

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the New Philadelphia City Council Chambers
April 19, 2013, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the New Philadelphia City Council Chambers, 150 East High Avenue, New Philadelphia, Ohio, on Friday, April 19, 2013, 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. Boyle, Mr. Horstman, Mr. Kokovich, Mr. Parham and Mr. Pryce.

Present from MWCD staff were Scott Barnhart, Jim Crandall, Jim Cugliari, John Hoopingarner, Darrin Lautenschleger, Sean Logan, Karen Miller, Jim Pringle, and Mark Swiger.

Mr. Parham, 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: Brent Winslow (*CONSOL Energy*); Doug McLarnen (*member of the MWCD Development Advisory Committee*); Greg Hanahan (*Coalition of Ohio Regional Districts*); David Lee (*Gulfport Energy*); Barb and Bill DeLuca (*Fresh Water Accountability Project*); Luke Bates (*Canton*); Mike Crawford (*Powell*); A.R. Crawford (*Columbus*); Robert Wilsterman (*Uhrichsville*); John Stark (*The Nature Conservancy*); Scott Hale and John Navarro (*ODNR Division of Wildlife*); Conrad Baston (*Antero Resources*); Joanne Limbach (*New Philadelphia*); Belle Everett (*Tuscarawas County Commissioner*); JoEllen Hayes (*Cambridge*); Eric Reip (*New Philadelphia*); Derek Conrad and Don McIntosh (*Rea & Associates, Inc.*); and Dave Fisher (*Freeport*).

Commissioner Everett expressed appreciation to the MWCD for the support of Huff Run and Mud Run watershed projects. She mentioned that there are plans for educational programs to be offered at these areas as a result, in part, of the financial assistance provided by MWCD.

A written communication submitted by Attorney Terry Lodge and received via email at approximately 3:30 p.m. on Thursday, April 18, 2013, was distributed to the Board for their information and review (copy on file).

Mr. Wilsterman addressed the Board referring to the contents of a letter from him and addressed to the MWCD Board of Directors dated April 18, 2013 (copy on file). He requested a written response to his correspondence.

3. APPROVAL OF MINUTES

On motion by Mr. Boyle, seconded by Mr. Kokovich, the minutes of the March 15, 2013, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending March 31, 2013. The total operating revenue is \$43,839,225.00, which includes \$40,630,702.00 oil and gas lease signing bonus payment, or \$3,208,523.00 without the lease signing bonus; and operating expenses of \$2,460,312.00, resulting in an excess of revenue over expenses of \$748,211.00. The operational surplus does not include the oil and gas lease signing

bonus or the expenses incurred in the Recreation Improvement Fund.

Maintenance Fund – General

- The negative amount in the month-to-date column for Use of Water Assets is due to the write-off of less water used than anticipated by Gulfport Energy per their contract with MWCD.
- Expenses in this fund continue to be higher than 2012 due, in part, to payouts associated with recent retirements and the Health Insurance-Laser line item.

Conservation Fund

- Revenues in this fund for the month were minimal while expenses continue on an upward trend from 2012. A big part of this is due to additional staffing and also increased activity in the oil and gas areas.

Recreation Fund-Parks

- Revenues received are 42.63% of budget and in line with budget and last year. Most differences at this point in Park Camping are due to timing.
- Park Expenses are 14.36% of budget and approximately 10% higher than 2012, but still within budget.
- Water and Sewer Maintenance line item is approximately \$42,000.00 or 58% higher than 2012.
- General Park Operations expenses are 18.96% of budget and \$61,000.00 or 18% higher than 2012.

Recreation Fund-Non Park

- Total revenues are 18.98% of budget and in line with 2012.
- Revenues are beginning to pick up in the marina operations and cottage site areas.
- Expenses are 25.34% of budget and \$141,000.00 or 38% higher than 2012. A big part of this increase is due to the self-operations of Piedmont and Seneca marinas as well as the cottage site appraisal work being done.

Recreation Improvement Fund

- Expenses are 7.83% of budget for the first quarter of the year but up by nearly \$1 million from 2012.
- The main areas of increase continue to be for the construction of the water treatment plant at Atwood and the Seneca Welcome Center.

