

**Cedar Meadow Lake Watershed District  
Minutes of Management Committee Meeting  
August 21, 2013**

The meeting commenced at 7:50 P.M. at the Leicester Police Station 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 June 11, 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 August 21, 2013 for Clerk's communications for the period 6/12/13 through 8/21/13.

Mr. Johnston summarized and highlighted some of these communications including receipt of Bond Counsel's opinion letter to USDA Rural Development, and receipt of the Land Acquisition and Dam Repair Bond on 6/20, receipt of the "Execution" of the judgement recorded with the Superior Court on 6/21, communications with Iron Mountain illustrating that their services were too expensive for the District to consider, liability and officers and directors insurance documents from Braley and Wellington, member input regarding boating safety concerns, member concerns about the abundance of weeds floating up onto the shoreline, correspondence regarding weed control, contributions to the Friends program, and Clerks' Expenses for the period 1/1/13 through 6/30/13..

Treasurer's Report

Mr. O'Coin presented a Treasurer's Report date 8/21/13 showing that the District had \$53,354.57 on deposit with the Spencer Savings Bank. This report included the receipt of \$20,250.25 in District taxes and the pre-payment of the betterment on the Sanders property. It also included the payment of the \$1,000 retainer to Attorney Michael Gorman.

Mr. O'Coin sought and received approval for Warrant number 171.

Mr. O'Coin also provided an update regarding District tax collections. Through June, \$50,060 of the \$52,585 billed taxes were collected.

There was discussion about the pros and cons of paying outstanding legal bills from funds left over in the FY13 Legal budget vs. paying these outstanding charges from the USDA loan proceeds. It was agreed that the best course of action would be to pay from the FY13 budget before closing out the books on this budget period.

Mr. O'Coin also noted confirmation from the USDA that loan payments would automatically be deducted from the District's checking account with the Spencer Savings Bank. Mr. O'Coin will explore the possibility of a second checking account with the Spencer Savings Bank to be used for general District business.

Old Business

#### Dam Seepage Update:

Mr. Johnston reported that the seepage occurring approximately 25 feet east of the gatehouse remained minor and fairly constant during the summer. All agreed that this should be addressed soon to avoid a sinkhole or other significant problems.

#### Dam Repair Planning:

There was discussion about the next step to take in long term dam repair planning. Lenard Engineering has recommended that the District continue its program to increase the elevation of the core wall within the dam structure. It was agreed that the next logical step would be to increase the height of the core wall to include and eliminate the seepage exiting the dam structure approximately 25 feet east of the gatehouse. Given the limited amount of money in the FY14 budget, at \$20,000 for repairs and \$4,000 for engineering, the length of this repair would have to be limited to approximately 50 feet.

#### Lake Level Management:

Mr. Johnston reported that water continued to flow over the spillway throughout the Summer, and that the current level was equal to the spillway elevation with small amounts of water trickling over the spillway. Mr. Dufresne reported that the stone in front of his home that he gauges water elevation by remained covered with water all Summer.

#### Purchase of Land Below the Dam:

Mr. Johnston recommended that Holden attorney Michael Gorman be retained to negotiate the purchase of the land below the dam on behalf of the District. Attorney Gorman was recommended by District member Attorney Corey Lee. All agreed to retain the services of Mr. Gorman.

#### Weed Control:

Mr. Johnston reported meeting with Carl Nielsen, Vice President of Ecological Science and Environmental Permitting for the ESS Group. Mr. Nielsen, a Certified Lake Manager, has worked with Lenard Engineering and a number of local lakes and ponds with self-help weed control. For instance, he worked with members of the Quaboag and Quacumquasit Lake Association in Brookfield to eradicate weeds through the use of household chemical hydrogen peroxide. Mr. Nielson recommended that the first step in the process, beyond annual draw downs, was to identify and map the population and location of weeds within the lake. He and his staff could either do this with their own personnel at a first year cost of \$2,000, or train lake abutters to do this work at a first year cost of \$1,200.

The population of Fanwort in the two north coves has increased and is spreading out into the lake. Pieces of Fanwort have floated throughout the lake and have accumulated up against the face of the dam. Unless dealt with soon, the presence of Fanwort would be an issue throughout the lake.

