

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at FFA Camp Muskingum (Leesville Lake)
May 20, 2011, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at the FFA Camp Muskingum (Leesville Lake), 3266 Dyewood Road SW, Carrollton, Ohio, on Friday, May 20, 2011, 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, Mary Burley, James Cugliari, John Hoopingarner, Darrin Lautenschleger, Karen Miller, John Olivier, Mike Rekestis, Boris Slogar, and Mark Swiger.

Mr. Kokovich, 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*); Dirck TenBroeck (*member of the MWCD Development Advisory Committee*); Ron Lampe (*Magnolia resident*); Thomas Depler, Joe Geis and Mayor Marilyn John (*representing the City of Shelby*).

Mr. Lampe addressed the Board regarding his concerns with the leasing of property for oil and gas exploration. He and his mother were approached by a representative of an oil and gas exploration company with a monetary offer for leasing rights on their property. As a result of research of records, he has discovered that the MWCD once owned his family's property and when it was sold by the MWCD, the MWCD reserved the mineral rights for the deep formation (Utica). He expressed his concern that the MWCD will benefit from any drilling on his property and instead of the landowner.

Mr. Pryce requested that staff research the records to determine the selling price of the property in question when sold to the Lampe family. Mr. Swiger indicated that the original sale was not to the Lampe family and that the Lampe family acquired the property from another party.

3. APPROVAL OF MINUTES

On motion by Mr. Parham, seconded by Mr. Boyle, the minutes of the April 22, 2011, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the periods ending April 30, 2011. The total revenue for operations excluding Atwood Resort is \$4,353,269.00 with expenses of \$2,260,775.00 resulting in an excess of revenue over expenses of \$2,092,494.00.

Conservation Fund

- Revenues are 11.52% of budget and in line with budget expectations.
- Expenses are 13.14% of budget and in line with budget expectations.

Recreation Fund – Parks

- Revenues are 57.10% of budget and are 1.3% ahead of last year.

- The main area of revenue is Park Camping, which is about 2.8% ahead of last year's pace. Most, if not all, of this may be due to the timing of payments received, although seasonal camping at an increase.
- Expenses are 21.77% of budget and ahead of last year.

Recreation Fund – Non Park

- Revenues are 31.22% of budget and 3.4% ahead of last year.
- All areas of revenue in this area are ahead of last year with Piedmont Marina operations, including camping, ahead by 5%.
- Expenses are 22.74% of budget and in line with budget expectations.

Maintenance Assessment Fund

- Revenues are at 59.51% of budget with all first half settlements from the counties received. A supplemental report summarizing the first half collections is included on page 6 of the financial report.
- Expenses are 14.39% of budget.
- The two major areas of expenditure are in the categories of Flood Warning/Dam Operations System, \$138,754.00 and in Shoreline Protection, \$846,953.00.
- It is anticipated that the U.S. Army Corps of Engineers will be requesting a draw on Dover Dam project in May of approximately \$625,000.00. Also, upon signing of the Bolivar Project Partnership Agreement (PPA), MWCD will be responsible for approximately \$3 million this year.

As reported last month, overall cash flow has improved. We continue to monitor and streamline expenditures where possible.

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

5. PAYMENT OF BILLS

On motion by Mr. Boyle, seconded by Mr. Horstman, a report of the payment of bills for the period ending April 30, 2011, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Horstman, seconded by Mr. Boyle, 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 EQUESTRIAN TRAIL SECTION LEASE

On motion by Mr. Boyle, seconded by Mr. Horstman, a lease agreement with the Pleasant Hill Outdoor Center to facilitate an equestrian trail in the Pleasant Hill area, as recommended and set forth in the above memorandum, was approved.

6.01c OIL AND GAS PROPOSALS

This matter was discussed in executive session. In open session, on motion by Mr. Pryce, seconded by Mr. Horstman, to authorize continuing negotiations and obtain terms in the best interest of MWCD with Gulfport Energy for lease of property at Clendening Reservoir for the purposes of oil and gas exploration and further allow the executive director to execute the appropriate documentation. Motion carried.

