

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the MWCD Annex Building
January 18, 2019, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the MWCD Annex Building, 2050 Reiser Avenue SE, New Philadelphia, Ohio, on Friday, January 18, 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, John Hoopingarner, Brad Janssen, Dan Mager, Karen Miller, Jonathan Mizer, Jim Pringle, Boris Slogar, and Mark Swiger.

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also in attendance for all or portions of this meeting were: Bruce Robinson (*MWCD Development Advisory Committee*); Sean Logan (*Woolpert*); Kim Vance and Cliff Miller (*Carroll SWCD*); Terry Fercana (*Environmental Design Group*); Keila Telfer and Lynn Mendenhall (*Harrison SWCD*); and J.D. Long (*Harrison News Herald*).

3. APPROVAL OF MINUTES

On motion by Mr. Maupin, seconded by Ms. Limbach, the minutes of the December 21, 2018, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the twelve-month period ending December 31, 2018. The total operating revenues is \$30,958,098.00 with operating expenses of \$14,652,731.00 resulting in a base operating income of \$16,305,367.00

Maintenance Fund: General

- Total revenues are 92% of budget with interest on investments over budget by \$400,000.00.
- Total expenses are 91% of budget and 3% up from 2017.

Conservation Fund

- Total revenues are 87% of budget and up 94% from 2017 due to the increase in royalty revenues.
- Timber Harvesting revenue fell short of budget as an anticipated payment to be received in December will not be received until January 2019.
- Farm Operations – Sharecrops finished at 79% of budget with some of the revenues coming in during January 2019 due to late harvest.
- Total expenses are 88% of budget.

Recreation Fund: Parks

- Total revenues finished the year over budget by nearly \$40,000 and up 4% from 2017.
- Total expenses finished at 94% of budget and up 1% from 2017.

Recreation Fund: Non-Park

- Total revenues finished at 3% over budget and up 12% from 2017. This increase is due in part to the District operation of Tappan Marina.
- Total expenses are 95% of budget and up 15% from 2017 again due in part to the District operation of Tappan Marina.

Recreation Improvement Fund

- Total expenses are 93% of budget and up 29% from 2017.
- Master Plan expenditures finished the year at 97% of budget and up 39% from 2017.

Maintenance Assessment Fund

- Total revenues finished up at 97% of budget.
- Total expenses are 69% of budget and down 25% from 2017 with one factor being there were no project funds expended for the U.S. Army Corps of Engineers.

Overall, the District finished the year with revenues at 98% of budget and up 28% from 2017. Total expenses were 91% of budget with a 10% increase from 2017.

As a note of interest, in comparing the 2018 operating forecast, which was used in preparation of the 2019 budget, the actual revenue fell 1% short of the forecast while actual expenses were .37% more than the forecast.

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

5. PAYMENT OF BILLS

On motion by Ms. Limbach, seconded by Mr. Gresh, the report of the payment of bills for the period ending December 31, 2018, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Sprang, seconded by Ms. Limbach, 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 ANTERO WELL PAD CONSTRUCTION - SENECA

On motion by Mr. Sprang, seconded by Ms. Limbach, an agreement that specifies a royalty payment to MWCD based on the market price of coal at the time of extraction from a proposed Antero Resources well pad site at Seneca, as recommended and set forth in the above memorandum, was approved, contingent upon approval of the agreement by MWCD staff and Legal Counsel.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Mr. Sprang, seconded by Ms. Limbach, 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 OPERATIONAL POLICY REVISION – USE OF CREDIT CARDS

On motion by Ms. Limbach, seconded by Mr. Gresh, proposed revisions to Operational Policy No. 1090, “Use of Credit Cards,” as recommended and set forth in the above memorandum, were approved.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b PERSONNEL POLICY REVISION – DRUG-FREE WORKPLACE

On motion by Mr. Maupin, seconded by Mr. Sprang, proposed revisions to Personnel Policy No. 708, “Drug-Free Workplace,” as recommended and set forth in the above memorandum, were approved.

6.04a ATWOOD PARK MAIN CAMPGROUND IMPROVEMENT PHASE 2 – DESIGN CONTRACT

On motion by Mr. Gresh, seconded by Mr. Sprang, a contract with Woolpert, Inc., in the amount of \$351,139.00 for final design of the Atwood Park main campground improvement project, phase 2, as recommended and set forth in the above memorandum, was approved.

