# 2017 Annual Report of Operations



Flood







### **MWCD Mission**

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

### **MWCD Vision**

Respected and valued Leader, Employer, Provider and Partner in Flood Reduction, Conservation and Recreation.

### **MWCD Values - STEWARDS**

**S**ERVICE: We take the extra step to understand the needs of our customers, external stakeholders

and each other, focusing on solutions to provide the best experience possible.

**T**EAM WORK: We leverage our collective knowledge and work as a team together

to advance our mission and improve the organization.

**E**XCELLENCE: What we do, we do well, keeping our standards of service and our

work performance at a high level.

**W**ITH INTEGRITY: We work with each other, our customers and partners openly and sincerely

in an ethical and professional manner.

**A**CCOUNTABILITY: We do what we say we are going to do with a positive attitude and a

willingness to grow, learn and challenge ourselves and each other.

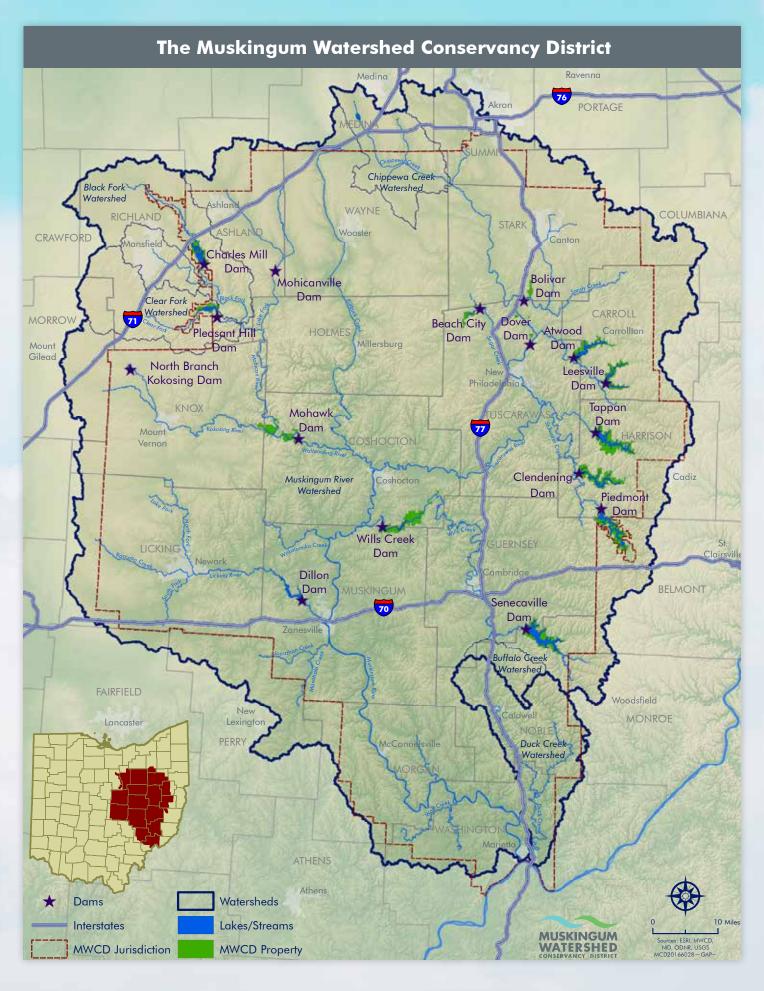
**R**ESPECT: We treat others with courtesy and dignity as we would like to be treated.

**D**EDICATION: We have passion for our mission and are committed to our

work and the role we play in the organization.

**S**AFETY: We foster a culture of safety to ensure protection of our customers,

our partners and each other.





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Executive Director's Message

> 2017 Awards

# Administration

Governance

Human Resources and Safety



Information
Systems/
Information
Technology

Administrative Services

# Message from the **Executive Director**



John Hoopingarner, Executive Director and Secretary of the Board, has held this position since 1989.

"Responsible Stewards" – These are the first two words of our mission statement. They are, I believe, the most important two words. They define us – the persons responsible for carrying out our mission of "providing the benefits of flood reduction, conservation, and recreation in the Muskingum River Watershed."

In 2017, our Board of Directors approved a five-year strategic plan which identified fifteen major initiatives to focus our efforts as responsible stewards. In the planning process, we also developed a vision: "Respected and valued leader, employer, provider and partner in flood reduction, conservation and recreation." In addition, the plan sets forth our values: service, teamwork, excellence, with integrity, accountability, respect, dedication, and safety. These values emphasize our role as stewards.

The highlight of 2017 had to be the progress we have made improving our recreation facilities. Over \$25 million in capital improvement projects were underway or completed this past year, resulting in enhanced public use and access to our facilities.

A significant achievement in our flood reduction role was completed in 2017 with the dedication of the Bolivar Dam project. The strong partnership with the U.S. Army Corps of

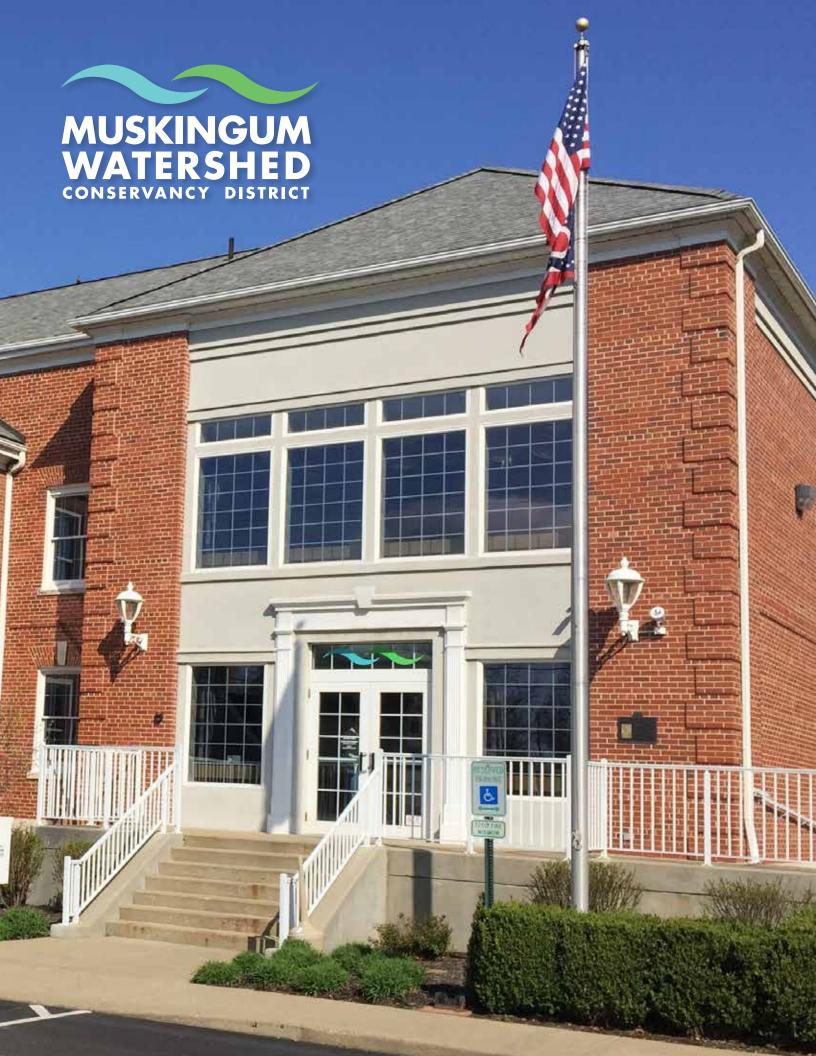
Engineers was emphasized by the contribution of \$21 million in maintenance assessment funds by the MWCD towards the total project cost of \$109 million. To the credit of the U.S. Army Corps of Engineers, this project was completed ahead of schedule and under budget.

Maintenance assessment funds in the amount of \$10.5 million were also used to complete the Tappan Lake dredge project and an additional \$1.2 million was used to stabilize 2,500 feet of shoreline at five reservoirs. An additional \$869,500 was used to fund fourteen projects with local communities in our Partners in Watershed Management program.

Our conservation efforts focused mainly on water quality and resource management, forestry and oil and gas stewardship. Strong partnerships with the U.S. Army Corps of Engineers, U.S. Geological Survey, the Ohio Lake Management Society, Ohio Environmental Protection Agency, and Ohio Department of Natural Resources have proven invaluable in our conservation efforts.



The MWCD executive team includes (front row) Barbara Bennett - Director of Administrative Services, Mary Burley
- Director of Human Resources, John Hoopingarner – Executive Director/Secretary, Jim Cugliari – Chief Financial
Officer/Treasurer; (Back row) Bradley Janssen – Chief of Conservation, Scott Barnhart – Chief of Recreation, and
Boris Slogar- Chief Engineer



# Awards

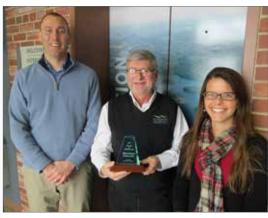
Awarded By	Award and Recipient
Tuscarawas County Soil and Water Conservation District	Conservation Partner of the Year MWCD
Water Management Association of Ohio	Technician of the Year Dave Kopchak, Chippewa Subdistrict
Ohio Auditor of State	Exemplary Financial Reporting for Fiscal Year 2016 - Finance
Cambridge Area Chamber of Commerce	Snazzy Award Seneca Beach Concession Stand
Carroll County Chamber of Chamber	Golden Shovel Atwood Welcome Center
Leadership Stark County	30 Faces of 30 Years of Leadership Barbara Bennett, Director of Administrative Services
Ohio Conference on Travel	RUBY Award - Recreation Excellence in Print Advertising
Ohio Parks and Recreation Association	Excellence in Recreation Programming "Best Dam Motorcycle Poker Run"
Women's Success Series, Tuscarawas County	Presenter, Mary Burley, Director of Human Resources



Women's Success Series Mary Burley Director of Human Resources



Snazzy Award Matt Steffen Seneca Beach Concession Stand



Bradley Janssen – Chief of Conservation, Fred Hammon – Conservation Coordinator, and Fernanda Craig – Water Quality Coordinator display the Conservation Partner of the Year award.



Technician of the Year, Dave Kopchak, Chippewa Subdistrict



Aaron Stump – Atwood Lake Park Manager, Adria Bergeron – Recreation Marketing Coordinator, and Eric Stechschulte – Deputy Chief Planning and Projects receive the Golden Shovel award for the Atwood Welcome Center.

# Conservancy Court

The Ohio Revised Code provides that the Conservancy Court, comprised of one common pleas court judge from each of the 18 counties in the Conservancy District, shall exercise the jurisdiction conferred by Chapter 6101 of the Code (also known as The Conservancy Act). Members of the MWCD Board of Directors and Board of Appraisers are appointed by the judges of the Conservancy Court to oversee the operations of the District. The Conservancy Court held its annual session on Friday, June 2, 2017, at the Tuscarawas County Court House in New Philadelphia, Ohio.

The Conservancy Court reviewed and approved the 2016 Annual Report of Operations. The court heard a presentation from Colonel Philip M. Secrist, III, District Commander, Huntington District of the U.S. Army Corps of Engineers regarding the status of the dam maintenance program and heard a presentation from Executive Director, John Hoopingarner regarding 2016 highlights of operation. Stephen L. Paquette was appointed to the Board of Directors to replace Richard J. Pryce.

The following judges comprise the Conservancy Court as of the end of 2017:

The Honorable Damian J. Vercillo $^{ m 1}$	Ashland County
The Honorable John A. Vavra <sup>1</sup>	Belmont County
The Honorable John S. Campbell <sup>1</sup>	Carroll County
The Honorable Robert J. Batchelor <sup>1</sup>	Coshocton County
The Honorable Daniel G. Padden	Guernsey County
The Honorable T. Shawn Hervey <sup>1</sup>	Harrison County
The Honorable Richard D. Rinfret	
The Honorable Jennifer Springer	Knox County
The Honorable Thomas M. Marcelain <sup>1</sup>	Licking County
The Honorable D. W. Favreau <sup>1</sup>	Morgan County
The Honorable Mark C. Fleegle <sup>1</sup>	Muskingum County
The Honorable John W. Nau <sup>1</sup>	Noble County
The Honorable Philip Alan B. Mayer <sup>1</sup>	Richland County
The Honorable Jim D. James <sup>1</sup>	Stark County
The Honorable Paul J. Gallagher	Summit County
The Honorable Edward E. O'Farrell <sup>1</sup>	Tuscarawas County
The Honorable Mark Kerenyi <sup>1</sup>	Washington County
The Honorable Latecia E. Wiles <sup>1</sup>	Wayne County

<sup>&</sup>lt;sup>1</sup> Designates Conservancy Court members who attended the annual meeting on June 2, 2017.



The District Commander of the U.S. Army Corps of Engineers, Huntington District, Colonel Phillip M. Secrist, addresses the 14 attending judges of the Conservancy Court while Executive Director, John Hoopingarner, and James Pringle, MWCD Legal Counsel listen.



Presiding Judge, Edward E. O'Farrell, convenes the 2017 Conservancy Court proceedings.

# Board of Directors

Ohio law mandates that the MWCD Board of Directors consists of five members appointed by the Conservancy Court. The Board is empowered to handle all the items necessary or incident to the fulfillment of the purposes for which the Conservancy District was established. The Board of Directors each have unique experience and skills that collectively, bring meaningful discussion and decision making processes to the organization. The varied demographics by location is required by Conservancy law and lends itself to balanced leadership when reviewing goals and outcomes of the District.

Members of the Board of Directors as of December 31, 2017, were:

- 1) Joanne Limbach of New Philadelphia, term expires June 12, 2018
- 2) Gordon T. Maupin of Orrville, term expires July 18, 2019
- 3) Robert S. Moorehead, Jr. of the Seneca Lake area, term expires August 26, 2021
- 4) Stephen L. Paquette of North Canton, term expires July 18, 2022
- 5) Clark E. Sprang of Big Prairie, term expires June 3, 2020

Richard J. Pryce of North Canton served on the Board of Directors until July 18, 2017, when his term expired. Stephen L. Paquette was appointed to fill that vacancy.

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 12 meetings were held during 2017 at various locations. Meetings begin at 9:00 a.m.

Meetings of the Board were held in 2017 on the following dates and locations:

January 20, 2017	Kent State University Tuscarawas
February 17, 2017	Kent State University Tuscarawas
March 17, 2017	Kent State University Tuscarawas
April 21, 2017	Kent State University Tuscarawas
May 19, 2017	Kent State University Tuscarawas
July 18, 2017	Pro Football Hall of Fame, Canton
July 21, 2017	Kent State University Tuscarawas
August 25, 2017	Kent State University Tuscarawas
September 22, 2017	Kent State University Tuscarawas
October 20, 2017	Wilkshire Banquet Center, Bolivar
November 17, 2017	Tolloty Technology Center, New Philadelphia
December 15, 2017	Kent State University Tuscarawas

Gordon T. Maupin served as president of the Board, and Clark E. Sprang served as vice president. In July, Mr. Sprang took the reins as president, while Robert S. Moorehead, Jr. was elected vice president. Minutes of all Board meetings are on file in the MWCD's main office at New Philadelphia and are also found on the District web page at www.mwcd.org.



Joanne Limbach



Gordon T. Maupin



Robert S. Moorehead, Jr.



Stephen L. Paquette



Richard J. Pryce



Clark E. Sprang



MWCD Board members include (front) President – Clark E. Sprang; Vice-President - Robert S. Moorehead, Jr. (back) Stephen L. Paquette, Joanne Limbach, and Gordon T. Maupin





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# **Board of Appraisers**



The Board of Appraisers includes (left-right): Bradley M. Stubbs, Mark J. Waltz and Thomas A. Roe.

The MWCD 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 based on appraisal of benefits.

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

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

Meetings of the Board of Appraisers in 2017 were held on the following dates and locations:

February 9, 2017Cour	try Inn & Suites, Dover
October 17, 2017 Cour	try Inn & Suites, Dover

Minutes of all meetings are on file in the MWCD's main office at New Philadelphia. Members of the Board of Appraisers as of December 31, 2017, were as follows:

- 1) Mark J. Waltz of Dover, Chairman term expires June 3, 2018;
- 2) Thomas A. Roe of Wooster, Member term expires June 4, 2021; and
- 3) Bradley M. Stubbs of Zanesville, Member term expires June 7, 2018

# Development Advisory Committee

Created by the MWCD Board of Directors in 1992, the 20-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.

Joe Gies served as chairman of the DAC during 2017. The DAC held three meetings during 2017:

January 27, 2017	The Hampton Inn, New Philadelphia
May 5, 2017	Kent State University Tuscarawas, New Philadelphia
July 28, 2017	Kent State University Tuscarawas, New Philadelphia

Through their regular, subcommittee and work group meetings, DAC members are briefed 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, 2017, including their residence, were the following:

New Concord
Creston
Wooster
Zoar
Bolivar
Shelby
Dover
Worthington
Cambridge
New Concord
Scio
New Philadelphia
Uniontown
Dublin
Gambier
Gahanna
Scio
Akron
New Philadelphia
Sherrodsville



Outgoing DAC members Jon Elsasser (top) and Doug McLarnan (bottom) are congratulated by DAC Chair, Joe Geis and John Hoopingarner.







# Human Resources

By the end of 2017, the MWCD employed 115 full-time team members in 14 different facilities located in 8 different counties throughout Ohio. Another 229 seasonal/variable hour employees worked at our facilities during the summer months to serve our customers during the recreational season. The Director of Human Resources, the Human Resources Generalist and the Safety Administrator are responsible for employee-related activities that range from writing job descriptions and personnel policies to conducting orientation sessions for newly hired full-time and/ or returning seasonal staff. The Human Resources (HR) area administers employee benefit and compensation programs and has recently begun to work with managers to develop training programs specific to positions within their departments, as well as compliance training for all staff and supervisory training. Some highlights of the HR departmental activities in 2017 include the following:

### **Safety Program**

A top priority of the MWCD is the safety of MWCD customers and staff. A conservative estimate of over 5.5 million people use the MWCD public facilities every year which highlights the need for safety and security. MWCD has a robust safety training program to review industry standard safety procedures and to continually improve the skills of staff to serve these customers. Safety highlights include:

- Over 320,800 on-the-job hours were clocked by the combined 115 full-time and 229 seasonal staff plus 33 Rangers in 2017 with only seven (7) reportable injuries and six (6) days away from work recorded.
- The following locations ended the year with zero recordable incidents.
  - Charles Mill Lake Park
  - Seneca Lake Marina
  - · Clendening Marina
  - Piedmont Marina

The MWCD did not have any reportable incidents of the following types:

- Any work-related fatality.
- Any work-related injury or illness that resulted in loss of consciousness, days away from work, restricted work, or transfer to another job.
- · Any work-related injury or illness requiring medical treatment beyond first aid.
- Any work-related diagnosed case of cancer, chronic irreversible diseases, fractured or cracked bones or teeth, or punctured eardrums.



Dean Mallett, Assistant Marina Manager at Piedmont, demonstrates an understanding of the safe operations of the lift learned in the classroom program.

#### Other Training included:

- The Safety Administrator provided instruction to 67 staff members for renewal or certification in CPR/First Aid/AED operations.
- Tim Ard of Forest Applications provided instruction to 31 MWCD staff members in safe chainsaw operations including felling, limbing and bucking operations in two programs offered at Seneca Lake Park and Pleasant Hill Lake Park.
- Over 200 returning seasonal staff and first-time seasonal hires participated in annual orientation and training at all parks and marinas.
- 22 MWCD staff members participated in snow plow readiness training and defensive driving skills at DriveTeam, Inc., to hone their plowing and driving skills.
- In May, all MWCD certified State of Ohio Emergency Medical Responders (EMR) participated in skills refresher and readiness training. MWCD EMR staff participated in scenario-based training to help refresh emergency responder skills in trauma assessment, pediatric trauma, anaphylaxis response, naloxone administration, ill person training and active shooter response.
- Aerial work platform training continued to remain in compliance with Ohio BWC grant fund requirements that were provided for the 55-foot work platform used throughout the district. All staff members are required to complete a classroom and hands-on session to be authorized to operate the lift.

The use of electronic tablets and digital inspections through ProntoForm SaaS has been widely accepted as the trial period ended and full implementation was undertaken in 2017. Tablets were deployed to all five parks and three marinas for use with the system. The Safety Administrator worked with various departments to develop custom inspection forms and checklists. All departments assessed their needs with a vision for future deployment in the coming year. This new digital format of inspections will help improve efficiencies and ensure compliance with safety regulations and insurance requirements. The Safety Administrator will continue to coordinate efforts to find additional opportunities to develop digital forms utilizing this tool that will expand workplace efficiencies and allow continuation of excellent service to MWCD customers.

### **Training and Development**

Leadership training continued in 2017 with executives completing the Five Behaviors of a Cohesive Team program and salaried staff participating in Effective Communication Skills for Leaders. Both programs utilize and are based on the DiSC personality assessment.



Chris McCoury, Park Technician at Atwood, hones his backing skills at one of the many driving skills stations during snow plow readiness training.

HR continued the successful launch of the online training program known as the Reservoir of Knowledge, or the ROK, in 2017. The implementation of "go at your own pace" on-line training was well received. Over 140 MWCD staff members completed online training resulting in the completion of over 1,400 educational programs designed to help enhance their professional development and reach compliance goals. The Safety Administrator began creating custom content programs and successfully developed 22 inhouse custom content programs at the request of managers and supervisors. These programs provide for specific skills development that relate directly to the operational work environment at MWCD. The ability to offer professional development, compliance training and customized operational training in this format has greatly enhanced opportunities to keep MWCD staff at the forefront of workplace education.



The results of a safe tree felling plan are discussed as part of the training debriefing with trainer,
Tim Ard, and MWCD staff members.

### **Benefit Program Enhancements**

For the first time, HR coordinated a Benefits Fair along with the Health Fair. Plan representatives from MWCD's health, dental, vision, life insurance, disability, and deferred compensation set up tables and employees were able to meet directly with them. Employees used this opportunity to ask questions about benefits and become more educated on benefit offerings.

In 2017, for the first time, employees were offered an additional option for their health plan. The new option choice offers a lower premium for the employee with higher deductibles and co-pays. A new telemedicine feature was added to both health plan options, allowing employees to make a phone call 24/7 to a physician in lieu of an in-person doctor visit. HR staff conducted benefit meetings at each employee facility to roll out the changes. 15 out of 96 employees on the health plan chose the new plan option. Updates were well received by staff!

#### **Human Resources** - continued on next page



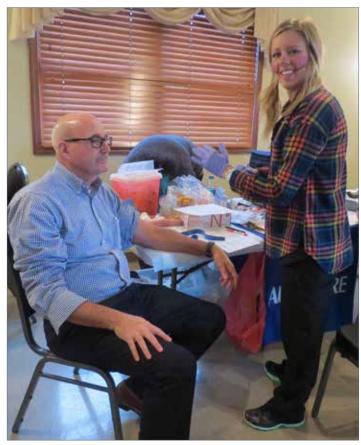
The Ohio Deferred Compensation representative's table was a popular spot!



Employees are engaged at the Effective Communication Skills for Leaders training held at Kent State University Tuscarawas.

### New Human Resources Information System (HRIS)

HR staff worked with the Finance Department to select and implement a new payroll and HR Information System. A demonstration meeting was held with supervisors across the district prior to selection for input and feedback. Online training and classroom training was presented to supervisors prior to implementation at the end of the year.



All employees were offered a health screening at the all employee meeting in October.

### **Wellness Program**

Wellness visits and/or classes were conducted by a wellness professional at each facility on a monthly basis. Participation in the wellness program is tracked by the wellness provider and incentives were earned by employees who completed the program.

A successful Health Fair was held in October with 75% of eligible employees participating and 100% of those participating completing an individual online Health Risk Assessment. Halloween was the theme for the 2017 Health Fair and employees were invited to wear office-appropriate costumes to the event. This is always a great opportunity for staff who are spread throughout the district to come together.



MWCD staff enjoy the Halloween theme at the Health Fair.

### **Information Systems/Information Technology**



Steve Demuth – IT Coordinator, Joe Baker – IT Analyst, and Matt Ott – Network Administrator of the IT Team are ready to assist.

