

**Cedar Meadow Lake Watershed District
Minutes of Management Committee Meeting
January 19, 2011**

The meeting commenced at 7:45 P.M. at 1 Maple Glen Lane, Leicester.

In attendance: Tommy Lee
Wayne Ridley
Richard Johnston, Clerk
Terry O'Coin, Treasurer

Minutes of Previous Meetings

Minutes of the previously distributed Management Committee meetings on November 17, 2010, along with Minutes of the Tax Classification hearing conducted on the same date were offered for approval. A motion was made, seconded and voted unanimously to accept these minutes as written.

Clerk's Report

Mr. Johnston reported the following communications since the last Management Committee meeting:

- 11/21 Friends contribution from Bob Wright
- 11/23 Friends contribution from Mike and Kim Quink
- 12/29 letter from Clerk to Attorney General regarding dissolution of Cedar Meadow Lake Association
- 1/10 letter from Clerk to Pualwan regarding water and ice elevations
- 1/11 e-mail from Appeals Court to Attorney DeSimone regarding 2/10 oral arguments
Abutters notice concerning plans to build a house at 61 Lakeview Drive

Treasurer's Update

Mr. O'Coin presented a Treasurer's Report dated 1/19/11 showing that the District had \$21,500.34 on deposit in the Spencer Savings and Commerce Banks. He discussed his intentions to close the Spencer Savings accounts when the existing certificate of deposit matures in March. He also sought and received approval for Warrant #146. Mr. O'Coin also described preparation of 1096 forms as required by the IRS.

Mr. O'Coin presented copies of the Basic Financial Statements and Management Letter prepared by Dan Haynes of Scanlon and Associates. Mr. Haynes did not report any significant problems, errors or concerns in his audit results. He did recite the same minor concern raised in prior audits, that being that the person responsible for maintaining the District's books is the same person responsible for writing District checks. This is very difficult to avoid given that the District has only one person, the Treasurer, available and authorized to perform these functions. Mr. Haynes also recommended that the District formally transfer accumulated overlay balances to the General Ledger. Mr. O'Coin stated that he would make these transfers.

Now that a revised line of credit has been approved by Commerce Bank, Mr. O'Coin plans to prepare checks for the balances due the trial experts. These checks will represent payment of approximately 25% of the full amounts originally billed to the District.

Old Business

Dam Repair:

Mr. Johnston presented a brief report summarizing recent repair activities on the dam. In an effort to pinpoint and correct the source of leakage through the dam between the spillway and gatehouse, a geological drilling contractor drilled holes down through the upper crest of the dam in eleven locations on December 16 and 17. On December 21, a grouting contractor filled these holes with concrete in an effort to fill voids in the core of the dam to stop the flow of water through the dam. This work was performed under the supervision of R. H. White Construction. At the time of this work, water was still

flowing through the spillway channel in such a way as to mix with partially conceal water leaking through the dam. Therefore, the results of repair will not be known until water stops flowing through the spillway

channel.

Impervious clay was typically used in the 1800's to construct mill pond dams. The just completed drilling revealed that the core of the dam is, indeed, constructed of clay. The drilling also assessed water levels within the dam and was very instructive with respect to possible future repair efforts. All concrete poured into the dam's core remained within the dam with one exception. The hole drilled nearest the most recently detected leak, in the vicinity of the gas house and low level outlet, could not be filled and concrete continued to exit the back side of the dam at the former low level outlet channel. This, too, was instructive with respect to future repair activities.

Draw Down Update:

Mr. Johnston reported that very little draw down success was achieved this year. An unusually high amount of rain fell in November and December. The brooks feeding the lake continued to flow in December and January. As of the second week in January, water continued to flow through the spillway channel and the lake water elevation was recorded at only 31 inches below the spillway elevation, after the channel and low level outlet were 100% open for more than three months. Mr. Johnston reported receiving two complaints regarding the inability to lower the water level to the planned five foot level.

Mr. Lee discussed the very unusual ice conditions experienced this winter. The water remained open and unfrozen into early January on the Fairview Drive side of the lake, at a time when the center of the lake was fully frozen. Mr. Johnston added that Jeremy Lloyd of 1 Lakeview Drive observed open water on the west side of the lake down near the dam. This was the first time this area had not frozen over at the same rate as the middle of the lake in Jeremy's 25 years of experience on the lake.

Line of Credit Approval:

Mr. Johnston circulated a copy of the Allonge to Promissory Note that he and Mr. O'Coin signed at the request of the Commerce Bank. Officials at Commerce concluded that modification and extension of the original line of credit would be the most expeditious and least expensive means of providing a renewable operating budget line of credit to the District. The Allonge to Promissory Note reduced the line of credit limit from \$100,000 to \$30,000 and extended its term by one year.

Friends of Cedar Meadow Lake:

Two additional contributions were received, bringing the total current collections to \$270.

Ice Fishing Derby Update:

Jeremy Lloyd has arranged, with the approval of the Management Committee, to conduct an ice fishing derby on Saturday, February 12, 2011. This is not a District event, but rather an event conduct by Jeremy as an individual. His intent is to raise money to be donated to the District to be used to repair and maintain the Cedar Meadow Lake dam. The event will be conducted between 6:30 AM and 12:30 PM. Prizes will be awarded at 1:00 PM. The Management Committee approved a District newsletter prepared by Mr. Johnston to announce the ice fishing derby to members and other interested parties around the lake.

New Business

Request To Dissolve Association:

Mr. Johnston shared a multi-page packet of material submitted to the Attorney General requesting dissolution of the Cedar Meadow Lake Association. Although the District has no legal connection with the Association, steps were apparently never taken to dissolve the Association after the District was formed in 1993. This situation became know to Mr. Johnston in the Fall when a postcard from the Secretary of State's office, intended for the Association, was forwarded to him by the local post office. The Secretary of State was seeking annual reports for the past ten years.

District Taxes:

The Department of Revenue is now requiring that the District tax package be submitted online rather than in paper form. Mr. O'Coin has assumed this responsibility and has had numerous contacts with the

District's auditor, Dan Haynes, and the DOR in this regard. Mr. O'Coin completed the first step in this process by registering the District on the DOR's website, through which all tax related communications will flow. He is working with the DOR to get the Districts Free Cash certified and to complete submission of the tax package. Upon receipt of an approved copy of the LA4 form signed by the Leicester Assessors, and free cash certification, he will submit the tax package for DOR approval. If all the procedural matters are resolved by the end of the month, the Tax Collector could send out bills due on March 1 and May 1.

Clerk's Expenses:

Mr. Johnston presented a request for reimbursement of out-of-pocket expenses for the first half of the Fiscal year to Mr. O'Coin and shared a copy with members of the Management Committee.

Executive Session

The meeting was recessed to discuss ongoing and future legal actions regarding the matter of Central Water District Associates v. the District.

Next Meeting

The next regular meeting of the Management Committee was scheduled for 7:30 P.M. on Wednesday, February 9, 2011 at 1 Maple Glen Lane, Leicester.

Adjournment

A motion was made, seconded and voted unanimously to adjourn the meeting. The meeting adjourned at 9:00 P.M..

A True Copy Attest:

Richard D. Johnston
District Clerk