

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at The Wilderness Center
November 21, 2014, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at The Wilderness Center, 9877 Alabama Avenue SW, Wilmot, Ohio, on Friday, November 21, 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 Scott Barnhart, Mary Burley, Jim Cugliari, Scott Heller, John Hoopingarner, Ted Lozier, Michael Mahaffey, Karen Miller, Jim Pringle, Boris Slogar, Mark Swiger, and Melissa Tylke.

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 (*Harrison News Herald*); Terry Fercana (*Environmental Design Group*); Sean Logan (*Woolpert*); Dave Straub, Alex Covert, and Martha Jogucki (*U.S. Geological Survey*); Kelsey Kern (*Kent State University student*); Michael Stevens and Alan Frasz (*Dovetail Solar and Wind*).

3. APPROVAL OF MINUTES

On motion by Ms. Limbach, seconded by Mr. Horstman, the minutes of the October 31, 2014, meeting of the Board of Directors were approved.

4. FINANCIAL

Mr. Cugliari presented the financial report for the period ending October 31, 2014. The total operating revenue is \$20,743,639.00 with operating expenses of \$11,269,077.00, resulting in an excess of revenue over expenses of \$9,474,562.00.

General Fund

- Revenues continue on a pace in excess of budget with both Use of Water Assets and Interest on Investments exceeding budget.
- Expenses are 76% of budget with most line items being on target with budget.

Conservation Fund

- Revenues have exceeded budget in all categories with the exception of Farm Operations – Sharecrops which will be generating revenue in the last two months of the year.
- Forestry Operations revenue has met budget projections and has exceeded 2013.
- Mineral Operations – Gas and Oil Royalties revenue has exceeded budget by 78%. We received the first royalty check from Antero for the first six months on the Myron well pad which resulted in a payment of \$6,839,090.00.
- Overall expenses are 58% of budget with all line items being within projections.

Recreation Fund- Parks

- Total revenues have exceeded budget by 4.30% and last year by 5.32%.
- Vacation Cabins, Park Camping and General Park revenues have all met and exceeded budget.
- Camper Trailers Storage revenues are 66% of budget and running 13% behind 2013. This, it is believed, is a timing issue on when payments are made.
- Total expenses are 84.53% of budget and nearly 11% ahead of last year. Expenses for the month of October are up in this area especially because of three pay periods in the month.

Recreation Fund – Non Parks

- Total revenues are 96% of budget and 4% ahead of last year.
- Nearly all marina operations revenue have met or exceeded budget.
- Cottage Sites, Club Sites and Multiple Docks are nearly all at budget.
- Overall expenses are 79% of budget and 4% less than last year.

Recreation Improvement Fund

- Overall expenses are 37.52% of budget as work continues on capital projects throughout the district.

Maintenance Assessment Fund

- Expenses are 65.65% of budget overall.

Overall, operations of the district through October have been good. Revenues have been on pace with budget and expenses have been in line, though they are overall 13% higher than 2013.

A suggestion was made that a session could be planned for a future meeting to provide information regarding oil and gas operations.

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

5. PAYMENT OF BILLS

On motion by Ms. Limbach, seconded by Mr. Horstman, a report of the payment of bills for the period ending October 31, 2014, was approved as presented.

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Ms. Limbach, seconded by Mr. Maupin, 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 ENERVEST UNITIZATION – ATWOOD

On motion by Mr. Horstman, seconded by Ms. Limbach, a Consent to Unitize agreement with Enervest Operating for an existing oil and gas lease at Atwood Reservoir, as recommended and set forth in the above memorandum, was approved.

6.01c AEP LAND ACQUISITION – WILLS CREEK RESERVOIR

On motion by Ms. Limbach, seconded by Mr. Maupin, acquisition of a 1-acre parcel at Wills Creek Reservoir from American Electric Power, as recommended and set forth in the above memorandum, was approved contingent upon final review and approval of legal counsel and the MWCD Board of Appraisers.

6.01d RATIFICATION OF OIL AND GAS LEASE – ATWOOD RESORT

On motion by Mr. Horstman, seconded by Mr. Parham, ratification of an oil and gas lease between the Carroll County Commissioners and Chesapeake Exploration, L.L.C., as recommended and set forth in the above memorandum, was approved.

