

FAQ's on dam rehabilitation projects at Barry Lakes

What is the status of the rehabilitation of Dam #1?

Construction has been completed on Dam #1 and closing documents have been submitted by our engineer Civil Dynamics to the New Jersey Department of Environmental Protection (NJDEP)/ Dam Safety Bureau. Final inspections were done by NJDEP and the project construction phase has been approved.

What is the next step?

The funding of the project was through a low-interest loan from the State of New Jersey for dam rehabilitation. According to the law for the program, LCPOA executed a Loan Agreement with the State, and a Co-Borrower Agreement with Vernon Township, as the program required Vernon Township to act as co-applicant and co-borrower. Vernon Township now must assess the property owners in Barry Lakes in accordance with the law and those agreements for the loan repayment.

What are the terms of the loan?

The loan is a twenty-year loan from the time of the first draw, at 2% interest.

How is the payback of the loan assessed?

The cost of the payment of the principal and interest of the loan, as well as the administration costs, are assessed against the real property that benefits from the dam rehabilitation.

Who determines how each property is assessed?

The assessment is determined by the Vernon Tax Assessor, and approved by the Township Committee in Vernon Township through an ordinance.

How does the assessment procedure work?

The Tax Assessor is responsible for certifying the costs of the project, and implementing the assessment. This process is being completed now and we expect notification of the final assessment on each property within the next few weeks.

What is the total amount I will be assessed?

The total amount of the principal and interest under the loan for the Rehabilitation of Barry Lakes Dam No. 1 and Dike is \$369,151.49. The final assessment amount on each property is currently being finalized, but should be well under \$1,000 per member.

How many properties will be assessed?

There are 765 properties in Barry Lakes which will be subject to the assessment.

When is the first payment due?

The first repayment is due to NJDEP on December 27, 2015 and subsequent repayments are due every six months thereafter. Our expectation is that Vernon Township will complete the assessment process and send invoices to the property owners some time in 2016.

How will I be notified of the assessment?

You will receive a mailing from Vernon Township. In accordance with N.J.S.A. 40:56-19, a municipality is required to give notice of the assessment and allow the affected property owners the benefit of a public hearing.

How will property owners be billed?

Property owners will receive an annual bill from Vernon Township, separate from your tax bill. An example copy of the assessment bill was published in our last newsletter.

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What if some people don't pay?

LCPOA is responsible for establishing an escrow for any shortfall on the loan payment due to delinquencies. Vernon Township will then handle the delinquencies in the same manner as taxes and any recoupment of the delinquencies will be added to the escrow provided by LCPOA, and returned once the loan is paid.

Can I pay the whole assessment at once?

Yes, but since Vernon Township must put the assessment in place without knowing what property owners will elect a full payment up-front, all properties will be subject to the 2% interest charge.

What if I elect to pay the assessment annually, but sell my property during the payback period?

The statute provides that the assessment is a lien against the property and enforced in the same manner as an assessment for benefits. Pursuant to N.J.S.A. 40:56-41.3, most purchasers will require that the lien be paid in full prior to transfer of the property; however, this is negotiable between the parties.

What about Dam #2?

Civil Dynamics is currently preparing final design for Dam #2. LCPOA is obtaining the necessary easements and acquisition of property to move forward on the project. Our engineers recently submitted the final design documents, specs & drawings to the NJDEP for approval and a dam safety permit. We hope to have a permit to begin work in 2016. The assessment for Dam #2 will be made separately.