

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas, New Philadelphia, Ohio
April 17, 2015, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Science and Technology Center, Kent State University Tuscarawas, 330 University Drive NE, New Philadelphia, Ohio, on Friday, April 17, 2015, at 9:00 a.m., pursuant to notice duly given all Directors, and the general public in accordance with law.

1. ROLL CALL

Directors present were: Mr. Horstman, Ms. Limbach, Mr. Maupin, and Mr. Pryce.

On motion by Ms. Limbach, seconded by Mr. Pryce, Mr. Parham was excused.

Present from MWCD staff were Scott Barnhart, Barbara Bennett, Donnie Borland, Mary Burley, Jim Crandall, John Hoopingarner, Doug Little, Ted Lozier, Karen Miller, Boris Slogar, and Mark Swiger.

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

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: J.D. Long (*Harrison News Herald*); Sean Logan (*Woolpert*); Doug McLarnan (*member of the MWCD Development Advisory Committee*); and Clark Sprang (*Big Prairie resident*).

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Maupin, the minutes of the March 13, 2015, and March 20, 2015, meetings of the Board of Directors were approved.

4. FINANCIAL

Mr. Crandall presented the financial report for the period ending March 31, 2015. The total operating revenue is \$5,988,560.00 with operating expenses of \$2,712,964.00, resulting in an excess of revenue over expense of \$3,725,596.00.

Conservation Fund

- Revenues in this fund are 26.61% of budget as the first quarter of the year is completed. Also, revenues are 60% ahead of last year with the majority being in the Mineral Operations-Gas and Oil Royalties line item.
- Expenses are 13.80% of budget but running 63% ahead of last year indicating the increase activities in this fund.

Recreation Fund – Parks

- Total revenues are 48.96% of budget through the first quarter of the year and 20.85% ahead of last year.
- Park camping is the major revenue line item through the first quarter of the year, being at 60.83% of budget and 21.79% ahead of last year. The increase over last year, we believe, is due to the timing of receipt of payments. We will have a clearer picture as we wrap up April.
- Total expenses are 14% of budget and 5.75% ahead of last year.

Recreation Fund – Non Park

- Total revenues are 19.87% of budget and 10.58% ahead of last year.
- The District operated marinas are where we are seeing the budget increases compared to last year.
- Multiple Docks is currently at 17.76% of budget and 35% ahead of last year. Again, most of this is due to the timing of receipt of payments.
- Total expenses are 21.76% of budget but running 54% ahead of last year. This is due in large part that we are paying 100% of the tax bills as opposed to the first half only as indicated in the cottage sites line item.

Maintenance Assessment Fund

- Revenue for the assessment collection is 46.15% of budget with about half of the counties reporting.
- Expenses are 7.72% of budget and well within expectations.

Overall, as the first quarter is completed, revenues and expenses are keeping pace with budget. Planning continues for the park master plan projects with a couple projects underway.

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

5. PAYMENT OF BILLS

On motion by Mr. Pryce, seconded by Ms. Limbach, a report of the payment of bills for the period ending March 31, 2015, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

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

6.01b CLENDENING/AEU SHORT-TERM WATER SUPPLY AGREEMENT

On motion by Mr. Pryce, seconded by Ms. Limbach, an agreement with American Energy-Utica L.L.C. for purchase of water from Clendening Reservoir, as recommended and set forth in the above memorandum, was approved.

6.01c ROVER PIPELINE - MOHICANVILLE

On motion by Ms. Limbach, seconded by Mr. Maupin, a permanent easement agreement with Rover Pipeline to cross approximately 118 feet of MWCD property in Ashland County, as recommended and set forth in above memorandum, was approved.

6.01d WATER SERVICE FOR ATWOOD YACHT CLUB

On motion by Mr. Pryce, seconded by Ms. Limbach, an agreement with Atwood Yacht Club to obtain water service from the Atwood water treatment facility, as recommended and set forth in the above memorandum, was approved. (Mr. Horstman-abstain)

6.02a BUDGET ADJUSTMENTS

On motion by Ms. Limbach, seconded by Mr. Pryce, budget adjustments which were made during the first quarter of 2015, as recommended and set forth in the above memorandum, were approved.

