mounting financial losses at the facility that overlooks Atwood Lake.

Members of the MWCD Board of Directors agreed in 2011 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.

Carroll County commissioners announced an immediate interest in taking over the lodge.

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.

It was constructed by the MWCD and opened in 1965 and was operated by the MWCD and through varying contractual and lease agreements through the years prior to the donation to Carroll County.

Work continues to ensure performance of dams, reservoirs; community programs enhance MWCD mission

The most visible evidence of the Muskingum Watershed Conservancy District's (MWCD) commitment to its mission of flood reduction and water conservation very well may be the work that was under way at Dover and Bolivar dams in 2012.

But community programs that have received support from the MWCD and shoreline projects at the MWCD reservoirs are just as important as part of the conservancy district's commitment developed in its Amendment to the Official Plan adopted several years ago.

The MWCD had invested more than \$6.5 million over the past few years as part of its local cost-share agreements with the federal government for work to maintain the safety of the flood-reduction dams in the Muskingum River Watershed.

Information about the current status of the projects was presented by Col. Robert Peterson, commander of the Huntington (West Virginia) District of the U.S. Army Corps of Engineers (USACE), to member judges of the Conservancy Court of the MWCD during the Court's recent annual session in June. The USACE operates the 16 dams in the system of reservoirs and dams, and the MWCD manages much of the reservoirs behind the dams as part of a now nearly 80-year-old partnership to provide the benefits of flood reduction and conservation in the watershed.

"I can't think of a better relationship with a partnering agency or key stakeholder than what we have with this important agency (MWCD) in this watershed," Peterson said. "We have lots of aging infrastructure here that needs attention."



Work to stabilize the nearly 80-year old Dover Dam continued throughout 2012 under the leadership of the U. S. Army Corps of Engineers. The MWCD is the source of the required local cost share for the project. Photos, clockwise from top left: a view of the dam from the downstream side; an overview of the project site; project looking upstream; and view of the platform from the left abutment.

Work began in 2011 on construction at Dover Dam and additional planning and preparation was under way on the four other priority dam projects in the region, according to Peterson. The other priority projects are at Beach City, Bolivar and Mohawk dams, along with the continuing review of the condition and strategy in response to concerns for Zoar Levee.

The USACE estimates the five priority projects will cost up to \$675 million and that construction will begin on the four remaining projects over the next several years, with Bolivar Dam next on the list in 2013-14. The MWCD has committed to be the federally mandated local cost-share sponsor for all of the projects with an estimated total investment of up to \$143.3 million.

During testimony before the judges of the Conservancy Court, Peterson said that 36 multi-strand anchors are being installed at Dover Dam to improve the dam's stability. Located on the Tuscarawas River north of Dover off State Route 800 in Tuscarawas County, the dam was identified by the USACE as a top priority for safety work. A contract for the second phase of work at the dam was awarded in the fall of 2011 and the total estimated cost of the project is \$60 million, with the MWCD's local cost share estimated at \$2.1 million.

The USACE estimates that contracts are expected to be awarded in 2017 for safety work at Mohawk Dam in Coshocton County, in 2019 for both Beach City Dam in Stark and Tuscarawas counties and in 2018 for Zoar Levee in Tuscarawas County.

Peterson also said that other opportunities exist for the USACE and MWCD to partner on programs and projects to improve the performance of the system of reservoirs and dams.

The shorelines at the MWCD reservoirs and community watershed projects also have become items from the Amendment to the Official Plan of the MWCD that have been highly visible.

More than \$1.6 million worth of shoreline stabilization projects at several reservoirs were approved late in 2012 for the upcoming winter “drawdown” period.

The drawdown months between November and March of each year provide the ideal opportunity for the MWCD to correct badly eroded shorelines and a total of 20 projects at four reservoirs were planned during the winter of 2012-13.

The shoreline projects are planned at the following lakes and estimated costs:

Atwood Lake	3 projects	\$152,643.75
Leesville Lake	9 projects	\$496,804.00
Pleasant Hill Lake	5 projects	\$416,556.00
Tappan Lake	3 projects	\$187,129.00

When the 2012-13 projects have been completed, the MWCD will have completed nearly 70 individual shoreline projects in three years at a total cost of more than \$4.6 million. The MWCD now includes this maintenance program to address shoreline erosion and stability concerns at its reservoirs each year as part of its annual budget.

Some of the projects are completed by MWCD staff members, while others are completed by private contractors that are awarded contracts for the work through the public bidding process. The MWCD has reported that nearly 500 individual sites comprising several miles of shoreline are in need of varying amounts of stabilization.

The work is paid for through the MWCD’s funds collected from owners of properties in the Muskingum River Watershed that receive identified benefits from the Amendment to the Official Plan of the MWCD that calls for maintenance and rehabilitation in the system of flood-reduction and water conservation reservoirs and dams in the region.

The MWCD’s “Partners in Watershed Management” program also has provided for MWCD financial support and partnering with community entities that have developed programs that also have a positive benefit for flood reduction and water quality in the Muskingum River Watershed.

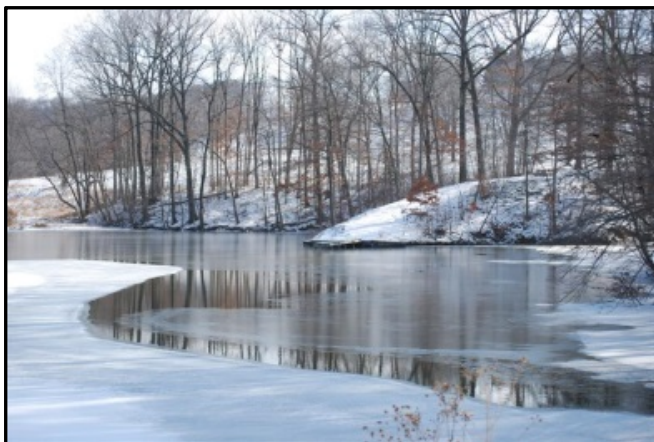
In 2012, several projects were awarded funding by the MWCD through the program. They were the following:

- **Stark Parks** - \$250,000 in MWCD funding as part of a \$2.27 million project to acquire 81 acres for the creation of Fry Family Park near the Village of East Sparta to preserve the

woodlands, wetlands and grasslands in the environmentally sensitive upland area of the Tuscarawas River.

- **MetroParks in Summit County** - \$50,000 in MWCD funding as part of a \$1.5 million project to acquire 115 acres in the city of Norton that ensures preservation of and protects nearly two miles of high quality headwater habitat stream.
- **Village of Roseville in Muskingum County** - \$125,000 in MWCD funding as part of a \$189,833 project to achieve federal accreditation of a levee protecting the village, ensuring 125 homes and five businesses remain out of the flood zone and, as a result, will not be subject to higher rates, flood insurance and additional liability.
- **Kidron Community Historical Society in Wayne County** - \$50,000 in MWCD funding as part of a \$268,000 project to implement stormwater infiltration and water quality best management practices for Sonnenberg Village, which is a five-acre site dedicated to preserving historical buildings and serving as a model for sustainable living.
- **Huff Run and Mud Run Environmental Education programs in Tuscarawas County** - \$18,746 in MWCD funding as part of a \$26,615 project to continue previous education and improvement programs relating to acid mine drainage mitigation in the watersheds.
- **Tuscarawas County Hazard Mitigation Grant Program** - \$158,465 in MWCD funding as part of a \$1.267 million project to acquire and demolish up to eight residential structures along the Tuscarawas River immediately downstream of Dover Dam. The voluntary program will re-establish the Tuscarawas River's natural flood plain and allow for more effective operation of the dam by the U.S. Army Corps of Engineers.
- Annual maintenance costs for **flood warning systems in Duck Creek and Licking County areas** - \$51,225 in MWCD funding as part of an estimated \$144,000 in combined costs for the operation of maintenance of river gages.

The projects are developed through an application process and fully reviewed by the MWCD staff, as well as a volunteer technical advisory group consisting of officials and experts in the fields of flood reduction and water quality from throughout Ohio.



(Top left to right) STARK PARKS: Fry Family Park Pond in winter – *(photo courtesy of Stark Parks)*; and VILLAGE OF ROSEVILLE IN MUSKINGUM COUNTY: Village of Roseville Levee – *photo courtesy of the Village of Roseville*.

Bottom left to right) KIDRON COMMUNITY HISTORICAL SOCIETY IN WAYNE COUNTY: Butterfly Garden, installed as part of rain garden system at Sonnenberg Village; and construction of the ditch running to the rain garden and pond – *photos courtesy of Kidron Community Historical Society*.

MWCD signs oil and gas lease for Leesville property, prepares for lease at Seneca

The interest in the Utica Shale formation in Eastern Ohio has been well documented over the past couple of years.

This interest also has extended to the properties owned by the Muskingum Watershed Conservancy District (MWCD).

For its entire history, the MWCD has managed leases for oil and gas drilling on its properties. By 2011, the MWCD had an interest in about 275 traditional wells in the Clinton formation that

produce royalties of more than \$250,000 annually, which has been a relatively standard and reliable source of revenue for the conservancy district.

The Utica Shale development changed all of that.

By the end of 2012, the MWCD had completed the negotiations and agreements on two leases for property it owns at two reservoirs: one for more than 6,000 acres at Clendening Reservoir in Harrison County that was completed in 2011 and one for 3,600 acres at Leesville Reservoir in Carroll County that was completed in 2012. The MWCD also held a public meeting in the Village of Senecaville in the fall of 2012 to announce that it intended to negotiate a lease for available acreage at Seneca Reservoir in Guernsey and Noble counties and that it would accept public comments and suggestions for any potential lease.

The two leases that had been signed did not produce royalties for the MWCD by the end of 2012, but the signing bonus payments totaled about \$37 million and the MWCD pledged to dedicate the use of these funds 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 at its properties.

"The MWCD has received benefits from its stewardship of its 80-year-old oil and gas program in the last two years that have been unprecedented," said Sean D. Logan, MWCD's chief of conservation. "But this process has been managed in a deliberate manner that offers public input, transparency, and environmental safeguards negotiated into the leases, which are of supreme importance."

The lease for Leesville Reservoir is a non-development lease and no well pads will be located on MWCD-owned property.

To aid in the process, the MWCD took numerous steps to ensure that it would prepare and negotiate lease terms to protect the reservoirs, which in turn provide protections for the Muskingum River Watershed to ensure the conservancy district's mission of flood reduction and water conservation are not 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. The MWCD's standard lease, which has served as a model for other public property owners through the past several decades, is the guiding document to begin the negotiating process. From there, other safeguards and terms are negotiated, Logan said.

In October a public meeting to provide details about the planned leasing for oil and gas exploration of Seneca Lake property owned by the MWCD attracted nearly 90 audience members. MWCD staff members provided details and what, if any effects, that these developments could have on users and visitors at the lake. The meeting also offered attendees an opportunity to provide input directly to MWCD staff members, who reviewed all comments received as they prepared for the leasing process.

Comments and input also were accepted via e-mail and regular mail and the MWCD pledged that any lease that was developed would first be made available for public review prior to any recommended approval by the Board of Directors. Staff members said they expected lease negotiations to continue into 2013.

MWCD reviews policy as drilling industry requests water from lakes

Leasing of property owned by the Muskingum Watershed Conservancy District (MWCD) has not been the only oil and gas industry activity reviewed by the staff and Board of Directors.

The MWCD's reservoirs also have been identified by the oil and gas drilling companies as a source of potential water for the production process, which utilizes hydraulic fracturing to release the product from the shale. In 2012, two sales of water had been completed to Gulfport Energy Co. for its operations at Clendening Reservoir, both via a temporary pipeline that involved the withdrawal of slightly more than 7 million gallons apiece.

The conservancy district's Board of Directors and administration spent a tremendous amount of time in discussion and review of the water supply demands and MWCD's appropriate role in that process.

By the fall of 2012, the Board approved the short-term sales of water from two reservoirs only – Clendening and Piedmont – during the annual lake drawdown period in the winter months. Further review of the MWCD's water supply policy was expected to continue into 2013 for the development of any additional guidelines that could be identified.

"At drawdown, billions of gallons of water are released from the lakes, making it the optimum time to supply excess from the lakes to the oil and gas industry without any negative impacts on recreational activities at these two lakes, including boating," Logan said.

By removing the water from the lakes, potentially thousands of loaded tanker truck trips will be eliminated across township and county roads that normally are not constructed to withstand such activity, reducing inconveniences for residents of the regions and the additional hassle and expenses for township governments for road repairs and improving safety.

Any water supply agreements approved by the MWCD include provisions that the MWCD has the right to cancel the deals if any negative interruptions in recreational and normal operations at the lakes are suspected or identified.

In June, the MWCD announced that it would suspend sales of water to the oil and gas industry pending the completion of water availability studies to be completed at Atwood, Clendening and Leesville lakes by the U.S. Geological Survey (USGS), along with a study being conducted by a private engineering firm for Seneca Lake.

The MWCD has legal authority according to state law to sell water from the reservoirs and the use of water for beneficial public uses including consumptive, domestic and industrial uses was one of the two primary purposes cited for the organization of the MWCD in 1933. The other primary purpose was to reduce the effects of flooding in the Muskingum River Watershed and the eventual construction of the 16 reservoirs and dams allows for the effective management of those two objectives.