6.04b DISTRICT-WIDE RESTROOM CONSTRUCTION – CXT BUILDING PURCHASE

On motion by Ms. Limbach, seconded by Mr. Gresh, purchase of three (3) CXT restrooms at a total cost of \$853,000.00, as recommended and set forth in the above memorandum, was authorized.

6.04c PURCHASE OF ELECTRIC RECREATIONAL VEHICLE POWER PEDESTALS

On motion by Ms. Limbach, seconded by Mr. Gresh, purchase of electric RV power pedestals from Eaton Marine Power and Lighting at a total cost of \$127,802.50, as recommended and set forth in the above memorandum, was approved.

**6.04d PIEDMONT MARINA CAMPGROUND RENOVATION PHASE 2 AND WWTP IMPROVEMENTS
REQUEST TO ADVERTISE AND AWARD**

On motion by Mr. Gresh, seconded by Mr. Sprang, advertisement for bids and award of a contract for the Piedmont Marina campground renovation Phase 2 and WWTP improvements, as recommended and set forth in the above memorandum, was authorized.

6.04e TAPPAN LAKE CAMPGROUND RENOVATION PHASE 2 – BID AND AWARD RESULTS

At the November 2018 meeting, the Board authorized the bid and award of the Tappan Lake Campground Renovation Phase 2 Project. The engineer’s estimate is \$5,290,500.00. Sealed bids were received on December 20, 2018, with the following results:

COMPANY	BASE BID	ALTERNATE NO. 1
Shrock Premier Custom Construction, Loudonville	\$4,753,430.62	\$ (19,696.52)
Lockhart Concrete, Akron	\$5,234,739.30	\$ (1.11)
Eclipse Company, Chagrin Falls	\$5,535,679.00	\$ (79,159.00)
Beaver Contractors, Canton	\$5,572,176.08	\$ 14,410.00
TAM Construction, Athens	\$5,839,605.00	\$ (25,068.00)

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

A contract will be executed with Shrock Premier Custom Construction in the amount of \$4,733,734.10 which includes the base bid and Alternate No. 1 (utilizing horizontal directional drilling in water mains and service laterals in place of trench excavation). Substantial completion is scheduled for October, 2019. This memo is provided for informational purposes only. No Board action is needed.

6.04f PURCHASE OF CAMPGROUND DOCKS

On motion by Mr. Sprang, seconded by Mr. Gresh, purchase of docks for Seneca Marina and Parkside campgrounds at a total cost of \$275,000.00 through Sourcewell contract pricing, as recommended and set forth in the above memorandum, was authorized.

Ms. Limbach inquired about the follow-up with the individuals who addressed the Board at the December meeting with their concerns relative to Seneca. Mr. Mager informed the Board that several contacts have been made since that meeting. He expressed his opinion that concerns such as expressed at the December meeting need to be addressed at the park level. Then, if issues are not resolved, main office staff becomes involved. Mr. Mager advised the Board about the methods of communication being utilized to get information to all MWCD campers about the Master Plan and staff’s attempt to deliver a uniform message.

6.04g PURCHASE OF RENTAL BOATS

On motion by Ms. Limbach, seconded by Mr. Gresh, purchase of rental boats and motor replacements for MWCD marina fleets at a cost not to exceed \$265,000.00, as recommended and set forth in the above memorandum, was authorized.

**6.05 PWM GRANT PROGRAM AWARD RECOMMENDATION
LASHLEY ADDITION (SENECA) SANITARY SEWER PROJECT STORMWATER MODIFICATION**

On motion by Ms. Limbach, seconded by Mr. Gresh, award of PWM grant funding to the Noble County Commissioners for a stormwater improvement project at the Lashley Addition (Seneca), as recommended and set forth in the above memorandum, was approved.

6.06 CAMPGROUND RULES - REVISIONS

On motion by Mr. Sprang, seconded by Mr. Maupin, proposed revisions to the Campground Rules, as recommended and set forth in the above memorandum, were approved.

