

**Cedar Meadow Lake Watershed District
Annual Meeting
May 19, 2016**

The 2016 Annual Meeting of the District was scheduled to be held at the Knights of Columbus Hall in Leicester at 7:30 P.M. on May 19, 2016. The Proprietors of the District were notified of the meeting by First Class mail more than 14 days in advance of the meeting. Further, a copy of the same Warrant sent to the Proprietors (attached) was posted on the Leicester Town Clerk's bulletin board more than 14 days in advance of the meeting.

Meeting Minutes

The District Clerk, Michele Cosper of 68 Fairview Drive, Leicester, registered Proprietors, also referred to as members, and offered hand-out material prior to the start of the meeting. After being assured that a quorum existed, the meeting was convened at 7:35 P.M. by District Management Committee Chairman, Mr. Tommy Lee of 61 Fairview Drive, Leicester.

Representation constituting one-third of the \$23,445,500 assessed valuation of property within the District, currently \$7,830,797, was required to establish a quorum. Owners of property within the District totaling \$9,562,400 (40.8%) in assessed valuation were represented at the meeting in-person or by proxy.

Article 1

Mr. Lee read the Article and moved that the District votes to elect a moderator to preside for the duration of the meeting. The motion was seconded. Mr. Lee asked for nominations.

Mr. Lee nominated Richard Johnston to moderate the Annual Meeting of the District and noted that Mr. Johnston served as Cedar Meadow Lake Watershed District Clerk for many years. There were no other nominations. Mr. Lee asked for a vote on the nomination. Richard Johnston was voted as Moderator unanimously.

Article 2

The Moderator read the Article. Mr. Tommy Lee moved that the District votes to hear a report from the Management Committee summarizing their activities since the last Annual Meeting of the District.

The motion was seconded. The Moderator read the motion and asked for a vote. The motion was voted unanimously. Management Committee President Tommy Lee of 61 Fairview Drive, Leicester stated that the Management Committee met eleven times during the year. He then took the members through a summary of the Management Committee's activities since the last Annual Meeting and used the attached document entitled "Cedar Meadow Lake 2015-2016 Action Plan Status Report" as a guide.

With respect to

- Goal 1 - Dam Maintenance was completed. Mr. Lee stated that the routine maintenance on the dam was completed including the cutting of the grass on the dam crest.
- Goal 2 - Engineering Services was complete. The dam was inspected in June 2015 and was rated in fair condition and was reviewed the Office of Dam Safety. Upon review, the District was awarded our Dam Safety Certification of Completion. The District did continue the good working relationship with Lenard Engineering.
- Goal 3 - Tree Removal was incomplete. The District has executed a settlement agreement with Mr. Shea to purchase the land behind the dam.
- Goal 4 - Weed Control Draw Down was completed. Mr. Lee stated that a successful draw down had been completed. One correction was noted: the draw down is limited to three feet as specified by the Order of Conditions (OOC).

- Goal 5 - Weed Control - Herbicide was completed. The herbicidal weed treatment of the lake was performed on June 17, 2015.
- Goal 6 - Financing was completed. Betterment collections have gone very well and the second payment to the USDA was made. The third payment is scheduled for June 2016.
- Goal 7 - Conduct Water Quality Monitoring Program was incomplete. The water testing was not performed in 2015-2016. It is proposed that the water testing be taken over by the Boys Scouts under the direction of Proprietor and Management Committee member Paul Dufresne.
- Goal 8 - Communications was complete with newsletters being sent to members and the District's website being updated by Mr. O'Coin. The District has made a move to electronic distribution of newsletters to half the Proprietors. The District also established a Facebook and Twitter account.

Article 3

The Moderator read the Article. Mr Lee moved that the District votes to hear a presentation by Carl Nielson from ESS Group.

The motion was seconded. The Moderator read the motion and asked for a vote. The motion was voted unanimously.

The herbicidal weed treatment of Cedar Meadow Lake was performed by the ESS Group on June 17, 2015. The weed treatment went as planned to hopefully clear the lake of invasive weeds called Milfoil and Fanwort. Both these weeds grow on the surface and "shade out" the other plants. Boats on the lake rip up these weeds and then spread them around the lake. After the weed treatment, ESS Group did a simple mapping in early July 2015, and reported that the treatment appears to have had the desired effect as there was little evidence of milfoil or fanwort. ESS Group plans to map the Lake in June 2016 with the hope of finding that native weeds have started to recolonize the areas that were treated in June 2015. Fish are not harmed by the herbicides, but their habitats can be affected by the change in the lake environment. For instance, fish often spawn in the weedy areas in the early Spring. ESS Group waited until after this spawning time to avoid this issue.