Three long-term contracts for water supply from MWCD reservoirs are in place. They are with the Village of Cadiz in Harrison County for water from Tappan Lake for the village's municipal water

supply, with the City of Cambridge in Guernsey County for an emergency backup supply of water from Seneca Lake for its municipal supply, and with Carroll County for water from Atwood Lake for the county's operation of Atwood Lake Resort.

MWCD begins work on master plan for recreational facilities

For several decades, the Muskingum Watershed Conservancy District (MWCD) has managed and operated successful and popular public use and recreational facilities at its lakes and reservoirs.

More than 5.5 million people annually visit the facilities, and for varying reasons in pursuit of outdoor recreation. Boating, fishing, hiking, hunting, camping, along with planned and special activities at five lake parks (located at Atwood, Charles Mill, Pleasant Hill, Seneca and Tappan lakes), and much more, are available to visitors. Some programs include user fees and rates to maintain operations and facilities, and leases with marina owners and others enhance offerings at the lakes.

Many of the facilities were developed in the 1950s and 1960s and except for basic maintenance, have not undergone major improvements, replacement and/or additional enhancements in order to meet updated customer demands, technological upgrades and routine improvements.

In 2012, the MWCD began a planning phase to review its facilities, programs and organizational structure and begin to prepare for the future.

"It is evident that while we all can agree that facility upgrades are needed at the MWCD recreational locations since more than \$80 million worth of deferred maintenance has been identified, there also are projects, programs and facilities that need to be enhanced in order to improve the experiences of our users and meet the demands of the industry, technology and available facilities," said Scott D. Barnhart, MWCD's chief of recreation/chief ranger. "The MWCD also needs to go directly to our visitors and customers and hear about and develop their ideas.

"This master planning work not only will include that, it will emphasize it by engaging our staff, our public and our customers from start to finish."

Woolpert, a planning and development firm with its headquarters in Ohio and operations throughout the United States, was selected by the MWCD to develop a master plan for the organization's 18-county operations.

Woolpert will develop a two-level master plan that supports MWCD's mission of flood reduction, water conservation and recreation. The first level will structure broad, overarching district programs and services, facilities and design standards as well as provide guidelines for management, operations and policies. The second level will include conceptual plans for each selected park facility or area to bring facilities to the desired level of function and optimal operation for current and future needs.

The planning process will engage stakeholders at two levels: the park system as a whole and selected, individual parks. Each park will have its own business plan that is structured to guide park development within the structure and principles of the overall park system business plan.

During 2012, individual meetings were held at all park locations, surveys were sent to the members of the various user groups that utilize MWCD's facilities, and updates were provided to members of the MWCD Board of Directors and the public through the MWCD's website, www.mwcd.org.

Woolpert is scheduled to provide an updated plan and recommendations to the MWCD by the middle of 2013.

"All of us look forward to reviewing the final report and recommendations as we position the MWCD's facilities, programs and staffing for the greatest benefits we can imagine and produce for our visitors, customers and the public," Barnhart said.

Seneca Marina

The MWCD took possession of Seneca Marina on January 1, 2012. Previously, the property was leased to a private company that owned and operated the marina, docks and rental boats.

Some renovations were completed in early 2012 in the lower level of the building to allow basic marina functions to occur. Once these renovations were complete, MWCD began operation of the popular lake-front business on May 25, 2012.

Services that were available at the marina beginning over the Memorial Day holiday weekend included marine fuel sales, limited docking and a variety of hot and cold food. Basic fishing supplies and other amenities also were available for sale.

The upper level, however, was unusable during the first year of operation. In order to make the upper level a functioning part of the operation, and to best determine and meet the needs of marina customers, the firm of Brandstetter-Carroll, Inc., was hired in July 2012 to provide design services for the renovation phase of the upper level of the Seneca Marina building.

Dan Patrino was hired as Seneca Marina manager on March 19, 2012, to oversee the day-to-day operations at the marina. Patrino brings with him 18 years in the parks and recreation service industry.

MWCD staff convened a focus group consisting of local residents, campers, marina users and local business owners to help develop a business plan for the marina.



Dan Patrino (L) is the manager of Seneca Marina and Joe McGlothlin is the Seneca Lake Park manager. The MWCD took over operations of the marina at the beginning of 2012, made numerous improvements to the facility and plan more in future years.

"Our focus is on providing the basic services we have heard about directly from the marina's customers," said Scott Barnhart, MWCD chief of recreation. "The MWCD also has assembled a focus group of marina customers and others with an interest in the Seneca Lake area who are providing valuable input to our staff as we chart the future course of the marina, ensuring that it meets the needs of the Seneca Lake community."

Clows retire from Leesville Marina

The Clow name and Leesville Lake go hand in hand.

For nearly half a century, Clow's Marina at the lake located between the Carroll County villages of Leesville and Sherrodsville had been operated by the Clow family. But even though that business dynasty came to an end in 2012, the marina remains open and strong as ever under the leadership of a new owner.

Paul and Linda Clow sold the marina business to Keith Ott of Akron, a long-time marina manager and service technician with experience in Ohio and Florida. Clow's Marina is located on land near Leesville Dam that is leased from the MWCD and the MWCD's Board of Directors honored the Clows for more than 48 years of service to the Leesville Lake community during a Board meeting on May 18, 2012, at New Philadelphia.

"I will miss the people who came in here and that's the main thing," Paul Clow said. "But I am ready to relax and have that stress gone. And we'll be out there boating and doing a lot of fishing."



The MWCD honored the dedication and service of Paul and Linda Clow of Clow's Marina upon their retirement in 2012 from the marina operated by the Clow family at Leesville Lake for several decades. In the photo are: Scott Barnhart (L), MWCD chief of recreation; William P. Boyle Jr., MWCD Board of Directors president; John M. Hoopingartner, MWCD executive director/secretary; Linda and Paul Clow; and John Olivier, MWCD marina/docking coordinator.

The marina has been a way of life for Clow, who was in high school when his parents Ed and Sue Clow took over the operation in 1964. The Clows practically were round-the-clock fixtures at the marina from that moment on, talking fishing, boating and camping with visitors from around Ohio and the entire United States. Ed even spent the night camping beside the dam at the lake the night before it opened to the public for boating more than 70 years ago, and he and his family enjoyed it as their source of livelihood and recreation from then on.

"There's a lot of memories here for all of us," Paul Clow said. "I know that when (Ed and Sue) started here, camping cost \$1.25 per night at the campground and we mowed everything by

hand back then. Lots of things have changed, but we still see a lot of the same people every year."

Keeping those customers coming back now is the focus of Ott and his wife Danielle, but the marina business certainly is nothing new to them.

Keith Ott grew up in the shadow of the Portage Lakes in the Akron area, spent plenty of time boating and fishing on Atwood and Tappan lakes, and has family in the Freeport area that introduced him to the MWCD reservoirs. He has more than 25 years in the marina industry, serving as a service manager and technician, including as the owner of a marine services company in the Sandusky area for several years and most recently as a general manager of a new marina in Pompano Beach, Florida, charged with opening the business.

Brown pelican sighting a "sensation" at Atwood Lake

An errant brown pelican created a sensation at Atwood Lake among birding enthusiasts and visitors during the late summer of 2012.

The bird first was spotted on Friday, August 24, and daily after that. At least two sightings were made on Tuesday, August 28 – one near the intersection of Magnolia and Avalon roads on the north side of the lake and the other at the east end of the lake, near the osprey nesting platform at Dellroy..

The Ohio Department of Natural Resources' Division of Wildlife reports that the brown pelican at Atwood Lake is only the sixth confirmed sighting of the species - ever! Experts suggest that the effects of Hurricane Isaac may have sent the bird off its normal flying course.



The appearance of a brown pelican at Atwood Lake in late August 2012 sparked plenty of interest and photographers to visit the lake in Carroll and Tuscarawas counties. Experts assumed the bird had been blown off course by a southern storm, before landing at Atwood Lake for a couple of weeks.

News of the pelican's arrival at Atwood Lake spread quickly and birding enthusiasts showed up by the dozens with high-powered cameras to take photos and video of the pelican in action.

By early fall, the sightings of the bird no longer were being reported as it was assumed that the pelican had moved on from the region.

Atwood Lake Region trail planning

As trail systems grow in popularity, it's only natural that trails in and around the MWCD reservoirs will be proposed and developed.

Tappan Lake already serves as the headquarters site for the Buckeye Trail system, and various trails exist at many MWCD reservoirs.

At Atwood Lake, residents and visitors began discussions for the development of a multi-purpose trail around the Atwood region.

The development of a multi-purpose trail master plan at Atwood Lake is being funded through a grant from the Muskingum Watershed Conservancy Foundation, Inc. (MWCF).

Two public meetings were held in 2012 – the first on Monday, June 4, at the Lighthouse Bistro restaurant and the second on Monday, August 27, at the Dellroy Community Fire Station.

Trail and greenway planning experts from Environmental Design Group were joined at the meeting by Dan Rice, executive director of the Ohio and Erie Canalway Coalition, and staff from the MWCD.

Public input is being sought for the project from members of the public and Atwood Lake area residents and users. More information and details are expected to be developed during 2013.

The MWCF is a publicly supported charitable organization initially organized in 1996 that is dedicated to supporting the mission of the MWCD. While the MWCF is completely independent from the MWCD, with its own Board of Trustees, it has developed charitable funds that support improvements and programs on and around MWCD facilities.

Storm event – Piedmont/Seneca/Tappan

Severe thunderstorms that rolled through the Piedmont, Seneca and Tappan regions on Friday, June 29, 2012, did quite a bit of damage to the MWCD's facilities in those reservoir areas.

Electric service was knocked out for a few days in some areas, hundreds of trees were toppled and in some locations, camping units were damaged from falling limbs and debris. Fortunately, no injuries were reported.

The damage interrupted services for a brief time and cleanup crews from the MWCD worked around the clock to remove debris, assist visitors and return guest services as quickly as possible.



Damage from a rainstorm on June 29 was particularly heavy around the Seneca Lake region. Dozens of trees were toppled and/or uprooted, and damage was sustained by some camping units parked at Seneca Lake Park.

Tornado and thunderstorm warnings were issued throughout the late afternoon and early evening hours on June 29. Ohio Gov. John Kasich declared a state of emergency for the entire state after severe storms and winds in excess of 80 mph knocked out power for about 1 million electric-company customers across an estimated two-thirds of the state.

Chief Engineer's Report

MWCD working under 3 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 projections in place and in the planning phases to protect the operation of the system of reservoirs and dams in the Muskingum River Watershed for generations to come.

During 2012, 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-reduction system through partnership with the U.S. Army Corps of Engineers (USACE) as a local cost-share sponsor.

It was another significant year in 2012 as construction continued into the second phase of work 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. The total cost of the project is estimated at more than \$60 million for the project, with the MWCD investing 3.45 percent of the cost.

Also during 2012, progress in the planning phase for safety work planned at Bolivar Dam to address seepage issues with the earthen structure continued. Construction is expected to begin in 2013 or 2014 on the project, for which the MWCD also is the local cost-share sponsor. Through 2012, the MWCD had contributed more than \$6 million for its cost-share obligations, which are expected to total more than \$125 million after all five of the priority rehabilitation projects at the dams have been completed.

2) Maintain the MWCD 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 and achieved another successful series of projects in 2011-12. A total of 26 projects with a cost of more than \$1.5 million were completed, some of which are handled by the MWCD staff and some of which are awarded to private contractors through the public bidding process. Through two years of the program, a total of 46 projects have been completed at a total cost of more than \$3 million.

Dredging: Preparations continued for dredging operations at the MWCD reservoirs, with work expected to begin as early as 2014. 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.

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 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 2012, nearly \$700,000 in projects was awarded through the PWM competitive grant program.

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 2012, 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, two marinas, 70 miles of roadways, 350 miles of shoreline, 30 miles of sanitary sewers, 50 miles of water lines, five wastewater treatment plants, 10 water treatment plants, and numerous buildings and other facilities to be concerned with on a day-to-day and more long-term basis.

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

The engineering staff managed dozens of routine and specialty projects during 2012 totaling more than \$2 million in cost. Work, as in most years, ranged from routine and deferred maintenance projects to capital improvement projects located throughout the Conservancy District's facilities.

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 2012 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:

- 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.

The human resources area supports managers in the recruiting of staff, conducts new employee orientation programs, and coordinates employee programs such as wellness, benefits, compensation, and employee relations.

Numerous other projects also were conducted in 2012 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 been 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 administrator spent much of 2012 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, water quality monitoring operations, and assisting private agricultural landowners to reduce soil and nutrient runoff.

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. In 2012 the Conservation Group continued in a transition mode with the departure of long-time forester, Jim Bishop, and welcomed three new staff members: Dan Castellucci and Clayton Rico, in the forestry section and Skyler Dewey as conservation specialist.

The work in conservation in 2012 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.

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.

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 Information Systems (IS) 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 assessment 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 staff members work with public officials and property owners to ensure accurate and fair application of the assessment program. Additionally, the 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.

Reservation System

The MWCD's Information Systems/Information Technology and Recreation groups worked with Leisure Interactive, LLC as the vendor to provide the MWCD with a campground management, reservation and point of sale system.

