

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at The Carlisle Inn, Sugarcreek, Ohio
March 18, 2016, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Carlisle Inn, 1357 Old Route 39 NE, Sugarcreek, Ohio, on Friday, March 18, 2016, 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: Ms. Limbach, Mr. Maupin, Mr. Parham, Mr. Pryce, and Mr. Sprang.

Present from MWCD staff were Scott Barnhart, Barbara Bennett, Mary Burley, John Hoopingarner, Brad Janssen, Doug Little, Karen Miller, Jim Pringle, Mike Rekestis, Dave Sicker, Boris Slogar, Eric Stechschulte, and Mark Swiger.

Ms. Limbach, 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: Brian Craven (*Civil Science, Inc.*); Marissa Lautzenheiser (*Rural Action*); Ken Ricker (*ms Consultants*); Sean Logan (*Woolpert, Inc./Sean Logan & Associates, LLC*); John Wirtz (*MWCD Development Advisory Committee*); Hollie Hinton (*DLZ*); and Terry Fercana (*Environmental Design Group*).

3. APPROVAL OF MINUTES

On motion by Mr. Sprang, seconded by Mr. Parham, the minutes of the February 19, 2016, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending February 29, 2016. The total operating revenue is \$3,274,297.00 with operating expenses of \$1,830,889.00 resulting in an excess of revenue over expense of \$1,443,408.00.

Maintenance Fund-General

- Revenues are 16.69% of budget and up significantly from 2015.
- The two areas where the revenues have increased are the Use of Water Assets (water sales) and Interest on Investments. The investments line item increase is caused by investments that have matured or that have been called.
- Expenses are 13.32% of budget and up 2.10% from 2015.

Conservation Fund

- Revenues are 20.70% of budget and up 7.12% from 2015.
- The increase of revenue is entirely in the Mineral Operations-Gas and Oil Royalties line item, due mainly to additional wells that are producing.
- Expenses are 11.67% of budget and up 4.30% from 2015.

Recreation Fund-Parks

- Revenues are 20.29% of budget and down 3.45% from 2015. At this time of year, park revenue is mainly seasonal camping and much of the year-to-year variance is due to timing.
- Expenses are 9.56% of budget and up 5.44% from 2015.

Recreation Fund-Non-Park

- Revenues are 3.36% of budget down 2.42% from 2015. Again, the main difference is the timing of docking payments in the marina line items.
- Expenses are 15.26% of budget and up 11.17% from 2015.

Recreation Improvement Fund

- Expenses are 4.46% of budget and up 18.14% from 2015.
- The two areas of increase expense are in the Road Program and Park Master Planning line items.

Maintenance Assessment Fund

- Expenses are 17.46 % of budget with the main expenditures occurring in the Sediment Removal and Shoreline Protection line items.

Overall, revenues and expenses are in line with budget projections at this point, as things begin to pick up in the recreation areas.

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

5. PAYMENT OF BILLS

On motion by Mr. Maupin, seconded by Mr. Sprang, a report of the payment of bills for the period ending February 29, 2016, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Pryce, seconded by Mr. Sprang, 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 COLUMBIA GAS TRANSMISSION RIGHT-OF-WAY – PLEASANT HILL

On motion by Mr. Maupin, seconded by Mr. Parham, a temporary right-of-entry agreement with Columbia Gas Transmission, as recommended and set forth in the above memorandum, was ratified and staff was granted authority to provide additional access in the future for ODNR Division of Oil and Gas Resources and Columbus Gas Transmission as needed to complete the project.

6.01c ASCENT RESOURCES PARTIAL ASSIGNMENT TO RHDK OIL AND GAS - CLENDENING

On motion by Mr. Pryce, seconded by Mr. Parham, partial assignment of a gas and oil lease from Ascent to RHDK, as recommended and set forth in the above memorandum, was approved.

6.01d EASEMENT: CARROLL ELECTRIC COOPERATIVE, INC. - ATWOOD

On motion by Mr. Pryce, seconded by Mr. Maupin, a permanent easement between MWCD and Carroll Electric Cooperative, Inc., as recommended and set forth in the above memorandum, was approved.

6.01e SENECA LAKE/ANTERO SHORT-TERM WATER SUPPLY AGREEMENT

On motion by Mr. Sprang, seconded by Mr. Parham, a short-term water supply agreement with Antero Resources for withdrawal from Seneca Lake, as recommended and set forth in the above memorandum, was approved.