6.02 ATWOOD LAKE RESORT - LOAN

On motion by Mr. Pryce, seconded by Mr. Horstman, extension of a term loan for Atwood Lake Resort, as recommended and set forth in the above memorandum, was authorized.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b MARINA/DOCKING COORDINATOR – POST AND FILL

On motion by Mr. Boyle, seconded by Mr. Pryce, a position description and the post and fill of marina/docking coordinator, as recommended and set forth in the above memorandum, were approved.

6.03c HEALTH PLAN PROPOSAL

On motion by Mr. Boyle, seconded by Mr. Parham, proposed changes to the administration of the employee health plan, as recommended and set forth in the above memorandum, were approved.

6.03d COLLECTIVE BARGAINING CONTRACT – FOP

This matter was discussed in executive session. In open session, on motion by Mr. Parham, seconded by Mr. Horstman, the proposed contract with the collective bargaining unit (FOP), as recommended and set forth in the above memorandum, was approved.

6.04a PURCHASE OF VEHICLE FOR MAINTENANCE SURVEYING PROJECTS

On motion by Mr. Parham, seconded by Mr. Horstman, purchase of a heavy duty 4 x 4 pickup truck from Ferrish Chevrolet at a total cost of \$27,256.50, as recommended and set forth in the above memorandum, was approved.

6.04b PLEASANT HILL LAKE SLOPE STABILIZATION – PHASE II

This matter was discussed in executive session. In open session, on motion by Mr. Pryce, seconded by Mr. Parham, design and survey work for a proposed slope stabilization project at Pleasant Hill at a cost not to exceed \$222,000, as recommended and set forth in the above memorandum, was authorized.

6.04c SITES LAKE WASTEWATER TREATMENT SYSTEM – CTI CONTRACT

On motion by Mr. Horstman, seconded by Mr. Pryce, a change order in the additional amount of \$23,656.70 for construction administration services for the Sites Lake wastewater treatment system construction project located at Charles Mill Lake, as recommended and set forth in the above memorandum, was ratified.

6.05 PARK CAMPGROUND GUIDELINES – ADDITION

On motion by Mr. Boyle, seconded by Mr. Horstman, language regarding the use of utility vehicles to be added to the Park Campground Guidelines, as recommended and set forth in the above memorandum, was approved.

6.06 PARK VACATION CABIN RESERVATION POLICY

On motion by Mr. Pryce, seconded by Mr. Horstman, a proposed operational policy for park vacation cabin reservations, as recommended and set forth in the above memorandum, was approved effective June 1, 2011.

6.07 ATWOOD LAKE RESORT AND CONFERENCE CENTER

This matter was discussed in executive session. In open session, no action was taken.

6.08 STRATEGIC PLANNING

Mr. Hoopingarner reported that the originally planned session for this afternoon will be delayed until the July meeting. Jack Steele of Active Strategy will attend the July meeting. Mr. Slogar also mentioned that there is a potential for a two-day session to take place in August.

6.09 OTHER BUSINESS

ATWOOD LAKE SHORELINE STABILIZATION PROJECT – CHANGE ORDER NO. 1

On motion by Mr. Boyle, seconded by Mr. Parham, change order No. 1 for Scassa Asphalt in the additional amount of \$21,992.43 for a shoreline stabilization project at Atwood Lake, as recommended and set forth in the above memorandum, was ratified.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Board members received a copy of the Summary of Marina Operations report through April 30, 2011. No action required.

7.02 UPDATE ON 2011 GOALS

Mr. Hoopingarner reported on the progress of work toward accomplishing the 2011 goals as adopted by the Board of Directors.

- 1) To develop and implement a strategic plan of management for the Muskingum Watershed Conservancy District.
- 2) To evaluate and recommend a course of action in light of current oil and gas development opportunities.
- 3) To reduce the negative financial liability of the Atwood Lake Resort and Conference Center so that it is no longer a material factor in the overall operations of MWCD.
- 4) To address recreation operations in light of current economic conditions and customer demands.
- 5) To identify and develop conservation programs under the Amendment to the Official Plan.
- 6) To submit for consideration of the Conservancy Court the Subsequent Appraisal Record as required by law.