Leisure Interactive (LI) brings many beneficial items to the MWCD. They were born from the motor coach industry with a remarkable collection of clients covering both the private and public sectors.

One of LI's major clients is the Catalina Marina on Catalina Island, CA. The MWCD marinas will benefit greatly from LI's experience with this complex marina system. Also, the integrated system will allow a customer to reserve a campground and boat at the marina and pay for both in one transaction.

LI has an impressive web marketing strategy for campground reservations through its website www.camping.com. This will give the MWCD exposure to people that would not otherwise know about our offerings. LPK's branding study will also be used by LI as they develop our branded reservation interface.

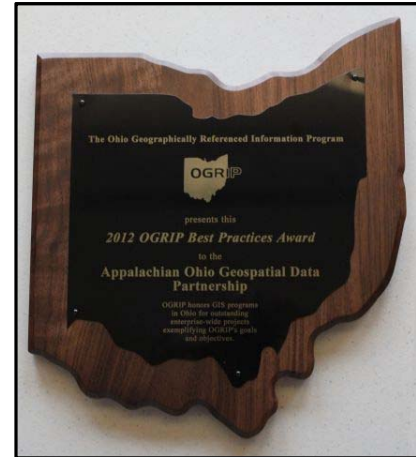
Customer service is another strong point of the LI offer. The Guest Rated program is used to solicit feedback via an emailed online survey the day after the patron has checked out of our property. These metrics can be used to gauge MWCD customer service, maintain strengths and strengthen weaknesses. The system will also allow customers to make electronic payments via credit card or e-check securely online, which streamlines the customer experience.

The software has an impressive backend of real-time revenue viewing and financial reporting system. The system provides standardized financial reports for all operations which can be run and viewed any time of day.

GIS partnership promoted within Appalachian Ohio

During 2012, the GIS staff participated in the non-profit Appalachian Ohio Geospatial Data Partnership (AOGDP). The group completed the highly successful Federal Geographic Data Committee (FGDC) grant project titled, "Incorporation and Promotion of NSDI Cadastral Standards" and was featured as a success story in the 2012 FGDC Annual Report. Thomas Fisher, MWCD information systems/information technology manager, coauthored and presented a paper of the grant findings titled, "Implementing the Federal Geographic Data Committee Cadastral Data Standard in an Appalachian Ohio Partnership" at the Esri International User

Conference in San Diego, California and the Ohio Statewide GIS Conference in Columbus, Ohio. During the Ohio Statewide GIS Conference, The Partnership was presented the 2012 Ohio Geographically Referenced Information Program (OGRIP) Best Practice Award that honors GIS programs in Ohio for outstanding enterprise-wide projects exemplifying OGRIP's goals and objectives. Finally, in 2012 the Partnership was awarded a second grant from the FGDC and a grant from the Ohio Department of Development under the Local Government Innovation Fund for a total of over \$140,000 in grants for the organization. The AOGDP covers the Appalachian Counties within the Muskingum Watershed and was created in 2010 by Thomas Fisher 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.



(Left to right) Jim Mercer, Guernsey County; Brittany Converse, MWCD; Jason Gillow, OVRDC; Jason Pyles, Buckeye Hills – Hocking Valley RDD; Dave Simon, Ohio University; Tom Fisher, MWCD; Seth Montgomery, Gallia County; Matt First, ODOT; Corey Stollar, Monroe County; Barb Matheny, Noble County. The award plaque is pictured at right.

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 2012, 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.

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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, 2012. 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 2012 are as follows:

- Total assets increased \$27,161,536. This increase is due to a large increase in pooled cash, cash equivalents and investments, which was directly related to proceeds received from the lease of oil and gas rights during 2012.
- Net position increased \$26,968,121 as a result of the increase in cash and the decrease in long-term liabilities.
- Outstanding debt decreased from \$1,780,553 to \$1,184,903 through principal payments.

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 position represents the basic statement of position for the Conservancy District. The statement of activities and changes in net position 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 2012 and 2011 derived from the statement of net position and the statement of receipts, disbursements, and changes in net position.

	2012	2011
Assets		
Current and Other Assets	\$ 48,966,335	\$ 25,006,805
Capital Assets, net	16,128,436	12,926,430
Total Assets	\$ 65,094,771	\$ 37,933,235
Liabilities		
Current Liabilities	\$ 1,436,437	\$ 754,423
Long-Term Liabilities	1,821,850	2,310,449
Total Liabilities	\$ 3,258,287	\$ 3,064,872
Net Position		
Net Investment in Capital Assets	\$ 14,838,785	\$ 11,237,283
Restricted	15,417,119	10,140,647
Unrestricted	31,580,580	13,490,433
Total Net Assets	\$ 61,836,484	\$ 34,868,363

Net position increased \$26,968,121 which is mainly attributable to an increase in cash equivalents and investments, as well as an increase in capital assets. The increase in cash equivalents and investments is directly related to an additional lease of oil and gas rights during 2012. Capital assets increased due to a number of construction projects such as the Atwood Water Treatment Plant and the Seneca Welcome Center. In addition there were numerous shoreline stabilization projects completed and the vehicle and equipment fleet was upgraded. Current liabilities increased due to an increase in payables, mostly related to the construction projects in progress at December 31, 2012. Long term liabilities decreased due to debt being paid off in 2012.

Changes in Net Assets/Position – The following shows the changes in net assets for 2012 and 2011.

	2012	2011
Operating Revenues		
Timber Sales	\$ 186,734	\$ 336,799
Pine-Pulpwood Sales	145,088	110,241
Easements/Right of Ways	32,959	-
Mineral Rights and Royalties	22,141,892	15,867,706
Share Crop Lease	666,486	547,141
Cottage Sites and Clubs	2,646,648	2,571,353
Marina Operations	985,963	686,742
Fishing Rights	62,647	62,647
Marina Camping	202,473	160,983
Water Resources/Flood Control	226,286	38,358
Beach Facilities	130,953	120,546
Water and Sewer Systems	63,588	713,577
Vacation Cabin	435,216	421,654
Park Camping	4,257,947	4,128,482
General Park Facilities	138,472	148,534
Special Events	136,569	116,335
Miscellaneous Income	76,848	326,551
Total Operating Revenues	\$ 32,536,769	\$ 26,357,649

	2012	2011
Operating Expenses		
Water Quality	\$ 306,308	\$ 59,826
Vehicles and Equipment	330,688	329,140
Dam Safety/Upgrades	2,221,688	4,698,095
Boundary Survey	42,294	57,267
Conservation	128,807	28,625
Reservior Maintenance	8,499	27,964
Information Systems/Technology	266,793	87,313
Shoreline Protection	250,138	327,371
Share Crop	295,773	182,761
Atwood Lodge	0	669,525
Mineral Operation	225,118	176,596
Watershed Management	128,837	5,650
Beach Facilities	233,102	201,645
Office Building	138,662	115,461
Administrative and Finance	1,906,055	1,661,321
Engineering	625,159	530,670
Planning and Development	392,228	84,693
GIS and Parcel Development	330,265	411,472
Forestry Maintenance	70,369	118,688
Park Camping	2,346,275	2,315,617
Cottage Sites and Clubs	745,959	713,565
General Park Facilities	2,058,716	1,832,199
Lake Dredging	0	30
Vacation Cabins	163,272	141,212
Marina Operations	789,225	336,957
Water and Sewer Systems	669,682	335,747
Lake Patrol Operations	277,558	240,486
Education and Public Information	222,002	177,210
Safety	132,050	95,511
Recreation Maintenance	123,506	181,803
Parks - Special Events	84,469	15,595
Partners in Watershed Management	539,171	384,663
Special Clean Up	88,698	0
Assessment	0	4,680,777
Depreciation	960,320	736,958
Total Operating Expenses	\$ 17,101,686	\$ 21,962,413
Operating Income / (Loss)	\$ 15,435,083	\$ 4,395,236

	2012	2011
Non-Operating Revenues (Expenses)		
Maintenance assessments	\$ 11,261,798	\$ 10,399,509
Grants	259,012	65,389
Interest on Investments	57,811	51,566
Debt Retirement - Interest	(45,583)	(566,854)
<i>Total Non-Operating Revenues (Expenses)</i>	11,533,038	9,949,610
<i>Income Before Special Item</i>	26,968,121	14,344,846
Special Item	-	(3,335,585)
<i>Change in Net Assets/Position</i>	\$ 26,968,121	\$ 11,009,261

The increase in operating revenues is mainly attributable to mineral rights and royalties and marina operations. The mineral rights and royalties increased due to the lease of an additional 3600 acres during 2012. Water sales also increased due to a short term agreement with the oil and gas industry to purchase water which was used in their operations. Marina operations increased due to the Conservancy District operating Seneca marina during 2012. Timber sales decreased in part due to staff turnover in 2012.

The decrease in dam safety/upgrades in 2012 was the result of timing of payments to the Army Corp of Engineers for the local share in their projects. The decrease in those expenditures was approximately \$2 million. The increase in information systems and technology is the result of the upgrading of the IT infrastructure within the Conservancy District. There were no direct expenses related to the Atwood Resort during 2012 since it was not operated or maintained by the Conservancy District during 2012. The donation of the resort assets resulted in the special item during 2011. There was an increase in water and sewer system expenses which is the result of older systems requiring more maintenance. The operation of the water system at Atwood Resort which has continued since the closing of the resort is now recognized in this line item. The increase in planning and development is the result of the strategic planning, park master planning and branding initiatives the Conservancy District undertook during 2012. The assessment expense of \$4.6 million was the full amortization of deferred charges related to the maintenance assessment study. Interest expense decreased due to the majority of the Conservancy District debt being paid off during 2011.

Capital Assets and Debt Administration

Capital Assets

At the end of 2012 the Conservancy District had \$16,128,436 of capital assets net of accumulated depreciation. The following table shows 2012 balances compared with 2011:

	2012	2011
Land	\$ 1,806,650	\$ 1,806,650
Capitalized Development Costs	1,189,495	1,189,495
Construction in Progress	688,333	-
Land Improvements	3,304,363	1,956,980
Buildings	2,996,852	2,945,048
Building Improvements	1,424,561	1,360,826
Furniture, Fixtures and Equipment	1,019,532	615,666
Vehicles	612,462	368,213
Infrastructure	3,086,188	2,683,552
Totals	\$ 16,128,436	\$ 12,926,430

Additional information on the Conservancy District's capital assets can be found in Note 5.

Debt

The outstanding debt for the Conservancy District as of December 31, 2012 was \$1,184,903 with \$56,975 due within one year. The following table summarizes the Conservancy District's debt outstanding as of December 31, 2012 and 2011:

	2012	2011
2001 Revenue Bonds - Variable	-	649,680
OWDA #2162 - 5.56%	345,233	366,195
OWDA #5413 - 0%	160,552	169,996
OWDA #5575 - 3.25%	573,084	566,827
OWDA #5558 - 3.25%	26,694	27,855
OWDA #6104 - 3.99%	79,340	-
Totals	\$ 1,184,903	\$ 1,780,553

Additional information on the Conservancy District's long-term debt can be found in Note 10.

Current Issues

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.

The Conservancy District is in the process of implementing the five year strategic plan, which includes a scorecard process to maintain accountability. The strategic plan is being integrated with the park master plan, which is scheduled to be completed in the summer of 2013, and will include a detailed plan for the five major parks and the two marinas operated by the Conservancy District. The updated brand of the Conservancy District will be rolled out during the first quarter of 2013, consisting of signage within the parks and on the Conservancy District vehicles as some of the main outcomes.

Included in the 2013 budget approved by the Board of Directors were \$8.5 million of expenditures related to deferred maintenance projects. These projects are high need areas throughout the Conservancy District that had not been addressed in the past due to budget constraints.

The Conservancy District began construction of a new water treatment facility at Atwood Park and also the Atwood Resort area in the fourth quarter of 2012. This is a project that had been considered for a

couple years and now will be done in order to meet EPA guidelines with an estimated cost in excess of \$4 million.

In the fourth quarter of 2012, the Board of Directors approved entering into a contract with URS Corporation for the development of a Reservoir Sediment Removal Program. This will include designing the program, developing goals, objectives, milestones, tasks, and internal and external communication protocols. It will also look at and evaluate environmental and operational management services, permitting, the potential uses of the sediment, and an economic analysis. The Conservancy District hopes to implement this plan beginning in 2014.

The Conservancy District continues to be the local cost share in the U.S. Army Corp of Engineer projects. The current projects on-going are the Dover and Bolivar dam rehabilitations. The Board of Directors approved payment in excess of \$4 million in the first quarter of 2013 for these projects which are paid from the maintenance assessment.

