

**Cedar Meadow Lake Watershed District
Minutes of Management Committee Meeting
June 11, 2013**

The meeting commenced at 7:50 P.M. at the Leicester Town Hall Lower Level Meeting Room.

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

Approval and Execution of USDA Rural Development Loan Documents

Mr. Johnston presented the documents sent him by Bond Counsel to Clark Rowell, Vice President of UniBank and financial advisor to the District. Mr. Rowell explained the process of involved in the final step to securing the USDA Rural Development loan, and explained the documents to be signed by the elected District officials. Mr. Johnston asked for a motion with respect to these documents.

A motion was made, seconded, and voted unanimously that the sale of 3.375 percent bond of the District dated June 20, 2013 be approved and executed in the amount of \$1,444,000 for land acquisition and dam repair in annual principal installments of \$36,100 on June 20 in each of the years 2014 through 2053, inclusive, with interest thereon calculated from June 20, 2013, to the United States of America, acting through the Rural Housing Service, United States Department of Agriculture, at par, is hereby confirmed. The committee hereby covenants with the registered owner from time to time of the Bond that the District shall maintain rates and charges in an amount sufficient, with other income of the District, to pay all costs of operating the District and the entire principal of and interest on the Bond and all other indebtedness of the District incurred as they become due. The Bond shall nevertheless be a general obligation of the District and, except to the extent they are paid from other sources, the principal of and interest on the Bond are payable from taxes which may be levied upon all the property within the territorial limits of the District and taxable by it. The total amount of ad valorem taxes which may be assessed in any fiscal year upon the real estate and personal property located within the Town of Leicester is subject to the limitation imposed by Chapter 59, Section 21C of the General Laws, and the taxes levied by the District upon such property may be includable in such total amount.

Further, that the annual installment amounts may be subsequently amended by the United States of America, acting through the Rural Housing Service, United States Department of Agriculture, to make minor rounding or computation adjustments, and we hereby authorize the District Treasurer to approve such minor changes in the payment schedule, provided that the principal amount, interest rate and term of the Bond remain unchanged. Further, that the Bond shall be subject to redemption upon such terms and conditions as are set forth in the Bond. Further, that each member of the Management Committee, the District Clerk, the District Treasurer and any other officials of the District be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing.

The documents were signed, and the District seal affixed, and handed to Mr. Rowell to be delivered to Bond Counsel for final review.

Minutes of Previous Meetings

Minutes of the previously distributed May 8, 2013 Management Committee meeting were offered for approval. A motion was made, seconded, and voted unanimously to accept the Minutes as written.

Minutes of the May 22, 2013 Management Committee meeting held immediately following the Annual Meeting of the District were distributed for review and approval. A motion was made, seconded, and voted unanimously to accept the Minutes as written.

Mr. Johnston also distributed copies of the Minutes of the May 22, 2013 Annual Meeting.

Clerk's Report

See attached memorandum dated June 11, 2013 for Clerk's communications for the period 5/8/13 through 6/11/13.

Mr. Johnston summarized and highlighted some of these communications including water level updates, USDA Rural Development loan activity, and an e-mail exchange with member Mark Hobson with respect to boating safety. He discussed an e-mail exchange with the Worcester office of the DEP regarding a complaint they received concerning the low lake level, and a letter sent to member William Bigwood in response to a letter sent by Mr. Bigwood to the Board of Assessors. In his letter to the Assessors Mr. Bigwood stated that he would not pay his share of the judgement against the District. In his letter to Mr. Bigwood, Mr. Johnston stated the reasons Mr. Bigwood, like all other members of the District, should and must, pay a fair share of the judgement and District expenses.

Treasurer's Report

Mr. O'Coin was unable to attend the meeting, but prepared a Treasurer's Report dated 6/11/13 that showed that the District had \$384,486.40 on deposit at the Spencer Savings Bank. This report showed the deposit of \$16,654.51 in tax receipts from the Tax Collector, and the payment of \$88.38 on the District's line-of-credit, \$525.00 premium on the Clerk's surety bond, and \$213.60 for the Board of Assessor's office to prepare and send betterment payment schedules. Mr. Johnston explained that, since he had access to District funds as the second signatory on the Spencer Savings Bank accounts, the USDA required that he also be bonded along with Mr. O'Coin. Mr. O'Coin also requested and received approval for Warrant number 169.

Mr. Johnston discussed the need to transfer funds between accounts on Mr. O'Coin's behalf. First, there was the need to transfer \$3,000 from the Reserve account to the Repair and Maintenance account to allow this amount to be carried forward to the next fiscal year to, thus, avoid the need to raise this amount in FY14 taxes. A motion was made, seconded and voted unanimously to transfer \$3,000 from Reserve Account 5007 to Repair and Maintenance Account 5005.

