

----- Forwarded message -----

From: **Maggie Divarco** <mdivarco@comcast.net>

Date: Wed, Jun 22, 2011 at 7:03 PM

Subject: Heron's Landing IGA

To: dlothspich@longgrove.net

Dear David,

We are writing to you this evening with regard to the Intergovernmental Agreement (IGA) pertaining to Heron's Landing where we currently reside. Please hold off on the approval of the IGA until the HLHA Board has had time to schedule another meeting to discuss the issues about this project as well as give us another opportunity to vote on whether we want to proceed with it not.

This is a monumental project and we don't think enough consideration and time has been given to the residents of Heron's Landing to really examine the impact of what this will do to our community as well as the costs associated with it. With the current state of the economy and rising costs on everything from gas to groceries, to rising taxes on homes that are depreciating in value every year, it doesn't make sense to us as to why are we rushing into such an expensive project.

We read the document you sent to us, Resolution No 2011-R-_ and to be honest, I would have to give this document to our attorney to explain it to me. It's very confusing and full of legalese. We are just average, very hard-working people, and to have this project thrust upon us without full consideration and ample time to review it, is just beyond my understanding.

Please give us more time to consider this and carefully examine all the options.

Thank you.

Regards,

Rich and Maggie Divarco

David Lothspeich

From: Heronslanding Concernedhomeowners [hlhconcerns@gmail.com]
Sent: Wednesday, June 22, 2011 7:39 PM
To: hlhboard@gmail.com
Cc: David Lothspeich; mrodriguez@longgrove.net; eacuna@longgrove.net; jbarry@longgrove.net; jmarshall@longgrove.net; kschmitt@longgrove.net; cwachs@longgrove.net; jweber@longgrove.net; kschultheis@longgrove.net
Subject: IGA Review
Attachments: IGARReviewFinaPrint21June2011.doc

Dear Neighbors:

Many concerned homeowners of Herons Landing have taken the time and effort to attend many Village meetings. In addition a detailed review of the IGA agreement has uncovered a number of issues raising important questions that need to be addressed. It is the hope that after your review you will agree that a meeting is necessary to review these issues and resolve all of them prior to the establishment by Long Grove of the SSA and approval of the IGA agreement.

Please take the time to review and either come to the Long Grove Village meeting next Tuesday, June 28 and encourage them to "PAUSE" at this time until further information is available. If you cannot make the meeting please call the Village or one of the concerned homeowners on the list and make them aware of your feelings.

It does not matter whether you are "FOR or AGAINST" the water issue, it is more important that we the homeowners of Herons Landing protect our interests both personal and property. Too many issues have been raised to move forward at this time. It is in the best interests of the community that a small delay will only benefit everyone concerned...

Herons Landing Concerned Homeowners (names on attached)

In addition please find below another letter written to David Lothspeich from our concerned homeowners:

Maggie Divarco to dlothspich

[show](#)

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Regards,
Rich and Maggie Divarco

-IMPORTANT INFORMATION- HERONS LANDING LAKE MICHIGAN WATER PROJECT

By now we should have all received a copy of the Lake County and Village of Long Grove revised Intergovernmental Agreement (IGA) pertaining to the Lake Michigan water project. Since the consent form signing, additional information has been shared with the community. As a result many homeowners who originally voted "yes" for the project and formation of an SSA, have now voted "NO". We, concerned homeowners of Herons Landing regardless of "for or against", feel compelled to share with our neighbors the overwhelming concerns after attending numerous Village of Long Grove meetings and the review of this agreement. We believe that the process followed by the Herons Landing Homeowners Association Board leading up to the issuance of this IGA, failed to identify major issues and important considerations that could impose significant short and long term burden on you, your property and your finances.

Enclosed are excerpts from the Intergovernmental Agreement from the Village of Long Grove, regarding issues we believe must be addressed, clarified and resolved before the Village makes any decision that would allow for the project to move forward. We also believe that it is unreasonable to provide a 14 day window (until June 28) for all homeowners to respond to a complex document without the opportunity to have its content, implications and issues raised herein, explained in a transparent manner in a special and timely meeting schedule by the Herons Landing Homeowners Association Board. After all, this is our community, our properties. We must make sure all our questions and concerns are addressed to our satisfaction so we can make an informed decision, one that we will live with for many years.