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 Position / Proprietary Fund / December 31, 2012

	Total
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 46,307,484
Accrued Interest	5,470
Accounts Receivable	1,285,146
Maintenance Assessments Receivable	1,288,895
<i>Total Current Assets</i>	<i>\$ 48,886,995</i>
<i>Non-Current Assets:</i>	
Capitalized Costs	79,340
Non-Depreciable Capital Assets	3,684,478
Depreciable Capital Assets, Net	12,443,958
<i>Total Non-Current Assets</i>	<i>\$ 16,207,776</i>
<i>Total Assets</i>	<i>\$ 65,094,771</i>
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	266,068
Contracts Payable	407,582
Retainage Payable	32,826
Performance Bond Payable	20,475
Escrow Land Rentals	175
Escrow Funds Payable	28,666
Due to Other Governments	115,608
Accrued Wages and Benefits	121,668
Accrued Interest Payable	100
Accrued Life Insurance	14,075
Claims Payable	167,576
Compensated Absences	52,422
Capital Leases Payable	152,221
OWDA Loans Payable	56,975
<i>Total Current Liabilities</i>	<i>\$ 1,436,437</i>
<i>Long-Term Liabilities:</i>	
Compensated Absences - net of current portion	474,810
Capital Leases Payable - net of current portion	219,112
OWDA Loans Payable - net of current portion	1,127,928
<i>Total Long-Term Liabilities</i>	<i>\$ 1,821,850</i>
<i>Total Liabilities</i>	<i>\$ 3,258,287</i>
Net Position	
Net Investment in Capital Assets	14,838,785
Restricted for Maintenance Assessment	15,417,119
Unrestricted	31,580,580
<i>Total Net Assets</i>	<i>\$ 61,836,484</i>

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenses and Changes in Net Position /
Proprietary Fund
For the year ended December 31, 2012**

Operating Revenues	
Water Sales	\$ 226,286
Water and sewer systems	63,588
Timber sales	186,734
Pine/pulpwood sales	145,088
Mineral rights and royalties	22,141,892
Share crop lease	666,486
Cottage sites	2,646,648
Marina operations	985,963
Marina camping	202,473
Fishing rights	62,647
Easements/Right of ways	32,959
Beach facilities	130,953
Vacation cabin	435,216
Park camping	4,257,947
Parks - Special events	136,569
Admissions - park facilities	138,472
Miscellaneous income	76,848
<i>Total Operating Revenues</i>	<i>32,536,769</i>
Operating Expenses	
Water Quality	306,308
Vehicles and equipment	330,688
Dam safety/upgrades	2,221,688
Boundary survey	42,294
Conservation	128,807
Reservior Maintenance	8,499
Information Systems/Technology	266,793
Shoreline Protection	250,138
Share crop	295,773
Mineral operation	225,118
Watershed management	128,837
Beach facilities	233,102
Office building	138,662
Administrative and finance	1,906,055
Engineering	625,159
Planning and development	392,228
GIS and Parcel Development	330,265
Forestry maintenance	70,369
Park camping expense	2,346,275
Cottage sites and clubs	745,959
General park facilities	2,058,716
Vacation cabin	163,272
Marina operation	789,225

	(Continued)
Water and sewer system	\$ 669,682
Lake patrol operation	277,558
Education and public information	222,002
Safety	132,050
Recreation maintenance	123,506
Parks - special events	84,469
PWM	539,171
Special Clean up	88,698
Depreciation	960,320
<i>Total Operating Expenses</i>	<i>\$ 17,101,686</i>
<i>Operating Income</i>	<i>15,435,083</i>
Non-Operating Revenues (Expenses)	
Maintenance assessments	11,261,798
Grants	259,012
Interest on investments	57,811
Debt retirement - Interest	(45,583)
<i>Total Non-Operating Revenues (Expenses)</i>	<i>\$ 11,533,038</i>
<i>Change in Net Position</i>	<i>26,968,121</i>
Net Position - Beginning of Year	\$ 34,868,363
Net Position - End of Year	\$ 61,836,484
See accompanying notes to the basic financial statements.	

Statement of Cash Flows / Proprietary Fund
For the year ended December 31, 2012

Cash flows from Operating Activities:	
Cash Received from Customers	\$ 32,510,967
Cash Payments to Suppliers for Goods and Services	(9,148,173)
Cash Payments for Employees Services and Benefits	(6,991,546)
<i>Net Cash Provided by Operating Activities</i>	16,371,248
Cash Flows from Noncapital Financing Activities:	
Proceeds from OWDA Loans	79,320
Principal Payments on OWDA Loans	(10,604)
Intergovernmental Grants	56,463
Maintenance Assessments	10,082,648
Interest Paid on Debt	(896)
<i>Net Cash Provided by Noncapital Financing Activities</i>	10,206,931
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(3,270,231)
Maintenance Assessments	1,290,582
Intergovernmental Grants	202,549
Proceeds from OWDA Loans	30,466
Principal Payments on Revenue Bonds	(649,680)
Principal Payments on OWDA Loans	(45,152)
Principal Payments on Capital Leases	(186,798)
Interest Paid on Debt	(44,687)
<i>Net Cash Used for Capital and Related Financing Activities</i>	(2,672,951)
Cash Flows from Investing Activities:	
Receipts of Interest	96,346
Payments for purchase of investments	(30,990,230)
<i>Net Cash used for Investing Activities</i>	(30,893,884)
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(6,988,656)
<i>Cash and Cash Equivalents Beginning of Year</i>	22,344,446
<i>Cash and Cash Equivalents End of Year</i>	\$ 15,355,790
Reconciliation of Operating Income To Net Cash Provided by Operating Activities:	
Operating Income	\$ 15,435,083
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	960,320
(Increase) Decrease in Assets	
Capitalized Costs	(79,340)
Accounts Receivable	(25,802)
Accrued Interest	(5,470)

Increase (Decrease) in Liabilities:	
Accounts Payable	171,113
Performance Bond Payable	12,000
Escrow Funds Payable	28,666
Deferred Revenue	(60,633)
Claims Payable	18,310
Accrued Wages and Benefits	17,437
Accrued Disability Income	7,095
Compensated Absences	(21,361)
Due to Other Governments	(86,170)
<i>Net Cash Provided by Operating Activities</i>	<i>\$ 16,371,248</i>
Reconciliation of cash and investments reported on the Statement of Net Position to cash and cash equivalents reported on the Statement of Cash Flows:	
Statement of Net Position cash and cash equivalents and investments	\$ 46,307,484
Investments included in balances above that are not cash equivalents	(30,951,694)
Cash and Cash equivalents reported on Statement of Cash Flows	\$ 15,355,790
Noncash Capital Financing Activities:	
During 2012, capital assets were acquired through capital leases in the amount of \$451,687.	
See accompanying notes to the basic financial statements	

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 Chapter 6101 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 2012 appointed by the court. All other officers and employees are hired in accordance with the provisions of Chapter 6101 of the Ohio Revised Code. The Conservancy District is a separate governmental entity within the eighteen county area served by the Conservancy District.

2012 Board of Directors	
William J. Boyle, Jr., President	Term expires July 18, 2014
David L. Parham, Vice President	Term expires July 8, 2016
Harry C. Horstman, Member	Term expires June 3, 2015
Steve Kokovich, Member	Term expires June 3, 2013
Richard J. Pryce, Member	Term expires July 18, 2017
2012 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 Chapter 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 operations 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
- g) Oil and gas royalties

Subdistricts

Chippewa Subdistrict, Blackfork 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 subdistricts are the Chippewa Subdistrict and the Blackfork Subdistrict. The current status of the Chippewa Subdistrict is to maintain and upgrade the dams and channels. In May of 2011, with work beginning in 2012, the Conservancy District Board of Directors, at the request of Shelby officials, re-activated the Blackfork Subdistrict for the purpose of preparing an Official Plan, as required by the Ohio Revised Code, to address flooding within the Black Fork watershed. 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 position. The statement of changes in net position 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 or before 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 unencumbered 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 \$5,000. The capitalization threshold for building improvements is \$10,000 and for infrastructure is \$25,000. Prior to 2012, the Conservancy District had a capitalization threshold for all types of Capital Assets.

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	20-20 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 are recorded when the related payroll is accrued and the obligation is incurred.

G. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, 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. Restricted for maintenance assessment represents the net position of the maintenance assessment fund, which are restricted by the official plan as to how it can be used.

H. Revenue and Expenses

Operating revenues consist primarily of fees for services, rents and charges for use of Conservancy District facilities, oil and gas royalties, 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 2012, the Conservancy District had no extraordinary or special items.

J. Implementation of New Accounting Policies

For the year ended December 31, 2012, the Conservancy District implemented Governmental Accounting Standards Board GASB Statement No. 60, *"Accounting and Financial Reporting for Service Concession Arrangements,"* GASB Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in the Pre-November 30, 1989 FASB and AICPA Pronouncements,"* and GASB Statement No. 63 *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,"* GASB Statement No. 64 *"Derivative Instruments: Application of Hedge Accounting Termination Provisions,"* GASB Statement No. 65 *"Items Previously Reported as Assets and Liabilities"*

GASB Statement No. 60 improved financial reporting by addressing issues related to service concession arrangements (SCAs) which are a type of public-private or public-public partnership. Implementation of this GASB statement did not affect the presentation of the financial statements of the Conservancy District.

GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations, 2) Accounting Principles Board Opinions, 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Implementation of this GASB statement did not affect the presentation of the financial statements of the Conservancy District.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It also amends the net asset reporting requirements of GASB Statement 34 by incorporating deferred outflows and inflows into the definitions and renaming the residual measure as net position, rather than net assets.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. Implementation of this GASB statement did not affect the presentation of the financial statements of the Conservancy District.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of this GASB statement did not affect the presentation of the financial statements of the Conservancy District.

K. Statement of Cash Flows

For the purposes of the statement of cash flows cash and cash equivalents are defined as cash and any investment with an original maturity of 3 months or less. As of December 31, 2012 none of the Conservancy District's investments qualified as a cash equivalent.

L. Capitalized Costs

The Conservancy District has a loan with the Ohio Water Development Authority (OWDA) to cover the costs associated with preparing the Official Plan for the Black Fork Subdistrict. The costs incurred with this project are accumulating until the plan is complete and the Subdistrict has a maintenance assessment in place. Once the project is complete the charges will be amortized over the life of the loan with OWDA.

Note 3: Deposits and Investments

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 five-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).
- 6) Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed 25 percent of the interim moneys available for investment at any time.

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 2012, 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 \$15,352,090. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2012, \$14,434,692 of the Conservancy District's bank balance of \$15,363,655 was exposed to custodial risk as discussed above, while \$928,963 was covered by Federal Deposit Insurance Corporation.

Cash on Hand

As of December 31, 2012, the Conservancy District had \$3,700 of cash on hand.

Investments

As of December 31, 2012, the Conservancy District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 24 months	More than 24 months
Abbey National Commercial Paper	\$8,744,215	\$8,744,215	-	-	-
Federal Home Loan Mortgage Corporation	\$10,893,435	-	-	\$3,977,900	\$6,915,535
Federal National Mortgage Association	\$8,295,888	-	-	-	\$8,295,888
Federal Farm Credit Bank	\$1,500,015	-	-	\$1,500,015	-
US Treasury Note	\$1,518,141	-	\$1,518,141	-	-
	\$30,951,694	\$8,744,215	\$1,518,141	\$5,477,915	\$15,211,423

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Conservancy District's investment policy limits portfolio maturities to five years or less.

Credit Risk: The Conservancy District's investments in Abbey National Commercial Paper have a P-1 rating from Moody's. The FHLMC, FNMA, FFCB and US Treasury notes all have Aaa ratings from Moody's. All ratings are the highest on the respective scales from Moody's.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Conservancy District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Conservancy District has no investment policy dealing with investment custodial risk beyond the requirement in the State statute that prohibits payment for the investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The Conservancy District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type as of December 31, 2012.

Investment Type	Fair Value	Percent of Total
Abbey National Commercial Paper	\$ 8,744,215	28%
Federal Home Loan Mortgage Corporation	10,893,435	35%
Federal National Mortgage Association	8,295,888	27%
Federal Farm Credit Bank	1,500,015	5%
US Treasury Note	1,518,141	5%
	\$30,951,694	100%

The following is the net increase in the fair value of investments during for year ending December 31, 2012.

Fair Value at December 31, 2012	\$30,951,694
Add: Proceeds of investments sold 2012	-
Less: Cost of investments purchased in 2012	(30,990,230)
Less: Fair value at December 31, 2011	-
Change in fair value of investments	\$ (38,536)

Note 4: Receivables

Receivables at December 31, 2012, consisted of accounts (billed user charged services) and delinquent maintenance assessments. All receivables are deemed collectible in full.

Note 5: Capital Assets

Proprietary capital assets – summary by category at December 31, 2012:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Capital Assets Not Being Depreciated				
Land	\$ 1,806,650	\$ 0	\$ 0	\$ 1,806,650
Construction in Progress	0	688,333	0	688,333
Capitalized Development Costs	1,189,495	0	0	1,189,495
<i>Total Capital Assets Not Being Depreciated</i>	<i>2,996,145</i>	<i>688,333</i>	<i>0</i>	<i>3,684,478</i>
Capital Assets Being Depreciated				
Land Improvements	2,410,935	1,460,152	0	3,871,087
Buildings	8,001,228	192,664	0	8,193,892
Building Improvements	2,043,304	169,189	0	2,212,493
Furniture, Fixtures and Equipment	3,897,279	647,355	(118,287)	4,426,347
Vehicles	1,511,906	416,682	(182,264)	1,746,324
Infrastructure	3,986,512	602,487	0	4,588,999
<i>Total Capital Assets Being Depreciated</i>	<i>21,851,164</i>	<i>3,488,529</i>	<i>(300,551)</i>	<i>25,039,142</i>
Less Accumulated Depreciation				
Land Improvements	(453,955)	(112,769)	0	(566,724)
Buildings	(5,056,180)	(140,860)	0	(5,197,040)
Building Improvements	(682,478)	(105,454)	0	(787,932)
Furniture, Fixtures and Equipment	(3,281,613)	(228,953)	103,751	(3,406,815)
Vehicles	(1,143,693)	(172,433)	182,264	(1,133,862)
Infrastructure	(1,302,960)	(199,851)	0	(1,502,811)
<i>Total Accumulated Depreciation</i>	<i>(11,920,879)</i>	<i>(960,320)</i>	<i>286,015</i>	<i>(12,595,184)</i>
<i>Total Capital Assets Being Depreciated, Net</i>	<i>9,930,285</i>	<i>2,528,209</i>	<i>(14,536)</i>	<i>12,443,958</i>
<i>Capital Assets, Net</i>	<i>\$ 12,926,430</i>	<i>\$ 3,216,542</i>	<i>\$ (14,536)</i>	<i>\$ 16,128,436</i>

Note 6: 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 2012.

