

Item #1:

Public Hearing Re: Heron's Landing SSA For Lake Michigan Water

**NOTICE OF PUBLIC HEARING ON THE
ESTABLISHMENT OF A SPECIAL SERVICE AREA
FOR NEW CONSTRUCTION OF A WATER DISTRIBUTION SYSTEM
SERVING THE HERON'S LANDING SUBDIVISION**

PUBLIC NOTICE IS HEREBY GIVEN that on January 11, 2011, at 7:00 p.m. in the Board Room of the Long Grove Village Hall, 3110 Old McHenry Road, Long Grove, Illinois, a public hearing shall be held before the President and Board of Trustees of the Village of Long Grove to consider the establishment of a Special Service Area ("SSA") for the area commonly known as the Heron's Landing subdivision, which SSA would include all or portions of the following described territory:

Legal Description:

Lots 1 through 29 and 31 through 119 of Heron's Landing, a Subdivision of Part of Section 17, Township 43 North, Range 11 East of the Third Principal Meridian, in Lake County, Illinois.

PIN Numbers:

1517201067	1517201048	1517201017	1517202002
1517201068	1517201049	1517201016	1517202003
1517201069	1517201050	1517201015	1517202004
1517201066	1517201051	1517201014	1517202005
1517201065	1517201052	1517201013	1517202006
1517201064	1517201053	1517201012	1517202007
1517201063	1517201043	1517201011	1517202008
1517201062	1517201042	1517201010	1517202009
1517201061	1517201041	1517201009	1517202010
1517201060	1517201028	1517201008	1517202018
1517201059	1517201027	1517201007	1517202017
1517201058	1517201026	1517201006	1517202016
1517201057	1517201025	1517201005	1517202015
1517201056	1517201024	1517201004	1517202014
1517201055	1517201023	1517201003	1517202013
1517201054	1517201022	1517201002	1517202012
1517201044	1517201021	1517201001	1517202020
1517201045	1517201020	1517105001	1517202021
1517201046	1517201019	1517105002	1517202022
1517201047	1517201018	1517202001	1517202023

1517202024	1517105006	1517101043	1517201029
1517202030	1517105007	1517101044	1517201030
1517202029	1517105004	1517101045	1517201031
1517202028	1517105003	1517101046	1517201032
1517202027	1517101037	1517101047	1517201033
1517202026	1517101038	1517101048	1517201034
1517202025	1517101039	1517101049	1517201035
1517202019	1517101040	1517101050	1517201036
1517202011	1517101041	1517101051	
1517105005	1517101042	1517101052	

The purpose of the public hearing is to consider establishment of an SSA for the new construction of potable water distribution facilities to serve the Heron's Landing subdivision (the "Special Service"). The Village will also hear and consider testimony regarding the issuance of bonds for the proposed Special Service and the imposition or levy by the Village of a tax in the proposed special service area sufficient to produce revenues to pay the principal and interest on any such bonds or otherwise to provide for the construction of the Special Service. The maximum annual taxes to be extended within the SSA in any year for the construction of the Special Service (or the payment of principal and interest on any bonds issued for such construction) would not exceed \$2,500.00 per single family residence, which payments would not continue for more than 30 years. Such taxes would be payable within the special service area pursuant to a special tax roll that would allocate taxes on a per-single-family-residence basis.

All interested persons, including all persons owning taxable real property within the proposed SSA, will be given an opportunity to be heard at the hearing regarding the establishment of the SSA and the imposition or levy of a tax within the SSA, as well as an opportunity to file objections in writing with the Village Clerk at the Long Grove Village Hall. The public hearing may be adjourned to another date by the Board of Trustees of the Village without further notice other than a notice entered upon the minutes of said meeting fixing the time and place of its adjournment and reconvening.

If a petition, signed by at least 51 percent of the electors residing within the SSA and at least 51 percent of the owners of record of properties within the SSA, as herein defined, is filed with the Village Clerk within 60 days after the final adjournment of the public hearing, the establishment of an SSA and levy of a tax, as herein described, shall not be considered further.

Respectfully submitted,

DATED: December 23, 2010

/s/ Karen Schultheis
Village Clerk
Village of Long Grove

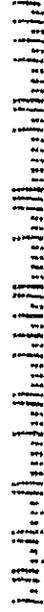
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David Lothspeich

From: David Wolfe [dwolfe@coveredbridgeconstruction.com]

Sent: Monday, November 29, 2010 4:14 PM

To: David Lothspeich

Subject: Letter /

David,

Per our conversation – Thanks for your time today.

Take care,
David

Municipal Water Supply Project Update

Hérons Landing Residents,

I want to provide you with an update and information on the status of the Municipal Water Project within Herons Landing.

Currently we have received 89 owner signed Consent forms authorizing our Herons Landing Board to take the necessary actions to move The Project ahead. We have had 13 residents state that they are not in favor of the project and 16 residents that have either not responded or have indicated they have not yet made a decision on the issue.

