

The Connecticut River Valley Flood Control Commission, established September 8, 1953 when the signatory states of Connecticut, Massachusetts, New Hampshire, and Vermont ratified the Compact which states, in Article I:

The principal purposes of this Compact are:

- a) To promote inter-state comity among and between the signatory states;
- b) To assure adequate storage capacity for impounding waters of the Connecticut River and its tributaries for the protection of life and property from floods;
- c) To provide a joint or common agency through which the signatory states, while promoting protecting and preserving to each the local interest and sovereignty of the respective signatory states, may more effectively cooperate in accomplishing the object of flood control and water resources utilization in the basin of the Connecticut River and its tributaries.

OFFICERS OF THE
CONNECTICUT RIVER VALLEY FLOOD CONTROL COMMISSION
AS OF JUNE 30, 2008

Evan Hammond, Chairman
Denise Ruzicka, Vice Chairman
Pauline M. Smiaroski, Executive Secretary and Assistant Treasurer

MEMBERS OF THE
CONNECTICUT RIVER VALLEY FLOOD CONTROL COMMISSION
AS OF JUNE 30, 2008

Connecticut

Charles D. Berger, Jr., 172 Blue St., Winchester 06094
Denise Ruzicka, 50 Creamery Rd., East Haddam, 06423
Barbara J. Ruhe, 915 Silas Deane Hwy., Wethersfield 06109

Massachusetts

Vacancy

Eugene Cavanaugh, Office of Waterways, Dept. of Conservation & Recreation, 349 Lincoln St.,
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New Hampshire

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CHAIRMAN'S REPORT
July 1, 2007 to June 30, 2008

The year began in September, 2007 with the resignation of Chairman Mike Gildesgame of Massachusetts. Mike has taken a job with the Appalachian Mountain Club and will no longer be a state employee – the Commission wishes Mike all the best. Vice Chairman Evan Hammond will take over Mike's duties.

The ongoing prime topic of concern for the Commission presented itself at our December meeting – the issue of tax loss payments to Vermont Towns. Vermont Representative Rick Hube, who had heard from his constituents on the matter, visited us. The Commission engaged in a long discussion with Rep. Hube and among ourselves after his departure. The consensus was that it had been too long – over 20 years – since the Commission had taken an in-depth look at the appropriateness of the level of payments being made. As past Commissioners have discovered, this is no simple task. Commissioner Ruhe generously agreed to review the Compact to determine what the Commission's responsibilities were in the matter. The Commission determined that it would be appropriate to hold a March meeting to work on the tax loss issue. This was the first time the Commission has met in March during my tenure, going back to 1991.

The March meeting was productive in that all present gained a better understanding of the Compact, a clarification of our primary mandates and our authority to set tax loss payments. We had the pleasure of a visit from Ben Warner, a long time Commissioner from Connecticut, whom we had invited to share with us his institutional memory of the tax loss issue. It was great to see him. The Commission understands this is not just about Vermont towns, and that anything that is done has to address all the towns with flood control facilities in all three states receiving tax loss payments. This will be a gargantuan task that we do not have the money or manpower to undertake in a comprehensive manner. We decided to request the help of the Corps.

In April the Vermont Commissioners were invited to testify before the Vermont House Ways & Means Committee. As Commissioners Moore and Pettengill were unavailable, I made the trip to Montpelier and had a very cordial session with the Representatives. The primary concern was

CHAIRMAN'S REPORT July 1, 2007 – June 30, 2008 (cont'd)

that so much land has been taken off the tax rolls with inadequate compensation and many towns are experiencing budget problems. The Commission was strongly encouraged to look into the matter of tax loss payments with the expectation that payments would increase. Subsequently, both the Vermont House and Senate passed resolutions directing us to address the issue. In June we received the result of our first audit in several years. Commissioners Berger and Ruzicka of Connecticut had spent many hours looking over the accounts and recommended some important changes that will help us comply with current accounting practices. Their work is greatly appreciated.

Also in June, Representative Hube was again our guest and we had a lengthy discussion of the ongoing tax loss issue. Efforts to enlist the Corps' help seemed stymied, but we felt we needed to persist with them.

