Lake Winona Civic Association

Community Requested Dam Meeting

November 17, 2025



Legal

Eileen McCarthy Born, Esq.

Lake Winona Civic Association

- SPECIAL MEMBERSHIP DAM INFORMATION MEETING
- NOVEMBER 17, 2025

Property Deed Restrictions

Yes, properties in Lake Winona contain the deed restrictions.

Lakeland Investment to William H. Crowe III and Jeanne Marie Crowe, his wife, dated October 1, 1949, and recorded January 24, 1950 in the Morris County Clerk's Office at Deed Book I-47, p. 315 et c. (**some older deeds are not on the website-need to search the Clerk's files**)

Required all owners to pay $1.25 per month, subject to rules and regulations of the developer, then the Club.

All subsequent deeds say "the premises conveyed are subject to the same protective covenants, restrictive conditions, reservations and provisions as set forth in the deed from Lakeland Investment to William H. Crowe III and Jeanne Marie Crowe, his wife, dated October 1, 1949, and recorded January 24, 1950 in the Morris County Clerk's Office at Deed Book I-47, p. 315 et c."

Filed Maps

The Developer received approval to subdivide the community from Jefferson Township, and then filed maps with the Morris County Clerk.

All properties are also located on the original filed maps for the Lake Winona community. These maps, and the restrictions, determine what properties are in the Lake Winona Reservation.

Revised Covenants 1992

In 1991, Lake Winona changed its name from Lake Winona Club to Lake Winona Civic Association. It was still a NJ non-profit corporation. In 1992, it transferred the lake and common properties to the new name. In that document, it also updated the restrictions of record to reflect that the dues would be set each year. That document was also recorded in Morris County Clerk's Office in Deed Book 3571, p. 6 et c.

So, is Membership Mandatory or Voluntary?

Membership is mandatory. It cannot be changes to voluntary as the requirement for mandatory membership is recorded in the chain of title for each property.



Association Liens

Does LWCA have the authority to file liens for delinquent dues? Ys, under both the original covenants and under the 1992 revisions.

Has it filed liens? Yes, it has.

Can it foreclose those liens? Yes, it can, although to my knowledge it never has.

By-Laws and Board Authority

The Board of LWCA has the authority to act as prescribed by the Non-Profit Corporation Act, and its own governing documents, which include its Certificate of Incorporation and By-Laws.

The Board must act as “fiduciaries” meaning with the best interest of the Association.

Similar to our local, state and federal government, the Board members represent the interests of the members as constituents, but use their judgment to decide what is in the best interest of the community.

Under the law and the By-Laws, certain authority is vested with members (like electing Board members, approving certain expenditures and amending the By-Laws). The rest of the authority is vested with the Board.

Why Wasn't There a Membership Vote on the Dam Loan?

Under the Non-Profit law, the Board has the authority to enter into contracts.

Under the By-Laws, members have the authority to vote on any unbudgeted expense.

However, addressing the order of the NJDEP is not optional. LWCA was ordered to bring its dam into compliance. It does not have the discretion to violate the law. LWCA does not have the authority to make compliance with the law optional for the members.

HOA? Civic Association? PREDFDA?

LWCA is an HOA as that term is used in NJ Law, because it is a fee simple form of ownership, with mandatory membership in an association charged with managing the common property.

The Planned Real Estate Development Full Disclosure Act (PREDFDA) is a 1979 law that required all new planned real estate developments to register with the State, and follow certain disclosure regulations. LWCA was exempt from this law, as it was fully developed when the law was passed.

However, there are certain amendments to the PREDFDA law made in 1993, 2017 and 2020 that do apply to LWCA and all mandatory lake association.

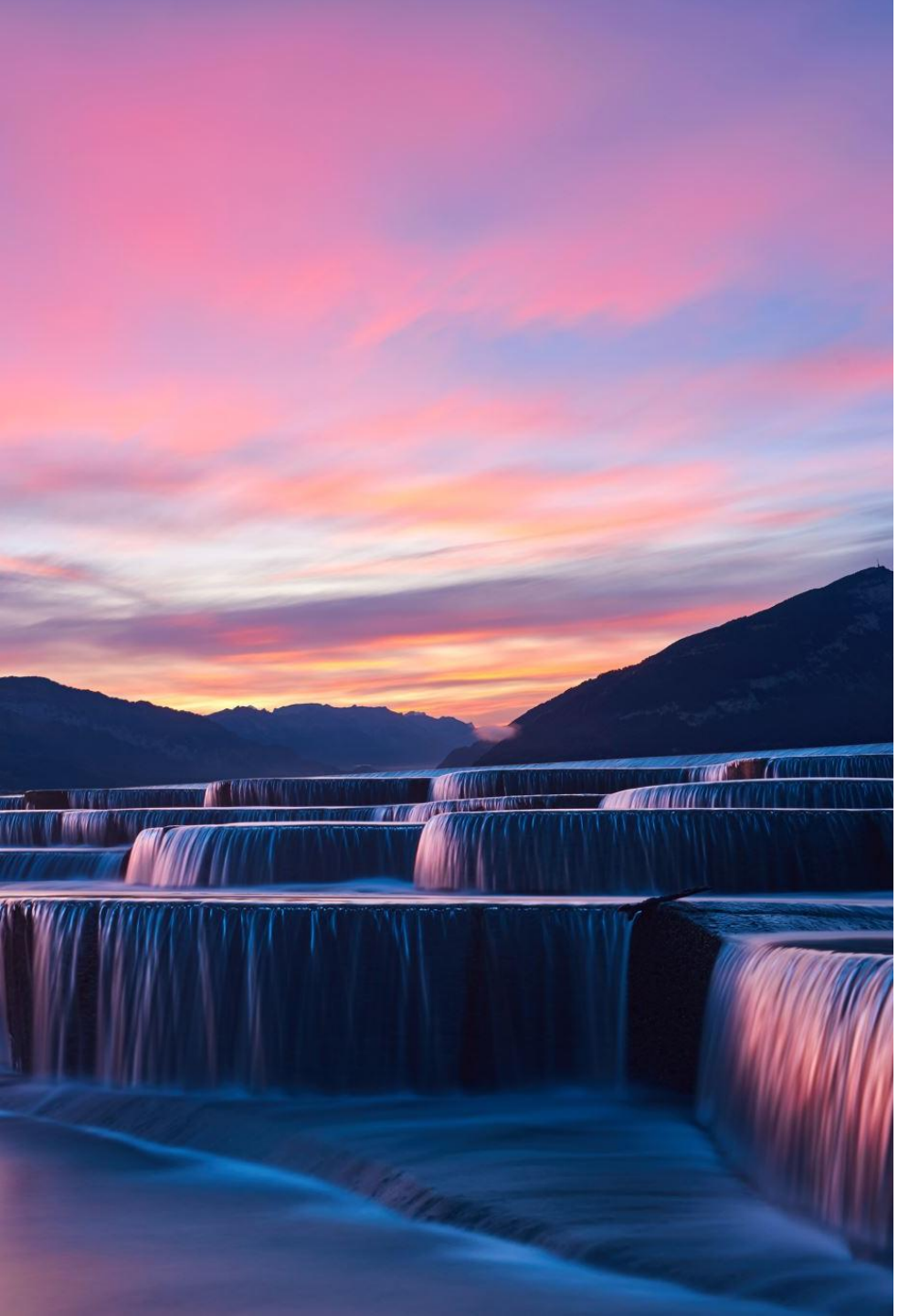
So, what happened with our insurance?