7.03 CHARLES MILL HORSEPOWER PUBLIC MEETING

A public forum to discuss watercraft regulations and lake management plans for Charles Mill Lake will be held on June 17, 2011, at 7:00 p.m. at the Pleasant Hill Park Activity Center. The meeting is hosted by the Ohio Department of Natural Resources Division of Watercraft and MWCD. No changes have been made to the 10 horsepower limit for boat motors operated on Charles Mill lake and the limit will be enforced this year. However,

several management strategies for the lake are being considered and purpose of the meeting is to seek input from residents, boaters and those who use the lake.

7.04 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that work is progressing at Dover Dam. The U.S. Army Corps of Engineers anticipates approval of federal funding in the amount of \$19.5 million for Phase 2 of the Dover Dam project. Phase 2 will include protective work on the crest of the dam – the MWCD share of Phase 2 is expected to be \$696,789.

The project partnership agreement for work at Bolivar Dam is still under legal review. Once this agreement is approved, the initial MWCD obligation for this project will be \$740,000.

7.05 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham indicated that there were no significant items to report at this time.

7.06 IMMINENT OR PENDING LITIGATION

This matter was discussed in Executive Session. In open session, no action was taken.

8. LEGISLATIVE REVIEW

8.01 CURRENT LEGISLATIVE ACTIVITIES

Mr. Hoopingarner reported on current legislative activities.

9. SUBDISTRICTS

9.01 CHIPPEWA SUBDISTRICT – PAC MEETING

Mr. Slogar reported that the Chippewa Subdistrict Project Advisory Committee met on Thursday, May 19, 2011.

9.02 REACTIVATION OF BLACK FORK SUBDISTRICT

Mayor John distributed copies of a transcript of a presentation made by the Flood Plain Management Commission to the Shelby City Council on July 19, 2010.

She recalled flood events that she has experienced in the Shelby area and how they have affected the residents there. Specifically, how different her perspective is from that of a teen, as an adult and business owner, then, ultimately, as a public official.

Mayor John eventually contacted Tom Depler, a former member of the MWCD Board of Directors, for advice on solving the Shelby area flooding issues. Upon meeting with Mr. Depler, a meeting was scheduled with John Hoopingarner and Boris Slogar to make a presentation about the MWCD and options available to the Shelby area. As the result of several meetings to discuss the possible solutions to flooding issues in the Shelby area, the decision was made to request the reactivation of the Black Fork Subdistrict.

Mr. Hoopingarner remarked that an affirmative vote by the Board today would not put projects on the table right away, but that the MWCD staff would request from the Conservancy Court a two-year extension of

time for the preparation and filing of an official plan for the Black Fork Subdistrict.

Mr. Depler commented that he views this as a completion of something that should have been done when the MWCD was created. The Black Fork Subdistrict is the headwater source of the whole watershed. Reactivation would be beneficial to both the MWCD and the Black Fork Subdistrict.

On motion by Mr. Parham, seconded by Mr. Pryce, the Board authorized preparation and filling of the necessary documentation to reactivate the Black Fork Subdistrict, as recommended and set forth in the above memorandum.

EXECUTIVE SESSION

On motion by Mr. Horstman, seconded by Mr. Boyle, the Board of Directors entered into executive session at 11:15 a.m. to discuss matters related to ORC §121.22 (G) (2) , (3) and (4). On roll call: Mr. Boyle-yes; Mr. Horstman-yes; Mr. Kokovich-yes; Mr. Parham-yes; and Mr. Pryce-yes. The executive session ended at 1:43 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Boyle, seconded by Mr. Horstman, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, July 22, 2011, at 9:00 a.m. at the New Philadelphia City Council Chambers.

04/22/2011

Approved 07/22/2011