The June meeting may have been the least eventful of the year although we had good news about our efforts to get information from the Corps. Commissioner Misslin was able to break the barrier and make contact with the Corps' Executive Office, Steve Andon, and convince him our requests were only for information. A meeting is scheduled for the fall.

We ended the year as we started, one member short from Massachusetts, but there is hope that someone will be appointed in the near future.

Respectfully Submitted,

Evan Hammond, Chairman

SUMMARY OF THE MINUTES OF THE COMMISSION MEETINGS HELD DURING THE PERIOD OF THIS REPORT

September 21, 2007 – Vermont Commissioner Evan Hammond began the meeting noting that since Mike Gildesgame, Chairman for two years, had resigned and would not be present at today’s meeting, Evan would proceed to conduct the meeting. He called the meeting to order, noting that Massachusetts was not represented by proxies or anyone present, so any votes that were taken today would have to be ratified at the December meeting.

Minutes of the June 15, 2007 meeting were accepted as presented. The Nominating Committee consisting of Chuck Berger and Robert Kline recommended the following slate of officers for the upcoming two years: Evan Hammond, Chairman and Denise Ruzicka, Vice Chairman. Evan motioned and Fred Parker seconded that we *formalize* the leadership policies and procedures that we’ve been following for the last few years (they were first promulgated by Arthur Silvester in July, 2003). This motion was approved. Motion was made, seconded and approved that the Final Budget be approved as presented.

After some questioning and discussion regarding FERC (Federal Energy Regulatory Commission) sheets that are received by the office, it was decided that we would send a yearly letter to the Corps asking for any information about changes to the flood control dams that are part of our Compact. In Addition, Evan is going to go on line to see what can be done about “registering” to receive certain information or something similar to that. Polly informed everyone that she had received support money from VT and NH. Money has not been received yet from MA or CT. Denise will check on that. Also, Polly said an audit had not been done on the Commission’s records for 9 years. Gary motioned that Chuck and Denise be authorized to audit the books of the Commission and that they should go back as far as they feel is necessary.

Denise gave a report on her trip to Austin, TX at the Association of State Dam Safety Officials meeting. All the New England states were represented, including Mike Misslin from MA DCR. According to Denise, Hartford has all its improvements underway – it’s a 4-5 year project because they’re going to have to do the entire length of all the levees. East Hartford has their design evaluation underway – with the help of this board, instead of a 6-week window, they have a 1 year window to actually get the permitting and get it constructed. It was clear from discussions that where the levee program is going with the Army Corps is amazing. It’s going to be very data intensive, they are going to have this whole GPS unit and data base with things like portable pda’s. They were concerned that inspection of levees nationwide varies from district to district so they’re going to come up with protocols nationwide. There will be a whole system of surveying of the levees and different cross-sections at different points, etc. They’re spending huge amounts of money because they were very embarrassed when the Senate asked them how many miles of levees are impacted and how many are deficient and they couldn’t answer that question. Under FEMA you need to be able to protect to a hundred-year flood event. Some areas

SUMMARY OF THE MINUTES (continued)

in Connecticut protect above the hundred-year flood, the flood of record. They're still trying to figure this out and its reaction to Katrina and it's still very unclear on where this should go on a national level.

Once again discussion was held on how to go about have the Massachusetts Governor appoint someone to fill the position that was held by Mike Gildesgame. Probably a letter should go to the governor and perhaps that will get the ball rolling.

Chuck Berger motioned that we acknowledge Mike Gildesgame's service to the Commission by having a plaque prepared, along with a letter of commendation. Gary seconded the motion and it was passed unanimously.

December 7, 2007 – Because there wasn't a quorum at the meeting on September 21, 2007, motion was made that we ratify the motions that were made and accept the Minutes of the September 21, 2007 meeting. This was **voted unanimously**.

