

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the Kent State University Tuscarawas
February 22, 2019, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at Kent State University Tuscarawas, 330 University Drive NE, New Philadelphia, Ohio, on Friday, February 22, 2019, 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. Gresh, Ms. Limbach, Mr. Maupin, Mr. Moorehead, and Mr. Sprang.

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

Present from MWCD staff were Scott Barnhart, Adria Bergeron, Mary Burley, Jim Cugliari, Lucas Hershberger, John Hoopingarner, Brad Janssen, Michael Mahaffey, Nick Lautzenheiser, Anna Miller, Karen Miller, Kara Musser, John Olivier, Jim Pringle, Clayton Rico, Boris Slogar, Mark Swiger, and Nate Wilson.

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: Richard Lutz, Steve Walker, and Scott Kamph (*Buckeye Trail Association*); Mark Krosse (*Chippewa Lake resident*); Bruce Robinson (*MWCD Development Advisory Committee*); Brian Craven (*Civil Science, Wooster*); Terry Fercana (*Environmental Design Group*); and J.D. Long (*Harrison News Herald*).

Mr. Krosse addressed the Board about a request he made at the August 2018 Board meeting when he asked that consideration be given to inclusion of the Chippewa Lake area into the jurisdictional area of the Chippewa Subdistrict. Since that time, he has met with Mr. Slogar, Mr. Pringle, and other MWCD staff on several occasions. Mr. Krosse distributed a handout which included the "Chippewa Lake Watershed Study: Likelihood of Flooding" and a map indicating the "Reach Layout" of the Chippewa Subdistrict.

Mr. Pringle outlined the legal requirements and steps that would be necessary to add the Chippewa Lake area to the Chippewa Subdistrict jurisdictional area.

The Board took this matter under advisement.

3. APPROVAL OF MINUTES

On motion by Ms. Limbach seconded by Mr. Gresh, the minutes of the January 18, January 25, and February 1, 2019, meetings of the Board of Directors were approved with a correction to the February 1 document.

4. FINANCIAL

Mr. Cugliari presented the financial report for the one-month period ending January 31, 2019 (*copy on file*).

The financial report was presented in a new format and included the following:

- Economic Engine, a report that is familiar to the Board and has been expanded to include all District operations
- Annual Budget and Actual Revenue/Expense Report which outlines the various activities with current and prior year revenue and expense information
- Budget of Estimated Expenditures and Income
- Schedule of Investments

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

5. PAYMENT OF BILLS

On motion by Mr. Maupin, seconded by Ms. Limbach, the report of the payment of bills for the period ending January 31, 2019, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Sprang, seconded by Mr. Gresh, 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 ATWOOD COMPRESSOR SITE AND RIGHT-OF-WAY AGREEMENT

On motion by Ms. Limbach, seconded by Mr. Gresh, an agreement with Enervest Operating for a compressor site and right-of-way at Atwood, as recommended and set forth in the above memorandum, was approved.

6.01c AEP EASEMENT - TAPPAN

On motion by Mr. Sprang, seconded by Mr. Gresh, an easement with American Electric Power for aerial and underground electric service at the Tappan Wastewater Treatment Plant, as recommended and set forth in the above memorandum, was approved.

6.01d COTTAGE SITE LEASE RATE ADJUSTMENT FOR 2019

NOTE: Mr. Moorehead recused himself from discussion of this matter and Ms. Limbach, Vice-President of the Board, led the discussion for this matter.

Since February 1, 2000, all new and renewing MWCD cottage site leases have contained language that allows the Board of Directors to add an additional 0-4% discretionary increase over and above the annual Consumer Price Index (CPI) adjustment. A long-term goal, identified by the Board of Directors in 2001 and reaffirmed with the acceptance of the 2013 cottage site appraisal, was to achieve a 5% aggregate rate of return on the appraised value of all cottage sites.

