

**Cedar Meadow Lake Watershed District
Annual Meeting
May 22, 2014**

The 2014 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 22, 2014. 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 Meeting Clerks, Anita Johnston of 101 Charlton Street, Rochdale and Mary O'Coin of 12 Caron Road, Sturbridge 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 7:45 P.M. by District Clerk Richard Johnston of 101 Charlton Street, Rochdale.

Representation constituting one-third of the \$23,024,300 assessed valuation of property within the District, currently \$7,674,767, was required to establish a quorum. Owners of property within the District totaling \$13,627,700 in assessed valuation were represented at the meeting in-person or by proxy.

Article 1

Mr. Johnston read the Article. Paul Dufresne of 47 Fairview Drive, Leicester moved that the District votes to elect a moderator to preside for the duration of the meeting. The motion was seconded. Mr. Johnston asked for nominations.

Mr. Johnston nominated Douglas Belanger to moderate the Annual Meeting of the District and noted that Mr. Belanger served as moderator for the Burncoat Pond Watershed District Annual Meetings for many years, has been a Selectman in Town for many years, and was currently a candidate running for State Representative. There were no other nominations. Mr. Johnston asked for a vote on the nomination. Douglas Belanger was voted as Moderator unanimously.

Article 2

The Moderator read the Article. Tommy Lee of 61 Fairview Drive, Leicester 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.

District Clerk Richard Johnston of 101 Charlton Street, Rochdale stated that the Management Committee met ten 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 2013-2014 Action Plan Status Report" as a guide.

With respect to Goal 1 - Dam Maintenance, Mr. Johnston 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 only partially complete because the planned mandatory dam inspection had been postponed pending completion of dam repairs. The District did establish a good working relationship with Lenard Engineering.

Goal 3 - Dam Repair was complete. Mr. Johnston used a series of four slides including an engineering drawing and three photos of excavation equipment on the dam crest to illustrate the work performed to supplement the core wall within the dam with additional impervious material. He noted that work had been

completed on approximately 150 feet of the dam's core wall, 70 feet during the last fiscal year and 80 feet this fiscal year. The photos showed the trench being dig and lined with fabric material and then filled with impervious material.

Goal 4 - Tree Removal. This goal to acquire the land below the dam and to cut the trees in close proximity to the dam was incomplete because Mr. Shea ignored communications from our attorney hired to negotiate the purchase of the land. Mr. Shea, instead, filed a claim against the District for "flooding" his property. Mr. Johnston showed a series of slides including photos of the dam crest and land below the dam. The photos from the dam crest showed how close many trees were to the rear of the dam. The photos of land below the dam showed that the land in question was all wetlands and was flooded by water exiting the lake over the spillway and through the low level outlet as this land has been flooded over the past 160 years.

Goal 5 - Succession Planning was complete. During the year work was performed to segregate the Clerk's administrative duties from dam related duties. The new Clerk will handle the administrative work and the Management Committee will assume responsibility for the dam including communications with engineers and contractors. The District's records were reviewed and reduced to conform with State regulation.

Goal 6 - Financing, was only partially complete because the committee to invest prepaid betterments in safe investment vehicles had not as yet been appointed. Betterment collections have gone very well, as Mr. O'Coin will explain in more detail later in the meeting.

Goal 7 - Conduct Water Quality Monitoring Program, was complete and was discussed by Mr. Ridley. He referenced a hand-out (attached) and described the process of collection and analyzing water samples. He uses a Secchi disc to measure water clarity and collect water samples at four consistent locations, and member Mike Dupuis analyzes these sample to measure pH and Total Phosphorus. The hand-out showed the results of samples taken over a four year period from 2009 through 2013. The results were all well within acceptable levels. The water samples were also informally tested for bacteria. The presence of measurable amounts of bacteria have never been detected in the lake.

Goal 8 - Weed Control, was only partially completed. Mr. Johnston stated that a successful draw down had been completed but that a committee to study and map weeds in the lake had not been appointed. He used a series of four slides prepared by the ESS Group of Providence, RI to depict the results of their weed survey. Member Jeremy Wooden accompanied employees from ESS as they gathered and analyzed weed sample throughout the lake. The slides showed the spreading of Fanwort, once confined to the northern coves, to a growing population near the dam. The presence of Variable Milfoil on the outlet of the northern coves, and the location and density of weeds throughout the lake. He stated that a plan to deal with the weeds would be addressed later in the meeting. With respect to the effect on the fishery, he stated that the herbicide would not be harmful to fish and that Jeremy Wooden would head up the effort and, as an avid fisherman that experienced the loss of fish at Lake Shirley in the past, would not allow this to happen at our lake.

