

**Item #8C:**

**Village Trustee Marshall**

Lake Michigan Water Connection To Existing IL 83 Water System



**TERMS & CONDITIONS FOR VILLAGE OF BUFFALO GROVE  
TO PROVIDE WATER TO THE VILLAGE OF LONG GROVE**

1. **TERM:** If accepted, the initial term of this agreement will be for 20 years. The agreement will automatically renew at the end of the initial contract term unless either party provides a termination notice to the other party between 30 and 24 months prior to the end of the contract term.
2. **RATE:** The Village of Long Grove shall pay to the Village of Buffalo Grove the retail rate as established by the Village of Buffalo Grove Ordinance for any water consumed, which rate will not exceed the lowest retail rate that Buffalo Grove charges to its own residential customers. The current retail rate for water is \$4.56/1,000 gallons. Any rate increases will be consistent with those approved by the Buffalo Grove Village Board as part of the annual budget review process.
3. **CAPITAL INFRASTRUCTURE:** The Village of Long Grove shall, at its sole cost and expense, install, or cause to be installed, a watermain of appropriate size from their pumping station to a connecting point, the approximate location of which is at Thompson Blvd. & Arlington Heights Rd. in Buffalo Grove. Such installation shall include a meter vault, water meter, Cross Connection Control device, Telemetry and any other required items at the approximate point of connection to the Long Grove Pumping Station, to be more specifically depicted in preliminary plans to be attached as an exhibit to the agreement. Upon acceptance of the new main by Long Grove, Buffalo Grove and final approval from the IEPA, the meter vault, water meter, Cross Connection Control device, Telemetry, and other required items shall become assets of the Village of Buffalo Grove and become part of Buffalo Grove's permitted water system. The watermain from the meter vault to the pump house will remain an asset of the Village of Long Grove, and the Village of Long Grove shall be responsible for the operation and maintenance of such watermain.
4. **GROSS WATER CONSUMPTION BILLING:** Water meter readings will be taken from the master meter on a monthly basis. The Village of Buffalo Grove shall bill the Village of Long Grove directly on a monthly basis for water consumed.

5. **RETAIL WATER METER BILLING:** The Village of Buffalo Grove will provide billing for Long Grove retail water consumers. In such case, retail water consumption will be billed by the Village of Buffalo Grove and payments will be made by the water customer directly to the Village of Long Grove.

a. **Existing Customers:**

i. For any customers in Long Grove with existing water meters that are compatible with Buffalo Grove's metering system, the Village of Buffalo Grove will provide meter reading and billing for such water meters in Long Grove (bi-monthly for residential, monthly for commercial). In such case, a meter charge will not be imposed.

ii For any customers in Long Grove with existing water meters that are not compatible with Buffalo Grove's metering system, the Village of Buffalo Grove will manually read and provide billing (bi-monthly for residential, monthly for commercial) at a cost of \$100.00 per meter per billing period. Buffalo Grove shall not be required to provide manual meter reading and billing for more than 50 meters. If and when the number of retail metered customers requiring manual reading exceeds fifty (50) accounts, option (iii) will be required.

iii. Existing customers with meters that are not compatible with Buffalo Grove's metering system may upgrade to compatible meters. In that case, the Village of Buffalo Grove will either modify the existing meters or install new meters, as required, for compatibility with the Buffalo Grove system. Buffalo Grove will then provide billing for such water meters in Long Grove (bi-monthly for residential, monthly for commercial) for a monthly charge equal to the cost of the meter modification or upgrade amortized over a 14-year period.

- b. **New Customers:** Any new customers to the Long Grove System shall have installed a new water meter compatible with the Buffalo Grove system at the customer's expense, which charge shall be included in the customer's connection fee. In such case, a meter charge will not be imposed after connection. Buffalo Grove shall not require payment of any connection fee in excess of the actual cost of installing the meter and any associated equipment.