Some members are saying that LWCA should not have represented itself as a “homeowners association”, because it is really a “civic association”. But that is incorrect-it is a mandatory homeowners association, and the application for insurance was done correctly.

LWCA will continue to try to obtain the most cost effective insurance, but it is not clear whether LWCA will be able to reduce its insurance once the project is complete.

Many lakes reported much higher premiums in the past few years, related to dam ownership.

LWCA carries general liability insurance, that includes coverage for the dam, and Directors and Officers insurance.



DAM!

Who owns the dam? According to the Safe Dam Act, the parties responsible for the dam are those that own or control the dam or reservoir. This definition includes LWCA and 5 property owners on the dam.

Under prior case law, the responsibility fell to the owner that took responsibility, such as an association. Under case law from 2015, the court recognized that if there were multiple parties, the court could assign each a percentage.

What is their responsibility? All owners are jointly and severally responsible under the law. LWCA responded to the DEP order, but that does not relieve the other owners of responsibility. At the time of the assessment, it will be up to Jefferson to determine how much to assess each property.

Dam Loan-History

Recognizing that most if not all lakes do not have the funds to repair their dams, the State implemented a revolving fund in the 1990's that allowed lake associations to borrow money to implement the mandated repairs.

LWCA previously applied for funds, but when it became clear the funds were inadequate for the repairs needed, the parties did not move forward.

LWCA applied in 2021 under the most recent round of funding, which was appropriated this summer. As part of the application, LWCA considered the worst-case scenario, and was granted the loan for $4.7 million. However, the goal is to develop and get NJDEP to approve a design that will cost much less.

Dam Loan-How does it work?

- LWCA and Jefferson applied for funds based on engineering submitted in application.
- Loan was awarded, and appropriations approved.
- LWCA draws from the loan for engineering costs, construction and administration. All draws are approved by DEP.
- When project is complete, LWCA submits final closing documents.
- Jefferson reviews and certifies the costs, then assesses on all properties that benefit from the project.
- Jefferson collects the assessment and pays the DEP.

What is the Timeline?

LWCA will use the loan funds to contract with the engineer do the work necessary to propose and submit a final design.

DEP will review and approve the final design and issue a Dam Safety Permit.

Other permits, like lake lowering permit, may be required for the project.

Engineer will prepare a Project Manual with the final design, permit requirements, contracts and bonding for the review of potential bidders.

Deadline will be set for bid submissions.

Review of bids by engineer and LWCA, including references.

Award of contract by LWCA to contractor.

Completion of Project, approval of DEP, implementation of assessment.

Questions regarding the process

Is there a formal RFP? Yes, that's the Project Manual.

Who selects the Contractor? The LWCA board, with the assistance of the engineer.

When do we enter the bidding phase? After the Dam Safety Permit is approved and issued by DEP.

When does construction begin? It depends on factors such as when the design is approved and the permit issued, and other factors such as timing the drawdown of the lake with DEP regulations.

Do we know what it will cost? No, not until final design is developed and approved.

How is spending controlled? Contractors must submit a lump sum bid, so that will be the cost. There may be some change orders recommend throughout the project, but generally that will be the cost.

Questions, continued

What level of involvement does LWCA have with the contractors? Very little. The engineer will have oversight of the project, with Some DEP oversight as well.

Will the grounds be restored? Yes, that is typically part of the contract

What about future maintenance? We usually require the contractor to take a 2-year maintenance bond for the project. Following that LWCA will continue to be responsible for maintenance.

What about future dam inspections? LWCA will continue to submit the required dam inspections after the project is completed.

Are there other funds/grants available? The DEP Dam Loan program was the most available and cost-effective option. SBA has a FEMA Loan, but it is for 3% and must be tied to a weather/emergency event.