6.01e DOMINION EAST OHIO PIPELINE – TAPPAN

On motion by Mr. Maupin, seconded by Ms. Limbach, negotiations to secure suitable work schedules, so as to not interfere with the camping season, and best management practices for erosion and sedimentation control with Dominion East Ohio Gas for a pipeline installation at Tappan Reservoir, as recommended and set forth in the above memorandum, was authorized.

6.01f GULFPORT UNITIZATION – CLENDENING

On motion by Ms. Limbach, seconded by Mr. Horstman, a request by Gulfport Energy Corporation to increase the unit size for a well pad located at Clendening Reservoir, as recommended and set forth in the above memorandum, was approved.

6.02a 2015 BUDGET

On motion by Mr. Parham, seconded by Ms. Limbach, the proposed 2015 budget, as recommended and set forth in the above memorandum, was approved.

6.02b APPROPRIATION RESOLUTION FOR 2015

On motion by Mr. Maupin, seconded by Mr. Horstman, the appropriation resolution for the 2015 budget, as recommended and set forth in the above memorandum, was adopted.

6.02c BUDGET REVISIONS

On motion by Ms. Limbach, seconded by Mr. Parham, proposed budget revisions for the third quarter of 2014, as recommended and set forth in the above memorandum, were approved.

6.02d BUDGET ADJUSTMENTS

On motion by Mr. Horstman, seconded by Ms. Limbach, proposed budget adjustments for the third quarter of 2014, as recommended and set forth in the above memorandum, were approved.

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 REVISED PAY RANGE SCHEDULE AND WAGE REVIEW PLAN
(NON-BARGAINING UNIT EMPLOYEES)**

On motion by Mr. Parham, seconded by Mr. Horstman, the revised Pay Range Schedule for non-bargaining unit employees and the proposed Wage Review Plan, as recommended and set forth in the above memorandum, was approved effective beginning with the first pay date in 2015.

6.03c COLLECTIVE BARGAINING AGREEMENT

On motion by Ms. Limbach, seconded by Mr. Horstman, the proposed collective bargaining agreement between MWCD and the Fraternal Order of Police, Ohio Labor Council, Inc., as recommended and set forth in the above memorandum, was ratified.

6.04a MARCS RADIO SYSTEM UPGRADE

On motion by Mr. Parham, seconded by Ms. Limbach, purchase of programming upgrades and required hardware purchase for the existing MARCS radio system, as recommended and set forth in the above memorandum, was approved.

6.04b WATER QUALITY BASELINE PROJECT FOR MWCD RESERVOIRS

On motion by Ms. Limbach, seconded by Mr. Maupin, commitment for funding a 3-year water quality baseline study to be performed by the U. S. Geological Survey, as recommended and set forth in the above memorandum, was authorized.

6.04c EMPLOYMENT CONTRACT WITH CHIEF COUNSEL

On motion by Ms. Limbach, seconded by Mr. Parham, an employment contract for chief legal counsel with the firm Kyler, Pringle, Lundholm & Durmann, as recommended and set forth in the above memorandum, was approved.

**6.04d SENECA CHESTNUT GROVE – WASTEWATER TREATMENT PLANT IMPROVEMENTS
PROFESSIONAL SERVICES CONTRACT MODIFICATION**

On motion by Mr. Horstman, seconded by Mr. Parham, a contract with Hammontree & Associates for construction administration at a cost not to exceed \$23,968.00, as recommended and set forth in the above memorandum, was approved.

6.05 PROPOSED RATES FOR 2015

On motion by Ms. Limbach, seconded by Mr. Horstman, proposed rates for the 2015 season for parks, vacation cabins, Piedmont Marina, Seneca Marina, Clendening Marina, and docking decals, as recommended and set forth in the above memorandum, were approved.

6.06 OTHER BUSINESS

RECOGNITION OF MARK KESSINGER

On motion by Mr. Parham, seconded by Mr. Horstman, a resolution recognizing the service of Mark Kessinger who is retiring from the U.S. Army Corps of Engineers at the end of this year, was adopted. A certificate will be presented to Mr. Kessinger at his retirement gathering in mid-December.

RESEARCH CONSORTIUM PARTNERSHIP

Mr. Lozier informed the Board of a potential partnership with The Ohio State University and West Virginia University through grant funding received by these educational institutions through the Department of Energy. The funding will allow for establishment of a field lab for shale development. Representatives from The Ohio State University will give a presentation regarding this matter as early as the December Board meeting.