In late July, it was noticed that the lake visibility was reduced by the presence of blue-green algae. Clarity of the lake was monitored weekly using Secchi disc analysis, and clarity remained at 4 ft or greater. At clarity of the 4 ft, algae will only rarely produce a toxin; but at clarity of 2 ft, algae will be concentrated and production of a toxin is very likely. At the request of District Officials, the algae levels in the lake were assessed in mid-September 2015. The testing of water revealed the presence of blue-green algae (cyanobacteria) comprised of *Microcystis* sp., *Aphanocapsa* sp.; *Woronichinia naegeliana*, and *Dolichospermum* spp. (x2). It was hypothesized that algae could have been exasperated by hot and dry conditions, but may have also be related to the weed treatment performed in June 2015. Summer 2015 saw many local lakes suffering from the presence of blue-green algae. Rotting weeds release nutrients, which can fuel algae growth. Lawn fertilizers that are not low in phosphorus can add nutrients to the Lake. Algae can be treated, and the cost is approximately \$3500. The Lake is not more prone to algae growth in future summers due to the algae that was present in the lake in 2015. Algae growth does indicate the lake does have nutrients.

Article 4

The Moderator read the Article. Mr Lee moved that the District votes to hear a report from the Treasurer.

The motion was seconded. The Moderator read the motion and asked for a vote. The motion was voted unanimously.

Terence O'Coin of 12 Caron Road, Sturbridge, the District Treasurer, referred the members to a pie chart comparison (attached) showing budgeted versus actual expenses that had been distributed prior to the start of the meeting. The documents showed that it was necessary to transfer \$7000 from the Reserve Account to the Legal Account. He discussed each of six accounts. There was no need to fund the Stabilization Account. Of the \$100.00 set aside in the Reserve for Bad Debt Account, nothing was spent. The full budgeted amount of

\$5,000 in the Administration Account had been spent as had \$7,000 from the Reserve Account. Of the \$32,520 in the Dam Repair and Maintenance Account, only \$8,274.16 had been spent because FY15 funds were used for the June 2015 weed treatment. Of the \$9,123.00 in the Administrative Account, only \$8,632.70 had been spent. Nothing was spent of the \$2,750 in the Debt Repayment Account because nothing was borrowed from the line-of-credit. The second USDA loan payment would be made from the Betterment Loan USDA Account in June 2016. Lastly, \$7,000 of the \$7,500 in the Reserve Account had been spent. The pie charts in this handout illustrate the percentage differences between budgeted and actual spending.

Article 5

The Moderator read the Article. Mr. Lee moved that the District votes to purchase the land below the dam legally described as parcel 28 A 18 0 by the Town of Leicester Assessor, by deed from Central Water District Company, Inc to Mr. Shea dated February 29, 1988 for the sum of fifty thousand and 00/100 dollars (\$50,000) following formal execution of settlement agreement as prepared by Cedar Meadow Lake Watershed District.

On November 13, 2015, Mr. Shea brought a civil suit against the District in Worcester Superior Court alleging a private nuisance by the District causing damage and seeking \$100,000 for those damages. The District executed a settlement agreement with Mr. Shea to purchase the land below the dam (for \$50,000) whereas the District denies any liability in the action and fully settles the action and any and all claims between the parties. The District asked legal counsel to investigate any other lands at Mr. Shea's owns in the vicinity of Cedar Meadow Pond in the hopes of avoiding in future claims Mr. Shea can make against the District. It was determined that Mr. Shea also owns land that is underwater on the north side of the Rawson Street bridge, and that this land is not part of the District.

The purchase price of \$50,000 will be derived from (1) \$10,000 from FY17 tax collections, (2) \$19,709.39 from the monies reserved (purposely for purchase of this parcel) in USDA betterment loan, (3) \$7,500 from FY16 tax collections, and (4) \$12,790.12 from Free Cash.

The District is interested in acquiring the land behind the dam because the dam is considered to be in fair condition by the Massachusetts Office of Dam Safety, primarily due to the presence of large diameter trees within 15 feet of the downstream toe of the dam. The Office of Dam Safety is concerned that the integrity of the dam could be compromised if these trees were uprooted during heavy rain and wind conditions, and they want these trees removed. After acquisition of the land, the District plans to cut down approximately 20 trees that if uprooted could cause harm to the dam.

