

**Item #1:**  
**Heron's Landing Lake Michigan Road SSA**

**1) Questions Re: Homeowner Options and Decision Authority**

- a) Will we be allowed to keep our wells for external lawn watering and the fire suppression system, if we choose to connect to Lake Michigan water for internal water consumption?
  - i. Will there be a formal commitment in perpetuity that we can keep our well?
- b) Who decides if this will be our option and when will that determination be made? **see assurance we can keep our wells, from Wolfe e-mail of 11/9/10**
- c) Assuming we can't keep our well (or if a formal commitment cannot be provided that we will be able to keep our wells), how much will it cost us to water our lawns with municipal water?
  - i. What will sewer costs be if we use municipal water to water our lawns?
  - ii. If we can't keep our well, and municipal water is used for the fire suppression system, will it need to be a separate second water line into the house?
  - iii. Are any of these specific infrastructure and ongoing costs included in the current project cost estimate that has been advertised to homeowners?
- d) Will we be allowed to continue using our wells for ALL our water needs and NOT connect to Lake Michigan water at all?
  - i. Who decides if this will be an option and when will that determination made? **see assurance we can keep our wells, from Wolfe e-mail of 11/9/10**
  - ii. If we do have the option to NOT connect to Lake Michigan water, will we be able to have the water line (or lines, as the case may be) run to the house, penetrate the wall, and then be capped – so that the most onerous part of the infrastructure implementation is completed (since we'll be paying for this whether we use the water or not), and therefore will be available for the next homeowner who may want Lake Michigan water?
- e) More generally, how many and which government agencies are involved in this initiative, and which one (if any) has overall control and decision making authority?

**2) Cost Questions (costs not directly associated with a specific infrastructure question)**

- a) What's the total (not annual) expected cost and cost cap to a homeowner who doesn't pay for this project with upfront cash – that is, what's the breakout of the expected financing costs vs. underlying project costs?
  - i. Assuming a homeowner elects to finance the obligation, will the homeowner be offered the ability to pay off the obligation prior to maturity?
  - ii. Assuming a homeowner elects to finance the obligation, if the house is sold before the end of the 30 year financing period (before the year 2041), how will the remaining SSA obligation be handled with the prospective buyer?
  - iii. Will the buyer have to assume the remaining SSA obligation?
- b) How will project cost overruns be handled, if they eat up the 15% contingency and cause the \$2500 annual cap to be exceeded - who's on the hook and how does it play out?
- c) What if interest rates skyrocket between time of estimation and time of funding, such that the annual cost exceeds the \$2500 annual cap - who's on the hook and how does it play out?
  - i. How was the financing rate of 6.5% determined?
  - ii. How have Illinois state solvency issues, and the attendant higher cost of IL debt issuance, affected project financing such as this?
  - iii. How long will the structuring and underwriting of the bond take, if the Long Grove Village board should approve the SSA?

**3) Addressing Potential Community Concerns**

- a) Are there any harmful contaminants in our water, or is it merely smelly (sulfur) and hard in its untreated, natural state?
- b) Have any Heron's Landing wells gone dry in the last 20 years? If so, to what depth were these wells dug?

- c) Is there a near term (next 10 to 20 years) concern that they might go dry?
- d) Have there been any issues regarding having adequate fire department protection as a result of not having hydrants in our neighborhood?
- e) How will municipal water for our fire suppression system affect house insurance costs?