# **Maintenance Assessment Processing**

There are nearly 500,000 parcels of property in the MWCD region subject to the maintenance assessment. Since 2009 the maintenance assessment billing file for every parcel was processed, prepared and delivered by MWCD GIS staff members. In 2017, this function was outsourced through a consultant through a state term contract. MWCD staff members continued to work with public officials and property owners to ensure accurate and fair application of the assessment program. Other 2017 maintenance assessment highlights include the following:

- Continued the 50% maintenance assessment reduction to \$6.00 per Equivalent Residential Unit (ERU) compared to the maximum of \$12.00 per ERU as approved by the Board of Directors.
- Initiated the update of the parcel and maintenance assessment lookup on the MWCD website currently found at https://gisweb.mwcdgis.org/mwcd\_assessment/
- Maintained the 18-county GIS data base for parcels within the MWCD, which is available at http://www.mwcd.org/gis
- Chippewa Subdistrict Assessment outsourced processing the assessment for the 34,000 parcels affected in Wayne and Medina Counties

### **IS/IT Highlights**

Staff working in the Information Systems/Information Technology (IS/IT) operations of the MWCD provide numerous services that have reduced expenses and provided MWCD staff with additional resources to efficiently complete required tasks. Each year improvements and upgrades are completed in order to keep IT systems current and in line with MWCD business needs. Besides the normal upgrades to work stations, software, communication systems, security systems, and network infrastructure, some of the major activities conducted by IS/IT in 2017 include the following:

- Received and closed out 1,500 organizational helpdesk requests from eleven District facilities.
- Completed back scanning of the 1,205 cottage site leases.
- Completed the process to convert paper workflow into an Enterprise Content Management system for recreation leases. This included creating electronic processes for leasing, cottage site inspections, construction permits, tree removal permits, and cottage lake access permits.
- Assisted with recreation capital improvements and master planning through installing systems at newly constructed facilities at the Seneca Beach Concession Stand and the Piedmont Marina renovation.

### **Administrative Services**

### **Public Information**

There are many great stories that relate to the numerous programs and public benefits the District provides. The great story, history and the brand of the MWCD was spread through many public outreach activities, presentations, and sponsorships. These activities are in supplement to the District's press releases, newsletters, annual report and social media postings which are found on the MWCD website at www.mwcd.org.

2017 MWCD membership, sponsorship, and support of events in promoting the history and brand of MWCD included, but were not limited to:

- Friends of the Lower Muskingum
- Water Management Association of Ohio
- 8 different Chambers of Commence
- Environmental Professional Network
- Muskingum River Advocacy Council
- Leadership Tuscarawas
- Ashland Area Economic Development, Inc.
- Dover Kayak/Canoe Race
- Kayak for Cancer
- Hunting and Fishing Expo at MAPS Museum
- Bolivar Dam Ribbon Cutting
- The Best Dam 5k Race at Bolivar Dam



MWCD was a major sponsor of the Dover Canoe and Kayak event.



The MWCD industry table was set up at the hunting and fishing show at the MAPS Air Museum where MWCD was a major sponsor.



MWCD sponsored Kayak for Cancer as part of the "Paint Tusc Pink" campaign





The Longest Dam 5K Race and Fun Run was part of the weekend events celebrating the completion of the Bolivar Dam maintenance project.

Pictured at right: Jim Cugliari – Chief Financial Officer shows off his medal from the event.



The Main Office Annex is at 2050 Reiser Ave. S.W., New Philadelphia.



The before and after photos of the second floor of the Main Office Annex on Reiser Avenue show the improvements made to accommodate MWCD staff.

### **Office Updates**

Since 2014 the MWCD Engineering and Field Services groups have occupied rental space near the main office in the New Philadelphia/Dover area. In 2017, an opportunity to purchase a two-year-old complex with offices, garage and storage yard was identified. The Board of Appraisers and Board of Directors reviewed the reports and studies of the facility and approved the purchase and occupation of the complex. Renovations to convert the second-floor shell space to offices along with other additions were made to the complex. The Engineering group, Field Services and part of the Recreation group moved and occupied the newly-acquired facility by the end of the 2017. In addition, a facelift to the Main Office entry located at 1319 Third Street NW was also completed which now more prominently displays the three legs of the mission of MWCD — Flood Reduction, Conservation and Recreation.



### Outdoor Amphitheater Now Part of MWCD Assets

In 2004, MWCD leased 45 acres of wooded property to a non-profit group, Johnny Appleseed Heritage Center, who had a vision and plan to honor the legend of John Chapman through an outdoor drama production. John Chapman was the legendary Johnny Appleseed that roamed parts of Ohio that included areas near MWCD's Charles Mill Lake in the Ashland and Richland county areas.



The non-profit group secured funding to construct and operate a beautiful 1,700-seat outdoor amphitheater along with constructing a smaller complimentary facility housing a 1,000-seat indoor auditorium. The wooded setting was perfect for the mission of the group and enhanced the experience of those attending the outdoor drama.



The non-profit group lost part of its major funding source, struggled for a few years and eventually requested MWCD to take ownership of the facilities. The transfer of the ownership and operation to MWCD was finalized in October 2017. MWCD is actively pursuing a partner or partners to program or re-purpose the Johnny Appleseed Outdoor Drama Center.

Highlights of the newly acquired facility include:

- Outstanding acoustics throughout the 1,700-seat outdoor amphitheater
- 100-seat indoor auditorium with individual writing surfaces and built-in projector
- Parking for 500 vehicles
- Nestled in mature wooded setting
- Beautiful architectural details found throughout the facilities

Initial efforts to re-purpose the facilities included a brainstorming session with community leaders from Ashland and Richland counties to identify organizations that may benefit and have an interest in programming at the facility. Potential uses of the facilities include, but are not limited to:

- Outdoor concert and drama productions
- Day camps
- Corporate and leadership training using the 100-seat auditorium
- Environmental programming

### **Trails Blueprint Team**

As part of and continuation of a 2016 goal, an in-house team was commissioned to study existing trail systems and potential trail connectors throughout the 18-county District with a focus on and around MWCD properties. As part of the research, a series of six public meetings were held in 2017 to garner input from a wide range of stakeholders and potential trail partners. In addition, the Trails Blueprint Team also planned and executed an event at Atwood Lake Park in celebration and promotion of National Trails Day on June 3 which coincided with the "birthday" of MWCD. The event was considered a success and will be duplicated at the other MWCD parks and properties on an annual basis.



Anna Miller,
Conservation
Administrative
Specialist (holding
the cake) along with
Executive Director John Hoopingarner,
Mary Burley - Director
of Human Resources
and Aaron Stump —
Atwood Lake Park
Manager celebrate
national trails day.

# **Enterprise Content Management**

Enterprise Content Management (ECM) is an electronic records management and electronic workflow process system. MWCD initiated use of the system in 2016 through a targeted records scanning, indexing and retrieval program. Full implementation of using the ECM workflow option for the cottage site leasing program which includes leasing, inspection and permitting functions was completed in 2017. This system brings efficiencies to complicated processes and organizes records in a manner for easy retrieval by staff. Another goal of the system is to provide ease of access and viewing of MWCD records by outside interested parties.



Reservoir Maintenance

# Chief Engineer's Report

Capital Improvements

Utilities, Cottage Roads & Boat Launch Ramps

Partners in Watershed Management



Subdistricts

### **Flood Reduction**

2017 proved to be another year of progress and accomplishments on many fronts for the engineering staff. Projects with the U.S. Army Corps of Engineers (USACE) have advanced, a robust reservoir maintenance program continued, and much progress has been realized in the 5-year \$120 million Park and Marina Capital Improvement Program. A summary of 2017 activity and accomplishments follows.

### Flood Reduction Partnership with USACE

The operation, upkeep and maintenance of the dam and reservoir system in the MWCD rely on the close partnership with the USACE. The MWCD is responsible for the four dry reservoirs and ten lakes while the USACE is responsible for the operation and upkeep of the fourteen dams in the flood reduction system.

In 1998, the USACE completed a detailed review and inspection of the state of the dams in the MWCD system. The results of the study found that the 80-year-old dam system was in major need of maintenance to preserve the function and integrity of future flood reduction operations. The total cost of the maintenance of the flood reduction system was projected at \$600 million. The Federal government would allocate 75% of the total cost if a local source could provide 25% of the cost-share. This situation resulted in the MWCD enacting a maintenance assessment to provide the local cost-share. Revenues collected through the maintenance assessment can only be used toward water quality initiatives and the maintenance and upkeep of the flood reduction system which includes dam maintenance, shoreline protection and reservoir maintenance activities. In 2017, the maintenance assessment remained at a 50% reduction of the original value for the fourth consecutive year due to supplemental revenues realized through oil and gas royalty opportunities.

Because of the
Bolivar Dam
maintenance project,
partially funded
by MWCD through
the maintenance
assessment, the dam
received the best safety
rating available on the
national dam safety
rating scale in 2017.

The first major dam maintenance project on the priority list was Dover Dam. The maintenance project was completed in 2015 which was reported as on-budget and on-time. The second major dam maintenance project was Bolivar Dam. This maintenance project was fully completed in 2017 and was completed on-budget and ahead of time. The project close-out was celebrated by staging a 5K race along the 4,500-foot-long dam embankment capped off with an official ribbon cutting ceremony.

Dignitaries from across the region including Congressman Bob Gibbs and Col. Phillip M. Secrist, III, from the USACE Huntington District, cut the ceremonial ribbon on October 20 to signify the completion of the 140-foot-deep x 3-foot-wide x 4,500-foot-long concrete seepage barrier, installation of new flood control gates and updates in and around the public access park.

Col. Secrist announced at the ribbon cutting that the Bolivar Dam received a new Dam Safety Action Class Rating from a 1, which is considered the most urgent and compelling need for immediate safety upgrades, to a 5, which is the lowest rating on the scale. It was noted by Col. Secrist that out of the 714 dams managed by the USACE, there are only seven dams with the lowest rating. This major maintenance project allows the dam to continue to provide critical flood reduction services to Ohio communities in the Muskingum River Watershed for another 80 years.

This \$109 million Bolivar Dam maintenance project was made possible through the \$21 million MWCD local cost share from revenues generated through the 18-county maintenance assessment.







Congressman Bob Gibbs gives the keynote address at the Bolivar Dam celebration.



The final completion of the Bolivar Dam maintenance project was celebrated with a ribbon cutting ceremony.

### Reservoir Maintenance

Two main reservoir maintenance programs are managed through the Engineering section and include dredging and shoreline protection. Both programs are made possible through funding from the maintenance assessment. The programs are summarized below:

### **Dredging**

The ten permanent MWCD lakes were constructed between 1936-1939 as part of the flood reduction system and for water conservation for the benefit of public use. Over the course of the past 80 years, silts and sediments have entered the lakes and reduced the flood storage capacity by approximately 25%. A detailed study of each lake and a priority order for a dredging plan was developed in 2014 based on a wide range of factors. The priority list for dredging operations is as follows:

Tappan Lake Seneca Lake Pleasant Hill Lake Charles Mill Lake Atwood Lake Piedmont Lake Leesville Lake Clendening Lake

Large scale dredging was initiated at Tappan Lake in 2015 and all work was completed in 2017 by PCi Dredging. While mechanical dredging was completed in the Tappan Lake Wye Bay early in the year, most work in 2017 focused on restoration of the Dredge Material Relocation Areas (DMRAs). A total of 345,136 cubic yards of sediment was removed from Tappan Lake as part of this project at a total cost of approximately \$10.5 million.

Approximately 160,000 cubic yards of dredged material was hauled to a local mining operation for use in reclamation operations, and approximately 30,000 cubic yards was pumped to a local farmer for dewatering and use on his property. The remaining sediment was placed at various locations on MWCD property where it was dewatered and later re-graded into the landscape. The dried dredged material may also be acceptable for construction fill, landfill caps, farming and other useful applications.

A targeted approach to dredging at Seneca Lake began with the initiation of design work in 2017. After requests for proposals were sent out in June, PCi Dredging was again selected to provide dredging services on this project. A Notice to Proceed was issued in December for the first phase of work at Seneca Lake, and actual dredging is expected to begin in the spring of 2018.





Before and after pictures of the Dredge Material Relocation Area near Tappan Lake Park show the dewatering basin and final landscape reclamation with seeding.

### **Shoreline Protection**

In 2010, a study of the 300 miles of MWCD shoreline was conducted and revealed a total 24 miles of shoreline was in need of stabilization on the ten MWCD reservoirs. Shoreline projects completed and future project locations throughout MWCD reservoirs can be viewed on the web page at www.mwcd.org

In early 2017, construction of the shoreline stabilization projects from the 2016/2017 drawdown was completed. While five projects at Atwood, Charles Mill, Leesville, Piedmont, and Pleasant Hill lakes were completed by contractors at a total cost of approximately \$1.2 million, a sixth project at Atwood Lake Marina East was completed by MWCD's Engineering Heavy Equipment Crew. This segmental block retaining wall project was installed at an approximate cost of \$20,000.

Shoreline stabilization projects completed during the 2016-2017 drawdown and the various methods of stabilization include the following:



Leesville Glens Cellular Confinement System



Piedmont Goodrich Cottage Area Soil Lifts



Pleasant Hill Richland Cottage Area Rock Riprap with Live Stakes



Atwood Lake Rock Riprap with Live Stakes



Atwood Marina East Segmental Block Wall

Later in the year, design was completed and contracts were awarded for approximately 2,500 feet of shoreline stabilization at a construction cost of approximately \$565,000. Partial funding for these projects is provided by two Clean Ohio grants through the Ohio Department of Natural Resources. The two grants will provide funding up to 75% of the project cost, but cannot exceed \$735,000 for the design and construction work. The remaining funding for this program is through the MWCD maintenance assessment.

Shoreline projects awarded in 2017 and being completed during 2017-2018 winter drawdown include:

- Tappan Lake Highlands Area Shoreline Stabilization \$168,263
- Seneca Lake Hickory Grove and East Shore Shoreline Stabilization \$396,409



Charles Mill Lake Park Rock Riprap

### Park & Marina Capital Improvements

The Park and Marina Capital Improvement Plan, also referred to as the Master Plan, is the road map to the most significant upgrade to the MWCD recreational facilities in a half century. Priorities of need were identified through public work sessions, gathering input from the customer base, and benchmarking national trends in recreation.

MWCD customers determined the number one priority in capital improvements is to upgrade campsites and the infrastructure that serve the campers. In many instances, the 50-year-old electrical, water and sewer systems in the campsites, are not able to serve the larger and modern camping units. Modern camping units also require more space and parking for multiple vehicles and hard surfaces for leveling and ease of maintenance. The focus of engineering, planning and design has been to upgrade the campsites to meet these camper driven priorities.

Over \$120 million has been committed to this capital improvement program to upgrade the parks and campsites. In 2015, Engineering and Recreation staff, with assistance from six consultant teams assigned to each park and the Piedmont Marina, analyzed multiple development concepts with a focus on campsite infrastructure improvements. Preliminary designs for each park were completed in 2016 along with final design on the first wave of projects. Construction of these improvements is now well underway.

### **Capital Improvements Timeline**

Needs Identification and Prioritization: 2012-2013
Master Plan Development: 2012-2013
Conceptual Design: 2014-2015
Design: 2016

Implementation/Construction: Initiated in 2016

Funding for capital improvements and major maintenance is through revenues reserved from oil and gas leases. During 2017, MWCD delivered a record number of capital improvement projects with a total value of over \$25 million. The following projects were completed or under construction during 2017:

#### **Atwood Park**

- Water Treatment Plant Upgrades
- New Campground Area 20
- Parking Improvements
- Sanitary Sewer Improvements

#### Charles Mill

- RV/Boat Storage Parking Lot
- South Park Peninsula Waterline Replacement

#### Clendening

• Marina Dock Abutments

#### Leesville

• South Fork Ramp Replacement

#### **Piedmont**

- Marina Building Renovations
- Marina Fuel Tank Replacement
- Water Supply Well



#### **Pleasant Hill**

- New Campground Area 22
- Park ADA Accessible Fishing Dock
- Park Public Ramp Courtesy Dock
- Sanitary Sewer Main

#### Seneca

- Marina Dock Abutments
- Parkside Beach Concession Building
- Chestnut Grove Wastewater Treatment Plant Improvements
- Offsite Sanitary Sewer Parkside Campground to Senecaville
- New Parkside Campground

#### Tappan

- East Campground Restroom / Shower House
- Park ADA Accessible Fishing Dock
- New Campground East Campground
- Marina Abutments and Docks
- Beach Courtesy Dock

















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### Utilities, Cottage Roads & Boat Launch Ramps

### **Utilities**

MWCD owns and operates several water distribution and wastewater collection systems to support the campsites, parks and cottage sites throughout MWCD properties. The District has 16 Public Water Systems registered with Ohio EPA, three non-PWS water distribution systems, as well as one Class I and one Class III water treatment plant. The District also has several sanitary sewer systems, including five wastewater treatment plants and approximately 30 lift stations. MWCD has full-time utility crews to attend to the maintenance needs of these systems. Utility maintenance activities in 2017 included the following:

- Repaired a total of 36 water leaks throughout MWCD parks
- Completed sanitary sewer lift station improvements at Seneca Marina Point, Atwood Peninsula shower house, and Charles Mill Sites Lake Cottage Area
- Completed five lift station control panel replacements throughout the MWCD systems
- Replaced over 4,000 feet of aging waterline at Charles Mill Lake Park
- Installed a Supervisory Control and Data Acquisition (SCADA) system at Tappan Lake Park water treatment plant and initiated installation of the same at the Seneca Lake Park wastewater treatment plant
- Inspection and rehabilitation of the Tappan Lake Park Cabin Hill water storage tank
- Rehabilitation of the Tappan Park water treatment plant backwash filters
- Replacement of blowers at the Tappan Park wastewater treatment plant

### **Cottage Roads and Boat Launch Ramps**

MWCD manages 1,202 cottage sites throughout the District and is responsible for the maintenance of the roadways serving these sites. Thanks to revenue generated by oil and gas royalties, funding is available to address badly needed paving maintenance throughout several cottage site areas. In addition, the launch ramp at Leesville South Fork was replaced and improved. The total cost of construction expended on the paving program and ramps in 2017 was \$292,000 and included the following projects:

- · Atwood North Shore Crack Seal
- Charles Mill Sites Lake Crack Seal
- Leesville Glens Revere Road Paving
- Leesville South Fork Launch Ramp Replacement



Tappan Lake Cabin Hill Water Tank



Tappan Lake lift station control panel



Tappan Beach lift station control panel replacement

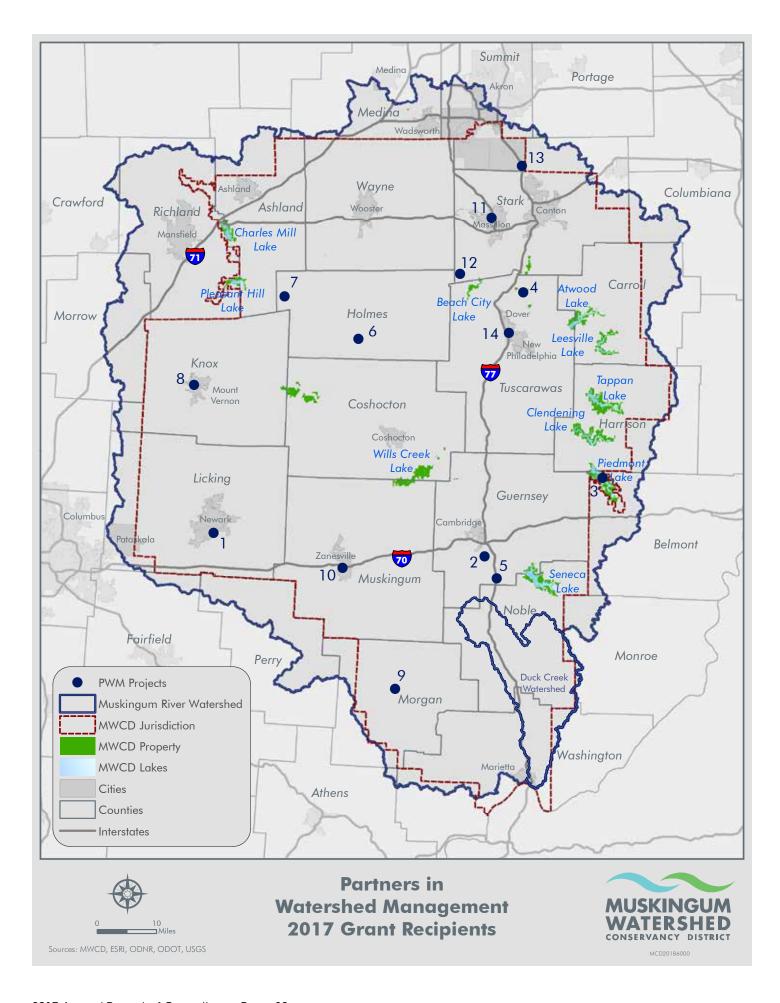


Charles Mill waterline



A paving project is completed at Charles Mill cottage area





### Partners in Watershed Management

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 gaging 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.

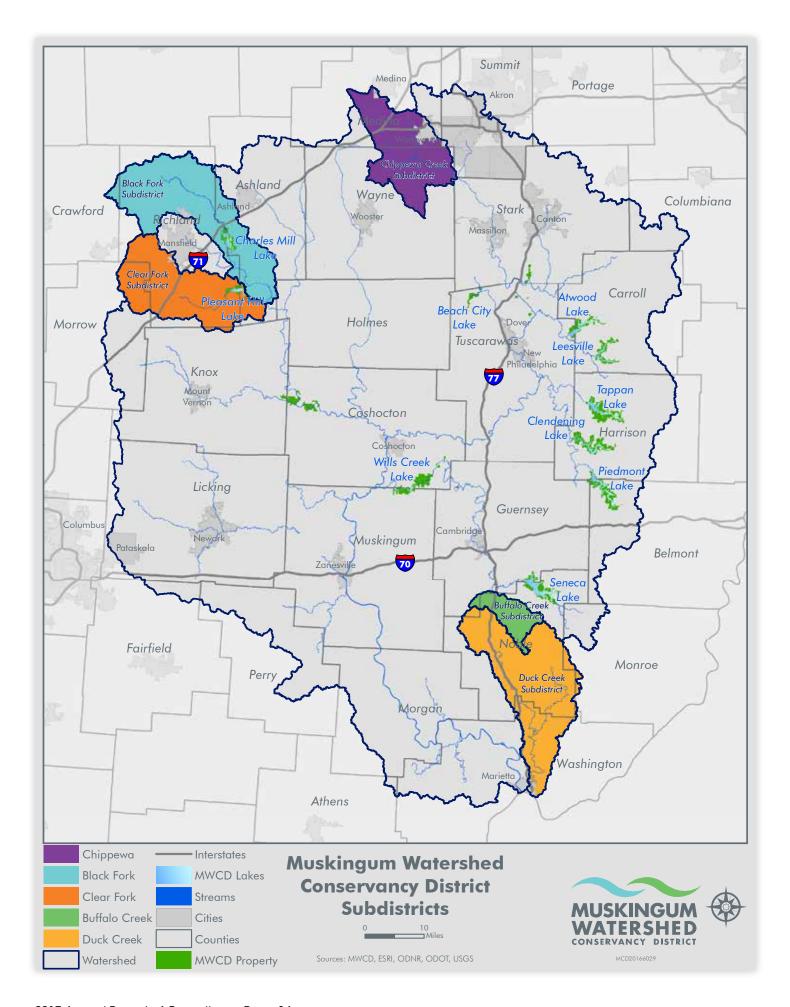
The total granted through the PWM program in 2017 was over \$869,500 Since the inception of the PWM program in 2009, the MWCD has awarded a total of 88 grants worth more than \$7.2 million to approved programs and projects. The goal of the PWM program is to provide a portion of the overall funding needed for



approved projects, permitting eligible recipients to access other grants and partnering efforts.

The 14 individual projects approved for 2017 in the PWM program, the amount funded by the MWCD and the overall project costs are as follows:

	TOTAL	\$ 869,524.28
14	. Dover Low Head Dam Monitoring	\$ 12,500.00
13	. City of Green Regional Stormwater Basin Study	\$ 45,000.00
12. Wilmot Stream Restoration		\$ 130,000.00
11	. Tuscarawas River Improvement Corridor	\$ 22,500.00
10	. Zanesville Lock 10 Debris Removal	\$ 97,496.00
9.	Muskingum River Gage - McConnelsville	\$ 10,000.00
8.	Blackberry Alley Restoration - Mount Vernon	\$ 135,000.00
7.	Township Road 451 Stream Bank Stabilization	\$ 65,000.00
6.	Killbuck Valley Wetlands Acquisition II	\$ 25,000.00
5.	Valley Township - Buffalo Ball Fields DRP	\$ 7,503.96
4.	Zoar Log Jam Removal - DRP	\$ 46,440.00
3.	Camp Piedmont WWTP Improvements	\$ 230,500.00
2.	Jackson Township Debris Removal	\$ 14,584.32
1.	South Fork Licking River Debris Removal	\$ 28,000.00



### **Subdistricts**

### **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 modifications to 33 miles of channel comprising of 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 along with an engineer to oversee maintenance of the system of dams and reservoirs, as well as responding to inquiries from property owners and residents of the Chippewa Creek 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 2017, Subdistrict and Main District personnel, and our contractors completed a variety of projects related to maintenance and operation needs. This included the replacement of 9 drainage structures along Chippewa Creek and River Styx channels. Work to reestablish and improve maintenance access occurred in five reaches of Chippewa Creek. Noxious weed problems were addressed at one dam and several locations along the channels. Drainage improvements, and partial new perimeter fencing were installed at Chippewa Dam III-A — Hubbard Valley. Up-to-date Hydrologic and Hydraulic Analysis, Emergency Action Plans, and Operation & Maintenance Plans for Dams VIII-C and VII-C were approved by ODNR - Dam Safety, as required. Planning and regulatory review for ODNR-required Improvements continued for Dams II-A and V-D, with approval being obtained for Dam II-A. MWCD construction crews completed the dam-raising project at Structure II-A in October. The first Automated Rainfall and Stage Level Monitoring System, a StormLink Satellite Monitoring Station, was installed at Dam VII-C — Little Chippewa.