**6.02a PWM – STARK COUNTY ZIMBER DITCH HMGP
ADDITIONAL PWM FUNDING REQUEST**

On motion by Mr. Sprang, seconded by Mr. Maupin, a PWM funding request for the Stark County Zimmer Ditch, Nimishillin Creek, in an amount not to exceed \$22,139.20, as recommended and set forth in the above memorandum, was granted.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b PERSONNEL POLICY REVISION – MOTOR VEHICLE OPERATION AND USAGE

On motion by Mr. Parham, seconded by Mr. Sprang, proposed revisions to Personnel Policy 604, “Motor Vehicle Operation and Usage,” as recommended and set forth in the above memorandum, were approved.

6.04a ATWOOD PARK CAMPGROUND AREA 20 FINAL DESIGN

On motion by Mr. Pryce, seconded by Mr. Sprang, a contract with Woolpert, Inc. in an amount not to exceed \$481,542.00 for final design of the Atwood Park Campground Area 20 master plan project, as recommended and set forth in the above memorandum, was approved.

Mr. Pryce suggested that the Board be provided with additional information such as metrics on the costs of each project, how each individual project fits into the overall budget, the percentage of the overall projects in that specific area, and projected return on investment.

6.04b ATWOOD PARK CAMPGROUND AREA 20 TREE CLEARING

On motion by Mr. Pryce, seconded by Mr. Sprang, a contract with ProTouch Landscapes, LLC, in the amount of \$85,000.00 for a tree clearing project at Atwood Park Campground Area 20, as recommended and set forth in the above memorandum, was approved.

6.04c ATWOOD PARK SANITARY SEWER SYSTEM FINAL DESIGN

On motion by Mr. Sprang, seconded by Mr. Parham, a contract with Woolpert, Inc. in an amount not to exceed \$42,597.00 for final design of the Atwood Park Sanitary Sewer System master plan project, as recommended and set forth in the above memorandum, was approved.

6.04d PLEASANT HILL PARK MP AREA 22 CAMPGROUND FINAL DESIGN

On motion by Mr. Pryce, seconded by Mr. Sprang, a contract with Stantec Consulting Services, Inc. in an amount not to exceed \$337,611.00 for final design of the Pleasant Hill Park MP Area 22 Campground master plan project, as recommended and set forth in the above memorandum, was approved.

**6.04e SENECA PARK PARKSIDE CENTRAL CAMPGROUND AND
LAUNCH RAMP FINAL DESIGN**

On motion by Mr. Maupin, seconded by Mr. Pryce, a contract with GPD Group in an amount not to exceed \$409,104.00 for final design of the Seneca Park Parkside Central Campground and Launch Ramp master plan project, as recommended and set forth in the above memorandum, was approved.

6.04f SENECA PARK PARKSIDE WOODLAND CAMPGROUND FINAL DESIGN

On motion by Mr. Parham, seconded by Mr. Sprang, a contract with GPD Group in an amount not to exceed \$183,627.00 for final design of the Seneca Park Parkside Woodland Campground master plan project, as recommended and set forth in the above memorandum, was approved.

6.04g TAPPAN PARK EAST CAMPGROUND FINAL DESIGN

On motion by Mr. Parham, seconded by Mr. Pryce, a contract with DLZ in an amount not to exceed \$447,952.00 for final design of the Tappan Park East Campground master plan project, as recommended and set forth in the above memorandum, was approved.

6.04h TAPPAN LAKE PARK ADA RESTROOMS AND SHOWER HOUSE

On motion by Mr. Pryce, seconded by Mr. Parham, bid and award of a contract for the Tappan Lake Park ADA Restrooms and Shower House master plan project, as recommended and set forth in the above memorandum, was authorized.

**6.04i LONG TERM MAINTENANCE DREDGING PROGRAM – TAPPAN LAKE
GMP AMENDMENT #3 WITH PCI DREDGING**

On motion by Mr. Pryce, seconded by Mr. Sprang, amendment #3 to the contract with PCi Dredging for the second phase of Tappan Lake dredging, as recommended and set forth in the above memorandum, was approved.

6.04j PURCHASE OF RENTAL BOATS

On motion by Mr. Sprang, seconded by Mr. Parham, purchase of rental boats for Clendening Marina from Kieffer Marine, Inc. in the amount of \$58,560.00, as recommended and set forth in the above memorandum, was approved.

6.05 OTHER BUSINESS

COUNTRY LIVING MAGAZINE

A copy of the March 2016 issue of *Country Living* magazine, a publication of Ohio electric cooperatives, was shared. This issue included an article entitled “The Muskingum Watershed Conservancy – Lakes originally formed for flood control are now outdoor playgrounds,” by W.H. “Chip” Gross, Outdoors Editor.

