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October 20, 2023

Re: Potential Special Service Area 14

Dear Current Resident,

The Village of Green Oaks has received inquiries regarding extending public water along Cranbrook Road and portions of Kenton Lane, Lexington Road, and Wilton Court. In Green Oaks, and as in most Villages, water and sewer extensions are funded by the benefitted properties – either as part of new developments (funded by the developer and included in the cost of lots) or in mature subdivisions.

Sewer and water extensions in existing subdivisions are either privately funded (extensions to serve 1- 6 lots) or a Special Service Area (SSA). An SSA is a funding mechanism to facilitate completion of large public projects that are paid for over time via the sale of bonds and a property tax assessed on the properties benefitted by the project. Financing for the improvements is tied to the property – the tax payments stay with the property in the event of a property transfer.

The Village has compiled a webpage - <https://www.greenoaks.org/15894-2/> - which contains information regarding the SSA establishment process, costs, potential limits of the service area, and several other items.

The SSA process allows for costs for a watermain extension to be amortized over a 20-year period as part of a bond payoff. The cost of the service area is allocated equally per lot and covers all costs of extending utility service to the property line.

After the extension, each lot is responsible for construction of the piping for the final connection to the watermain. Connection is only mandatory in the event of a well failure. Otherwise, properties can be serviced by their well. There are connection and permit fees for private service connections – each lot will pay approximately \$4,500 in connection, permit, and meter fees to connect, in addition to private contractor costs.

Regardless of whether an SSA has been approved, properties within 250 feet of an existing public watermain are required to connect to the public water system and extend the watermain along the frontage of their property if their well fails. If you have questions on the proximity of your property to a public watermain, please contact the Village.

The Village will be reviewing and voting on a proposal to establish an SSA at their November 1, 2023 continued Board Meeting. In the interim, if you have any questions, please contact the undersigned at the Village of Green Oaks, john.wagener@greenoaks.org. Thank you.

Sincerely yours,



John Wagener
Trustee, Village of Green Oaks

An SSA is established via the following steps:

Step 1 – Property owners submit a written request to the Village of Green Oaks, defining the service desired (i.e. watermain extension, sewer extension) and service area. Along with this request, property owners must submit a signed petition showing that about 70% of the property owners are interested in the formation of a SSA. If there are questions about the process, a meeting can be scheduled with Village representatives and staff to answer questions.

Step 2 – Once the signed petition has been received, the Village will review it and, if approved by the Village Board, begin work on preliminary engineering plans and cost estimates. Village representatives will then meet with area property owners to discuss the plans and costs in an informal meeting to confirm continued interest.

Step 3 – The Village Board will either approve or deny the creation of a SSA based upon survey results. If approved, Village board will pass an ordinance creating a SSA with a maximum bond amount and, within 30 days, hold a public hearing regarding the creation of the SSA. Notice of this public hearing will be sent to all residents in the proposed SSA and will appear in a local newspaper as well. Note that the maximum bond amount cannot be exceeded – the cost of construction needs to be less than the amount that can be bonded.

Step 4 – On the day of the public hearing, a 60 day time period will begin, during which time residents and registered voters who live in the proposed SSA can formally object to the creation of the SSA. Owners who are interested in the project and want it to be constructed do not need to submit letters. Only objections need to be filed at the Village Hall (2020 O’Plaine Road). Protests should identify the property owner(s) and registered voters that object at a given address and clearly state they object to the formation of the SSA.

Step 5 – At the end of the 60 day period, if less than 51% of the registered voters AND less than 51% of the property owners in the proposed SSA object to the SSA, the SSA can be formed. At this point, the Village Board will either approve or deny the formation of the SSA. Once approved, the project will be designed, competitively bid, financed, and constructed over the next 8-12 months.

If at least 51% of property owners and 51% of registered voters in the area reject the formation of a Special Service Area, then the Special Service Area cannot be formed for at least two years. If area residents are interested in forming a Special Service Area after this two-year period, they must start the process from the beginning.

Schedule

The SSA establishment process typically takes 4 months at a minimum. After establishment, the project is designed and competitively bid, a process that takes approximately 3-5 months (depending on the size of the project). The contract award process and bond sale takes 2 months, and construction will last 3-6 months (again, depending on scale of the project).

Project Costs

The Special Service area will facilitate the extension of public infrastructure to the edge of your property. The costs discussed herein will cover installation of a new water or sewer main and a service stud which terminates at your property line. Upon completion of the project, you will be responsible for costs to install your private service, including connection fees and contracting with a plumber/contractor to install the service piping.

1. Cost for Public Improvements (potential SSA 14): \$45,000 -- \$65,000

Yearly Payment Scenarios

Per Lot Share	Interest Rate		
	4%	5%	6%
\$45,000	\$3,311.18	\$3,610.92	\$3,923.31
\$65,000	\$4,782.81	\$5,215.77	\$5,667.00

2. Costs Paid at the Time of Connection (above and beyond SSA Per Lot Share Costs)

After the water main is complete within the right of way, SSA participants can connect to the new mains. There are two components to the private service connection: Current connection/permit fees and service installation costs are below:

Connection and Permit Fees - WATER

Village of Green Oaks	\$3,500
Meter	\$430
Permit/Inspection	\$500
TOTAL	\$4,430

Private service installation cost is dependent on the length of the service and plumbing configuration for each house. Costs will generally be in the range of \$7,000 to \$15,000 but can be greater. For water connections, if the well will be kept for lawn watering purposes, a dual check valve/RPZ must be installed (approximately \$700).

In total, the private connection cost will be an additional \$10,000 - \$25,000 depending on the length and location of the service. During design, the Village works with SSA participants to identify a preferred location for the water service stub. During previous SSA's, multiple homeowners would work on a "group-buy" and hire one contractor to reduce costs.

Connection to the water system is not required as part of an SSA. The only conditions under which connection is required is failure of a well. If you are part of an SSA, you can continue to use your well until failure. The Village does not mandate connection by a date or timeframe.