There is no doubt after reviewing this agreement that there are too many open questions and tremendous costs associated with this project that have not been taken into consideration. Has the board exhausted all attempts for Federal Funding for Safe Drinking Water? As Herons Landing homeowners and your neighbors, we urge you to please contact the Village of Long Grove and advise them that you want them to hold off on the establishment of the SSA and this agreement. We also wish to urge the Herons Landing Homeowners Association Board to arrange a meeting to further discuss the issues that have not been raised previously and are now out in the open for all to see. Following this meeting we suggest a legitimate vote be taken by the community to determine how to proceed and what safeguards are needed to be put in place for our protection.

We also urge each and every one of you to go on-line and read the Lake County feasibility study and the amendment <http://www.lakecountyil.gov/PublicWorks/PublicInformation/Pages/LakeMichiganWaterFeasibilityStudy.aspx>. it will provide you with details as to how Long Grove is financially beneficial to Lake County's plans for water expansion to the fourteen (14) communities outlined in this report. We also believe that many of these communities cannot bear the burden of the extreme costs associated with this project and will not proceed. Should this occur, would the additional costs be the burden of those communities that have chosen to proceed? Why should Herons Landing be the guinea pigs and the first? As you can see on the enclosed map, Long Grove is the last community on the line. Should the other communities go first and build the lines, Long Grove might be able to join at a later date at much lower costs since it is at the end of the line.

Since Lake Michigan water will not be available to Long Grove until 2015 according to the agreement, then a pause in the process is not only a reasonable but a prudent step for us to take given the many issues still outstanding. There are too many questions and the project is too important to move forward at this time. This in no way would interfere with the overall plans of water expansion to the 14 communities in Lake County, on the contrary, it may be beneficial to other Lake County and Long Grove communities that may be on the initial stages of evaluating a similar project.

Of great concern to you is the real possibility that your property could be damaged and you will be responsible for the repairs. As you can see in the enclosed pictures, tremendous disruption will occur in our community during this process. Herons Landing will definitely be a mess for quite some time.

If you have signed a consent form previously, please take the time to advise the Village of Long Grove, the Herons Landing Board and this group of concerned citizens so that cooler heads can prevail and a more comprehensive evaluation can take place for the benefit of our community.

We are all neighbors living in the most wonderful community in Long Grove. Many concerned citizens previously had voted yes for the project but after learning more, have agreed to hold off and proceed in a more cautious and prudent manner. This is a reasonable way to proceed. It is not too late to take a pause before we commit ourselves and our community to a very long term obligation that could end up being detrimental to many if not all residents.

The Long Grove Village Board will consider approval of the IGA at their upcoming meeting on June 28, 2011.

Below are suggestions for how to help if you share the concerns of many of your neighbors. If you have any questions please do not hesitate to contact any one of us as we are completely transparent and only are looking out for the interests of our community.

Herons Landing Concerned Citizens: **Not all represented here**

Larry Kluge
Ph: 847.634.9918
Email: SLK1818@aol.com

Rudy Endrizzi
Ph: 847.913.0422
Email: rendrizz@aol.com

Lee Giacomino
Ph: 847.634.3126

Carlos Pardo
Ph: 847.955.0588
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Bruce Johnson
Ph: 847.913.9849

Renee Levine
Ph: 847.913.8067
Email: arellev@aol.com

Trond Odegaard
Ph: 847.634.1856
Email: a_odegaard@yahoo.com

Toby Wilson
Ph: 913.1934

CC.

David Lothspeich
Village Manager
3110 RFD
Long Grove, IL 60047-9623
Tel. 847-634-9440
Fax. 847-634-9408
dlothspeich@longgrove.net

PS: Countless hours have been spent by the above as well as many others to audit and recommend many cost saving and procedural benefits to this project.

Excerpts from the IGA and Comments from Concerned Herons Landing Homeowners

Village of Long Grove Resolution NO. 2011-R Intergovernmental Agreement

- **Section 1: (L)** Use of water in 2015 - "...the Village has been issued a Lake Michigan Water Allocation Permit ("Village Water Allocation") by IDNR that will allow the Village to begin using Lake Michigan water in 2015."