Since a guest was present, Denise moved to amend the Agenda to include a public discussion with VT Representative, Rick Hube. **It was voted unanimously.**

Representative Hube was present because of concerns about the tax loss payments that were made to the VT towns that he represents, particularly Londonderry, Jamaica and other Compact members. He had come to our meeting because he had heard from some of his constituents, especially from Jamaica, regarding the Compact and the resulting tax loss money that the towns received because land had been taken from them to construct the dams.

Evan asked Polly to comment since she was somewhat involved, as Secretary to the Commission, in 1982 when the "freeze" was implemented. She had brought copies for everyone of the January 15, 1982 Minutes, which included much information about the step that the Commission was going to take, i.e., "freeze" the amounts of money that were paid to the states as reimbursement. Polly said this exercise of trying to determine tax losses every year had become a huge problem. A subcommittee had been appointed and they had come up with the "freeze" because it would remove the annual problem, the two downstream states that have to make payments would know what the amount required would be and could budget for it, and upstream states would know in advance what they're going to receive and could plan appropriately. She had also brought along a 3-page breakdown of the amounts for each community, put together in 1982 in preparation for the "freeze".

There was much discussion: Denise said the idea of a freeze is not unusually, as witness the Thames River Valley Commission in Connecticut along the Merrimack River. Barbara noted tremendous changes since the Compact was instituted – the whole zoning and environmental restriction – everything is much more complicated now. Rick Hube questioned who had the

SUMMARY OF THE MINUTES (continued)

authority to “freeze” the values? Is it clear that that board (in 1982) had the authority to freeze the values? Was there legislative approval? Denise said she reads the Compact to say that the Commission has that authority. Barbara pointed out that the Compact says the Commission may use such revaluation, so it’s not directed that we have to use revaluation; therefore, it does give the Commission the authority to set it however we choose.

Moving back to Old Business, Evan read the letter and showed everyone the plaque which he is sending to Mike Gildesgame and everyone was pleased with it. Chuck and Denise have not had a change to go over the Commission’s records but have set a date of 1/9/08 to do that. Evan stated he had gone on line to FERC’s website – the only way we could subscribe is by docket number and that’s useless for us because we need them by site, not by docket. Gary talked about river gauges and Barbara asked what they were. He explained that they tell you what the flow is – they can tell you exactly how long it takes for water to get from one place to another...very important in times of high water events. Motion was made and seconded that CRVFCC, as a matter of policy, supports the retention and maintenance of all the gauges on the Connecticut River and its tributaries as being critical for public safety in the land areas that are the watersheds. The Chair is specifically authorized to write letters supporting the gauges to the appropriate authorities. Evan called for a vote and it was unanimous.

The Commission approved the Tax Loss Figures for 2007; they also approved the Annual Report for 2006-2007.

March 28, 2008 – Ben Warner, former member of the CRVFCC had agreed to attend the meeting to answer questions, if any arose, about the 1982 decision to “freeze” tax loss figures. Motion was made and seconded to amend the Minutes of 12/7/07 because it was called to everyone’s attention by Polly that there was no mention made about the acceptance of the tax loss figures as presented at the December meeting.

Barbara commented on her thorough review of the Compact: she addressed each Article, pointing out what can be expected, what certain sentences mean, and she was very thorough in her conclusions. Her study comprised six pages and can be reviewed in its entirety by contacting the Commission.

Chuck and Denise had completed an informal audit of the 2006 and 2007 books and records and thought Polly had done a good job. They made suggestions about where they thought figures should be shown and why. A motion was made and seconded that an audit or review of records be conducted by-annually commencing with 2010, using 3 commissioners from 2 different states. Motion was made to accept this proposal. It was suggested by Barbara that we establish an informal audit record review committee, that the appointment be made by the Chair and that it be done bi-annually, commencing in 2010. Denise amended Barbara’s motion – there should be 3 persons from 2 states – and this motion was made and seconded.

SUMMARY OF THE MINUTES (continued)

Mike Misslin brought up a possibility that sometime in the next couple of years we might be able to have records electronically archived. His Agency is going through the process right now and he wanted to know if the Commission would be interested in doing this if the opportunity arose to have it done, without cost to the Commission. Everyone was in agreement with this idea.