6. **WATER CONSUMPTION:** All water consumed by the Village of Long Grove shall be included within its water allocation as authorized by the Illinois Department of Transportation (IDOT), Illinois Department of Public Health (IDPH), Illinois Environmental Protection Agency (IEPA), Illinois Department of Natural Resources (IDNR), or other agency having jurisdiction over such allocation. The combined water consumption of the Villages of Long Grove and Buffalo Grove shall also be subject to the Village of Buffalo Grove's water allocation as authorized by the Northwest Water Commission.

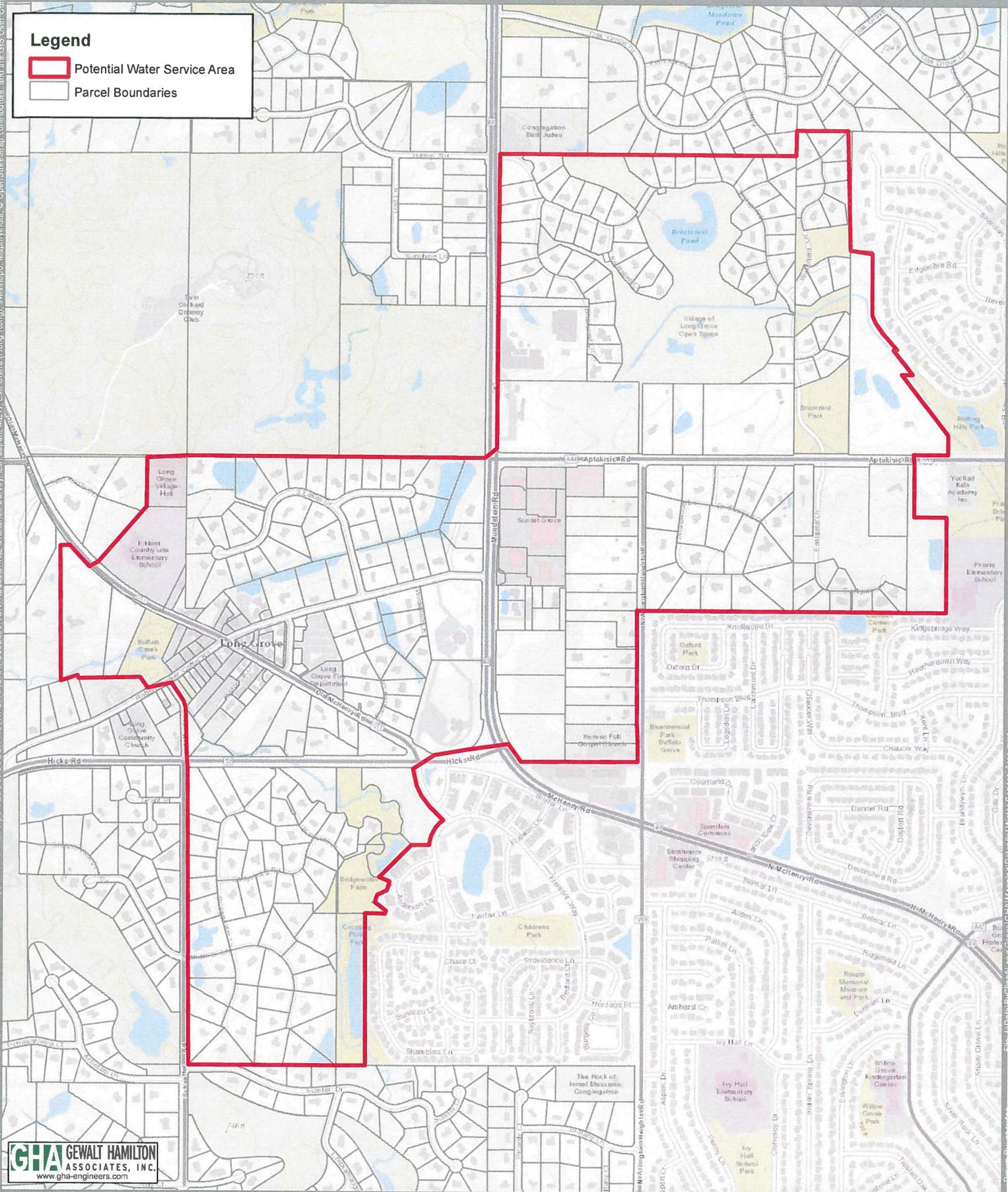
7. **SYSTEM OPERATION & MAINTENANCE (O&M):** Beginning on a date specified by Long Grove, which date is expected to be on or about the date that Buffalo Grove begins providing water to the Long Grove system, the Village of Buffalo Grove will assume O&M of the Village of Long Grove System subject to the following conditions:
- a. Village of Buffalo Grove will perform all standard routine system operations, maintenance, and repairs including but not limited to well and pump station maintenance (water system portion), water meter reading, water meter maintenance and repairs, water sampling and reporting, fire hydrant flushing, routine customer service, watermain break repairs, fire hydrant repairs, water valve and valve vault repairs, B-Boxes repairs, and other similar type items (“*Maintenance Work*”). Except as provided in paragraph 7(b), below, all Maintenance Work shall be provided by Buffalo Grove as part of the services included in the retail rate of the water supplied.
  - b. If the cost of the Maintenance Work performed by Buffalo Grove (as calculated on a time and material basis) exceeds \$ [REDACTED] (the “*Budget Maximum*”) in any calendar year, then the cost of any additional Maintenance Work above the Budget Maximum shall be charged to Long Grove on a time and material basis. For any such work, other than an emergency repair, Buffalo Grove shall provide notice, including an estimate of the cost of the work, to Long Grove and obtain Long Grove’s authorization to proceed. Buffalo Grove and Long Grove shall cooperate to develop a schedule of planned system repairs, replacements, and maintenance projects for each year, and to plan for any projects that would be expected to cause the costs of the Maintenance Work to exceed the Budget Maximum. The Budget Maximum shall increase in 2018 and each calendar year thereafter by the percentage increase in the Consumer Price Index during the preceding calendar year.