6.02b BUDGET REVISION

On motion by Ms. Limbach, seconded by Mr. Maupin, a budget revision to the Purchase of Equipment line item, as recommended and set forth in the above memorandum, was approved.

6.02c PWM GRANT PROGRAM – 2015 FUNDING RECOMMENDATION

On motion by Mr. Pryce, seconded by Mr. Maupin, PWM funding in the amount of \$74,722 to the City of Newark for the design phase of the Log Pond Run Diversion Channel Restoration project, as recommended and set forth in the above memorandum, was approved.

6.02d GENERAL LIABILITY INSURANCE RENEWAL

On motion by Mr. Pryce, seconded by Ms. Limbach, renewal of an insurance policy covering general liability, property, automobile, crime, law enforcement, boiler and machinery, directors and officers, and risk management services, as recommended and set forth in the above memorandum, was authorized. Final cost information will be provided at the May meeting.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b DOCKING AND MARINE ASSISTANT

On motion by Mr. Pryce, seconded by Ms. Limbach, posting and filling of the new position of docking and marine assistant, as recommended and set forth in the above memorandum, was approved.

6.03c SURVEYING/FACILITIES GIS MANAGER POSITION DESCRIPTION UPDATE

On motion by Ms. Limbach, seconded by Mr. Maupin, revisions to the position description of Surveying/Facilities GIS Manager and a change in the position title to Geospatial Program Manager, as recommended and set forth in the above memorandum, were approved.

6.03d UTILITIES SUPERVISOR

On motion by Ms. Limbach, seconded by Mr. Maupin, revisions to the position description of Lead Utilities Technician and a change in the position title to Utilities Supervisor, as recommended and set forth in the above memorandum, were approved.

6.03e GROUP HEALTH BENEFIT REVIEW

This memo was withdrawn due to availability of information and will be presented in May.

6.04a SHARE CROP MATERIALS

On motion by Mr. Pryce, seconded by Ms. Limbach, purchase of share crop materials for the 2015 season, as recommended and set forth in the above memorandum, was approved.

6.04b ATWOOD LAKE PARK TRAIL LIGHTING

On motion by Mr. Pryce, seconded by Mr. Maupin, a request to solicit bids and award a contract for installation of lighting on an existing trail at Atwood Lake Park, as recommended and set forth in the above memorandum, was approved.

**6.04c LONG TERM MAINTENANCE DREDGING PROGRAM
AECOM CONTRACT EXTENSION**

On motion by Mr. Pryce, seconded by Mr. Maupin, a proposal to provide contract services through the year 2015 in a not-to-exceed amount of \$300,136.04, as recommended and set forth in the above memorandum, was approved.

**6.04d LONG TERM MAINTENANCE DREDGING PROGRAM – TAPPAN LAKE
PETERSEN COMPANIES, PCi DREDGING SERVICES CONTRACT**

On motion by Mr. Pryce, seconded by Ms. Limbach, a contract with Petersen Companies, Inc., PCi Dredging Services in an amount not to exceed \$76,600 for the preconstruction phase services for the Tappan Lake dredging and dredge material relocation project, as recommended and set forth in the above memorandum, was approved.

6.04e PURCHASE OF PATROL BOAT

On motion by Mr. Pryce, seconded by Ms. Limbach, purchase of a patrol boat from Alumaweld Boats at their low bid price of \$40,368.63, as recommended and set forth in the above memorandum, was approved.

6.04f PIEDMONT MARINA DOCK ACCESS DRIVE

On motion by Ms. Limbach, seconded by Mr. Maupin, a request to solicit bids and award a construction contract for a new vehicle access drive to the Piedmont Marina boat docks, as recommended and set forth in the above memorandum, was approved.

6.05 OPERATIONS POLICY – INFORMATION SYSTEMS AND TECHNOLOGY

On motion by Ms. Limbach, seconded by Mr. Maupin, two new operational policies – “Password Protection Policy” and “Data Backup Policy and Recovery Verification Protocols,” as recommended and set forth in the above memorandum, were adopted.

