

# What is a Special Assessment District?

The term Special Assessment usually refers to a legally enforceable debt against property used to pay for public improvements. The public improvements primarily benefit the particular taxpayers against whose property they are imposed.

The Charter Township of White Lake allows and aids property owners in the use of the provisions of Public Act 188, of 1954, as amended, to provide public improvements such as water, sewer, paving, drainage, garbage collection, lake aquatic nuisance control, etc. This is a process authorized by state statute which utilizes policies adopted by the Board of Trustees of White Lake Township. A brief description of the SAD process for Water and Sewer can be viewed by clicking the link above on the previous web page or within this section.

[http://www.whitelaketwp.com/downloads/special assessment districts.pdf](http://www.whitelaketwp.com/downloads/special%20assessment%20districts.pdf)

## Is an Emergency Sewer Special Assessment District Different from a Typical Special Assessment District?

Yes, due to the timeliness necessary to correct an emergency septic failure and the deliberate nature of the Special Assessment District process an alternate process has been provided by the White Lake Township Board of Trustees to offer financing to affected residents.

A typical SAD establishment process usually takes 6 months to complete before construction begins. This obviously presents problems in trying to respond quickly to the needs of the resident experiencing failure.

To alleviate the time lag associated with financing sewer connections in an emergency situation, the Township Board has authorized the use of a connection agreement to expedite the connection while the SAD is finalized in the subsequent months. The Agreement to Connect to Sanitary Sewer is a legal instrument that contracts the resident(s) responsibility to re-pay the township for funds advanced for the costs of the connection. Similar to a SAD the Agreement to Connect places a lien on the subject property. After the SAD is formally approved the Agreement to connect becomes null and void.

## Are There Risks Involved with Being a Participant in a Special Assessment District?

With any Special Assessment there is the remote possibility of encountering costs not anticipated in the project estimate. This is true with any type of construction project. Examples of these types of situations are unknown conditions like high groundwater elevations or unfavorable soil conditions that lead to additional expense. Design clarification or modification can also cause additional costs. In the case where actual project costs exceed the

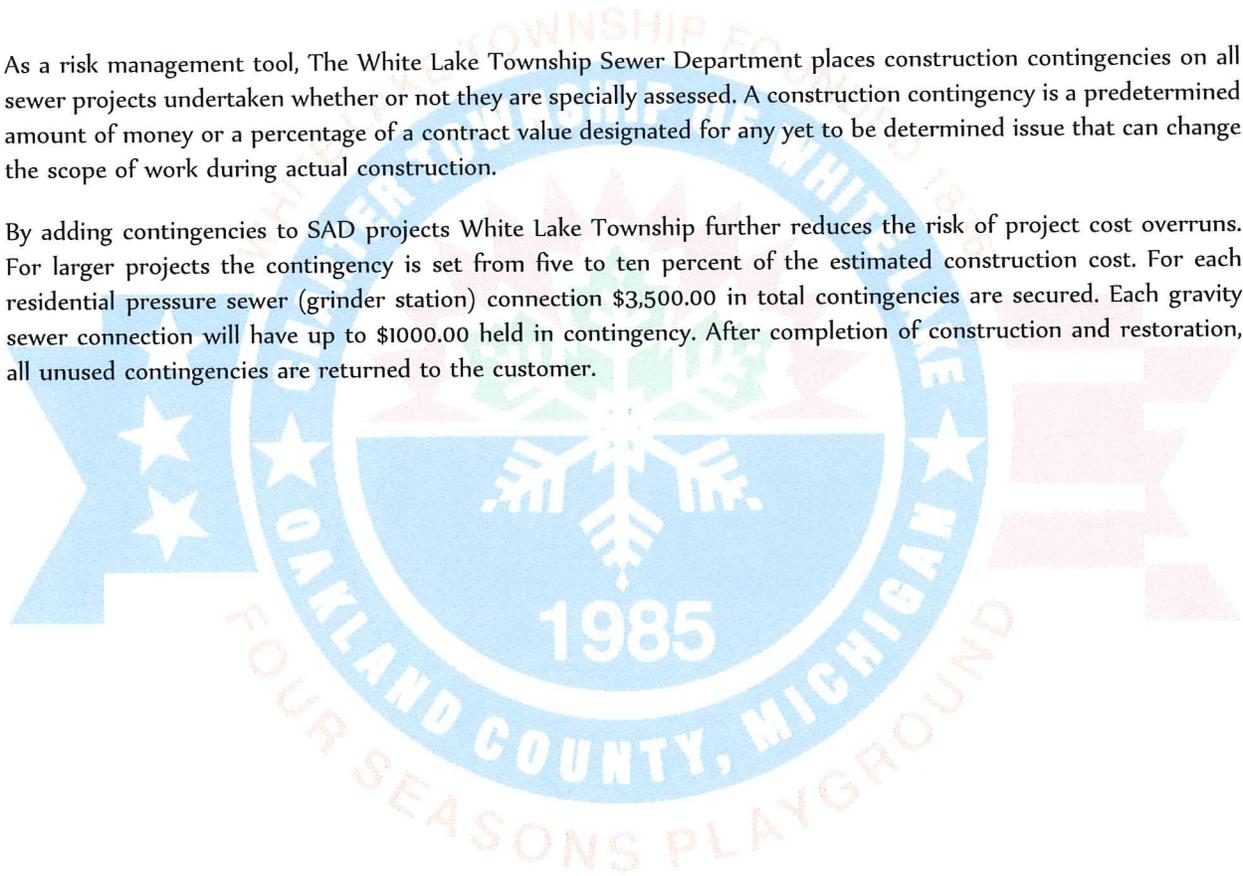
estimated project costs, the outstanding costs beyond the scope of the estimate are divided equally amongst the number of participants in that particular special assessment.

