

**DOWNERS GROVE SANITARY DISTRICT
OUTLINE OF STEPS TO CONSTRUCT SANITARY SEWERS
UNDER CASH PLAN**

There are two possible courses of action that the residents of a given street can choose in constructing a sanitary sewer, namely:

1. Cash or Pay As You Go Plan
2. Special Assessment

The special assessment process is discussed in detail in a separate handout. The cash or pay as you go plan will be discussed below.

The residents of a given street may choose between two methods of constructing a sanitary sewer under a cash plan. Under the first method, the residents form a non-profit organization to administer the construction project, dealing directly with an engineer, a contractor, the sanitary district and a bank. Under the second method, the residents contract with the sanitary district to administer the project on their behalf. An outline of the steps to be taken under each method is presented below:

CASH PLAN – NON-PROFIT ORGANIZATION

1. The residents of a given street desiring to construct a sanitary sewer should first form a non-profit organization (for example – "Smith Avenue Improvement Association"). It is recommended that an attorney be consulted in order to properly establish the organization.
2. Officers should be selected, or a governing committee should be selected, to represent the property owners in future dealings with the sanitary district, contractors, engineers, etc.
3. After the organization has been formed and there is sufficient interest in the project, the officers should retain a registered engineer who is experienced in the design and construction of sanitary sewers.
4. The committee should authorize the engineer to prepare a preliminary estimate of cost of the proposed project. This preliminary estimate of cost can be prepared for a nominal fee. It would require the engineer to make a reconnaissance of the area, determine construction conditions in the area and generally look over the area to arrive at the preliminary estimate of cost. The committee should be prepared to supply the engineer with all available information, i.e. limits of the proposed improvement, number of homes, legal descriptions for area involved, etc.
5. Upon receipt of the cost estimate, the committee should then call a meeting of all property owners on the street. The estimated cost and other information can then be explained to the property owners.

6. If a sufficient number of property owners are in favor of proceeding with the project, the officers should then establish an escrow fund at one of the local banks.
7. Following the establishment of an escrow fund, the property owners should be instructed to deposit their pro-rated share of the project into the fund. Ultimately 100% participation will be required by the property owners. If 100% participation is not obtained, the cost of the non-participants will have to be borne by the remaining owners.
8. After approximately 50% of the total cost of the project has been deposited in the escrow account, the organization should then authorize the engineers to proceed with the preparation of final plans and specifications.
9. Four (4) copies of the completed plans and specifications must be submitted to the sanitary district for review and approval. Following district approval, two (2) sets of plans and specifications will be submitted by the sanitary district to the Illinois Environmental Protection Agency for review and issuance of the required permit. It is recommended that the plans not be released for bidding until sanitary district approval has been received. Construction of the sewer may not begin until the Illinois Environmental Protection Agency permit is received.
10. After approximately 80% of the necessary funds are deposited in the escrow account and the organization is assured that the remaining 20% will be deposited prior to the completion of the project, the engineers should then be authorized to solicit bids from contractors.
11. It is suggested that bids be opened at a joint meeting of the bidders, the engineer and organization officers. A contract is then awarded by the organization to the selected contractor.
12. The organization will be responsible, through the engineer, to monitor the sewer construction.
13. Payments to the contractor and the engineer shall be made from the escrow fund as authorized by the organization officers.
14. Following completion of the sewer, the sanitary district will prepare an agreement to be signed by the representatives of the organization. This agreement will assign the ownership of the sewer to the sanitary district and the sanitary district will agree to operate and maintain the sewer following acceptance.
15. If any of the property owners along the sewer did not participate in the cost of the improvement, the sanitary district will provide a recapture agreement to assess such owners their prorated share of the costs of the sewer upon application to connect. The organization officers must submit paid copies of all costs of the project and indicate which individuals are to receive recapture payments.

16. Property owners desiring to connect to the newly constructed sewer must apply for a connection permit and must comply with all district requirements, including annexation to the sanitary district and payment of all district fees and charges.

CASH PLAN – CONTRACT WITH SANITARY DISTRICT

Under the second cash plan method, the residents of the given street enter into an agreement with the sanitary district to construct the sewer. The sanitary district then administers the project and deals with the engineer and contractors. The following steps are required under this method:

1. The sanitary district provides an agreement for execution by each property owner who desires to participate in the sewer construction. This agreement will indicate the deposit required of each participating owner, authorize the sanitary district to prepare plans and specifications, advertise for bids, publicly open bids, award the contract to the lowest responsible bidder, proceed to construct the sewer, and establish a recapture fee to be assessed against any property along the route of the sewer which did not participate in the cost of the sewer.
2. Property owners desiring to connect to the newly constructed sewer must apply for a connection permit and must comply with all district requirements, including annexation to the sanitary district and payment of all district fees and charges.