

**SUMMARY OF MINUTES
BOARD OF DIRECTORS
MUSKINGUM WATERSHED CONSERVANCY DISTRICT
Held at Kent State University Tuscarawas
November 17, 2023, 9:00 a.m.**

A meeting of the Board of Directors of the Muskingum Watershed Conservancy District was held at Kent State University Tuscarawas, 330 University Drive NE, New Philadelphia, Ohio, on Friday, November 17, 2023, 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: Ronald Dziedzicki, James Gresh, Gordon Maupin, Robert Moorehead, and Jennifer Ponchak. Mr. Gresh, President of the Board of Directors, presided.

MWCD staff in attendance were Adria Bergeron, Julie Bickis, Mary Burley, Craig Butler, Jamie Carlisle, Hilary Celuch, James Crandall, Scott Heller, Brad Janssen, David Lautenschlager, Jonathan Mizer, Jared Oaks, Eric Stechschulte, Aaron Stump, and Matt Thomas.

2. INTRODUCTION OF VISITORS AND PUBLIC COMMENT

Also, in attendance for all or portions of this meeting were: Sheila Hurley (*Executive Director of MWCF*); Brad Luckey (*Carroll County SWCD*); Christy C. and Brian Morgan (*Cottage Site Lessees at North Shore Atwood Lake*); Cathy Morris (*Cottage Site Lessee at North Shore Atwood Lake*); and John Hertzig (*Cottage Site Lessee at North Shore Atwood Lake*).

Mr. Luckey introduced himself to the Board. He is a Watershed Coordinator at the Carroll County SWCD (Soil, Water, and Conservation Department). He stated that in 2024, the State of Ohio will make a push to expand the H2Ohio program Statewide. He is spreading information about his program and encouraging others to reach out to him to learn more about it.

Mr. Morgan, a Cottage Site Lessee at North Shore Atwood Lake, addressed the Board. He had two concerns. His first concern was that the horsepower limit on Atwood Lake should remain at 25. He recognized that the Board had previously approved higher horsepower variances for large houseboats on the lake. He felt that the high horsepower boats were causing crowding on the lake and potentially making the lake more dangerous. His second concern was that with increasing property values, the District should upgrade amenities to the cottage lease site areas. He recommended that water lines and force hydrants be installed in cottage site lease areas. He cited that in the event of a fire, without these amenities, cottage lease site structures could catch fire and spread rapidly.

Ms. Hurley gave an update to the Board regarding the Muskingum Watershed Conservancy Foundation. She reported that MWCD Chief Ranger, Patrick Brockmeier, addressed the MWCF Board and requested funding for two \$1,000 courses that would prepare and present lesson plans in a law enforcement setting. She also stated that Craig Butler, the Executive Director of MWCD, attended the MWCF meeting and gave an update on the district and the possibility of building a new District Headquarters for MWCD.

The MWCF Board also considered five grants of which three were approved. The first grant approved was a \$3,000 reimbursement to MWCD to cover the cost of free tickets given to veterans at the Craig Morgan Concert that was held on August 19, 2022. The second approved grant was for \$6,000 to the Uhrichsville Fire Department to purchase updated dive equipment. The third grant was for \$3,700 to Pleasant

Hill Lake Park to support the 2024 Johnny Appleseed's 250th Birthday Celebration.

Ms. Hurley further reported that the MWCF Board is currently reviewing and revising The Foundation's Code of Regulations. Additionally, the MWCF Board determined the 2024 meeting dates which are: February 14th, May 8th, August 21st and November 13th. The MWCF's Annual Golf Outing will be held on Thursday, August 8, 2024. Lastly, she reported that The Foundation has contracted with EDG to provide an audit of services in three areas: 1.) The Foundation's website; 2.) Social Media presence; 3.) branding.

3. APPROVAL OF MINUTES

On motion by Mr. Maupin, seconded by Mr. Moorehead, the minutes of the October 31, 2023, meeting of the Board of Directors were approved with recommended correction of typo.

4. FINANCIAL

Attached (copies on file) is the financial report for the ten-month period ending October 31, 2023. The total operating income is \$20,974,673 compared to \$32,100,751 in 2022. The Operating net income without the Utica Shale royalties is \$4,045,948, an increase of \$971,200 over the prior year.

The operational revenue is \$37,334,421 compared to \$47,800,728 in 2022, or a 22% decrease. This decrease is attributable to the decrease in Utica shale revenue between the years.