6.07 JOINT SWCD PROJECT FOR WATERSHED SPECIALIST POSITION

On motion by Mr. Sprang, seconded by Mr. Maupin, an agreement for a four-year partnership program with the Carroll and Harrison SWCDs, as recommended and set forth in the above memorandum, was approved.

6.08 DEVELOPMENT ADVISORY COMMITTEE

On motion by Ms. Limbach, seconded by Mr. Sprang, reappointment of Matthew D. Abbot, Jeffrey E. Corney, Alfred J. Fearon, Ed Lee, and John R. Wirtz, to the MWCD Development Advisory Committee, as recommended and set forth in the above memorandum, was approved.

OTHER BUSINESS

No other business.

7. REPORTS

7.01 MARINAS REPORT

Much administrative and planning work occurs this time of year at our marinas. Purchase orders are set, supplies ordered, service contracts initiated, and contacts with customers are made.

Kent and Cindy Murray, owners of Murray's Restaurant in Wintersville, were selected to operate the restaurant at Tappan Lake Marina. We are excited to have them onboard and have had nothing but positive feedback on the selection. The Murray's will operate the existing restaurant while participating in the design process for a complete renovation of the facility, which will begin this fall.

Master planning for the facility continues. Site design is almost complete as are basic floorplan options for the marina building. Much effort is also going into the exterior look of the building as well. Utilities are being investigated to ensure capacity and capability. The use of solar power to provide hot water looks very promising.

Keith Ott, owner of Ohio Valley Boats, and boat sales and service provider at Tappan, will be hosting an Open House/ Boat Show at the Marina, March 15 and 16.

Work will soon be undertaken to expand the retail area yet again on the lower level of Seneca Lake Marina. A serving window will be added to the upper level retail area to facilitate the Dockside Restaurant's new ice cream parlor.

A new roof was installed at Leesville North Fork Marina's main building, with siding to follow shortly. New abutments are being poured to allow for the installation of new docks for the upcoming season.

Two older docks scheduled for removal at Leesville were sold on GovDeals.com, an on-line government auction site, used by many government agencies in Ohio and nation-wide. This was MWCD’s first use of the system, and the docks sold for much more than expected – almost \$20,000.00! Items on the site are sold “as is” and must be removed by the purchaser. Payments are made to the administrators at GovDeals, 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 (*copy on file*).

The monthly Utica royalty revenue increased 172% month-over-month in total revenue from November 2018 (\$1,074,891.29) to December 2018 (\$2,919,134.52).

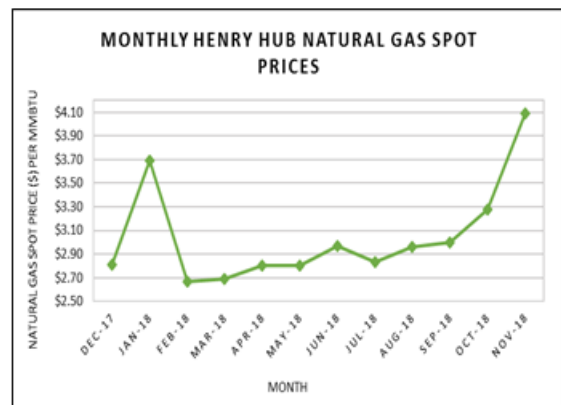
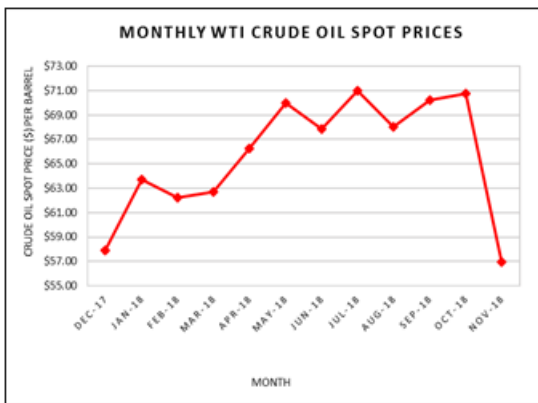
Note:

The large increase in month-over-month revenue was a result of Antero putting two new wells into production at Seneca Lake.