A THANK YOU was extended to Ben Warner for his willingness to attend this meeting and lend his knowledge to the other participants. Thanks also to Chuck Berger for volunteering to bring Ben to the meeting.

June 20, 2008 – Minutes of the March meeting were accepted as presented. A discussion of Polly's salary increase was tabled until the budget could be discussed. Denise said she'd looked at the budget, actual Gross Payroll includes the FICA, Medicare and Payroll taxes and she questioned whether that is really the gross payroll – what we've seen from the audit is Polly pays her own payroll taxes out of the salary we pay her. So we don't add payroll taxes to salary in terms of the gross payroll. The Commission's budget should show only the salary plus half of the FICA and MEDICARE. Barbara said the salary is an expense and should be called the employer's payroll taxes. The Employer's Payroll Taxes is half of FICA and half of MEDICARE, and that should probably go under Office Expense. The Commissioners addressed the Forecast figures and increased the travel expense, postage, box rent and website expenses. Denise explained we may have to ask for increased administrative contributions from the other states.

Discussion returned to the salary increase for Polly – after discussion it was moved that she be given a 4/5% increase in salary. This was seconded by Bob Grimley and it was unanimous. Again, there hasn't been an appointment of a new member by the governor of Massachusetts. Mike Misslin will look into that.

State Representative Hube of VT also attended this meeting – he said that many towns that have dams in their communities are beginning to think that 26 years without an increase in what is paid to them for the loss of their land is long enough and they're looking for an increase. Barbara pointed out that it's Massachusetts and Connecticut that would have to go to their legislature to get the money. Bob Grimley questioned whether we'd have to hire somebody to investigate this and put the information together. If that's the case, then we'd have to go to all the legislatures to get them to provide money for an assessment of the problem. Mike Misslin said he thought we'd need to request a meeting with the Corps – we need technical information about the lands so we can speak to the states intelligently. Evan said there might be land that could be turned back – it's possible that some of the land was never used and the Corps could sell it as surplus land, you sub-divide it and sell it, thereby freeing some money for the towns. It was decided to request a meeting with the Corps.

The foregoing is a summary of the Minutes of meetings held during 2007-2008. They are available for inspection.

CONNECTICUT RIVER VALLEY FLOOD CONTROL COMMISSION
P. O. BOX 511
GREENFIELD, MA 01302

2007 TAX LOSSES AND REPAYMENTS

<u>MASSACHUSETTS</u>	<u>VALUATION BASIS</u>	<u>TAX RATE</u>	<u>TAX LOSS</u>
<u>Knightsville</u>			
Chesterfield	\$ 16,670.00	\$13.20	\$ 250.00
Huntington	238,190.00	11.90	4,990.00
<u>Littleville</u>			
Chester	487,480.00	16.64	9,618.00
Huntington	29,360.00	11.90	615.00
<u>Birch Hill</u>			
Phillipston	110.00	8.41	1.00
Royalston	38,200.00	8.67	382.00
Templeton	694,670.00	8.54	7,433.00
Winchendon	323,620.00	11.22	6,919.00
<u>Tully</u>			
Athol	7,900.00	10.10	77.00
Royalston	180,000.00	8.67	<u>1,800.00</u>
<u>Barre Falls</u>			
All state land – no tax losses			
TOTAL			\$32,085.00
 <u>NEW HAMPSHIRE</u>			
<u>Otter Brook</u>			
Keene	\$115,090.00	\$25.79	\$3,166.00
Roxbury	26,740.00	16.81	758.00
<u>Surry Mountain</u>			
Surry	238,190.00	18.85	<u>7,765.00</u>
TOTAL			\$11,689.00

The figures included with this report voted and approved by the Connecticut River Valley Flood Control Commission at its quarterly meeting, December 7, 2007.