- General Administration/Support is \$1,864,064 year to date (98% of budget) and 124% greater than the prior year. The increase is in interest income due to larger cash balances and the higher interest rate environment. This line item will exceed the budget.
- Natural Resources and Land Management is \$4,070,161 year to date (94% of budget) and 3% down from the prior year. The decline is a timing issue with cottage site revenues as discussed previously with the new billing system and will be corrected by year end. This line item will exceed the budget.
- Park income is \$10,840,964 year to date (94% of budget). The current forecast is for this line item to fall short of budget.
 - Park camping is \$9,174,010 year to date (97% of budget). This line item is forecasted to meet the budget.
 - Vacation cabins is \$795,929 year to date (85% of budget). This line item will not meet the budget.

Operational expenses are \$16,359,748, 77% of the budget and an increase of 4% over the prior year.

Capital Improvement and Park Master plan expenditures are going to come in under budget due to timing of projects getting started.

Maintenance Assessment Fund

Maintenance Assessment revenue is \$6,028,681, 100% of the budget. We have received all the second half collections. Expenditures are \$3,818,532, a 9% decrease from the prior year. Expenditure are within budgeted expectations.

The Conservancy District is having a good financial year and is forecasted to exceed the operational budget.

On motion by Mr. Maupin, seconded by Mr. Dziedzicki, the financial report was accepted as presented.

5. PAYMENT OF BILLS

On motion by Ms. Ponchak, seconded by Mr. Maupin, the report of the payment of bills for the period ending October 31, 2023, was approved as presented. *(Copies on file)*

6. BUSINESS

6.01a LEASE TRANSACTIONS

On motion by Mr. Maupin, seconded by Mr. Dziedzicki, 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 PROPOSED DOCKING DECAL RATES FOR 2024

On motion by Mr. Maupin, seconded by Ms. Ponchak, proposed docking decal rates for 2024, as recommended and set forth in the above memorandum, were approved. Mr. Dziedzicki and Mr. Moorehead abstained from voting.

6.01c PURCHASE AGREEMENT AND LEASE WITH TAPPAN VOLUNTEER FIRE DEPARTMENT

On motion by Mr. Moorehead, seconded by Mr. Dziedzicki, proposed purchase agreement and lease, as recommended and set forth in the above memorandum, were approved.

6.02a INVOICES PRIOR TO PURCHASE ORDERS

On motion by Mr. Maupin, seconded by Mr. Dziedzicki, 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.

6.02b SOLAR CONTRACT—BJAAM

On motion by Mr. Maupin, seconded by Mr. Dziedzicki, contract with BJAAM, as recommended and set forth in the above memorandum, was approved.

6.02c PROPOSED 2024 BUDGET

On motion by Mr. Dziedzicki, seconded by Ms. Ponchak, proposed 2024 Budget, as recommended and set forth in the above memorandum, was approved.

6.03a HUMAN RESOURCES SUMMARY

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

6.03b POSITION/TITLE CHANGES

On motion by Mr. Maupin, seconded by Mr. Dziedzicki, proposed changes, as recommended and set forth in the above memorandum, were approved.

6.03c PERSONNEL POLICY REVISIONS/ PROPOSED NEW PERSONNEL POLICY

On motion by Ms. Ponchak, seconded by Mr. Maupin, proposed revisions to personnel policies, as recommended and set forth in the above memorandum, were approved.

6.03d WAGE ADJUSTMENTS—2024

On motion by Ms. Ponchak, seconded by Mr. Dziedzicki, proposed wage adjustments, as recommended and set forth in the above memorandum, were approved.

6.03e GROUP HEALTH PLAN REVIEW

On motion by Mr. Maupin, seconded by Mr. Dziedzicki, proposed change to group health plan, as recommended and set forth in the above memorandum, was approved.

6.04a PARTNERS IN WATERSHED MANAGEMENT GRANT PROGRAM—2023/2024 RECOMMENDATIONS

On motion by Mr. Dziedzicki, seconded by Mr. Maupin, proposed funding for four applications at the recommended award levels, as recommended and set forth in the above memorandum, were approved.

6.04b ATWOOD ACTIVITY CENTER CONCESSION AGREEMENTS

On motion by Ms. Ponchak, seconded by Mr. Moorehead, proposed lease agreement, as recommended and set forth in the above memorandum, was approved.

6.04c PURCHASE OF SITE FURNISHINGS

On motion by Mr. Maupin, seconded by Ms. Ponchak, proposed award of contract, as recommended and set forth in the above memorandum, was approved.

6.04d PROPOSED RATES FOR 2024

On motion by Mr. Dziedzicki, seconded by Mr. Maupin, proposed rates, as recommended and set forth in the above memorandum, were approved.

6.05 STRATEGIC PLAN DASHBOARD PRESENTATION

Informational only. Staff presented drafts of the internal and external dashboards which have metrics for measuring progress on the Strategic Plan which was approved in 2022. The Board requested to review the dashboards and discuss the topic further at a different Board meeting.

