

Item #1:
Herons Landing Subdivision Lake Michigan Water SSA

Hérons Landing Homeowner's Association
318 Half Day Road, Box #231
Buffalo Grove, IL 60089
HLHABoard@gmail.com

Thursday, April 14, 2011

Hérons Landing Neighbors,

We wanted to provide an update on the Municipal Lake Michigan Water Project as well as an update on some other issues and ask for a bit of feedback.

Municipal Lake Michigan Water Update

The Village of Long Grove held a public hearing regarding the creation of an SSA (special service area) to finance the Herons Landing water project. Following the hearing there was a legally mandated 60-day challenge period. The challenge period is over and the project is moving ahead.

Several of our residents raised concerns that we would not be able to keep our individual water wells in addition to having municipal Lake Michigan water. The Village of Long Grove and Lake County have both agreed to having our residents keep their existing wells, but the details will be outlined by an IGA (inter-governmental agreement) among all of the involved agencies. The IGA is currently being created, and **we will not proceed with the water project until the IGA document is finalized and our residents are assured that they can keep their wells.**

Another issue raised by some of our residents is the issue of cost variability. In 1995 a local engineering firm Rezek, Henry, Meisenheimer and Gende, Inc. of Libertyville was contracted by Herons Landing to conduct a feasibility study for water distribution within our subdivision. As part of the scope of work, the engineering firm performed an on-site evaluation and detailed measurements. The feasibility study specifically outlined the lineal footage and size of pipe, the number and size of fittings, the number of hydrants, etc. necessary for the installation of a water distribution system within Herons Landing. Although the cost of the labor and materials has changed over the past 15 years, the lineal footage, size, and quantity of components necessary to complete the project has not changed.

Rezek, Henry, Meisenheimer and Gende, Inc. and Lake County Department of Public Works have both reviewed the engineering study and have updated the construction costs to current-day numbers. Both RHM&G Engineering and Lake County Public Works have determined that the pricing presented is based on accurate information and is a very solid foundation for our project.

In order to get more specific pricing, the complete project engineering (actual blue prints) will need to be completed. Once the engineering is completed, the project can be put out for contractor bids. The challenge of having the engineering completed prior to the project starting (SSA bond issue) is that the engineering costs would amount to \$120,000. This engineering cost is part of the overall project, but the money to pay for the engineering will not be available until the SSA bonds are sold and the project is funded.

One option would be to pay for the engineering in advance and get bids prior to initiating the SSA. If this option were utilized, we would be required to pay for the engineering up front in the form of a special assessment of approximately \$1,000 per household in addition to the \$500 assessment already approved.

If the engineering were to be completed prior to creating and issuing the bond, it would be possible to halt and reconsider the project if, for some unexpected reason, the pricing came in higher than projected by RHM&G and Lake County Department of Public Works.

Input Request – please respond to this e-mail or send us a note (Herons Landing Homeowner's Association, 318 Half Day Road, Box #231, Buffalo Grove, IL 60089) and let us know if you would prefer to pay for the engineering up front...or if you would prefer to proceed as planned. The board will make the final determination as to the next steps, but your input is greatly appreciated.

We will provide additional information on the Municipal Lake Michigan Water Project as it becomes available and as the project progresses. If you have any questions please e-mail us at HLHAbord@gmail.com or send a note to us at Herons Landing Homeowner's Association, 318 Half Day Road, Box #231, Buffalo Grove, IL 60089

If you have industry or project specific experience or are able to provide constructive support as we move ahead, your input would be greatly appreciated. Please contact the board and let us know that you would be willing to volunteer.

By-Laws and Covenants

Our Homeowner Association by-laws (1990) and Declaration of Covenants (1988) were established and put into place some 20+ years ago. The by-laws and covenants outline how our association operates and present guidelines for our homeowners. When purchasing a home within Herons Landing, we all agreed to abide by the by-laws and covenants.

Recently there have been laws enacted that supersede our by-laws and covenants, such as the Common Interest Community Association Act (CICA ACT). As a result, our by-laws and covenants are outdated.

Our board is going to be working throughout the year to update the documents and procedures by which we operate. We will be sending out notifications of any updates as they become available.

HLHA Board Meetings and Minutes

Our homeowners association is made up of 11 resident volunteers who have been elected to the board by the neighborhood. Each member is elected for a term of two years.

There is one board meeting each month – usually held at one of the volunteer member’s home. The meetings begin at 7:30 p.m. and run as long as necessary to complete the business at hand. Minutes of the meeting are recorded by the secretary, reviewed, and then approved by the board at the following meeting.

Meetings schedule for the balance of 2011:

Monday, April 11	Thursday, May 12	Thursday, June 9
Thursday, July 14	Thursday, August 11	Thursday, September 8
Thursday, October 13	Thursday, November 10	Tuesday, December 13

Meeting schedule is subject to change.