There was also the need to transfer \$213.60 from the Reserve account to the Administration account to pay an invoice in this same amount to the Town of Leicester for the costs of preparing and mailing betterment schedules. A motion was made, seconded and voted unanimously to transfer \$213.60 from Reserve Account 5007 to Administration Account 5006.

Lastly, Mr. O'Coin recommended that the line-of-credit loan balance with the Spencer Savings Bank be paid from available tax revenues for two reasons, first, to go into FY14 with a zero balance and, second, to have the ability to show the USDA Rural Development people that the District had no outstanding debt. A motion was made, seconded and voted unanimously to pay off the line-of-credit balance from tax revenues before the end of the fiscal year.

There was also discussion about the status of tax collections to date and an e-mail sent by Mr. O'Coin summarizing these collections. As of the end of April, and the last check received from the Tax Collector, \$48,521.65 had been collected to date. This represents 75.2% of tax owed. The detail behind this number reveals that 60 of 92 tax bills were paid in full, 17 of 92 were paid

just through the first half bill, and 15 of 92 had not, as yet, paid any District taxes in the current fiscal year. Concern was expressed by Mr. Ridley regarding these poor showings, particularly with the first betterment payments coming due in August and November. Mr. Johnston pointed out that, historically, some members pay late every year, and that the Management Committee should wait until the next check from the Tax Collector before drawing any conclusions from this data.

Old Business

Dam Seepage Update:

Mr. Johnston discussed his observations of seepage through the dam at various water levels. A significant leak that emerged approximately 25 east of the spillway was successfully address during Spring dam repairs. In the past, seepage would begin to show up once the water level reached 36 inches below the spillway elevation. No seepage was observed at any water level during the refilling process this year. A small puddle with no apparent flow has been observed approximately 30 feet east of the gatehouse. In the past this was a soft wet spot without a puddle. The pool that typically collects near Charles Street also appeared this year when the water level was raised. Water could be heard flowing under the spillway cap on the west side of the spillway. These leaks are not of any great concern to Lenard Engineering or the Office of Dam Safety. The leak near the gatehouse is insignificant. Likewise, the leak near Charles Street is insignificant and is in a shallow area of the dam. The leak under the spillway cap is through an area that was completely washed of any fines during that period before the District took ownership of the dam when water was allowed to flow under the spillway cap for many years.

Engineering Recommendations:

Lenard Engineering has recommended that the District continue its program to increase the elevation of the core wall within the dam structure. If and when it becomes necessary to increase the spillway capacity, Lenard Engineering's preliminary findings are that it would make more sense to install a supplemental spillway on the west side of the dam that only comes into play under extreme water flow conditions, rather than to increase the size of the existing spillway. With respect to dam stability, Lenard Engineering would recommend that the back side of the dam be filled to ensure the integrity of the downstream vertical wall.

Lake Level Management:

Mr. Johnston reported that water went over the spillway for the first time this year on 6/8. Due to several heavy rain events, the lake level rose four feet in 16 days between 5/22 and 6/8.

Lien Filing Update:

Mr. Johnston reported that he filed municipal liens at the Registry of Deeds against District member property to ensure payment of betterments on 5/23. Preparation of this filing, the production of individual betterment payments schedules, and the mailing of these schedules to members was performed by Kathy Asquith in the Board of Assessors Office for only \$213.

New Business

Fish Kill Update:

Large numbers of Sunfish and small Bass were previously reported. Mr. Johnston and Mr. Ridley, on separate occasions, counted 28 and 30 dead fishing floating in the water next to the dam. New member Dave Turcotte of 1 Maple Glen Lane reported to Mr. Johnston that he removed approximately 100 small dead fish from his shoreline. It was agreed that this matter would be followed and action taken to find the cause if the fish kills continue.

Boating Safety:

Mr. Johnston shared an e-mail exchange with new member Mark Hobson about boating safety and the marking of under-water obstacles. His e-mail response to Mr. Hobson cited that fact that all water in the Commonwealth is owned and controlled by the State and not the District. The District has no liability with respect to boating accidents. Additionally, he pointed out that, if the District, assumed responsibility for marking the "island" near the center of the lake, the District could be assuming a liability unnecessarily and could also be held liable for not marking all other underwater obstacles, including all shallow shoreline areas. It was agreed that the District would continue to provide general boating safety information to members, but that the District should not and could not get involved in matters regulated by the State.

