

**Cedar Meadow Lake Watershed District
Annual Meeting
May 20, 2009**

The 2009 Annual Meeting of the District was scheduled to be held at the Leicester Police Department Community Room at 7:30 P.M. on May 20, 2009. 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 District Clerk, Richard Johnston. After having been assured that a quorum existed, Mr. Johnston, convened the meeting at 7:45 P.M.. He explained that Ruth Kaminski was unable to serve as Moderator because she was in Washington, D.C. on business.

Article 1

Mr. Johnston 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. Mr. Johnston read the motion and asked for a vote. The motion was voted unanimously. Mr. Johnston asked for nominations. Mr. Lee nominated Norman MacLeod to moderate the Annual Meeting of the District. There were no other nominations. Mr. Johnston asked for a vote on the nomination. Mr. MacLeod 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 2008 -2009 Action Plan Status Report" as a guide. He explained that the Management Committee had met ten times since the last Annual Meeting and that, in addition to the tasks described in the Action Plan, had written an Emergency Action Plan and an Operations and Maintenance Manual for the dam. Both of these documents were recommended in the dam inspection report by the engineering firm Fuss and O'Neill.

With respect to Goal 1 - Dam Maintenance, Mr. Johnston stated that the routine maintenance on the dam was completed but that the gate house had not, as yet, been painted. He pointed out that Jeremy Lloyd of 1 Lakeview Drive had volunteered to paint the gate house as well as to install a new roof on the structure. Goal 2 - The goal to remove large trees below the dam remained incomplete. The plan for the year included taking those legal steps necessary to accomplish this goal. This plan was, however, postponed based on the advise of the District's legal counsel, Ernest DeSimone. Mr. DeSimone feels that this will best be accomplished after the law suit between the District and Central Water District Associates is settled. Some work was accomplished to identify the land in question. A review of Town records revealed that Mr. Shea owns only a sliver of land, possibly as small as 2,000 square feet, between the dam and the National Grid easement with no frontage on Charles Street. An attempt was made through Mr. Shea's new attorney to gain access to the land to cut trees. All the safety concerns raised by the Office of Dam Safety, the engineering firm Fuss and O'Neill and the District were reiterated to Mr. Shea. His response, through his attorney, was to seek immediate removal of those portions of the security fencing on the dam that overhung the downstream vertical walls of the dam and infringing on his air rights.

With respect to Goal 3, Repair Dam, Mr. Johnston described the use of hard-hat divers to find a number

of leaks in the face of the dam. These divers also found that there was no leakage at the base of the vertical dam walls or in the lake bottom in front of the dam. A crew from R. H. White Construction was used to hand pack voids in the original gunnite coating to stop the leaks identified by the divers. The dam surface was hand packed from the spillway to the east abutment. Despite all this work, some seepage was again noted when the lake was refilled this Spring.

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 to facilitate dam repairs and held there until the lake bottom froze. Further, the District was able to maintain water levels at between 31 and 36 inches below the spillway elevation from January through March to minimize ice damage to shoreline structures. With respect to Goal 5 - Benthic Barrier, Mr. Johnston noted that a benthic barrier was successfully deployed. The method kills weeds but is very cumbersome. He described rigging a reel-like contraption on his rowboat to deploy a barrier material in the cove adjacent to his home.

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 5/29/05 through 9/18/08. 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.

Regarding Goal 7 - Legal Defense, Mr. Johnston provided a lengthy summary of the five day trial between Stiles Lake Water District and Central Water District Associates that concluded in February. At issue is whether Stiles paid an amount commensurate with the highest and best use of the property. Mr. Shea and his experts took the position that Stiles Lake and the other ponds flowing into Rochdale Pond were a viable source of drinking water supply and that Stiles Lake was worth \$3.2 million at the time of the 1994 taking. The Stiles District and their experts took the position that the highest and best use was as a recreational body of water and that the \$400,000 they paid was adequate compensation. Mr. Shea based most of his argument on a 1987 engineering study performed for the City of Worcester in its quest, at the time, for additional water supplies. The Stiles experts testified that surface bodies of water were no longer a viable source of drinking water supply due to regulatory changes, water could not be transferred between river basins, water bodies with septic systems in close proximity could not be developed as drinking water sources, and a Worcester water supply official testified that the City never completed the study in question, was not interested in additional supplies in 1994 and are still not interested today. Despite all this evidence, the jury concluded that, at the time of the taking, Stiles Lake was worth \$1.5 million. The Stiles District is appealing the jury verdict. Mr. Johnston described the high legal defense cost experienced by the Stiles district and the \$70,000 authorization to be considered in Article 9.

With respect to Goal 8 - Friends Program, Mr. Johnston stated that the program of soliciting contributions from non-abutters to the lake was successful and raised \$220 during the year, quite a bit lower than the \$3200 to \$400 raised in past years. The cost of printing and postage was relatively small. The Friends program was like having an additional Proprietor to help pay the cost of running the District. With respect to Goal 9 - Communications, Mr. Johnston stated that three newsletters had been sent of Proprietors over the past year. He and District Treasurer Terry O'Coin described the new District web site www.cedarmeadow.org, designed and maintained by Mr. O'Coin. This site contains minutes of Annual Meetings and Management Committee meetings, newsletter, the District's Emergency Action Plan, the Act establishing the District, and other interesting information.