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### **Subdistricts**

#### **Black Fork Subdistrict**

The Black Fork Subdistrict continues to work towards flooding solutions.



The Black Fork Subdistrict originally was organized in 1959 to develop water resources for the City of Mansfield and surrounding region, but because of a lack of activity, the MWCD deactivated it several years later. It was reactivated in 2011 after local officials appealed to the MWCD.

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

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

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

The Black Fork Technical Working Group met multiple times with the project team in 2017 further refining and incorporating public input into potential flood mitigation strategies. Four meetings were held with potentially affected property owners in the area where flood control basins are being considered while a meeting with potentially affected downtown property owners was held where floodplain augmentation is being considered. A realtor's forum and presentation was also held late in the year in Shelby to share flood mitigation strategies and get feedback.

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

## **Subdistricts**

#### **Clear Fork Subdistrict**

Flooding has been a recurring theme along the Clear Fork of the Mohican River in Richland County. Though attempts have been made in the past to solve these flooding issues, a solution had never materialized. On July 31, 2013, State Representative Mark Romanchuk hosted a meeting in Mansfield to discuss flooding issues and invited numerous Richland County officials and stakeholders. MWCD and the US Army Corps of Engineers were invited to that meeting as well and both entities provided presentations relating to each organization's flood mitigation programs and associated legal authorities.

Following the July 31, 2013 meeting, MWCD was contacted by local officials to learn more about conservancy district law and how it might assist with their flooding problems. To that end, several meetings were held in Bellville between MWCD officials and representatives from the villages of Bellville, Butler, and Lexington, the cities of Mansfield and Ontario, and also township officials and representatives from Richland Soil and Water Conservation District (SWCD). Officials from the City of Shelby also attended these meetings on behalf of the Black Fork Subdistrict of MWCD. On February 19, 2014, the Village of Bellville passed an ordinance requesting the creation of a Clear Fork Subdistrict of MWCD. MWCD's Board of Directors authorized the Chief Engineer to submit a petition to the Conservancy Court for creation of a Clear Fork Subdistrict. On June 7, 2014, the Conservancy Court approved the creation of the Clear Fork Subdistrict and directed the Chief Engineer to create an Official Plan outlining the flooding problem and its proposed solution.

An agreement with the U.S. Geological Survey commenced in spring of 2015 for the Clear Fork Mohican River Flood Mapping and Inundation Project. The nearly \$450,000 contract called for the installation of various stream gages in the river with associated sensors in select tributaries to collect flow data. In addition, precipitation gages were installed. This system of gages and sensors will be used to provide data for and calibrate a computer model which USGS will develop for the watershed. The system has been actively recording data through 2016 and will continue to do so through 2018. Once completed, this model will be used to assist in generating potential solutions to flooding issues in the Clear Fork much in the same manner as is taking place in the Black Fork Subdistrict.

#### **Buffalo Creek Subdistrict**

There is no present activity in the Buffalo Creek 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 (NRCS), 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 2011, three gages were installed at key locations in the watershed to gather data that can provide vital information during potential flooding from the fast-rising creek. This early flood warning system allows residents in the watershed to register and receive "alerts" that are sent to their cellphones when water reaches selected levels. MWCD continues to fund its portion of the operation and maintenance costs for the gages.



Watershed Programs

# Conservation

Water Resources Management

Forest Management





## **Water Quality**

MWCD has forged strong partnerships with governmental, academic and private sector organizations in order to develop a robust water quality monitoring program. In 2017, the MWCD elevated the program by hiring an Environmental Scientist as a dedicated Water Quality Coordinator (WQC) to focus on augmenting the MWCD water quality program and promote educational opportunities to the public. The WQC now facilitates augmented communications, coordinates sampling activities and sharing of data between the various and multiple organizations conducting water quality research in the Muskingum Watershed.

The water quality of the 10 MWCD lakes is monitored with the cooperation of the US Army Corps of Engineers, the Ohio Lake Management Society and the US Geological Survey along with other partner organizations.



The US Army Corps of Engineers (USACE) initiated the first large scale water quality sampling program on the MWCD lakes in 1973, to monitor the effects of the operation of the dams on water quality in both the reservoirs and in waters released through the dams. MWCD personnel began assisting the USACE in this program in 1986.

USACE Huntington District Water Quality Team manages the program which entails fixed-site sampling with the flexibility to add or discontinue sites as needed. Sampling is conducted typically on two reservoirs per year. Over 46 parameters of data are collected, including 27 metals, 4 nutrients, 9 ions, 3 solids and 3 physical parameters.

From 1986 to 2012, MWCD provided field personnel to do most of the sampling required within the Muskingum River Watershed. From 2013 forward MWCD has provided field personnel to assist with sampling.

The 2017 project plan involved a historical analysis, buoy deployment, and intensive sampling at Beach City Reservoir. Due to USACE plans to modify the outlet structures at Piedmont and Clendening dams, these lakes were also included in the monitoring. Data collected at Piedmont and Clendening mirrored data collected at Tappan on a previous dam outlet modification study.

A new technology was used as part of the Beach City project. *The Eco mapper*, a unique autonomous underwater vehicle designed specifically for water quality and bathymetry mapping applications was introduced. *The Eco mapper* has eight water quality sensors with side-scan sonars which continuously collected data while moving through the water column.

**US Army Corps of Engineers** - continued on the next page



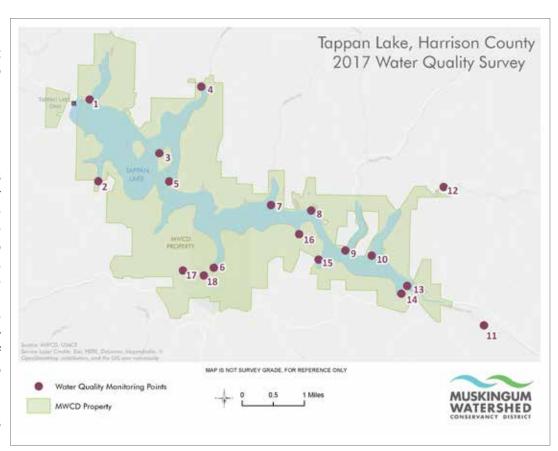




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The USACE Huntington District Water Quality Team tested an innovative method of increasing dissolved oxygen below the dam of Tappan Lake during the lake turnover. The turnover is a natural phenomenon which occurs in the fall due to cool air temperatures reducing temperature of the surface water, causing the water to "sink." This condition causes depleted oxygen levels at the surface of the lake known anoxic conditions. The implementation of a temporary structure at the tail waters of the dam introduced oxygen to the water as it was released and corrected the issue. Installation of a permanent structure is under consideration.



## Citizen Lake Awareness and Monitoring

The MWCD provides funding to the Ohio Lake Management Society (OLMS) Citizen Lake Awareness and Monitoring (CLAM) program with the purpose to collect water quality samples on 9 of the 10 MWCD lakes. The CLAM program engages citizens (Lake Keepers) in water quality monitoring, giving them the opportunity to take an active role in learning about aquatic ecology, lake and stream water quality, and watershed management. Citizen scientists have been trained in this program since 1991. MWCD began funding citizen scientists for MWCD sampling in 2009 using funding available through the maintenance assessment.

The Lake Keepers collect water samples from beach shorelines using modified Ohio Environmental Protection Agency (EPA) methods twice a month, from July to September. Level 2 and level 3 data are collected, including transparency (using Secchi disk), water temperature, dissolved oxygen, total nutrients, and chlorophyll a. Harmful Algae Bloom (HAB) monitoring for toxins was added in 2011. Data collection results are found online at http://www.eyesonthewater.org/olms/.



MWCD Lake Keepers with MWCD staff take a break from Data Analysis Training at the Main Office in New Philadelphia

## Recreational Seasonal Monitoring of MWCD Lakes

MWCD expanded sampling at the MWCD public beaches to test for and report e. coli during the recreational season. Sampling has traditionally been conducted at Atwood, Tappan and Seneca lakes, while Charles Mill and Pleasant Hill were added to the program in 2017. In addition, a data sonde, which is a tool that simultaneously measures specific conductivity (salinity), temperature, dissolved oxygen, pH, and turbidity, was also introduced in the 2017 monitoring season to enhance data collection. The number of swimmers, as well as wave height, were also recorded.

Summer interns assisted in sampling, which provided an environment that challenged and enhanced the academic education of the interns, allowing them to assess, apply, test and assimilate their theoretical concepts in a work setting. Sampling results are available to the public through the internet at http://publicapps.odh.ohio.gov/beachguardpublic/ during the recreational season.

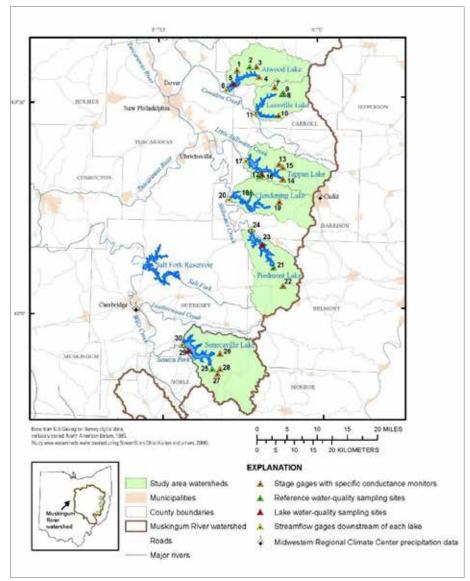


MWCD staff members collect water samples at MWCD's public beaches during the summer months to test for e. coli.

# USGS Baseline and Continuous Monitoring

The MWCD executed a joint funding agreement with the U.S. Geological Survey (USGS) to begin sampling in 2015 to establish a baseline of the water quality at the six eastern reservoirs of the MWCD in the region of the Utica Shale oil and gas play. The three-year study, conducted from 2015 through 2017, focused on 30 sampling sites in areas of significant oil and gas development and in areas of minimal oil and gas development. Sixty-two parameters were collected, including benzene, toluene, ethylbenzene and xylene (BTEX) as well as radium 226 and 228. Future water quality data will be compared to this baseline data to identify if changes in water quality occur over time.

In addition, in 2015 the MWCD contracted with the USGS to install stream gages, weather stations and 14 continuous monitoring stations at the six eastern reservoirs of the MWCD. Real time reporting includes specific conductivity, temperature, and water level data. The ability to collect a sample every 15 minutes and transmit that data electronically to a central point is an example of how developments in technology have provided new opportunities to monitor water quality. These data collection and monitoring efforts continued in 2017.



## **Village of Cadiz**

The Village of Cadiz purchases water from MWCD at Tappan Lake for their Public Water Supply (PWS). In 2017, MWCD provided funding to the Village to purchase and install a data sonde system that allows Cadiz to monitor its daily water intake. The data sonde monitors turbidity, pH, temperature, conductivity, dissolved oxygen, chlorophyll and phycocyanins, enabling real-time monitoring of conditions at Tappan Lake near the PWS intakes.

## U.S. Environmental Protection Agency

The U.S. Environmental Protection Agency (USEPA) is investigating methane dynamics in reservoirs across the country, including six MWCD reservoirs in eastern Ohio. Methane is a potent greenhouse gas that is produced by microorganisms in reservoir sediments. The USEPA is supporting research to estimate the magnitude of methane emissions from reservoirs in the United States to develop mitigation approaches. USACE and MWCD personnel assisted in field sampling activities.



The data sonde, installed in Tappan Lake at the Cadiz water supply intake, will provide continuous data collection of water quality parameters.



MWCD staff prepare deployment of a buoy which holds USEPA monitoring equipment.

## **OEPA Total Maximum Daily Load Studies**

In 2016, Ohio EPA initiated a two-year Total Maximum Daily Load (TMDL) study for the Conotton Creek watershed. The watershed includes two MWCD lakes, Atwood and Leesville. Both lakes and the associated tributaries to the lakes are being studied under this effort.

In 2017, Ohio EPA conducted a review of the existing TMDL for the Sugar Creek watershed. The Beach City Reservoir will be evaluated as part of the study in 2018.

## ODNR Division of Wildlife

The ODNR Division of Wildlife is responsible for managing wildlife on MWCD land and lakes. As is customary for many years through a partnership, the Division of Wildlife collected water and fish tissue samples at all MWCD reservoirs in 2017. Data from the sampling guides fish and wildlife management decisions by the Division of Wildlife in each reservoir.

## **Watershed Progams**

## **Watershed Specialist**

In 2017, MWCD continued to fund a watershed specialist in partnership with the Carroll and Harrison County Soil and Water Conservation Districts to work in the MWCD lake watersheds at Tappan, Clendening, Leesville and Atwood. Water quality sampling continues to be conducted in 28 small tributaries that feed these lakes. Data collected included temperature, pH, chloride, alkalinity, dissolved oxygen, specific conductivity, turbidity, nitrates/nitrites, phosphorous, sulfate, bicarbonate and bromide. The watershed specialist also gathered an inventory of cattle in the subwatersheds to identify opportunities to reduce nutrient loading in the stream and lakes.

### **Education Outreach**

Education and outreach continues to be an important part of improving the watershed. The MWCD participated in the Harrison County Soil and Water Conservation District's (SWCD) Soil Health Tour. The SWCD took residents and landowners to five different areas of the county to showcase different land use issues. The group also stopped at Clendening Lake and listened to MWCD staff talk about the history of the District and details about today's water quantity and quality issues.

MWCD also played a leading role in partnering with public and private agencies in the region and in the state by presenting MWCD's water quality monitoring programs at conferences, meetings and workshops throughout the year. In addition, MWCD participated in public workshops and events such as Lake and Land Festival, Earth Day, and Reading Around the World, among others. Participating in these public events brings an awareness of water quality issues through educational opportunities and hands on activities to those in the watershed.

Lastly, MWCD staff began to craft a water quality classroom curriculum for use by seventh grade teachers to supplement field trips and hands-on activities regarding water quality. The curriculum will be launched in 2018 with several local schools serving as test pilots for the project.



Future conservationists enjoy the Lake and Land Festival at Atwood Lake.



Children complete a "Make and Take" project to celebrate Earth Day at the mall.



Middle school children enjoy a day of learning about Acid Mine Drainage at a workshop with MWCD and Huff Run Watershed.

### **Rural Action**

Watershed work continues through our partnership with Rural Action by hosting an AmeriCorps member. This was the fourth year MWCD has sponsored a member to work in the Tuscarawas River watershed to identify Acid Mine Drainage issues in the MWCD lakes. This work is highly important in identifying potential project sites to remediate this water quality problem.

## Ohio Department of Agriculture Cooperative Work Agreement

The MWCD is in the sixth year of this partnership program working with the Ohio Department of Agriculture and the 18 Soil and Water Conservation Districts within the Muskingum River watershed to implement conservation practices on private lands.

The MWCD provides cost-share dollars to agricultural producers in the watershed to reduce runoff, sedimentation, and loss of nutrients from crop and pasture fields. Best Management Practices can include grass waterways, erosion control structures, fencing livestock from streams, and cover crops.

## **Livestock Exclusion Fencing**

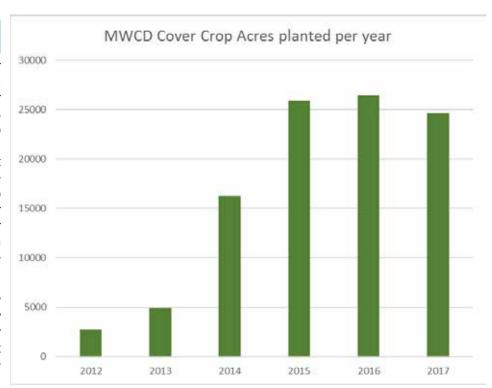
When possible, MWCD partners with the ODNR Division of Wildlife through the Livestock Exclusion program to accomplish not only MWCD goals, but those of protecting critical habitats for challenged species in our streams, rivers and lakes.

This year MWCD was able to assist two landowners with the installation of 5,500 feet of fencing. This will protect thousands of feet of riparian corridor, reduce streambank sluffing, and reduce runoff by enlarging the buffer zone.

## **Cover Crop Practice**

The MWCD provides \$12 per acre for producers to install cover crops. Keeping a green growing crop throughout the year protects the soil from erosion, retains moisture, holds nutrients for the next crop and helps with soil health and water quality. In 2017, the MWCD experienced the highest participation of farmers compared to the past six years of offering the cover crop program. Agricultural producers applied for over 52,000 acres and were approved for just over 35,000 acres. The chart shown on the right are actual acres planted for the past six years.

Planting success rate of cover crops is highly impacted by weather. In 2017, a very dry September followed by a very wet October resulted in a late harvest. This made it difficult to plant the cover crops prior to the onset of cold weather.

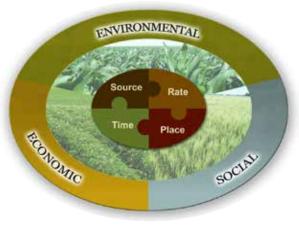


## **MWCD Agricultural Lands**



The MWCD manages 1,820 acres of land for agricultural operations. stewardship Approximately 455 acres represent cash rent leases and 1,365 acres are being converted from a traditional

share crop lease to a new production-based lease. The final 550 acres are to be converted to a production-based lease in 2018. All leases have been updated to encourage sound land management and to follow the 4R Principals of Nutrient Stewardship which are: Right Source, Right Rate, Right Time, Right



## **Water Resources Management**

## **Water Supply**

The MWCD reservoir system serves a multi-purpose function, providing flood control, recreation, and water supply opportunities for domestic and industrial uses. The MWCD has more than 68 billion gallons of water in ten reservoirs covering 16,000 acres of water surface. Conservancy law allows for both long-term and short-term water supply agreements to facilitate the use of water from the reservoirs.

#### **Long Term Agreements**

Long-term agreements continued to be used in 2017 to allow the multi-year use of water from the lakes by public entities. The Board of Directors and Conservancy Court approved the renewal of long-term public water supply agreements with the following communities in 2015:

- Village of Cadiz at Tappan Lake
- City of Cambridge at Seneca Lake



A view of the Antero water withdrawal supply line at Seneca Lake.

Over 180,000,000 gallons of water from Tappan Lake was used in 2017 by the Village of Cadiz to provide water to residents and businesses.

#### **Short Term Agreements**

Development of mineral resources around the MWCD lakes continued at a slower pace in 2017, resulting in less demand for water from MWCD reservoirs. Short-term agreements were used to allow the use of water for development of mineral resources.

Six short-term water supply agreements were approved in 2017, each for a period of three months. Three short-term agreements with Antero Resources resulted in the withdrawal of approximately 135,000,000 gallons of water, which equates to 0.0001 percent of the total volume of Seneca Lake. The overall volume of Seneca Lake is approximately 14,174,537,200 gallons. Water was withdrawn from a single location

operated by Antero Resources on Seneca Lake. Three agreements were approved for use of water from Piedmont Lake by Eclipse Resources. Eclipse did not conduct water withdrawal activities in 2017.

In accordance with MWCD policy, the short-term agreements provide the MWCD Chief Engineer with the sole authority to cease all water withdrawals for any reason as part of the terms and conditions of the agreement. Terms and conditions in the short-term water withdrawal agreements include restrictions regarding land disturbance, noise abatement, and limits on the periods when water withdrawal is allowed. These requirements, along with other terms, serve to protect the environment and summer recreational activities.



Individual water withdrawal pump during cold weather operations.

## **Aquatic Vegetation Management**

The MWCD has staff devoted to the management of the aquatic vegetation throughout the District. The objective of our aquatic vegetation program is to effectively and efficiently manage the aquatic vegetation in a manner consistant with providing the optimal aquatic habitat while maintaining recreational navigation. The focus for the 2017 Aquatic Vegetation Management Program included gathering historical aquatic vegetation data, completing an inventory, prioritzing the treatment of invasive aquatic vegetation while maintaining the biodiveristy required for an optimal aquatic habitat, assessing long-term mechanical and biological controls, and researching innovative methods for future improvement.



The beautiful **American lotus** can spread rapidly and become a nuisance in MWCD lakes.

## **Forest Management**

MWCD has a long-lasting forestry program which dates to 1945, when the Board of Directors formally adopted a reforestation policy to augment soil erosion control practices to protect the MWCD lakes.

Forest management at MWCD begins with an inventory of all forest resources. Forestry staff have been working diligently since 2012 to update its forest inventory records on nearly 23,500 acres of hardwood forests which are broken down into 1,370 different management units. Nearly 5,600 data points have been collected on these lands to give the information needed to make management decisions. This data captures forest density, age, species composition, extent of invasives and other information needed to guide year-to-year activities.

This year's forestry activities included some of the following:

- 90% of the hardwood inventory is completed (5,630 of 6,117 plots)
- 536 acres of Timber Stand Improvement work completed
  - a. Grapevine Control 116.4 Acres
  - b. Crop Tree Release 9.6 Acres (Thinning of forests less than 25 years in age)
  - c. Invasive Control 341 Acres (Ailanthus, Barberry, Paulownia)
- 111 acres of young forest habitat created
- 10,153 tons of pulpwood generated
- 625,000 board-feet of lumber harvested
- 20 miles of MWCD outer boundary marked with paint

MWCD maintains nearly 350 miles of outer boundaries. This process identifies and records outer boundary posts and monuments while also painting trees along the line itself. Trees along the property line are painted with a yellow dot on each side of tree at a spacing of about 30 feet in between trees. Marking the boundary in this manner helps hunters, neighbors, staff and other recreational users have a clear understanding of where the property lines are.



An outer boundary post marker that was found during a day of outer boundary marking. These posts are located every 200-400 feet around the perimeter of District property. Post locations are recorded with a GPS unit and painted so they are more easily identifiable in the field.

#### Bat Habitat Mitigation Continues

In 2016, the District was presented a unique opportunity to establish habitat for an endangered species of bat. Dominion Energy approached the District to request a partnership to create a bat habitat mitigation site at Wills Creek Reservoir. This project identified 130 acres of reclaimed strip mine ground to convert into a thriving forest. The existing acreage is covered with Autumn Olive and poorly formed trees. Autumn Olive is an invasive species that prevents natural hardwoods from becoming established. The conversion will be accomplished by clearing the shrubby material, applying herbicide, ripping the compacted soils with a large bulldozer and then planting the site with 88,000 indigenous species trees. The project was initiated in 2016 and activity included clearing the shrubby material. In 2017, herbicide treatments were implemented by both hand crews and a helicopter. These treatments were aimed at controlling the re-sprouting of invasive species and highly competitive herbaceous cover.



A pine thinning near Leesville lake was designed to encourage growth of young oaks and hickories growing beneath the pine. This style of harvest also creates habitat for birds, reptiles and mammals which depend on young forests for survival.

## Oil and Gas Stewardship

Oil and gas leases and operations have been a part of the MWCD since creation of the District in 1933. MWCD currently has royalty interests in both conventional and unconventional (horizontal) oil and gas wells, spanning across most of the District's lakes and surrounding properties. The conventional interests are currently comprised of 275 conventional wells and the associated facilities, of which 120 of these wells are located on MWCD property. The unconventional interests are currently comprised of 69 drilled unconventional wells, which are included in 23 drilling units, drilled from 19 well pads, though not all are producing revenue.

In 2017, MWCD received royalty revenue from the conventional wells and from 64 producing unconventional wells, which are included in 20 drilling units, drilled from 17 well pads.

MWCD works closely with both conventional and unconventional well operators, along with the appropriate regulatory authorities, to help ensure compliance with the terms and conditions of the leases, and to ensure operations are conducted in a safe manner that protects the MWCD lakes, properties and environment. A typical MWCD unconventional gas lease, including the 14 pages of environmental terms and protections added by MWCD are found on the mwcd.org website.



