

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at the New Philadelphia City Council Chambers
July 18, 2014, 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, on Friday, July 18, 2014, 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, Mr. Parham, and Mr. Pryce.

Present from MWCD staff were Jim Cugliari, John Hoopingarner, Darrin Lautenschleger, Ted Lozier, Tony Luther, Karen Miller, Aaron Peck, John Olivier, Jim Pringle, Boris Slogar, and Mark Swiger.

Mr. Pryce, 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: Robert Villella (*Canton resident*); Terry Fercana (*Environmental Design Group, Akron*); Carol Galand (*Gulfport Energy, St. Clairsville*); Hollie Hinton (*DLZ, Columbus*); and Martha Jagucki and Alex Covert (*U.S. Geological Survey, Columbus*).

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Horstman, the minutes of the May 16, 2014, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending June 30, 2014. The total operating revenue is \$9,947,635.00 with operating expenses of \$6,312,476.00, resulting in an excess of revenue over expenses of \$3,635,159.00.

Maintenance Fund – General

- Use of Water Assets revenue generated \$332,364.00 for the month from the sale of water from Clendening, Piedmont and Seneca reservoirs.
- Total expenses are 46.56% of budget for the first half of the fiscal year.

Conservation Fund

- Total revenues are 43.43% of budget with all line items currently on pace with budget projections.
- Expenses are 39.17% of budget.

Recreation Fund-Parks

- Total park revenues are 77.84% of budget and 4% ahead of last year's revenues.
- Vacation Cabin revenue is 63.81% of budget and 12.65% below last year's revenue through June.
- Park Camping is 86.83% of budget compared to 85.85% of budget in 2013 and also running 5.10% ahead of 2013.
- General Park revenues are 32.60% of budget and 25.14% ahead of 2013.
- Total expenses are 44.79% of budget and 8.62% ahead of 2013.

Recreation Fund-Non Park

- Total revenues are 61.54% of budget compared to 61.31% of budget in 2013 and are 3.67% ahead of last year.
- Piedmont and Seneca Marinas, operated by MWCD, are both ahead of budget and 2013 numbers.
- Total expenses are 45.26% of budget compared to 54.33% in 2013 and 7% lower than 2013.

Maintenance Assessment Fund

- Total assessment collections for the first half are 58.59% of budget and .81% ahead of 2013.
- Total assessment expenses are 57.74% of budget and in line with budget projections.

Overall operations are running in line with budget projections for the first half of the year. Looking into July, the district experienced a very busy and productive Fourth of July holiday at its recreation facilities.

We continue to move forward on the various improvements to our facilities while preparing for implementation of the park master plan.

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

Some inquiry was made on the part of the Board about acid mine drainage project funding. Mr. Slogar will provide statistical information relative to these projects and how MWCD funding has been distributed for this purpose.

5. PAYMENT OF BILLS

On motion by Mr. Horstman, seconded by Ms. Limbach, a report of the payment of bills for the periods ending May 31 and June 30, 2014, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Ms. Limbach, seconded by Mr. Horstman, 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 AEP EASEMENT - LEESVILLE

On motion by Ms. Limbach, seconded by Mr. Parham, an easement with American Electric Power for aerial electric service located at Leesville Reservoir, as recommended and set forth in the above memorandum, was approved. On roll call: Mr. Pryce-abstain.

6.01c TGS GEOPHYSICAL SURVEY

TGS - NOPEC Geophysical Company (TGS) has requested permission for TGS and its contractors to conduct a geophysical survey across approximately 25,000 acres of MWCD property on portions of five eastern reservoirs, from Leesville in the north to Seneca in the south. MWCD acreage makes up approximately five percent (5%) of a much larger 700 square mile survey that will encompass significant portions of Harrison and Guernsey counties on private and public lands, and small portions of adjoining counties.

The survey is similar to the project that was conducted at Atwood in 2012 and 2013, and, as then, will be conducted on behalf of a consortium of oil and gas producers. The proposed agreement would provide for pedestrian access to field review the area, establish a grid using GPS coordinates, and install wireless recording

equipment. The wireless stations would generally be installed 220 feet apart in an east/west direction, with 880 feet between the parallel lines of recorders that run east and west.

Suitable sites for the use of vibrator trucks or other methods to send energy to the receivers will be discussed on a case-by-case basis.