Maintenance Assessment Fund

- First half settlements have started for the assessment collection with about 25% of the budget being met.
- Total expenses in this fund are 50% with the majority of the cost being for the USACE agreements and shoreline protection.

As the first quarter has wrapped up, revenues are on pace with budget, as well as expenses being in line with budget. We continue to put funds back into our facilities as has been planned for 2013.

On motion by Mr. Pryce, seconded by Mr. Horstman, the financial report was accepted as presented.

5. PAYMENT OF BILLS

On motion by Mr. Horstman, seconded by Mr. Boyle, a report of the payment of bills for the period ending March 31, 2013, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Horstman, seconded by Mr. Boyle, 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 OXFORD PIPELINE BORING

On motion by Mr. Kokovich, seconded by Mr. Horstman, a right-of-way for installation of a 4-inch pipeline at Seneca by Oxford Oil Company , as recommended and set forth in the above memorandum, was authorized.

6.01c CLENDENING/GULFPORT SHORT-TERM WATER SUPPLY AGREEMENT

On motion by Mr. Boyle, seconded by Mr. Horstman, a short-term water supply agreement with Gulfport Energy for Clendening Reservoir , as recommended and set forth in the above memorandum, was approved.

Mr. Kokovich and Mr. Pryce made a suggestion that additional information be made available to the public about the metrics of the amount of water involved in this type of water withdrawal so that they can be better informed as to the minimal impact on the MWCD reservoirs by this type of activity.

6.01d SENECA/ANTERO SHORT-TERM WATER SUPPLY AGREEMENT

On motion by Mr. Kokovich, seconded by Mr. Boyle, a short-term water supply agreement with Antero Resources Appalachia Corporation for Seneca Reservoir , as recommended and set forth in the above memorandum, was approved.

6.02a BUDGET ADJUSTMENTS

On motion by Mr. Boyle, seconded by Mr. Horstman, budget adjustments made during the month of March 2013, as recommended and set forth in the above memorandum, were approved.

6.02b AUDIT OF DISTRICT RECORDS – CONTRACT MODIFICATION

On motion by Mr. Pryce, seconded by Mr. Kokovich, a contract modification in the amount of \$1,800.00 for audit work being performed by Rea & Associates, Inc., as recommended and set forth in the above memorandum, was approved.

6.02c AUDIT OF DISTRICT RECORDS

Derek Conrad and Don McIntosh, representatives of Rea & Associates, Inc., presented a report of the results of a recent audit of Muskingum Watershed Conservancy District records for the years 2011-2012.

6.02d ATWOOD LAKE TRAIL PHASE I – GRANT APPLICATION

On motion by Mr. Horstman, seconded by Mr. Pryce, a resolution of authorization for a grant application for funding assistance through the Ohio Department of Transportation for the Atwood Lake Trail Phase I, as recommended and set forth in the above memorandum, was adopted.

6.02e 2013 NATUREWORKS GRANT APPLICATIONS

On motion by Mr. Pryce, seconded by Mr. Kokovich, resolutions of authorization for seven NatureWorks grant applications, as recommended and set forth in the above memorandum, were adopted.

6.02f GENERAL LIABILITY INSURANCE RENEWAL

On motion by Mr. Pryce, seconded by Mr. Horstman, renewal of the general liability insurance and membership in The Ohio Plan for the period of May 1, 2013 through May 1, 2014, as recommended and set forth in the above memorandum, were approved.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b GROUP HEALTH BENEFIT REVIEW

The group health benefit plan for MWCD employees is due for renewal on June 1, 2013. Staff met with representatives of AultCare on Wednesday, April 17, 2013, to discuss the renewal. At this point, there is no expectation for any plan design changes. However, Mr. Cugliari reported that Romig Insurance, agent for the MWCD, has additional quotations and will be meeting with representatives of these companies in the next couple of weeks. A recommendation will be presented to the Board at the May meeting regarding the group health benefit plan.

6.03c PERSONNEL POLICY: FRAUD REPORTING COMPLIANCE

On motion by Mr. Boyle, seconded by Mr. Kokovich, a new personnel policy entitled "Fraud Reporting Compliance," as recommended and set forth in the above memorandum, was adopted.

6.04a PURCHASE OF PATROL BOAT

On motion by Mr. Horstman, seconded by Mr. Boyle, purchase of a boat from Alumaweld Boats, Inc., at a cost of \$36,615, as recommended and set forth in the above memorandum, was authorized.