The corridor of a reclaimed pipeline installation is shown here.



MWCD receives royalties from several wells drilled from this unconventional well pad site located in the Seneca Lake Region. MWCD reviewed all plans on the development of the well pad site to ensure compliance with the environmental terms and conditions of the MWCD lease even though the well pad is not located on MWCD property.



Cottage
Sites, Camps
& Docking

## Recreation

Marinas



Rangers

Lakes and Parks

## **Park Programs**

The recreation program is arguably the most visible and well-known aspect of the mission of the MWCD. In 2017, close to 4 million patrons took advantage of the outdoor recreational opportunities.

Providing recreational opportunities on the 54,000 acres of land and water owned and managed by the MWCD has been part of the mission of the District since 1946 when the General Plan for Parks and Recreation was approved by the Board of Directors and the Conservancy Court. Today, the main focus of the recreational activities managed by MWCD staff includes:

- Parks
- Marinas
- Cottage Site Leasing Program
- Youth Camps
- Boat Club and Docking Associations
- Law Enforcement

## General highlights in recreation operations include the following:

## **Training**

- In 2017, the Park Managers of Tappan, Atwood and Pleasant Hill lake parks completed Revenue Management School. The training, conducted by the National Park and Recreation Association at Oglebay Park, Wheeling, West Virginia, is a nationally recognized program geared toward park and recreation business operations. This training focused on new revenue generating opportunities, pricing strategies, developing strategic plans, and networking.
- The Recreation Program Coordinator completed Event Management School, a two-year professional development program created by the National Recreation and Park Association and the International Festivals & Events Association. The training is focused on risk management, budgeting strategies, and operation management for events.

Kara Musser – Program Coordinator (left) is awarded her Event Management School certification.



## **Recreation Awards**

#### **RUBY Award**

MWCD's Recreation Marketing Coordinator represented the MWCD at the Ohio Conference on Travel, the state's largest conference for travel industry professionals, presented by the Ohio Travel Association. The MWCD received the Citation of Excellence for Print Advertisement for marketing and advertising at the Ohio Travel Association's RUBY Awards presentation in Columbus, Ohio. The MWCD print advertisement promotes creating family memories through the shared experiences.

The Ohio Travel Association's RUBY Awards recognize excellence in Ohio's travel industry for efforts in advertising, marketing and public relations. RUBY Award stands for Recognizing Uncommon Brilliance (RUBY) Award. Competition was strong this year with more than 194 entries in print-based, web-based and marketing campaign, advertisement and video categories.

Event schedules for the five parks were designed and printed to highlight the special events and new programs at each location. These brochures were recognized as a finalist in the 2017 RUBY Awards by Ohio Magazine in the Brochure Category of Marketing and Advertising.

### Make time for what really matters.



Slow down and find the time to create a lifetime of memories.

Bring your tent, boat, picnic basket, tackle box and hiking boots.

We'll supply the lake, trails, campsites, cabins and forest! Harrison

County features Tappan, Piedmont & Clendening lakes.

Come for the day or stay for the weekend.

Plan your next adventure today.



www.MWCD.org

#### **OPRA Award**

Ohio Park and Recreation Association Award: The Marketing Coordinator and Recreation Program Coordinator worked with the Atwood Region Business Association to develop and implement the Best Dam Motorcycle Poker Run. The event highlighted Atwood, Leesville, Tappan, Clendening, and Piedmont lakes on a driving route that connects the dam areas. Participants stopped at each dam to collect a poker card. Over 100 participants competed for the best and worst poker hands and prizes. The event began at Atwood Lake Park and ended at Atwood Lake Marina West with dinner, drinks, and live entertainment. The proceeds benefited Save 22, a local non-profit organization dedicated to awareness and prevention of veteran suicide. The Best Dam Motorcycle Poker Run will become an annual event and also received the third place Award of Excellence for a Special Event from the Ohio Parks and Recreation Association.



The Award of Excellence from OPRA for the
Best Dam Motorcycle Run is received by Kara Musser –
Program Coordinator and Adria
Bergeron – Recreation Marketing Coordinator.





#### **Snazzy Award**

The Cambridge Chamber of Commerce awarded Seneca Lake Park with a Snazzy Award for the improvements at the swimming beach area. Twelve businesses received the Snazzy Award for facility improvements that enhance the general appearance and visual appeal of their facilities and place in the community.



#### **Golden Shovel Award**

The Carroll County Chamber of Commerce presented its Golden Shovel Awards to area organizations and businesses at the 2017 Chamber of Commerce Banquet held April 20 at Atwood Yacht Club near Sherrodsville. Golden Shovel Awards were presented to 11 businesses for their investments last year of \$25,000 or more in their operations. Each business received a Golden Shovel plaque as well as signed proclamations from Ohio Senators Rob Portman and Sherrod Brown, Congressman Bill Johnson, Secretary of State Jon Husted and Representative Andy Thompson. The MWCD accepted its award in recognition of the conservancy's new \$1.8 million Atwood Park Welcome Center.

### **Recreation Marketing**

#### **Great Camper Giveaway**

Keri Barhorst from Pandora, Ohio has an opportunity to spend more time in the great outdoors next summer as the winner of the "Great Camper Giveaway." The contest, which ran from May 1 through August 31 included a prize of a 2017 Coachman Clipper from General RV Center in North Canton along with a campsite at one MWCD park from April 1 to October 31, 2018.

This multifaceted campaign was designed to increase brand awareness, expand MWCD market share and increase an email database for future marketing promotions. The \$10,000 camper, provided by General RV Center, authorized the retailer to install signage at each of the park locations while MWCD created the printed material and additional marketing collateral designed to help make this promotion a success.



On Saturday, September 23, 2017, Keri Barhorst, alongside her family, was presented with a set of keys to her new camper from General RV and a certificate for camping at an MWCD park to be used next summer. In the photo: Dan Gordish, General RV; Keri Barhorst, Tim Daugherty, WONE; Adria Bergeron, MWCD

#### **Trade Shows Attended in 2017**

- RV Supershow at the IX Center Cleveland
- Ohio Boat and RV Show Columbus
- AAA Travel Show Columbus
- WONE Hunting and Fishing Show Akron
- Ohio Tourism Day at the Statehouse Columbus
- Atwood Area Fall Festival

#### **Affiliated Organizations**

In addition to traditional paid advertising, the Recreation Marketing Coordinator is actively involved in a variety of organizations to further expand partnership opportunities, build relationships and increase recognition of the MWCD.

- Ohio Travel Association (board member)
- Adventures in NE Ohio (Treasurer on the board)
- Tuscarawas County Chamber of Commerce (Chairman of the Board)
- Tuscarawas County Convention and Visitors Bureau (Board Member)
- Ohio Appalachian Country
- Team Tourism (Cambridge)

#### **Advertising**

Advertising continues to expand and extend the reach for visitors to MWCD parks and marinas. Notable areas of increase in 2017 include SEO Marketing and Digital Advertising as well as television and radio. Paid online advertising exceeded industry benchmark standards and as a result, MWCD website analytics continue to show an increase in visitation to the website from prior year. Social media marketing has also expanded, thus increase of followers and interactions on this forum as well. New marketing materials were created and printed (Atwood Lake brochure, Clendening, boat rental rack cards, etc.)

The Recreation Marketing Coordinator also appeared on various news outlets, from TV to radio, on shows such as *Live on Lakeside* and *SE Ohio Outdoor Radio Show*.

	Total 2016 Attendance	Total 2017 Attendance	% Change
Atwood	937,833	947,321	101.01%
Charles Mill	623,641	656,108	105.21%
Pleasant Hill	468,527	462,527	98.72%
Tappan	716,257	673,148	93.98%
Seneca	906,058	928,710	102.50%
Sub-Total	3,652,316	3,667,813	100.42%
Piedmont	232,546	216,274	93.00%
Clendening	35,299	37,027	104.89%
Sub-Total	267,845	253,301	94.57%
Grand Total - Est Attendance	3,920,161	3,921,114	





### **Programs and Events**

Event schedules for the five parks were expanded from a front/back rack card to a four panel brochure. The brochures were designed and printed to highlight the special events and new programs, including Explorers of Nature and Movies at the Lake, at each location. The brochures were mailed to seasonal campers, seasonal dockers, and cottage site lessees. They were also distributed at the parks, RV and boat tradeshows, visitor bureaus, local tourist attractions, and area partners.

#### **Explorers of Nature**

Explorers of Nature continued in 2017 for children ages 4 to 15 to discover nature. Programs were held on Saturdays, 10:00 a.m. to noon, at all five lake parks from June 18 to August 6. Each week featured a different nature topic with outdoor exploration, games, and a make-it take-it craft. Kids were encouraged to attend five or more sessions to earn an Explorers of Nature t-shirt.

#### The pre-scheduled session topics included:

June 16	Nature Detectives
June 23	Wilderness Water
June 30	Bears, Bats, & Bobcats

July 7 Wild Wings July 14 Let's Get Buggy

July 21 Creatures in Cold Blood
July 28 Backyard Jungle
August 4 Campfire Adventures

#### **Eventbrite** (online registration for events)

Online event registration and payment through Eventbrite.com was implemented in 2017. In previous years, events that required preregistration and payment required an individual to deliver payment in person at the park office. This was difficult for people who did not live near each park or resulted in participants who had not registered showing up the day of the event without paying ahead of time. Convenient electronic payment and registration on Eventbrite. com, was added for all fee-based events. This allowed visitors to reserve a spot from the comfort of their home while planning their vacation or visit to the park. Participant rosters were easy to track before, during, and after each event. Eventbrite is easily integrated into current marketing practices and even drew more participants through targeted marketing on separate individual park websites. Online registration increased attendance overall, allowed staff to plan appropriately for each event, and provided an incentive for attendees to make their reservations early.







#### **Kayaking Programs**

Over 40 kayaking events with almost 1,200 participants were held throughout the district in 2017. Kayaking equipment was purchased for Charles Mill, Pleasant Hill, and Tappan lake parks in 2017. Clendening and Piedmont lake marinas also added kayak rentals and sales. With these additions, every park and marina had the opportunity to offer kayak programming at any time. Events included:

- Free Kayak Try-Its: Participants receive a short onshore lesson, then try a single or double kayak near the shore for 10 to 15 minutes
- Guided Kayak Tours: Staff-led, group tours around the lakes with fun themes about animals and history. Popular moonlight and sunset tours were scheduled around the full moons, June through September
- Poker Paddles: Participants use a map to paddle to stops around the lake and pick up poker cards to compete for the best hand and fabulous prizes
- Learn to Kayak: A 3-hour course for people who have recently purchased a kayak or want to learn about kayak equipment, how to paddle, and important safety information. Demonstrations to show how to save a capsized kayak and paddler in open water were also included

#### Movies at the Lake

A portable outdoor movie system was purchased to offer family-friendly movies throughout the District. The system included a sound system, Blu-ray player, and 18' x 13 ½' inflatable projection screen that can be setup on land or water to provide additional entertainment opportunities. Movies at the Lake were shown at Atwood, Clendening, Charles Mill, Pleasant Hill, Seneca, and Tappan lake campgrounds. Over 1,000 people enjoyed a Movie at the Lake in 2017!



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### **Programming by Location**



**Atwood Lake Park** – A wide variety of programs and activities for daily visitors and campers was offered at Atwood. The activity staff and naturalist offered over 200 events, including specialized craft workshops, yoga, night hikes, hot dog roasts, survival talks, macroinvertebrate investigations, live music, and life-size board games. Park visitors could find the right programs to fit their interests!

**Charles Mill Lake Park** – Charles Mill Lake Park was an official program site for the 16<sup>th</sup> Annual Mohican Wildlife Weekend in April. This event is a celebration of wildlife habitat, heritage, and natural history with nine program sites in Ashland and Richland counties that offer workshops and demonstrations to interested beginners and experienced naturalists. Charles Mill offered crafts, butterfly paddle workshop, wildflower ID hike, wildlife painting workshop, and gardening for pollinators. Over 250 people visited Charles Mill and Pleasant Hill lake parks during this weekend event.

A native wildflower garden was added near the Messerly Recreation Center. Ohio wildflowers and animal habitat were placed to benefit the area wildlife and to be used in environeducation mental programs including



Explorers of Nature and Nature Camp for Kids. Events were held throughout the year to explore the benefits of native species and volunteers assisted in caring for the garden area.

**Pleasant Hill Lake Park** – The Annual Safe Boating and Fishing Festival was held in conjunction with a new event, the iHeart Radio Beach Party, and attracted a record-breaking crowd of 7,500 people. The attendees were able to learn how to fish, kayak, and paddleboard, enjoyed pontoon and sailboat rides, swam with a mermaid, and watched a Movie at the Lake. Over 2,500 cars entered the gate for this event. The event was made possible by numerous partners from the surrounding community.

Princess in the Park was held in September at Pleasant Hill Lake Park. Children, ages 4 to 12, were invited to dress up and visit the park for a horse-drawn carriage ride, crafts, tea party, plus have their hair decorated and nails painted by a princess and fairy godmother. Miss Ohio also attended and met each princess and prince, took a photo, and provided autographs to all attendees. This event was a hit and will be offered at two parks in 2018!





**Seneca Lake Park** – A fun Luau at the Beach in July was offered at Seneca and provided a piñata, steel drum band for entertainment, and a build-your-own ice cream sundae bar! Seneca Park also expanded the camping and activity season into October with a Halloween Campout and Trick-or-Treat. Campers enjoyed hayrides, costume parade through the campground areas, pumpkin carving and decorating contest, fall crafts, and bonfire.

**Tappan Lake Park** – Nature Center improvements attracted many participants to learn about honeybees, birds, and other local wildlife. The nature center's observation beehive has plexi-glass sides that allows visitors to watch the inner workings of the hive, discover the different types of honeybees and behaviors. A series of programs was held through the season and included extracting a jar of honey made by Tappan Lake bees! A new program series, Mornings are for Birds, encouraged visitors to enjoy coffee and breakfast snacks while viewing Ohio birds and wildlife that visit the bird feeders behind the nature center. A new waterfall feature was installed in the area behind the Nature Center and will be ready for the 2018 season to attract more wildlife for campers and daily visitors to watch, enjoy, and learn about native Ohio wildlife!

A special Back-to-School Family Campout was held at Tappan Lake Beach. Participants brought their own tent and camping equipment or borrowed basic supplies to enjoy an overnight campout. Naturalists covered basic camping tips and techniques, the park manager talked about the area's history and MWCD mission, and families hiked, fished, and relaxed together. Campouts on the Beach will be held at multiple parks in 2018.



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## Cottage Sites, Camps & Docking

## **Cottage Sites**

MWCD initiated the opportunity for private residential structures to be constructed on its properties around the lakes in 1941. The private residential structures are commonly referred to as "cottages" while the lots are referred to as "cottage sites." The Cottage Site Leasing Program includes over 1,200 leased cottage sites situated around eight of ten MWCD lakes. Under the terms of the cottage site lease agreement, owners lease the lot from MWCD and own the cottage structure. MWCD construction requirements help to maintain consistent appearance throughout the cottage areas by requiring approval of exterior building colors. Construction and



A typical cottage site with a beautiful lake view and dock.

exterior renovation projects adhere to guidelines developed and managed by the MWCD through a user-friendly construction permit process. The permitting process ensures that structures blend with the natural character of the lakes. Cottage site lease rates are based upon established rate classifications and adjust annually in accordance with the consumer price index (CPI) stipulated in the lease agreement. MWCD maintains the roadways in the cottage site areas. Some areas are served with central water and wastewater utilities while many are served by individually-owned water and wastewater systems. Cottage site lessees are permitted to install an approved boat dock for overnight docking of watercraft upon acquisition of a MWCD boat docking decal at an established rate.

Cottage sites are currently located at Atwood, Tappan, Seneca, Pleasant Hill, Charles Mill, Leesville, Piedmont and Wills Creek lakes. The number of cottage sites leased currently at each lake is as follows:

<u>Lake</u>	<b>Cottage Sites</b>
Atwood	364
Charles Mill	211
Leesville	103
Piedmont	91
Pleasant Hill	95
Seneca	166
Tappan	146
Will Creek	26
TOTAL	1202

Highlights of leasing activities in 2017 included:

- 1,202 cottage sites were under lease of which 58 were assigned to new leaseholders.
- MWCD staff conducted two (2) open meetings in the spring with cottage site lessees. At these meetings, a cross-section of
  knowledgeable staff from all segments of MWCD operations assemble to update lessees on MWCD operations and projects
  and to listen to and discuss any problems, issues or concerns that may be brought to the floor. These meetings, by design, are
  driven by the lessees and have become a popular annual event between lessees and staff.
- The Leases staff processed over 400 construction permits, over 248 tree permits, and conducted over 68 inspections during 2017.

## **Youth Camps**

Youth camps have a long and successful history on MWCD property dating back to the first camps being established in 1940. These first camps were established to house youth working in conservation efforts on District lands, train workers for war industries, and house youth attending conservation educational programs.

Today, tens of thousands of youth attend the 13 group camps located on MWCD lakes every year. These camps offer the ideal setting for activities designed to build confidence, strength and teamwork while also affording outdoor recreational opportunities to the campers. Many of the camps include educational conservation programs and water sport activities. Properties for camp locations are leased by the MWCD to camp organizations which manage and operate the camps.

In 2017, the Conservancy District continued to stay engaged with its 13 youth camp leaseholders by actively attending and participating in monthly meetings of camp directors and staff. Various MWCD staff attended meetings focused on marketing, water quality and conservation, recycling, safety, EPA water and wastewater, ODNR wildlife laws, grants, boating, programming and other topics of mutual interest to camps and MWCD.

The 13 youth camps located on MWCD properties include:

#### **Charles Mill Lake**

Christian Harbor Church Camp

#### **Clendening Lake**

Ohio River Valley Council Boy Scouts of America YMCA Camp Tippecanoe

#### Leesville Lake

Camp Aldersgate Camp Falcon Camp Firebird Camp NEOSA

Ohio Future Farmers of America - Camp Muskingum Camp Wakonda

#### **Piedmont Lake**

4-H Camp Piedmont Camp Presmont

#### **Pleasant Hill Lake**

Camp Nuhop Pleasant Hill Outdoor Center

Of note, Camp Piedmont is the longest running camp on MWCD property and has been serving youth for over 70 years while the Future Farmers of America (FFA) - Camp Muskingum, located on Leesville Lake, is the only FFA camp in the State of Ohio.



## **MWCD Marinas**

Ten marinas are located on MWCD lakes, with five owned by the Conservancy District, and five privately owned and operated through a lease agreement with MWCD. These include Atwood East and West marinas, owned and operated by Brian Valot; Charles Mill and Pleasant Hill marinas, owned and operated by Bob Schraedly; and Leesville South Fork Marina, owned and operated by Keith Ott. Total revenues received from these leased marinas increased compared to 2016 revenues.

2017 saw the replacement of the public launch ramp at Charles Mill Marina, and completion of an innovative shoreline protection project at Atwood East Marina. The shoreline project was done in partnership with Brian Valot and his staff, and included the construction of an attractive seawall, new dock abutments, power pedestals, and landscaping. The project resulted in a complete facelift to the marina's waterfront, while at the same time reducing erosion and improving accessibility.

An agreement was reached in 2016 to purchase Leesville Petersburg Marina from previous owner, Mary Jo Turner. The purchase was completed in January 2017. The facility is owned by MWCD managed through a lease agreement with Keith Ott, owner of South Fork Marina at the other end of Leesville.

agreement An was reached in 2016, to purchase Tappan Lake Marina from Dick and Sandy Henry, and Cathy Cramblet. The purchase was finalized in October of 2017. Prior to the 2017 boating season, MWCD embarked on a complete replacement of the facility's docks, resulting in the addition of over 200 brand-new slips. Keith Ott will be providing boat sales, storage, and repair services at the marina through a lease agreement in 2018. A similar arrangement is also being pursued with a local restaurant operator to provide food services at the marina.



MWCD replaced all the docks at Tappan Marina and increased the number of available boat slips.

These improvements were met with many compliments from customers.



Following are program and project highlights at MWCDowned and operated marinas.

## **Clendening Marina**

The third year of MWCD's operation of Clendening Lake Marina was very successful, with revenues up 13% from 2016. Improvements were made to the facility's maintenance building including new siding, concrete flooring, enhanced lighting, heat, drainage and a new oil separator to keep contaminants from the lake. In addition, new playground equipment and a kayak launch dock were added.



### **Piedmont Marina**

Renovations to the marina building, which began in the fall of 2016, were completed in early summer of 2017. The project truly exceeded expectations and included the addition of ADA compliant restrooms, a new, more open and efficient floorplan, an expanded self-serve food area, an outside deck overlooking the lake, and even a self-contained bait tank. A complete replacement of the marina's fueling system was undertaken as well. A new aboveground fuel storage tank replaced the underground tank previously in use, minimizing the potential for fuel spills and contamination of Piedmont Lake. A kayak launch system was added to the facility's courtesy dock, as well.



### Seneca Marina

Seneca Lake Marina continued to see growth in revenues, with all docks at capacity. The Dockside Restaurant saw business increase enough to warrant the need for a new outdoor freezer, which was installed in 2017, and helped make the restaurant operation much more efficient. Keith Ott and Ohio Valley Boats, in their third year of operation, saw boat repair, winterization and storage, and boat sales grow once again. A new storage area was created adjacent to the marina, to handle increasing numbers of stored boats. Improvements were made to the downstairs retail area, and staff sold their first kayaks. Design work was completed for a major upgrade of the marina's fueling system, with work slated to begin in early 2018.

Over 600 boat dock slips are available at the combined 3 MWCD-owned marinas.

## Rangers



The park and marina managers, shown here, meet monthly to coordinate many topics including enforcement issues.

MWCD Rangers are a vital part of ensuring the safety of the millions of visitors that choose MWCD's parks, lakes and campgrounds as their recreation destination each year. Rangers promote the safety of visitors through their presence in routine patrol and law enforcement on both land and water. Commissioned through the Conservancy District and certified through the Ohio Peace Officer Training Academy, 25 full time rangers were employed with an additional 25 rangers added during the peak recreational camping season. Rangers investigate incidents, complaints, issue citations, execute bench warrants, work with various law enforcement agencies in investigative and preventative measures while enforcing the state laws as well as the MWCD rules. MWCD Rangers are required to obtain continuing professional training on an annual basis and participate in coordinated specialized training with local EMS forces.

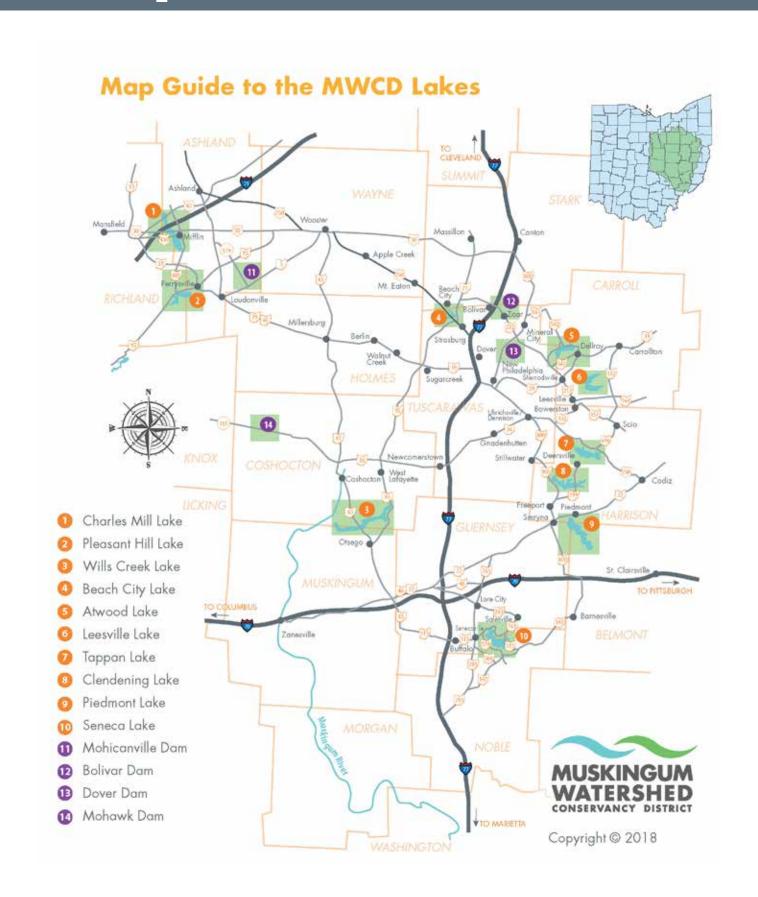
## **2017 Ranger Statistics**

- Rangers assigned to marine patrol logged more than 2,670 boat patrol hours, assisted 101 vessels and 256 people on the water along with issuing citations and warnings for infractions.
- Marine patrol officers attended 11 different educational sessions.
- MWCD Rangers received and responded to 17,048 calls for service.
- Eleven major events were conducted at MWCD parks that required Ranger coordination with local law enforcement agencies and coordination with EMS forces for traffic, security and safety issues. At least two major events were held at each of the 5 MWCD parks. These events included fireworks displays on the major summer holidays, Christmas in July events, a car show, the Christian music Alive Festival and the Atwood Area Fall Festival.