No action is required at this time, but it is anticipated that a recommendation will be presented at the August Board meeting.

6.01d MAGNETOTELLURIC STATION

On motion by Mr. Parham, seconded by Mr. Maupin, a special use permit for Green Geophysics to install a magnetotelluric station at Atwood and Seneca reservoirs for Oregon State University, as recommended and set forth in the above memorandum, was approved.

6.01e PARAVANO MINERAL RIGHTS

Jeff and Kathleen A. Paravano, husband and wife, who own approximately 35 acres of land between Beaver Bay and Clear Fork Bay at Tappan Lake, have donated an undivided twenty percent (20%) interest in the oil and gas under their Stock Township, Harrison County property to the MWCD. The approximate location of the Paravano property is shown on the attached map.

This donation is made with the expectation that the MWCD will, in good faith, attempt to simultaneously include the Paravano property in any negotiations for an oil or gas lease on adjacent MWCD property.

A lease on the Paravano property would include the same terms and conditions, subject to the rights reserved by Mr. and Mrs. Paravano, including surface rights, and would treat their interest consistently with MWCD's related interests.

Their request was prompted by an appreciation of the MWCD's ability to negotiate an oil and gas lease that provides a level of environmental protection beyond what an individual is generally able to negotiate.

No action is requested of the Board at this time, but this was to inform the Board that the MWCD accepted a donation of 20% of the oil and gas rights under approximately 35 acres owned by the Paravano's at Tappan in exchange for inclusion of the acreage during future lease negotiations on adjacent MWCD properties.

6.01f SEISMIC MONITORING STATION – CLENDENING

On motion by Ms. Limbach, seconded by Mr. Parham, an agreement with ODNR to extend the life of an existing seismic station located at Clendening Reservoir, as recommended and set forth in the above memorandum, was approved.

6.01g USACE SUBORDINATION AGREEMENT

On motion by Mr. Parham, seconded by Mr. Horstman, a subordination agreement with the USACE for property located near Dover Dam, as recommended and set forth in the above memorandum, was approved.

6.02a BUDGET ADJUSTMENTS

On motion by Ms. Limbach, seconded by Mr. Parham, budget adjustments made during the second quarter of 2014, as recommended and set forth in the above memorandum, were approved.

6.02b BUDGET REVISION

On motion by Mr. Parham, seconded by Ms. Limbach, a budget revision, as recommended and set forth in the above memorandum, was approved.

6.02c PARK AND MARINA AUDITS

On motion by Ms. Limbach, seconded by Mr. Horstman, audits conducted by the finance staff of the MWCD parks and 2 marinas, as recommended and set forth in the above memorandum, were approved.

Mr. Parham commended Melissa Tylke and Jim Crandall for their work in performing these audits.

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 POSITION CHANGE - ENGINEERING

On motion by Mr. Horstman, seconded by Ms. Limbach, replacement of an open position of Utilities Technician with a proposed Utilities Laborer, as recommended and set forth in the above memorandum, was approved.

6.04a ATWOOD WELCOME CENTER

On motion by Ms. Limbach, seconded by Mr. Maupin, a contract with Woolpert, Inc. for design work on the proposed Atwood Welcome Center, as recommended and set forth in the above memorandum, was approved.

6.04b LONG TERM MAINTENANCE DREDGING PROGRAM – TAPPAN LAKE PROJECT

On motion by Mr. Parham, seconded by Mr. Horstman, authorization to enter into a Construction Manager At-Risk agreement for services with Great Lakes Dredge & Dock Company, LLC, in the amount of \$483,240.00 for the Tappan Lake dredging and dredge material relocation project, as recommended and set forth in the above memorandum, was granted.

6.04c LONG TERM MAINTENANCE DREDGING PROGRAM – URS CONTRACT CONTINUATION

On motion by Mr. Parham, seconded by Ms. Limbach, a contract extension with URS Corporation in an amount not to exceed \$624,307.04 for engineering services for the Tappan Lake dredging and dredge material relocation project, as recommended and set forth in the above memorandum, was approved.