B. Self-insurance

Muskingum Watershed Conservancy District has a self-funded health insurance plan administered by third party administrator AultCare. The plan year runs June 1 through May 31. The 2012 plan year ran June 1, 2011 through May 31, 2012. The 2013 plan year runs June 1, 2012, through May 31, 2013.

The monthly premium for the 2012 plan year 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 monthly premium for the 2013 plan year for a single employee is \$697.10, \$1,094.36 for an employee plus 1, and for the family of an employee is \$1,654.07.

The overall stop loss for the plan year 2012 is \$885,497 and for plan year 2013 is \$947,268.

The specific stop loss per occurrence was \$55,000 for plan years 2012 and 2013. For plan year 2013, there was one instance with a special specific deductible. The limit for that instance was \$480,000. The Conservancy District has a potential to have two additional instances with special specific deductibles for plan year 2013 totaling \$220,000, but as of December 31, 2012 the events triggering those increases had not happened. There was one claim exceeding the limit for plan year 2012. When the 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 \$167,575 at December 31, 2012, 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 2012 and 2011 are as follows:

	Balance Beginning of Year	Current Year Claims	Claims/ Payments	Balance End of Year
2011	\$192,976	\$705,746	\$749,456	\$149,266
2012	\$149,266	\$1,147,639	\$1,129,329	\$167,576

Note 7: 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, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

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 visiting <https://www.opers.org/investments/cafr.shtml>, 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, 2012, members in State and local classifications contributed 10 percent of covered payroll. Law enforcement members contributed 12.1%.

The Conservancy District's contribution rate for 2012 was 14.0 percent of covered payroll. The law enforcement contribution rate was 18.1% of covered payroll.

The Conservancy District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2012, 2011, and 2010 were \$518,418, \$510,519 and \$322,428, respectively; 93 percent has been contributed for 2012 and 100 percent for 2011 and 2010.

Note 8: 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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2012, local government employers contributed 14 percent of covered payroll and law enforcement employers contributed at 18.1%. These are the maximum employer contributions rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB plan.

OPERS’ post employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care and benefits. The portion of the employer contributions allocated to health care for members in the traditional plan was 4% during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Conservancy District’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$207,367, \$204,208 and \$234,144, respectively; 93 percent has been contributed for 2012 and 100 percent for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

Note 9: 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 10: Long-Term Obligations

The changes in the Conservancy District's long-term obligations during the fiscal year 2012 were as follows:

	Principal Outstanding 12/31/2011	Additions	Reductions	Principal Outstanding 12/31/2012	Amount Due in One Year
2001 Revenue Bonds - Variable	\$ 649,680	\$ -	\$ (649,680)	\$ -	\$ -
OWDA Loan #2162 - 5.56%	366,195	-	(20,962)	345,233	22,144
OWDA Loan #5413 - 0%	169,996	-	(9,444)	160,552	9,444
OWDA Loan #5575 - 3.25%	566,827	30,446	(24,189)	573,084	24,189
OWDA Loan #5558 - 3.25%	27,855	0	(1,161)	26,694	1,198
OWDA Loan #6104 - 3.99%	-	79,340	-	79,340	0
<i>Total</i>	1,780,553	109,786	(705,436)	1,184,903	56,975
Other Long-Term Obligations:					
Capital Leases	106,444	451,687	(186,798)	371,333	152,221
Compensated Absences	548,593	74,433	(95,794)	527,232	52,422
<i>Total other long-term obligations</i>	655,037	526,120	(282,592)	898,565	204,643
<i>Total Long-Term Liabilities</i>	\$ 2,435,590	\$ 635,906	\$ (988,028)	\$ 2,083,468	\$ 261,618

Revenue Bonds

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 were to mature in twenty-five years and have monthly payments due on March of each year. However, management decided to pay off the loan balance in 2012.

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.

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 a water tower. 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, 2012, the Conservancy District had drawn down the full amount; however, the final amortization schedule was not complete. Since the amortization schedule is not available it is 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.

In 2012 the Conservancy District was awarded a \$1,500,000 loan from OWDA for studies to develop the Black Fork Subdistrict official plan. As of December 31, 2012, only \$79,340 had been drawn down. Since the full amount was not drawn down, the amortization schedule is not complete, so it is not reflected in the table below.

The annual requirements to retire debt are as follows:

Ohio Water Development Authority Loans		
Year	Principal	Interest
2013	\$32,786	\$19,750
2014	34,074	18,461
2015	35,433	17,103
2016	36,868	15,668
2017	38,383	14,153
2018-2022	217,766	44,887
2023-2027	114,330	4,721
2028-2030	22,839	162
Totals	\$532,479	\$134,905

Note 11: Capital Leases – Lessee Disclosure

In 2011, the Conservancy District entered into capitalized leases for the acquisition of vehicles and equipment. 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 amount of \$616,637, 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, 2012:

	Capital Leases
Year ending December 31, 2013	\$174,037
Year ending December 31, 2014	152,343
Year ending December 31, 2015	74,781
Year ending December 31, 2016	10,078
Minimum lease payments	411,239
Less: amount representing interest at the Conservancy District's incremental borrowing rate of interest	(39,906)
Present value of minimum lease payments	\$371,333

Note 12: 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.

On April 19, 2012, the Conservancy District (the "Lessor") entered into a lease agreement with Chesapeake Exploration, L.L.C. (the "Lessee"). The Conservancy District leased approximately 3,600 acres of land at Leesville Reservoir to the Lessee. The Lessee will pay the Conservancy District lease royalty payments of 20% of the gross proceeds attributable to the applicable wells. In addition, the Conservancy District received a bonus payment in 2012 in the amount of \$5,800 per acre, or approximately \$20,880,000. This payment was recorded as mineral rights and royalties revenue.

Note 13: Contractual Commitments

As of December 31, 2012, the Conservancy District had contractual commitments for the following projects:

	Contractual Commitment	Expended	Balance 12/31/2012
Atwood Wastewater Treatment Plant	\$4,497,420	-	\$4,497,420
Seneca Welcome Center	630,924	\$151,119	479,805
Shoreline Stabilization Projects	1,253,733	-	1,253,733
Bolivar Dam – U.S. Army Corps of Engineers	37,951,380	4,780,679	33,170,701
Dover Dam – U.S. Army Corps of Engineers	3,570,750	1,893,675	1,677,075

Note 14: Subsequent Events

On February 15, 2013, the Conservancy District entered into a lease with Antero Resources of Colorado for more than 6,500 acres at Seneca Lake in Noble County. Antero's lease included \$6,200 per acre, paid up rental, for a 5-year lease and 20% royalty payment on future production revenues. The initial payment received by the Conservancy District due at the time of signing is \$40,630,702 which was received on February 21, 2013.

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Combining Statement of Net Position: Proprietary Fund

For the year ending December 31, 2012

Muskingum Watershed Conservancy District	Subsidiaricts						Eliminating Entries	Total	
	Blackfork	Buffalo Creek		Chippewa	Duck Creek				
Assets									
Current Assets:									
Equity in Pooled Cash and Investments	\$ 44,742,775	\$	0	\$	0	\$ 1,556,301	\$ 8,408	\$ 0	\$ 46,307,484
Accrued Interest	5,470		0		0	0	0	0	5,470
Accounts Receivable	1,306,558		0		0	0	0	(21,412)	1,285,146
Maintenance Assessments Receivable	1,288,895		0		0	0	0	0	1,288,895
Total Current Assets	47,343,698		0		0	1,556,301	8,408	(21,412)	\$ 48,886,995
Non-Current Assets:									
Capitalized Costs	79,340		0		0	0	0	0	79,340
Non-Depreciable Capital Assets	2,494,983		1,822		27,593	1,154,680	5,400	0	3,684,478
Depreciable Capital Assets, Net	12,443,958		0		0	0	0	0	12,443,958
Total Non-Current Assets	15,018,281		1,822		27,593	1,154,680	5,400	0	\$ 16,207,776
Total Assets	62,361,979		1,822		27,593	2,710,981	13,808	(21,412)	\$ 65,094,771
Liabilities									
Current Liabilities:									
Accounts Payable	244,903		1,822		27,593	7,125	6,037	(21,412)	266,068
Contracts Payable	407,582		0		0	0	0	0	407,582
Retainage Payable	32,826		0		0	0	0	0	32,826
Performance Bond Payable	20,475		0		0	0	0	0	20,475
Escrow Land Rentals	175		0		0	0	0	0	175
Escrow Funds Payable	28,666		0		0	0	0	0	28,666
Due to Other Governments	115,608		0		0	0	0	0	115,608
Accrued Wages and Benefits	121,668		0		0	0	0	0	121,668

	Muskingum Watershed Conservancy District	Subdistricts				Eliminating Entries	Total
		Blackfork	Buffalo Creek	Chippewa	Duck Creek		
Accrued Interest Payable	100	0	0	0	0	0	100
Accrued Life Insurance	14,075	0	0	0	0	0	14,075
Claims Payable	167,576	0	0	0	0	0	167,576
Compensated Absences	52,422	0	0	0	0	0	52,422
Capital Leases Payable	152,221	0	0	0	0	0	152,221
OWDA Loans Payable	56,975	0	0	0	0	0	56,975
Total Current Liabilities	1,415,272	1,822	27,593	7,125	6,037	(21,412)	\$ 1,436,437
Long-Term Liabilities:							
Compensated Absences - net of current portion	474,810	0	0	0	0	0	474,810
Capital Leases Payable - net of current portion	219,112	0	0	0	0	0	219,112
OWDA Loans Payable - net of current portion	1,127,928	0	0	0	0	0	1,127,928
Total Long-Term Liabilities	1,821,850	0	0	0	0	0	\$ 1,821,850
Total Liabilities	3,237,122	1,822	27,593	7,125	6,037	(21,412)	\$ 3,258,287
Net Position							
Net Investment in Capital Assets	13,649,290	1,822	27,593	1,154,680	5,400	0	14,838,785
Restricted for Maintenance Assessment	15,417,119	0	0	0	0	0	15,417,119
Unrestricted	30,058,448	(1,822)	(27,593)	1,549,176	2,371	0	31,580,580
Total Net Position	\$ 59,124,857	\$ 0	\$ 0	\$ 2,703,856	\$ 7,771	\$ 0	\$ 61,836,484

Combining Statement of Revenues, Expenses, and Changes in Net Position: Proprietary Fund

For the year ending December 31, 2012

Muskingum Watershed Conservancy District		Subdistricts							Eliminating Entries	Total		
		Blackfork	Buffalo Creek			Chippewa	Duck Creek					
Operating Revenues												
Water Sales	\$	226,286	\$	0	\$	0	\$	0	\$	0	\$	226,286
Water and sewer systems		63,588		0		0		0		0		63,588
Timber Sales		186,734		0		0		0		0		186,734
Pine/Pulpwood Sales		145,088		0		0		0		0		145,088
Mineral rights and royalties		22,141,892		0		0		0		0		22,141,892
Share Crop		666,486		0		0		0		0		666,486
Cottage Sites and Clubs		2,646,648		0		0		0		0		2,646,648
Marina operations		985,963		0		0		0		0		985,963
Marina camping		202,473		0		0		0		0		202,473
Fishing rights		62,647		0		0		0		0		62,647
Easements/Right of Ways		32,959		0		0		0		0		32,959
Beach facilities		130,953		0		0		0		0		130,953
Vacation cabin		435,216		0		0		0		0		435,216
Park camping		4,257,947		0		0		0		0		4,257,947
Parks - Special Events		136,569		0		0		0		0		136,569
Admissions - park facilities		138,472		0		0		0		0		138,472
Miscellaneous income		75,723		0		0		1,125		0		76,848
Total Operating Revenues		32,535,644		0		0		1,125		0		32,536,769
Operating Expenses												
Water Quality		306,308		0		0		0		0		306,308
Vehicles and equipment		330,688		0		0		0		0		330,688
Dam safety/upgrades		2,092,499		0		0		129,189		0		2,221,688