Typically, a special assessment is for a larger, common project such as street paving or water main and sewer main construction that equally benefits all participants. Due to the sheer scope of larger projects that are specially assessed, they inherently are much more likely to suffer unanticipated costs. Smaller assessments like the Emergency SAD for sewer connections are far less likely to face unanticipated costs because of White Lake Township's familiarity of the sewer installation process which leads to accurate estimation and the use of construction contingencies.

## What are Construction Contingencies and How Do They Reduce Risks of Sewer SAD Involvement?

As a risk management tool, The White Lake Township Sewer Department places construction contingencies on all sewer projects undertaken whether or not they are specially assessed. A construction contingency is a predetermined amount of money or a percentage of a contract value designated for any yet to be determined issue that can change the scope of work during actual construction.

By adding contingencies to SAD projects White Lake Township further reduces the risk of project cost overruns. For larger projects the contingency is set from five to ten percent of the estimated construction cost. For each residential pressure sewer (grinder station) connection \$3,500.00 in total contingencies are secured. Each gravity sewer connection will have up to \$1000.00 held in contingency. After completion of construction and restoration, all unused contingencies are returned to the customer.



# Are All Expenses Related to Sewer Connection Financed by the Emergency SAD?

No, but normally over 90% of the expenses related to connection to sewer are able to be financed. The costs are broken into eligible and ineligible costs and presented as an exhibit (attachment) of the Agreement for review by the applicant. Depending on the type of sewer available for connection costs eligible for financing break down as follows:

## Pressure Sewer (Grinder) Connections

Pressure sewer connections require the purchase and installation of the grinder station. An engineered design, estimate and easement agreement for maintenance are also required. The design, estimate and easement agreement document are prepared by the Township Engineer. The installation of a pressure sewer connection (grinder pump station) involves the excavation and installation of the grinder station, placement of the drain pipe into the station, and excavating or directionally drilling the discharge line. Following that, a "live" tap of the pressure sewer force main for the discharge line connection is made. A White Lake Township plumbing inspection at the domestic connection and an OCWRC inspection for the tap and tie-in are performed and the existing septic tank is abandoned by crushing and/or filling after being taken offline. After energizing the grinder station from the control panel a start-up inspection is performed for the grinder station by our contractor and witnessed by OCWRC pump maintenance division staff.

Items not eligible for financing are design, easement and inspection fees and the cost of septic tank abandonment. These costs currently are approximately \$1630.00 for pressure sewer (grinder) connections.

Examples of eligible costs for financing are the Connection Fees, grinder pump station, installation of the grinder pump station including drain and discharge pipe and installation, service valves and pressure sewer tap. Additionally, traffic control, restoration, permit fees for Road Commission for Oakland County, Oakland County Water Resource Commission (OCWRC), Michigan Department of Transportation (where applicable), White Lake Township Plumbing and Electrical Permits, administration fees, attorney fees and contingencies are eligible costs for financing.

### NOTE:

Grinder stations require a 30 ampere - 2 pole - 240 volt power supply. Property owners are to provide the required power supply to the grinder station control panel at their own expense. A White Lake Township electrical permit is required for this work.

## Gravity Sewer Connections

Gravity sewer connections typically "tie in" to existing sewer leads that were installed (tapped) previously during the gravity sewer main line construction. Because there is no tap to perform and no grinder station to purchase and install, an engineered design is not necessary. The installation involves the excavation and placement of drain pipe from the existing structure to the sewer lead and disconnection and abandonment of the existing septic system. A White Lake Township plumbing inspection at the domestic connection and an OCWRC inspection for the drain pipe and sewer lead tie in are performed.

Eligible costs for gravity connections are the installation (with a minimum of three quotes), traffic control, restoration, permit fees for Road Commission for Oakland County, Oakland County Water Resource Commission (OCWRC), Michigan Department of Transportation (where applicable), White Lake Township Plumbing Permits, administration fees, attorney fees and contingencies are eligible costs for financing.

The only ineligible costs for gravity connections are for septic tank abandonment. Septic tank abandonment is currently \$650.00.

