

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas, New Philadelphia, Ohio
May 19, 2017, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the Science and Technology Center, Kent State University Tuscarawas, 330 University Drive NE, New Philadelphia, Ohio, on Friday, May 19, 2017, 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. Moorehead, Mr. Pryce, and Mr. Sprang.

Present from MWCD staff were Scott Barnhart, Barbara Bennett, Mary Burley, Jim Cugliari, Fred Hammon, John Hoopingarner, Ted Lozier, Karen Miller, Jim Pringle, Boris Slogar, and Jeff Yohe.

Mr. Maupin, 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: J.D. Long (*Harrison News Herald*); Doug McClarnan (*MWCD Development Advisory Committee*); Sean Logan (*Sean Logan & Associates, LLC, and Woolpert*); and Terry Fercana (*Environmental Design Group*).

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Moorehead, the minutes of the April 21, 2017, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the three-month period ending April 30, 2017. The total operating revenue is \$7,632,703.00 with operating expenses of \$4,242,356.00 resulting in an excess of revenue over expenses of \$3,390,347.00.

Maintenance Fund - General

- Total revenues in this fund are 25% of budget and down 15% from 2016.
- The Use of Water Assets line item for water sales is down nearly 90% from 2016.
- Interest on Investment is nearly 35% of budget and up 19% from 2016.
- Total expenses are 30% of budget and up nearly 5% from 2016.

Conservation Fund

- The revenue line item for Mineral Operations – Gas and Oil Royalties is nearly 32% of budget. When comparing it to 2016, there was an accounting error by Antero which resulted in a significant overpayment for the 2016 revenue. This will balance out in June when the correction was made by Antero.
- Total expenses are 24% of budget and down 19% from 2016.

Recreation Fund - Parks

- Total revenues are 55% of budget and up nearly 1.5% from 2016.
- Park camping revenue is 67% of budget and up 1.5% from 2016 and nearly the same percent of budget was collected in 2016.
- Total expenses are 24% of budget and down 5% from 2016.

Recreation Fund – Non-Parks

- Total revenues are 31.50% of budget and up nearly 32.50% in 2016.
- All District operated marinas are running ahead of 2016 revenues and in line with budget expectations.
- Expenses overall are at 33% of budget but up nearly 11% from 2016. Both Seneca and Clendening marinas are up significantly from 2016. The areas are in payroll, as in 2016, we were amid filling positions and across the board in materials, supplies, and concessions. We will continue monitoring these areas.

Recreation Improvement Fund

- Total expenses are 14% of budget, up nearly 60% from 2016.
- The main areas of increased expenses from 2016 are vacation cabin improvements, marina facilities, public launch facilities and park master planning.

Maintenance Assessment Fund

- Assessment Fund Revenue Collections are 60% of budget with two counties remaining to report through April.
- Total expenses are 26% of budget and down nearly 68% from 2016.

Overall, revenue and expenses are on target with budget expectations as we gear up for the summer recreation season. We will continue to monitor the revenue areas of Water Sales and Gas and Oil Royalties as we move through the balance of the year.

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

Mr. Cugliari informed the Board that the office of the Auditor of State has completed their recent audit of financial records. A tentative date for a conference with representatives of their office is set for June 15, 2017, with a final report to the Board expected in July.

5. PAYMENT OF BILLS

On motion by Ms. Limbach, seconded by Mr. Sprang, report of the payment of bills for the period ending April 30, 2017, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Ms. Limbach, 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 WATER SUPPLY AGREEMENT – ATWOOD RESORT PROPERTY

On motion by Mr. Moorehead, seconded by Ms. Limbach, an \$8.00 per 1,000 gallons rate for a new water supply agreement with new owners of Atwood Resort, as recommended and set forth in the above memorandum, was approved for presentation to the Conservancy Court on June 2, 2017.

6.01c AMENDMENT TO LEASE – T-149

This memo was withdrawn.