There was a National Dam Safety grant program, but according to DEP, the funding was cancelled before lakes had a chance to apply and obtain funds.

Other grant programs are for states and municipalities, but exclude privately-owned lakes.

Alternative Funding?

Loan issues

Both Jefferson and LWCA had to pass Resolutions to executed the Loan Agreement.

The full amount of the Loan does not need to be drawn.

All draws must be project related, and can include engineering and administrative costs, such as legal.

All draws are submitted with the approval of the engineer, and are only paid if the DEP verifies it is part of the project.

Records can be made available regarding the draws from the loan.

If LWCA were to dissolve in order to avoid the obligation for the dam, it is expected that the dam would be decommissioned, and the cost assessed on the property owners.

How does Jefferson determine the amount to assess each property?

The law requires Jefferson to assess each property according to the benefit it receives from the lake in the community, similar to the Local Improvement Law.

Crispino v. Sparta found that the municipality must have a rational basis for the assessment.

Some municipalities require that the association retain an appraiser to help with this analysis.

There are 203 properties in Lake Winona subject to the assessment. Only residents of Lake Winona are responsible, historically.

The properties on the dam may be assessed more, as they are more affected by the dam failure.

Jefferson will send assessment bills, similar to tax bills for a once or twice per year payment and will collect against owners that don't pay. Hardship considerations are at Jefferson's discretion.

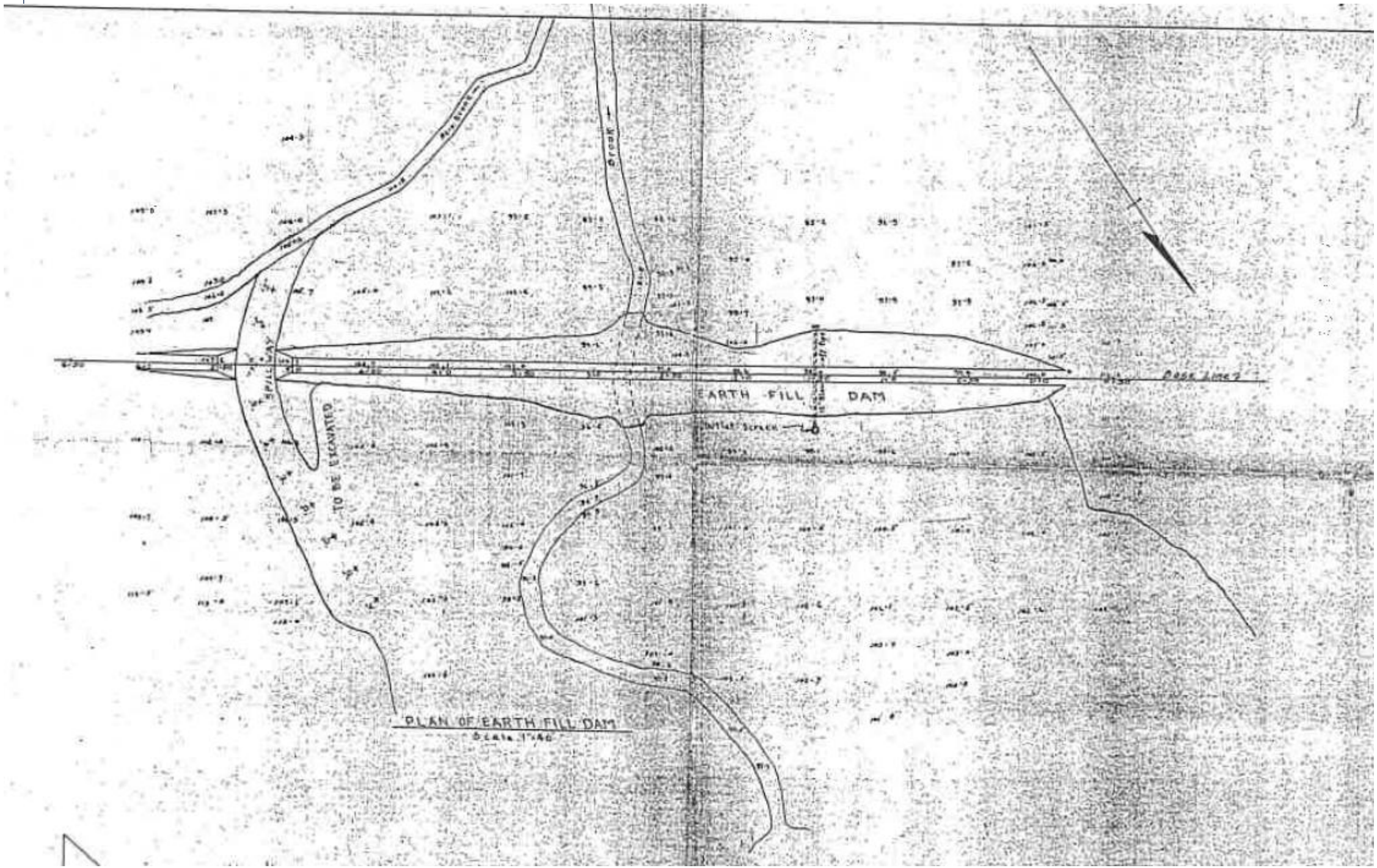
The assessment is against the property; it will become due from the Seller on transfer, unless the parties agree otherwise.