Deputy Chief - Law Enforcement, John Maxey, poses with young hikers.

## **Map Guide to the MWCD Lakes**



## **Atwood Lake**

Atwood Lake, known as one of the state's top sailing and pleasure boating lakes, is located in Tuscarawas and Carroll counties between New Cumberland and Dellroy. An easy drive from Canton, Akron and Cleveland, Atwood Lake is a close getaway destination.

#### LAKE AREA

- 1,540 acres of water surface
- 2.925 acres of land
- 25 horsepower limit
- Two public boat-launch ramps

#### ATWOOD LAKE PARK & CAMPGROUNDS

- 500+ campsites
- · 10 family vacation cabins
- Swimming beach with water toys and concession stand
- Camp store with concessions and retail
- Picnic shelters
- Activity Center and Nature Center
- Hiking trails
- Free Wi-Fi internet access at the Activity Center and welcome center
- Special events and daily activities
- Laundry and camp store
- · 2 public boat launch ramps

NEW in 2018: A daily/weekly camp area featuring 142 full hook-up campsites with concrete pads and 50 amp power service. Lake front views, playground, shower and restroom facilities with laundry.



#### MARINAS

- Atwood Marina West is a full-service marina with boat sales and service, rentals, fuel, supplies and dock rentals. The restaurant features a full dining menu, courtesy docking and gift shop.
- Atwood Marina East offers boat rentals, dock rentals, fuel, supplies, restaurant, courtesy docking and gift shop.

## **Charles Mill Lake**

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

#### LAKE AREA

- 1,350 acres of water surface
- 2,000 acres of land 10 horsepower limit
- Two public boat-launch ramps

#### CHARLES MILL LAKE PARK & CAMPGROUNDS

- 500+ campsites (standard electric and primitive sites available) in two campground locations
- Swimming beach Patio cabins
- · Picnic shelters · Hiking trails
- Playground Swimming pool Activity center
- Special events and daily activities

#### MARINA

 Charles Mill Marina is a full-service marina with fuel, boat sales and service, rentals, supplies and docking.

## **Clendening Lake**

Known for having the largest undeveloped shoreline in Ohio, Clendening Lake is favored by anglers for its bass fishing and solitude. Located near Freeport, the lake is accessible by SR 800 and SR 799.

#### LAKE AREA

- 1,800 acres of water surface
- 4,800 acres of land 10 horsepower limit
- Three public boat-launch ramps

#### MARINA

 Clendening Marina offers docking, boat service and rentals, fuel, boating and fishing supplies, concessions, motel and log cabins.

#### CAMPING

- 80 sites (full hook-up, standard electric and primitive sites are available)
- Playground and picnic areas.

## Leesville Lake

Leesville Lake is consistently ranked as one of Ohio's top lakes for "muskie" fishing. Situated in the rolling hills between New Philadelphia and Carrollton, Leesville Lake offers two marinas, campgrounds, and seven youth camps.

#### LAKE AREA

- 1,000 acres of water surface
- 2,600 acres of land
- 10 horsepower limit
- Two public boat-launch ramps

#### MARINAS

- South Fork Marina offers docking, boat sales, service and rentals, fuel, boating and fishing supplies, restaurant, and vacation cabins.
- North Fork Marina and Campground offers docking, boat sales, service and rentals, fuel, boating and fishing supplies and concessions.

#### CAMPING

- A campground is located at each marina. (Standard electric and primitive sites are available)
- The campground near South Fork Marina is operated by Atwood Park (call 330-343-6780 for more info)

### **Piedmont Lake**

Nestled in the steep hills and wooded valleys of Southeast Ohio, is the serene and picturesque Piedmont Lake. Anglers from around the State visit this lake for the excellent fishing and quiet waters.

#### LAKE AREA

- 2,270 acres of water surface
- 4,416 acres of land 10 horsepower limit
- Two public boat-launch ramps



#### MARINA

 Piedmont Marina offers docking, boat rental, boat service, lunch counter, fuel, fishing and boating supplies, motel and cabin.

#### CAMPING

 80+ campsites (full hook-up and standard electric sites are available)

### Pleasant Hill Lake

Located in Amish country near Perrysville, Pleasant Hill Lake is the only MWCD lake with unlimited horsepower for boating. Miles of horse-trail, newly developed equine camp and nearby Mohican State Park and Forest make Pleasant Hill Lake Park a favorite place to vacation.

#### LAKE AREA

- 850 acres of water surface
- 1,345 acres of land Unlimited horsepower
- One public boat-launch

#### PLEASANT HILL LAKE PARK & CAMPGROUNDS

- 440 campsites (full hookup, standard electric, primitive and equine primitive sites are available)
- · Swimming beach with concession stand
- Vacation and camper cabins and rental house
- Picnic shelters, activity center (free Wi-Fi) and playground
- Hiking trails, equine trails and horse camp
- Daily activities and special events

#### MARINA

 Pleasant Hill Marina offers docking, boat sales, service and rentals, fuel, fishing and boating supplies.

### Seneca Lake

An easy drive from Cambridge and Marietta, Seneca Lake is the largest of the MWCD lakes. Enjoy boating and fishing or relax while sailing, waterskiing or sun bathing on the sandy swimming beach.

#### LAKE AREA

- 3,550 acres of water surface
- 4,060 acres of land 399 horsepower limit
- Two public boat-launch ramps
  - > Continued on next page

## Seneca Lake continued

#### MARINA

 Seneca Marina offers docking, boat sales, service and rentals, fuel, boating and fishing supplies and dine-in restaurant with courtesy docking.

#### SENECA LAKE PARK & CAMPGROUNDS

- 513+ campsites (full hook-up, standard electric and primitive sites are available)
- Swimming beach with concession stand
- Free Wi-Fi at swimming beach and marina point shelter
- Vacation and camper cabins
- · Picnic shelters
- Historic log cabin for special events and activities
- · Hiking trails and playground
- Special events and daily activities

## **Tappan Lake**

Tappan Lake is great for camping, swimming, boating, fishing and hiking. Watersport enthusiasts can speed things up for skiing, tubing or wakeboarding or hikers can slow it down with easy access to Ohio's Buckeye trail.

#### LAKE AREA

- 2,350 acres of water surface
- 5,200 acres of land
- · 399 horsepower limit
- Two public boat-launch ramps

#### **TAPPAN LAKE PARK & CAMPGROUNDS**

- 500+ campsites (full hook-up, standard electric and primitive sites are available)
- Swimming beach with concession stand
- Vacation and camper cabins
- Activity and nature center
- Hiking trails and nature center
- Daily activities and special events
- · Laundry facilities and camp store

#### MARINA

 Tappan Marina offers docking, boat sales, service and rentals and ski accessories, fuel, boating and fishing supplies and dinein restaurant.

## **Beach City Reservoir**

Beach City Reservoir is located near the junction of US 250 and SR 93 north of Strasburg. Hunting is popular on the District property surrounding this shallow lake area. Canoes and kayaks are best suited for this area. Camping is not permitted.

#### RESERVOIR AREA

- 420 acres of water surface
- 930 acres of land
- 10 horsepower limit

### Wills Creek Reservoir

Wills Creek is located in Coshocton and Muskingum counties. The area offers hunting and fishing opportunities. Camping is not permitted.

#### RESERVOIR AREA

- · 900 acres of water surface
- 4,900 acres of land
- 10 horsepower limit
- One public boat-launch ramp

### **Bolivar Dam**

Bolivar Dam is located in Stark and Tuscarawas counties between Bolivar and Zoar, and impounds water only to prevent flooding.

835 MWCD-owned acres of public-use land

### **Dover Dam**

Dover Dam is located northeast of Dover on the Tuscarawas River, off of SR 800. The dam impounds water only during times of flooding.

470 MWCD-owned acres of public-use land

### Mohawk Dam

Mohawk Dam is located on the Walhonding River near Warsaw in Coshocton County. The dam impounds water only during times of flooding.

3,740 MWCD-owned acres of public-use land

### Mohicanville Dam

Mohicanville Dam is located on the Jerome Fork of the Mohican River in Ashland County. The dam impounds water only during times of flooding.

40 MWCD-owned acres of public use land

## **Hunting & Fishing**

#### FISHING

Public launch ramps are located at each lake.

The Ohio Department of Natural Resources, Division of Wildlife, is responsible for all fish and wildlife management on MWCD lakes and land. State of Ohio hunting and fishing rules, regulations, and license requirements apply.

Fishing is permitted on MWCD lakes. Fishing tournaments and other marine events must be preapproved by the MWCD and submitted six weeks in advance of a scheduled event. Permits are available online at www.mwcd.org.

Contact the MWCD or a Division of Wildlife office for fishing questions.

#### HUNTING

Hunting is permitted in designated areas around each reservoir. Individual lake maps identify publicuse areas where hunting is permitted. These maps can be found at the MWCD office and individual parks and marinas.

## Contact Information

Muskingum Watershed Conservancy District

1319 Third St., NW, PO Box 349 New Philadelphia, OH 44663-0349 Phone: 330-343-6647 • Fax: 330-364-4161

www.mwcd.org

Main Office Annex

2050 Reiser Ave SE., New Philadelphia, OH 44663

Atwood Lake Park

9500 Lakeview Rd. NE, Mineral City, OH 44656 Phone: 330-343-6780 • Fax: 330-343-5454 www.atwoodparkohio.org

Atwood Lake Boats (Marina West)

9298 Atwood Lake Rd, Mineral City, OH 44656 Phone: 800-882-6339 • Fax: 330-364-6358 www.atwoodlakeboats.com

Atwood Marina (East)

1601 Magnolia Rd, Dellroy, OH 44620, PO Box 57 Phone: 330-735-2323 • Fax: 330-364-6358 www.atwoodlakeboats.com

#### Charles Mill Lake Park

1277A SR 430, Mansfield, OH 44903 Phone: 419-368-6885 • Fax: 419-368-4912 www.charlesmillparkohio.org

#### Charles Mill Marina

1277B SR 430, Mansfield, OH 44903 Phone: 419-368-5951 • Fax: 419-368-3900 www.charlesmillmarina.com

#### Clendening Marina & Campground

79100 Bose Rd., Freeport, OH 43973
Phone: 740-658-3691 • Fax: 740-658-4266
www.clendeningmarinachio.org

#### Leesville North Fork Marina & Campground

2126 Azalea Rd. SW, Carrollton, OH 44615 Phone: 330-627-4270 • Fax: 330-627-2490 www.leesvillelake.com

#### Leesville South Fork Marina

4131 Deer Rd. SW, Bowerston, OH 44695 Phone: 740-269-5371 • Fax: 740-269-1360 www.leesvillelake.com

## Piedmont Marina & Campground

32281 Marina Rd., Freeport, OH 43973 Phone: 740-658-1029 • Fax: 740-658-3709 www.piedmontmarinaohio.org

#### Pleasant Hill Lake Park

3431 SR 95, Perrysville, OH 44864 Phone & Fax: 419-938-7884 www.pleasonthillparkohio.org

#### Pleasant Hill Marina

3434 SR 95, Perrysville, OH 44864 Phone: 419-938-6488 • Fax: 419-938-8208 www.pleasanthillmarina.com

#### Seneca Lake Park

22172 Park Rd., Senecaville, OH 43780 Phone: 740-685-6013 • Fax: 740-685-6770 www.senecaparkohio.org

#### Seneca Marina

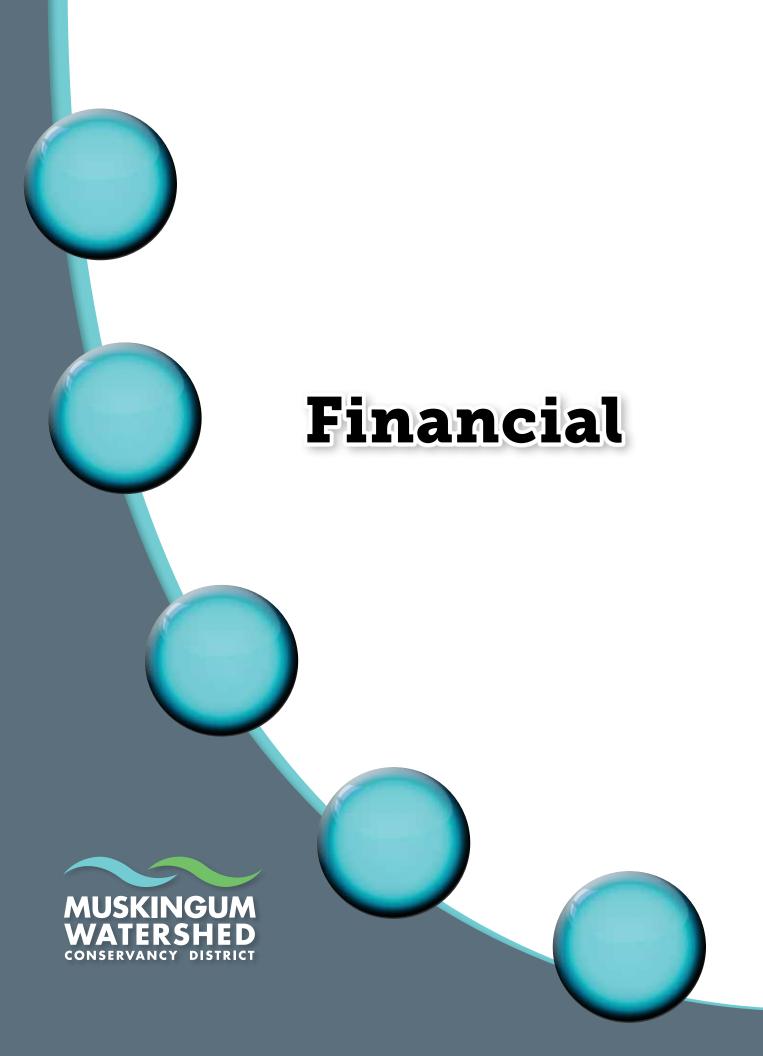
16592 Lashley Rd., Senecaville, OH 43780 Phone: 740-685-0015 • Fax: 740-685-0017 www.senecamarinachio.org

#### Tappan Lake Park

PO Box 29 • 84000 Mallarnee Rd., Deersville, OH 44693 Phone: 740-922-3649 • Fax: 740-922-6068 www.tappanparkohio.org

#### Tappan Marina

33315 Cadiz-Dennison Rd., Scio, OH 43988 Phone: 740-269-2031 • Fax: 750-269-8002 www.tappanmarinachio.org



Management's Discussion and Analysis For the Year Ended December 31, 2017

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 year ended December 31, 2017. 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 2017 are as follows:

- Net position increased \$6,109,815 as a result of current year operations.
- Outstanding debt decreased from \$862,711 to \$796,125 through principal payments.
- Capital Assets increased \$32,376,677 as a result of an increase in park master planning projects.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts — required supplementary information, the basic financial statements, and notes to 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 revenues, expenses and changes in net position present increases (e.g. revenues) and decreases (e.g. expenses) in net total position. 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.



Management's Discussion and Analysis For the Year Ended December 31, 2017

#### 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 2017 and 2016 derived from the statement of net position and the statement of revenues, expenses, and changes in net position.

	2017	2016	
Assets Current and Other Assets Capital Assets, net Total Assets	\$ 140,230,054 87,748,405 227,978,459	\$ 163,430,114 55,371,728 218,801,842	
<b>Dererred Outflows of Resources</b> Pensions	5,336,134	4,195,673	
Liabilities Current Liabilities	3,406,260	2,339,429	
Long-Term Liabilities  Total Liabilities	14,687,026 18,093,286	11,418,800 13,758,229	
Deferred Inflows of Resources			
Pensions	78,167	205,961	
Net Position			
Net Investment in Capital Assets	84,940,313	53,395,541	
Restricted	11,605,186	11,355,207	
Unrestricted	118,597,641	144,282,577	
Total Net Position	\$ 215,143,140	\$ 209,033,325	

Under the standards required by GASB 68, the net pension liability equals the Conservancy District's proportionate share of each plan's collective:

- 1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2. Minus plan assets available to pay these benefits

Management's Discussion and Analysis For the Year Ended December 31, 2017

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Conservancy District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows of resources.

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

During 2017, net position increased \$6,109,815 which is attributable to increases in the capital assets resulting from the park master plan implementation. The decrease in current and other assets is mainly attributable to a decrease in cash and investments due to capital asset projects and park master plan planning.

Capital assets increased due to a number of construction projects such as the beginning of several large campground renovation projects in the park master plan. Pleasant Hill Area 22, Atwood Area 20, and Tappan East Campground were the largest projects in 2017. All of those

Management's Discussion and Analysis For the Year Ended December 31, 2017

projects were still in process at the end of 2017, with anticipated completion dates in 2018. The Conservancy District also acquired two marinas in 2017, Leesville North Fork Marina and Tappan Marina. Those marinas were situated on our lakes, however were previously owned by private operators. In addition, the District received a donation (Johnny Appleseed) of an outdoor amphitheater, a building, and a water and sewer plant during 2017 which is included in capital asset additions. In 2017, the Conservancy District also purchased a building (main office annex) which acts as an office for our engineering and recreation park staff and has the on-site capacity to store a lot of our large machinery and equipment. This building is also included in capital assets. 2017 was the largest year for construction of the park master plan. There are numerous projects that are in the design phase and/or still being constructed as of December 31, 2017.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2017 and 2016.

	2017			2016	
Operating Revenues			•		
Timber Sales	\$	534,371		\$	489,032
Pine-Pulpwood Sales		69,252			106,621
Easements/Right of Ways		265,000			0
Mineral Rights and Royalties		9,657,093			7,600,835
Share Crop Lease		221,071			398,209
Cottage Sites		2,822,871			2,760,522
Marina Operations		1,699,788			1,651,083
Fishing Rights		62,648			62,648
Marina Camping		425,621			427,845
Water Sales		463,498			832,311
Beach Facilities		170,375			197,196
Water and Sewer Systems		91,020			102,942
Vacation Cabin		460,433			462,858
Park Camping		5,146,684			5,056,050
Admissions - park facilities		185,718			184,606
Special Events		128,361			130,142
Miscellaneous Income		156,400			110,674
Total Operating Revenues	\$	22,560,204		\$	20,573,574

# Muskingum Watershed Conservancy District Tuscarawas County, Ohio Management's Discussion and Analysis For the Year Ended December 31, 2017

	2017	2016
Operating Expenses		
Water Sales	\$ 187,190	\$ 146,343
Water quality	675,134	975,777
Vehicles and equipment	401,998	469,367
Dam Safety/Upgrades	1,143,415	1,837,448
Boundary survey	71,396	76,167
Conservation	286,146	268,531
Reservior Maintenance	65,443	22,221
Information Systems/Technology	713,041	537,863
Shoreline Protection	185,423	299,858
Share crop	137,868	256,403
Mineral operation	436,685	481,735
Watershed management	475,181	617,500
Beach facilities	257,575	271,832
Office building	344,619	266,715
Administrative and finance	2,104,426	1,881,678
Engineering	358,723	294,128
Planning and development	305,501	224,013
GIS and Parcel Development	787,355	286,815
Forestry maintenance	228,705	278,125
Park camping	2,653,746	2,494,779
Park Master Planning	1,819,768	3,108,706
Cottage sites and clubs	1,332,484	1,220,454
General park facilities	4,263,787	3,837,519
Vacation cabin	162,969	132,680
Marina operation	1,620,447	1,415,647
Water and sewer system	778,551	725,332
Lake patrol operation	497,982	353,066
Education and public information	374,696	326,362
Safety	227,891	208,706
Recreation maintenance	34,185	39,840
Parks - special events	160,929	155,264
Partners in Watershed Management	146,688	559,011
Sediment Removal	27,714	33,226
Depreciation	3,232,903	2,691,617
Total Operating Expenses	26,500,564	26,794,728
Operating Income/(Loss)	\$ (3,940,360)	\$ (6,221,154)



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Management's Discussion and Analysis For the Year Ended December 31, 2017

	2017		2016
Non-Operating Revenues (Expenses)			
Maintenance assessments	\$	6,067,371	\$ 5,932,646
Grants		937,622	714,223
Interest on investments		1,137,972	901,116
Debt retirement - Interest		(49,660)	(49,980)
Total Non-Operating Revenues (Expenses)		8,093,305	 7,498,005
Income (Loss) before Contributions		4,152,945	1,276,851
Capital Contributions		1,956,870	1,049,077
Change in Net Postion	\$	6,109,815	\$ 2,325,928

The increase in operating revenue is mainly the result of increases in oil and gas activity in 2017. The oil and gas activity increased by approximately \$2 million or 27% in 2017, and the number of wells drilled on private property paying royalties to the Conservancy District increased from 50 in 2016 to 58 as of December 31, 2017. Two other line items directly tied to oil and gas activity were easements, which had \$265,000 of revenue in 2017 when it had no 2016 activity, and water sales. Water sales decreased \$368,000 or 44% and was the result of less demand coupled with water availability from our reservoirs. The Conservancy District places a safeguard on the water sale contracts by requiring a minimum amount of water to be in each reservoir prior to withdraw so as to protect the recreational activity. Park camping and marina operations increased in 2017. Park and marina revenue increased in part due to a good weather season and continued demand for our sites, amenities, and activities.

The operating expenditures remained consistent in 2017; the following highlight some of the main changes:

- Dam Safety saw a 38% reduction in expenditures due to timing of requests from the United States Army Corps of Engineers (USACE). In 2016 there was approximately \$1 million spent with the USACE for the Bolivar Dam project, in 2017 the payment was approximately \$600,000. The expenses for the Chippewa system also decreased in 2017 as a result of a significant portion of their activity being capitalized for their aerial imagery mapping project during 2017.
- Park master planning decreased approximately \$1.2 million or 41% in 2017. 2017 was
  the first year of significant construction during the master planning, therefore there were
  less conceptual planning costs and more of the spend was capitalized during 2017.
- In 2017, Partners in Watershed Management decreased by 74% due to timing of requests from the grantees.
- Lake Patrol Operations increased 40% in 2017 due to the hiring of three additional full time rangers.

Management's Discussion and Analysis For the Year Ended December 31, 2017

- GIS and Parcel Development increased 175% or approximately \$500,000 due to a contract for the creation of the billing file for the maintenance assessment. Prior to 2017, this was a function that was done in house.
- Water quality decreased approximately \$300,000 or 31%. This is attributed to the completion of a multi-year water quality baseline study which will be used in the water quality program going forward.
- Information systems and technology increased approximately \$175,000 or 33%. The
  majority of this increase is due to the Electronic Content Management (ECM) system costs
  incurred during 2017. In 2017, the recreation lease department went live with ECM for
  the maintenance and tracking of new and existing leases.

Maintenance assessment revenue decreased slightly during 2017, as the board again approved the 50% reduction in the assessment. Grant revenue increased significantly due to an increased number of grants the District received for shoreline stabilization projects in 2017. In addition, interest revenue increased 26% due to more of the district funds being invested during 2017 and the improving of interest rates throughout 2017.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

# **Capital Assets**

At the end of 2017 the Conservancy District had \$87,848,405 of capital assets net of accumulated depreciation. The following table shows 2017 balances compared with 2016:

	2017	2016
Land	\$ 3,313,899	\$ 3,313,899
Capitalized Development Costs	1,189,495	1,189,495
Construction in Progress	25,217,166	15,583,138
Land Improvements	20,219,040	6,854,860
Buildings	16,759,721	9,201,661
Building Improvements	2,908,500	1,886,537
Furniture, Fixtures and Equipment	2,002,886	2,095,240
Vehicles	695,684	861,243
Infrastructure	15,442,014	14,385,655
Totals	\$ 87,748,405	\$ 55,371,728

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

Management's Discussion and Analysis For the Year Ended December 31, 2017

#### Debt

The outstanding debt for the Conservancy District as of December 31, 2017 was \$796,125 with \$69,109 due within one year. The following table summarizes the Conservancy District's debt outstanding as of December 31, 2017 and 2016:

	2017	2016
OWDA #2162 - 5.56%	\$ 221,306	\$ 248,882
OWDA #5413 - 0%	113,332	122,776
OWDA #5575 - 3.25%	441,190	469,393
OWDA #5558 - 3.25%	20,297	21,660
OWDA #6104 - 3.99%	 0	0
Totals	\$ 796,125	\$ 862,711

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

#### **CURRENT ISSUES**

The Utica shale activity in Ohio has presented the Conservancy District with opportunities to utilize its natural resources. With approximately 7,000 additional acres available for lease in the heart of the shale play, the Conservancy District is continuing to develop and implement its plan for the prudent use of the resources it has available. Currently the Conservancy District has leased acreage for Utica shale development at Clendening Reservoir, Leesville Reservoir, Seneca Reservoir, Atwood Reservoir, and Piedmont Reservoir. The Conservancy District is evaluating options with regards to any remaining available acreage. As of December 31, 2017, the Conservancy District received royalty revenue from 58 producing Utica shale wells, which are included in 15 drilling units, drilled from 13 well pads. As of December 31, 2017, the Conservancy District also continues to receive delay rental revenue for several leases for any undeveloped acreage. Continued development at multiple reservoirs is ongoing, and expected to continue into 2018 and beyond.