It was agreed to engage the services of the ESS Group to identify and map the weed population in the lake with ESS personnel. It was further agreed that one or two members of the Management Committee would observe this work to make a judgement as to whether to perform follow-up identification and mapping through volunteers.

On a related matter, there was discussion about the Najas weeds that floated up on shorelines during the Summer. Heavy as some point, there were far fewer weeds floating up currently.

Mr. Dufresne reported that, when snorkeling off his shoreline, he observed sand and gravel near the shoreline, followed by a bed of low growing Najas extending out into the lake, then a sudden rise in the height of these weeds 30 to 40 feet off the shoreline.

#### Draw Down Planning:

It was agreed that the draw down this Fall would be limited to 3 feet to give the lake a "rest" unless it was necessary to reduce the lake level 4 feet during dam repairs. The start of the annual draw down will be later than the usual first week in October and will commence with the start of the draw down at Burncoat Pond.

#### USDA Loan Proceeds Allocation:

#### USDA Loan and Betterment Accounting:

#### Betterment Pre-payment Investment Planning:

There was lengthy discussion about how to account for and spend USDA loan proceeds that exceeded the amount needed to pay the judgement and planned legal and other related expenses. This amount could either be returned to the general funds of the District, or be assigned to a separate account. It was agreed that legal expenses be paid out of Legal Expenses funds left over from the FY13 budget.

Provision for Bad Debt collection in the FY13 and FY14 budgets would likely be held in a separate account to be used to ensure timely USDA loan payments. The need to replenish funds in the Provision for Bad Debt account in future budget periods will depend on the level of activity in this account.

The 1% premiums being collected from members paying betterments over time is intended to help ensure that the investment yield on betterment pre-payments, in combination with this 1%, exceeds the USDA loan interest rate. The additional 1% would also help ensure timely loan repayment and would hasten the pay-off of loan principal near the end of the full loan payment term. There was discussion about the possible need to ensure that this 1% goes to benefit members that were paying off their betterments over time rather than members that pre-paid their betterments.

The 0.25% administrative cost premium contained within betterment payments is intended to pay Town charges for billing and collecting betterments. It appears, based on the initial cost of setting up these betterments, that Town charges will be less than 0.25% of billed betterments. It will therefore be necessary to somehow account for these dollars separately.

Mr. O'Coin reported the pre-payment of one betterment by the Sanders family in anticipation of the sale of their property within the District. Mr. Ridley reported the imminent sale of the Boucher property. These funds must be deposited in an investment account where principal, dividends and interest are utilized to reduce or pay off USDA loan principal.

It was agreed that Mr. O'Coin would consult with Dan Haines, the District's accountant, to set up one or more accounts to record and maintain funds for various loan repayment activities. It was noted that water and sewer districts deal with these same issues.

#### Open Meeting Law Training:

#### Conflict of Interest Training:

Mr. Johnston reported that he collected published material on this training, but did not have the time to prepare for discussion at this meeting.

#### Succession Planning:

A number of member names were discussed as possible candidates to replace Mr. Johnston as

Clerk and Mr. Ridley as a member of the Management Committee. These members will be approached to solicit their interest in these posts. The September newsletter will also seek volunteers to run for election in May.

Emergency Action Plan:  
Operation and Maintenance Manual:

Mr. Johnston reported that he is in the process of updating these documents to reflect changes in responsibility associated with his planned departure from day-to-day District business.

### New Business

Refusal of Member William Bigwood To Pay Betterment:

As reported previously, member William Bigwood sent a 5/19/13 letter to the Board of Assessors stating that he would not be subject to any District taxes or betterments "that a group of private citizens agreed to." Mr. Johnston sent a Certified Mail - Return Receipt Requested letter to Mr. Bigwood on 5/24/13 stating the reasons he was subject to District taxes and betterment. Mr. Johnston reported that this letter was returned by the Post Office as being unclaimed when Mr. Bigwood failed to respond to Post Office notices dated 5/25 and 5/30/13.