	Muskingum Watershed Conservancy District	Subdistricts				Eliminating Entries	Total
		Blackfork	Buffalo Creek	Chippewa	Duck Creek		
Boundary survey	42,294	0	0	0	0	0	42,294
Conservation	128,807	0	0	0	0	0	128,807
Reservoir Maintenance	8,499	0	0	0	0	0	8,499
Information Systems/Technology	266,793	0	0	0	0	0	266,793
Shoreline Protection	250,138	0	0	0	0	0	250,138
Share crop	295,773	0	0	0	0	0	295,773
Mineral operation	225,118	0	0	0	0	0	225,118
Watershed management	128,837	0	0	0	0	0	128,837
Beach facilities	233,102	0	0	0	0	0	233,102
Office building	138,662	0	0	0	0	0	138,662
Administrative and finance	1,906,055	0	0	0	0	0	1,906,055
Engineering	625,159	0	0	0	0	0	625,159
Planning and development	392,228	0	0	0	0	0	392,228
GIS and Parcel Development	330,265	0	0	0	0	0	330,265
Forestry maintenance	70,369	0	0	0	0	0	70,369
Park camping	2,346,275	0	0	0	0	0	2,346,275
Cottage sites and clubs	745,959	0	0	0	0	0	745,959
General park facilities	2,058,716	0	0	0	0	0	2,058,716
Vacation cabin	163,272	0	0	0	0	0	163,272
Marina operation	789,225	0	0	0	0	0	789,225
Water and sewer system	669,682	0	0	0	0	0	669,682
Lake patrol operation	277,558	0	0	0	0	0	277,558
Education and public information	222,002	0	0	0	0	0	222,002
Safety expenses	132,050	0	0	0	0	0	132,050
Recreation maintenance	123,506	0	0	0	0	0	123,506
Parks - special events	84,469	0	0	0	0	0	84,469
PWM	539,171	0	0	0	0	0	539,171

	Muskingum Watershed Conservancy District	Subdistricts				Eliminating Entries	Total
		Blackfork	Buffalo Creek	Chippewa	Duck Creek		
Special Clean up	88,698	0	0	0	0	0	88,698
Depreciation	960,320	0	0	0	0	0	960,320
Total Operating Expenses	16,972,497	0	0	129,189	0	0	17,101,686
Operating Income	15,563,147	0	0	(128,064)	0	0	15,435,083
Non-Operating Revenues (Expenses)							
Maintenance assessments	10,903,520	0	0	358,278	0	0	11,261,798
Grants	259,012	0	0	0	0	0	259,012
Interest on investments	57,105	0	0	704	2	0	57,811
Debt retirement - Interest	(45,583)	0	0	0	0	0	(45,583)
Total Non-Operating Revenues (Expenses)	11,174,054	0	0	358,982	2	0	11,533,038
Change in Net Position	26,737,201	0	0	230,918	2	0	26,968,121
Net Position - Beginning of Year	32,387,656	0	0	2,472,938	7,769	0	34,868,363
Net Position - End of Year	\$ 59,124,857	\$ 0	\$ 0	\$ 2,703,856	\$ 7,771	\$ 0	\$ 61,836,484

Combining Statement of Cash Flows: Proprietary Fund

For the year ending December 31, 2012

Muskingum Watershed Conservancy District	Subdistricts						Eliminating Entries	Total
	Blackfork	Buffalo Creek		Chippewa	Duck Creek			
Cash flows from Operating Activities:								
Cash Received from Customers	\$ 32,509,842	\$ 0	\$ 0	\$ 1,125	\$ 0	\$ 0	\$ 32,510,967	
Cash Payments to Suppliers for Goods and Services	(9,072,593)	0	0	(75,580)	0	0	(9,148,173)	
Cash Payments for Employees Services and Benefits	(6,940,790)	0	0	(50,756)	0	0	(6,991,546)	
Net Cash Provided by Operating Activities	16,496,459	0	0	(125,211)	0	0	16,371,248	
Cash Flows from Noncapital Financing Activities:								
Proceeds from OWDA Loans	79,320	0	0	0	0	0	79,320	
Principal Payments on OWDA Loans	(10,604)	0	0	0	0	0	(10,604)	
Intergovernmental Grants	56,463	0	0	0	0	0	56,463	
Maintenance Assessments	9,724,370	0	0	358,278	0	0	10,082,648	
Interest Paid on Debt	(896)	0	0	0	0	0	(896)	
Net Cash Provided by Noncapital Financing Activities	9,848,653	0	0	358,278	0	0	10,206,931	
Cash Flows from Capital and Related Financing Activities:								
Acquisition of Capital Assets	(3,270,231)	0	0	0	0	0	(3,270,231)	
Maintenance Assessments	1,290,582	0	0	0	0	0	1,290,582	
Intergovernmental Grants	202,549	0	0	0	0	0	202,549	
Proceeds from OWDA Loans	30,466	0	0	0	0	0	30,466	
Principal Payments on Revenue Bonds	(649,680)	0	0	0	0	0	(649,680)	
Principal Payments on OWDA Loans	(45,152)	0	0	0	0	0	(45,152)	
Principal Payments on Capital Leases	(186,798)	0	0	0	0	0	(186,798)	

	Muskingum Watershed Conservancy District	Subdistricts				Eliminating Entries	Total
		Blackfork	Buffalo Creek	Chippewa	Duck Creek		
Interest Paid on Debt	(44,687)	0	0	0	0	0	(44,687)
Net Cash Used for Capital and Related Financing Activities	(2,672,951)	0	0	0	0	0	(2,672,951)
Cash Flows from Investing Activities:							
Receipts of Interest	95,640	0	0	704	2	0	96,346
Payments for Purchase of Investments	(30,990,230)						(30,990,230)
Net Cash Used for Investing Activities	(30,894,590)	0	0	704	2	0	(30,893,884)
Net Increase /(Decrease) in Cash and Cash Equivalents	(7,222,429)	0	0	233,771	2	0	(6,988,656)
Cash and Cash Equivalents Beginning of Year	21,013,510	0	0	1,322,530	8,406	0	22,344,446
Cash and Cash Equivalents End of Year	\$ 13,791,081	\$ 0	\$ 0	\$ 1,556,301	\$ 8,408	\$ 0	\$ 15,355,790
Reconciliation of Operating Income To Net Cash provided by Operating Activities							
Operating Income	\$ 15,563,147	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,435,083
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	960,320	0	0	0	0	0	960,320
(Increase) Decrease in Assets:							
Capitalized Costs	(79,340)	0	0	0	0	0	(79,340)
Accounts Receivable	(25,802)	0	0	0	0	0	(25,802)
Accrued Interest	(5,470)						(5,470)
Increase (Decrease) in Liabilities:							
Accounts Payable	168,260	0	0	2,853	0	0	171,113
Performance Bonds Payable	12,000	0	0	0	0	0	12,000
Escrow Funds Payable	28,666						28,666
Deferred Revenue	(60,633)	0	0	0	0	0	(60,633)
Claims Payable	18,310	0	0	0	0	0	18,310

	Muskingum Watershed Conservancy District	Subdistricts				Eliminating		Total
		Blackfork	Buffalo Creek	Chippewa	Duck Creek	Entries		
Accrued Wages and Benefits	17,437	0	0	0	0	0		17,437
Accrued Life Insurance	7,095	0	0	0	0	0		7,095
Compensated Absences	(21,361)	0	0	0	0	0		(21,361)
Due to other governments	(86,170)	0	0	0	0	0		(86,170)
Net Cash Provided by Operating Activities	\$ 16,496,459	\$ 0	\$ 0	\$ (125,211)	\$ 0	\$ 0	\$ 0	\$ 16,371,248
Reconciliation of cash and investments reported on the Statement of Net Position to cash and cash equivalents reported on the Statement of Cash Flows:								
Statement of Net Position cash and cash equivalents and investments	\$ 44,742,775	\$ 0	\$ 0	\$ 1,556,301	\$ 8,408	\$ 0	\$ 0	\$ 46,307,484
Investments included in balances above that are not cash equivalents	(30,951,694)	-	-	-	-	-	-	(30,951,694)
Cash and Cash equivalents reported on Statement of Cash Flows	\$ 13,791,081	\$ 0	\$ 0	\$ 1,556,301	\$ 8,408	\$ 0	\$ 0	\$ 15,355,790

Noncash Capital Financing Activities:

During 2012, capital assets were acquired through capital leases in the amount of \$451,687.

Section 3



Financial Supplement

The following charts represent the financial history of the Muskingum Watershed Conservancy District over the past ten years (*information source: 2003-2011 Annual Reports of Operation*).