With the completion of the 2012 Strategic Plan, the Conservancy District embarked on a new strategic plan with the process of reviewing the initiatives that were completed in the 2012 plan and gathering input from staff members for development of the 2017 Strategic Plan. As a result, the 2017 plan identified a number of high-priority initiatives which include the following: Review of the annual budget process, specifically looking at the possibility of developing a two year capital budget; Develop and implement a long-term plan for the Conservation areas; Address funding options for Phase 2 of the Park Master Plan; Preparation of a Marina Master Plan since the conservancy district has acquired three additional marinas since the 2012 plan; Develop a financially equitable and responsible subdistrict creation process. These are just a few of the initiatives outlined in the plan with the full plan being available for review. This again is being viewed as a five-year plan with a scorecard being prepared to track all the initiatives.

Management's Discussion and Analysis For the Year Ended December 31, 2017

Effective for 2017, the Board of Directors approved a Utica Shale Revenue Distribution plan which led to the creation of an operational reserve account, capital reserve account, and allowed for the transfer of moneys into the improvement fund for future land/building acquisitions. As of December 31, 2017 the operational reserve account had a balance of approximately \$6.7 million, the capital reserve account had a balance of approximately \$7.4 million, and approximately \$386,500 was transferred into the improvement fund. During the budgeting process for 2018, the Board of Directors approved the Utica Shale Revenue Distribution for the 2018 Utica Shale revenue. The allocation remained the same as 2017, with 5% of Utica Shale revenue going to the improvement fund for future land/building acquisitions, 45% will supplement operational needs and be set aside in a maintenance reserve account, and 50% will be set aside in a reserve account for the future capital needs of the District.

The park master plan, which will consist of major updates at all five parks and two marinas operated by the Conservancy District was in full swing during 2017. One hundred and twenty million dollars has been set-a-side for phase I of the plan. The Conservancy District had significant projects at all locations during 2017. The ADA restroom at Tappan, a concession stand at Seneca Beach, and a renovation of the Piedmont Marina building were all completed during 2017. Several significant new campground projects at Atwood, Tappan and Pleasant Hill will be complete and available for use during the 2018 camping season. As of December 31, 2017, the Conservancy District has spent approximately \$41 million in park master plan expenditures.

At the end of 2017, the Conservancy District agreed to purchase Tappan Lake Marina. 2018 will be the first year the Conservancy District will operate the marina, as it had been privately operated since its inception. After evaluating the operations, the Conservancy District will operate the marina (docking, boat rentals, etc.) and will lease out boat sales and service and the restaurant operations. Given the prime location of Tappan Marina, and the state of some of the facilities, there is an organizational goal to establish a master plan for the future of marina with work beginning on this during 2018.

In 2017, a lessee of the Conservancy District, Johnny Appleseed Heritage Center Inc., relinquished their lease, and as a result, the property improvements reverted to the Conservancy District. This includes a 1700 seat outdoor amphitheater and a 90 seat indoor auditorium. During 2018, the Conservancy District will establish a plan for the best use of the facilities going forward.

Beginning with the 2015 collection year, the Board of Directors approved a 50% reduction in the maintenance assessment collections. This continued again for the 2018 collection year, however the Board of Directors recommended curtailing expenditures for the maintenance assessment, so that the expenditures were more in line with the revenues being generated. This resulted in an approved budget for the 2018 maintenance assessment of \$6.8 million. The Conservancy District will outsource the billing file again for the 2018 collection year. Several of the other large initiatives in the maintenance assessment will be the ongoing shoreline protection work which will be largely supplemented by grant revenue, and continued work with sediment removal or dredging. The dredge removal at Tappan Lake was completed during 2017. The next project will be to begin dredging at Seneca Lake which will happen during 2018.

Management's Discussion and Analysis For the Year Ended December 31, 2017

The reactivation of the Black Fork Subdistrict occurred in 2011 at the request from officials of the City of Shelby. Since then, numerous meetings have been held to discuss the findings of the studies that were performed to look at the potential solutions to the flooding issues in the Black Fork. Thus, in 2018 it is anticipated that a final flood mitigation strategy and proposed project will be presented to Shelby city officials for consideration. Should officials accept this proposed project, the conservancy district will move forward for the eventual implementation of this strategy with appropriate funding considerations to be evaluated.

The Conservancy District continues to be the local cost share sponsor in the US Army Corp of Engineer projects. The current on-going projects are the Dover and Bolivar dam rehabilitations. The board of directors approved a \$100,000 budget for 2018 for these projects.

During 2017 and continuing into 2018, the Conservancy District is in the process of updating/upgrading a number of systems that impact the financial statements. Effective in November of 2017, a new payroll and HR system was implemented. This system will provide a much more stream-lined approach to the recruitment and on-boarding process for new hires. In 2018, the Conservancy District will be switching accounting systems with a go-live date in February. This will be a major upgrade and will provide a more robust software which will allow for better reporting and analysis. Finally, the Parks will be switching campground reservation systems in 2018, which will provide for on-line reservations and tracking of docks at the marinas in addition to the same availability for campsites and other amenities. This system will go-live in April.

#### **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.



# Muskingum Watershed Conservancy District

Tuscarawas County, Ohio Statement of Net Position Proprietary Fund December 31, 2017

Assets	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 135,984,656
Accrued Interest Accounts Receivable	9,121 1,024,257
Prepaids	480,365
Maintenance Assessments Receivable	1,218,484
Total Current Assets	138,716,883
Non-Current Assets:	
Capitalized Costs	1,513,171
Non-Depreciable Capital Assets	29,720,560
Depreciable Capital Assets, Net	58,027,845
Total Non-Current Assets	89,261,576
Total Assets	227,978,459
Deferred Outflows of Resources	
Pension	5,336,134
Total Deferred Outflows of Resources	5,336,134
Liabilities	
Current Liabilities:	
Accounts Payable	323,294
Contracts Payable	1,126,940
Retainage Payable Performance Bond Payable	877,018 64,000
Escrow Land Rentals	22
Due to Other Governments	171,105
Accrued Wages and Benefits	296,857
Accrued Interest Payable	100
Accrued Life Insurance	8,116
Claims Payable Advances	190,000 181,806
Compensated Absences	64,990
Capital Leases Payable	32,903
OWDA Loans Payable	69,109
Total Current Liabilities	3,406,260
Long-Term Liabilities:	
Compensated Absences - net of current portion	708,788
Capital Leases Payable - net of current portion	116,956
OWDA Loans Payable - net of current portion	727,016
Net Pension Liability	13,134,266
Total Long-Term Liabilities	14,687,026
Total Liabilities	18,093,286
Deferred Inflows of Resources	
Pension	78,167
Total Deferred Inflows of Resources	78,167
Net Position	
Net Investment in Capital Assets	84,940,313
Restricted for Maintenance Assessment	11,605,186
Unrestricted	118,597,641
Total Net Position	\$ 215,143,140

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, 2017

Operating Revenues         \$ 463,489           Water and sewer systems         91,020           Timber sales         534,371           Pine/pulpwood sales         9,657,093           Share crop lease         221,071           Cottage sites         2,822,871           Marina operations         1,699,788           Marina amping         425,621           Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         185,718           Miscellaneous income         156,400           Operating Expenses         185,718           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,646           Share crop         137,868           Water shed management         475			
Water and sewer systems         51,20           Timber sales         534,37           Mineral rights and royalties         9,657,093           Share crop lease         221,077           Cottage sites         2,822,871           Marina operations         1,699,788           Marina camping         425,621           Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         18,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Share crop	. •	•	400 400
Timber sales         534,371           Pine pluplowood sales         69,252           Mineral rights and royalties         9,657,093           Share crop lease         221,071           Cottage sites         2,822,871           Marina operations         1,699,788           Marina camping         425,621           Fishing rights         626,488           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         135,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Quality         675,134           Vehicles and equipment         40,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         135,423           Share crop <td></td> <td>\$</td> <td>*</td>		\$	*
Pine/pulpwood sales         69,252           Mineral rights and royalties         9,657,093           Share crop lease         221,071           Cottage sites         2,822,871           Marina operations         1,699,788           Marina amping         425,621           Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         185,718           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         313,888           Mineral operation         436,685           Watershed management	•		•
Mineral rights and royalties         9,657,093           Share crop lease         221,071           Cottage sites         2,822,871           Marina operations         1,699,788           Marina camping         425,621           Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         135,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/uggrades         1,143,415           Boundary survey         71,394           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities </td <td></td> <td></td> <td></td>			
Share crop lease         221,071           Cottage sites         2,822,871           Marina operations         1,699,788           Marina camping         425,621           Fishing rights         62,648           Easements/light of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,394           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Share crop         137,868           Mineral operation         486,865           Watershed management         475,181           Beach facilities         257,575           Office building <td></td> <td></td> <td>,</td>			,
Cotage sites         2,822,871           Marina operations         1,699,788           Marina camping         425,621           Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         185,718           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Share crop         137,888           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,6	· ,		
Marina operations         1,699,788           Marina camping         425,621           Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shorier crop         137,888           Mineral operation         436,685           Watershed management         275,757           Office building         344,619           Administrative and finance         2,104,426           Engineering	·		
Marina camping         425,621           Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreine Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         275,757           Office building         344,619           Administrative and finance         2104,426           Engineering         <			
Fishing rights         62,648           Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safetly/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shorielie Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723<	·		
Easements/Right of ways         265,000           Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel De			,
Beach facilities         170,375           Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Developm			•
Vacation cabin         460,433           Park camping         5,146,684           Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park Campi	• •		
Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safetly/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         305,501           Forestry maintenance         228,705           Park Camping expense         2,653,746 <t< td=""><td></td><td></td><td>,</td></t<>			,
Parks - Special events         128,361           Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses         187,190           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park camping expense         2,653,746 <tr< td=""><td></td><td></td><td>*</td></tr<>			*
Admissions - park facilities         185,718           Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Share crop         137,868           Watershed management         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park Master Planning         1,819,768           Cottage sites and clubs         1,332,484           General park facilities         4,263,787	, ,		
Miscellaneous income         156,400           Total Operating Revenues         22,560,204           Operating Expenses         187,190           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park camping expense         2,653,746           Park Master Planning         1,332,484           General park facilities         4,263,787	·		•
Total Operating Revenues         22,560,204           Operating Expenses         I87,190           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park camping expense         2,653,746           Park Master Planning         1,332,484           General park facilities         4,263,787           Vacation cabin         162,969			,
Operating Expenses           Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park camping expense         2,653,746           Park Master Planning         1,819,768           Cottage sites and clubs         1,332,484           General park facilities         4,263,787           Vacation cabin         162,969	Miscellaneous income		156,400
Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park Master Planning         1,819,768           Cottage sites and clubs         1,332,484           General park facilities         4,263,787           Vacation cabin         162,969	Total Operating Revenues		22,560,204
Water Sales         187,190           Water Quality         675,134           Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park Master Planning         1,819,768           Cottage sites and clubs         1,332,484           General park facilities         4,263,787           Vacation cabin         162,969	Operating Expenses		
Water Quality       675,134         Vehicles and equipment       401,998         Dam safety/upgrades       1,143,415         Boundary survey       71,396         Conservation       286,146         Reservior Maintenance       65,443         Information Systems/Technology       713,041         Shoreline Protection       185,423         Share crop       137,868         Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969			187.190
Vehicles and equipment         401,998           Dam safety/upgrades         1,143,415           Boundary survey         71,396           Conservation         286,146           Reservior Maintenance         65,443           Information Systems/Technology         713,041           Shoreline Protection         185,423           Share crop         137,868           Mineral operation         436,685           Watershed management         475,181           Beach facilities         257,575           Office building         344,619           Administrative and finance         2,104,426           Engineering         358,723           Planning and development         305,501           GIS and Parcel Development         787,355           Forestry maintenance         228,705           Park camping expense         2,653,746           Park Master Planning         1,819,768           Cottage sites and clubs         1,332,484           General park facilities         4,263,787           Vacation cabin         162,969	Water Quality		
Dam safety/upgrades       1,143,415         Boundary survey       71,396         Conservation       286,146         Reservior Maintenance       65,443         Information Systems/Technology       713,041         Shoreline Protection       185,423         Share crop       137,868         Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	•		*
Conservation       288,146         Reservior Maintenance       65,443         Information Systems/Technology       713,041         Shoreline Protection       185,423         Share crop       137,868         Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	• •		
Reservior Maintenance       65,443         Information Systems/Technology       713,041         Shoreline Protection       185,423         Share crop       137,868         Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Boundary survey		71,396
Information Systems/Technology       713,041         Shoreline Protection       185,423         Share crop       137,868         Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Conservation		286,146
Shoreline Protection       185,423         Share crop       137,868         Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Reservior Maintenance		65,443
Share crop       137,868         Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Information Systems/Technology		713,041
Mineral operation       436,685         Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Shoreline Protection		185,423
Watershed management       475,181         Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Share crop		137,868
Beach facilities       257,575         Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Mineral operation		436,685
Office building       344,619         Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Watershed management		475,181
Administrative and finance       2,104,426         Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Beach facilities		257,575
Engineering       358,723         Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Office building		344,619
Planning and development       305,501         GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Administrative and finance		2,104,426
GIS and Parcel Development       787,355         Forestry maintenance       228,705         Park camping expense       2,653,746         Park Master Planning       1,819,768         Cottage sites and clubs       1,332,484         General park facilities       4,263,787         Vacation cabin       162,969	Engineering		358,723
Forestry maintenance 228,705 Park camping expense 2,653,746 Park Master Planning 1,819,768 Cottage sites and clubs 1,332,484 General park facilities 4,263,787 Vacation cabin 162,969	Planning and development		305,501
Park camping expense2,653,746Park Master Planning1,819,768Cottage sites and clubs1,332,484General park facilities4,263,787Vacation cabin162,969	GIS and Parcel Development		787,355
Park Master Planning1,819,768Cottage sites and clubs1,332,484General park facilities4,263,787Vacation cabin162,969	Forestry maintenance		228,705
Cottage sites and clubs1,332,484General park facilities4,263,787Vacation cabin162,969	Park camping expense		2,653,746
General park facilities 4,263,787 Vacation cabin 162,969	Park Master Planning		1,819,768
Vacation cabin 162,969	Cottage sites and clubs		1,332,484
,	General park facilities		4,263,787
Marina operation 1,620,447	Vacation cabin		162,969
	Marina operation		1,620,447

Statement of Revenues, Expenses and Changes in Net Position Proprietary Fund For the Year Ended December 31, 2017

Water and sewer system Lake patrol operation Education and public information Safety Recreation maintenance Parks - special events PWM Sediment Removal Depreciation	\$ (Continued) 778,551 497,982 374,696 227,891 34,185 160,929 146,688 27,714 3,232,903
Total Operating Expenses	 26,500,564
Operating Loss	(3,940,360)
Non-Operating Revenues (Expenses)	
Maintenance assessments	6,067,371
Grants	937,622
Interest on investments	1,137,972
Debt retirement - Interest	 (49,660)
Total Non-Operating Revenues (Expenses)	 8,093,305
Income before Contributions	4,152,945
Capital Contributions	 1,956,870
Change in Net Position	6,109,815
Net Position - Beginning of Year	 209,033,325
Net Position - End of Year	\$ 215,143,140

See accompanying notes to the basic financial statements



# Muskingum Watershed Conservancy District Tuscarawas County, Ohio Statement of Cash Flows

Proprietary Fund For the Year Ended December 31, 2017

Cash flows from Operating Activities: Cash Received from Customers	\$ 22,596,043
Cash Payments to Suppliers for Goods and Services	(11,223,079
Cash Payments for Employees Services and Benefits	(10,294,123
Net Cash Provided By Operating Activities	1,078,841
Cash Flows from Noncapital Financing Activities:	
Proceeds from OWDA Loans	357,694
Principal Payments on OWDA Loans	(396,703
Intergovernmental Grants	(222)
Maintenance Assessments	4,595,116
Interest Paid on Debt	(24,249
Net Cash Provided by Noncapital Financing Activities	4,531,858
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(32,729,302
Maintenance Assessments	1,500,20
Intergovernmental Grants	937,622
Principal Payments on OWDA Loans	(27,576
Principal Payments on Capital Leases	(27,505
Interest Paid on Debt	(25,41
Not Cook Hood for Copital and Related Financing Activities	
Net Cash Used for Capital and Related Financing Activities	(30,371,971
Cash Flows from Investing Activities:	
Receipts of Interest	1,619,532
Payments for purchase of investments	(90,462,489
Proceeds from Sale of Investments	96,269,159
Net Cash Provided By Investing Activities	7,426,20
Net (Decrease) in Cash and Cash Equivalents	(17,335,070
Cash and Cash Equivalents Beginning of Year	24,259,55
Cash and Cash Equivalents End of Year	\$ 6,924,483
Reconciliation of Operating Loss To Net	
Cash Used by Operating Activities:	
Operating Loss	\$ (3,940,360
Adjustments to Reconcile Operating Income to	. (-/-
Net Cash Provided by Operating Activities:	
Depreciation	3,232,903
(Increase) Decrease in Assets	0,202,000
Capitalized Costs	(522.04)
·	(533,04
Accounts Receivable	35,839
Prepaids No. 18 and 18	33,37
Net Pension Asset	26,803
Deferred Outflows	(1,140,46
Increase (Decrease) in Liabilities:	
Accounts Payable	108,15
Performance Bond Payable	7,00
Escrow Funds Payable	(53:
Advances	15,25
	20,00
Claims Payable	,
Claims Payable Accrued Wages and Benefits	15.06
Accrued Wages and Benefits	
Accrued Wages and Benefits Accrued Life Insurance	36
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences	36. 50,25
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments	36: 50,25: 11,40:
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability	36: 50,25: 11,40: 3,264,61:
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments	36; 50,25- 11,400 3,264,61;
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability	36: 50,25: 11,401 3,264,61: (127,79)
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability Deferred Inflows  Net Cash Provided By Operating Activities  Reconciliation of cash and investments reported on the	15,066 36: 50,25- 11,401 3,264,61: (127,79-
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability Deferred Inflows  Net Cash Provided By Operating Activities  Reconciliation of cash and investments reported on the Statement of Net Position to cash and cash equivalents	36: 50,25: 11,401 3,264,61: (127,79)
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability Deferred Inflows  Net Cash Provided By Operating Activities  Reconciliation of cash and investments reported on the Statement of Net Position to cash and cash equivalents	36: 50,25 11,40 3,264,61: (127,79
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability Deferred Inflows  Net Cash Provided By Operating Activities  Reconciliation of cash and investments reported on the Statement of Net Position to cash and cash equivalents reported on the Statement of Cash Flows:	36: 50,25 11,40: 3,264,61: (127,79: \$ 1,078,84
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability Deferred Inflows  Net Cash Provided By Operating Activities 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 Investments included in balances above that are not cash equivalents	36: 50,25 11,078,84 \$ 135,984,65 (129,060,17:
Accrued Wages and Benefits Accrued Life Insurance Compensated Absences Due to Other Governments Net Pension Liability Deferred Inflows  Net Cash Provided By Operating Activities  Reconciliation of cash and investments reported on the Statement of Net Position to cash and cash equivalents reported on the Statement of Cash Flows:	36 50,25 11,40 3,264,61 (127,79 \$ 1,078,84

#### Noncash Capital Financing Activities:

During 2017, \$47,884 of capital assets were acquired on capital leases.

During 2017, \$1,956,870 of capital assets were donated to the Conservancy District.

At December 31, 2017, the Conservancy District purchased \$1,995,736 in capital assets on account.

At December 31, 2016, the Conservancy District purchased \$1,128,432 in capital assets on account.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### 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 2016 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.

#### 2017 Board of Directors:

•	Clark Sprang – President	Term Expires June 2020
•	Robert Moorehead – Vice President	Term Expires August 2021
•	Joanne Limbach – Member	Term Expires July 2018
•	Gordon Maupin – Member	Term Expires July 2019
•	Stephen Paquette – Member	Term Expires July 2022
•	Richard J Pryce - Member	Term Expired July 2017

#### 2017 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) Preventing Floods
- (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 their waters

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
- (H) Water Sales

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# NOTE 1: NATURE OF BASIC OPERATIONS AND DESCRIPTION OF ENTITY (continued)

#### Subdistricts:

Chippewa Subdistrict, Black Fork Subdistrict, Buffalo Subdistrict, Duck Creek Subdistrict, and Clear Fork 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, Black Fork Subdistrict, and the Clear Fork 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 City officials, re-activated the Black Fork Subdistrict for the purpose of preparing an Official Plan, as required by the Ohio Revised Code, to address flooding within the Black Fork watershed. Black Fork Subdistrict is still in progress in the development of an official plan. In June of 2014, the Conservancy Court established the Clear Fork Subdistrict based on the request by several municipalities and stakeholders along the Clear Fork. Work is beginning to create an official plan. 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 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 polices applicable to governmental enterprise funds.

#### B. Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, all liabilities, and deferred inflows of resources 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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 orders, 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 and land improvements is \$25,000.

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

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All reported capital assets are required to be depreciated except for land, construction in progress, and capitalized development costs. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Land Improvements	20 - 25 Years
Buildings	30 - 50 Years
Building Improvements	10 - 20 Years
Furniture, Fixtures and Equipment	3 - 15 Years
Vehicles	3 - 5 Years
Infrastructure	20 - 50 Years
Land	N/A
Construction in Progress	N/A
Capitalized Development Costs	N/A

#### 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

For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

#### 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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### H. Revenue & 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. Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The Conservancy District has a deferred outflow related to pension. See note 7 for additional information.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Conservancy District has a deferred inflow related to pension. See note 7 for additional information.

# J. 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 2017, the Conservancy District had no extraordinary or special items.

#### K. Implementation of New Accounting Policies and Restatement of Net Position

For the year ended December 31, 2017, the Conservancy District has implemented Governmental Accounting Standards Board (GASB) Statement No. 80, Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14, GASB Statement No. 81, Irrevocable Split-Interest Agreements and GASB Statement No. 82, Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Conservancy District.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, it requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires that a government recognize revenue when the resources become applicable to the reporting period. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Conservancy District.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the Conservancy District's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

#### L. 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, 2017 none of the Conservancy District's investments qualified as a cash equivalent.

# M. 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 an assessment in place. As of December 31, 2017, the entire amount of the loan has been repaid, however, it has not all been drawn down (see section N. below). Once the project is complete the charges will be amortized over the payback period from the assessment.

The Conservancy District is covering the costs associated with preparing the Official Plan for the Clear Fork Subdistrict. The costs incurred with this project are accumulating until the plan is complete and the subdistrict has an assessment in place. Once the project is complete the charges will be amortized over the payback period from the assessment.

#### N. Prepaids

The Conservancy District has a loan with the Ohio Water Development Authority (OWDA) to cover costs associated with preparing the Official Plan for the Black Fork Subdistrict. In 2013, the Conservancy District was required to start making principal and interest payments on the loan based on the total amount of the approved debt, even though the entire amount of the loan had not been drawn down. As of December 31, 2017, the Conservancy District had repaid the entire amount of the loan. The amount of \$480,365, represents the amount paid but yet to be drawn down, and is shown as a prepaid.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### O. Unearned Revenue

The Conservancy District records unearned revenue when it has received moneys prior to having earned the revenue, or before all grant requirements have been met (other than time). At December 31, 2017 unearned revenue consisted of \$181,806 of moneys received in advance for reservations in our parks and marinas for 2018.

#### P. Capital Contribution

In September of 2017, Johnny Appleseed Heritage Center Inc. donated an Amphitheater, a building (the Heritage Center), a water plant and a sewer plant to the Conservancy District. This property was donated because the outdoor drama, which was situated on the District land, became defunct. This property had a fair market value of \$1,956,870.

#### Q. Reserve Account Balances

As part of the Conservancy District's strategic plan, there was an initiative to optimize fiscal balance. Therefore, in 2017, the Board of Directors approved a Deep Shale Royalty Revenue distribution plan which called for the creation of two reserve funds. One operational reserve fund which has a balance of approx. \$6.7 million, and a capital reserve fund which has a balance of approx. \$7.4 million as of December 31, 2017.