Goal 9 - Fund Raising, was only partially complete because efforts to raise funds voluntarily through programs in addition to the Friend program were not undertaken. The Friends program solicitation did, however, raise \$635.

Goal10 - Communications. was complete with newsletters being sent to members and the District's website being updated by Mr. O'Coin. He indicated the the District would be moving toward e-mail newsletters in the future.

Article 3

The Moderator read the Article. Wayne Ridley of 39 Lakeview Drive 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 two hand-outs entitled "FY2014 Report on Budget vs. Actual Expenditures" (attached) and a pie chart comparison (attached) showing budgeted vs. actual expenses that had been distributed prior to the start of the meeting. This documents showed that, of the \$182,487.84 budgeted for FY2014, \$22,629.05 had been spent to date, \$84,835 in spending before June 30 was pending, and that it was necessary to transfer only \$100 from the Reserve Account to the Administrative Account. The \$84,935 pending expense represented payment of the District's first USDA loan payment in June. He discussed each of six accounts, and actual and pending expenditures. There was no need to fund the Stabilization Account. Of the \$6,000 set aside in the Reserve for Bad Debt Account, nothing was spent. In the Legal Account, only \$1,000 of the budgeted \$2,500 was spent. Of the \$36,570 in the Dam Repair and Maintenance Account, only \$21,529 had been spent. The full budgeted amount of \$5,661 in the Administration Account had been spent plus \$100 from the Reserve Account. Nothing was spent of the \$18,871.84 in the Debt Repayment Account because nothing was borrowed from the line-of-credit. As stated previously, the first USDA loan payment would be made from the Betterment Loan USDA Account in June. Lastly, only \$100 of the \$14,440 in the Reserve Account had been spent. The pie charts in this handout illustrates the percentage differences between budgeted and actual spending.

There was question from a Proprietor about members that had not paid their betterments. Mr. O'Coin recited the number of members that paid both payment, a small number that, as of the last check received from the Tax Collector, had made only one of two payments, and three members that had not paid at all. He went on to explain that the betterments associated with these three was only around \$2,000.

Article 4

The Moderator read the Article. Mr. Lee 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 Cosper of 68 Fairview Drive, Leicester. There were no other nominations. In the interest of saving time, the Moderator asked the District Clerk to cast one vote for Mrs. Cosper. Mrs. Cosper was, thus, voted District Clerk unanimously.

Article 5

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 District Clerk to cast one vote for Mr. O'Coin. Mr. O'Coin was, thus, voted District Treasurer unanimously.

Article 6

The Moderator read the Article. Mr. Ridley 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. Ridley nominated Thomas Forsberg of 66 Hill Street, Auburn. 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. Forsberg was voted as a member of the Management Committee to hold office for three years. There were 46 votes for Mr. Forsberg. No other votes were cast.

Article 7

The Moderator read the Article. Mr. Lee moved that the District votes to accept the Cedar Meadow Lake 2014-2015 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 2014-2015 Action Plan (attached) that had been distributed prior to the start of the meeting.

He summarized the Current Situation page and reminded the members that the dam was considered to be in fair rather than good condition due to the trees in close proximity to the downstream side of the dam. The Office of Dam Safety is concerned that the integrity of the dam could be damaged if these trees were uprooted during heavy rain and wind conditions, and wants these trees removed. The land below the dam is owned by Raymond E. Shea, Jr.. Efforts are currently being made to begin the process of negotiating a purchase price with Mr. Shea.

Lenard Engineering is developing a long range plan to maintain and improve the integrity of the dam. A great deal of knowledge was gained in this regard during December 2012 and in the Spring of 2013 while conducted dam repairs. Based on these experiences, future efforts will entail supplementing the core wall within the dam to bring the core wall above the ordinary high water mark. New leaks are expected to appear from time-to-time, and voids within the internal dam structure are expected to be found during core wall construction. Both will be addressed as necessary through the injection of chemical and/or concrete grout.

It has been determined that the lake contains 1400 acre feet of water under 100 year flood conditions and, as such, is considered by the Massachusetts Office of Dam Safety to be a "large" body of water.

The proliferation of nuisance aquatic vegetation continues to be a problem in the lake. The lake is on the State's (303d) impaired waters list for this reason. The District's annual draw down program has successfully reduced the weed population in most shoreline areas. However, Fanwort, a prolific and difficult to control invasive weed, has infested the coves on the northern end of the lake and has spread throughout the lake. A significant population has taken root along the southwest shoreline near the dam.

