

**SUMMARY OF MINUTES  
BOARD OF DIRECTORS  
MUSKINGUM WATERSHED CONSERVANCY DISTRICT  
Held at the New Philadelphia City Council Chambers  
March 23, 2012, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the New Philadelphia City Council Chambers, 150 East High Avenue, New Philadelphia, Ohio, on Friday, March 23, 2012, at 9:00 a.m., pursuant to notice duly given all Directors, and the general public in accordance with law.

**1. ROLL CALL**

Directors present were: Mr. Boyle, Mr. Horstman, Mr. Kokovich, Mr. Parham and Mr. Pryce.

Present from MWCD staff were Scott Barnhart, Jim Cugliari, John Hoopingarner, Darrin Lautenschleger, Sean Logan, Boris Slogar, Tom Fisher and Mark Swiger.

Mr. Boyle, 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: Jim Pringle (*MWCD Legal Counsel*); Eric Reip (*New Philadelphia resident*); Steve Ferryman (*Ohio Emergency Management Agency*); and Zack Deems, Scott Horrisberger and Nathan Quicksall (*all from W.E. Quicksall & Associates Inc.*).

Mr. Reip addressed the Board concerning the MWCD's share crop operations and internal controls. He asked what the net amount per acre on MWCD share crop properties is computed at and what safeguards are in place to ensure that the MWCD is receiving its share per the terms of the agreements with producers. Mr. Hoopingarner referred the questions to Mr. Swiger, who provided responses to the questions, and Mr. Hoopingarner also suggested that Mr. Swiger possibly meet with Mr. Reip to discuss his questions in greater detail at a later time. Mr. Reip said that he was satisfied with the responses provided by Mr. Swiger.

**3. APPROVAL OF MINUTES**

On motion by Mr. Kokovich, seconded by Mr. Parham, the minutes of the February 17, 2012, meeting of the Board of Directors were approved.

**4. FINANCIAL**

Mr. Cugliari presented the financial report for the period ending February 29, 2012. The total operating revenue is **\$875,035.00 with expenses of \$1,278,769.00 resulting in an excess of expenses over revenue of \$403,734.00.**

**General Fund**

- Total revenues are 26% of budget with the main revenue being in the Use of Water Assets line item, which is for the invoicing of the Village of Cadiz and City of Cambridge water agreements.
- Total expenses are up in two specific categories that were budgeted for:
  - 1) In the line item of Office Equipment and Remodeling there were purchases made for new computer equipment.
  - 2) The second line item is Administrative Non-Operating, which is the result of payments for two recently retired employees.

**Conservation Fund**

- All line items from a revenue and expense perspective are in order.

**Recreation Fund – Parks**

- Total revenues are down compared to last year by approximately 25%. This is primarily due to timing issues in the payments of the seasonal camping permit. Note that Park Camping revenue is down approximately 25%.
- Total expenses are 9.38% of budget and approximately 12% more than last year. This is all budgeted, as we were able to budget more in our parks area this year to deal with some routine maintenance matters.

**Recreation Fund – Non Park**

- Total revenues are 1.61% of budget as there is little revenue coming in at this point.
- Total expenses are down from last year and 15.86% of budget.

**Maintenance Assessment Fund**

- Maintenance Assessment Fund expenses are 8.34% of budget. The major area of expense is the Shoreline Protection line item, which was about 80% of the expenses incurred for the month.
- Revenues will begin to come in during March and April as first-half settlements will be completed by the County Auditors.

Overall, operations are going well. The cash balance as of the end of February is \$19,387,221.51.

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

**5. PAYMENT OF BILLS**

On motion by Mr. Parham, seconded by Mr. Horstman, a report of the payment of bills for the period ending February 29, 2012, was approved as presented.

**6. BUSINESS**

**6.01a LEASE TRANSACTIONS**

On motion by Mr. Parham, seconded by Mr. Pryce, 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 BRIDGE EASEMENT – BEACH CITY**

On motion by Mr. Pryce, seconded by Mr. Horstman, approval was granted to enter into temporary and perpetual easements.

**6.01c ASSIGNMENT OF DEEP MINERAL RIGHTS – CHESAPEAKE EXPLORATION**

On motion by Mr. Pryce, seconded by Mr. Horstman, assignment of deep mineral rights at Wills Creek Reservoir to Chesapeake Exploration was approved. *(This is a transfer of an existing lease.)*

**6.01d ASSIGNMENT OF DEEP MINERAL RIGHTS – ENERVEST OPERATING**

On motion by Mr. Pryce, seconded by Mr. Horstman, assignment of deep mineral rights at Wills Creek Reservoir to EnerVest Operating was approved. *(This is a transfer of an existing lease.)*

**6.01e ZOAR RIGHT OF ENTRY**

On motion by Mr. Pryce, seconded by Mr. Horstman, an agreement with the U.S. Army Corps of Engineers for a right-of-entry agreement at Zoar Reservoir was approved.