Chart 1

Year End Cash Balance/Receipts and Disbursements

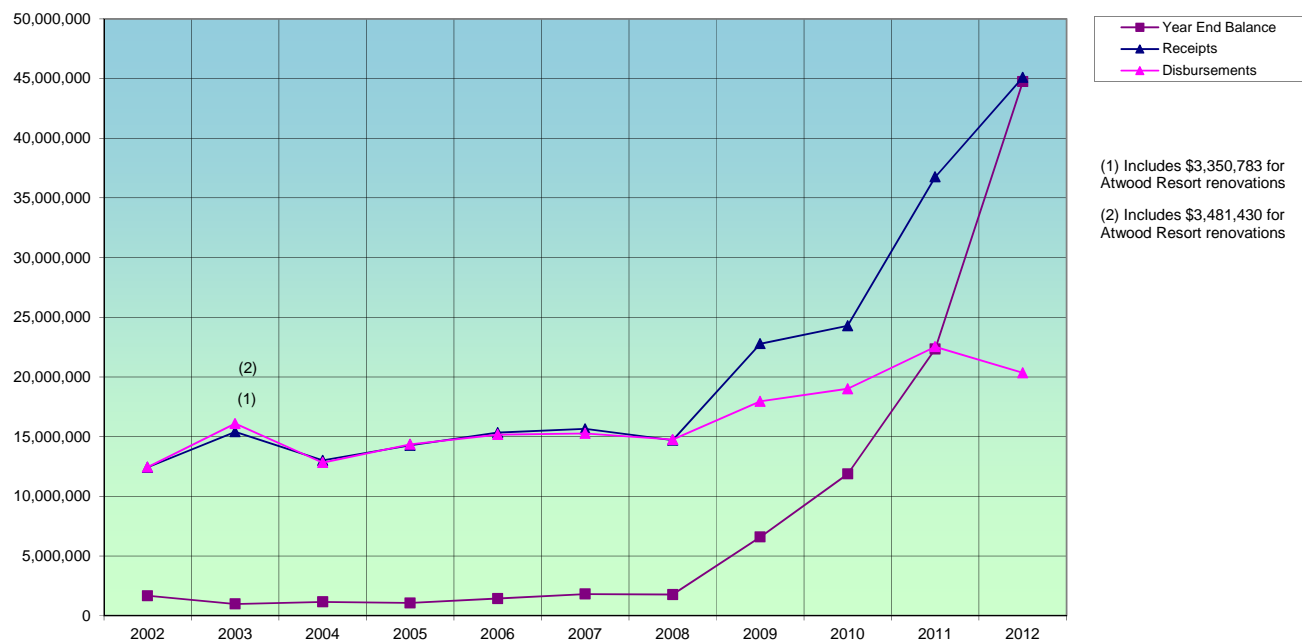
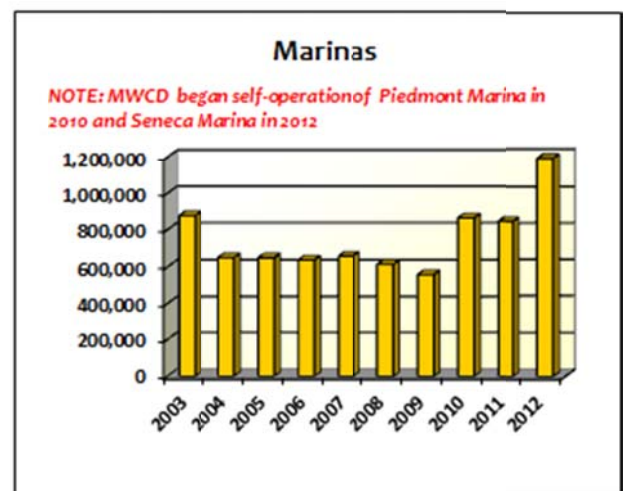
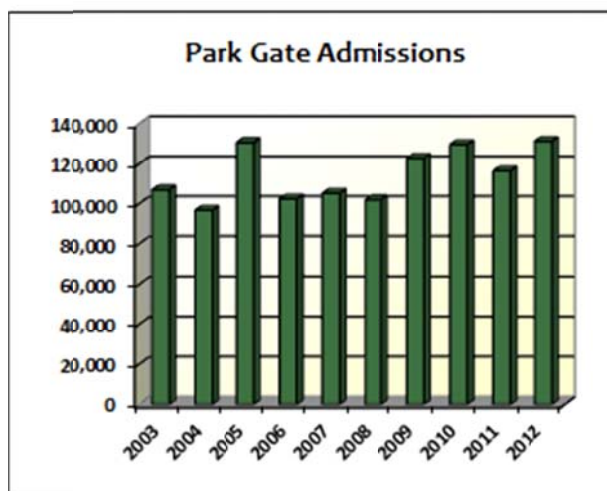
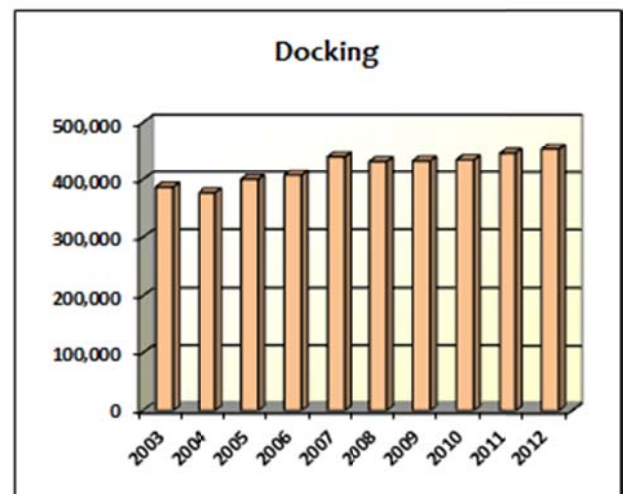
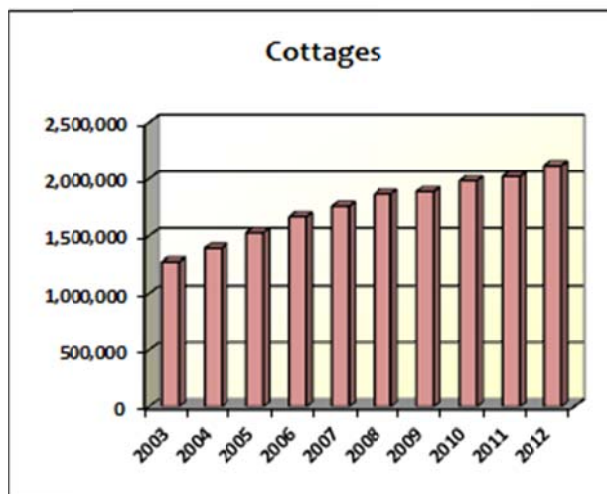
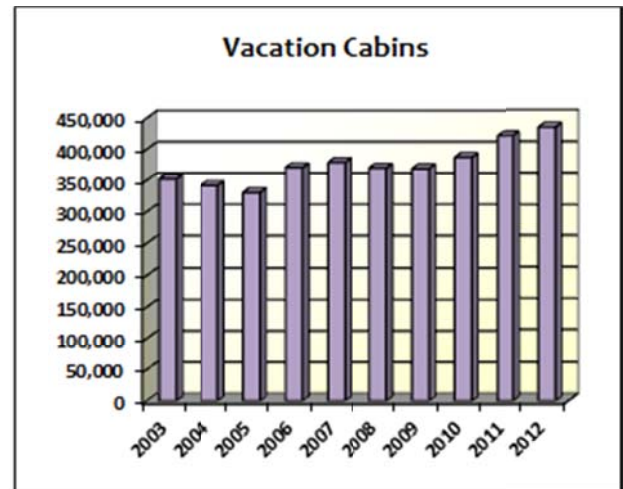
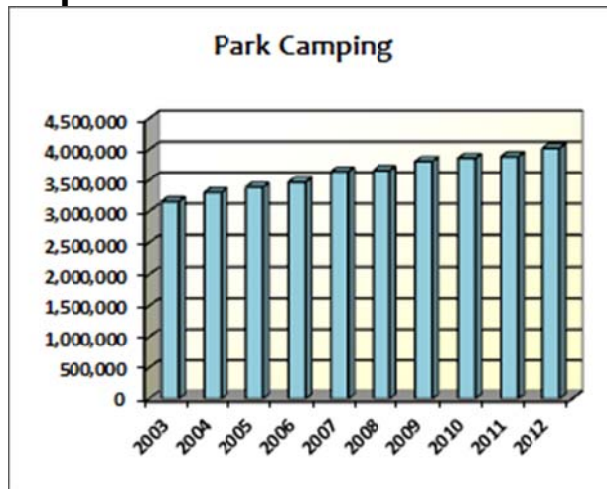
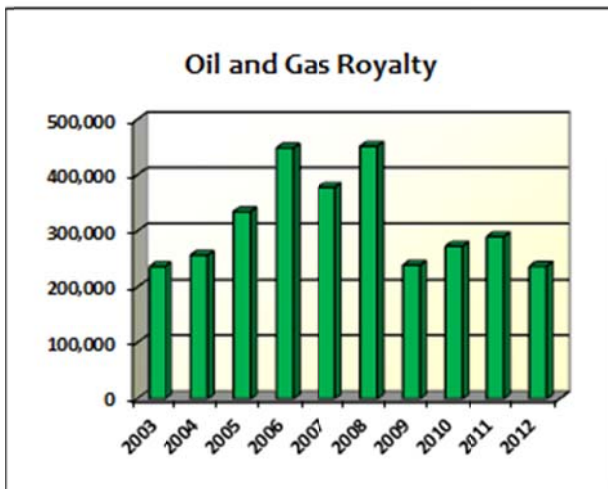
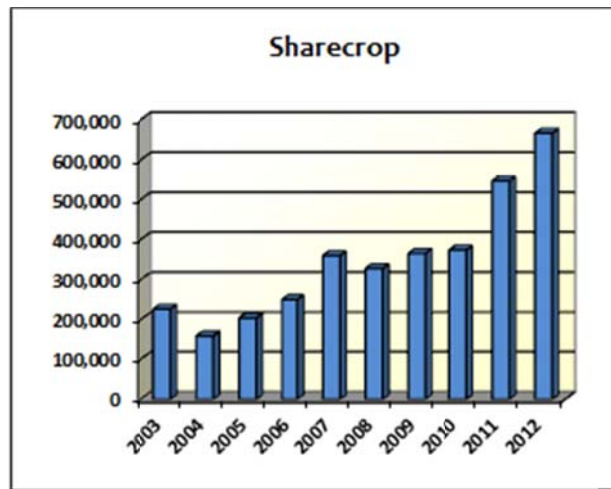
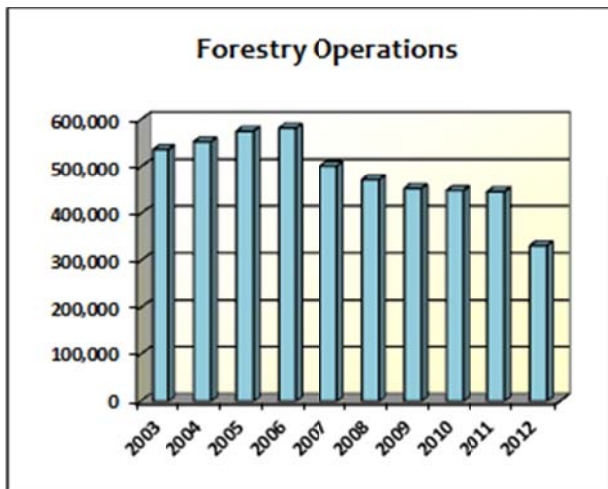


Chart 2

Major Revenue Sources





Note: During 2012, MWCD received upfront payments in the amount of \$21,924,658 for deep mineral rights at Leesville and Clendening reservoirs.

Land and Forestry Operations: Total Cash Receipts by Reservoir

For the year ending December 31, 2012

	Agricultural, Building, and Lot- Acres Leased	Land and Building Rentals	Gas, Oil, Stone, Coal	Cash Rent and Sharecrops	Timber	Pulpwood	Totals
Atwood			81,841			24,056	105,897
Beach City	60.3 acres		42,666	6,332			48,998
Bolivar			6,813				6,813
Charles Mill	25 acres	935	10,649	1,250			12,834
Clendening			210,861		141,800	28,157	380,818
Dover			874,514				874,514
Leesville			20,895,100			25,707	20,920,807
Mohawk	905.9 acres		17,086	419,231	43,381		479,698
Mohicanville							0
Piedmont							0
Pleasant Hill	150.7 acres		8,070	13,368			21,438
Seneca	7 acres	5,956	1,096				7,052
Tappan	127 acres	6,900	1,348	2,950	1,554	67,168	79,920
Wills Creek	534.25 acres	7,112	12,076	223,355			242,543
Totals	1810.15 acres	20,903	22,162,120	666,486	186,735	145,088	23,181,332

Recreation Operations: Total Cash Receipts by Reservoir

For the year ending December 31, 2012

	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	4,000	821,562		214,884	1,144,697	2,193,876
Beach City	1,103						1,103
Bolivar			2,065				2,065
Charles Mill	4,313	4,000	390,327	32,329	67,803	591,190	1,089,962
Clendening	4,195	4,000	3,866		68,245		80,306
Dover							0
Leesville	10,203	4,000	268,231		71,275	81,751	435,460
Kokosing						59,554	59,554
Mohicanville							0
Piedmont	6,135	4,000	223,818	6,164	414,138		654,255
Pleasant Hill	10,736	4,000	176,425		52,825	568,529	812,515
Seneca	7,034	4,000	444,911	24,347	235,091	1,256,465	1,971,848
Tappan	9,133	4,000	291,748		64,174	1,000,205	1,369,260
Wills Creek	1,063		17,531				18,594
Totals	62,648	32,000	2,640,484	62,840	1,188,435	4,702,391	8,688,798

Note: Piedmont Marina was operated by MWCD beginning in 2010 and Seneca Marina was operated by MWCD beginning in 2012.

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Section 4



Subdistricts

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Blackfork Subdistrict

The Blackfork Subdistrict has taken some major strides in recent years.

The Blackfork Subdistrict originally was organized in 1959 to develop a surface water supply for the region, but as the search for water supply focused on groundwater resources, the MWCD deactivated it several years later. It was reactivated in 2011 after local officials appealed to the MWCD.

During 2012, a study was begun by the U.S. Geological Survey (USGS) to determine causes of flooding issues in the watershed. The MWCD also worked with USGS to install several data-gathering stream gages to assist with the planning process and for residents to have updated information during potential flooding events.

The September meeting of the MWCD Board of Directors was held in the City of Shelby in Richland County and local officials provided a tour of the watershed and discussed challenges with Board members.

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



The Blackfork is controlled by Charles Mill Dam and Reservoir located just off I-71 and State Route

Major flooding occurred in the City of Shelby in 1913, 1959, 1987 and 2007.

30 near Mansfield in Ashland and Richland counties. However, the city of Shelby is located northwest, or upstream, of the dam. The fairly flat topography in this region means that water also flows slowly from Shelby through the Blackfork to Charles Mill Dam which can add to potential flooding problems in the Shelby area.

The Floodplain Management Commission of Shelby was authorized by the city in June 2009 and by July 2010, its recommendation to reactivate the Blackfork Subdistrict was approved by Shelby City Council. The MWCD Board of Directors and Conservancy Court agreed, with the next steps to include completion a flood-reduction study of the watershed.

The Ohio law dealing with conservancy districts permits separate subdistricts to function with the conservancy district serving as the business agent for the subdistrict.

Chippewa Subdistrict

The Chippewa Subdistrict manages the Chippewa Creek Watershed Project as a flood-control program that began in 1956 and was completed in 1980 with the construction of eight dams and hydraulic improvements to 33 miles of channel in Chippewa Creek, Little Chippewa Creek, and River Styx. 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 project coordinator staffs the office and with the support of MWCD's chief engineer, 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.

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 2012, subdistrict personnel conducted numerous projects related to the maintenance and operation needs of the subdistrict, including included maintenance mowing of the dams, clearing of trash racks, mowing of the channel and banks on selected reaches, and the annual inspections. Special projects included erosion repairs on Dam V-D (West Branch Steele Ditch) and the installation of a new trash rack on Dam VII-C (Little Chippewa).

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).



Bill Alderman, MWCD project accountant, opens a valve during the annual Chippewa dam inspection.



Mowing of Dam VIII-C is part of the annual maintenance at Chippewa Subdistrict.



A new trash rack installed at Dam VIII-C.



Failed trash rack at Dam VII-C.



Repair of eroded area at Dam V-D

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.

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.

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.

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.

In 2011, a flood warning system consisting of five gages along with precipitation gages was installed at key locations in the watershed to gather data that can provide vital information during potential flooding from the fast-rising creek. The system allows county emergency management personnel and residents in the watershed to register and receive “alerts” that are sent to their cellphones when water reaches selected levels. MWCD funds the majority of operation and maintenance costs for the flood warning system.

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, 2012

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*	2911.7050	6620.9380	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		54051.0942	54051.0942	432.5

Summary of MWCD Land by Reservoir

As of December 31, 2012

Reservoir	County	Acres	Total	
			Acres	Lots
Atwood	Carroll*	2911.7050	4053.9550	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		54051.0942	54051.0942	432.5

*Total acreage of Atwood Lake Resort and Conference Center transferred to Carroll County Board of Commissioners not verified by survey.