#### **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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

### **NOTE 3: DEPOSITS AND INVESTMENTS (continued)**

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 and Star Plus).
- 6. Certain bankers' acceptances and commercial paper notes for a period not to exceed two hundred and seventy days in an amount not to exceed 40 percent of the interim moneys available for investment at any time, provided no more than 5% is invested in any one issuer.

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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **NOTE 3: DEPOSITS AND INVESTMENTS (continued)**

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 2017, 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 \$6,920,233. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2017, \$9,012,707 of the Conservancy District's bank balance of \$9,607,592 was exposed to custodial risk as discussed above, while \$594,885 was covered by Federal Deposit Insurance Corporation.

#### Cash on Hand

As of December 31, 2017, the Conservancy District had \$4,250 of cash on hand.

#### **Investments**

As of December 31, 2017, the Conservancy District had the following investments and maturities:

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

### **NOTE 3: DEPOSITS AND INVESTMENTS (continued)**

		Investment Maturities							
	Fair		6 Months		7 to 12		13 to 24		More than
Investment Type	Value	or Less Months Months		or Less Months Months 24		or Less Months		24 Months	
Federal Home Loan Mortgage Corporation	\$ 15,586,233	\$	499,367	\$	-	\$	1,489,330	\$	13,597,536
Federal National Mortgage Association	9,509,376		-		-		2,748,863		6,760,513
Federal Home Loan Bank	14,390,166		-		-		-		14,390,166
Federal Farm Credit Bank	4,960,139		-		-		-		4,960,139
Municipal Bonds	11,285,182		4,036,171		2,207,994		2,169,369		2,871,648
Money Market	2,324,898		2,324,898		-		-		-
Treasury Bonds	19,645,396		519,771		1,985,391		5,095,563		12,044,671
CDs	16,669,263		2,454,499		4,326,427		4,854,256		5,034,081
Commercial Paper	34,689,520		29,252,391		5,437,129		-		-
	\$ 129,060,173	\$	39,087,097	\$	13,956,941	\$	16,357,381	\$	59,658,754

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of December 31, 2017. All investments of the District are valued using quoted market prices (Level 1 inputs).

**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 FHLMC, FNMA, FHLB, FFCB and Treasuries all have Aaa or AA+ ratings from Moody's and S&P respectively. Nearly all of the securities carry the Aaa rating, which is the highest on the respective scales from Moody's. The Commercial paper is rated A-1, which is the highest rating on the scale for short term debt. Most of the municipal bond anticipation notes, and the money market funds are not rated by Moody's. The CDs are not rated by Moody's but are covered under the issuing bank FDIC.

**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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **NOTE 3: DEPOSITS AND INVESTMENTS (continued)**

**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, 2017.

	Fair	Percent of
Investment Type	Value	Total
Federal Home Loan Mortgage Corporation	15,586,233	12%
Federal National Mortgage Association	9,509,376	7%
Federal Home Loan Bank	14,390,166	11%
Federal Farm Credit Bank	4,960,139	4%
Municipal Bonds	11,285,182	9%
Money Market	2,324,898	2%
Treasury Bonds	19,645,396	15%
CDs	16,669,263	13%
Commercial Paper	34,689,520	27%
	\$ 129,060,173	100%

The following is the net increase in the fair value of investments during for year ending December 31, 2017.

Fair Value of Investments December 31, 2017	\$ 129,060,173
Add: Proceeds of investments sold in 2017	96,269,159
Less: Cost of investments purchased in 2017	(90,462,489)
Less: Fair value at December 31, 2016	 (135,327,969)
Change in fair value of investments	\$ (461,126)

#### **NOTE 4: RECEIVABLES**

Receivables at December 31, 2017 consisted of accounts (billed user charged services) and delinquent maintenance assessments. All receivables are deemed collectible in full.



Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **NOTE 5: CAPITAL ASSETS**

Proprietary capital assets – summary by category at December 31, 2017:

	Balance			Balance
	12/31/2016	Additions	Deletions	12/31/2017
Capital Assets Not Being Depreciated				
Land	\$ 3,313,899	\$ 0	\$ 0	\$ 3,313,899
Construction in Progress	15,583,138	27,742,430	(18,108,402)	25,217,166
Capitalized Development Costs	1,189,495	0	0	1,189,495
Total Capital Assets Not Being Depreciated	20,086,532	27,742,430	(18,108,402)	29,720,560
Capital Assets Being Depreciated				
Land Improvements	8,740,363	14,144,483	0	22,884,846
Buildings	14,444,792	7,937,085	0	22,381,877
Building Improvements	2,997,989	1,149,158	0	4,147,147
Furniture, Fixtures and Equipment	7,077,520	611,877	(101,855)	7,587,542
Vehicles	2,443,253	181,065	(87,868)	2,536,450
Infrastructure	18,040,448	1,962,126	0	20,002,574
Total Capital Assets Being Depreciated	53,744,365	25,985,794	(189,723)	79,540,436
Less Accumulated Depreciation:				
Land Improvements	(1,885,503)	(780,303)	0	(2,665,806)
Buildings	(5,243,131)	(379,025)	0	(5,622,156)
Building Improvements	(1,111,452)	(127,195)	0	(1,238,647)
Furniture, Fixtures and Equipment	(4,982,280)	(693,989)	91,613	(5,584,656)
Vehicles	(1,582,010)	(346,624)	87,868	(1,840,766)
Infrastructure	(3,654,793)	(905,767)	0	(4,560,560)
Total Accumulated Depreciation	(18,459,169)	(3,232,903)	179,481	(21,512,591)
Total Capital Assets Being Depreciated, Net	35,285,196	22,752,891	(10,242)	58,027,845
Capital Assets, Net	\$ 55,371,728	\$ 50,495,321	\$ (18,118,644)	\$ 87,748,405



Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### **NOTE 6: RISK MANAGEMENT**

#### A. Comprehensive Liability Insurance

The Conservancy District maintains comprehensive property, equipment and casualty (liability) protection through its membership in a reinsured self-insurance program for Ohio public entities, Ohio Plan Risk Management (OPRM). This membership provides comprehensive risk management services to the District and coverage for the following:

- A. Special Form Property (Building and contents, blanket)
- B. Equipment Floaters
- C. Boiler and Machinery, including equipment breakdown
- D. Business Auto
- E. Management Liability: Directors/Officers, Employment Practices
- F. Law Enforcement Professional
- G. Commercial General Liability and Umbrella Policy
- H. Ohio Employer's Liability
- I. Employee and Public Official Surety Bonds

Settled claims resulting from these risks have not exceeded the coverage provided by the District's OPRM protection in any of the past three years and there has been no significant reduction in insurance coverage in the year 2017.

#### 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 2016 plan year ran June 1, 2016 through May 31, 2017. The 2017 plan year runs June 1, 2017 through May 31, 2018. For the 2017 plan year, the Conservancy District created a second plan with a higher deductible (Plan B).

The monthly premium for the 2016 plan year for a single employee is \$799.57, \$1,255.26 for an employee plus 1, and for the family of an employee is \$1,897.24. The monthly premium for the traditional plan (Plan A) for the 2017 year for a single employee is \$565.20, \$1,177.80 for an employee plus 1, and for the family of an employee is \$1,822.80. The monthly premium for Plan B for a single employee is \$435.72, \$904.56 for an employee plus one, and for the family of an employee is \$1,398.80.

The overall stop loss for the plan year 2016 is \$1,494,982 and for plan year 2017 is \$1,604,414.

The specific stop loss per occurrence was \$55,000 for plan year 2016 and \$65,000 for plan year 2017. For plan year 2016 and 2017, there was one instance with a special specific deductible in the amount of \$575,000 each year. There was one claim exceeding the limit for plan year 2016. When the Conservancy District pays claims or reimburses employees for medical bills in excess of the limits they are reimbursed by Arch Insurance Group for the 2016 plan year and Aultcare Insurance Company for the 2017 plan year.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **NOTE 6: RISK MANAGEMENT (continued)**

The claims liability of \$190,000 at December 31, 2017, 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 2017 and 2016 are as follows:

	Balance Beginning of Year		Y	Current Year Claims		Claims Payments		Balance nd of Year
2016	\$	183,000	\$	1,439,625	\$	1,452,625	\$	170,000
2017	\$	170,000	\$	1,533,912	\$	1,513,912	\$	190,000

#### **Note 7 - Defined Benefit Pension Plans**

#### Net Pension Asset/Liability

The net pension asset/liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for the liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **Note 7 - Defined Benefit Pension Plans (continued)**

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension* asset or *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental* payable on the accrual basis of accounting.

#### Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional and combined plans; therefore, the following disclosure focuses on the traditional and combined pension plans.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <a href="https://www.opers.org/financial/reports.shtml">https://www.opers.org/financial/reports.shtml</a>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

### Note 7 - Defined Benefit Pension Plans (continued)

#### Group A

Eligible to retire prior to January 7, 2013 or five years after January 7, 2013

#### State and Local

#### Age and Service Requirements:

Age 60 with 60 months of service credit or Age 55 with 25 years of service credit

#### Formula:

2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30

#### Law Enforcement

#### Age and Service Requirements:

Age 52 with 15 years of service credit

#### Formula:

2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

#### Group B

20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013

#### State and Local

#### Age and Service Requirements:

Age 60 with 60 months of service credit or Age 55 with 25 years of service credit

#### Formula:

2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30

#### Law Enforcement

#### Age and Service Requirements:

Age 48 with 25 years of service credit or Age 52 with 15 years of service credit

#### Formula:

2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

#### Group C

Members not in other Groups and members hired on or after January 7, 2013

#### State and Local

#### Age and Service Requirements:

Age 57 with 25 years of service credit or Age 62 with 5 years of service credit

#### Formula:

2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

#### Law Enforcement

#### Age and Service Requirements:

Age 48 with 25 years of service credit or Age 56 with 15 years of service credit

#### Formula:

2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **Note 7 - Defined Benefit Pension Plans (continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State	Law
	and Local	Enforcement
2017 Statutory Maximum Contribution Rates		
Employer	14.00 %	18.10 %
Employee	10.00 %	**
2017 Actual Contribution Rates		
Employer:		
Pension	13.00 %	17.10 %
Post-employment Health Care Benefits	1.00	1.00
Total Employer	14.00 %	18.10 %
Employee	10.00 0	12.00 07
Employee	10.00 %	13.00 %

<sup>\*</sup>This rate is determined by OPERS' Board and has no maximum rate established by ORC.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$964,697 for 2017. Of this amount, \$74,736 is reported as an intergovernmental payable.

# Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension asset/liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset/liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:



<sup>\*\*</sup> This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# Note 7 - Defined Benefit Pension Plans (continued)

		OPERS
	Tra	aditional Plan
Proportion of the Net Pension Liability:		
Current Measurement Period		0.05783906%
Prior Measurement Period		0.05698000%
Change in Proportion		0.00085906%
Proportionate Share of the Net		
Pension Liability	\$	13,134,266
Pension Expense	\$	2,987,857

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period. At December 31, 2017, the Conservancy District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	
<b>Deferred Outflows of Resources</b>		
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	\$	1,955,994
Differences between Expected and		
Actual Experience		17,802
Changes of Assumptions		2,083,253
Changes in Proportionate Share		314,388
Conservancy District Contributions		
Subsequent to the Measurement Date		964,697
Total Deferred Outflows of Resources	\$	5,336,134
<b>Deferred Inflows of Resources</b>		
Differences between Expected and		
Actual Experience	\$	78,167
Total Deferred Inflows of Resources	\$	78,167

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **Note 7 - Defined Benefit Pension Plans (continued)**

\$964,697 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	Traditional Plan
2018	1,883,030
2019	1,769,276
2020	698,300
2021	(57,336)
	\$ 4,293,270

#### Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# **Note 7 - Defined Benefit Pension Plans (continued)**

Actuarial Information	Traditional Pension Plan
Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	7.50 percent
Wage Inflation	3.25 percent
Projected Salary Increases, including wage inflation	3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent)
Cost-of-Living	Pre-1/7/2013 Retirees: 3.00 percent Simple
Adjustments	Post-1/7/2013 Retirees: 3.00 percent Simple
	through 2018, then 2.15 percent Simple

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# Note 7 - Defined Benefit Pension Plans (continued)

weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

	Target	Weighted Average Long-Term Expected Real Rate of Return
Asset Class	Allocation	(Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.50 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50 percent) or one-percentage-point higher (8.50 percent) than the current rate:

	Current						
	19	% Decrease	Di	scount Rate	19	% Increase	
		(6.50%)		(7.50%)		(8.50%)	
Conservancy District's proportionate							
share of the net pension liability:	\$	20,065,525	\$	13,134,266	\$	7,358,285	

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

### **Note 8: Post-Employment Benefits**

#### Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. See OPERS CAFR reference below for additional information.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible benefit recipients. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <a href="https://www.opers.org/financial/reports.shtml">https://www.opers.org/financial/reports.shtml</a>, 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 through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

### Note 8: Post-Employment Benefits (continued)

Each year the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4 percent.

Substantially all of the Conservancy District's contributions allocated to fund post-employment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2017, 2016, and 2015 were \$70,407, \$131,851, and \$139,227 respectively. For 2017, 93 percent has been contributed with the balance being reported as accrued wages and benefits. The full amount has been contributed for 2016 and 2015.

#### **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.



Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### **NOTE 10: LONG-TERM OBLIGATIONS**

The changes in the Conservancy District's long-term obligations during the fiscal year 2017 were as follows:

	Principal			Principal	Amount
	Outstandin	g		Outstanding	Due in
Long Term Obligations:	12/31/201	6 Additions	Reductions	12/31/2017	One Year
OWDA #2162 - 5.56%	\$ 248,88	32 \$ 0	\$ (27,576)	\$ 221,306	\$ 29,130
OWDA #5413 - 0%	122,77	'6 0	(9,444)	113,332	9,444
OWDA #5575 - 3.25%	469,39	3 0	(28,203)	441,190	29,127
OWDA #5558 - 3.25%	21,66	0 0	(1,363)	20,297	1,408
OWDA #6104 - 3.99%		0 357,694	(357,694)	0	0
Total	862,71	1 357,694	(424,280)	796,125	69,109
Other Long Term Obligations:					
Capital Leases	129,48	47,884	(27,505)	149,859	32,903
Net Pension Liability - See note 7	9,869,65	3,264,612	0 '	13,134,266	0
Compensated Absences	723,52	25 130,316	(80,063)	773,778	64,990
Total other long-term obligations	10,722,65	9 3,442,812	(107,568)	14,057,903	97,893

#### Ohio Water Development Authority Loans

In 1999, the Conservancy District was awarded a loan (#2162) 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 (#5413) 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 (#5575) 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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

# NOTE 10: LONG-TERM OBLIGATIONS (continued)

The Conservancy District was awarded a \$30,065 loan from OWDA (#5558) 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 (#6104) for studies to develop the Black Fork Subdistrict official plan. As of December 31, 2017, only \$1,019,635 had been drawn down. This loan required repayment beginning in 2013 based upon the full amount of the loan and was completely repaid as of December 31, 2017. \$480,365 is shown as a prepaid which represents the amount in excess of the amount drawn down that has been paid to OWDA.

The annual requirements to retire debt are as follows:

	Ohio Water					
	De	velopment A	utho	rity Loans		
	ı	Principal		Interest		
2018		69,109		26,658		
2019		71,751		24,015		
2020		74,519		21,247		
2021		77,419		18,347		
2022		80,457		15,310		
2023-2027		297,027		38,181		
2028-2032		125,843		5,237		
	\$	796,125	\$	148,995		

#### NOTE 11: CAPITAL LEASES - LESSEE DISCLOSURE

The Conservancy District has 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 \$183,213, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation was \$45,387 as of December 31, 2017, leaving a current book value of \$142,826. 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, 2017:

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### NOTE 11: CAPITAL LEASES – LESSEE DISCLOSURE (continued)

		Cap	oital Leases
Fiscal Year Ending December 31:	2018	\$	47,264
	2019		47,264
	2020		47,264
	2021		38,241
	2022		4,078
Less: amount representing interest at the Conser	vancy		
District's incremental borrowing rate of interest			(34,252)
Present Value of minimum lease payments		_\$_	149,859

#### **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%. Several wells have been drilled under the terms of this lease agreement and additional rental payments are also currently being paid on an annual basis for any undeveloped acreage.

On May 7, 2012, the Conservancy District (the "Lessor") entered into a lease agreement with Chesapeake Exploration, L.L.C. (the "Lessee"). The Conservancy District leased approximately 3,700 acres of land at Leesville Reservoir to the Lessee. The Lessee will pay the Conservancy District lease royalty payments of 20%. Several wells have been drilled under the terms of this lease agreement and additional rental payments are also currently being paid on an annual basis for any undeveloped acreage.

On February 21, 2013, the Conservancy District (the "Lessor") entered into a lease with Antero Resources (the "Lessee") for an initial term of 5 years with the option to extend. The Conservancy District leased approximately 7,000 acres of land at Seneca Lake. The lessee will pay the Conservancy District lease royalty payments of 20%. Several wells have been drilled under the terms of this lease agreement.

On April 22, 2014, the Conservancy District (the "Lessor") entered into a lease with Antero Resources (the "Lessee") for an initial term of 5 years with the option to extend. The Conservancy District leased approximately 6,300 acres of land at Piedmont Reservoir. The Lessee will pay the Conservancy District royalty payments of 20%. One well has been drilled to date under the terms of this lease agreement.

### Muskingum Watershed Conservancy District Tuscarawas County, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### **NOTE 13: CONTRACTUAL COMMITMENTS**

As of December 31, 2017, the Conservancy District had contractual commitments for the following projects:

		Contractual			Balance
	(	Commitment	Expended	1	12/31/2017
Bolivar Dam - Army Corps of Engineers	\$	37,951,380	\$ 21,576,746	\$	16,374,634
Dover Dam - Army Corps of Engineers		2,070,000	2,051,887		18,113
Nimishillen Basin Flood Warning & Maps		500,000	300,000		200,000
Blackfork Subdistrict Development		1,124,134	669,906		454,228
Atwood Campground Area 20		7,745,016	7,159,696		585,320
Seneca Parkside Sanitary Sewer		1,017,404	829,364		188,040
Pleasant Hill Campground Area 22		3,038,732	2,977,093		61,639
Awood Main Campground Improvements Ph. 1		5,857,297	-		5,857,297
Charles Mill Water & Wastewater Utility Imp.		2,920,178	-		2,920,178
Charles Mill Campground Redevelopment Ph. 1		2,462,906	-		2,462,906
Piedmont Marina Campground Redevelopment		2,096,296	64,354		2,031,942
Pleasant Hill Sanitary Sewer		1,455,390	281,307		1,174,083
Pleasant Hill Campground Redevelopment Ph. 1		2,637,960	-		2,637,960
Seneca Parkside and Woodlands Campground Design		844,537	803,249		41,288
Seneca Parkside and Woodlands Campground		11,530,152	1,801,436		9,728,716
Seneca Marina Point Campground Ph. 1 Design		524,484	52,864		471,620
Tappan East Campground		4,069,272	3,755,590		313,682
Tappan Campground Redevelopment Ph. 1		3,115,693	-		3,115,693
Master Plan Program Management		2,190,000	1,021,223		1,168,777
Master Plan Construction Administration		899,949	609,575		290,374
Master Plan Construction Administration		537,160	258,366		278,794
Seneca Lake Dredging		1,069,425	145,746		923,679

### Muskingum Watershed Conservancy District Tuscarawas County, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### **NOTE 14: SUBSEQUENT EVENTS**

At the January 2018 Board of Directors meeting, the Board approved a new contract with the Fraternal Order of Police Ohio Labor Council, Inc. The agreement was effective January 1, 2018.

At the February 2018 Board of Directors meeting, the Board authorized entering into contracts for construction administration and inspection services with two different firms in amount of \$756,035 and \$856,655.

At the March 2018 Board of Directors meeting, the Board authorized a new lease for a portion of the undeveloped land at Seneca reservoir (1,876 acres), and a release of a portion of the initial lease (2,488 acres). The Conservancy District will receive \$1,240 per acre per year, for the 1,876 acres, for three years, or a total of \$6,978,720.

At the March 2018 Board of Directors meeting, the Board authorized to advertise for bid and award a contract for the Pleasant Hill Park Cabin Roadway and Infrastructure project. The engineer estimate for this project is \$1,500,400.

#### **NOTE 15: BLENDED COMPONENT UNITS**

Black Fork, Buffalo Creek, Chippewa and Duck Creek Subdivisions are blended component units under criteria of GASB Statement 61. The following represents combining financial statements for the year ended 2017.



#### Muskingum Watershed Conservancy District Tuscarawas County, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### NOTE 15: BLENDED COMPONENT UNITS (continued)

#### **COMBINING STATEMENT OF NET POSITION**

	Muskingum						
	Watershed			odistricts			
	Convservancy District	Black Fork	Buffalo Creek	Chippewa	Duck Creek	Eliminating Entries	Total
Assets							
Current Assets:							
Equity in Pooled Cash and Investments	\$ 135,309,937	\$ 0	\$ 0	\$ 666,289	\$8,430	\$ 0	\$ 135,984,656
Accrued Interest	9,121	0	0	0	0	0	9,121
Accounts Receivable	1,045,297	0	0	0	0	(21,040)	1,024,257
Prepaids	480,365	0	0	0	0	0	480,365
Maintenance Assessments Receivable	1,208,684	0	0	9,800	0	0	1,218,484
Total Current Assets	138,053,404	0	0	676,089	8,430	(21,040)	138,716,883
Non-Current Assets:							
Capitalized Costs	1,513,171	0	0	0	0	0	1,513,171
Non-Depreciable Capital Assets	28,402,527	1,822	27,593	1,283,218	5,400	0	29,720,560
Depreciable Capital Assets, Net	57,991,964	0	0	35,881	0	0	58,027,845
Net Pension Asset	0	0	0	0	0	0	0
Total Non-Current Assets	87,907,662	1,822	27,593	1,319,099	5,400	0	89,261,576
Total Assets	225,961,066	1,822	27,593	1,995,188	13,830	(21.040)	227,978,459
	220,001,000	1,022	27,000	1,000,100	10,000	(21,040)	227,070,100
Deferred Outflows of Resources						_	
Pension	5,336,134	0	0	0	0	0	5,336,134
Total Deferred Outflows of Resources	5,336,134	0	0	0	0	0	5,336,134
Liabilities							
Current Liabilities:							
Accounts Payable	302,129	1.822	27,593	6,753	6,037	(21,040)	323,294
Contracts Payable	1.118.718	0	0	8,222	0	0	1,126,940
Retainage Payable	877,018	0	0	0	0	0	877,018
Performance Bond Payable	64,000	0	0	0	0	0	64,000
Escrow Land Rentals	22	0	0	0	0	0	22
Due to Other Governments	171,105	0	0	0	0	0	171,105
Accrued Wages and Benefits	296,857	0	0	0	0	0	296,857
Accrued Interest Payable	100	0	0	0	0	0	100
Accrued Life Insurance	8,116	0	0	0	0	0	8,116
Claims Payable	190,000	0	0	0	0	0	190,000
Advances	181,806	0	0	0	0	0	181,806
Compensated Absences	64,990	0	0	0	0	0	64,990
Capital Leases Payable	32,903	0	0	0	0	0	32,903
OWDA Loans Payable	69,109	0	0	0	0	0	69,109
Total Current Liabilities	3,376,873	1,822	27,593	14,975	6,037	(21,040)	3,406,260
Long-Term Liabilities:							
Compensated Absences - net of current portion	708,788	0	0	0	0	0	708,788
Capital Leases Payable - net of current portion	116,956	0	0	0	0	0	116,956
OWDA Loans Payable - net of current portion	727,016	0	0	0	0	0	727,016
Net Pension Liability	13,134,266	0	0	0	0	0	13,134,266
Total Long-Term Liabilities	14,687,026	0	0	0	0	0	14,687,026
Total Liabilities	18,063,899	1,822	27,593	14,975	6,037	(21,040)	18,093,286
Deferred Inflows of Resources							
Pension	78,167	0	0	0	0	0	78,167
Total Deferred Inflows of Resources	78,167	0	0	0	0	0	78,167
Net Position	00 5	,	.=			_	040::
Net Investment in Capital Assets	83,586,399	1,822	27,593	1,319,099	5,400	0	84,940,313
Restricted for Maintenance Assessment	10,944,072	(1.000)	(07.500)	661,114	0	0	11,605,186
Unrestricted	118,624,663	(1,822)	(27,593)	0	2,393	0	118,597,641
Total Net Position	\$ 213,155,134	\$ 0	\$ 0	\$ 1,980,213	\$7,793	\$ 0	\$ 215,143,140

