

Cedar Meadow Lake Watershed District

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- Newsletter -

June 2013

USDA Loan and Payment of Judgement

The Management Committee signed the final USDA Rural Development loan and bond documents on June 11. The 40 year, 3.375% interest loan amount was reduced from \$1,785,000 to \$1,444,000 because several members, as described below, made partial or full payment of their betterments. The loan proceeds were transferred to the District's Spencer Savings Bank account on June 20. Repayment of this loan calls for paying \$36,100 in principal annually plus interest on the outstanding balance until paid off. The first payment in June 2014 will total \$88,440.

On June 21, \$1,714,000 was transferred by the District to Central Water District Associates through their legal counsel to satisfy the outstanding court ordered judgement against the District. The 16 year ordeal of fighting one legal battle after another with Central Water District Associates and Raymond Shea, Jr. is finally over, but at great cost to District members.

Following a Superior Court trial, a jury decided that, at the time of the taking, the dam and land under the lake were worth	\$1,157,635
Less amount paid at time of eminent domain taking	<u>87,200</u>
Net Jury Verdict	\$1,070,435
Plus compounded interest from eminent domain taking date of 5/30/97 through 6/21/13	<u>643,565</u>
	\$1,714,000

Still remaining to be paid from the loan proceeds are the following amounts contained in the \$1,785,000 amount budgeted for USDA loan and betterment pre-payments.

Financial advisor, bond counsel and attorney fees	\$ 14,000
Dam engineering and repairs	45,000
Purchase of the land below the dam	<u>5,000</u> -
	\$ 64,000

This leaves \$7,000 available as a contingency amount to pay unexpected expenses. Budgeted dollars that are not expended will be returned to either the District's general fund or loan repayment account in conformance with State municipal accounting practices.

Successful Dam Repairs

The dam repairs described in the last newsletter have proven to be successful. As required by the Massachusetts Office of Dam Safety, the dam was periodically inspected by Lenard Engineering during the process of refilling the lake. All known significant leaks of concern to the District and the Office of Dam Safety have been stopped. This includes a leak that the District has been “chasing” for many years. This leak, that emerged approximately 25 east of the spillway, originated in the spillway area. The remaining known leaks are minor in nature and will be addressed over time as part of long term repair and maintenance plans.

The work performed last Winter and this Spring was a learning experience. This experience will help determine future dam repair and maintenance efforts and programs. It was learned, for instance, that sometime, many years ago, the spillway was raised to allow more water to be stored behind the dam without also raising the impervious internal core wall. This allows water that leaks through the face of the dam to flow over this core wall. Over time, the top of the core wall can erode and allow substantial amounts of water to flow through, and erode, the interior of the dam structure. This and heavy rain associated with Hurricane Irene cause a sinkhole to develop in August 2011. Subject to Office of Dam Safety approval, the core wall will be repaired and supplemented in an additional section of the dam this Fall.

Lake Level Management

As reported previously, the District was under Office of Dam Safety orders to keep the lake level down at least 48 inches until minor dam repairs were completed. Repairs were completed on April 25 but, because of unusually dry weather conditions, the lake came up only seven inches over the next four weeks. However, thanks to several heavy rain events, the lake level rose 43 inches during the 16 day period from May 22, the date of the Annual Meeting, to June 8, when water flowed over the spillway for the first time this year.

Betterment Update

Betterment payment schedules have been sent by the Town of Leicester Board of Assessors to all members. Kathy Asquith, assistant to the Board of Assessors is to be commended for setting up and mailing all these schedules at very little cost to the District. This betterment data has been added to the Town's real estate tax billing system and betterments will appear on the first and second Fiscal year 2014 quarterly real estate tax bills due on August 1 and November 1 of this year.

Twelve members opted to pay off their betterments entirely, and six others opted to make partial payments. These full and partial payments totaled \$341,626, which allowed the USDA loan amount to be reduced by a similar amount. Of those members with partial and full betterments amounts remaining, one chose to pay off the balance in 5 years, eleven chose 10 years, five chose 20 years and the remainder elected to

spread payments over 40 years.

Annual Meeting Results

The Proprietors of the District attended the Annual Meeting of the District at the Knights of Columbus hall at 7:30 P. M. on Wednesday, May 22, 2013. Proprietors owning 31% of the property in the District were represented in-person, and another 5% were represented by proxy. A quorum was not present at 7:45 P.M., and it was necessary for members at the meeting to call their neighbors, and for a member of the Management Committee to go out to collect proxies, in order to conduct the meeting.

