

## David Lothspeich

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**From:** Bruce Johnson [bwj0001@gmail.com]  
**Sent:** Monday, May 16, 2011 8:36 PM  
**To:** David Lothspeich  
**Cc:** rendrizz@aol.com; a\_odegaard@yahoo.com; kgiacomino@comcast.net; slk1818@aol.com  
**Subject:** HL Water Project

David,

Thks for keeping us informed & offering the ability of reviewing your preliminary "Draft Intergovernmental Agreement". As you can see we are extremely concerned with the apparent number of changes that have been made since our previous HL homeowners mtg.

Following are our comments/questions:

- **Page 1 (H)**-although what might appear to represent a minor point to others, we would like to go on record as stating we take issue with the characterization that HL homeowners "have experienced water quality and reliability concerns regarding its water supply." The main problem with some homeowners is "odor" which based upon testing has never been determined to pose a health risk. Secondly, we know of no "reliability concerns" as it has never been brought up in any of our numerous communications either from the HL Board or individual homeowners.
- **Page 4, Phasing**-"actual costs cannot be ascertained" & the parties have agreed that if actual costs of the project materially exceed the cost assumptions it may not be feasible", however cost assumptions are not dollarized & we were told by the HL Board that if the cost of the project were to exceed \$2500, they would not proceed w/o collective formal homeowner authorization?
- **Page 4, (A), (B), (C)**- The term "SSA Establishing Ordinance" is one that we are not familiar with & appears to require immediate funding commitment for either the "Prepayment or Bond" option with the homeowner fully on the hook for whatever expenses are incurred during the life of this ordinance regardless of the outcome? It has always been our understanding that the funding obligations from homeowners would not commence until such time as when the original SSA project was activated?
- **Page 7, (G)-License Agreement**-Preserves right for any homeowner to not immediately connect however we were repeatedly told in spite of this decision that a capped line would be run to the perimeter of the outside of the home? However this wording appears to represent "punitive" action for any homeowner who reserves the right to not participate in the water distribution of the development, in that they would later incur a 125% premium to connect at some later time which for whatever reason maybe more preferable. We also find this offensive in that in spite of anyone's personal decision to not hook up, they are still required to participate in the total funding of full project within the development??
- **Page 8, (B), (C)-Cost Overruns**-This stipulates that for all "excess project costs" that the homeowner is fully on the hook along with a special "Capital Cost Surcharge of 6% over a 7 year period," whereas we were told by the HL Board numerous times, (also in writing) that the total cost would not exceed \$2500/home & If so it would require additional homeowner approval.
- **Page 9, (A) Continued use of private wells**-We have an issue with the verbiage "MAY continue to use water drawn from such private wells for irrigation purposes" in that the word "may" can be interpreted to mean that it is not yet a done deal, as such we suggest "will be allowed to continue to use water drawn from such private wells for irrigation purposes."

- **Page 11, (9)-40 years-**“This agreement shall remain in full force & effect from the effective date for a term of **40 years?** The term length was always presented by the HL Board as **30 years**, never for 40 years & if the cost is now projected over 40 years, this appears on the surface to represent a minimum 25% increase for those homeowners who choose the SSA option? **The home owners voted & approved 30 years financing @ a max of \$2500/yr?**
- **Page 12/13, (A), (B)-Mutual Indemnification-**it appears that the “Village, its corporate authorities, elected or appointed officials, officers, employees, agents, representatives, engineers & attorneys are held harmless & indemnified & that they in turn hold harmless & indemnify the county, LCPWD & ALL county elected or appointed officials, officers, employees, agents, representatives, engineers & attorneys relative to the performance by the Village of its obligations under this agreement” **with no mention of the homeowners in Heron’s Landing??** Are we now to assume that in addition to having this illegally & unethically rammed down our throat by a renegade Board that we now are at risk for any type of significant lawsuit over the next 40 yrs?

If you have any questions or for the need to discuss any of this please feel free to contact any one of us,

Thank you,

Bruce Johnson

**Dear HLHA Board:**

**As per your request attached please find my input. It has become obvious that those who want Lake Michigan water that badly should pay for it. There are procedures in place that developers and other communities have used successfully to provide water to those that want it without burdening those that do not...**

**It is unbelievable that you have not shared both sides of the story with the community. It would have been appropriate for the board to ask a community member who is against the water project to make a presentation as well. The board gave a biased and one sided view of the project. There are numerous obstacles and issues that have been raised and you have chosen to ignore them.**

**Once and for all you should finally have a conscience and do what is right...**

**Regards, Larry Kluge**

In a message dated 4/14/2011 8:37:23 P.M. Central Daylight Time, hlhaboard@gmail.com writes:

Dear Herons Landing Neighbors,

We wanted to provide updates on the Municipal Lake Michigan Water Project and other important topics, as well as ask for your feedback. Please see the attached letter.

*Your HLHA Board*

# Lawrence S. Kluge

Hérons Landing Homeowners Association  
318 Half Day Road #231  
Buffalo Grove, IL 60089  
Attn: Board of Directors

5883 RFD  
Long Grove, IL 60047  
847.630.1818  
SLK1818@aol.com

April 18, 2011

Thank you for your response and update and I look forward to receiving a copy of the IGA agreement.

In your first paragraph you advise us that the challenge period is over but you neglect to inform the community that thirty-three (33) petitions (against) were brought to the Village of Long Grove. Of these petitions eleven (11) were previously yes votes (including mine) and an additional twenty-eight (28) did not sign a consent form indicating a "NO" vote according to the language you wrote in the consent. This clearly demonstrates the strong bias the Board has in this matter and is the reason why the community is getting a one-sided story. You only refer to the keeping of our wells as the issue when more importantly it is the **length of time** that we can keep our wells. Should this provision not be part of the agreement then the community must be informed that it would be possible that either the County or State could request that we cap our wells at a cost of \$1,000-2,000 and an expected increase in water usage of between \$500-800/month during the lawn watering season. In addition, as you can see just from the minor work being performed at one house in the community the tremendous disruption that will be caused by this massive undertaking and will impact those families who are considering selling their homes. It is your obligation to advise the community of this as well.

I am also shocked that you would request an additional \$1,000 at this time for engineering that you explained at the last meeting was completed. The only additional cost would be to determine the difference in cost of materials and boring. Your statements at the meeting were that the difficult work has already been done. To suggest at this time that you require an additional \$120,000 is only further emphasizing the lack of information that you have provided to the community and your attempt to remove this exorbitant cost from a bond issue. This cost should be included in the bond issue and as you stated the total should not exceed \$2500/year... In addition, I would appreciate an accounting for the use of the \$500 assessment that you refer to as soft costs? I do not know about you but I consider \$60,000 a great deal of money that you have already raised by this previous assessment. In addition, the vote and special assessment were both not carried out according to our covenants,

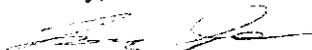
Furthermore, I find the language you have used in the following paragraph to be inappropriate and not consistent with the best interests of the community:

*"Input Request – please respond to this e-mail or send us a note (Hérons 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**".*

This statement clearly suggests that once again the board will overstep their boundaries and attempt to make this determination regardless of the input. It is surprising that our attorney, Michael Kim, has not advised you that for any additional assessments the existing covenants, that have not been amended, must be followed and the appropriate vote needs to take place.

It is obvious that the board and Mr. Kim are acting with extreme prejudice. My request for another vote is very reasonable and your comment that it would be an added cost is insulting. I would be happy to bear the costs for this vote and assist in selecting the independent accounting group.

Sincerely,



Larry Kluge