#### Muskingum Watershed Conservancy District Tuscarawas County, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### NOTE 15: BLENDED COMPONENT UNITS (continued)

#### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

		uskingum atershed			Sub	districts					
		nvservancy	Black	le .	Buffa		uistricts	 uck	Elimi	nating	
		District	Fork		Cree		Chippewa	reek		rialing tries	Total
	-	District	1011	<u> </u>	0100	<u> </u>	Опіррема	 rccit		1103	 Total
Operating Revenues											
Water Sales	\$	463,498	\$	0	\$	0	\$ 0	\$ 0	\$	0	\$ 463,498
Water and sewer systems		91,020		0		0	0	0		0	91,020
Timber Sales		534,371		0		0	0	0		0	534,371
Pine/Pulpwood Sales		69,252		0		0	0	0		0	69,252
Mineral rights and royalties		9,657,093		0		0	0	0		0	9,657,093
Share Crop		221,071		0		0	0	0		0	221,071
Cottage Sites and Clubs		2,822,871		0		0	0	0		0	2,822,871
Marina operations		1,699,788		0		0	0	0		0	1,699,788
Marina camping		425,621		0		0	0	0		0	425,621
Fishing rights		62,648		0		0	0	0		0	62,648
Easements/Right of Ways		265,000		0		0	0	0		0	265,000
Beach facilities		170,375		0		0	0	0		0	170,375
Vacation cabin		460,433		0		0	0	0		0	460,433
Park camping		5,146,684		0		0	0	0		0	5,146,684
Parks - Special Events		128,361		0		0	0	0		0	128,361
Admissions - park facilities		185,718		0		0	0	Ö		0	185,718
Miscellaneous income		156,400		0		0	0	0		0	156,400
Total Operating Revenues		22,560,204		0		0	0	 0		0	 22,560,204
Operating Expenses											
Water Sales		187,190		0		0	0	0		0	187,190
Water Quality		675,134		0		0	0	0		0	675,134
Vehicles and equipment		401,998		0		0	0	0		0	401,998
Dam safety/upgrades		818,774		0		0	324,641	0		0	1,143,415
Boundary survey		71,396		0		0	0	0		0	71,396
Conservation		286,146		0		0	0	0		0	286,146
Reservior Maintenance		65,443		0		0	0	0		0	65,443
Information Systems/Technology		713,041		0		0	0	0		0	713,041
Shoreline Protection		185,423		0		0	0	0		0	185,423
Share crop		137,868		0		0	0	0		0	137,868
Mineral operation		436,685		0		0	0	0		0	436,685
Watershed management		475,181		0		0	0	0		0	475,181
Beach facilities		257,575		0		0	0	0		0	257,575
Office building		344,619		0		0	0	0		0	344,619
Administrative and finance		2,104,426		0		0	0	0		0	2,104,426
Engineering		358,723		0		0	0	0		0	358,723
Planning and development		305,501		0		0	0	0		0	305,501
GIS and Parcel Development		787,355		0		0	0	0		0	787,355
Forestry maintenance		228,705		0		0	0	0		0	228,705
Park camping		2,653,746		0		0	0	0		0	2,653,746
Park Master Planning		1,819,768		0		0	0	0		0	1,819,768
				0		0	0	0		0	
Cottage sites and clubs		1,332,484		-		-	-	-			1,332,484
General park facilities		4,263,787		0		0	0	0		0	4,263,787
Vacation cabin Marina operation		162,969 1,620,447		0		0	0	0 0		0 0	162,969 1,620,447
Marina operation		1,020,441		J		J	U	U		U	1,020,771

### **Muskingum Watershed Conservancy District** Tuscarawas County, Ohio Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

#### NOTE 15: BLENDED COMPONENT UNITS (continued)

#### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	W	uskingum atershed					districts					
		vservancy	Blac		-	falo	Ohimmanna		Duck	Elimir	-	Tatal
		District	For	K	Cr	eek	Chippewa		Creek	Ent	ries	 Total
												(Continued)
Water and sewer system	\$	778,551	\$	0	\$	0	\$ 0	\$	0	\$	0	\$ 778,551
Lake patrol operation		497,982		0		0	0		0		0	497,982
Education and public information		374,696		0		0	0		0		0	374,696
Safety expenses		227,891		0		0	0		0		0	227,891
Recreation maintenance		34,185		0		0	0		0		0	34,185
Parks - special events		160,929		0		0	0		0		0	160,929
PWM		146,688		0		0	0		0		0	146,688
Sediment Removal		27,714		0		0	0		0		0	27,714
Depreciation		3,223,738		0		0	9,165		0		0	 3,232,903
Total Operating Expenses		26,166,758		0		0	333,806	_	0		0	 26,500,564
Operating Loss		(3,606,554)		0		0	(333,806)		0		0	(3,940,360)
Non-Operating Revenues (Expenses)												
Maintenance assessments		5,741,229		0		0	326,142		0		0	6,067,371
Grants		937,622		0		0	0		0		0	937,622
Interest on investments		1,135,847		0		0	2,121		4		0	1,137,972
Debt retirement - Interest		(49,660)		0		0	0		0		0	 (49,660)
Total Non-Operating Revenues (Expenses)		7,765,038		0		0	328,263	_	4		0	 8,093,305
Income (loss) before Contributions		4,158,484		0		0	(5,543)		4		0	4,152,945
Capital Contributions		1,956,870		0		0	0		0		0	 1,956,870
Change in Net Positon		6,115,354		0		0	(5,543)		4		0	6,109,815
Net Position - Beginning of Year	2(	07,039,780		0		0	1,985,756		7,789		0	 209,033,325
Net Position - End of Year	\$ 2	13,155,134	\$	0	\$	0	\$ 1,980,213	\$	7,793	\$	0	\$ 215,143,140



#### NOTE 15: BLENDED COMPONENT UNITS (continued)

#### **COMBINING STATEMENT OF CASH FLOWS**

		Muskingum Watershed				Cult	ما ما ما ما ما ما							
	C	onvservancy District		ack ork		ffalo reek	districts	pewa		Duck Creek		ninating ntries		Total
Cash flows from Operating Activities:	_	District		UIK		eek	Chip	pewa	_	JIEEK		illies	_	TOTAL
Cash Received from Customers	\$	22,596,043	\$	0	\$	0	\$	0	\$	0	\$	0	\$	22,596,043
Cash Payments to Suppliers for Goods and Services		(10,989,451)		0		0		33,628)		0		0		(11,223,079)
Cash Payments for Employees Services and Benefits		(10,188,034)		0		0	(1	06,089)	_	0		0	_	(10,294,123)
Net Cash Provided by (Used for) Operating Activities		1,418,558		0		0	(3	39,717)		0		0		1,078,841
Cash Flows from Noncapital Financing Activities:														
Proceeds from OWDA Loans		357,694		0		0		0		0		0		357,694
Principal Payments on OWDA Loans Intergovernmental Grants		(396,703)		0		0		0		0		0		(396,703)
Maintenance Assessments		4,396,740		0		0	1	98,376		0		0		4,595,116
Interest Paid on Debt		(24,249)		0		0	·	0		0		0		(24,249)
Net Cash Provided by (Used for) Noncapital Financing Activities		4,333,482		0		0	1	98,376		0		0		4,531,858
Cash Flows from Capital and Related Financing Activities:		, , , , , , ,												,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Acquisition of Capital Assets		(32,596,541)		0		0	(1	32,761)		0		0		(32,729,302)
Maintenance Assessments		1,367,440		0		0		32,761		0		0		1,500,201
Intergovernmental Grants		937,622		0		0		0		0		0		937,622
Principal Payments on OWDA Loans		(27,576)		0		0		0		0		0		(27,576)
Principal Payments on Capital Leases		(27,505)		0		0		0		0		0		(27,505)
Interest Paid on Debt	-	(25,411)	-	0	-	0		0		0	-	0		(25,411)
Net Cash Used for Capital and Related Financing Activities		(30,371,971)		0		0	-	0		0		0		(30,371,971)
Cash Flows from Investing Activities:														
Receipts of Interest		1,617,407		0		0		2,121		4		0		1,619,532
Payments for Purchase of Investments Proceeds from Sale of Investments		(89,801,249) 96,269,159		0		0	(6	61,240)		0		0		(90,462,489) 96,269,159
									-					
Net Cash Provided by (Used for) Investing Activities		8,085,317	-	0		0		59,119)	-	4	-	0	_	7,426,202
Net Increase (Decrease) in Cash and Cash Equivalents		(16,534,614)		0		0	(8	00,460)		4		0		(17,335,070)
Cash and Cash Equivalents Beginning of Year		23,445,618		0		0	8	05,509		8,426		0	_	24,259,553
Cash and Cash Equivalents End of Year	\$	6,911,004	\$	0	\$	0	\$	5,049	\$	8,430	\$	0	\$	6,924,483
Reconciliation of Operating Loss To Net														
Cash Used by Operating Activities:														
Operating Loss	\$	(3,606,554)	\$	0	\$	0	\$ (3	33,806)	\$	0	\$	0	\$	(3,940,360)
Adjustments to Reconcile Operating Income to  Net Cash Provided by Operating Activities:														
Depreciation		3,223,738		0		0		9,165		0		0		3,232,903
(Increase) Decrease in Assets:														
Capitalized Costs		(533,041)		0		0		0		0		0		(533,041)
Accounts Receivable		35,839		0		0		0		0		0		35,839
Prepaids Net Pension Asset		33,379 26,803		0		0		0		0		0		33,379 26,803
Deferred Outflows		(1,140,461)		0		0		0		0		0		(1,140,461)
		(1,110,101)		-		-		-		-				(-,,,
Increase (Decrease) in Liabilities:														
Accounts Payable Performance Bonds payable		123,228 7,000		0		0	(	15,076) 0		0		0		108,152 7,000
Escrow Funds Payable		(532)		0		0		0		0		0		(532)
Advances		15,251		0		0		0		0		0		15,251
Claims Payable		20,000		0		0		0		0		0		20,000
Accrued Wages and Benefits		15,066		0		0		0		0		0		15,066
Accrued Life Insurance		362		0		0		0		0		0		362
Compensated Absences Due to other governments		50,254 11,408		0		0		0		0		0		50,254 11,408
Net Pension Liability		3,264,612		0		0		0		0		0		3,264,612
Deferred Inflows		(127,794)		0		0		0		0		0		(127,794)
Net Cash Provided by (Used for) Operating Activities	\$	1,418,558	\$	0	\$	0	\$ (3	39,717)	\$	0	\$	0	\$	1,078,841
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	\$	135,309,937	\$	0	\$	0	\$ 6	66,289	\$	8,430	\$	0	\$	135,984,656
Investments included in balances above that are not cash equivalents		(128,398,933)		0		0	(6	61,240)		0		0		(129,060,173)
Cash and Cash equivalents reported on Statement of Cash Flows	\$	6,911,004	\$	0	\$	0	\$	5,049	\$	8,430	\$	0	\$	6,924,483

#### Noncash Capital Financing Activities:

During 2017, \$47,884 of capital assets were acquired on capital leases.

During 2017, \$1,956,870 of capital assets were donated to the Conservancy District.

At December 31, 2017, the Conservancy District purchased \$1,995,736 in capital assets on account.

At December 31, 2016, the Conservancy District purchased \$1,128,432 in capital assets on account.

#### Muskingum Watershed Conservancy District Tuscarawas County, Ohio

Required Supplementary Information Schedule of the Conservancy District's Proportionate Share of the Net Pension Liability Last Four Years (1)

	 2017	 2016	 2015	 2014
Ohio Public Employees' Retirement System (OPERS)				
Conservancy District's Proportion of the Net Pension Liability	0.0578391%	0.0569800%	0.0513470%	0.0513470%
Conservancy District's Proportionate Share of the Net Pension Liability	\$ 13,134,266	\$ 9,869,654	\$ 6,193,022	\$ 6,053,142
Conservancy District's Covered Payroll	\$ 6,398,882	\$ 6,759,620	\$ 6,022,398	\$ 5,379,079
Conservancy District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	205.26%	146.01%	102.83%	112.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

<sup>(1)</sup> Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

#### Notes:

#### Ohio Public Employees' Retirement System (OPERS)

Changes of Benefit Terms: None.

Changes of Assumptions: Amounts reported in 2017 reflect an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 8.00% to 7.50%
- Wage inflation rate from 3.75% to 3.25%
- Price inflation from 3.00% to 2.50%



Muskingum Watershed Conservancy District Tuscarawas County, Ohio Required Supplementary Information Schedule of District Contributions Last Ten Years

	 2017	2016	2015	 2014	 2013
Ohio Public Employees' Retirement System (OPERS)					
Traditional Plan Contractually Required Contribution	\$ 964,697	\$ 811,542	\$ 811,542	\$ 857,447	\$ 763,117
Contributions in Relation to the Contractually Required Contribution	 (964,697)	 (811,542)	 (811,542)	 (857,447)	(763,117)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's Covered Payroll	\$ 7,040,696	\$ 6,398,882	\$ 6,759,620	\$ 6,022,398	\$ 5,379,079
Contributions as a Percentage of Covered Payroll	13.70%	12.68%	12.01%	14.24%	14.19%

(n/a) Information prior to 2013 is not available.



Year End Cash Balance

> Land Operation Receipts

## Appendix

Recreation Receipts



Major Revenue Sources



# Year End Cash Balance/Receipts and Disbursements

From 2008-2017



Notes	
2008	Maintenance assessment levied
2009	Maintenance assessment collections begin
2010	Atwood Lodge closed
	Piedmont Marina acquired
2011	Bonus payment for Utica shale lease for Clendening Lake received
2012	Bonus payment for Utica shale lease for Leesville Lake received
	Seneca Marina Acquired
2013	Bonus payment for Utica shale lease for Seneca Lake received
2014	Bonus payment for Utica shale lease for Piedmont Lake received
	Clendening Marina Acquired
2015	Maintenance assessment collections reduced by 50% as approved by the Board

### **Land and Forestry Operations**

Total Cash Receipts by Reservoir - 2017

	Agricultural,	Land		Cash Rent	4		
	Building, and Lot-	and	Gas, Oil,	and			
	Acres Leased	<b>Building Rentals</b>	Stone, Coal	Sharecrops	Timber	Pulpwood	Totals
Atwood			1,568,999		-		1,568,999
Beach City	60.35 acres		5,768	38,877			44,645
Bolivar			5,833		-	-	5,833
Charles Mill	24 acres		12,766	2,088	1,284	- 1	16,138
Clendening			1,686,899		110,124	-	1,797,023
Dover			12,668				12,668
Leesville			2,232,664		-	13,115	2,245,779
Mohawk	915.33 acres		13,448	117,392	219,669	-	350,509
Mohicanville							0
Piedmont			508		27,730	36,394	64,632
Pleasant Hill	168.7 acres	9,075	8,670	6,239	92,712	4,839	121,535
Seneca		8,300	4,105,684	-	66,563	-	4,180,547
Tappan	155 acres	575	520	2,213	16,289	14,903	34,500
Wills Creek	551.7 acres	5,400	2,666	54,262	-		62,328
Totals	1,878.13	23,350	9,657,093	221,071	534,371	69,251	10,505,136

## **Recreation Operations**

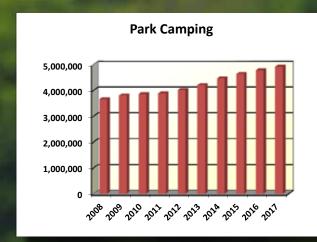
Total Cash Receipts by Reservoir - 2017

	ODNR		Cottages,	Road, Water			
	Division of	Lake	Clubs, and	and Sewer	Marina	Park	Total
	Watercraft	Patrol	Dock Sites	Maintenance	Operations	Operations	Recreation
Atwood	8,733	4,000	883,904		205,819	1,589,229	2,691,685
Beach City	1,103						1,103
Bolivar			2,191				2,191
Charles Mill	4,313	4,000	412,519	43,380.00	108,826	809,592	1,382,630
Clendening	4,195	4,000	4,102		519,654		531,951
Dover							0
Leesville	10,203	4,000	279,090		83,147	104,486	480,926
Kokosing							0
Mohicanville							0
Piedmont	6,135	4,000	234,778		569,584		814,497
Pleasant Hill	10,736	4,000	190,818		72,309	872,509	1,150,372
Seneca	7,034	4,000	479,879	31,980.00	507,706	1,462,306	2,492,905
Tappan	9,133	4,000	315,671		58,876	1,255,538	1,643,218
Wills Creek	1,063		19,915				20,978
Totals	62,648.00	32,000.00	2,822,867.00	75,360.00	2,125,921.00	6,093,660.00	11,212,456.00

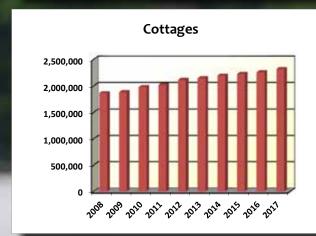
Note: Piedmont Marina was operated by MWCD beginning in 2010, Seneca Marina was operated by MWCD beginning in 2012, and Clendening Marina was operated by MWCD beginning in 2015.

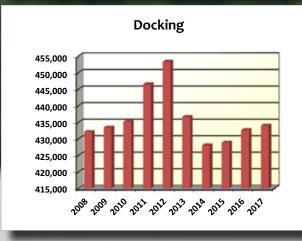
Recreation Operations/Total Cash Receipts by Reservoir - 2017

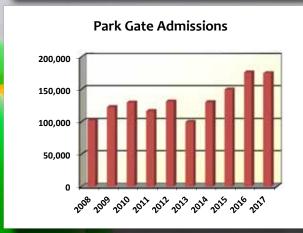
# Major Revenue Sources

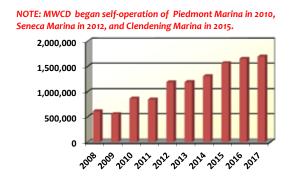






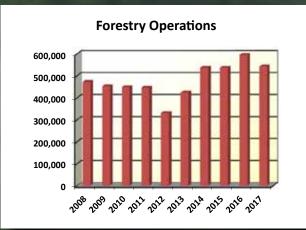


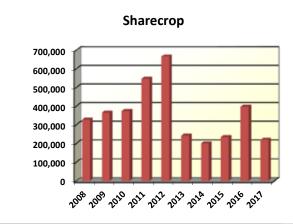


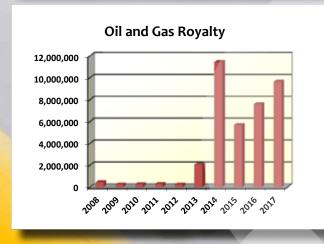


Marinas















## Summary of District Owned Land by Reservoirs

December 31, 2017

Reservoir	County	Acres	Total					
			Acres	Lots				
	Carroll	3330.6100						
Atwood	Tuscarawas	1142.2500	4472.8600	25				
	Stark	64.0200						
Beach City	Tuscarawas	1286.3780	1350.3980	2				
	Stark	815.2115						
Bolivar	Tuscarawas	19.9600	835.1715	23.5				
	Ashland	1810.7294						
Charles Mill	Richland	1539.8400	3350.5694	199				
Clendening	Harrison	6601.6080	6601.6080					
Dover	Tuscarawas	489.7634	489.7634	52				
Leesville	Carroll	3709.2330	3709.2330	1				
Mohawk	Coshocton	3374.7738						
	Holmes	8.5900	3740.1538					
	Knox	356.7900						
Mohicanville	Ashland	40.7540	40.7540					
	Belmont	5859.9680						
Piedmont	Guernsey	132.7240	6688.4720					
	Harrison	695.7800						
	Ashland	724.6780						
Pleasant Hill	Richland	1509.4780	2234.1560	63				
	Guernsey	1461.3291						
Senecaville	Noble	6154.4400	7615.7691	1				
Tappan	Harrison	7617.8110	7617.8110	58				
	Coshocton	3888.7308						
Wills Creek	Guernsey	121.2460	5795.8768	14				
	Muskingum	1785.9000						
TOTALS		54542.5960	54542.5960	438.5				



# Summary of District Owned Land by Counties

December 31, 2017

County	Reservoir	Acres	Total				
			Acres	Lots			
	Charles Mill	1810.7294					
Ashland	Mohicanville	40.7540	2576.1614	199			
	Pleasant Hill	724.6780					
Belmont	Piedmont	5859.9680	5859.9680				
	Atwood	3330.6100					
Carroll	Leesville	3709.2330	7039.8430	26			
	Mohawk	3374.7738					
Coshocton	Wills Creek	3888.7308	7263.5046	3			
	Piedmont	132.7240					
Guernsey	Senecaville	1461.3291	1715.2991	11			
	Wills Creek	121.2460					
	Clendening	6601.6080					
Harrison	Piedmont	695.7800	14915.1990	58			
	Tappan	7617.8110					
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			
	Charles Mill	1539.8400					
Richland	Pleasant Hill	1509.4780	3049.3180	63			
Ctork	Beach City	64.0200					
Stark	Bolivar	815.2115	879.2315	2			
	Atwood	1142.2500					
	Beach City	1286.3780					
Tuscarawas	Bolivar	19.9600	2938.3514	75.5			
	Dover	489.7634					
TOTALS		54542.5960	54542.5960	438.5			

MWCD At-a-glance	E STATE OF THE STA		/ 0	THE PROPERTY OF THE PROPERTY O			/ %			
Horsepower limit	25	10	10.	10	10	10	No limit	399	399	10:
Acres of water	1540	420	1350	1800	1000	2270	850	3550	2350	900
Acres of land	2925	930	2000	4750	2600	4416	1345	4060	5200	4900
Conservation pool elevation*	928	948	997	898	963	913	1020	832.2	899,3	742
Spillway elevation**	941	976.5	1020	910.5	977.5	924.6	1065	842.5	909	779
Maximum depth (feet)	41	13	24	38	43	38	54	31	34	22
Average depth (feet)	15.3	4.3	5.5	15.5	19.5	14.8	15.9	12.3	14.9	6.7
Park	1		1				1	1	Z.	
Year round camping	1		1	1		1	1	1	1	
Seasonal camping rates	1		1	1	1	1	1	1	1	
Group comping	1							1	1	
Hot showers	- 7		1	- 2		- 2	1	1	- /	
Modern restrooms	V		10	V		1	·V	10	/	
Electric hookups	2		- /	1	V	1	1	- 7	V.	
Full hookups	V			1		- 2	1	1	- /	
Swimming beach	- 1		1				1	1		
Hiking trails	- 2		1			- 2	1	8	- 2	
Biking trails	V.									
Geocaching	- /	1	1	1	- /	- 2	1	1	/	
Activity center	1		1				1		1	
Nature center	1					2		1	1	
Group shelters	1		1	1	1		1	1	1	
Full service marina	2		- 1	1	2	1	1	-1	1	
OVERNIGHT LODGING			£2 (1			(c	ðii .	10	112	
Camper cabins				V	1		1	1	V	
Marina motel				/		1				
Pario Cabins	7		-/					1		
Vacation cabins	1			V	1	1	1	1	/	
FISH SPECIES ++							0.1 1.2		175 - 155 - 17	
Bluegill	1	1/	V.	1	1	1	1	1	1.	V
Bullheads	- /	- 1	1	1	7	- 2	1	1		1
Channel catfish	1	1	1	1	1	1	1	1	2	1
Crappie	7	1		1	1	V	V	1	1	1
Flathead catfish			1	/		- 2		1	/	
Largemouth bass	- /	- V	V.	1	1	- 2	~	1	1	1
Muskellunge					1	- 2	1			
Northern pike	- /	1	1		1					
Saugeye	1	1	1	1		1	1		1	1
Smallmouth bass				1		1	1			
Striped bass			1					1		
Walleye								1		
White bass							1	1	1	
Yellow perch	- 2		1		1	- /	1	1	1	
Hunting ++	1	1	1	1	1	2	1	1	/	1
Trapping ++	- /	1	1	1	1	-	1	1	1	1

<sup>\*</sup> Conservation pool is a lake surface elevation which is maintained during the boating season, unless affected by the operation of the dam for flood control, or by drought.

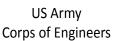
Conservation pool is measured in feet above sea level.

\*\* Spillway [the channel must the dam for surplus water] is measured in feet above sea level.

H Through a lease agreement, hunting, trapping and fishing are regulated by the Ohio Division of Wildlife.

### **Cooperating Agencies**







**Natural Resources Conservation Service** 



Ohio Department of Natural Resources



Ohio Environmental Protection Agency



**US Geological Survey** 



Ohio Department of Transportation



**Ohio Water Development Authority** 



Ohio Department of Agriculture



US Department of Agriculture Forest Service



Ohio Agricultural Research and Development Center







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