6.04b PURCHASE OF SENECA WELCOME CENTER FURNITURE

On motion by Mr. Horstman, seconded by Mr. Boyle, purchase of furnishings for the new Seneca Welcome Center from E4B of Akron, Ohio, at a cost of \$45,109.73, as recommended and set forth in the above memorandum, was approved.

6.04c SENECA WELCOME CENTER ROADWAY PAVING

On motion by Mr. Kokovich, seconded by Mr. Pryce, solicitation and award of a contract for paving the roadway area around the new Seneca Welcome Center at a cost not to exceed \$55,000.00, as recommended and set forth in the above memorandum, was approved.

6.04d CHARLES MILL BEACH RESTROOM/CONCESSION

On motion by Mr. Pryce, seconded by Mr. Horstman, award of a contract for renovation of the existing beach restroom/concession building at Charles Mill Park to James P. Finnegan Construction, Inc., at a cost of \$79,000.00, as recommended and set forth in the above memorandum, was authorized.

6.04e PURCHASE OF SKID STEER

On motion by Mr. Kokovich, seconded by Mr. Pryce, purchase of a new skid steer at a cost not to exceed \$96,000.00, as recommended and set forth in the above memorandum, was authorized.

6.04f SHARE CROP MATERIALS

On motion by Mr. Kokovich, seconded by Mr. Horstman, purchase of materials for use in the share crop program for the upcoming season at a total cost of \$167,369.33, as recommended and set forth in the above memorandum, was authorized.

6.05 DEVELOPMENT ADVISORY COMMITTEE APPOINTMENT

On motion by Mr. Kokovich, seconded by Mr. Boyle, Joseph C. Gies of Shelby in Richland County, was appointed to an unexpired term on the MWCD Development Advisory Committee ending December 31, 2014, as recommended and set forth in the above memorandum.

6.06 OPERATIONAL POLICY REVISION: SENIOR CITIZEN DISCOUNT

On motion by Mr. Horstman, seconded by Mr. Pryce, revisions to the operational policy entitled “Senior Citizen Discount,” as recommended and set forth in the above memorandum, were approved.

6.07 ASIAN CARP MONITORING PARTNERSHIP

A presentation, “Asian Carp Monitoring in the Muskingum River and Muskie Tagging in Leesville,” was given by the following individuals: John Stark, Ohio Freshwater Conservation Director, Ohio River Lead, The Nature Conservancy; John Navarro, Administrator, Stream Conservation and Environmental Assessment Program, ODNR Division of Wildlife; and Scott Hale, Inland Fisheries Program Administrator, ODNR Division of Wildlife.

The schedule for eDNA Collection and Processing is: 1) water samples collected during the summer of 2013 by ODNR fisheries crews with the assistance of The Nature Conservancy and Notre Dame staff ; 2) eDNA processing/analysis during the summer and fall of 2013 by University of Notre Dame and Central Michigan University eDNA experts; and 3) grant administration/reporting late fall of 2013 to MWCD and ODNR by Nature Conservancy staff experts in Ohio and at Notre Dame.

On motion by Mr. Kokovich, seconded by Mr. Pryce, a partnership agreement with The Nature Conservancy and funding in the amount of \$46,000.00 for Asian Carp monitoring within the Muskingum River system, as recommended and set forth in the above memorandum, were authorized.

6.08 OTHER BUSINESS

ODNR DIVISION OF WILDLIFE FISH STOCKING

Mr. Hale distributed a report of the 2013 MWCD reservoir fishing stocking activities. The ODNR Division of Wildlife plans to stock more than 5.7 million fish including saugeye, muskellunge, channel catfish, and hybrid striped bass in ten reservoirs (16,112 acres) within the MWCD during April through October, 2013.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Members of the Board received a Summary of Marina Operations report through March 31, 2013. No action was requested.

7.02 UPDATE ON 2013 GOALS

Mr. Hoopingarner reviewed the 2013 goals with the Board.

- 1) Oil and Gas Development
- 2) Park Capital Improvements
- 3) Marina Operations
- 4) Fiscal Management

7.03 STRATEGIC PLANNING

Executive management met with Jack Steele of Active Strategy on March 21 and 22 to further refine the strategic plan and to prepare for the development of the software which will be used to help measure progress. This was followed by four days (March 25-28) of training for key staff responsible for inputting data and maintaining the “dashboards.”