OTHER BUSINESS

AUDIT OF DISTRICT RECORDS

Resulting from discussions at the March 20, 2015, Board meeting, Mr. Crandall informed the Board that a request was submitted to the Auditor of State to move to a one-year audit cycle, rather than the standard two-year cycle. In addition, the contract with Rea & Associates was approved for a one-year extension. Costs were estimated at \$19,000 for a one year audit compared to \$30,000 for a two-year period.

On motion by Mr. Pryce, seconded by Ms. Limbach, the Board authorized a one-year audit process be implemented beginning with the audit of the 2015 records.

PARTNERSHIP WITH THE OHIO STATE UNIVERSITY

Mr. Hoopingarner and Mr. Lozier informed the Board that staff has been contacted by representatives of The Ohio State University (OSU) – Utica Shale Energy and Environmental Laboratory (USEEL) project. This project is being funded through a Department of Energy – National Energy Technology Laboratory grant with an overall objective of conducting research that will lead to improved environmental practices and efficiencies for producing oil and gas in unconventional oil and gas plays.

The MWCD has had a very good working relationship and partnership with OSU. When approached by OSU, and after giving this serious consideration, we welcomed the opportunity to work with OSU and the USEEL Team on this project, as it helps us to achieve our mission of good stewardship of the water, land and mineral resources that we manage within the Muskingum River watershed. This project will identify the good practices that are already being implemented and should develop improvements that could be made to continue the development of the Utica Shale while minimizing environmental impacts.

Other participants on this team include Ohio University, Miami University, and West Virginia University. Antero Resources and Chesapeake Energy have been contacted to participate as the industry partner, however, no commitment has been made on the part of either of these companies.

MWCD was invited to participate since it is actively engaged in leasing some of its lands for the Utica Shale play. Since Gulfport Energy is the leaseholder for the Clendening Reservoir, and to date minimal activity has been conducted there, it provides for an opportunity to collect baseline data prior to any activity.

MWCD representatives plan to attend a workshop May 6 and 7 to discuss more details of the project.

Representatives from OSU are tentatively scheduled to present information about this potential partnership to the Board at the May 15 meeting.

BOLIVAR DAM DEMONSTRATION

Ms. Limbach and Mr. Pryce recently toured the construction site of the Bolivar Dam project with the project manager. Arrangements can be made for other members of the Board who may be interested in an opportunity to tour the site.

7. REPORTS

7.01 MARINAS REPORT

Members of the Board received a financial report entitled “Summary of Marina Operations,” for the period ending March 31, 2015.

- The transition process at Clendening Marina continues to go very smoothly. Jared Oakes, former Tappan Assistant Park Manager, was selected as the new Piedmont Marina Manager. Jared began his new position on April 6. Our initial seasonal camper lottery was held on March 21, resulting in six new seasonal campers. Site work and septic system construction for the new shower/restroom building at Clendening has begun.
- Brian Valot, owner of Atwood Lake Boats, is investing in his facilities by installing a new fuel dock at Marina West, and replacing one of the larger docks at Marina East.