Because the Consent of 89 owners indicates a substantial majority (75%), the Herons Landing Board is taking steps to proceed with the Municipal Water Project.

Although the Consent form provides for a \$500.00 assessment, we are confirming with our attorney to determine if a meeting specifically called to vote on the special assessment is necessary. If a meeting is required, we will provide a ten (10) day notice and we will provide a proxy for any owners that wish not to attend or are unable to attend the meeting. An affirmative vote of sixty-one (61) residents is necessary to initiate the special assessment if ultimately the meeting is required.

The next step in the process of Herons Landing getting Municipal Water is to make a request to the Village of Long Grove Board to start working on the Special Service Area (SSA) and bond issuance to finance our project. We are currently on the agenda for the Village of Long Grove Board meeting for Tuesday November 9th, but we may ask that the date be continued until the Tuesday November 23rd meeting if advised to do so by our attorney.

Regards,
David Wolfe
President – Herons Landing HOA

Wednesday evening November 3rd, we held an informational meeting at the Country Meadows school cafeteria. The purpose of the meeting was to give residents an opportunity to learn more about the proposed Municipal Water Supply Project and to provide a forum for people to ask questions.

11/30/2010

We are trying to let you know what questions came up and the responses that were provided. The questions and answers are being truncated, summarized and paraphrased, but we tried to maintain the original intent as much as possible. As stated in previous correspondence, the information is correct and accurate to the best of our knowledge – changes in a project of this scope are normal and can be expected.

Question: The Herons Landing Covenants require a ten day notice for meetings, but the neighborhood was just notified about this meeting yesterday. Why are you not following the Covenants?

Answer: The Covenants do require a ten day notice of a meeting where association business is to be transacted. The meeting Wednesday night was intended to be informational. No votes were to be taken and no decisions were to be made – it was an opportunity for residents to ask questions and learn more about the proposed municipal water supply project.

Question: Can you tell me what the \$1,300 Well Abatement cost listed on the Proposed Financing Plan that Lake County put together?

Answer: If Herons Landing residents agree to move ahead with the Municipal Water project, they will be given an opportunity to keep their current well for irrigation and to supply their home fire suppression system. If a resident decides not to keep their existing well, state code requires that the well be permanently sealed to protect the safety of the aquifer. If you keep your existing well, there will be no cost for abandonment.

Question: What if we do not want to hook up to the municipal water source?

Answer: The project includes plans to distribute municipal water throughout the neighborhood – included in the scope of the project is the cost to run the main water line (that will roughly follow the street layout) and the supply line to your home. Included in the scope of the project is actual penetration through your basement wall and connection to your water system. The specific details of the connections are still being reviewed and drawn up by Lake County engineers and plumbing inspectors. You can choose not to have the line hooked up to your home water system, however you would still be responsible for payment of the Special Service Area (SSA) expense that would be included with your annual tax bills.

Question: Can we connect the municipal water supply up to the fire suppression system inside our home? What about the current water holding tank in the basement?

Answer: The specific interior plumbing design and hook up is still being worked on. The Village of Long Grove is working with the Fire Protection District, Lake County engineers, and plumbing inspectors to determine what would work best and what would provide the safest environment possible. Hooking directly to the fire suppression system and eliminating the holding tank is something that is being looked closely at.

Question: Will there be fire hydrants in the neighborhood?

Answer: Yes – there would be fire hydrants throughout the neighborhood. The specific location and position would not be determined until the project is approved and an engineering plan is designed. There was an initial high level engineering overview done in 2004 that included 42 hydrants throughout the neighborhood. The engineering plan is what the project would be built from and will take considerable cost and time to complete – the plan will only be completed if the project is approved.

Question: 90 Owner signatures are required to change the Covenants – do you have 90 signed Consent forms for the water project?

Answer: 90 signatures are required to make changes to the covenants; however there will be no changes to the covenants. Under the “**Declaration of Covenants, Conditions and Restrictions for Herons Landing, Long Grove, Illinois, Article VI – Board of Directors – Powers and Duties, Section 1:** The purpose of the Herons Landing Homeowners Association is to maintain, repair, and replace certain improvements at Herons Landing subdivision in Long Grove, IL. Said improvements include: (sub-section f) Other improvements installed by the Declarant,

the Developer or the Herons Landing Homeowners Association for the mutual benefit of the lot owners". We have asked that residents who are in favor of the Municipal Water Project to sign their Consent form by Friday November 5th, we will not have a final count until then, but at this point 89 (75%) of our residents have signed and submitted the Consent form.

Question: Is it possible for a homeowner that is against the project to try and take legal action to stop the project if it is approved?