7.04 PARK MASTER PLANNING

Mr. Pack presented information about progress of the park master planning, including project summary update and alternative concepts for the Atwood Peninsula area. Recent activities involved meetings with “key” stakeholders and design planning meetings with the MWCD park managers and other staff. The Design Team has been prioritizing program options; assessing buildable land and rank land by value; refining program/concepts with cost benefit and return on investment; estimating capital, operational costs, and potential revenues; and preparing cost benefit evaluation. Mr. Pack also reported that discussions have taken place with representatives of Radius Hospitality, operators of Atwood Resort, to consider how Resort facilities would weigh into the master plan for the Atwood area.

Discussion took place relative to the potential future use of the Atwood Peninsula Area and a question of how the area came to be included in the master planning. Mr. Hoopingarner stated that when the Board authorized the contract with Woolpert for master planning, they requested that the Peninsula also be included as a consideration within the plan. Members of the Board were in general agreement that they would favor a residential development of that area as opposed to a “park” related development. As a result of this discussion, it was determined that Woolpert will be directed to work on residential concepts for the Atwood Peninsula Area and that further discussion will take place at the Board workshop scheduled for May 22-23, 2013.

7.05 USACE PROJECTS STATUS REPORT

Members of the Board were offered an opportunity in the next few months to tour the Dover Dam and/or Bolivar Dam facilities.

Dover Dam

- Phase II of construction is 27% complete and the contractor is currently working on anchoring the non-spillway section as well as anchoring the stilling basin floor slab.

- Approximately \$1.75 million in federal funds is anticipated to be appropriated through the end of the federal fiscal year which would correspond to a local cost share amount of approximately \$62,000. We anticipate the Corps to request the next local cost share draw in May.
- Total project cost is \$103.5 million with MWCD’s obligated local cost share being \$3.57 million. \$1.67 million or 53% has been expended to date.

Bolivar Dam

- A pre-proposal meeting is tentatively scheduled for June 4 to allow interested contractors to meet on site and discuss seepage barrier project details. Installation of the seepage barrier is by the far the bulk of the overall project effort and cost.
- Total project cost is \$165 million with MWCD’s obligated local cost share being \$37.95 million. \$9 million or 24% has been expended to date.

7.06 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

No report at this time.

7.07 IMMINENT OR PENDING LITIGATION

These matters were discussed in executive session.

In open session, on motion by Mr. Horstman, seconded by Mr. Boyle, the Board took the following action with regard to a .79 acre trespass by MarkWest pipeline on the north side of Clendening Reservoir near Laughlin Road. The Board authorizes the Executive Director to accept MarkWest’s apology and explanation as to how the trespass occurred and the changes they have installed to help prevent a re-occurrence. Further, that a damages settlement in the amount of \$37,279.00 made up of the following components be accepted:

Temporary occupancy of .79 acre	\$21,107.00
Value of timber plus treble and re-planting.....	\$10,117.00
Outer boundary post disturbance.....	\$1,500.00
Total staff time and legal counsel.....	\$4,555.00

Mr. Logan also advised the Board that the staff expressed concern to the representatives of MarkWest as to any similar situations developing in the future with private landowners who may not have the resources to protect their rights. MarkWest representatives assured Mr. Logan that the procedures they have instituted would act to prevent similar occurrences with any and all landowners. Further, they encouraged District staff to contact them directly should they learn of any such encroachments or other concerns expressed by any landowners in the District.

Legal counsel is further directed to develop a release for the Executive Director execute upon his satisfaction of the above items. On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; and Mr. Pryce-abstain.

8. SUBDISTRICTS

No business at this time.

9. EXECUTIVE SESSION

On motion by Mr. Pryce, seconded by Mr. Horstman, the Board of Directors entered into executive session at 1:10 p.m. to discuss matters related to ORC §121.22 (G) (3). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 1:38 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Kokovich, seconded by Mr. Horstman, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, May 17, 2013, at 9:00 a.m. at the Seneca Lake Park Welcome Center, contingent upon the facility being ready.

04.19.2013, km
Approved 05.17.2013