Members of the District are paying off the USDA loan taken to pay the \$1,714,000 judgement against the District via betterments. Several betterments were partially or fully paid off prior to June 2013 when the USDA loan was executed. This reduced the need to borrow down to \$1,444,000. Since last June three other members paid off their betterments, one by choice and two others when their property was sold. First year betterment collections have gone well. The District has collected far more than the \$84,835 necessary to make the first annual USDA payment in June.

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. This goal also calls for completion of the State mandated Phase I follow-up dam inspection. 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. Goal 5, Weed Control - Herbicides, calls for the engaging the services of a lake management organization to prepare a long range strategic plan for dealing with the proliferation of Fanwort (Cobomda) and to implant the first phase of this strategic plan. Goal 6, Financing, calls for collecting betterments and repaying the USDA loan, and investing betterment pre-payments through the Finance Committee. Goal 7, Conduct Water Quality Monitoring Program, calls for continuing to collect and analyze lake water sample. Wayne Ridley will continue to collect sample and Mike Dupuis will continue to analyze these samples. Lastly, in Goal 8, Communications, the Management Committee will continue to communicate with the members via newsletters and the District's website. The district will begin to move towards electronic distribution of the newsletters. 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 8

The Moderator read the Article. Mr. Dufresne moved that the District votes to authorize the Management Committee to secure 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. It will no longer be necessary to rely on the funds on deposit by the District's anonymous benefactor. Although the budget did not assume the need to borrow from the line-of-credit, he recommended having the line available to pay unexpected legal or dam repair expenses while waiting for tax revenue to come in. The motion was voted unanimously.

Article 9

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 \$15,000 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 \$15,000 in new tax revenue in the Fiscal Year 2015 budget. The motion was voted unanimously.

Article 10

The Moderator read the Article. Mr. Ridley moved that the District votes to approve the Fiscal 2015 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, 2014 - June 30, 2015 (FY2015)" 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 \$165,894.38. The next column showed the \$15,000 voted on the last article as being carried forward from FY2014. The next column, entitled "From FY2015 Tax Revenues" represented the amount, \$39,679.00, to be raised through taxation. The next column to the right represented the amount, \$3,000.00, to be taken from Free Cash. He explained the process of the District's auditor certifying the amount of available free cash, and the Department of Revenue approving the use of this free cash. Although only \$3,000, this amount would otherwise have to be raised through taxes.

The next column on the right entitled "From Issuance of Debt" showed \$7,000.00, the amount to be borrowed from the line-of-credit. The next column to the right entitled "From Betterments" totaled \$101,215.38. Of this amount, \$87,136.38.00 of that amount represented the expected first payment on the USDA loan plus loan administration expenses. The remaining \$14,079.00 represented the amount set aside to ensure the ability to repay the loan, and the amount that the Finance Committee would invest. The last column on the right entitled "From Stabilization Account" did not include any activity.

He discussed the current budget in detail. Although no specific expenditures were anticipated, \$5,000 was budgeted for legal expenses. \$250.00 was budgeted in the Reserve for Bad Debt account in case some members did not pay their betterments in time to make the annual loan payment. This amount will be adjusted in the future based on actual experience. The Debt Repayment - Spencer Bank - Line of Credit account included \$7,750.00. This includes the amount borrowed plus interest. The Repair and Maintenance Account totaled \$36,020 including \$100 for gate house upkeep, \$900 for grass mowing on the dam, \$5,000 for dam repair and maintenance, \$3,500 for dam inspection, \$18,000 for weed treatment, \$1,000 for parts to repair the siphons, \$20 for water sample testing, and \$7,500 to manage the land below the dam. The Administrative Account totaled \$8,159 including \$900 for communications, and \$2,250 for auditing. This latter amount is higher than the \$1,000 we have been paying for the annual audit due to the need to prepare additional audit documents to satisfy USDA loan requirements, \$2,100 is included in the Treasurer's Bond expense due to the need to bond both Mr. O'Coin and Mrs. Cosper to satisfy USDA loan requirements. \$7,500 was included in the

Reserve Account to cover unexpected expenses. The \$87,36.38 shown in the USDA Loan Payment-Long Term Debt Account is the same amount to be collected from betterments and contains \$83,616.63, the first annual loan payment, and \$3,519.75 for loan administration expenses. 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 11

The Moderator read the Article. Mr.Dufresne 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. Dufresne 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.

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 9:10 P.M..

A True Copy Attest:

Michele M. Cospers
District Clerk