The Moderator read the motion and asked if there was any further discussion. There being none, the Moderator read the Article and asked for a vote. The motion was voted unanimously.

Article 6

The Moderator read the Article. Mr. Paul Dufresne of 47 Fairview Drive, Leicester moved that the District votes to elect a District Clerk to hold office for a term of one year or until the next Annual Meeting.

The motion was seconded. The Moderator read the motion and asked for nominations. Mr. Lee nominated Michele Cospers of 68 Fairview Drive, Leicester. There were no other nominations. In the interest of saving time, the Moderator asked the Management Committee Chairman to cast one vote for Mrs. Cospers. Mrs. Cospers was, thus, voted District Clerk unanimously.

Article 7

The Moderator read the Article. Mr. Dufresne moved that the District votes to elect a District Treasurer to hold office for a term of one year or until the next Annual Meeting.

The motion was seconded. The Moderator read the motion and asked for nominations. Mr. Dufresne nominated Terence O'Coin. There were no other nominations. In the interest of saving time, the Moderator asked the Management Committee Chairman to cast one vote for Mr. O'Coin. Mr. O'Coin was, thus, voted District Treasurer unanimously.

Article 8

The Moderator read the Article. Mr. O'Coin moved that the District votes by ballot to elect a member to the Management Committee for a term of three (3) years.

The motion was seconded. The Moderator read the motion and asked for nominations. Mr. O'Coin nominated Mr. Tommy Lee of 61 Fairview Drive, Leicester. There were no other nominations. The Moderator explained the voting procedure. The Proprietors would enter the name of the person they wished to vote for on the ballots they received from the Meeting Clerks. The Meeting Clerks will collect and tally these votes. The voting then proceeded as described and Mr. Dufresne was voted as a member of the Management Committee to hold office for three years. There were 34 votes for Mr. Lee and 1 vote abstained.

Article 9

The Moderator read the Article. Mr. Lee moved that the District votes to accept the Cedar Meadow Lake 2016-2017 Action Plan in the hands of the Proprietors.

The motion was seconded. The Moderator read the motion and asked for discussion. Mr. Lee referred the Proprietors to the Cedar Meadow Lake 2016-2017 Action Plan (attached) that had been distributed prior to the start of the meeting.

With respect to

- Goal 1, Dam Maintenance, Mr. Lee stated that this goal dealt with routine maintenance including mowing the dam surface.
- Goal 2, Engineering Services, calls for maintaining a professional relationship with an engineering firm to provide expertise and guidance with respect to maintaining and repairing the dam. This relationship already exists with Lenard Engineering.
- Goal 3, Tree Removal, calls for acquiring the land below the dam and cutting large trees within 15 feet of the downstream side of the dam.
- Goal 4, Weed Control - Draw Down, will continue through the annual draw down program according to the OOC.
- Goal 5, Weed Control - Herbicides, calls for the maintaining and retaining the services of a lake management organization to continue to monitor and manage the proliferation of Fanwort (Cabomda) and other weeds.
- Goal 6, Financing, calls for collecting betterments and repaying the USDA loan, and maintaining betterment pre-payments in safe investment vehicles to realize a rate of return.
- Goal 7, Conduct Water Quality Monitoring Program, calls for continuing to collect and analyze lake water sample. Under Mr. Dufresne's direction, the Boy Scouts will collect samples and have these samples analyzed.
- Goal 8, Communications, the Management Committee will continue to communicate with the members via newsletters and the District's website.

The Moderator read the motion and asked if there was any further discussion. There being none, the Moderator read the Article and asked for a vote. The motion was voted unanimously.

Article 10

The Moderator read the Article. Mr. Dufresne moved that the District votes to authorize the Management Committee to maintain a line-of-credit loan in an amount not to exceed \$30,000 to pay District operating expenses pending receipt of annual tax revenue.

The motion was seconded. The Moderator asked for discussion. Mr. O'Coin explained that he had been working with Steve Quink at the Spencer Savings Bank and that repayment of line-of-credit loans would be guaranteed by the District's own betterment prepayment funds on deposit at the bank. Although the line of credit was not used in FY16, it is expected that it will be used in FY17. Of the \$50,000 needed to purchase the land behind the dam, \$10,000 will come from the line of credit. The motion was voted unanimously.

Article 11

The Moderator read the Article. Mr. Lee moved that the District votes to carry forward and/or transfer funds as described in a document in the hands of the Proprietors.