  - c. All O&M performed as part of this section shall be done in accordance with all applicable laws and regulations including those of the Illinois Department of Transportation (IDOT), Illinois Department of Public Health (IDPH), Illinois Environmental Protection Agency (IEPA), Illinois Department of Natural Resources (IDNR) or other agency having jurisdiction over such activities and the Village of Long Grove Municipal Code.
  - d. The Village of Long Grove will be responsible for its own Capital Planning and Funding which includes water system replacement, expansion and improvements, buildings, pumps, motors and other structures and equipment.

8. **CONSUMPTION SURCHARGE:** The initial water consumption for the Village of Long Grove is projected to be approximately 81,000 Gallons per Day (GPD) and is expected to increase over time. In recognition of this, for the first year of the contract term, any consumption that exceeds [300,000 GPD] ("*Surcharge Threshold*") shall incur a \$2.50/1,000 gallon surcharge. The Surcharge Threshold shall increase by 7% per year beginning in calendar year 2023. Any surcharges will be calculated on an annual basis based on average daily usage during each calendar year. Any such surcharges will be billed to Long Grove by Buffalo Grove within 60 days after the end of each calendar year.
  
9. **LAWS, ORDINANCES AND OTHER REQUIREMENTS:** In as much as the Village of Long Grove will be a water customer of the Village of Buffalo Grove, the Village of Long Grove will be required to comply with Buffalo Grove Ordinances related to the water system including any curtailment requirements as implemented by the Northwest Water Commission.

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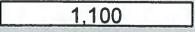
**Legend**

-  Potential Water Service Area
-  Parcel Boundaries



**GHA GEWALT HAMILTON**  
ASSOCIATES, INC.  
www.gha-engineers.com



1 inch =  1,100  
Feet

# Potential Water Service Area

## Village of Long Grove, Illinois