6.01d CONSENT TO ASSIGN LEASE: ARTEX TO ANTERO RESOURCES/SENECA

On motion by Mr. Sprang, seconded by Mr. Moorehead, a consent to assign the portion of Artex's rights of the lease to Antero, and approval of the amendment and ratification of the lease, as recommended and set forth in the above memorandum, were authorized.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Ms. Limbach, seconded by Mr. Sprang, 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.

6.03a HUMAN RESOURCES SUMMARY

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

6.04a LONG-TERM MAINTENANCE DREDGING PROGRAM - SENECA

On motion by Ms. Limbach, seconded by Mr. Moorehead, a request to issue a request for proposals for the dredging project at Seneca Lake, as recommended and set forth in the above memorandum, was authorized.

6.04b SENECA PARK SEWER SYSTEM SCADA: REQUEST TO ADVERTISE AND AWARD

On motion by Mr. Pryce, seconded by Mr. Sprang, solicitation of bids and award of a contract for upgrades to the Seneca Park sewer system, as recommended and set forth in the above memorandum, was approved.

6.04c PAYROLL AND HR SOFTWARE SERVICE

On motion by Mr. Pryce, seconded by Ms. Limbach, purchase of a payroll and HR software solution package, as recommended and set forth in the above memorandum, was approved.

6.04d SENECA PARK – PARKSIDE CAMPGROUND DESIGN CONTRACT AMENDMENT

On motion by Mr. Sprang, seconded by Mr. Moorehead, an amendment to the contract for design services for the Seneca Parkside campground design, as recommended and set forth in the above memorandum, was approved.

6.05 COOPERATIVE WORK AGREEMENT – ODA/SWCD 2017 WORK PLAN

On motion by Mr. Pryce, seconded by Ms. Limbach, the 2017 Work Plan as part of the Cost-Share Cooperative Work Agreement between the MWCD and the Ohio Department of Agriculture for the period ending December 2018, as recommended and set forth in the above memorandum, was approved.

6.06 DEVELOPMENT ADVISORY COMMITTEE

On motion by Ms. Limbach, seconded by Mr. Sprang, appointments to the Development Advisory Committee, as recommended and set forth in the above memorandum, were approved as follows:

Unexpired term ending December 31, 2017

- Luke Messinger of Gahanna, Ohio, is the executive director of the Dawes Arboretum in Newark.

Unexpired term ending December 31, 2018

- Jeffrey R. Corney of Wadsworth, Ohio, is the executive director of The Wilderness Center, Inc. and adjunct professor of environmental studies at the College of Wooster.

Terms ending December 31, 2019

- Chris Jacobs of Scio, Ohio, formerly the engineer/executive director of the Carroll-Columbiana-Harrison Solid Waste District and currently serves on the NRAC District 14 committee.
- John Lofgren of Uniontown, Ohio, retired from management of Hankook Tire.
- A. Bruce Robinson of Scio, Ohio, retired manager of retail design from Wakefern Food Corporation in New Jersey and is currently a consultant to Wakefern Food Corporation.

6.07 MWCF BOARD OF TRUSTEES

Mr. Hoopingarner requested that appointment of a representative from the Board of Directors be designated for the Muskingum Watershed Conservancy Foundation Board of Trustees. On motion by Ms. Limbach, seconded by Mr. Sprang, Mr. Maupin was appointed to serve on the MWCF Board of Trustees.

6.08 ELECTION OF OFFICERS

On motion by Mr. Pryce, seconded by Ms. Limbach, Mr. Sprang was elected President, and Mr. Moorehead was elected Vice-President effective July 1, 2017.

6.09 OTHER BUSINESS

**SENECA LAKE PARK – NEW PARKSIDE CAMPGROUND
BID RESULTS AND REQUEST TO RE-ADVERTISE AND AWARD**

On motion by Ms. Limbach, seconded by Mr. Sprang, rejection of the bid submitted by James White Construction Company in an amount exceeding more than 10% of the engineer's estimate for this project, as recommended and set forth in the above memorandum, was ratified and authorization given to re-advertise and award the project under a revised engineer's estimate of \$10,500,000.00.