EXECUTIVE LEADERSHIP TRAINING

Ms. Burley prepared a report for distribution outlining 2015 executive leadership training efforts. Included in the report were executive assessment results and information regarding a #1 Wall Street Journal best-selling book by Tom Rath entitled, “Strength Finders 2.0.” Executives were requested to read the book and were assessed and subsequently trained using the Strength Finders materials.

ATWOOD RESORT

The Carroll County Commissioners and officials from Radius Hospitality recently announced that the Atwood Resort would close as of 4:00 p.m. on Saturday, March 19. Radius has operated the facility under a 5-year lease agreement with the Commissioners since April 2012. This matter was discussed in executive session.

7. REPORTS

7.01 MARINAS REPORT

2015 marina financials recap:

- a) Revenues from leased marinas totaled \$9.5 million, up from \$8.2 million in 2014. MWCD’s share of those revenues was \$513,000, up from \$403,000 in 2014. Some highlights included boat and motor sales up almost 30% at Charles Mill and Leesville South Fork, and docking up 16% at Tappan.
- b) Piedmont Lake Marina saw its revenues increase 10% to \$563,000, with docking up 11% and fuel sales up 49%. With operating expenses of \$377,000, Piedmont’s operating profit has now reached 50%.
- c) Seneca Lake Marina’s revenues totaled \$455,000, continuing its rebound from an operating loss in 2013 of over \$64,000, to an operating profit of \$86,000 in 2015. Since 2013 for instance, docking revenues have gone from \$115,000 to over \$170,000, while fuel sales have risen from \$67,000 to \$109,000. Repair services, which had been operating at a loss, returned \$20,000 to MWCD as a result of the newly reached sales and service concession agreement with Keith Ott and Ohio Valley Boats.
- d) Revenues at Clendening Lake Marina in the first year of MWCD operation ended \$26,000 under budget at \$453,000. However, expenses were kept \$30,000 under budget, resulting in a better bottom line than expected.

Each year, ODNR Division of Wildlife staff performs creel surveys to assess fish populations. This year they’ll be at Leesville, docking their boat for the summer at a slip provided by Keith Ott, owner of Leesville South Fork Marina.

Master plan recommended dock extensions were delivered to Seneca which will help add 30 slips to a facility that is presently at capacity. On a similar note, gangways are being added to three docks at Piedmont, improving access for our boaters.

Design work has begun on fuel system improvements for both Seneca and Piedmont marinas.

Atwood Lake Boats held a VIP Open House on February 6 featuring wine and cheese and sale prices on boats!

Eighty people attended on a day that typically sees less than ten people. Three boats were sold and many contacts generated. Atwood had publicized the event at the recent Cleveland Boat Show.

Bob Schraedly, owner of both Charles Mill and Pleasant Hill marinas, attended the Ohio Clean Marinas workshop held at the Cleveland Boat Show.

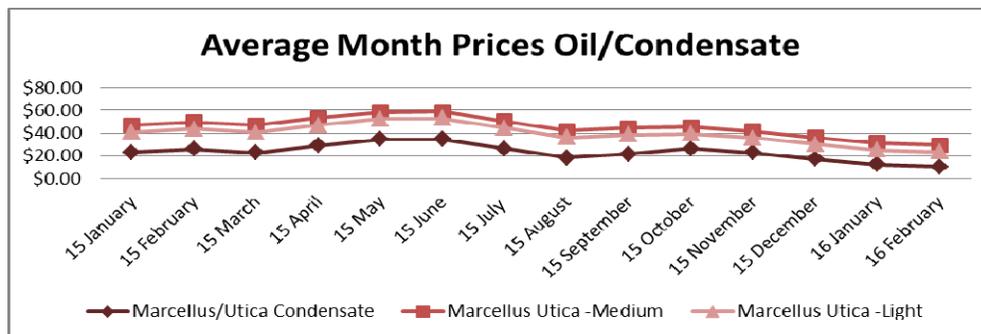
7.02 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 37 wells on adjacent private property. The MWCD’s proportional share of the wells varies significantly (see attachment for more detail).

Utica royalty revenue increased significantly from January ’16 (\$442,565.04) to February ’16 (\$1,100,918.54).