For the year 2018, the Board of Directors elected to forego utilization of the 0-4% discretionary clause, as recommended by the Board of Appraisers and MWCD staff. Cottage site lease rates were increased 2.1% in 2018 in accordance with the annual rent adjustment provision, which is contained in all residential leases

that increases lease rates using the percent change in CPI from January 2017 compared to January 2018. The 2.1% increase affected those lessees on 30-year leases by yielding revenue of \$1,828,811 from new leases initiated since the year 2000. Of 1,202 total leased lots, there are 858 lots in this group. Based upon the 2013 cottage area appraisal, the appraised value of the 858 lots is \$44,655,462. The resulting rate of return is 4.10%

Additional rental revenue of \$44,088 was realized during 2018 as “old leases” (those that were initiated prior to the year 2000) transferred to new owners who typically pay a higher “new lease” amount. The \$44,088 additional revenue increases the rate of return to 4.19%.

On February 8, 2019, staff met with the Board of Appraisers and discussed the above details with respect to determining the need to utilize the 0 - 4% discretionary lease clause in addition to the annual CPI lease provision adjustment for 2019. The Bureau of Labor Statistics January 2019 CPI is 1.3%.

For 2019, staff concurs with the Board of Appraisers that lease rates are aligned with projected goals of the leasing program and subsequent to the 1.3% CPI rate adjustment, no additional increase in lease rates is required through utilization of the 0-4% lease discretionary clause at this time.

This information is provided to the Board as a cottage site lease program update and requires no further action.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Mr. Sprang, seconded by Mr. Gresh, a “then and now” certificate for invoices received prior to processing of a purchase order, as recommended and set forth in the above memorandum, was authorized.

6.02b FUND TRANSFERS

On motion by Ms. Limbach, seconded by Mr. Sprang, resolutions necessary for fund transfers for the year 2018, as recommended and set forth in the above memorandum, were adopted as presented. Following is a listing of the fund transfers:

Transferred From	Transferred To	Purpose	Amount
Recreation Maintenance Fund	Recreation Improvement Fund	Vacation cabin improvements	\$24,704.51
Recreation Maintenance Fund	Recreation Improvement Fund	Non-master plan recreation improvements	\$854,442.35
Recreation Maintenance Fund	Recreation Improvement Fund	Repair of cottage site roads	\$500,000.00
General Maintenance Fund	Improvement Fund (5% of 2018 Utica shale royalties)	Future land or building acquisitions	\$814,241.05
General Maintenance Fund	Recreation Improvement Reserve Fund (50% of 2018 Utica shale royalties)	Reserve account for future capital or deferred maintenance needs	\$8,142,410.48
General Maintenance Fund	General Maintenance Reserve Fund (45% of 2018 Utica shale royalties)	Reserve account for unforeseen circumstances	\$7,328,169.43
General Maintenance Fund	Recreation Improvement Fund	Recreation improvement non-master plan projects	\$1,412,336.20
Recreation Maintenance Fund	Recreation Improvement Fund	Marina vacation cabin improvements	\$7,272.79

6.03a HUMAN RESOURCES SUMMARY

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

6.04a PURCHASE OF PARK AMENITIES

On motion by Ms. Limbach, seconded by Mr. Maupin, purchase of equipment to replace aged park amenities from two vendors (Jamestown Advanced Products in the amount of \$9,864.00; and RJ Thomas Manufacturing Co., Inc., in the amount of \$244,121.78), as recommended and set forth in the above memorandum, was approved.

**6.04b BOLIVAR RESERVOIR BEAR RUN STRUCTURE REPLACEMENT
REQUEST FOR BUDGET ADJUSTMENT AND TO ADVERTISE AND AWARD**

On motion by Ms. Limbach, seconded by Mr. Gresh, a budget adjustment in the amount of \$180,750.00 and a request to advertise for bids and award a contract for a bridge replacement on a property at Bolivar Reservoir, as recommended and set forth in the above memorandum, were approved.

6.04c CHARLES MILL LAKE CAMPGROUND REDEVELOPMENT PHASE 2 – BID AND AWARD RESULTS

At the October 2018 meeting, the Board authorized the bid and award of the Charles Mill Lake Campground Redevelopment Phase 2 Project. The engineer’s estimate is \$2,900,000.00. Sealed bids were received on January 15, 2019, with the following results:

Company	Base Bid	Alternate No. 1
Lockhart Concrete, Akron	\$2,839,000.96	\$141,843.40
Shrock Premier Custom Construction, Loudonville	\$2,911,411.18	\$141,781.37
TAM Construction, Athens	\$3,105,705.00	\$170,516.00

The lowest bid was reviewed; references were checked and the bid is deemed awardable.

