

**Cedar Meadow Lake Watershed District
Minutes of Management Committee Meeting
January 16, 2014**

The meeting commenced at 7:35 P.M. at the Leicester Police Department's Community Room.

In attendance: Paul Dufrense

Tommy Lee
Wayne Ridley
Richard Johnston, Clerk
Terence O'Coin, Treasurer

Minutes of Previous Meetings

Minutes of the previously distributed November 12, 2013 Management Committee meeting were offered for approval. A motion was made, seconded, and voted unanimously to accept the Minutes as written.

Clerk's Report

See attached memorandum dated January 16, 2014 for Clerk's communications for the period 11/13/13 through 1/15/14. Mr. Johnston summarized and highlighted some of these communications.

Treasurer's Report

Mr. O'Coin presented a Treasurer's Report dated 11/12/13 showing that the District had \$111,129.99 on deposit in the Spencer Savings Bank. Financial account activity for the month was limited to the deposit of one betterment payment check in the amount of \$62,091.92 and the payment of one invoice in the amount of \$52.50 to the Telegram and Gazette. He also sought and received approval of Warrant #173.

Mr. O'Coin stated that the annual audit had been completed, and that the auditor's reports will be available soon. He and auditor Dan Haynes will meet soon and wrap up the process of certifying free cash, something that must be done before the Annual Meeting in May.

He described the process of assembling and filing the annual tax package with the MA DOR, a process that went smoothly. The process was delayed because the DOR delayed the approval of the Town's assessor data. This package was approved by the DOR in late December and resulted in a tax rate of \$2.35 per \$1,000.

Mr. O'Coin presented a betterment payments to-date update, and explained that the District had not, as yet, received all the betterment payment revenue from the Tax Collector's Office because Tax Collector Deb Kristoff had just returned to work after falling from a horse and being out of work for 11 weeks. Consequently, Mr. O'Coin was not able to report the status of individual member payments. The Tax Collector's Office did provide a detailed record of betterment transactions which Mr. O'Coin plans to summarize at a future meeting. A total of \$133,060.17 was collected to date in FY14, much of which represented full or partial payments of betterments. The District has collected far more than necessary to make the first \$84,835 USDA loan payment in June.

Old Business

Dam Repair Update:

Mr. Lee and Mr. Johnston summarized recently completed dam repairs. A construction crew, under the supervision of R. H. White Construction and engineer Roger Hurlbut from Lenard Engineering, exposed and supplemented approximately 85 additional linear feet of core wall from the gatehouse easterly. The process entailed excavating down through the dam crest to expose the existing core wall, then placing additional impervious (clay) material on top of the existing core to bring the core wall to within a foot of the dam crest. The impervious material was trucked in, and the existing material removed from the dam was trucked off-site. The construction was limited to just three days in order to stay within budget. This latest repair encompassed and corrected the last known leak of any concern to the District and the Office of Dam Safety. This leak was located approximately 30 feet east of the gatehouse.

Known dam leakage is now down to two locations. A significant leak that emerges under the spillway cap, and a slight leak that emerges near Charles street. The leak under the spillway flows through an area previously exposed to many years of water flow when the dam was under the control of Central Water District Associates. As a result, the interior material (fines) washed out long ago. The District pumped many yards of concrete under pressure into these voids in 1998. The second leak near Charles Street is only minor and is in an area where the water level behind the dam is less than three feet deep.

Lake Level Management:

Mr. Johnston reported that the lake level was 31 inches below the spillway elevation on 1/13/14. Water was flowing through the spillway channel, which was open following a period of mild weather and melting.

Purchase of Land Below the Dam:

Mr. Shea has not, as yet, responded to requests by Attorney Gorman to enter into discussions regarding the purchase of the land below the dam. Mr. Johnston provided Mr. Shea's home and business addresses as requested by Attorney Gorman.

Record Retention Update:

At the last Management Committee meeting there was discussion regarding record retention requirements and Mr. Johnston agreed to provide a list of documents that could be discarded under State regulations. Since this meeting, he reviewed approximately 1200 documents in his document inventory system to find that approximately 500 could legally be discarded. He presented a summary and discussed his recommendations. These include retaining some documents that are more than three years old, but that still had current value. He also recommended keeping all documents pertaining to dam repair and maintenance despite the age of these documents. Further, he recommended that some documents, such as the lists of Proprietors periodically provided by the Board of Assessors, be combined with and retained within permanent Annual Meeting records. Currently, most District documents are stored in loose-leaf binders. There was discussion about moving permanent records to file boxes to be turned over to the new District Clerk in May. Additional information in this regard will be provided at future meetings.

New Business

Long Term Dam Repair Planning and Financing:

Given that there are no outstanding dam leaks of concern to the District and Office of Dam Safety, Mr. Johnston suggested that no dam repairs be performed this calendar year and that the Management Committee consider beginning the practice of budgeting annual amounts to be set aside for later dam repair. He used, as an example, putting aside \$12,000 annually and spending \$24,000 at one time when there are enough funds set aside to do so. This matter will be considered when putting the next budget together.