6.04d SENECA MAINTENANCE BUILDING AND SIGN SHOP – EXTERIOR REMODEL

On motion by Mr. Parham, seconded by Mr. Horstman, contracts for exterior remodeling of the Seneca maintenance building and sign shop, as recommended and set forth in the above memorandum, were approved as follows:

- Edge Contractors, Inc. in the amount of \$28,215.00 for roof/siding/windows on the Seneca maintenance building; and
- Cambridge Overhead Door in the amount of \$4,755.00 for overhead doors for the sign shop.

6.05 DEBRIS REMOVAL PROGRAM – ASHLAND SWCD RAUBENOLT PROJECT

On motion by Mr. Horstman, seconded by Ms. Limbach, a Debris Removal Program project grant to the Ashland SWCD for removal of a large debris field in Ashland County in the amount of \$27,500.00, as recommended and set forth in the above memorandum, was approved.

6.06 OTHER BUSINESS

OHIO WATER DEVELOPMENT AUTHORITY

Mr. Hoopingarner reported that he, Mr. Cugliari, and Mr. Lozier met again on Thursday, July 17, with officials of the Ohio Water Development Authority (OWDA) in Columbus. The purpose of this meeting was to discuss the possibility of establishment of a revolving loan fund. OWDA provides financial assistance for environmental infrastructure for qualified projects in Ohio.

Meetings will continue between MWCD and OWDA and staff will keep the Board informed of progress. Representatives of OWDA plan to attend a future meeting of the Board to discuss the concept of a revolving loan fund.

7. REPORTS

7.01 MARINA REPORTS

Members of the Board received a copy of the Summary of Marina Operations report for the period ending June 30, 2014.

All marinas have been busy this season with overall revenues through the end of May up 2.8%. Charles Mill Marina is up 20%, with an increase in boat, motor and gas sales of 26%, and Tappan Marina is up 54%, due largely because of an increase in boat, motor and gas sales from \$40,000 in 2013 to over \$134,000 this year. Similarly, Leesville Southfork's revenues are up 55% in that category. The restaurant sales at Atwood East Marina have increased by 65% under new management, and there are many positive comments about the facility.

Staff at Clendening Marina eliminated all of the facility's older, metal docks by moving dockers to available slips on newer docks.

Bids for the construction of the service building at Seneca were opened May 8. CCI Construction was awarded the contract. Site work has begun.

The launch ramp, parking, restroom, and waterfront improvements project at Piedmont Lake Marina is nearing completion, and should be complete by this month's Board meeting. The project is being very well-received by the public.

The Dockside Restaurant at Seneca is continuing its very successful season. The restaurant's application for alcohol sales was approved through a local-option election in May. Limited alcohol sales began over the Fourth of July weekend without incident.

Occupancy rates for boat docking at Seneca Lake Marina are nearing 100%.

Aquatic weeds were beginning to become a serious problem and affecting boating at Leesville Petersburg Marina. Mark Swiger quickly coordinated a very successful spraying program.

7.02 COMMENDATION FROM UNION HOSPITAL – ALIVE FESTIVAL

Members of the Board received a copy of a letter dated June 24, 2014, from Paul R. Westlake, EMA Coordinator for Emergency Medical Services at Union Hospital in Dover, Ohio, recognizing efforts by Scott Tritt (MWCD Safety Administrator), MWCD staff and rangers at the recent Alive Festival at Atwood Park.

7.03 BASELINE WATER QUALITY SAMPLING BY USGS

Alex Covert and Martha Jagucki, representatives of the U.S. Geological Survey (USGS), presented a preliminary proposal for baseline water quality sampling in a recreational area of the Muskingum Watershed that is undergoing shale-gas development.

The sampling plan is for the period of September 2014 through November 2015 with six sampling events at 30 sites (a total of 180 samples) at perennial, wadeable streams. Sampling would be done in a variety of flow conditions, be depth-integrated, and with a discharge-weighted sampling technique. Sampling focuses on tributaries around six MWCD lakes – Atwood, Clendening, Leesville, Piedmont, Seneca and Tappan.

USGS is a non-regulatory agency. Investigations are done by highly skilled USGS employees using nationally consistent procedures and quality-assurance protocols so that data are directly comparable from one region to another and are available to citizens nationwide.

Mr. Lozier reported that the total project cost through 2016 is estimated at \$920,000.00 of which the MWCD share would be \$832,000.00. The MWCD cost for fiscal year 2014 would be \$147,000.00. From a watershed stewardship perspective, this is an important study.