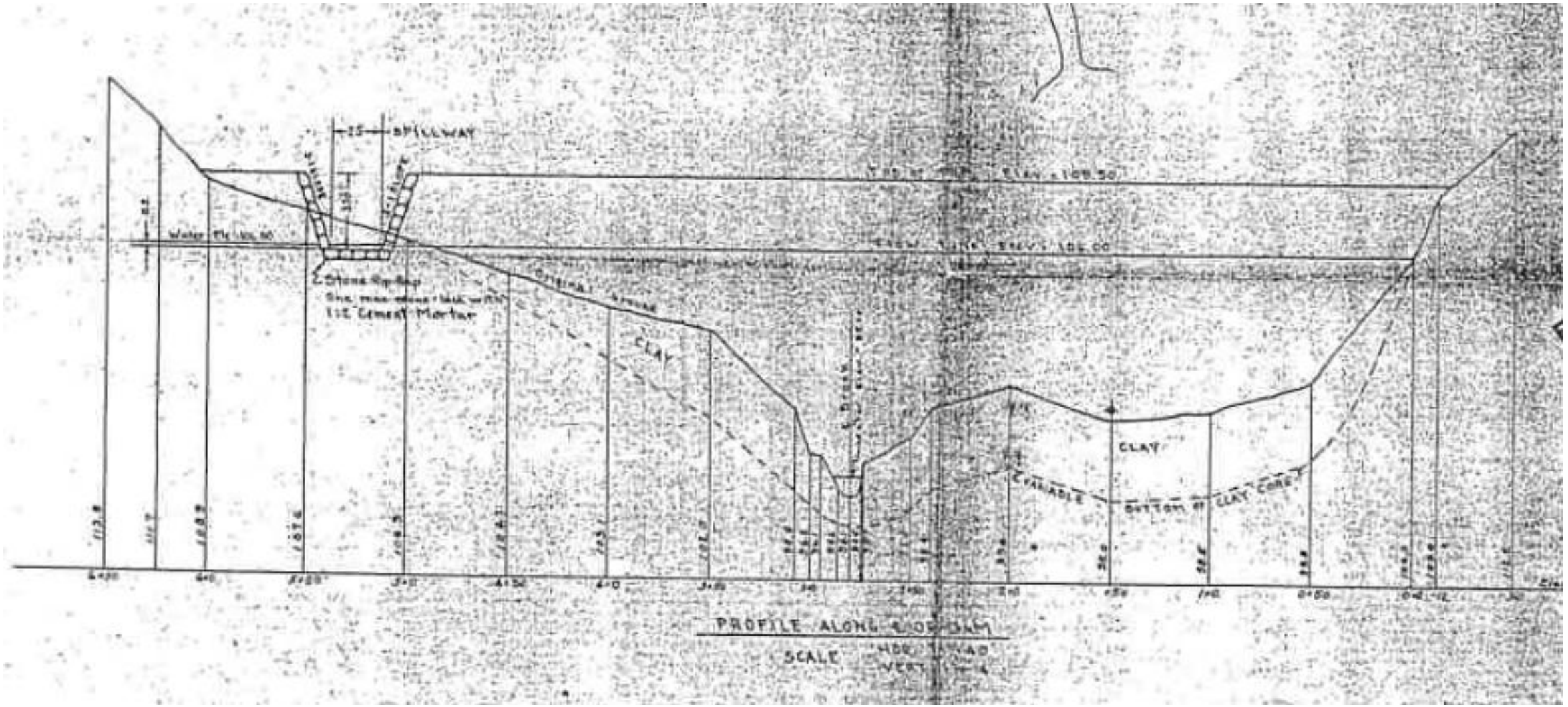
The assessment can be paid in one lump sum, but that will not save the interest.