CONTRACT CHANGE ORDERS

Mr. Slogar informed the Board of change orders that have been incurred on two projects:

- 1) Charles Mill Boat Ramp – The contractor began work in early January with the installation of a cofferdam. Immediately after that installation there was a heavy rainfall which put the cofferdam underwater. The project could not move forward until February. A decision was made to remove the cofferdam and extend the project completion to the next winter season. This caused a change order in an approximate amount of \$15,000.
- 2) Piedmont Marina Renovations – There has been a change order in the amount of \$47,000.

No Board action is required and this was provided for informational purposes only.

7. REPORTS

7.01 MARINAS REPORT

Tappan Marina was hit by a severe windstorm on the afternoon of Monday, May 1, 2017. Most of the roof of the main building was blown off, landing in the parking lot. Though 15 people were inside the marina at the time, there were fortunately no injuries. The interior suffered water damage, and parts of the HVAC system fell through the roof. The marina was fully insured and the adjuster arrived soon after the storm. A new roof will be installed, along with repairs to the HVAC system and the complete replacement of all ceilings. A restoration company was on-site the following day to begin addressing water damages. The current marina owners are planning to have the marina back open for business by mid-May.

The Asset Purchase Agreement for Tappan Marina has been fully executed, with the purchase becoming effective October 1, 2017. A lease addendum will permit the current owners to operate the marina through that date. Both the purchase and lease addendum were approved by the Board in January.

Installation of the new docks at Tappan Marina was delayed by permitting issues involving several abutment projects. Shipments of the new docks have begun, though, and installation is slated to begin May 15, 2017. We are hopeful that all docks will be in place before Memorial Day.

The marina building renovation project at Piedmont is awaiting final inspection. A Certificate of Occupancy is expected by May 12, 2017. The project has exceeded our expectations.

Keith Ott has assumed operations at Leesville North Fork Marina. Keith has already made a significant impact.

Work on the new fueling system at Piedmont Marina has been substantially completed, with only fencing of the new above-ground storage tank remaining. The marina should be selling fuel by May 13, 2017.

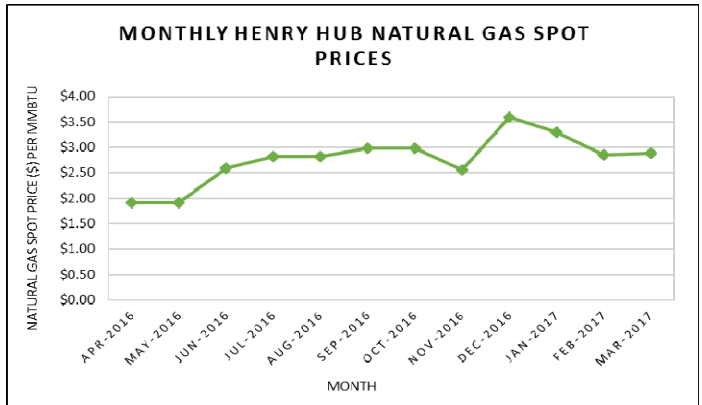
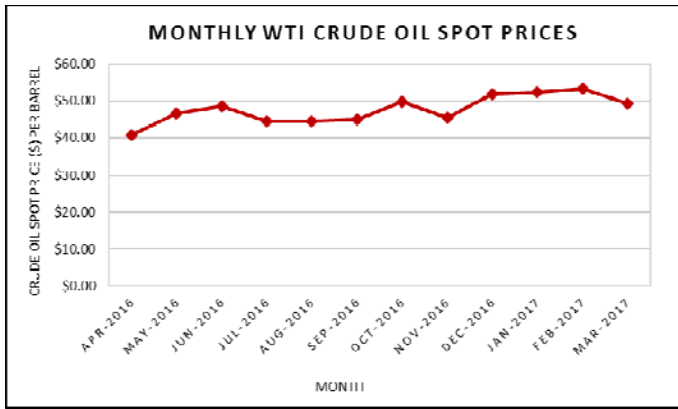
7.02 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by 50 wells at Clendening, Seneca, and Leesville Reservoirs. A breakdown of the wells by operator and reservoir, and the monthly royalty revenue can be seen on the attached page.

