

**Cedar Meadow Lake Watershed District  
Annual Meeting  
May 19, 2010**

The 2010 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, 2010. 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 1 Maple Glen Lane, Leicester and Corey Lee of 61 Fairview Drive, Leicester were sworn in by the Moderator, Ruth Kaminski. After having been assured that a quorum existed, Mrs. Kaminski convened the meeting at 7:45 P.M..

Article 1

Mrs. Kaminski read the Article. Tommy Lee of 61 Fairview Drive, Leicester moved that the District votes to elect a moderator to preside for the duration of the meeting. The motion was seconded. Mrs. Kaminski read the motion and asked for a vote. The motion was voted unanimously. She asked for nominations. Mr. Lee nominated Ruth Kaminski to moderate the Annual Meeting of the District. Mr. Lee pointed out to the audience that this was the fourteenth time that Ruth had served as moderator for the District's Annual and Special Meetings. There were no other nominations. Mrs. Kaminski asked for a vote on the nomination. Ruth Kaminski was voted as Moderator unanimously.

Article 2

The Moderator read the Article. Paul Dufresne of 47 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 discussion. There was no discussion. The Moderator asked for a vote. The motion was voted unanimously.

Richard Johnston of 1 Maple Glen Lane, Leicester took the Proprietors through a summary of the Management Committee's activities since the last Annual Meeting and used the attached document entitled "Cedar Meadow Lake 2009-2010 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. Goal 2 - The goal to remove large trees below the dam remained incomplete. Raymond Shea, owner of the land below the dam, continues to refuse access to his land to cut trees. Goal 3, to make repairs to the dam, was also incomplete. The volunteer divers that planned to inspect the upstream face of the dam were unable to get in the water last fall. With respect to Goal 4 - Weed Control, Mr. Johnston stated that the draw down program was conducted successfully last fall. Water elevations were reduced to five feet below the spillway elevation and held there until the lake bottom froze. With respect to Goal 5 - Benthic Barrier, Mr. Johnston noted that a benthic barrier was successfully redeployed. The method kills weeds but is limited to small areas. He offered to show any members that had weeded areas in front of their homes that were not eliminated through the draw downs how to eliminate weeds with this inexpensive process.

With respect to Goal 6 - Conduct Water Quality Monitoring, Management Committee Member Wayne Ridley of 39 Lakeview Drive described the results of recent and past testing. He presented the attached summary of test results from 10/3/06 through 9/3/09. These consistently reveal that the lake has an excellent clarity level. Total phosphorus readings have been within acceptable levels. Mr. Ridley extended thanks to Proprietor Mike Dupuis of the Oxford Rochdale Water District who has been performing the total phosphorus testing at no cost to our District. He also discussed testing for bacteria, specifically e-coli, and the zero to extremely low levels found. His summary included the last 9 test results where he continues to drop the oldest results off the chart as he adds the newest results.

Regarding Goal 7 - Legal Defense, Mr. Johnston summarized events since the November Special Meeting of the District. An effort was initiated by our District to bring all the effected parties, Burncoat Pond Watershed District, Cedar Meadow Watershed District, Stiles Lake Water District, the Massachusetts Department of Revenue, and Central Water District Associates together in an attempt to achieve a global settlement. An offer, made to Mr. Shea through his attorney, was rejected. During the process, we learned that the maximum bond term was 10 years for any amounts less than \$1,000,000. We also found that four out of five contacted banks and two bond agents would provide financing to cover an additional payment over and above the original pro tanto. These financial institutions would, however, place limits on the maximum term and maximum amount to be borrowed. Because the District is not a business and does not have a product to sell and a conventional cash flow, they would be willing to lend only an amount that could be supported by the amounts that the District paid for debt service, and would require that this loan or bond be repaid over not more than 10 years. The Cedar Meadow case is still open to the extent that Mr. Shea is appealing the judges's summary judgement regarding the interest issue. Mr. Johnston advised the members that the five day Burncoat Pond Watershed District v. Central Water District Associates trial concluded on May 11 with a jury verdict that, at the May 2000 time of the taking, Burncoat Pond and dam were worth \$690,000. After subtracting the \$105,000 that they paid and adding \$205,000 in interest, the Burncoat district owes Mr. Shea \$790,000.

With respect to Goal 8 - Friends Program, Mr. Johnston stated that the program of soliciting contributions from non-abutters to the lake was postponed because the District's elected officials were too busy dealing with the law suit during the last summer. With respect to Goal 9 - Communications, Mr. Johnston stated that three newsletters had been sent of Proprietors over the past year and encouraged members to visit the District web site created by Terry O'Coin.

### Article 3

The Moderator read the Article. Tommy Lee of 61 Fairview Drive moved that the District votes to hear a report from the Treasurer. The motion was seconded. The Moderator asked for discussion. There being none, the Moderator read the motion and asked for a vote. The motion was voted unanimously.