Why is payment required in August, 2011?

- **Section 2: Bond Ordinance** - "Collectively, one or more ordinances that may be enacted by the Village, authorizing the issuance of Bonds, **from time to time**, in one or more series and in accordance with this Agreement and **on such other terms as are acceptable to the Village, in its sole direction**".

This permits the Village to float additional bonds from time to time as required. Herons Landing homeowners would be obligated to finance these additional bond issuances.

- **Section 2: Private Improvements** - "...internal restoration necessary to return the residence to **minimum Building Code compliance**. The Private Improvements **shall not include** any additional interior or exterior restoration, finishing, or cosmetic work, including without limitation repair or replacement of patios, decks, landscaping, drywall, or flooring material".

*Herons Landing Board told homeowners that private property would be restored back to its original condition and **not just to minimum Building Code compliance**. This could be a costly endeavor for many homeowners.*

- **Section 4: Phasing**. "...actual costs for the Project cannot be ascertained until certain activities have been undertaken and completed"

There are two very detailed engineering reports commissioned by the Herons Landing Homeowners Association titled Lake Michigan Water Feasibility Study - Engineering Report November 2007 and Amendment No.1 to Lake Michigan Water Feasibility Study - Engineering Report September 2008 are available with extensive cost analysis.

- **Section 4B: Prepayment Option**

*In the above section, reference is made to probable costs and Exhibit D which is the agreement between Lake County and the homeowner. This agreement holds harmless Lake County for any damage done to our private property. We **should not** accept this condition.*

- **Section 4C: Issuance of Bonds**

This permits Lake County to be the trustee of the bonds. This is a conflict of interest in that the Village of Long Grove or a Herons Landing homeowner should be the trustee in order to insure that all work performed in the community is as contracted.

- **Section 4F 1, 2, 3: License Agreements for Private Improvements**

These 3 paragraphs indicate once again that any damage to landscaping, decks, patios, trees, driveways etc. will not be repaired and is not the responsibility of Lake County. We, HL homeowners, will hold Lake County harmless. Furthermore, should the homeowner wish to use Lake Michigan water for purposes of irrigation, it outlines the necessary restrictions placed on watering. Today we have free water and can use it as we please.

- **Section 4G: Application for Service**

Refers to Exhibit F, NOT attached.

- **Section 4H 2: Project Bidding** – *“In the event that the Project Costs exceed the remainder of the Net Bond Proceeds...the Parties shall confer about alternative approaches for either reducing Project Costs or **seeking additional moneys ...including without limitation seeking authorization for additional Bonds issued by the Herons Landing Water SSA**”*

Should the costs of project exceed bonds they have the right to issue additional bonds to cover additional costs. Our community has not agreed to this provision. It was agreed that the project would be stopped. In addition, those who agree to prepay will be responsible for the additional costs as well.

- **Section 5 B: Cost Overruns, Additional SSA Taxes** – *“In the event that the Project Costs exceed the Net Bond Proceeds...the Village will levy ‘Additional SSA Taxes’ to reimburse the County for the Excess Project Costs.”*

Be aware that there could be additional taxes added. In addition, a monthly fee of \$20.00 could be added as a surcharge or additional \$240.00/year with a 6% interest should costs exceed the budget. Once the SSA is established the community is opened to additional taxation measures.

- **Section 6 B: User Fees**

Once again the community will be burdened with additional fees:

1. *“A base rate for water usage, plus standard fees or surcharges, comparable to the rates and fees or surcharges charged to customers in similarly situated service areas”.*

As we are newly established there are no areas at this time to be compared to.

2. *“A fee or surcharge sufficient to cover the reasonable costs of Water System inspections performed by the County, as provided in Section 7”.*

Another additional cost not accounted for by the HLHA Board.

3. *“To the extent there are any expenses uniquely and specifically related to the Water System, a fee or surcharge sufficient to cover such expenses .Another surcharge.*

4. *“Any Capital Cost Surcharge as authorized pursuant to Section 5.C of this Agreement”.*

Yet again, another surcharge not accounted for previously.