The motion was seconded. The Moderator read the motion and asked for discussion. Mr. O'Coin stated that the budget that he would discuss in the next article called for carrying \$10,084.22 forward in the Repair and Maintenance Account. This was good news for the members because it represented unspent money in the current budget that could be carried forward to avoid the need to collect \$10,084.22 in new tax revenue in the Fiscal Year 2017 budget. \$10,084.22 was appropriated to Dam Repair and Maintenance in FY2017. The motion was voted unanimously.

Article 12

The Moderator read the Article. Mr. Dufresne moved that the District votes to approve the Fiscal 2017 budget in the hands of the Proprietors, the appropriation of monies to be raised by assessment upon the Proprietors in support thereof.

The motion was seconded. The Moderator read the motion and asked for discussion. Mr. O'Coin referred to a hand out entitled "Proposed Budget and Appropriation of Monies Fiscal Year July 1, 2016 - June 30, 2017 (FY2017)" that had been distributed prior to the start of the meeting and described each item. He explained that the left hand column showed the annual Budget Amounts totaling \$207,299.13. The next column showed the \$10,084.22 voted on the last article as being carried forward from FY2016. The next column, entitled "From FY2017 Tax Revenues" represented the amount, \$47,838.78, to be raised through taxation. The next column to the right represented the amount, \$21,790.61, to be taken from Free Cash. He explained the process of the MA DOR DLS certifying the amount of available free cash, following the annual audit by the District auditor and submission of financial reports. Although only \$21,790.61, this amount would otherwise have to be raised through taxes. The next column on the right entitled "From Issuance of Debt" showed \$10,000.00, the amount to be borrowed from the line-of-credit. The next column to the right entitled "From Betterments" totaled \$97,876.13; of that amount, \$81,179.88 represents the expected fourth payment on the USDA loan; \$3,339.25 represents loan administration expenses, and \$13,357.00 represents USDA Loan reserves. The next column to the right entitled "From Stabilization Account" did not include any activity. The last column entitled "From USDA Loan to Betterment" totaled \$19,709.39 represents money borrowed and reserved for the purchase of the land behind the dam.

He discussed the current budget in detail. Although minimal expenditures for completing the land purchase were anticipated, \$10,000 was budgeted for legal expenses. \$100.00 was budgeted in the Reserve for Bad Debt account in case some members did not pay their taxes in time to repay the line of credit. This amount will be adjusted in the future based on actual experience. The Debt Repayment - Spencer Bank - Line of Credit account included \$10,300.00. This includes the amount borrowed plus interest. The Repair and Maintenance Account totaled \$72,550 including \$100 for gate house upkeep, \$700 for grass mowing on the dam, \$2,500 for dam repair and maintenance, \$50,000 for purchase of land behind the dam, \$1,000 for weed treatment, \$750 for parts to repair the siphons & repair / replace floats & cable at the Rawson Street Bridge, \$500 for water sample testing, and \$17,000 for tree cutting behind the dam. The Administrative Account totaled \$8,973 including \$750 for communications, and \$2,250 for auditing, \$525 for the Treasurer's Bond, \$5,058 for the liability insurance premium, \$40 for the COLAP dues, \$150 for Treasurer's Expenses and \$200 for the annual meeting. \$7,500 was included in the Reserve Account to cover unexpected expenses. The \$84,519.13 shown in the USDA Loan Payment-Long Term Debt Account is the same amount to be collected from betterments and

contains \$81,179.88, the fourth annual loan payment, and \$3,339.25 for loan administration expenses. The USDA Loan Payment Reserve Account totaled \$13,357.00. The Moderator asked if there were any questions or if there was any other discussion. There being none, the Moderator asked for a vote on the motion. The motion was approved unanimously.

Article 13

The Moderator read the Article. Mr. Dufrense moved that the District votes to discuss any other business that may properly come before this meeting.

The motion was seconded. The Moderator read the motion and asked for discussion. There was no discussion. The Moderator asked for a vote and the motion was approved unanimously. Mr. Lee explained to the audience that this was their opportunity to bring up questions not previously answered during the meeting or to raise new subject for discussion. No business was brought forth. Proprietors did ask to whom they should report Trespassers on the dam. Mr. Lee reminded Proprietors were reminded trespassers on the dam should be report to the Leicester Police.

Adjournment

The Moderator stated that he would entertain a motion for adjournment. This motion was made and seconded and approved unanimously. The meeting adjourned at 9:21 P.M.

A True Copy Attest:

Michele M. Cospers
District Clerk