

**Cedar Meadow Lake Watershed District
Minutes of Management Committee Meeting
November 4, 2009**

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

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

Minutes of Previous Meetings

Minutes of the previously distributed Management Committee meetings on October 14, 2009 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 correspondence since the last Management Committee meeting:

- 10/31 invoice from T&G for legal notice
- 11/2 letter from DeSimone covering Notice to Appear for Trial 4/20/10
- 11/2 invoice from DeSimone
- 11/3 letter from Clerk to Country Bank
- 11/4 letter from Clerk to Webster Five Cent Savings Bank
- 11/4 letter from Clerk to Commerce Bank
- 11/4 letter from Clerk to Spencer Savings Bank

Treasurer's Update

Mr. O'Coin was not able to produce an updated Treasurer's Report because Dan Haynes, the District's auditor, had the District's books. Mr. Haynes planned to close the books and return them to Mr. O'Coin on November 11.

Mr. O'Coin discussed the need to pay a number of small bills and noted that it would be necessary to retain enough free cash to pay upcoming bills such as the auditor's bill. It was agreed that the small bills should be paid as soon as possible following return of the books.

Old Business

Trial Expense Financing:

Mr. Johnston described presentations that he made to officers of the County Bank, Spencer Savings Bank, Webster Five Cent Savings Bank, and Commerce Bank seeking a one year line of credit in the amount of \$100,000 and earmarking tax revenue to be derived from tax bills due on February 1 and May 1, 2010 to assure the banks of repayment. Some bank officers seemed receptive, but all expressed concern about the \$1.1 million plus interest jury verdict.

Dam Leakage Investigation:

A small amount of water continues to seep through the dam and exits at the base of the dam east of the spillway. Due to the unavailability of one of the volunteer divers, the underwater inspection of the dam has been postponed until Spring. Mr. Ridley described conversation with Proprietor Dan Beauvais who is familiar with the thermal imaging process used by the State to pinpoint the source of leaks on State owned dams. The State apparently uses a husband and wife team in most cases. It was agreed that thermal imaging would be pursued in the Spring.

Draw Down Update:

Mr. Johnston reported that, although the lower gate was 100% open, the draw down had stalled at about 16 inches below the spillway elevation because the Burncoat Pond draw down was underway as well. Now that it is known that the underwater inspection will not take place until the Spring, he will remove the flash boards to hasten the draw down effort.

New Business

Special Meeting of the District:

After extensive discussion, it was agreed that it would be necessary to hold a Special Meeting of the District to seek approval for a supplemental budget to pay outstanding and projected legal expenses over an eight month period ending with the February and May tax collection periods. Additionally, it will be necessary to seek member approval to secure a loan or loans totaling not more than \$100,000 while also seeking approval to rescind the vote taken at the May 20 Annual Meeting to secure a loan in an amount not to exceed \$75,000. A vote to transfer funds from the Stabilization Account to the District's General Fund would also be necessary. The need to repay a loan or loans over one fiscal year will necessitate a substantial increase in the FY10 budget and tax payments. Even when mitigated by spreading non-lawyer expenses out over 20 months and two tax revenue cycles, utilizing all available free cash, and moving \$5,000 from Stabilization into the General Fund, the 2010 tax bills will be approximately 2½ times greater than anticipated at the May Annual Meeting. It was agreed that the Special Meeting would be held on November 24, 2009 to allow the necessary tax package paperwork to be completed and approved by the Board of Assessors and Department of Revenue by the end of the calendar year. The ideal location would be the Knights of Columbus Hall. A Warrant to this effect was prepared and signed by the Management Committee members at the conclusion of the meeting.

It was also agreed that the Warrant should be accompanied by a newsletter encouraging the membership to attend the meeting. Mr. Johnston was instructed to draft such a newsletter for Management Committee review.

Executive Session

The meeting was recessed for an extended period of time 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, November 11, 2009 at 1 Maple Glen Lane, Leicester for the purpose of conducting a tax classification hearing.

Adjournment

A motion was made, seconded and voted unanimously to adjourn the meeting. The meeting adjourned at 9:50 P.M..

A True Copy Attest:

Richard D. Johnston

District Clerk