Some individual items of note:

- The significant increase is due to the large first royalty payments on 8 wells, 4 in the RH BSA drill unit and 4 in the Hallet Unit.
- The Ohio Market Report prices posted for \$/barrel of Ohio Oil/Condensate on March 7, 2016.
 - Marcellus Utica Medium\$36.90
 - Marcellus-Utica Light.....\$30.90
 - Marcellus – Utica Condensate (Formerly ALS)\$17.90



7.03 HUFF RUN WATERSHED UPDATE

Marissa Lautzenheiser, Rural Action’s Middle Tuscarawas River Watershed Coordinator, gave a presentation regarding Huff Run Watershed and Mud Run Watershed. Following are some highlights of this report, a copy of which is on file:

The Huff Run Watershed is located in Tuscarawas and Carroll Counties in eastern Ohio, encompassing about 14 square miles. Mineral City is the only incorporated town in the watershed, along with unincorporated towns like Morges and Lindentree also in the area. The Huff Run Watershed Restoration Partnership (HRWRP) was founded in 1996 by a group of citizens. It is sponsored by Rural Action, and works to return Huff Run to the healthy warm water habitat it once was. More than two-thirds of the Huff Run watershed has been mined for coal, limestone, or clay. Because of this, the stream now suffers from serious pollution due to acid mine drainage. It is also impacted by untreated sewage, nearby agriculture, illegal dumping, and pollution from oil and gas extraction processes.

Mud Run Watershed is located in southern Tuscarawas County in eastern Ohio. It cuts right across Warwick Township. The watershed has a drainage area of only 9.95 square miles. Mud Run has one major tributary known as Lanes Valley or to the locals as Silver Creek. Its major source of pollution is acid mine drainage, but, has other sources such as illegal dumping.

Following are some highlights of this report, a copy of which is on file:

Funding

- Received \$105,000 from the Ohio Department of Natural Resources Watershed Coordinator Program Grant (3-year grant)
- Received \$26,000 from the MWCD Partners in Watershed Management
- Participated in \$232,000 Ohio Environmental Protection Agency Section 319 Grant (in cooperation with Ohio University (2 year)

Huff Run/Mud Run watersheds have been involved in acid mine drainage remediation, stream restoration, biological recovery, and outreach/education. A total of 2,100 student and over 400 adults were reached with watershed education.

Rural Action maintained an office in Mineral City that supports one full-time staff member and four full-time AmeriCorps members. AmeriCorps members are financially supported by Ohio Department of Natural Resources, the Tuscarawas County Park Department, and the Muskingum Watershed Conservancy District.

Ms. Lautzenheiser also provided copies of Rural Action’s 2014 Annual Report.

She also announced an upcoming event – “2016 Tuscarawas Water Trail Symposium” – to be held on Saturday, April 23, 9:00 a.m. to 2:00 p.m., at the Kent State University Tuscarawas Science and Advance Technology Center. The purpose of this symposium is to gather individuals committed to making a comprehensive Tuscarawas County water trail system a reality. The goal at the conclusion of the symposium is to establish an ongoing water trails coalition that will actualize this vision. There are several featured speakers including Ms. Lautzenheiser, Dan Rice (President and CEO of the Ohio & Erie Canalway Coalition), and Doug McLarnan (Operations Manager of Knox County Park District and member of the MWCD Development Advisory Committee).

7.04 2016 GOALS

There was no report at this time.

7.05 OWDA LOAN FUND

There was no report at this time.

7.06 STRATEGIC PLAN UPDATE

Ms. Bennett presented a status report on the 5-year strategic plan which was developed and approved in 2012.

7.07 MASTER PLAN UPDATE

Ken Ricker, ms Consultants, program manager for MWCD, distributed and reviewed a quarterly report for the Master Plan.

Mr. Slogar distributed a written report to the Board on the Master Plan Implementation.

Program Status

- MWCD and ms (our program manager) prepared comments on the Preliminary Design Report deliverables which were then sent to the individual park design teams for all parks. Final revised documents are to be submitted to MWCD by March 31.
- Scope of services meetings have been held for the detailed design of the 2016 projects at Atwood, Tappan, Seneca, and Pleasant Hill. Pending Board approval, the consultants will start the detailed design in March with construction anticipated to start in the fall of 2016.
- Tree clearing from the work limits of the 2016 master plan projects is nearly complete and will be in compliance with the Federal regulations restricting tree cutting to the period between October 1 and March 31.
- MWCD has sent responses to the comments from the Village of Perrysville on a draft wastewater treatment agreement for Pleasant Hill. A meeting is anticipated with the Village to further discuss and negotiate the proposed rates for wastewater treatment.