Article 3

The Moderator read the Article. Paul Dufresne of 47 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 "FY2009 Report on Budget vs. Actual Expenditures" (attached) that had been distributed prior to the start of the meeting. This document showed that of the \$56,616.40 budgeted for FY2009, \$46,302.73 had been spent to date, \$8,584.71 in spending before June 30 was pending, and \$7,962.50 had been transferred from the Reserve Account to the Legal Account. He discussed each of six account numbers, actual and pending

expenditures, and funds that would be carried over to the District general funds. He stated that the Stabilization Account contained sufficient funds being held in an interest bearing Certificate of Deposit and was, therefore, not funded in FY09. Mr. O'Coin noted that it was necessary to transfer funds from the Reserve Account to the Legal Account to pay trial preparation and expert witness expenses. The Repair and Maintenance Account contained \$17,000 but expenses were less than expected. The cost for the professional divers and hand packing was only \$9,500, and \$7,388 was expected to be left over at the end of the Fiscal Year. The Administrative Account, at \$3,729, was expected to come out on budget. As was previously noted, it was necessary to transfer \$7,962.50 of the budgeted \$10,000 in the Reserve Account. Mr. O'Coin also discussed pie charts and a bar graph 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. The bar graph showed the history of mortgage payments dating back twelve years and showed that the mortgage would be paid off in September 2009.

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. Ridley 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. Lee 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. Lee nominated Paul Dufresne. 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. Dufresne was voted as a member of the Management Committee to hold office for three years. There were 43 votes for Mr. Dufresne. 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 2009-2010 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 2009-2010 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.

With respect to Goal 1, Dam Maintenance, he indicated that this goal dealt with routine maintenance including mowing the dam surface and performing minor maintenance such as repairing fencing. He explained that, given the high anticipated cost of defending the District in the upcoming trial, 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 diver members of the Town Fire Department 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.

Goal 5, Benthic Barrier, calls for continually moving the benthic barrier to kill weeds throughout the summer and early fall months. Mr. Johnston described plans to conduct additional experiments with different kinds of material in the cove to the rear of his home. With respect to Goal 6, 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 7, Legal Defense, again, calls for vigorously defending the District in the law suit brought by Central Water District Associates. The trial is currently scheduled to begin on August 24, 2009. Mr. Johnston discussed expected legal and expert witness costs and the authorization vote that would be conducted later in the meeting to allow the Management Committee to borrow up to \$75,000 for this purpose.

Goal 8, Friends Program, calls for soliciting non-abutter Friends for voluntary contributions to help defray the cost of operating the District. Goal 9, 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, he read the motion and asked for a vote. The motion was voted unanimously.

Article 8

The Moderator read the Article. Mr. O'Coin 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 and recommended that this article be passed over. The Moderator asked for a motion to pass over this article. Such motion was made and seconded and voted 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 loan in an amount not to exceed \$75,000 to pay District legal defense costs in the matter of Central Water District Associates vs. Cedar Meadow Lake Watershed District. The motion was seconded. The Moderator asked for discussion. Mr. O'Coin explained that it was estimated that the cost of our lawyer and expert witnesses in the upcoming trial would be approximately \$75,000. At the present time, he expected that it would be necessary to borrow \$60,000 of this amount. He included \$60,000 in the FY2010 budget that would be considered later in the meeting. There were a few questions from the District members regarding the source of the recommended borrowing. Mr. O'Coin stated that discussions would be held later in the year with the Spencer Savings Bank and County Bank. He also explained that this loan must be repaid over two years and that, because the first payments to the District's legal team would not occur until October, repayment would be spread out over three fiscal years. The Moderator asked for additional discussion. There being none, the Moderator read the motion and asked for a vote. The motion was voted nearly unanimously. Only one Proprietor voted against the motion.

Article 10

The Moderator read the Article. Mr. O'Coin moved that the District votes to approve the Fiscal 2010 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, 2009 - June 30, 2010 (FY2010)" 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 \$121,385.00. The next column showed that the budget did not include any monies carried forward from FY2009. The next column, entitled "From FY2010 Tax Revenues" represented the amount, \$41,998.06, to be raised through taxation. The next column to the right represented the amount, \$19,386.94, to be taken from Free Cash. A new column was added on the right entitled "Issuance of Debt." This includes

\$60,000 to be borrowed to help pay the costs of defending the District in the upcoming trial. He referenced a note at the bottom of the schedule and stated that the Department of Revenue had previously certified a free cash amount in excess of the amount included in the FY10 budget. He then went through the proposed budget, line by line. Mr. O'Coin stated that this budget included approximately \$8,500 in additional funds to be raised from tax revenue. The Management Committee had for many years held the amount to be raised from taxation at approximately the same level. It was necessary to raise additional funds in the upcoming fiscal year because cash reserves had declined to a point where it would be difficult to pay expenses in a timely manner. This \$8,500 budget increase would cost the average Proprietor \$100 in Fiscal 2010. With respect to the Loan Repayment account, the budget included the final three mortgage payments totaling \$5,772.84. The Legal Fees account is budgeted at \$75,000. \$60,000 of this amount is to be borrowed and the remainder to come from tax revenues and free cash. Repayment of the \$60,000 note is included in a new account described as Loan Repayment - Legal Loan and assumes that \$23,933.16 in principal and interest will be paid during FY10. \$3,050 has been budgeted for Repair and Maintenance with the largest single item being \$2,000 for dam repair. Administrative expenses are expected to be \$3,629 including the usual costs for communications, treasurer's bond, liability insurance and audit expense. \$10,000 was included in the Reserve Account and can be used for unexpected expenses such as dam repair or legal expenses without the need to call a special meeting of the District. The budget does not include providing any funding for the stabilization account. 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 nearly unanimously. Only one proprietor voted against passage of the motion.

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.

There was general discussion about how well the draw down and lake refill went this past Winter and Spring and about the upcoming trial. Mr. Ridley noted that, while the Management Committee was confident of success, the Proprietors should be aware that the jury could award an amount in excess of the amount already paid by the District and that it could be necessary to go out to find a source for a 20 or 25 year bond.

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 9:25 P.M..

A True Copy Attest:

Richard D. Johnston
District Clerk