**6.02a FUND TRANSFERS**

On motion by Mr. Pryce, seconded by Mr. Parham, fund transfers as recommended and set forth in the above memorandum, were approved.

**6.02b DEPUTY TREASURER APPOINTMENT**

On motion by Mr. Kokovich, seconded by Mr. Horstman, the appointment of James Crandall as deputy treasurer as recommended and set forth in the above memorandum, was approved.

**6.02c BANK SIGNATURE CARDS**

On motion by Mr. Kokovich, seconded by Mr. Horstman, updated bank signature cards as recommended and set forth in the above memorandum, were approved.

**6.02d INVESTMENT POLICY**

Mr. Cugliari presented an updated Investment Policy for the MWCD to the Board for review and comment. The last time the policy was updated was in 1997. MWCD legal counsel and the banks the MWCD work with also are reviewing the document. It is anticipated that the policy will be presented for Board approval at a later date.

**6.02e SENECA MARINA BUDGET REVISION**

On motion by Mr. Parham, seconded by Mr. Horstman, revisions to the 2012 budget for Seneca Marina as recommended and set forth in the above memorandum, were approved. Mr. Pryce also requested that staff prepare and distribute to the Board a pro-forma budget plan for Seneca and Piedmont marinas.

**6.02f 2012 CRITICAL PROJECT LIST**

On motion by Mr. Pryce, seconded by Mr. Kokovich, the critical project list for 2012 as recommended and set forth in the above memorandum, was approved.

**6.02g VEHICLE REPLACEMENT SCHEDULE**

On motion by Mr. Pryce, seconded by Mr. Parham, a vehicle replacement schedule, along with authorization for staff to proceed with the normal bidding process or utilization of state purchasing contract pricing, as recommended and set forth in the above memorandum, were approved. Mr. Pryce requested that in the future, the Board should approve the budget amount for vehicles on an annual basis, with staff then following up with the purchases as detailed in the vehicle replacement schedule.

**6.03a HUMAN RESOURCES SUMMARY**

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

**6.03b INFORMATION SYSTEMS/INFORMATION TECHNOLOGY ANALYST**

On motion by Mr. Parham, seconded by Mr. Horstman, a change in position and authorization to post and fill, as recommended and set forth in the above memorandum, were approved.

**6.03c SURVEYING/FACILITIES GIS COORDINATOR**

On motion by Mr. Parham, seconded by Mr. Horstman, a revised position description, as recommended and set forth in the above memorandum, was approved.

**6.04 PARTNERS IN WATERSHED MANAGEMENT GRANT PROGRAM**

On motion by Mr. Horstman, seconded by Mr. Parham, funding of five Partners in Watershed Management Grant Program applications, as recommended and set forth in the above memorandum, were approved.

**6.05 PURCHASE OF TRACTORS**

On motion by Mr. Pryce, seconded by Mr. Horstman, the purchase of tractors for Piedmont Marina, as recommended and set forth in the above memorandum, was approved.

**6.06 PURCHASE OF MOWERS AND DECKS**

On motion by Mr. Pryce, seconded by Mr. Horstman, the purchase of mowers and mower decks for Seneca Lake Park, as recommended and set forth in the above memorandum, was approved.

**6.07 SENECA MARINA FUELING SYSTEM BIDS**

On motion by Mr. Kokovich, seconded by Mr. Horstman, authorization to solicit bids for repairs to the Seneca Marina fuel system, as recommended and set forth in the above memorandum, was approved.

**6.08 ANNUAL REPORT OF OPERATIONS**

On motion by Mr. Horstman, seconded by Mr. Parham, the distribution of the 2011 Annual Report of Operations, as recommended and set forth in the above memorandum, was approved.

**6.09 OHIO LAKE MANAGEMENT SOCIETY AGREEMENT**

On motion by Mr. Parham, seconded by Mr. Pryce, an agreement with the Ohio Lake Management Society, as recommended and set forth in the above memorandum, was approved. Mr. Logan also presented Mr. Swiger with a plaque of appreciation from the OLMS organization.

**6.10 MWCD RESERVOIR SEDIMENT REMOVAL PROGRAM REQUEST FOR PROPOSALS**

On motion by Mr. Pryce, seconded by Mr. Parham, staff was authorized to seek requests for proposals for sediment removal, as recommended and set forth in the above memorandum.