Answer: Per state statute for creation of a Special Service Area (SSA), a public hearing is necessary regarding the project. Following the public hearing, there is an "objection" period of 60 days. If within the 60 day objection period a petition is signed by 51% of the owners and 51% of the electorate within the SSA area, and if the petition is presented to the Village of Long Grove within the objection period, the project would be stopped. Long Grove requires an initial financial commitment of \$10,000 from Herons Landing to initiate the SSA – this is a renewable escrow account to cover the initial legal fees incurred by the Village. The special assessment of \$500.00 per home is intended to cover the escrow account and to replenish it as required until the SSA is finalized and the bonds are issued. If the project were to be stopped, the amount spent on initial legal fees would not be refunded to Herons Landing. Although the special assessment has not yet been finalized until legal opinion is rendered or until a meeting has been conducted (if necessary), some homeowners have paid the assessment in advance in order to facilitate moving the project ahead.

Question: During construction things will have to be dug up, grass and landscaping will be disturbed – will this get fixed as part of the project?

Answer: The project would be designed to use Horizontal Directional Drilling to minimize the disruption to lawns and landscaping. Holes would still need to be dug and grass and landscaping would be disturbed. For the grassy areas, the area would be backfilled and covered with black dirt and then seeded and covered with a membrane to facilitate growth. As for landscape beds and features, the homeowner would be asked to work with their own landscape contractor to prepare the area where the supply line would come into their house. Although rough and general restoration is included – the detail work of re-planting or restoring gardens would be better left to the individual homeowner and their landscape contractor.

Question: What is there is a cost overrun? How would that be handled?

Answer: Lake County Public Works estimates that the entire project would cost \$2.9 million. This figure includes a mandatory 15% contingency factor. Additionally, Lake County has recommended that the SSA be created for \$3 million to assist in making sure there are no shortfalls (includes an additional \$100K flat contingency amount). If for some reason \$3 million were not sufficient to complete the project – the Consent form distributed to our residents provides for a \$500.00 initial special assessment and up to \$2,500 per year up to 30 years. As I understand things, If in the unlikely event it were necessary, an additional SSA could be established to supplement the first – as long as the combined annual payment amount for residents did not exceed a total of \$2,500 for a maximum of 30 years.

Question: You stated before that homeowners can pay their proportional cost of the project up front – can you give more details on that?

Answer: The details on the one time upfront payment have not yet been worked out with the Village of Long Grove and Lake County. We will provide additional information on this option as it becomes available.

Question: Is it possible to have a balloon option in the SSA – something like if I want to pay it off in a lump sum in 10 years would I have the option?

Answer: No – not as things are at this point. We will ask the Bond Counsel if this is possible, but we believe this type of a callable bond would be more expensive and the objective at this point is to keep costs as low as possible. As things stand now, you can either pay in full up front or pay annually over the entire term of the SSA.

Question: If the project is approved, what would the time frame be?

Answer: The actual construction itself is expected to take five to seven months. The steps leading up to construction (public hearing, bond issue, engineering design, bidding, etc.) could take as long as a year. All in all the expected projected time frame provided to us by Lake County was 16 to 18 months – subject to change.

Question / statement: This seems like a “covert” operation – I didn’t know anything about this and now people are signing consent forms to get municipal water in our neighborhood.

Answer: We are trying to be open and up front about the municipal water project. In 2004 a majority of our neighbors voted that they would like to have municipal water in the neighborhood. Many people worked hard to try and get Lake Michigan water back then, but it just wasn’t an option available to us at the time. Central Lake County Joint Action Water Agency (CLC JAWA) controls the municipal Lake Michigan water in our area. CLC JAWA was conducting studies to determine their water distribution capacities and conducting other studies regarding current and future water consumption. At the time, CLC JAWA was not permitting any additional connections to their system beyond what had already been planned for and approved. Subsequently, the studies have been concluded and it has been determined that CLC JAWA does have sufficient capacity to supply our 118 homes with Lake Michigan water. In January of 2010, the Village of Long Grove, at our request, approved a resolution to support Herons Landing with procuring a municipal water source. Several months ago we were notified that Herons Landing *might* be able to get Lake Michigan water – at that point we sent an informational note to the neighborhood relaying that there may be a possibility of getting municipal water in the future. CLC JAWA recently gave approval for Lake County to provide Lake Michigan water to Herons Landing.

Upon receiving notice that we had the opportunity to get municipal water in Herons Landing we worked with our association attorney to determine the best way to go about the process. One option presented by counsel was to create a Consent form as a follow on to the resolution passed back in 2004. The Consent form was completed and initially provided to the individuals that indicated they were in favor of the municipal water project in 2004. Additionally, an informational note was distributed to the entire neighborhood including the Consent form and a Proposed Financing Plan as compiled by Lake County Public Works. Multiple residents signed the Consent form agreeing to the Municipal Water Project and approving the necessary \$500.00 special assessment.

We wanted anyone that had questions to be able to ask them, so we set up an informational meeting at Country Meadows Elementary school. We had an hour meeting and had about 30 residents show up to learn more and ask questions about the project.

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