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	Shawn Tharp	Joan Wilson	330-343-6780 FAX 330-343-5454	atwood@mwcd.org astump@mwcd.org stharp@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 FAX 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		Denise Vales	419-938-7884 FAX 419-938-7884	pleasanthill@mwcd.org dmager@mwcd.org bmartin@mwcd.org
Seneca Lake Park 22172 Park Road Senecaville, OH 43780	M. Joe McGlothlin	Matt Steffen	Linda Leach	740-685-6013 FAX 740-685-6770	seneca@mwcd.org jmcglothlin@mwcd.org msteffen@mwcd.org
Tappan Lake Park P.O. Box 29 84000 Mallarnee Road Deersville, OH 44693	Jeremy Hoffer	Jared Oakes	Gina Ferri	740-922-3649 FAX 740-922-6086	tappan@mwcd.org jhoffer@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 Southfork Marina 4131 Deer Road SW Bowerston, OH 44695	Keith Ott www.leesvillelake.com keithott1077@gmail.com	740-269-5371	740-269-1360
Leesville Petersburg Marina 2126 Azalea Road SW Carrollton, OH 44615	Mary Jo Turner John Whyte www.petersburgmarina.com maryjoturner@live.com	330-627-4270	330-627-2490
Piedmont Marina 32281 Marina Road Freeport, OH 43973	Open Position, Marina Manager Lynn Lyons, Assistant Marina Manager llyons@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 16592 Lashley Road Senecaville, OH 43780	Dan Patrino, Marina Manager dpatrino@mwcd.org	740-685-6017	740-685-6770
Tappan Marina 33315 Cadiz-Dennison Road Scio, OH 43988	Cathy Cramblett Sandra and Richard Henry www.tappanlakemarina.com	740-269-2031	740-269-8002

Governing Bodies

As of December 31, 2012

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
(Judge to be Appointed).....	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 Mark K. Wiest	Wayne County

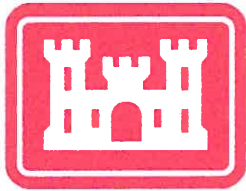
Board of Directors

William P. Boyle, Jr., Charles Mill Lake area	Term expires July 18, 2014
Steve Kokovich, New Concord	Term expires June 3, 2013
Harry C. Horstman, Scio.....	Term expires June 3, 2015
David L. Parham, Atwood Lake area	Term expires June 8, 2016
Richard J. Pryce, North Canton	Term expires July 18, 2017

Board of Appraisers

James Navratil, Medina.....	Term expires June 3, 2013
Mark J. Waltz, Dover	Term expires June 3, 2013
Open seat	

Cooperating Agencies



**U.S. Army
Corps of Engineers**



**Natural Resources
Conservation Service**



**Ohio Department of
Natural Resources**



**Ohio Environmental
Protection Agency**



U.S. Geological Survey



**Ohio Department of
Transportation**



**Ohio Department of
Agriculture**



**U.S. Department of Agriculture
Forest Service**



**Ohio Agricultural Research
and Development Center**

MWCD Staff

As of December 31, 2012

Administration

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

Conservation

Sean D. Logan Chief of Conservation
Mark Swiger Conservation Administrator
Dan Castellucci Natural Resources Manager
Skyler Dewey Conservation Specialist
Clayton Rico Forest Resources Specialist

Engineering

Boris E. Slogar, P.E. Chief Engineer
Michael C. Rekstis, P.E. Assistant Chief Engineer
Douglas Little, P.E. Project Engineer
William Alderman Project Accountant
Josh Bauer Project Coordinator
Randy Canfield Equipment Operator
James Caughey Project Inspector
Jason Collins Project Inspector
Erin Davis CAD Technician
R. Alan Edwards Utilities Operator
Richard Emmons Project Inspector
Rick Gump Equipment Operator
Kyle Johnson Utilities Technician
Kelli Karns Administrative Specialist
Michael Kobilarcsik Survey Intern
David Kopchak Chippewa Project Coordinator
Darrell Larkin Lead Equipment Operator
David Lautenschleger, P.S. Surveying/Facilities GIS Coordinator
Frederick Mamarella Project Inspector
Tim Parks Utilities Operator
Lucas Pulley Building/Fleet Technician

Deborah RussellWatershed Project Coordinator
John Sukosd Utilities Technician
Gary TaylorUtilities Coordinator
Jeremiah Warner Lead Utilities Technician

Finance

James B. CugliariChief Financial Officer/Treasurer
James Crandall Senior Staff Accountant
Jayne Ann Fankhauser Accounting Clerk
Nick LautzenheiserDevelopment Coordinator
Melissa Tylke Staff Accountant
Rebecca Warfield Accounting Clerk

Recreation-Parks

Scott D. Barnhart Chief of Recreation/Chief Ranger
John Bird Ranger Specialist Supervisor
Donnie Borland Recreation Lease Manager
Michael Cable Ranger Specialist
Tony LutherRecreation Coordinator
Peggy May Lease Assistant
Tricia MillerAdministrative Specialist
John Olivier Marina/Docking Coordinator
Dave OlsafskyMaintenance Specialist
Lucas Pace Ranger Specialist
Tom Stanley Lease Technician
John Traxler Lease Technician

Atwood Lake Park

Aaron Stump Park Manager
Richard AndersonRanger/Technician
Gretchen Burky Clerk
Ed DavyRanger/Technician
Terry Genet Lead Park Technician
Arthur HopwoodPark Attendant
Richard Law, Jr. Park Services Technician
Michelle McCoy Facilities Attendant
William Reed Park Technician
Joan Wilson Administrative Assistant

Charles Mill Lake Park

Dan Mager Regional Park Manager
Steven RiceAssistant Park Manager
Daniel Atterholt Lead Park Technician
Mike Bittinger Park Ranger
James BraeunigRanger/Technician
Stacy Karsmizki Clerk
Donna MesserlyActivities Leader

Chelsea McLellan Park Ranger
Alexander Webb Park Ranger

Pleasant Hill Lake Park

William Martin, Jr. Park Manager
Kelly Gillette Park Attendant
Shawn Mahoney Lead Park Technician
Cynthia Ridenour Activities Leader
Corey Tedrow Ranger/Technician
Denise Vales Park Ranger
Ruth Zakutni Clerk

Seneca Lake Park

M. Joe McGlothlin Park Manager
Matt Steffen Assistant Park Manager
Troy Hannahs Lead Park Technician
Juanita Justice Lake Ranger
Linda Leach Park Administrative Assistant
W. Dean Mallett Ranger/Technician
Timothy Mercer Park Technician
Michael Nodo Ranger Technician

Tappan Lake Park

Jeremy Hoffer Park Manager
Jared Oakes Assistant Park Manager
Mark Battles Lake Ranger
Rose DeLong Clerical Assistant
Kris Dickey Park Technician
Gina Ferri Administrative Assistant
Todd Hadorn Park Ranger
Kevin Hall Park Ranger
Jon Little Ranger/Technician
Troy Noice Ranger/Technician
Charles Pulley Facilities Attendant
Lindsey Pulley Facilities Attendant
David Schuler Lead Park Technician

Piedmont Marina

Shawn Tharp Marina Manager
Lynn Lyons Assistant Marina Manager

Seneca Marina

Dan Patrino Marina Manager
Rick Winegar Marine Mechanic

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



Atwood Lake at a glance

- 1,540 acres of water surface
- 25 horsepower limit
- 3,000 acres of land
- Miles of shoreline: 28
- Conservation (Normal) Pool Elevation: 928 ft. above sea level
- Three public launch ramps

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.

Kokosing Campground, located in Knox County on the North Branch of Kokosing River offers a modern shower building and nearby access to river for fishing, boating and recreation. This campground is operated by Charles Mill Lake Park.

- 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

Charles Mill Lake at a glance

- 1,350 acres of water surface
- 10 horsepower limit
- 2,000 acres of land
- Conservation (Normal) Pool Elevation: 997 ft. above sea level
- One public boat launch ramp

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

Piedmont Lake at a glance

- Located primarily in Belmont County
- 2,270 acres of water surface
- 4,416 acres of land
- Conservation (normal) pool elevation - 913 feet above sea level

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
- Pleasant Hill Marina offers docking, boat rentals, fuel and limited supplies

Pleasant Hill Lake at a glance

- 850 acres of water surface
- Unlimited horsepower
- 1,345 acres of land
- Conservation (Normal) Pool Elevation: 1020 ft. above sea level
- One public boat launch ramp near the marina

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



Seneca Lake at a glance

- 3,550 acres of water surface
- 399 horsepower limit
- One public boat launch ramp off of State Route 574
- 4,060 acres of land
- Conservation (Normal) Pool Elevation: 832.2 ft. above sea level

Seneca Marina

Beginning in 2012, the Muskingum Watershed Conservancy District staff assumed operations of Seneca Marina, with staff members from Seneca Lake Park overseeing the marina. As services were developed and expanded during the year, planning also began for an upgrade to the main marina building to be completed in time for the 2013 recreation season. As a part of the upgrades, new boat docks also will be installed and a new operator of the marina restaurant has been obtained.

The MWCD staff organized a community input group consisting of customers, residents, campers and others with an interest in the marina, and the group has held numerous meetings to discuss topics related to marina improvements and services. The information gathered has been a key component in the planning phase for future upgrades and services for the marina.

The marina features pontoon and fishing boat rentals, boating supplies, boater services, bait and tackle, and the restaurant. The campgrounds located next to the marina is operated by Seneca Lake Park.

- Boating supplies and services
- Bait and tackle
- Pontoon and fishing boat rentals
- Restaurant

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



Tappan Lake at a glance

- 2,350 acres of water surface
- 399 horsepower limit
- 5,000 acres of land
- Conservation (Normal) Pool Elevation: 899.3 ft. above sea level
- Two public launch ramps - one near the roadside rest area on U.S. 250, and the other across from Tappan Marina. A third launch ramp is located inside Tappan Lake Park.

MWCD Facilities at a Glance

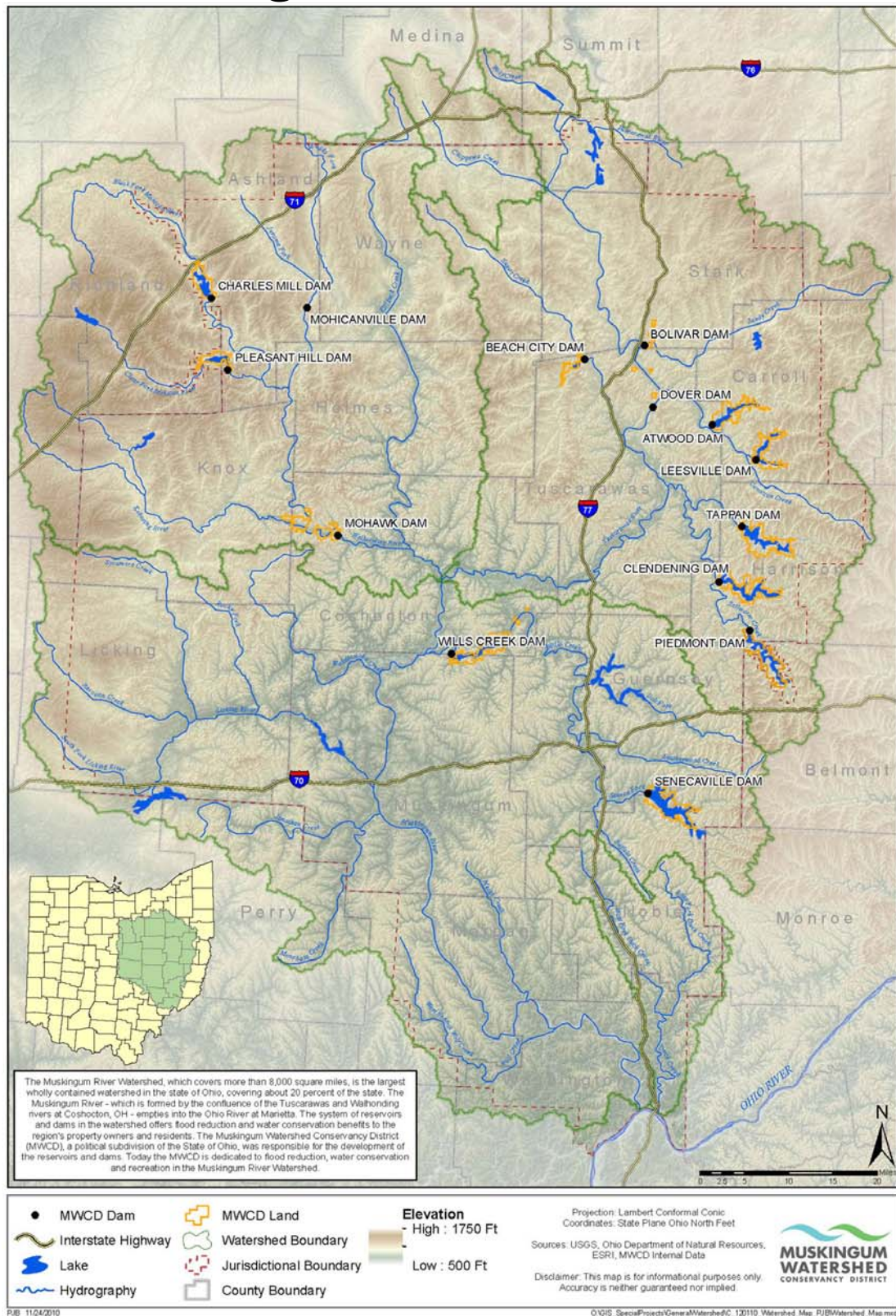
Description	Atwood	Beach City	Charles Mill	Clendening	Leesville	Piedmont	Pleasant Hill	Seneca	Tappan	Wills Creek
Horsepower limit	25	10	10	10	10	10	unlimited	399	399	10
Acres of water	1540	420	1350	1800	1000	2270	850	3550	2350	900
Acres of land	3000	930	2000	4750	2600	4372	1345	4060	5000	4846
Conservation 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 durin 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.										

Fish Species of the MWCD Lakes

Description	Atwood	Beach City	Charles Mill	Clendening	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.

Muskingum River Watershed



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