**6.11 USGS WATER WITHDRAWAL STUDY:  
ATWOOD, CLENDENING, LEESVILLE RESERVOIRS**

On motion by Mr. Pryce, seconded by Mr. Parham, a contract with USGS, as recommended and set forth in the above memorandum, was approved.

**6.12 OTHER BUSINESS**

**CONSERVANCY COURT – WAYNE COUNTY REPRESENTATIVE**

Mr. Hoopingarner reported that Judge Raymond E. Liesey of Wayne County, who serves on the Conservancy Court, will be retiring. On a motion by Mr. Pryce, seconded by Mr. Horstman, the Board approved preparation of a certificate of appreciation to be presented to Judge Liesey on behalf of the MWCD.

**7. REPORTS**

**7.01 OIL AND GAS LEASE NEGOTIATIONS UPDATE**

This matter was discussed in executive session.

**7.02 STRATEGIC PLAN**

Mr. Hoopingarner informed the Board that the summary Strategic Plan prepared and distributed for Board review is the first major step in the strategic planning process. Mr. Slogar said that many specific steps and work will follow and the Board will be updated throughout. Mr. Boyle distributed a review of the plan along with suggestions.

**7.03 2012 GOALS**

Mr. Hoopingarner reported that the 2012 goals have been revised and are being presented for Board review. Following discussion and input, Mr. Hoopingarner reported that the staff will revise the goals and distribute to Board members for review and comment.

**7.04 USACE PROJECTS STATUS REPORT**

Mr. Slogar reported that work continues at Dover Dam under Phase I and Phase II of the project. At Bolivar Dam, work has gotten under way for the installation of a seepage blanket, while contract bids and plans are expected in the upcoming months. Mr. Slogar said he believes that as early as next month, staff will recommend funds be released by the MWCD as part of the cost-share agreements in place with the U.S. Army Corps of Engineers (USACE).

**7.05 PROJECT UPDATE TO COST-SHARE COOPERATIVE WORK AGREEMENT**

Mr. Logan informed the Board that \$8,000 has been awarded by the MWCD as part of a water quality trading program in the Muskingum River Basin, as described in the above memorandum.

**7.06 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE**

Mr. Parham reported that the Atwood Regional Water and Sewer District (ARWSD) office has been receiving customer inquiries recently about potential removal of the monthly \$3-per-customer service increase that was added when the charges for sewer service for Atwood Lake Resort were reduced several months ago. These requests are in response to the donation of the resort by the MWCD to Carroll County.

**7.07 HAZARD MITIGATION PROGRAM OVERVIEW**

Mr. Ferryman provided an update of the Ohio EMA's Hazard Mitigation Program in Morgan County that, if all funding is approved, would remove several structures from areas that have been impacted by frequent flooding. Mr. Ferryman said that consideration of funding from the MWCD as a potential funding partner to support the program also will be sought.

**7.08 MWCD RESERVOIR INUNDATED ROADS STUDY UPDATE**

Mr. Deems, Mr. Horrisberger and Mr. Quicksall provided an update on the firm's work to identify critical roadways in the reservoir areas where flooding is a concern, and the priorities for any upgrades that may involve MWCD planning and participation.

**7.09 SUMMARY OF MARINAS REPORT**

Mr. Cugliari provided an updated and revised marina financial report in response to Board discussion from the February 17, 2012, meeting of the Board.

**7.10 IMMINENT OR PENDING LITIGATION**

Mr. Pringle reported that the bankruptcy case involving the former operator who leased Piedmont Marina continues. Mr. Pringle also reported that a court case involving a cottage lessee from Atwood Lake also continues and staff has worked with legal counsel on how to proceed in the future. At Seneca Marina, per the terms of the lease with the former lessee, the MWCD has extended an offer to purchase the business. A response has not yet been received.

**8. LEGISLATIVE REVIEW**

**8.01 CURRENT LEGISLATIVE ACTIVITIES**

Mr. Hoopingarner reported there has been little activity in this item.

**9. SUBDISTRICTS**

Mr. Slogar reported that the annual Chippewa dam and channel inspections will be held in upcoming weeks.

**EXECUTIVE SESSION**

On motion by Mr. Pryce, seconded by Mr. Horstman, the Board of Directors entered into executive session at 1:05 p.m. to discuss matters related to ORC §121.22 (G) (1) and (2). On roll call: Mr. Pryce-yes; Mr. Horstman-yes; Mr. Boyle-yes; Mr. Kokovich-yes; and Mr. Parham-yes. The executive session ended at 2:45 p.m.

**10. ADJOURN**

There being no further business, on motion by Mr. Kokovich, seconded by Mr. Horstman, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, April 20, 2012, at 9:00 a.m. at the New Philadelphia City Council Chambers.