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

- o The WTI Crude Oil Spot Price² for Nov 2018: **\$56.96** per barrel

- o The Henry Hub Natural Gas Spot Price for Nov 2018: **\$4.09** per MMBTU



¹ The U.S. Energy Information Administration Prices Reports¹ (November 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 2018 GOALS UPDATE

Mr. Hoopingarner provided a report on the status of the 2018 goals as of December 31, 2018.

7.04 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

- No major projects were in design phase this month.

Individual Projects Status

- **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:** Simonson Construction Services has completed the installation of the new wastewater treatment plant and water tower. Sewer and water line installation is complete. Work is wrapping up on the water treatment plant. Startups for the facilities taking place and the water tower has been filled. 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:** Bids were opened on January 15. 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, renovation to the existing restroom/shower building, and a new CST restroom/shower building.
- **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. 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 and Infrastructure Improvements:** 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. The project has reached substantial completion.
- **Pleasant Hill Cabins Phase 1:** The project was awarded to Classical Construction, LLC on November 28 and a pre-construction meeting was held December 13. Cabin construction is scheduled to begin in January 2019 and will be completed in February 2020.
- **Seneca Lake Parkside Central and Woodlands Campgrounds:** Work continues inside the shower house and picnic pavilions. Due to weather conditions the paving and landscaping could not be completed and the

project is scheduled for substantial completion by April. 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 begun. Campers from 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. Water and sanitary utilities need to be tested prior to acceptance. Paving through the intermediate course is complete. CXT restroom delivery install date has been moved to January/February due to CXT's modified schedule for building preparation.
- **Tappan Wastewater Treatment Plant:** The upper lagoon is being reshaped. Force main install is proceeding soon. Plant tanks and structures are being manufactured. Substantial completion is schedule for April 2019.

On motion by Mr. Sprang, seconded by Mr. Gresh, the Board accepted and approved the Master Plan Update for the period ending December 31, 2018, as presented by Mr. Slogar, and determined the status of the Phase 1 of the Park Master Plan to be nearing completion by the end of 2019, and further amended the total funding commitment for the cost of Phase 1 of the Park Master Plan at \$130 million based upon the recommendation of the Master Plan Oversight Committee. Mr. Slogar advised the Board that the \$130 million figure will be used to guide Phase I projects through to their completion and that the final cost total will be close to that number but may vary slightly depending upon approved change orders and work/punch list items.

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:** Tucson began construction of this 1,400-foot-long project in early December. They have placed approximately 50% of the rock riprap, while their drilling subcontractor continues drilling and pouring the auger cast pile wall near the north end. Substantial completion is scheduled for mid-February.

7.05 USACE PROJECTS STATUS REPORT

Mohawk Dam and Zoar Levee Projects

- Draft Project Partnership Agreements received from MWCD and are under review.
- Zoar contract to be tentatively awarded at the end of 2019.

Bolivar Dam

- The project is slated to be completely closed out by January, 2019.

Atwood Dam

- Crane pad construction is complete and will be moving forward with spillway control structure bridge replacement soon.

7.06 IMMEDIATE OR PENDING LITIGATION

Mr. Pringle reported that the Supreme Court of the United States denied the petition for certiorari of the Harpers with respect to the dismissal of their False Claims Act suit.

8. SUBDISTRICTS

8.01 PAYMENT OF BILLS – CHIPPEWA SUBDISTRICT

On motion by Mr. Sprang, seconded by Ms. Limbach, the report of the payment of bills for the period ending December 31, 2018, for the Chippewa Subdistrict, was approved as presented.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, seconded by Mr. Maupin, the Board of Directors entered executive session at 11:55 a.m. to discuss matters related to ORC §121.22 (G) (1) [Employment] and (3). On roll call: Mr. Gresh-yes; Ms. Limbach-yes; Mr. Maupin-yes; Mr. Moorehead-yes; and Mr. Sprang-yes. The executive session ended at 2:40 p.m.

10. ADJOURN

There being no further business, on motion by Ms. Limbach, seconded by Mr. Maupin, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, February 22, 2019, at 9:00 a.m. at the MWCD Annex Building. A special meeting is scheduled on Friday, January 25, 2019, at 9:00 a.m. at the MWCD Annex Building.

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Approved 02.22.2019