A contract will be executed with Lockhart Concrete in the amount of \$2,980,844.36 which includes the base bid and Alternate No. 1 (full depth pavement replacement of existing drives in lieu of milling and asphalt overlay). Substantial completion is scheduled for September 29, 2019. This memo is provided for informational purposes only and no Board action is needed.

6.04d PLEASANT HILL LAKE CAMPGROUND REDEVELOPMENT PHASE 2 – BID AND AWARD RESULTS

At the December 2018 meeting, the Board authorized the bid and award of the Pleasant Hill Lake Campground Redevelopment Phase 2 Project. The engineer’s estimate is \$2,175,000.00. Sealed bids were received on February 7, 2019, with the following results:

Company	Base Bid	Alternate No. 1
Shrock Premier Custom Construction, Loudonville	\$1,943,739.25	Non-Responsive
Simonson Construction, Ashland	\$2,050,654.78	\$16,389.27
TAM Construction, Athens	\$2,077,000.00	\$16,227.00
Lockhart Concrete, Akron	\$2,140,055.00	\$66,801.15
DL Smith Concrete, Norwalk	\$2,389,426.00	\$48,681.00
Thompson Electric, Carroll	\$3,541,472.08	\$48,681.00

The bid from Shrock Premier Custom Construction omitted pricing for Alternate No. 1 (welded wire mesh for RV pads and aprons). In accordance with bid procedure terms and requirements, the bid was deemed non-responsive for being incomplete and therefore rejected.

A contract will be executed with Simonson Construction in the amount of \$2,067,044.05 which includes the base bid and Alternate No. 1. Substantial completion for the project is scheduled for November 1, 2019. This memo is provided for informational purposes only and no Board action is needed.

**6.04e TAPPAN EAST CAMPGROUND PROJECT
FINAL PROJECT ACCOUNTING AND CHANGE ORDER RATIFICATION REQUEST**

On motion by Mr. Gresh, seconded by Ms. Limbach, change orders totaling \$175,212.41 for the Tappan East Campground project, as recommended and set forth in the above memorandum, were ratified.

6.05 TRAILS BLUEPRINT

Members of the Board received a copy of the final draft of the Trails Blueprint (*copy on file*). The Trails Blueprint was a 2016 goal of the Board of Directors to address the future development of various types of trails, as well as trail connections between MWCD lakes and communities, existing regional and proposed trail networks, and other MWCD lands. The final draft of the Trails Blueprint is the culmination of a two-year planning process, including numerous meetings with the public, partners, and staff; the compilation and synthesis of trails data from multiple sources; the development of a trails geographic information system; and the preparation of conceptual trails plan maps.

The Trails Blueprint includes a strengths, weaknesses, opportunities, and threats analysis; benchmarking survey; administrative plan; conceptual trails plan maps at reservoir, regional, and statewide levels; short and long-term action plans; and appendices with additional information, including benefits of trails, a listing of potential partners and stakeholders, existing local and regional trails systems, public participation, and funding opportunities.

The Trails Blueprint is comprehensive but conceptual. It creates a vision for future trail development in the Conservancy District, with proposed trail improvements on MWCD lands, connections between MWCD lakes and parks, and linkages to nearby communities and other existing trails.

The Development Advisory Committee endorsed the Trails Blueprint on January 25, 2019.

It is recommended that the Board endorse the Trails Blueprint and direct executive staff to use the plan as a conceptual guide in the future development of trails in the watershed.

Members of the Trails Blueprint Team – Nick Lautzenheiser, Anna Miller, Kara Musser, Clayton Rico, John Olivier, and Lucas Hershberger – participated in the presentation to the Board with an overview of the process of development of the Trails Blueprint. Members of the Trails Blueprint Team unable to attend the meeting were Jeff Yohe and John Watkins.