- **Section 7 A, B, C, D: Continued Use of Private Wells; Interconnection Prohibited; Water System Inspections.** *“...the Parties shall mutually prepare and each shall adopt regulations prohibiting interconnections between the Water System and private well systems, and **requiring periodic inspections...**” “Such regulations shall provide for **fines of up to \$750 per violation per day.**” “...the County shall conduct regular inspections of the Water System and all **interior or exterior plumbing located on the Lot...**” “The County shall be entitled to impose a reasonable charge to recover the costs of such inspections...” “An owner’s refusal to allow the County to conduct any such inspection shall be grounds for termination of service...”*

Routine inspections by the County will incur an additional cost and burden the homeowner with compliance issues not required today. Once again this was not disclosed by the HLHA Board. If a homeowner chooses not to hook up to the Water System they will still be required and governed by Lake County to pass inspection. It is unclear as to the up front and ongoing cost to homeowners in order to comply with the interconnection regulation.

- **Section 9: Term and Termination.** “...This Agreement shall remain in full force and effect from the Effective Date for a term of 40 years.”

Agreement is for 40 years and although the bonds may be issued for 30 years, the possible surcharges and additional costs associated with this water system can be a further burden. This extends the potential financial obligation of HL homeowners by an additional ten (10) years.

- **Section 13 A, B: Mutual Indemnification.** *“The County agrees to, and does hereby, hold harmless and indemnify the Village,...” The Village agrees to, and does hereby, hold harmless and indemnify the County, LCPWD,...”*

Both the Village and Lake County will hold each other harmless, but Herons Landing is not party to this privilege. In the end, HL homeowners are on their own.

There are many other issues not in the IGA that remain unanswered. Some are:

- Where is the IGA review and comments by our HLHA attorney?
- Bond costs now \$220,000 compared to original HLHA document indicating cost of \$100,000?
- What risks are associated with prepayment versus the bonds?
- What happens if only a few residents agree to prepayment option?
- On financial sheet Item 2 all costs assume no unusual sub surface conditions?
- Seems exceptionally high connection fees LCPWD and CLCJAWA of \$514,952 as we pay for infrastructure.
- At Village of Long Grove Board meeting a discussion regarding issues of higher and consistent water pressure from LM water on existing plumbing and fire suppression pipes. Who pays for the damage from possible breaks?
- Questions regarding the Quality of LM Water – numerous reports from the EPA and the Chicago Tribune on the contaminates, drugs, etc that exist in the purified water that are not controlled by the EPA.
- SSA a proven negative to the sale of a home as increased taxes cause competitive disadvantage to other homes.
- Lake County feasibility studies indicate that LM Water and sewer rates will continue to rise.
- Need to rebuild our roads after installation of expansive system
- Open ended liabilities to the residents
- Continuing use of our wells for the bond period
- Continue to maintain additional water treatment systems for LM Water ex. Water softener, reverse osmosis, etc
- Means test never conducted to determine alternative solutions for the few homes with water quality issues. Are those systems maintained? Have they sought alternate technology?
- Funding alternatives

What You Can Do

1. Contact Long Grove's Village Manager, David Lothspeich at 847-634-9440 or at dlothspich@longgrove.net asking to hold off approval of the Intergovernmental Agreement (IGA). Let him know you are asking the HLHA Board to schedule a meeting to discuss additional project related issues of concern that have surfaced in the IGA, as well as calling for a homeowners vote on whether to proceed with the project or not..
2. Contact your neighbors discuss the issues and share this information and/or get information they may have that you may be unaware of.
3. Contact any of us if you have questions or would like to be updated on developments or would like to help your concerned neighbors in having the Village and the HLHA Board take a cautious and more prudent approach.
4. Attend the Village of Long Grove Board Meeting on **June 28, 2011** to ask the Village not to approve the IGA until Herons Landing homeowners have had a chance to diligently review it and discuss it at Herons Landing Homeowners meeting. Remember, once the IGA is approved by the Village the next step is their approval of the SSA...and then it may be too late to stop the process without our next steps and legal intervention.



Tremendous disruption will occur in our Community during this process.



Hérons Landing will definitely be a mess for quite some time.