MWCD Board of Directors – Summary of Minutes

April 17, 2015 – Page 6 of 10

- Atwood Lake Boats has once again been named to Marina Dockage’s list of Top 100 Marinas. In addition, Atwood Lake Boats has achieved Marine Dealer Certification through the Marine Retailer’s Association of America.
- Several Master Plan-recommended dock replacements and additions are under construction with deliveries and installations on-going this spring.
- A new walkway and step project is underway at Piedmont Marina to improve access from a nearby parking area to Dock Six. This project was suggested and requested by Piedmont boaters and should be very well-received.
- The initial work on the plans for the waterfront development and accessibility improvements at Seneca Lake Marina will begin in April as part of the scope of work for the individual park and marina design firms selected for Seneca. Plans will include designs for accessibility, parking and lighting improvements, ramp replacement, fuel system enhancements, docking expansion, shoreline stabilization, and landscaping. Many of the improvements will be similar in concept to those completed at Piedmont in 2014.
- Annie Bride and Terry Lake, operators of the Dockside Restaurant at Seneca, began the first month of their newly extended, seven-year lease agreement by hosting over 400 guests at their Easter Buffet. Improvements made to the hot water supply system, and the installation of a water softener system, have made the Dockside operation much more efficient.
- Jeff Davis has resigned his position as Seneca Lake Marina Manager to return to his home state of New York. Jeff was a very stabilizing influence at Seneca. Matt Miller, current manager at Piedmont Marina, will assume the Seneca Lake Marina Manager position. The Piedmont Marina Manager position has been posted and we anticipate filling that quickly. With our increasing experience with marina operation and management, we are finding that we now have excellent in-house candidates for openings that occur.
- With marinas on Buckeye Lake facing the possibility of closing due to dam safety issues and resulting lower water levels, boaters are contacting Seneca Lake Marina for dock space. We have currently added about twenty new dockers from Buckeye Lake, and are expecting more. There is a very strong possibility that we will be at capacity at Seneca before the summer boating season begins. As mentioned earlier in this report, dock expansion will be included as we move forward with the Master Plan. Bob Schraedly, owner of Pleasant Hill Marina, is reporting similar requests and the addition of new dockers from Buckeye Lake, as well.

7.02 UTICA ROYALTY REVENUE REPORT

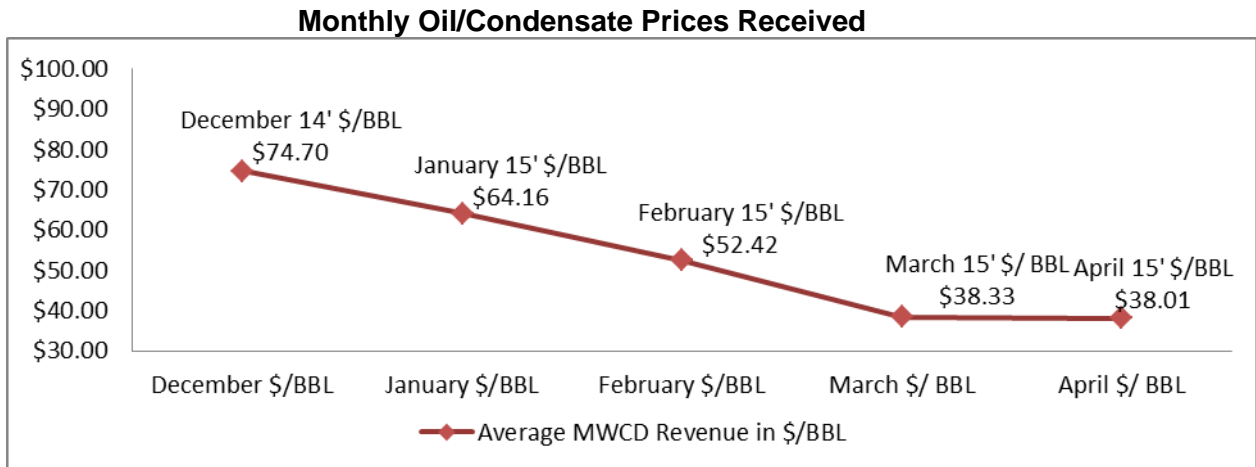
Utica royalty revenue is currently generated by 13 wells on adjacent private property. The MWCD’s proportional share of the wells varies significantly, and is shown below on the right.

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

Utica royalty revenue decreased 35.41%% from February (\$584,373.32) to March (\$431,567.13), while the royalty payment for a barrel of oil/condensate decreased from approximately \$52 / barrel to \$38 / barrel during the same payment period. The Utica Shale wells are experiencing the anticipated decline in production.

Some individual items of note:

- The price of West Texas Intermediate crude, the U.S. benchmark, was at \$50.74 on April 8, 2015
 - The price of Condensate can be significantly less than crude



7.03 MASTER PLAN IMPLEMENTATION UPDATE

Mr. Slogar updated the Board on the Master Plan Implementation.