Individual Project Status

- Atwood Lake Park Welcome Center
 - NL Construction Corporation of Canton has completed approximately 95% of the work. Current work includes completion of exterior siding and soffit, final coat of paint and final clean-up. Substantial completion is scheduled for the week of March 21 with final paving and exterior work to be completed in April, as weather permits.
- Atwood Lake Park Trail, Phase I
 - VIP Construction Corporation of Canton has completed the project and the final change order has been processed. Wood guardrail was installed along Atwood Lake Road in March and additional wood railing along a curve in the trail and crosswalk markings will be installed by separate contract this spring.
- Tappan ADA Restroom and Shower House
 - Plan revisions have been made to the restroom/shower building design based on an internal value-engineering review. The revised plans have undergone an independent third-party value engineering review to look for additional cost savings measures. Authorization from the Board to rebid the project will be requested in March 2016.
- Atwood Lake Bridge and Trail Phase II
 - Dennison Bridge has completed pile driving for the bridge and has poured the concrete abutment footings. They are currently installing cross bracing on the pier piling. The contractor is awaiting delivery of the precast concrete superstructure components and form liners for wing walls. The substantial completion date is set for June 30.
- Atwood Amphitheater Trail Lighting
 - Wood Electric Inc. of New Philadelphia substantially completed the project in January and the final change order for the project was issued on February 16, 2016.
- Tappan East Campground Sanitary Sewer Improvements
 - Bids were opened for the project on February 9. A contract in the amount of \$330,769 was executed with Border Patrol LLC and Notice to Proceed was sent mid-March. Construction should begin in late March and substantial completion is scheduled for July 6, 2016.
- Atwood Campground Area 20 Tree Clearing
 - Bids were opened for the project on February 12. A contract in the amount of \$68,824 was executed and Notice to Proceed sent to ProTouch Landscapes, LLC, Brecksville on March 4. Work was started on March 7 and substantial completion is set the end of May.

7.08 DREDGE PROGRAM STATUS – TAPPAN LAKE DREDGING PROJECT

- The first phase of the dredging project at Tappan Lake is complete. This phase included approximately 171,000 cubic yards of dredging in the upper east end of the main lake, both above and below the Deersville Road causeway. The mechanical dredging effort began December 6, 2015, and was completed the second week of March.
- A detail dredging report and presentation was made by Doug Little, MWCD Project Engineer, a copy of which is on file.

7.09 USACE PROJECTS STATUS REPORT

Bolivar Dam

- The seepage barrier construction is 83% complete with a target completion date in May. The second hydromill is on site and USACE is awaiting final submittals before allowing the mill to go into operation.. The original mill remains in operation, albeit in slower mode.
- ODNR Buckeye Lake project representatives will be on site to visit March 23.
- USACE will reach out to Rep. Gibbs office soon to discuss potential ribbon-cutting ceremony dates for this fall.
- Service gate contractor will be back on site this May. Three gates have been shipped back to Iowa for modifications and the project is on pace to be complete by this time in 2017.

Dover Dam

- As-built plans and the foundation report remain under review.

Zoar Levee

- Working on closing out final comments from headquarters and then proceeding into detailed final design preparation.

Mohawk Dam

- USACE looking to have a final plan for dam modifications to the Dam Safety Oversight Group (DSOG) by September and approval is expected in FY 2017 with construction commencing in FY 2019.

Muskingum 729 Watershed Assessment

- Mr. Lozier and Mr. Slogar are scheduled to meet with USACE Huntington staff in early April to finalize process and discuss stakeholders. Final agreement may be ready to go within the next month or two.

The next MWCD/USACE partnering meeting will be held in Huntington on April 19.

7.10 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

No report at this time.

7.11 IMMINENT OR PENDING LITIGATION

This discussion occurred in executive session.

8. SUBDISTRICTS

No business at this time.

9. EXECUTIVE SESSION

On motion by Mr. Maupin, seconded by Mr. Parham, the Board of Directors entered into executive session at 12:15 p.m. to discuss matters related to ORC §121.22 (G) (3). On roll call: Ms. Limbach-yes; Mr. Maupin-yes; Mr. Parham-yes; Mr. Pryce-yes; and Mr. Sprang-yes. The executive session ended at 1:00 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Sprang, seconded by Mr. Maupin, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, April 22, 2016, at 9:00 a.m. at the Schoenbrunn Conference Center, 143 McDonald Drive NW, New Philadelphia, Ohio.

03.18.2016, km
Approved 04/22/2016