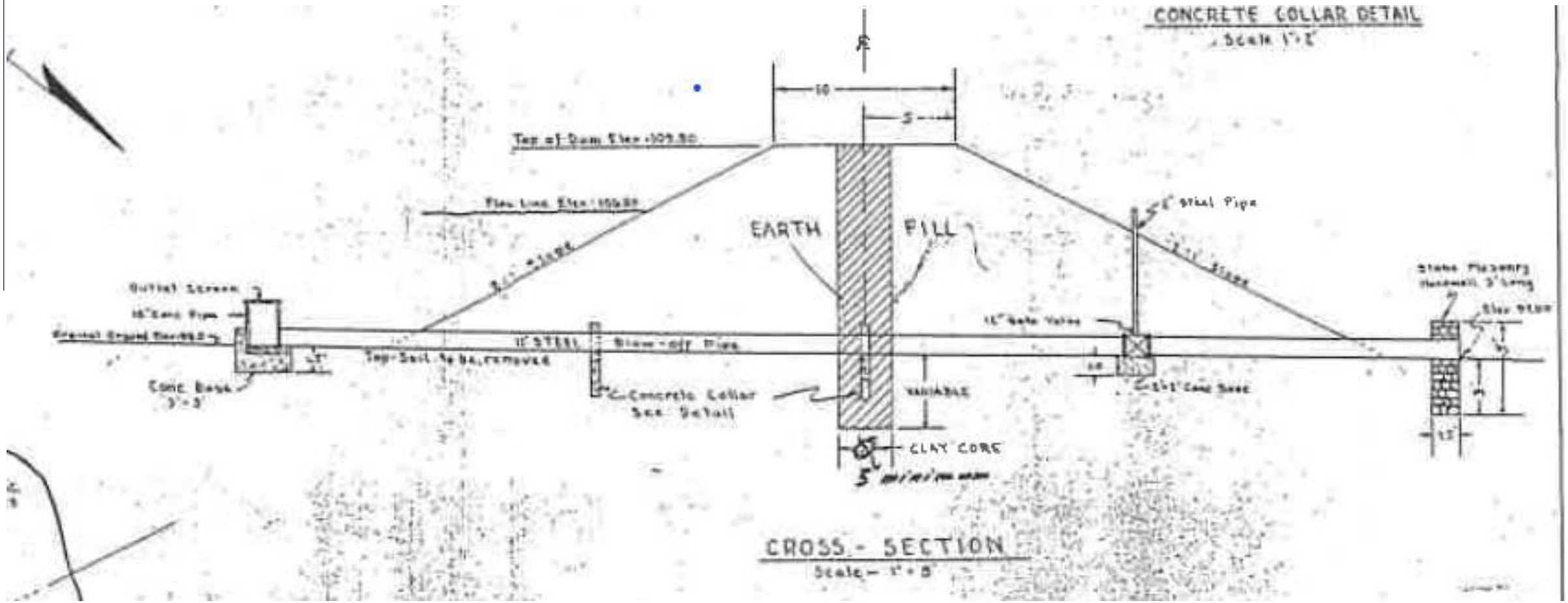
Engineering

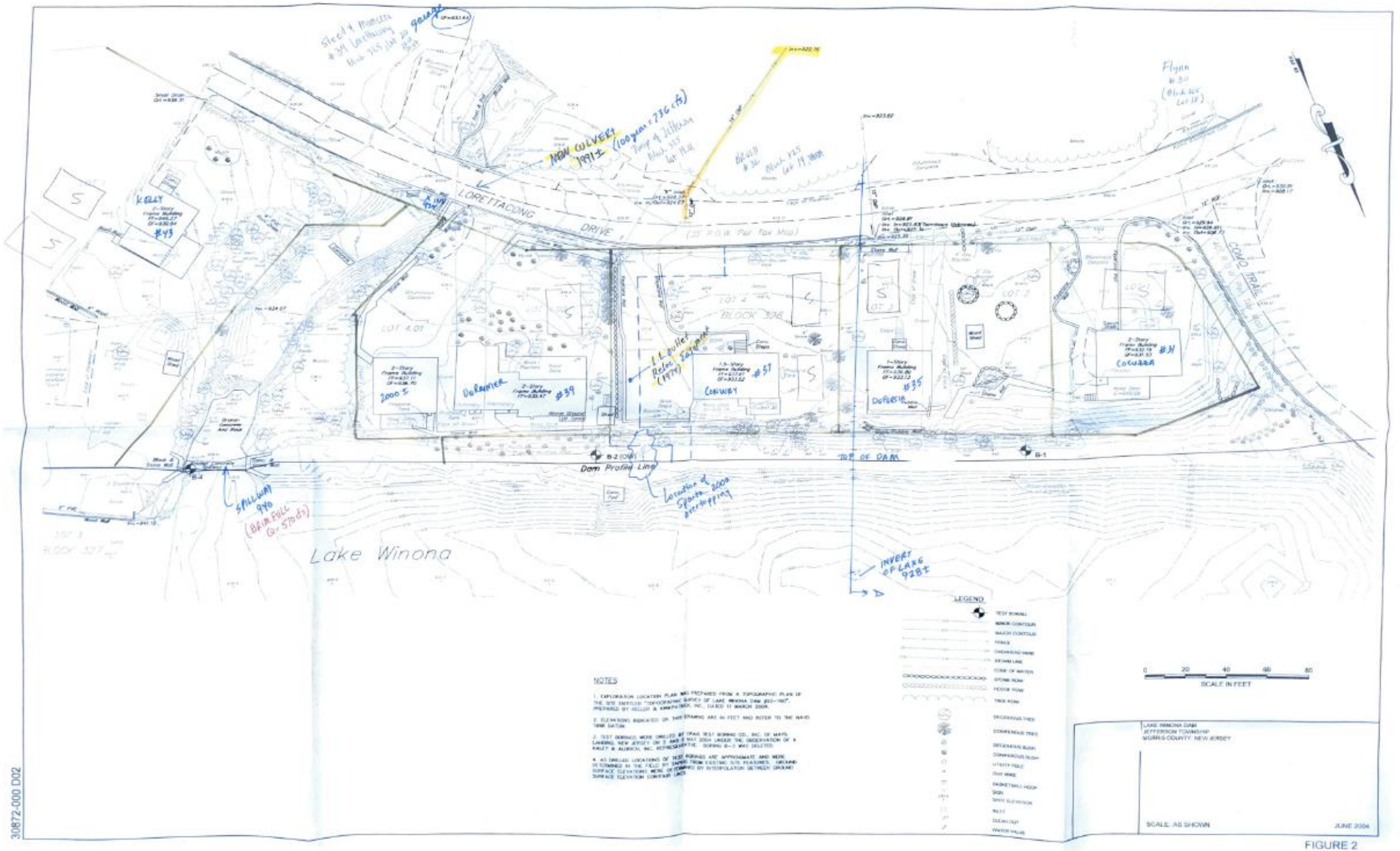
John Ritchey, PE




Creek
SPILL WAY
TO BE EXCAVATED
EARTH FILL DAM
Outlet Screen
Road Line
PLAN OF EARTH FILL DAM
Scale 1"=40'