6.06 OTHER BUSINESS

Mr. Moorehead made a comment to the Board regarding his opinion on the potential site of a new district headquarters. He felt that the location at the Industrial Park located near Kent State University—Tuscarawas Branch was a little too remote. Mr. Butler expressed that more site options could be researched but that location in particular was large enough to accommodate the needs of the headquarters and centrally located. He felt it would be challenging to find other sites that meant the specifications of the building.

Mr. Butler addressed the Board on several matters. He stated that the State Lands Leasing Commission would be required to negotiate or entertain negotiations with oil and gas companies. The General

Assembly had determined that leasing of State lands was permissible. Mr. Butler stated that the State leases would model MWCD leases in regard to conservation restrictions, setback requirements, and development operations around certain seasons.

Mr. Butler also shared that the economic study by Cleveland State University had finally been completed. The study revealed that the revenue MWCD has earned over the past decade from its share of oil and gas produced on its properties has contributed \$1 billion to the 18-county region’s economy. Additionally, more than 570 private sector jobs were created every year as a result of the MWCD’s investments in the communities.

Mr. Butler further reported that the Ohio Congress has released guidance on a One-Time Community Infrastructure Fund of \$750 million. He stated that MWCD staff would work to submit applications with strategic community stakeholders to receive funding for these two potential projects: 1.) a regional law enforce training center and new Tappan Volunteer Fire Department at the Buxton Farm property; 2.) the development of an Amphitheater at Atwood Lake Park. Applications are due by December 18, 2023.

Mr. Butler reported on the progress of the endowment fund. He has been in the process of informally speaking with Ohio Attorney General Yost about whether language needs to be modified in the ORC regarding the deposit of public funds outside of a uniform deposit. Mr. Butler said that more than likely the language would need to be amended or modified and that support would be need from the Ohio General Assembly.

Lastly, Mr. Butler reported on a few internal MWCD matters. He stated that further exploration of developing the Atwood Peninsula and Pines for cottage lease sites was underway. The interviewing process for a Chief of Recreation was impending and after the first of 2024, the pursuit for a Chief of Engineering would begin. He also informed the Board that the lessee Water’s Edge would not be renewing their lease at Tappan Marina.

7. REPORTS

7.01 UTICA ROYALTY REVENUE REPORT

Utica royalty revenue is currently generated by **116** producing wells at Tappan, Clendening, Seneca, Dover, Piedmont, Atwood, and Leesville Reservoirs. A breakdown of the monthly royalty revenue can be seen on the attached page.

Utica royalties for **October** totaled **\$2.06M** (\$2,063,143.16) which was an approximate **3% increase** in month-over-month revenue from September (\$2.01M).

Royalty Report Exhibit *copy is on file*.

7.02 IMMEDIATE OR PENDING LITIGATION

None.

8. SUBDISTRICTS

8.01 PAYMENT OF BILLS – CHIPPEWA SUBDISTRICT

Attached is the Payment of Bills report for the Chippewa Subdistrict for the period October 1, 2023, through October 31, 2023.

The October report is for check numbers 3015 through 3018 totaling \$9,056.92.

All payments have been reviewed and found to be in order. It is recommended that the Board approve the October 2023 payment of bills for the Chippewa Subdistrict.

Muskingum Watershed Conservancy District			
Chippewa Subdistrict			
Payment of Bills			
October 1, 2023 through October 31, 2023			
CHECK NUMBER	PAYMENT DATE	PAY TO NAME	PAYMENT AMOUNT
0000003015	10/12/2023	Crocker Excavating	5,850.00
0000003016	10/12/2023	FRONTIER COMMUNICATIONS	510.00
0000003017	10/20/2023	ENTERPRISE FLEET MANAGEMENT	560.59
0000003018	10/20/2023	USDA-APHIS, GENERAL	2,136.33
			\$9,056.92

On motion by Mr. Maupin, seconded by Mr. Dzedzicki, the report of the payment of bills for the period ending October 31, 2023, for the Chippewa Subdistrict, was approved as presented.

8.02 CHIPPEWAS SUBDISTRICT—PROPOSED BUDGET 2024

On motion by Mr. Dzedzicki, seconded by Mr. Maupin, the proposed 2024 budget, for the Chippewa Subdistrict, was approved as presented.

9. EXECUTIVE SESSION

No executive session was needed.

10. ADJOURN

There being no further business, on motion by Mr. Maupin, seconded by Ms. Ponchak, the meeting of the Board of Directors was adjourned. The next regularly scheduled meeting is Friday, December 15, 2023, at 9:00 a.m., at Kent State University Tuscarawas.

James M. Gresh, President

ATTEST:

Craig W. Butler, Secretary