Terence O'Coin, the District Treasurer, referred the Proprietors to a hand out entitled "FY2010 Report on Budget vs. Actual Expenditures" (attached) that had been distributed prior to the start of the meeting. This document showed that of the \$220,626.84 budgeted for FY2010, \$157,025.51 had been spent to date, \$32,983.64 in spending before June 30 was pending, and \$3,211.72 had been transferred from the Reserve Account to the Legal Account. He discussed each of six accounts, and actual and pending expenditures. He stated that dollars were not budgeted for additions to the Stabilization Account. The Loan Repayment account included the last payments to Spencer Savings Bank on the District's 12 year mortgage to pay for the dam and land under the lake which was paid off on September 30, 2009. Mr. O'Coin pointed the members to a graph entitled CMLWD Mortgage which showed the history of loan payments. He noted that it was necessary to transfer \$3,204.61 from the Reserve Account to the Legal Account to pay trial preparation and expert witness expenses that, to date, totaled \$101,335.44. The Repair and Maintenance Account contained \$3,050 but expenses, at only \$447.57, were largely limited to grass mowing on the dam crest because anticipated dam repairs were not completed. The Administrative Account, at \$3,629, was expected to come out slightly under budget. As was previously noted, it was necessary to transfer \$3,204.44 of the budgeted \$10,000 in the Reserve Account. Mr. O'Coin described activity within the new Legal Loan Repayment account. \$100,044 was budgeted. It was, however, necessary to borrow only \$72,000 from the \$100,000 line of credit. Interest payments and \$40,000 from first tax bill revenues have reduced the current balance which is expected to be paid through the collection of additional tax revenue soon. Mr. O'Coin also discussed pie charts attached to the above described document and herein. One pie chart showed the distribution of budgeted funds and the second pie chart showed distribution of actual expenditures.

### Article 4

The Moderator read the Article. Mr. Dufresne 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 discussion. There was no discussion. The Moderator asked for a vote. The motion was voted unanimously. The Moderator asked for nominations. Mr. Dufresne nominated Richard Johnston. There were no other nominations. The Moderator asked for a vote on the nomination. Mr. Johnston was voted District Clerk unanimously.

### Article 5

The Moderator read the Article. Mr. Lee 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 discussion. There was no discussion. The Moderator asked for a vote. The motion was voted unanimously. The Moderator asked for nominations. Mr. Ridley nominated Terence O'Coin. There were no other nominations. The Moderator asked for a vote on the nomination. Mr. O'Coin was 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 discussion. There was no discussion. The Moderator asked for a vote. The motion was voted unanimously. The Moderator asked for nominations. Mr. Ridley nominated Tommy Lee. There were no other nominations. The Moderator explained the voting procedure. The Proprietors would show their Voting Cards and receive one Ballot for each Voting Card from the Meeting Clerk, enter the name of the person they wished to vote for and return the Ballots to the Meeting Clerk. The Clerk would then tally the Ballots. The voting then proceeded as described and Mr. Lee was voted as a member of the Management Committee to hold office for three years. There were 44 votes for Mr. Lee. No other votes were cast.

#### Article 7

The Moderator read the Article. Mr. Ridley moved that the District votes to accept the Cedar Meadow Lake 2010-2011 Action Plan in the hands of the Proprietors. The motion was seconded. The Moderator read the motion and asked for discussion. Mr. Johnston referred the Proprietors to the Cedar Meadow Lake 2010-2011 Action Plan (attached) that had been distributed prior to the start of the meeting. In the interest of time, he summarized the Current Situation page.

He stated that, due to the expectation that the District's elected officials would be spending a great deal of time on the law suit and appeal, the Action Plan contained only routine matters. With respect to Goal 1, Dam Maintenance, he indicated that this goal dealt with routine maintenance including mowing the dam surface. Goal 2, Tree Removal, would be limited to attempting to gain Mr. Shea's permission to enter the property below the dam to cut trees. Goal 3, Dam Repair, calls for finding and stopping leaks in the dam. He described plans to call upon volunteer divers, Scott Navaroli of Waite Pond and Proprietor Michael Dupuis in this effort. Goal 4, Weed Control, calls for drawing down the lake five feet and to keep the water elevation at this low level until the exposed lake bottom freezes. The water level will then be increased to, and maintained at, 30 to 36 inches below the spillway elevation for the duration of the winter to minimize damage to shoreline structures. With respect to Goal 5, Conduct Water Quality Monitoring Program, Mr. Johnston described the plan to continue collection and analyzing samples from four locations around the lake for total phosphorus and clarity. Mr. Ridley would continue to collect samples and Mr. Dupruis would continue to perform the analysis at no cost to the District. Goal 6, Legal Defense, calls for seeking and achieving the best possible outcome for the District concerning the jury verdict that the District members cannot afford to pay. He stated that the trial was not entirely over because Central Water District Associates has appealed the judge's summary judgement ruling on the interest portion of the trial. He stated that the District's elected officials would be seeking the best possible legal advise as they proceeded forward to deal with the issues of the trial and appeal. Court papers are currently moving and it will probably be necessary to submit our counter-brief in the interest appeal this summer and this portion of the case will not likely be heard by the appeals court for another year. Goal 7, Friends Program, calls for soliciting non-abutter Friends for voluntary contributions to help defray the cost of operating the District. Goal 8, Communications, calls for a continuation of communications via newsletters and through the District's web site. The Moderator asked if there was any further discussion. There being none, she read the motion 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 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 there was no need to carry money forward. The Moderator explained that the best way to handle this would be to vote against the motion. She read the motion and called for a vote. The motion was voted down unanimously.