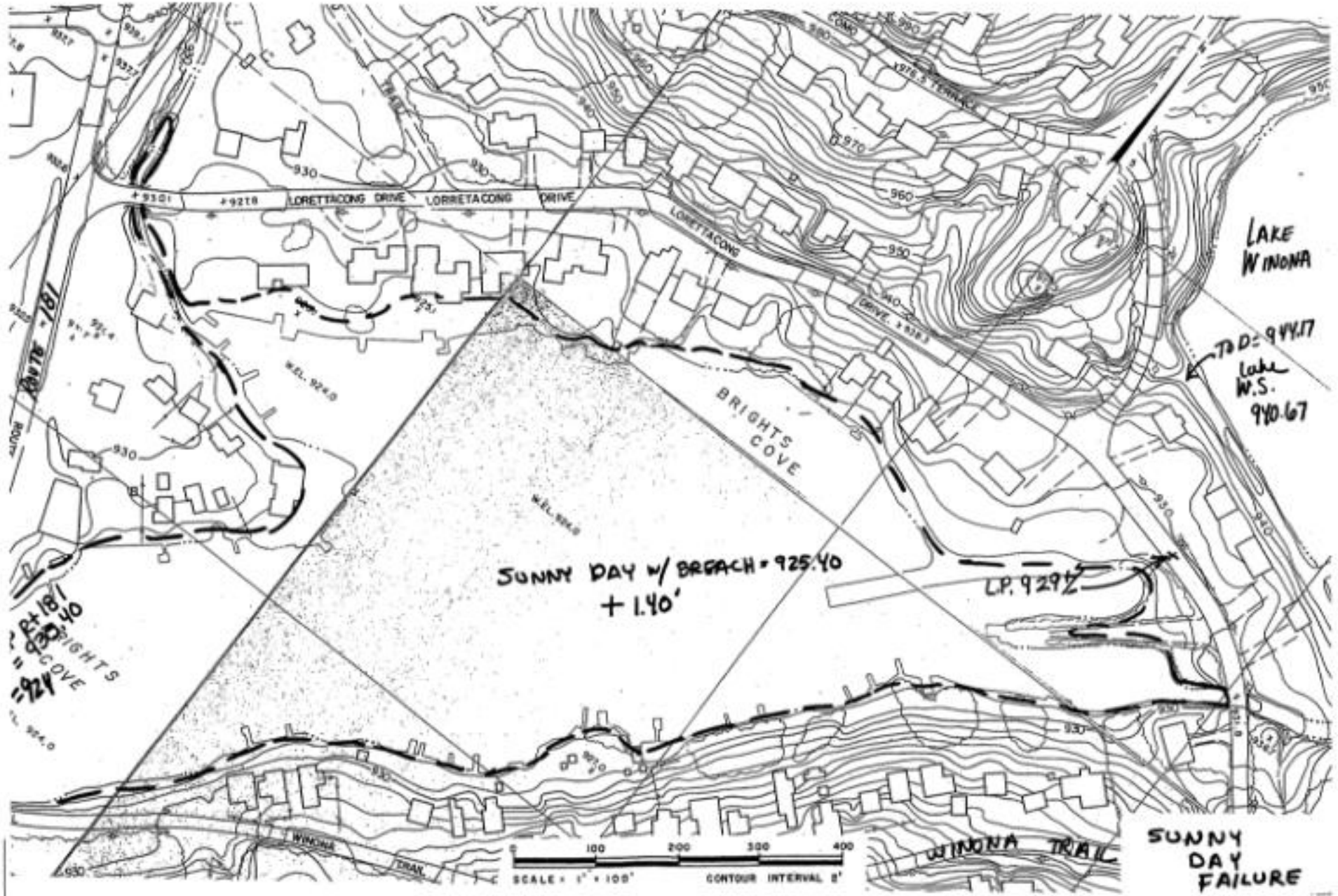

SPILLWAY
Water Surface
Stone Riprap
Cement Mortar
CLAY
CLAY
PROFILE ALONG

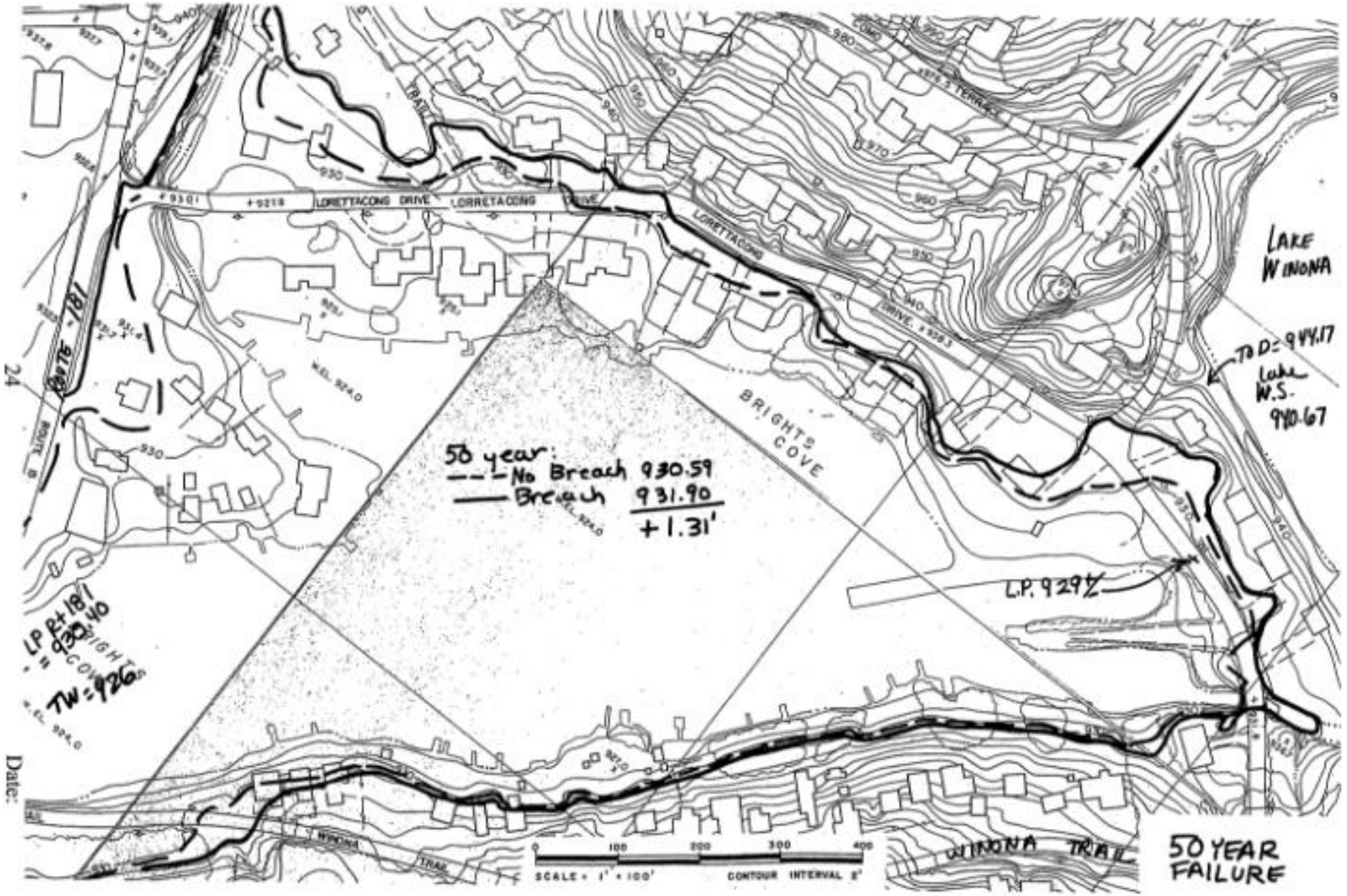

CONCRETE COLLAR DETAIL
Scale 1"=1'
℄
10
5
Top of Dam Elev. 109.80
Flow Line Elev. 105.80
EARTH
FILL
6" Steel Pipe
3:1 Slope
Outlet Screen
16" Conc. Pipe
Original Ground Elev. 98.0
Conc. Base
3'-3"
11" STEEL Blow-off Pipe
Top-Soil to be removed
Concrete Collar
See Detail
VARIABLE
12" Gate Valve
3'-3" Conc. Base
Stone Masonry
Headwall 3' Long
Slope Stone
CLAY CORE
5' minimum
CROSS - SECTION
Scale - 1"=8'