General Liability and Public Officials Liability Insurance:

Mr. Johnston shared a general liability and public official liability policy with the Management Committee. This coverage was obtained by Braley and Wellington Insurance when the District's previous carrier announced its intentions to discontinue this type of insurance. Braley and Wellington had to work quickly because the USDA insisted that the District show that it had liability insurance coverage beyond the 6/30/13 expiration date of the existing coverage. The new general liability coverage is approximately \$500 per year more expensive, but the carrier also made public official liability coverage available for only \$1,000 annually to protect the five elected officials. Numerous attempt to line up this kind of coverage in the past have failed. The elected District officials finally have insurance coverage to protect them from personal liability for actions taken on behalf of the District.

September Newsletter:

Mr. Johnston was asked to draft a newsletter for distribution in September to provide members with updates regarding draw down plans, dam repair plans, weed control initiatives, and to seek volunteers to run for elected office in May.

Water Quality Monitoring:

Mr. Ridley shared the results of his latest round of water sampling and testing by member Mike Dupuis. Total phosphorous continue to be well within acceptable ranges throughout the lake.

Change of Meeting Dates:

Mr. Dufresne advised that he would have difficulty attending future Management Committee meetings on Wednesdays due to conflicts with family activities, and asked if the meetings could be switched to Tuesday. All agreed that this would not be a problem.

### Executive Session

The meeting was recessed briefly to go into executive session to discuss the negotiated purchase of the land below the dam.

Next Meeting

The next regular meeting of the Management Committee was scheduled for 7:30 P.M. on Tuesday, September 10 at a location to be determined later.

Adjournment

A motion was made, seconded and voted unanimously to adjourn the meeting. The meeting adjourned at 9:40 P.M..

A True Copy Attest:

Richard D. Johnston  
District Clerk

**Cedar Meadow Lake Watershed  
Memorandum**

Date: August 21, 2013  
Subject: Clerk's Communications  
To: Management Committee  
From: District Clerk

District Clerk Richard Johnston reported the following communications for the period June 12, 2013 through August 21, 2013. This memorandum will be attached to the August 21, 2013 Management Committee Meeting minutes:

6/11 draft letter from Lenard Engineering to office of Dam Safety documenting observations during dam repairs

6/11 draft letter from Lenard Engineering to office of Dam Safety documenting reservoir refill following dam repairs

6/12 e-mail from financial advisor to Bond Counsel advising that signed documents would be delivered via FedEx

6/13 exchange of e-mails between Clerk and Attorney Phillips confirming USDA loan closing date

6/13 e-mail from Clerk to Lenard Engineering advising that 6/11 letters to the Office of Dam Safety were OK as written

6/14 e-mail from Clerk to Treasurer containing draft of Minutes of 6/11 Management Committee meeting

6/14 exchange of e-mails between Clerk and member Mark Hobson regarding boat traffic on lake and condition of the dam

6/14 e-mail from Clerk to Management Committee providing update on lake elevation, dam seepage, William Bigwood refusal to pick up Registered Mail, and accrued interest dispute with Attorney Egan

6/16 exchange of e-mails between Clerk and Treasurer regarding surety bonds

6/19 e-change of e-mails between Clerk and financial advisor regarding USDA loan closing date and draft minutes of 6/11 Management Committee meeting

6/19 e-mail from Clerk to Management Committee advising of low level outlet closing following excessive rainfall, upcoming USDA loan closing date, and request to involve Attorney DeSimone in interest calculation dispute with Attorney Egan

6/19 note from Clerk to Management Committee providing summary of meeting with Tax Collector

6/19 fax'd loan documents to USDA in Hadley, MA

6/20 letter to Clerk from Bond Counsel covering Bond Counsel opinion letter to USDA Rural

## Development, and Land Acquisition and Dam Repair Bond

6/21 "Execution" of judgment recorded with Superior Court stating that the judgement was satisfied in full

6/21 exchange of e-mails between Clerk and Bond Counsel advising that USDA loan proceeds were transferred as scheduled and that judgement was paid via wire transfer

6/22 exchange of e-mails between Clerk and Iron Mountain regarding potential record storage