The board meetings are an open forum and Herons Landing homeowners are encouraged to attend. Because the meetings are usually held at volunteer member’s homes – we ask that you let us know a week in advance if you intend to come to a meeting. **Advance notification is requested so the host can plan accordingly for the number of people expected** – in some cases the meeting location might need to be changed to accommodate the number of residents attending.

The minutes of each meeting are available to our residents once they have been finalized and approved by the board. If you would like a copy of the minutes please either e-mail us at HLHABoard@gmail.com or drop us a note at Herons Landing Homeowner’s Association, 318 Half Day Road, Box #231, Buffalo Grove, IL 60089.

Respectfully,

David Wolfe
President, Herons Landing HOA

David Lothspeich

From: Pardoworld@aol.com
Sent: Wednesday, April 20, 2011 3:18 PM
To: HLHABoard@gmail.com
Cc: David Lothspeich
Subject: Requested Homeowner Input - Lake Michigan Water Update
Attachments: HLHALetter-April14,2011.doc

TO: Herons Landing Homeowner's Association
FROM: Carlos Pardo
RE: Municipal Lake Michigan Water Update

This is in response to your April 14, 2011 email (attached), requesting homeowner input regarding a special assessment of an additional \$1,000 per household to conduct the engineering study for the "Water Project".

It is beyond comprehension that the Board, at this stage and after having earlier dismissed homeowners' concerns about the absence of a detailed engineering study and detailed projects costs, now decides to ask for an additional \$120,000. This study could and should have been done up front, prior to calling for a vote to set up an SSA and issue a bond. This issue was brought up in several communications from homeowners to the Board, and also questioned at the "Informational" meeting of February 23, 2011. At that time, David Wolfe indicated that the engineering plan would be started after the issuance of the bond, suggesting that we could rely upon an outdated 15-year old plan until a new plan was to be completed. I don't know what has driven the Board to press on with this project in such a rushed and haphazard way that basic, commonsense process steps have been missed or ignored. Didn't the Board recognize potential financial risks they were exposing the HL Association and homeowners by proceeding with a \$3 million plus project, without updated engineering plans or costs? Didn't the Board know they were committing Herons Landings' homeowners to a significant 30-year financial obligation prior to identifying the financial and engineering impact on the community and its residents? The Board should have approached this process in a more methodical, responsible and professional manner, making sure all project requirements and costs were reasonably identified, and homeowners were fully informed, prior to asking for their commitment to something that was not fully understood by homeowners, or for that matter the Board, in light of this new concern.

I initially agreed to the \$500* assessment because I misunderstood its intended purpose, and subsequently I expressed my desire to retract my vote. I take responsibility for not having asked all the questions I should have, but also feel the Board did not provide us with timely, accurate and complete information. I consider the Board's request for feedback on an additional special assessment offensive and ludicrous. If the Board erred by not calling for a vote on a special assessment to develop an engineering plan and detailed costs estimates up front, then it should admit it.

Needless to say, my preference is to scrap the whole project as it now stands. If afterwards there is a majority of homeowners still interested in getting Lake Michigan water into Herons Landing, the Board then would have an opportunity to thoughtfully develop the step-by-step process to follow without relying on outdated plans and cost estimates, or from feedback provided by homeowners seven years ago in order to rush the project through.

In the April 14th update, you reiterate what was brought up at the February 23rd meeting regarding securing an IGA (inter-governmental agreement) assuring the use of our wells for an indefinite period of time, or at least for the duration of the bond (30 years). You also mention that the IGA has not yet been created, but fail to mention any timeframe for when it might be. Why then, is the Board asking residents for additional funds not knowing when the IGA would be forthcoming, if at all. If there is no IGA, there is no Water Project. Why then pay for the engineering plan prior to getting the IGA assurance? As with other aspects of this project, once again you are putting the cart before the horse.

To ask homeowners if they prefer to spend an additional \$1,000 or "...to proceed as planned" seems an intentional misdirection. If homeowners don't agree to the special assessment, the implication is that we are agreeing to proceed without having a good handle on the total cost of the project. Is this so the Board is off the hook if there are surprises that surface after the engineering plan is completed following the creation of the SSA and issuance of the bond?

My position is clear. NO to the original Water Project and NO to the thought of an additional \$1,000 special assessment.

Regarding the updating of HL By-laws and Covenants, I expect the Board would make an extra effort in informing and communicating the status of their work in a transparent and timely manner and to adhere to the current HL Declaration of Covenants Conditions and Restrictions regarding any changes to such.

Respectfully,

Carlos Pardo
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Long Grove, IL 60047
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F. 847-383-5806
pardoworld@aol.com

* I would appreciate the Board's response to my questions below regarding the initial \$500 Special Assessment. You can email, mail or fax your answers to me. Please let me know if this request is sufficient for you to respond or if there is an "official" path for homeowners to request information from the Board, that I may not be aware of.

- 1- What was the total amount collected through the Special Assessment (\$500)?
- 2- How much was paid to the Village of Long Grove for starting the process to create the SSA?
- 3- Was there a balance after the payment to the Village and, if so, how much is it and how will the funds be allocated?