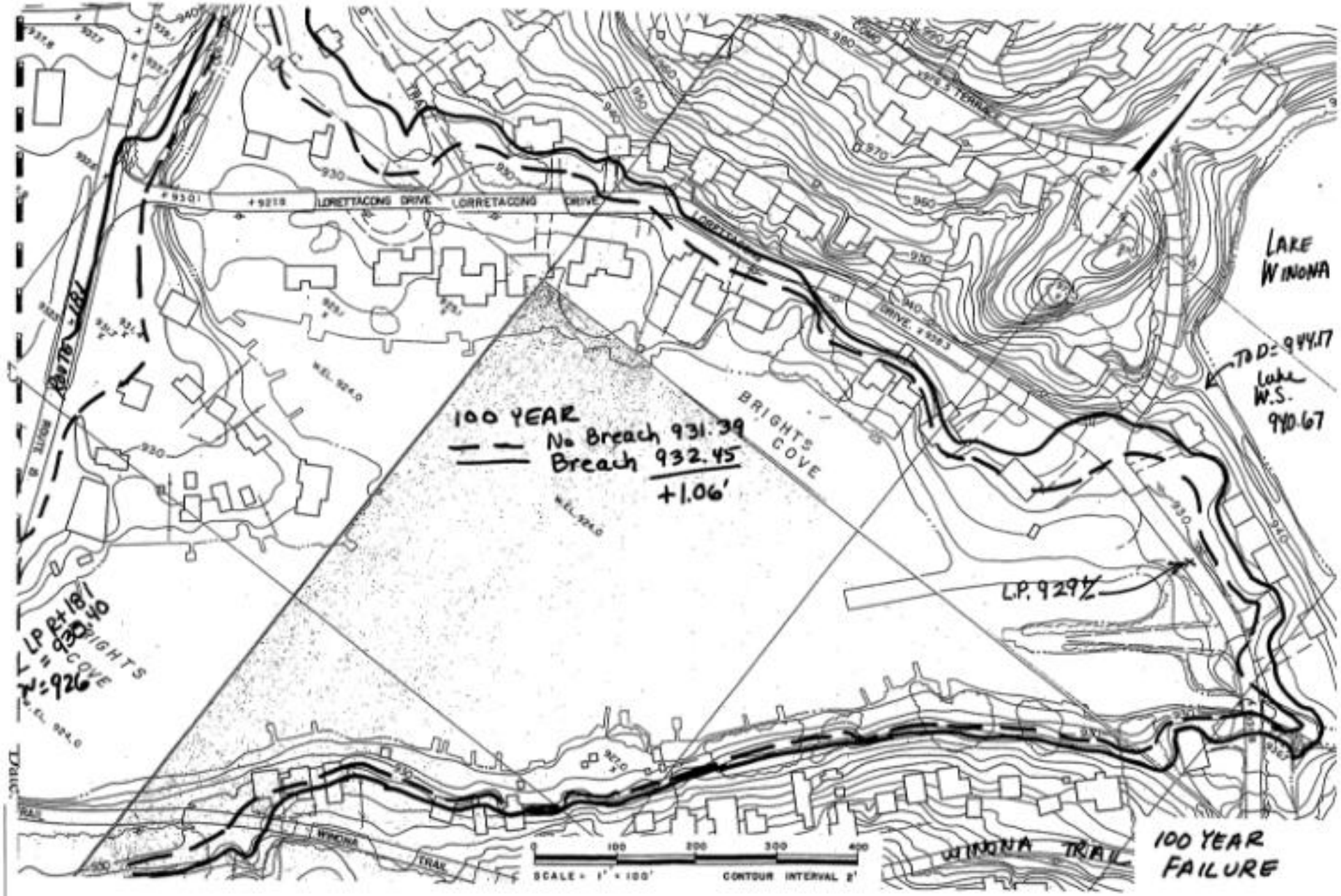


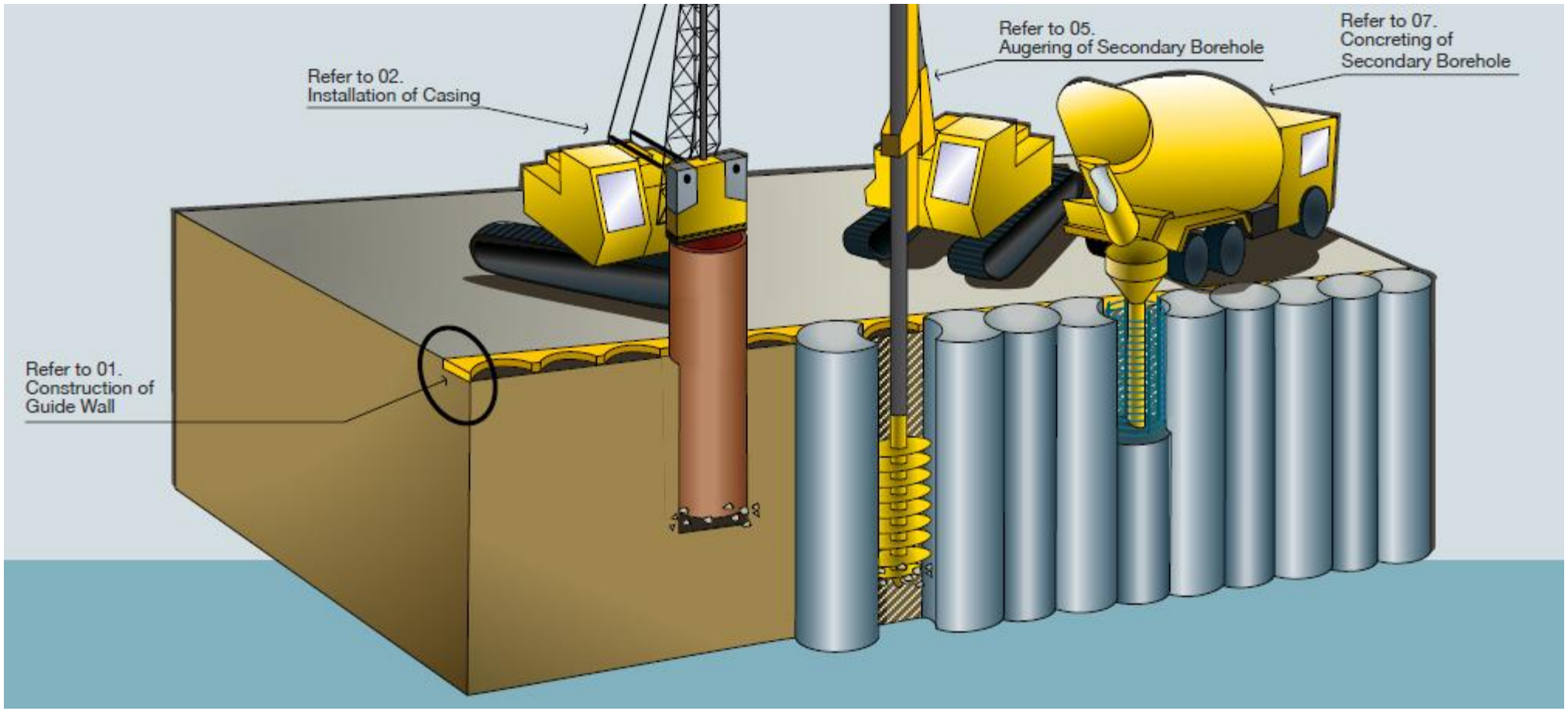
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FIGURE 2


LORETTACONG DRIVE
LORRETACONG DRIVE
LORETTACONG
BRIGHTS COVE
SUNNY DAY w/ BREACH = 925.40
+ 1.40'
LP. 929.2
TD = 944.17
Lake W.S. 940.67
LAKE WINONA
WINONA TRAIL
SUNNY DAY FAILURE
SCALE 1" = 100'
CONTOUR INTERVAL 5'


LORRETACONG DRIVE
LORRETACONG TRAIL
LORRETACONG
BRIGHTS COVE
LAKE WINONA
TOD = 949.17
Lake W.S. 940.67
50 year:
No Breach 930.59
Breach 931.90
+1.31'
L.P. 929±
LP Et 181
930±
TW = 926±
WINONA TRAIL
50 YEAR FAILURE
SCALE: 1" = 100'
CONTOUR INTERVAL 2'
24
Date:


LORRETACONG DRIVE
LORRETACONG DRIVE
TRAIL
BRIGHTS COVE
100 YEAR
No Breach 931.39
Breach 932.45
+1.06'
LAKE WINONA
TOD = 944.17
Lake W.S. 940.67
L.P. 929'
L.P. Pt 181
930.40
WINONA TRAIL
100 YEAR FAILURE
SCALE = 1" = 100'
CONTOUR INTERVAL 2'


Refer to 02.
Installation of Casing
Refer to 05.
Augering of Secondary Borehole
Refer to 07.
Concreting of
Secondary Borehole
Refer to 01.
Construction of
Guide Wall

Thank You!