Following discussions among the Board members, Mr. Pryce summarized that the Board is interested in this study. One concern brought to light is that the scope may need to be somewhat larger.

A final proposal which will include aspects as requested by the Board (i.e. incorporation of any other available data, etc.), will be prepared for presentation to the Board at a future meeting.

7.04 ATWOOD RESORT CABINS UPDATE

Mr. Hoopingarner reported that the former Atwood Resort vacation cabins have been donated to and are currently being relocated to a nearby youth camp. All cabins are projected to be relocated by mid-September.

7.05 CLEVELAND MAGAZINE

The July issue of *Cleveland Magazine* features a photograph taken at Atwood Lake Park on the cover. There also is information about Atwood Lake Park contained in articles in the magazine. A copy of this issue was available for review.

7.06 UPDATE ON 2014 GOALS

In the interest of time, no report was made at this time.

① OIL AND GAS DEVELOPMENT

The MWCD will negotiate and enter into an oil and gas lease for Piedmont Reservoir in the first quarter of 2014, and for Tappan Reservoir in the third quarter of 2014. These leases will produce revenue to fund park, recreation, public access and conservation improvements. The leases will contain significant provisions focusing on the protective development of these natural resources.

② MASTER PLAN IMPLEMENTATION

The MWCD will develop a schedule, budget, design and implementation plan for park capital improvement projects at each of the five lake parks and marinas it operates. Changes to the organizational structure of the MWCD will be implemented to accommodate the multi-year implementation of these projects. Capital improvement projects will begin in 2014.

③ DREDGE PROGRAM

The MWCD will launch a comprehensive dredging plan that will prioritize and identify reservoir dredging needs, secure necessary permits, and begin dredge operations in 2014. The dredge program will be a multi-year program.

④ FISCAL MANAGEMENT

The MWCD will continue the development of plans for the use of revenue generated from the development of oil and gas reserves and consider the amount of revenue needed to meet its obligations to fulfill the Official Plan and the Amendment to the Official Plan adopted in 2005. In the first half of 2014, the MWCD will address the issue of whether or not the current maintenance assessment should be adjusted. *This goal has been accomplished.*

7.07 STRATEGIC PLAN IMPLEMENTATION UPDATE

No oral report at this time. Mr. Slogar distributed a report entitled “MWCD Strategic Plan Initiative” for the period through July 18, 2014

7.08 USACE PROJECTS STATUS REPORT

There were no significant items to report at this time. Mr. Lautenschleger informed the Board that a groundbreaking ceremony for Bolivar Dam is scheduled on August 27 at 10:30 a.m. Information will be sent to Board members regarding this event.

7.09 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

No report at this time.

7.10 IMMINENT OR PENDING LITIGATION

This matter was discussed in executive session.

8. SUBDISTRICTS

8.01 CHIPPEWA SUBDISTRICT – STRUCTURES 33R, 29RA, 29R, 114R, 25RA, 25R, 261

On motion by Mr. Parham, seconded by Mr. Horstman, a contract for the above-referenced structures in the amount of \$79,199.00 with Stanley Miller Construction Co., Inc., as recommended and set forth in the above memorandum, was approved.

8.02 CHIPPEWA SUBDISTRICT – REPLACEMENT OF SIX HYDRAULIC STRUCTURES ALONG CHIPPEWA CREEK

On motion by Ms. Limbach, seconded by Mr. Maupin, authorization to solicit bids and award a contract for replacement of six hydraulic structures along the Chippewa Creek, as recommended and set forth in the above memorandum, was granted.

8.03 BLACK FORK SUBDISTRICT UPDATE

Mr. Slogar reported that work on the Black Fork Subdistrict is nearing the point of preparation of a request for proposals for possible solutions.

8.04 CLEAR FORK SUBDISTRICT UPDATE

No report at this time.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, seconded by Mr. Parham, the Board of Directors entered into executive session at 12:13 p.m. to discuss matters related to ORC §121.22 (G) (2), and (3). On roll call: Mr. Horstman-yes; Ms. Limbach-yes; Mr. Maupin-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 12:57 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Parham, seconded by Mr. Horstman, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, August 29, 2014, at 9:00 a.m. at the New Philadelphia City Council Chambers.