#### 4) **Recent IL Dept. Of Natural Resources Approval**

- a) How does the recent approval by the Illinois Department of Natural Resources to allocate Lake Michigan water to Long Grove and other communities in the northwest suburbs, and the attendant potential creation of a North West Water Agency, affect these current deliberations?
  - i. Why wouldn't you put this current Heron's Landing - Central Lake County JAWA project on hold, until a thorough evaluation of the relative merits of the two approaches (central Lake County JAWA vs. a Northwest JAWA) can be done and presented to homeowners?
    - i. Aren't homeowners entitled to a thorough evaluation of this new alternative before we're locked into an SSA for this current one?
  - ii. Why is Heron's Landing the pioneer for this infrastructure project, subject to all the perils of being first and being a potential outlier if the rest of Long Grove later obtains water through a Northwest Agency?
  - iii. If the current proposed SSA is approved, and down the road, Long Grove as a whole approves an SSA for a Northwest JAWA based water project (through the Zion treatment plant), will Heron's Landing be burdened with two SSAs? Will you provide a formal commitment that we won't be so burdened?

#### 5) **Infrastructure Questions**

- a) Will you distribute to homeowners a design map of Heron's Landing clearly showing the number and approximate location of holes each property will receive, and review this map at an informational meeting so homeowners can understand what they may be facing?
- b) What's the expected cost of the preparation of the location where the line comes into the house, and for final restoration of the landscaping of this hole and the holes for B-boxes and hydrants **{see Wolfe email of 11/9/10, where he indicates this will be a homeowner expense that is not included in the project scope}**?
- c) How was the internal plumbing cost determined for purposes of the project cost estimate, that is, how was the myriad of internal plumbing situations handled?

#### 6) **Other Cost Questions**

- a) How was the 800 gallons/month average water usage determined **{see Wolfe email of 11/12/10}**?
  - i. What or who governs potential increases in the per gallon cost down the road?
  - ii. What has been the 10 year cost trend experience in neighborhoods with municipal water?
- b) How will usage of Lake Michigan water affect sewage utility costs? Please estimate assuming lawns are not watered with well water (see 1c, i above for the situation where the lawn is assumed to be watered using municipal water)?
- c) Why is the upfront amount so large (\$500 per household); with ~120 households, this will generate about \$60,000, well in excess of the \$10,000 commitment needed by Long Grove?
  - i. How much "replenishment" of the escrow account is expected, for what reason, and will any excess be refunded?

#### 7) **Additional Questions**

- a) Has a Means Test been done to determine whether any houses actually have a water problem that can't be remediated with a home treatment system?
- b) Have alternatives to this expensive and invasive infrastructure project been explored, which might solve the issue for those folks who truly have a water problem, such that those who have a problem bear the full cost of solving that problem?

- c) Have you considered carving Heron's Landing into two or more sections according to the quality of the water – delineating areas with relatively good water that can be treated with a home system versus areas with water that is truly bad (sulfur smell) and perhaps cannot be readily treated, such that the SSA(s) would be imposed on only the “needy” section of Heron's Landing?
  - i. If not, why haven't you considered this? If yes, what was the result of the consideration?
- d) What is a disinterested licensed appraiser's perspective (not a neighborhood realtor with potential bias) on the supposed benefit of municipal water on home values, versus the clear and obvious detriment to value resulting from burdening our homes with a 30 year SSA and associated extra annual tax cost (or paying cash up front)?
- e) What is the Long Grove Board's standard (or legal obligation, if any) for quality/honesty assurance regarding vote tallies from a homeowner's association seeking to establish an SSA?
  - i. Do you require an independent audit of the signed consents, do you obtain and review the originals of the signed consent form, or do you simply accept the word of the homeowner's association that a given number of affirmative votes was obtained – to launch a \$3 million invasive and contentious project?
- f) We would like to get clarity on the specific requirements for a homeowner vote to terminate the SSA proceedings
  - a. Does the question need to be asked a particular way?
  - b. Does each registered voter/homeowner need to sign a separate form, or can they sign a petition?
  - c. Do signatures need to be notarized?
  - d. Is there anything else we need to be mindful of, so that we are sure to meet the requirements of the village?
  - e. Please confirm that March 6 is date by which the signatures are required.
  - f. To whom do we deliver the signatures?
  - g. Any other guidance to help us do this the right way would be most appreciated.

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