On motion by Mr. Maupin, seconded by Mr. Sprang, the proposed Trails Blueprint, as recommended and set forth in the above memorandum, was endorsed by the Board. The Board further directed executive staff to use the plan as a conceptual guide in the future development of trails in the watershed.

OTHER BUSINESS

PURCHASE OF PARK MODEL CABINS – PIEDMONT MARINA CAMPGROUND

On motion by Ms. Limbach, seconded by Mr. Sprang, purchase of six (6) park model cabins from Canterbury RV in the total amount of \$311,570.00, as recommended and set forth in the above memorandum, was approved.

ANNUAL REPORT OF OPERATIONS – 2018

Members of the Board received a copy of the draft narrative section of the 2018 Annual Report of Operations for review.

7. REPORTS

7.01 MARINAS REPORT

Off-season administrative and planning work continue as the marinas prepare for the upcoming season.

Marina management staff attended the International Marina and Boatyard Conference in Ft. Lauderdale. Conference sessions addressed the economic impact of marinas, handling abandoned boats, the Airbnb concept for marinas, staff culture development, improving access for all generations and abilities, solar power, financial benchmarking, employee retainage, and the identification and elimination of stray electrical current in marina waters, among others. The managers had the opportunity to interact with their peers from around the country.

Kent and Cindy Murray began in earnest getting ready for the initial season of their restaurant operation at Tappan Lake Marina. They have been actively involved in the design process for the complete renovation of the kitchen facility, slated to begin this fall.

Work on the master plan for Tappan Marina is ongoing. Domokur Architects have developed a site plan, which greatly improves parking, lighting and accessibility, a floor plan for the marina building that takes advantage of the lakefront location, and an exterior design similar to that found in masterplan-related buildings in our parks. The use of geothermal is being included in the design. Domokur's impressive kitchen designer has developed a very efficient and complete food service area.

Ohio Valley Boats will be hosting an Open House/Boat Show at the Tappan Marina, March 15-16. New LED lighting was installed to brighten the existing showroom facility. Work will begin soon on the design for the renovation of the showroom building.

Work began on the expansion of the retail area in the lower level of Seneca Lake Marina. The removal of a block wall provided much-needed space downstairs and will also enable efficient use of staff by increasing visibility. The Dockside Restaurant’s new ice cream parlor will begin to take shape shortly, as well.

A multiple abutment project is nearing completion at Leesville North Fork Marina. This will allow for the installation of new docks for the upcoming season. Staff from Tappan, Clendening, Seneca, and Piedmont marinas will team up to install the new docks. The five docks will provide 180 new slips and replace docks, that in some cases, may have been part of the original marina.

The two older docks scheduled for removal at Leesville, and sold on GovDeals.com, were removed without incident or damage by the purchasers. The first use of GovDeals.com proved easy and uncomplicated. Several items have since been put up for sale. (An ancient meat saw at Tappan Lake Marina recently brought \$292!) As a reminder, items on the site are sold by government agencies, “as is,” and must be removed by the purchaser. Payments are made to the administrators at GovDeals.com, and then deposited in the selling agency’s account.

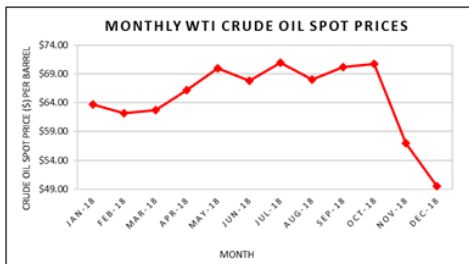
7.02 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 75 producing wells at Clendening, Seneca, and Leesville Reservoirs. A breakdown of the currently producing wells by operator and reservoir, along with the monthly royalty revenue can be seen on the attached page.

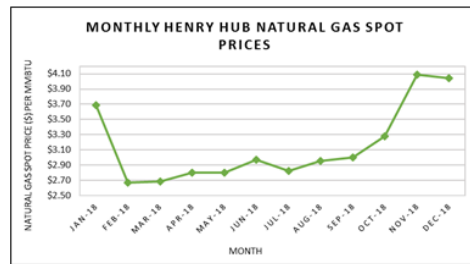
Utica royalty revenue decreased 8% month-over-month in total revenue from December 2018 (\$ 2,919,134.52) to January 2019 (\$ 2,691,228.05).