## Article 9

The Moderator read the Article. Mr. O'Coin moved that the District votes to authorize the Management Committee to seek and secure a line-of-credit loan in an amount not to exceed \$40,000 to pay District operating expenses pending receipt of annual tax revenue. The Moderator asked for discussion. Mr. O'Coin explained that upon further consideration, the management committee decided that a line-of-credit not to exceed \$30,000 would be more appropriate and offered a revised motion. The Moderator explained that the best way to handle this would be to vote down the original motion and to vote separately on the revised motion. The Moderator read the motion and called for a vote. The motion was voted down unanimously.

Mr. O'Coin moved that the District votes to authorize the Management Committee to seek and secure a line-of-credit loan in an amount not to exceed \$30,000 to pay District operating expenses pending receipt of tax revenue. The Moderator asked for discussion. Mr. O'Coin explained that, due to the annual delay in receiving tax revenue, it is necessary to borrow money to pay expenses. The balance of the line-of-credit would be paid upon receipt of the tax revenues. This would likely be required each year in the future. He further explained that Commerce Bank has been good to deal with and that they have agreed to extend the new line-of-credit loan once the existing loan is paid off. This pay off should take place at the end of the current fiscal year. The Moderator asked for additional discussion. There being none, she read the motion and called for a vote. The motion was voted unanimously.

## Article 10

The Moderator read the Article. Mr. O'Coin moved that the District votes to approve the Fiscal 2011 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, 2010 - June 30, 2011 (FY2011)" 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 \$71,384.74. The next column showed that the budget did not include any monies carried forward from FY2010. The next column, entitled "From FY2011 Tax Revenues" represented the amount, \$33,629.04, to be raised through taxation. The next column to the right represented the amount, \$11,450.00, to be taken from Free Cash. The last column on the right is entitled "Issuance of Debt" and included \$26,305.70.

Mr. O'Coin went on to explain the budget line items in detail. Line items 1 and 2 represented the remaining payment of fees, with interest, to Jon Beekman and Jim O'Connor, expert trial witnesses. These experts agreed to take two-thirds of their fees in the current fiscal year and the remainder in the upcoming fiscal year. Legal fees were budgeted at \$15,000. Line 4, Debt Repayment included \$27,884.04. The \$3,950 Repair and Maintenance account line included \$850 for dam mowing, \$2,500 of possible dam repairs, and a \$500 fee to file a draw down permit extension with the Conservation Commission. The \$3,245 Administration account line included \$900 for communications, \$1,000 to have the District's books audited, \$229 for the Treasurer's bond, and \$1,116 for liability insurance.

The \$33,629.04 to be raised through taxation is approximately one-third the \$100,000 in the FY2011 budget and is in line with historic amounts and consistent with a level of taxation that the members can afford to sustain over time. The \$26,305.70 to come from the issuance of debt is well within the \$30,000 line-of-credit amount approved earlier during the Meeting. Upon completion of Mr. O'Coin's presentation, the Moderator asked 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. Ridley 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. Ridley 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. There was no other discussion. The Moderator asked for a vote. The motion was voted unanimously.

Several questions were posed by the members. One member who was concerned about the health of the swampy area on the west side of the lake asked whether the Management Committee planned to have rest periods with the draw down program. Mr. Johnston explained that, as a practical matter, rest periods are provided by weather and rain that sometime make it impossible to draw the lake down the planned five feet. He also pointed out that two years ago, following a very good draw down the year before, the five foot draw down was given a rest. Another member questioned why the distance to clear trees below the dam had increased from 10 to 15 feet. Mr. Johnston explained that the Office of Dam Safety had increased this standard. Another member asked whether the elected officials had looked at long term bond financing to pay the jury verdict. Mr. Johnston stated that this kind of financing was limited to bond issues of \$1,000,000 or more and that annual payments would still be too great for the members to afford.

#### 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 9:05 P.M..

A True Copy Attest:

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Richard D. Johnston  
District Clerk

**Cedar Meadow Lake Watershed District  
Minutes of Management Committee Meeting  
May 19, 2010**

The meeting commenced at 9:25 P.M. at the Knights of Columbus hall in Leicester.

In attendance: Paul Dufresne  
Tommy Lee  
Wayne Ridley  
Richard Johnston, Clerk  
Terence O'Coin, Treasurer

This meeting was held immediately following the Annual Meeting of the District. Mr. Johnston explained that the purpose of the meeting was to elect a Chairman and Vice Chairman of the Management Committee to serve until the next Annual Meeting of the District.

Wayne Ridley was nominated and voted as Chairman and Paul Dufresne was nominated and voted as Vice-Chairman.

A True Copy Attested:

Richard D. Johnston  
District Clerk