Open Meeting Law and Conflict of Interest Training:

Mr. Johnston advised that he was informed by the Town Clerk that Open Meeting Law and Conflict of Interest training must be conducted annually, and that he would prepare a package of information in this regard for the August Management Committee meeting.

Newsletter Approval:

It was agreed that distribution of next the newsletter would be delayed until the USDA loan is received and the judgement paid. Other items to be discussed in this newsletter include Annual Meeting results, water level management, dam repairs, and the status of the purchase of the land below the dam.

Liability Insurance:

Trident Insurance has been arranging the District's liability insurance. They made a surprising announcement to the District and to Braley and Wellington Insurance that they would no longer provide this coverage effective 6/30/13. Braley and Wellington has found another carrier and is preparing an insurance binder. This is of critical importance, because the USDA will not approve the loan unless assured that liability insurance coverage will continue after 7/1/13.

Executive Session

No executive session was conducted.

Next Meeting

The next regular meeting of the Management Committee was scheduled for 7:45 P.M. on Wednesday, August 14 at a location to be determined later.

Adjournment

A motion was made, seconded and voted unanimously to adjourn the meeting. The meeting adjourned at 8:50 P.M..

A True Copy Attest:

Richard D. Johnston
District Clerk

**Cedar Meadow Lake Watershed
Memorandum**

Date: June 11, 2013
Subject: Clerk's Communications
To: Management Committee
From: District Clerk

District Clerk Richard Johnston reported the following communications for the period May 8, 2013 through June 11, 2013. This memorandum will be attached to the June 11, 2013 Management Committee Meeting minutes:

- 5/8 e-mail from R. H. White Construction to Clerk containing dam repair cost estimate
- 5/9 abutters notification regarding planned work at 136 Charles Street
- 5/12 exchange of e-mails between Clerk and Treasurer regarding posting of newsletters on website
- 5/13 e-mail from Clerk to Office of Dam Safety providing change of mailing address
- 5/13 e-mail from Clerk to USDA Rural Development providing change of mailing address
- 5/13 e-mail from Clerk to Lenard Engineering discussing relationship of spillway to land elevations
- 5/13 e-mail from Clerk to Lenard Engineering reporting water elevation
- 5/15 letter from Clerk to Rural Development covering copies of two requested documents
- 5/16 e-mail from Clerk to Lenard Engineering reporting water elevation
- 5/16 exchange of e-mails between Clerk and Treasurer regarding FY14 budget preparations
- 5/16 exchange of e-mails between Clerk and Treasurer regarding surety bond for Clerk
- 5/17 e-mail from Clerk to Conservation Commission regarding complaint received by DEP concerning low water level in lake
- 5/18 exchange of e-mails between Clerk and The Protector Group regarding surety bond for Clerk
- 5/22 memo from Ruth Kaminski announcing her intent to step down as moderator of future Annual Meetings
- 5/23 e-mail from Treasurer to Clerk regarding surety bond application process
- 5/23 filing of municipal liens at Registry of Deeds
- 5/24 letter from Clerk to William Bigwood in response to his letter to the Board of Assessors announcing his intent not to pay his betterment

5/24 exchange of e-mails between Clark Rowell of UniBank and Lyndon Nichols of USDA regarding loan approval status

5/25 e-mail from Clerk to Lenard Engineering regarding grouting program

5/25 - 5/29 exchange of e-mails between Clerk and Lenard Engineering regarding water levels and seepage observations

5/29 exchange of e-mails between Clerk and The Protector Group regarding status of surety bond application

5/30 e-mail from Clerk to Management Committee regarding lake water level and seepage

5/30 exchange of e-mails between Clerk and Rural Development regarding documents needed to close loan

5/30 letter from The Protector Group covering surety bond

5/31 e-mail from Clerk to Management Committee regarding lake water level, fish kill, upcoming USDA loan document signing meeting, and payment of judgement

6/3 exchange of e-mails between Clerk and Mark Hobson regarding boating safety and liability

6/3 e-mail from Clerk to Lenard Engineering reporting water elevation

6/5 exchange of e-mails between Clerk and Jan Parke regarding Annual Meeting

6/5 letter from Clerk to The Protector Group covering signed surety bond and payment

6/5 fax'd documents to 5/30 letter from The Protector Group covering surety bond

6/7 mailed original documents to USDA office in Hadley, MA

6/7 e-mail from Clerk to Clark Rowell and Management Committee announcing change of meeting date and location

6/8 e-mail from Clerk to Lenard Engineering and Management Committee reporting water going over spillway

6/10 exchange of e-mails between attorneys Nickless and Egan regarding final judgement payment numbers

6/10 exchange of e-mails between Clerk and Lenard Engineering regarding cost estimates