6/22 e-mail from Treasurer to Management Committee summarizing tax collections to date

6/23 exchange of e-mails between Clerk and Treasurer regarding draft newsletter. Draft newsletter was hand-carried to Management Committee

6/24 e-mail from Attorney Nickless containing tax ID number for Central Water District Associates

6/25 Welcome letter from Clerk to Malcolm Sanders

6/25 Welcome letter from Clerk to David and Deborah Turcotte

6/25 e-mail from Clerk to Attorneys Nickless and Phillips thanking them for their efforts and asking for invoice

6/26 note from Clerk to Management Committee covering newsletter and providing updates regarding liability insurance purchase of land below the dam and status of outstanding USDA loan related invoices

6/27 e-mail from Clerk to Braley and Wellington Insurance providing supplemental information to insurance application

6/28 mailed 84 newsletter to members

6/28 mailed 35 newsletters and solicitation letters to Friends of Cedar Meadow Lake

6/29 e-mail Management Committee attached to newsletter to be posted on website

7/1 note from Clerk to Treasurer covering from R H White and Bond Counsel, and summarizing status of excess loan funds

7/1 Clerk's Expenses for period 1/1/13 through 6/30/13 to Treasurer seeking reimbursement

7/3 liability and public officials insurance binders from Braley and Wellington Insurance

7/3 exchange of e-mails between Clerk and USDA regarding need to renew DUNS number

7/5 e-mail from Clerk to Braley and Wellington Insurance seeking update concerning liability policies

7/8 abutters notification concerning Notice of Intent to perform work at 2 Lake Shore Drive

7/10 exchange of e-mail between Clerk and Treasurer regarding legal services invoices

7/10 e-mail from Clerk to Attorneys Nickless and Phillips seeking documentation to support previous invoices

7/10 exchange of invoices between Clerk and members Forsberg and Turcotte regarding boating safety

7/10 exchange of e-mails between Clerk and Attorneys Nickless and Phillips covering requested documentation

7/10 e-mail from Clerk to Lenard Engineering seeking invoice and providing seepage update

7/13 e-mail from Treasurer to Clerk and USDA confirming confirmation of new DUNS number

7/15 exchange of e-mails between Clerk and Attorney Lee seeking her recommendation of attorney to handle purchase of land below the dam

7/18 letter from Attorney General's office stating that, as requested, the Cedar Meadow Lake Association was dissolved

7/18 exchange e-mails between Clerk and Wayne Ridley regarding excess weeds reported by member Tom Forsberg

7/18 exchange e-mails between Clerk and Tommy Lee regarding excess weeds reported by member Tom Forsberg

7/18 letter to Clerk from Braley and Wellington Insurance covering binders, policies, and invoice

7/25 note from Clerk to Treasurer covering invoices to be paid from USDA loan proceeds

7/25 e-mail from Clerk to Lenard Engineering requesting mail address change

7/25 letter from Conway regarding Town-owned lot on lake Shore Drive

7/27 exchange of e-mails between Clerk and Treasurer regarding payment of invoices from loan proceeds

7/25 e-mail from Clerk to Braley and Wellington Insurance requesting mail address change

8/1 exchange of e-mails between Clerk and Carl Nielsen of ESS Group planning meeting to discuss self-help weed control

8/1 e-mail from Clerk to R. H. White Construction requesting mail address change

8/1 e-mail from Clerk to Town Clerk covering meeting notice and requesting posting of same

8/1 receipt of Clerk's Expense reimbursement checks

8/2 e-mail from Clerk to Treasurer discussing preparations from 8/14 Management Committee meeting

8/3 note to Management Committee describing attached Treasurer's Report, budget to actual loan proceeds budget and dollar allocation, and upcoming meeting dates

8/3 e-mail to Attorney Mike Gorman asking whether he would be interested in representing District in the purchase of land below the dam

8/5 e-mail response from Attorney Gorman

8/14 mailed Thank You notes to nine Friends program contributors



8/19 e-mail from the ESS Group quoting weed control costs

8/21 letter to Conway regarding Town-owned lot on Lake Shore Drive

During the period, 10 contributions were received from Friends program contributors totaling \$360