Program Status

- Continued to refine the Master Plan schedule and sequencing.
- Continued to refine Master Plan estimated construction budget:
 - ms Consultants completed their review and updated Woolpert’s original estimated costs
 - Finalizing utility/infrastructure costs
- Six design teams were selected for the individual park designs: Atwood (Woolpert), Charles Mill (EDG), Piedmont Marina and Campground (OHM Advisors), Pleasant Hill (Stantec), Seneca (GPD), and Tappan (DLZ). Scope of services meetings are underway and two have been completed.
- Kucera International aerial flights for surveying have been completed and Kucera is in the process of mapping the data.
- ms Consultants is continuing to assess the current utility infrastructure systems at all parks.
- Upgrades continue to the MWCD website for Master Plan implementation.

Individual Projects Status

- Atwood Lake Park Welcome Center
 - NL Construction Corporation of Canton began mobilization and clearing and grubbing of site in April. Bid price is \$1,691,212. Completion date is set for March 15, 2016.
- Atwood Lake Park Trail Phase I
 - VIP Construction Corporation of Canton will begin work April 20, 2015, and the completion date is set for June 15, 2015.
- Tappan ADA Restroom and Shower House
 - Final plans have been submitted for MWCD review. This will also serve as a prototype for use throughout all parks.
- Atwood Lake Bridge and Trail Phase II
 - Jones Stuckey was selected as design consultant. A scope of services meeting was held on April 15, 2015. Contract negotiations are underway. Target construction start date is November, 2015.

7.04 DISCUSSION OF 2015 GOALS

Mr. Hoopingarner provided an update on the goals for 2015 as follows:

1) OIL AND GAS DEVELOPMENT

The MWCD will develop environmental and financial compliance audit procedures for its oil and gas leases. The major focus of environmental compliance will be on emergency preparedness. The major focus of financial compliance will be on assuring that royalties are accurately paid. Emergency preparedness plans and financial compliance procedures will be completed in the second quarter of 2015.

2) MASTER PLAN IMPLEMENTATION

The MWCD will focus design and construction activities on utility and infrastructure needs. Major projects for 2015 include the construction of the Atwood Welcome Center, modifications to the Pleasant Hill Activities Center, and Atwood Trail Phase I construction. A complete program schedule will be completed and submitted to the Board of Directors for review and approval in the third quarter of 2015. Business plans will be developed for the Master Plan implementation period within 90 days of the Board of Directors approval of the program schedule. *Mr. Slogar presented a report regarding Master Plan Implementation earlier on the agenda.*

3) DREDGE PROGRAM

The MWCD will begin dredge operations in 2015, based on the priorities and needs identified in its comprehensive dredging plan completed in 2014. The dredge program is a multi-year program. The MWCD will also develop a navigational dredge plan in the third quarter of 2015. *Mr. Slogar provided the following information...*

DREDGING PROGRAM

Dredging Contract

- *Negotiations are complete with PCi Dredging from Wisconsin for the pre-construction phase of dredging operations as part of the Construction Manager at Risk (CMR) contracting agreement.*

Dredge Material Relocation Areas (DMRA's)

- *Beall Ridge site is no longer under consideration for use as a dewatering area. Site may be used for temporary storage of dewatered sediment if needed.*
- *Mechanical dewatering will likely be used on an MWCD parcel north of U.S. Route 250 near Addy Road.*

Navigational Dredging Program

- *Staff met with a representative from Amphibex from Montreal, Quebec, Canada, to learn about the Amphibex 400 multi-function dredge. This is one of two machines we are considering for use by MWCD staff in parallel with the large-scale dredging program. Staff will be meeting with representatives from Ellicott Dredge from Baltimore to learn more about their similar machine.*

4) FISCAL MANAGEMENT

The MWCD will continue the development of plans for the use of revenue generated from oil and gas leases. In light of recent market fluctuations and uncertainty, a forecast of oil and gas revenue will be developed. This forecast will be used to determine what changes may be needed in our plans for future expansion and development of facilities and programs. In the first half of 2015, the MWCD will address the issue of whether or not further adjustments of collection of the maintenance assessment should be made. This goal will require continual monitoring throughout the year. *Staff will be prepared to discuss any further potential reduction of the maintenance assessment collections at an upcoming meeting.*