The U.S. Energy Information Administration Prices Reports¹ (December 2018)

- The WTI Crude Oil Spot Price² for Dec. 2018: **\$49.52** per barrel



- The Henry Hub Natural Gas Spot Price for Dec. 2018: **\$4.04** per MMBTU



¹ The U.S. Energy Information Administration Prices Reports¹ (December 2018)

² WTI: Otherwise known as West Texas Intermediate is an oil benchmark and serves as a reference price for buyers and sellers of crude oil. One of the three primary crude benchmarks, WTI is associated with North American crude since this is where the market is. The New York Mercantile Exchange (NYMEX) oil futures contracts are based on WTI, and it has become one of the most common indexes when referencing the price of oil in North America.

³ Henry Hub Natural Gas: A natural gas benchmark commonly used as a pricing point for natural gas futures contracts on The New York Mercantile Exchange (NYMEX) and generally used as the primary price set for the North American natural gas market.

7.03 MASTER PLAN UPDATE

Mr. Slogar distributed a report entitled “Park Master Plan Program, 4th Quarter 2018, Report to Board of Directors” (copy on file), and reviewed a Park Master Plan status report as follows:

Projects in Design

- Atwood Main Campground Improvements – Phase 2

Projects Under Construction

- **Atwood Main Campground Improvements – Phase I:** The event parking area, dump station, restroom/shower building, picnic shelters, roadway paving and RV campsites are all complete and ready for use, with all utilities connected. Punch list work, paving of walking trails and approximately 10% of landscaping will need to be completed in the spring. The project includes 106 full-hookup RV campsites and a new restroom/shower building. The project has reached substantial completion.
- **Charles Mill Lake Park Water and Wastewater Utility Improvements:** The new wastewater treatment plant, water plant and water tower are complete and are being used. Sewer and water line installation is complete. The project has reached substantial completion.
- **Charles Mill Lake Park Main Campground Redevelopment – Phase I:** Site work has been completed. The new CXT restroom is scheduled for installation this week. Renovation work continues inside the existing restroom/shower building. The project has reached substantial completion except for the existing restroom/shower completion scheduled for March 2019.
- **Charles Mill Lake Park Main Campground Redevelopment – Phase 2:** The project was awarded to Lockhart Concrete Co. This project involves the reconstruction of the existing middle section of the campground with 66 full-hookup RV campsites with gravel pads, 9 tent sites, renovations to the existing restroom/shower building, and a new CXT restroom/shower building. Substantial completion is scheduled for October 2019.
- **Piedmont Campground Renovations Phase I:** The project is nearing completion with the following items remaining: landscaping, final seeding and mulching, and washer and dryer install. The project has reached substantial completion. Tucson was originally ahead of schedule during the summer, and did not complete the final landscaping items as was planned. Landscaping will be completed next spring.
- **Piedmont Water Storage and Distribution Improvements:** The waterline installation is approximately 80% complete and on schedule. The water storage tank pad preparation was underway when a slip developed behind the excavation due to saturated ground conditions and dispersive clays. The contractor's work on the pad has been stopped while a design of the soil repair is prepared. MWCD crews installed drainage collection behind the slip area and re-shaped the hillside. A permanent retaining structure is needed. Design of the retaining structure is underway. Substantial completion is scheduled for March, 2019.
- **Pleasant Hill Seasonal Campground Redevelopment – Phase I:** The renovated restroom/shower building, roadway paving and RV campsites are all complete and ready for use, with all utilities connected. Punch list work will need to be completed in the spring. The project includes 38 full-hookup RV campsites and a renovated restroom. The project has reached substantial completion.
- **Pleasant Hill Cabin Roadway & Infrastructure Improvements:** The project has reached substantial completion. All underground utilities, asphalt paving and sanitary lift station construction is complete. Landscaping will be completed in the spring due to weather. Punch list work is in progress.
- **Pleasant Hill Cabins Phase 1:** The project was awarded to Classical Construction, LLC on November 28, 2018. Construction of footings and masonry foundations for cabins is underway with five complete. Crawl space floor slabs and subfloors are completed on two cabins. Stacking of logs for first cabin is to begin on February 21. Substantial completion is scheduled for February 2020.
- **Pleasant Hill: Campground Redevelopment Phase 2:** This project was awarded to Simonson Construction Services, Inc. on February 11. A pre-construction meeting is scheduled for March 4. The project involves the redevelopment of existing Camp Areas A and B and will include 46 full-hookup RV campsites with concrete pads. Substantial completion scheduled for November 2019.
- **Seneca Lake Parkside Central and Woodlands Campgrounds:** Work is wrapping up inside the shower house. Due to weather conditions the paving and landscaping could not be completed and the project is scheduled