There were no specific items to note, and the monthly Utica royalty revenue increased about 8.5% from March 2017 (\$521,549.67) to April 2017 (\$565,977.59).

The U.S. Energy Information Administration Prices Reports¹ (March 2017):

- The WTI Crude Oil Spot Price² for March 2017: \$49.33 per barrel
- The Henry Hub Natural Gas Spot Price³ for March 2017: \$2.88 per MMBTU



¹ Source: U.S. Energy Information Administration (February 2017)

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 MAINTENANCE ASSESSMENT PROCESS PROGRESS REPORTs

Ms. Bennett reported on the progress of the work being done by Woolpert on the maintenance assessment to prepare the assessment record for submission to the county office in September. They have completed a test run with Holmes County records with minimal problems. At this point, work is on schedule.

Executive staff will be evaluating the future staffing needs in the GIS area during the coming weeks and hope to soon have a recommendation for Board consideration.

7.04 2017 GOALS

Mr. Hoopingarner reviewed progress on the 2017 goals with the Board.

7.05 MASTER PLAN UPDATE

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

Program Status

Detailed design continues for the following projects:

- **Atwood:** Special event parking improvements, main campground improvements – Phase I
- **Charles Mill:** Water and wastewater treatment plants, main campground redevelopment – Phase I
- **Piedmont:** Water and electric utility improvements, campground renovations – Phase I
- **Pleasant Hill:** Seasonal campground redevelopment – Phase I, roadway and infrastructure improvements– Phase I
- **Seneca:** Marina Point South Campground redevelopment
- **Tappan:** WWTP Phase 1 improvements, campground renovation – Phase I

Individual Projects Status

- **Atwood Area 20 Campground:** Beaver Excavating completed cement stabilization of the roadway areas for the first phase and are currently pouring the concrete RV pads. Underground electric installation is ongoing. The metal roofing and interior drywall are being installed as is the HVAC system for the restroom/shower building. Substantial completion is scheduled for September with an interim milestone date of June 30 for completion of 75 campsites and the restroom/shower building.
- **Atwood Lake Sanitary Sewer System:** The project is substantially complete with all new sanitary sewer, laterals and manholes installed and in service. Cleanup and restoration work is 90% complete. The contractual completion date is the end of June.
- **Pleasant Hill Lake Area 22 Campground:** Earthwork operations and sanitary sewer and storm sewer installation are underway. The project will include 59 full-hookup RV campsites, a CXT restroom/shower building, picnic shelter and playground to be located on the east side of the park near existing Camp Area E. The project is scheduled to be substantially completed in October, 2017.
- **Pleasant Hill Lake Sanitary Collection System Improvements:** Bids will be opened on June 6 for this project to construct a new sanitary sewer force main and two lift stations through the park and connecting to the Village of Perrysville wastewater treatment plant. The estimated construction cost is \$1,807,300 with a substantial completion date set for the end of November.
- **Seneca Lake Terminal Pump Station and Force Main to Senecaville:** Border Patrol is currently working on installation of the force main between the park and the Senecaville WWTP. The project will involve the replacement of the existing terminal Parkside Pump Station located near the middle shower house and construction of approximately 11,500 feet of 6-inch force main across MWCD property and along Hatchery Road right-of-way to the Senecaville WWTP. The project will be substantially completed in October.
- **Seneca Lake Parkside Central and Woodlands Campgrounds:** This project will be re-bid pending approval by the Board. This project involves the construction of a new seasonal campground which will include 107 full-hookup RV campsites, a new stick-built restroom/shower building, two CXT restroom/shower buildings, two picnic shelters, two playgrounds, new boat ramp, crib pier and abutments for new cluster docks. The engineer's estimated cost for the project is \$10,500,000.
- **Seneca Lake Beach Concession/Restroom Building:** Brannon Contracting and Maintenance Services LLC has completed demolition of the existing concession building. Site work and utility installation are underway. The new concession and restroom building purchased from Public Restroom Company is scheduled to be installed May 24. The project is schedule to be substantially completed in July.
- **Tappan Lake ADA Restroom and Shower House:** CCI Construction is approximately 99% complete with the restroom and shower house building. Final utility service hookups remain to be completed.
- **Tappan Lake East Campground:** The project is under construction by Tucson Inc. Buckeye Street area (in the vicinity of the new restroom) utilities progressing. This project is scheduled to be substantially completed in November 2017.