OVERVIEW OF SOLAR ENERGY SYSTEMS

The Wilderness Center completed installation of its solar photovoltaic (electrical) system in April 2012. The 71.76 kW PV (Photo Voltaic) solar array was installed by Dovetail Solar and Wind, an Ohio-based company with 16 years' experience in renewable energy system design, installation and green building. The system is expected to produce approximately 79,000 kilowatt hours of electricity annually, providing more than half of the Hart Interpretive Building's electrical needs each year. According to Dovetail Solar and Wind, this part of Ohio averages about 4 hours of sunlight per day, over a one-year period – an amount sufficient to operate the system. The Wilderness Center's system was built over part of its overflow parking area.

Alan Frasz, President of Dovetail Solar and Wind, gave a PowerPoint presentation regarding solar energy systems and its potential for use on MWCD facilities.

7. REPORTS

7.01 SUMMARY OF MARINA OPERATIONS

Members of the Board received a copy of the Summary of Marina Operations report for the period ending October 31, 2014.

7.02 LETTER FROM ROBERT AND PAMELA KOHNER – TAPPAN

Members of the Board received copies of a letter dated November 10, 2014, from Robert and Pamela Kohner, cottage site lessees at Tappan (T-75), addressing their concerns and requesting information relative to future gas and oil production activities at Tappan Reservoir. Staff will prepare a response to their inquiry.

7.03 UPDATE ON 2014 GOALS

Mr. Hoopingarner provided an update on the 2014 goals as follows:

- 1) Oil and Gas Development
- 2) Master Plan Implementation
- 3) Dredge Program: *Mr. Slogar reported that the dredge program is behind schedule to commence at Tappan Reservoir. Staff is hopeful, however, to come to a solution for disposal of dredge material. The placement of the material has been the cause of delay. Mr. Slogar indicated that dredging should begin sometime in the spring of 2015.*
- 4) Fiscal Management

7.04 SHORT-TERM WATER SUPPLY AGREEMENT – ANTERO – SENECA

Mr. Lozier reported that Antero Resources will be establishing a temporary water supply route crossing MWCD property at Seneca Reservoir. The current supply location to the west of the temporary water supply location will not be usable once the seasonal drawdown begins. No clearing will be necessary.

7.05 USACE PROJECTS STATUS REPORT

Mr. Slogar reported that project status meetings were held for both the Bolivar and Dover projects recently. At Bolivar, a test section of the slurry cutoff wall will be placed in December. The Dover project is complete. There will be a meeting regarding the Zoar Levee in January.

7.06 ATWOOD REGIONAL WATER AND SEWER DISTRICT UPDATE

Mr. Parham reported that the Board of Trustees of the Atwood Regional Water and Sewer District continues to discuss the potential supply of water to certain residential areas at the Atwood Reservoir. The question arose of whether or not the MWCD would consider partnering to provide water supply to assist with funding.

7.07 IMMINENT OR PENDING LITIGATION

This matter was discussed in executive session.

In open session, on motion by Mr. Parham, seconded by Mr. Horstman, the Board made a determination not to appeal the decision of the court regarding release of cottage site address information as public records.

8. SUBDISTRICTS

**8.01a BLACK FORK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2015**

On motion by Mr. Horstman, seconded by Ms. Limbach, the budget and appropriation resolution for 2015 for the Black Fork Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

**8.01b BUFFALO CREEK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2015**

On motion by Mr. Horstman, seconded by Ms. Limbach, the budget and appropriation resolution for 2015 for the Buffalo Creek Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

**8.01c CHIPPEWA SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2015**

On motion by Mr. Horstman, seconded by Ms. Limbach, the budget and appropriation resolution for 2015 for the Chippewa Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

**8.01d CLEAR FORK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2015**

On motion by Mr. Horstman, seconded by Ms. Limbach, the budget and appropriation resolution for 2015 for the Clear Fork Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

8.01e DUCK CREEK SUBDISTRICT
BUDGET AND APPROPRIATION RESOLUTION FOR 2015

On motion by Mr. Horstman, seconded by Ms. Limbach, the budget and appropriation resolution for 2014 for the Duck Creek Subdistrict of the Muskingum Watershed Conservancy District, as recommended and set forth in the above memorandum, was approved.

9. EXECUTIVE SESSION

On motion by Ms. Limbach, 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) [employment, compensation] 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 1:25 p.m.

10. ADJOURN

There being no further business, on motion by Mr. Maupin, seconded by Mr. Parham, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, December 19, 2014, at 9:00 a.m. at the New Philadelphia City Council Chambers.

11.21.2014, km
Approved 12.19.2014