

**Cedar Meadow Lake Watershed District
Minutes of Management Committee Meeting
April 8, 2009**

The meeting commenced at 7:40 P.M. at 1 Maple Glen Lane, Leicester.

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

Minutes of Previous Meeting

Previously distributed Minutes of the Management Committee meeting on March 18, 2009 were offered for approval. A motion was made, seconded and voted unanimously to accept the Minutes as written.

Clerk's Report

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

- 3/30 letter from Clerk to Office of Dam Safety updating dam deficiency corrections
- 3/30 letter from Clerk to Office of Dam Safety covering Emergency Action Plan
- Invoice from DeSimone
- Copy of Stiles jury trial appeal filing

Treasurer's Report

Mr. O'Coin presented a Treasurer's Report dated 4/8/09 that showed the District had \$34,057.98 on deposit with the Spencer Savings Bank. He went over the report and pointed out invoices he was prepared to pay including \$968.75 to Ernest DeSomone

Mr. O'Coin sought and received approval for Warrant number 128.

Mr. O'Coin discussed the need to file Federal 1066 and 1099 forms. This year, it was only necessary to file a 1099 for Lynch, DeSimone and Nysten because Oakland Landscaping was not paid during the reporting period.

An additional invoice was received from Attorney DeSimone. Mr. O'Coin discussed the need to transfer money from the Reserve Account to cover this invoice. A motion was made, seconded and voted unanimously to transfer \$4,000 from the Reserve Account to the Legal Account.

Mr. O'Coin asked Mr. Johnston to estimate Clerk's expenses for the remainder of the fiscal year so that he can budget expenses for the next fiscal year.

Old Business

Annual Draw Down:

Mr. Johnston reported that he reinstalled the flash boards and closed the lower gate on 3/25.

The water level at that time was 31 inches below the spillway elevation. He checked the water level on 4/8 to find it at 3 inches below the spillway elevation.

Emergency Action Plan:

Mr. Johnston reported that he mailed a copy of the District's Emergency Action Plan to the Office of Dam Safety on 3/30.

Dam Seepage Update:

Mr. Johnston reported that, despite the careful and complete hand packing of the face of the dam, seepage was still evident 20 to 30 feet east of the spillway. This did not appear until the lake was nearly full. This bears out previous speculation that water does not spill over a structure within the dam until the lake water level reaches a certain point. Efforts will be undertaken after the water warms up to locate the source of the seepage.

Fiscal 2010 Budget:

There was extensive discussion about the Fiscal 2010 budget and the need to fund the legal cost of defending the District in the matter of Central Water District Associates vs. the District in a trial currently scheduled for 8/24/09. It has been a Management Committee goal to levelize budgeting and annual taxation. To continue this practice, it will be necessary to borrow an amount to fund estimated legal expenses. Based on the experience of the Stiles Lake Watershed District, it is estimated that it will cost approximately \$75,000 to prepare for, and to conduct, the District's expense in a jury trial.

Mr. Johnston researched the language of the District's enabling legislation to find that only capital improvements and land acquisitions can be financed through the issuance of long term notes. Further, he found that the maximum period over which temporary notes could be financed was two years. This period could be interpreted as two fiscal years. It was agreed that Mr. O'Coin would consult with the District's auditor, Dan Haynes to get his opinion on this matter.

Given the uncertainty of the actual legal costs, it is very difficult to project budgeting out beyond the next fiscal year. Certain expenses are, however, dropping out of the budgeting process. Specifically, the final mortgage payment will be made in September of 2009, and it will not be necessary to carry as high an amount in the reserve account for legal expenses. These deductions, in combination with the use of free cash should allow levelized taxation to occur through Fiscal 2010.

Revised Annual Meeting Warrant:

It was agreed that it would be necessary to include an additional article on the Annual Meeting Warrant to address this borrowing. It was agreed that the article would read, "To see if the District will vote 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, or to take any action thereon."

Painting of Gatehouse:

Mr. Johnston reported that Jeremy Lloyd of 1 Lakeview Drive offered to assist with the painting of the gatehouse and, further, offered to help install a rubberized roof on the gatehouse.

New Business

Newsletter:

It was agreed that the upcoming newsletter, in addition to announcing the Annual Meeting, should include information regarding the new District website, a caution to boaters regarding floating logs, a description of fall dam repair efforts, and an update on the legal front.

Annual Meeting Contact Responsibilities:

As has been the practice of many years, responsibility for contacting Proprietors to encourage participation in the Annual Meeting was apportioned among the elected District officials.

Annual Meeting Preparation:

Ruth Kaminski will not be able to Moderate the Annual Meeting. Mr. Lee agreed to ask Norman MacLeod to moderate the upcoming Annual Meeting.

Executive Session:

The meeting was recessed to hold an executive session to discuss pending litigation.

Next Meeting

The next regular meeting of the Management Committee was scheduled for 7:30 P.M. on Wednesday, May 13, 2009 at 1 Maple Glen Lane, Leicester.

Adjournment

A motion was made, seconded and voted unanimously to adjourn the meeting. The meeting adjourned at 9:15 P.M..

A True Copy Attest:

Richard D. Johnston
District Clerk