for substantial completion by April 2019. Campers from Marina Point that needed to be relocated have all been moved in.

- **Seneca Lake Marina Point Campground Redevelopment Phase 1:** Tree clearing and demolition has been completed. Earthwork has begun. Campers that needed to be relocated have all been moved to the Parkside Campground. The project will provide 98 seasonal RV sites with full utility hook-ups, a new CXT restroom and shower building, playground, basketball court, and picnic shelter. Substantial completion is scheduled for November 2019.
- **Tappan Lake Park Campground Renovation – Phase I:** All camper pads are poured. All utilities complete. The waterline testing passed 3 of 4 with the failed section being repaired. Sanitary line testing is to proceed. Punch list items remain as well as surface paving. The CXT restroom was delivered and installed February 14.
- **Tappan Wastewater Treatment Plant and Main Lift Station Replacement:** The upper lagoon liner is installed. The main lift station and valve vault is in with the force main passing hydrostatic testing. Substantial completion is scheduled for April 2019.

Reservoir Dredging and Shoreline Stabilization (Ongoing)

Dredging Program

- **Seneca Lake:** Design work continues for the additional settling basin at the peninsula DMRA site, and construction is planned to begin late spring of 2019. Additional dredging will then be completed later this summer, once construction of the basin is complete.

Shoreline Program

- **Atwood Lake Park Peninsula Shoreline Stabilization:** Drilling of the 440-foot-long auger cast pile wall was completed on February 8 and the contractor is now waiting on water levels to recede to allow completion of the rock riprap in front of the wall. The gas line relocation is nearly complete, while repairs to the water line and final restoration will be completed once the riprap is placed.

7.05 USACE PROJECTS STATUS REPORT

Mohawk Dam and Zoar Levee Projects:

- Project Partnership Agreements (PPA's) will likely be signed in August instead of the previous November timeline.
- The Presidential Emergency Declaration will not affect Mohawk and Zoar projects.
- A geotechnical contract for both projects will be awarded in the spring followed by an archaeological contract for Zoar soon after.
- A town hall meeting for Zoar will be held in March/April

Magnolia Levee:

- The project will be proceeding towards an Internal Evaluation Study (IES) in 2019.

Operations Update:

- Atwood Dam bridge replacement project will be awarded later this year.
- Piedmont Dam bridge replacement project came in \$1M over estimate. USACE looking at options.

7.06 IMMEDIATE OR PENDING LITIGATION

No report.

8. SUBDISTRICTS

8.01 PAYMENT OF BILLS – CHIPPEWA SUBDISTRICT

On motion by Mr. Sprang, seconded by Mr. Gresh, the report of the payment of bills for the period ending January 31, 2019, for the Chippewa Subdistrict, was approved as presented.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, seconded by Mr. Sprang, the Board of Directors entered executive session at 11:49 a.m. to discuss matters related to ORC §121.22 (G) (1) [Employment]. On roll call: Mr. Gresh-yes; Ms. Limbach-yes; Mr. Maupin-yes; Mr. Moorehead-yes; and Mr. Sprang-yes. The executive session ended at 12:40 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Sprang, seconded by Mr. Gresh, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, March 22, 2019, at 9:00 a.m. at the MWCD Annex Building.

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Approved 03.22.2019