Ruth Kaminski, again, served as Moderator. Ruth served as the Annual Meeting moderator at almost all Annual and Special Meetings of the District over the past twenty years. She announced that she would be cutting back on her many volunteer roles and that this would be her last meeting. Ruth, thank you for the last twenty years. You will be missed!

Election of Officers

Dick Johnston was elected to his twentieth one year term as Clerk. Dick and Anita sold their home on the lake, and this will be Dick's last year as Clerk. Terry O'Coin of 6 Lake Shore Drive was elected to his seventeenth one year term as Treasurer.

Tommy Lee of 61 Fairview Drive was elected to his sixth three year term as a member of the Management Committee. Tommy joins Wayne Ridley of 39 Lakeview Drive and Paul Dufresne of 47 Fairview Drive on the three member Management Committee. Following the Annual Meeting, the Management Committee met to elect their officers for the following year. Tommy Lee was elected Chairman and Wayne Ridley as Vice-Chairman.

2012 - 2013 Results

The Management Committee summarized their activities since the last Annual Meeting.

During the past year, the Management Committee met ten times. * Routine maintenance on the dam, in the form of grass cutting, was completed as planned. The installation of siphons to accelerate the draw down process was also completed. * The Management Committee engaged the services of Lenard Engineering, and has been please with their dam engineering and repair work oversight performance. * The dam repair work described in the last newsletter was summarized. * Member Brian Waterman saved the District \$2,000 to \$2,500 by designing and participating in survey work to map the bottom of the lake as part of a process to measure the amount of water being held back by the dam. * The trees below the dam were not cut as required by dam safety regulations because Raymond E. Shea, Jr., the owner of the land below the dam continued to refuse to allow the District access to this land to cut trees. * The goal to seek and achieve the best possible outcome in the matter of the law suit was achieved. The outcome was a lousy one, but the best that could be achieved because, in the opinion of expert bankruptcy and municipal law attorneys, fighting payment of the court judgement would have been an expensive and futile effort. * A Finance Committee, made up of members Rich Carr, a Certified Financial Planner,

Norman MacLeod, a successful business owner, and Terry O'Coin, our District Treasurer, was appointed to manage repayment of the USDA loan and the investment of betterment pre-payments. * The water quality monitoring program continued to show positive results with relatively low total phosphorus readings. Phosphorus is the primary nutrient that promotes the growth of unwanted weeds in lakes and ponds. Member Wayne Ridley collects the samples which are analyzed by member Mike Dupuis. * The District experience a successful, full, five foot, draw down for weed control purposes. It is hoped that a deep draw down will not be necessary this coming Fall. * Fund raising effort fell short because the Management Committee's attention was devoted to other, more pressing, matters. A committee to consider fund raising efforts was not formed. * Communications with the members and "friends" of the District continued through newsletters and the District's web site.

Action Plan

The members approved the 2013-2014 Action Plan which is attached for your review.

Budgeting

Actual expenses through May, plus pending expenses through June 30, 2012, are expected to be \$51,400. A renewal of the \$30,000 line-of-credit loan was approved along with a budget for the July 1, 2013 - June 30, 2014 period (FY2014) calling for \$53,500 to be raised through taxation. This is up approximately \$900 over the current budget. Significant budget items include \$6,000 for a bad debt provision associated with the USDA loan, \$27,500 for dam inspection, engineering and repair, \$7,500 to cut trees or otherwise manage the land below the dam, and \$5,700 for administrative expenses including communication, liability insurance, surety bonds, and the annual audit. The budget also includes \$10,000 in the reserve account for unexpected expenses

Land Below the Dam

Access to, the land below the dam, currently owned by Raymond Shea, Jr., continues to be an outstanding issue. Mr. Shea refused to even talk about the sale of this 0.37 acre parcel of land-locked wetland until he received payment of the judgement. Now that payment has been received, it is hoped that the District and Mr. Shea can come to an agreement regarding this land. The dam will continue to be categorized as being in "poor" condition by the Office of Dam Safety until large trees growing near the dam are removed.

Boating and Swimming Safety Reminder

Boaters, it is illegal to operate a vessel at more than headway speed within **150 feet** of shorelines used as swimming areas, rafts, floats and swimmers. **Swimmers**, Massachusetts law states that no person shall swim or float more than **50 feet** from shore unless accompanied by a boat. Massachusetts water craft regulations also state that **no craft may operate faster than 10 miles per hour between the hours of sunset and sunrise. Powered craft must display running lights and unpowered craft must carry flashlight or lanterns.**

Go to www.boat-ed.com/ma/handbook to review the full text of Massachusetts Boater Safety Handbook.

Have a Great Summer !