Mr. Lee related a conversation he had with Scott Charpentier of Lenard Engineering that made him more comfortable about the possible future costs of increasing the size of the spillway to satisfy 500 year flood conditions. Mr. Charpentier suggested that, rather than to increase the size of the spillway, a secondary spillway be constructed on the west side of the dam. This spillway would be at a higher elevation than the existing spillway, and only come into play under extreme conditions. It would essentially consist of a reduction in the height of a portion of the dam over which water would flow only when the capacity of the existing spillway was exceeded. Money could be set aside over time to engineer and complete this enhancement.

Borrowing in Lieu of Revenue:

It is necessary for the District to borrow money to perform dam repairs or other similar expensive tasks while waiting for tax revenues to come in. There was discussion about whether it was still necessary to rely upon the line-of-credit at the Spencer Savings Bank that is guaranteed by a District member that prefers to remain anonymous. The District has more than enough money on deposit in the Spencer Savings Bank in betterment pre-payments to either borrow against, or to guarantee repayment of a short term lines-of credit. Mr. O'Coin agreed to discuss this matter with auditor Dan Haynes.

Succession Planning:

Mr. Johnston discussed actions he is taking to prepare to pass administrative responsibilities on to a new District Clerk. He developed and shared a list of e-mail addresses for members, contractors, and Town and State officials, and discussed information packets that he was developing on, for instance, how to schedule and conduct a tax classification hearing.

Annual Meeting Preparations:

There was discussion about the possible contents of visual presentations at the May Annual Meeting. Mr. O'Coin shared a schedule showing where the dollars came from to pay the court judgement and associated expenses, and where those dollars went. ESS Group will provide slides so that a presentation can be made to members showing the advance of weed growth in the lake. An engineering drawing can be used, along with photographs, to show the dam repair process and progress. As discussed earlier, long range dam repair planning and financing could also be discussed.

Tax Deductibility of Betterment Payment:

Mr. Johnston shared copies of a draft letter to members summarizing IRS rule and regulations favoring the ability to take betterment payments as tax deductions. This letter does not take a position on the matter and strongly recommended that each member consult with their individual tax professionals. It was agreed that the Management Committee would review and comment on the draft so that the information could be sent to members soon.

Executive Session

There was no need to recess to hold an Executive Session.

Next Meeting

The next regularly scheduled meeting of the Management Committee was scheduled for 7:30 P.M. on Thursday, February 13, 2014 in the Leicester Police Department's Community Room.

Adjournment

A motion was made, seconded and voted unanimously to adjourn the meeting. The meeting adjourned at 8:38 P.M..

A true Copy Attest:

Richard D. Johnston
District Clerk

**Cedar Meadow Lake Watershed
Memorandum**

Date: January 16, 2014
Subject: Clerk's Communications
To: Management Committee
From: District Clerk

District Clerk Richard Johnston reported the following communications for the period November 13, 2013 through January 15, 2014. This memorandum will be attached to the January 14, 2014 Management Committee Meeting minutes:

- 11/16 e-mail from Treasurer to Management Committee updating betterment payments
- 11/17 e-mail exchange between Clerk and Mr. Lee regarding lake level management
- 11/20 Minutes of Management Committee meeting sent to Management Committee, Tom Forsberg, and Michelle Cospers
- 11/21 e-mail from Mr. Lee to Clerk advising that ODS will approve continuation of dam repairs following receipt of letter from Lenard Engineering, and dam repair planning
- 11/25 e-mail from Mr. Lee to Clerk regarding Michelle Cospers's interest in Clerk position, and planned start of dam repair construction
- 11/25 e-mail from Clerk to Mr. Lee regarding lake level management
- 11/25 e-mail from Mr. Lee to Clerk and Management Committee regarding lake level management
- 12/2 e-mail from Lenard Engineering to Mr. Lee and Clerk advising of planned 12/9 start of construction by R. H. White
- 12/5 e-mail from Lenard Engineering to ODS, Mr. Lee and Clerk advising of pre-construction meeting and 12/10 start of construction
- 12/9 e-mail from Clerk to Attorney Gorman providing additional contact information for Mr. Shea
- 12/11 e-mail from Clerk to Mr. Lee providing repair construction update
- 12/13 exchange of e-mails between Clerk and Mr. Lee regarding construction and lake level management updates
- 12/14 e-mail from Clerk to Treasurer regarding availability of Form LA-4 from Town
- 12/21 e-mail from Clerk to Mr. Lee regarding lake level management

- 12/23 exchange of e-mails between Clerk and member Hobson regarding the status of dam repairs
- 12/22 exchange of e-mails between Clerk and Treasurer regarding development of DOR tax package
- 12/29 e-mail from Treasurer to DOR covering completed tax filing
- 1/11 e-mail from Treasurer to Clerk regarding status of free cash certification
- 1/15 e-mail from Treasurer to Clerk regarding preparation for 1/16 meeting
- 1/15 exchange of e-mails with member Wooden regarding ice and water level management