Reservoir Dredging and Shoreline Stabilization (Ongoing)

Dredging Program

- **Tappan Lake:** Final grading and reclamation of the DMRA will continue throughout the summer, with the schedule contingent upon how quickly the dredged material in the settling ponds can dry.
- **Seneca Lake:** A Request for Proposals (RFP) has been drafted and will soon be ready to send to prospective contractors. Once responses to the RFP are reviewed, a Construction Manager at Risk contract will be awarded. The goal will be to begin dredging smaller areas to improve recreational use by lake users. Additional work at Seneca is expected to continue through 2018 and possibly into 2019.

Shoreline Program

- Construction of five shoreline projects during the 2016-2017 drawdown is essentially complete. These projects were at Atwood, Charles Mill, Leesville, Piedmont, and Pleasant Hill lakes. The total construction costs is \$1,205,600, but may increase or decrease slightly depending on final project close-out costs including road repair and paving costs at Leesville and Piedmont.
- The Engineering construction crew completed a small shoreline stabilization project at Atwood Marina East. This project was constructed with concrete block retaining wall designed to look like natural stone.
- Projects for the 2017/2018 winter drawdown are planned at Tappan and Seneca lakes. Grant dollars from the Clean Ohio program have been secured and will significantly reduce the District's cost for next year's shoreline stabilization work. Design work for these projects will begin this summer.

7.06 USACE PROJECTS STATUS REPORT

Dover Dam (no significant update since last report)

- Real estate work continuing over the next few months (ODOT easement at the right abutment and a potential mineral rights easement at the left abutment).
- Project will be closed out by the end of the federal fiscal year (September 2017).
- No additional MWCD funds are required.

Bolivar Dam

- Road over the dam will be paved the week of May 22.
- Left abutment restoration will take place in the next few months along with the installation of additional piezometers to monitor the performance on the seepage barrier. In addition, the contract to clean out the relief wells has been awarded.

Mohawk Dam (no significant update since last report)

- Dam Safety Modification Report is complete and is now under review at the USACE headquarters.

Zoar Levee

- An historical landmark dedication ceremony is scheduled for May 19.

7.07 IMMEDIATE OR PENDING LITIGATION

This matter was discussed in executive session.

8. SUBDISTRICTS

8.01 CHIPPEWA SUBDISTRICT ANNUAL INSPECTION

Mr. Slogar reported that the annual inspection of the Chippewa Subdistrict structures was performed on May 3 and May 4. Representatives of NRCS participated in the inspection.

8.02 BLACK FORK SUBDISTRICT UPDATE

Mr. Slogar reported that educational and outreach meetings were held recently with property owners, elected officials, and stakeholders. Additional public meetings are planned during the next few months.

9. EXECUTIVE SESSION

On motion by Mr. Sprang, seconded by Ms. Limbach, the Board of Directors entered executive session at 11:22 a.m. to discuss matters related to ORC §121.22 (G) (3) [Pending or imminent litigation]. On roll call: Ms. Limbach-yes; Mr. Maupin-yes; Mr. Moorehead-yes; Mr. Pryce-yes; and Mr. Sprang-yes. The executive session ended at 12:00 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Pryce, seconded by Ms. Limbach, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, July 21, 2017, at 9:00 a.m. at the Kent State University Tuscarawas, Science and Technology Center.

The Conservancy Court will meet on Friday, June 2, 2017, at 11:00 a.m. at the Tuscarawas County Court House in New Philadelphia, Ohio.