CONNECTICUT RIVER VALLEY FLOOD CONTROL COMMISSION
P. O. BOX 511
GREENFIELD, MA 01302

2006 TAX LOSSES AND REPAYMENTS

<u>VERMONT</u>	<u>VALUATION BASIS</u>	<u>TAX RATE</u>	<u>TAX LOSS</u>
<u>Union Village</u>			
Norwich	\$3,590.00	\$19.62	\$78.00
Thetford	203,380.00	17.81	3,675.00
<u>North Hartland</u>			
Hartland	110,140.00	15.40	2,324.00
Hartford	328,470.00	28.68	7,292.00
<u>North Springfield</u>			
Springfield	32,880.00	37.60	960.00
Weathersfield	554,510.00	31.00	10,092.00
Perkinsville	11,760.00	7.90	10.00
<u>Townshend</u>			
Jamaica	42,420.00	30.97	1,756.00
Townshend	204,780.00	29.71	5,656.00
<u>Ball Mountain</u>			
Jamaica	12,460.00	30.97	516.00
Londonderry	176,020.00	24.21	<u>2,341.00</u>
TOTAL			\$34,700.00

REIMBURSEMENT FOR TAX LOSSES

<u>CONNECTICUT PAYMENTS IN REIMBURSEMENT</u>			
	<u>TAX LOSS</u>	<u>%</u>	<u>PAYMENT</u>
TO: Massachusetts	\$32,085.00	40	\$12,834.00
New Hampshire	11,689.00	40	4,676.00
Vermont	34,700.00	40	<u>13,880.00</u>
TOTAL OF PAYMENTS TO BE MADE BY CT			\$31,390.00

<u>MASSACHUSETTS PAYMENTS IN REIMBURSEMENT</u>			
	<u>TAX LOSS</u>	<u>%</u>	<u>PAYMENT</u>
TO: New Hampshire	\$11,689.00	50	\$5,845.00
Vermont	34,700.00	50	<u>\$17,350.00</u>
TOTAL OF PAYMENTS TO BE MADE BY MA			\$23,195.00

**CONNECTICUT RIVER VALLEY
FLOOD CONTROL COMMISSION
BUDGET
7/1/07-6/30/08**

<u>RECEIPTS</u>	<u>FORECAST</u> <u>7/01/08-6/30/09</u>	<u>ACTUAL</u> <u>7/01/07-6/30/08</u>	<u>BUDGETED</u> <u>7/01/07-6/30/08</u>
Support Money	**\$20,810.00	\$20,810.00	\$20,810.00
Interest Received	<u>1,800.00</u>	<u>2,592.14</u>	<u>1,300.00</u>
TOTAL RECEIPTS ***	\$22,610.00	\$23,402.14	\$22,110.00
 <u>OFFICE EXPENSE</u>			
Maintaining an Office	\$ 500.00	\$500.00	\$500.00
Other Expense – (FICA and MEDICARE)	1,057.42	1,034.28	1,034.28
Salary – paid employee	14,127.36	13,518.96	13,518.96
Supplies	90.00	64.51	150.00
Telephone (Verizon)	490.00	482.59	485.00
Postage and Box Rent	200.00	188.58	150.00
Insurance: Bonds – Ex. Sec. and Chair	390.00	390.00	390.00
Worker’s Compensation	240.00	240.00	225.00
Travel and Meetings	2,500.00	2,212.27	2,100.00
Annual report	60.00	55.12	100.00
Petty Cash	25.00	25.00	25.00
Miscellaneous	25.00	79.27	100.00
On-Line/Website	<u>300.00</u>	<u>266.73</u>	<u>200.00</u>
TOTAL OFFICE EXPENSES	\$20,004.78	\$19,057.31	\$18,978.24
(surplus/deficit)	 +\$2,605.22	 +\$4,344.83	 +\$3,131.76

**The Commission holds a CD in the amount of \$41,457.30
As of July 11, 2008.**

Support money is received as follows:

Vermont	\$2,500.00
New Hampshire	\$2,000.00
Massachusetts	\$7,500.00
Connecticut	\$8,810.00 **

In addition to its annual payment of \$7,500.00, the State of Massachusetts, as an “in kind” payment, supports the Commission by providing a meeting site and record storage space.
Connecticut commits \$1,310.00 more than the required \$7,500.00 for a total of \$8,810.00 for its support of the Commission.