5) HUMAN RESOURCE DEVELOPMENT

The MWCD will address management succession planning and will develop plans for leadership training and education for its staff. An emergency succession plan will be developed in the first quarter of 2015. Management training programs will be developed for Board review in the third quarter of 2015. *Works continues on a management succession plan. MWCD will be participating in Leadership Tuscarawas this*

year – Jim Crandall (Senior Accountant) and Scott Heller (Recreation Business Manager) are the candidates who will participate in 2015. Several members of the recreation staff attended the State Park Leadership School, January 11-15, hosted by The National Training Center for Facility Managers and North Carolina State University at Oglebay Resort, Wheeling. The State Park Leadership School is a highly experiential program that exposes students to the core competencies as a professional park manager. This is a two-year certificate program

6) TAPPAN/LEESVILLE/CLENDENING/TRAILS PLANS

The MWCD will begin the process to develop master plans for the Tappan/Route 250 Corridor, Leesville Lake, Clendening Lake, and a general plan for trails. These plans will consider recently acquired properties and assets, and how to maximize their use and benefit to the public. Input from our partners, customers and the public will be sought in this initial phase. A draft report with several concepts and proposals for consideration will be developed in the fourth quarter of 2015. *Regarding the Tappan/Route 250 Corridor project, staff is working to develop a list of individuals/organizations who may be interested in working on this effort. Trails in general are very popular!*

7.04 USACE PROJECTS STATUS REPORT

The next MWCD/USACE partnering meeting is scheduled on Wednesday, April 29, at 1:00 p.m. at the Hampton Inn in New Philadelphia.

Dover Dam

- The recent ribbon cutting ceremony was well-attended.
- Final inspection of the project was held and only a few minor items are left to address (paving road and tent area).
- The warranty period started January 23, 2015.

Bolivar Dam

- Two of the last four secondary panels will be placed this week. All primary panels are installed.
- Demonstration project is just about wrapped up and should be completed by mid-April.
- Now that the ground is thawed, work continues on the work platform to provide for crane operation for the remainder of the project.
- Drilling and grouting for grout curtain will begin in May (from the end of the barrier to the spillway left abutment area).
- Inspectors from Vicksburg are on site this week for quality control.
- Preconstruction meeting for gate work scheduled for this Friday. Two of the five panels are ready for painting and will then be shipped to the site from Iowa.

Zoar Levee

- MWCD legal counsel is reviewing the Project Partnership Agreement (PPA).
- Letter of intent under review by MWCD.
- This project is expected to begin sometime during Federal FY16.

7.05 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Due to the absence of Mr. Parham, no report at this time.

7.06 IMMEDIATE OR PENDING LITIGATION

Mr. Hoopingarner informed the Board that a lawsuit has been filed against MWCD which challenges the process by which a seasonal camper selects a camp site. This is currently under review by legal counsel.

8. SUBDISTRICTS

8.01 BLACK FORK SUBDISTRICT UPDATE

Mr. Slogar reported that a Black Fork Subdistrict technical group will be meeting in Shelby in the next few weeks.

8.02 CHIPPEWA SUBDISTRICT UPDATE

Annual dam inspections for the Chippewa Subdistrict were held earlier this week; and channel inspections will occur in May.

8.03 CLEAR FORK SUBDISTRICT UPDATE

USGS will begin performing the modeling work for the Clear Fork Subdistrict project.

9. EXECUTIVE SESSION

No executive session occurred.

10. ADJOURN

There being no further business, on motion by Mr. Pryce, seconded by Ms. Limbach, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, May 15, 2015, at 9:00 a.m. at the Kent State University Tuscarawas, Science and Technology Center, New Philadelphia, Ohio.

The MWCD Conservancy Court will meet on Saturday, June 6, 2015, at 10:00 a.m. in the Tuscarawas County Court House.