

Item #5:
Village Trustee Acuna
D. Lake Michigan Water Allocation Update

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

IN THE MATTER OF)
)
LAKE MICHIGAN WATER)
ALLOCATION PROCEEDING) No. LMO-09-08
FOR THE VILLAGE OF LONG GROVE)

**NOTICE OF INTENT OF HEARING OFFICER
TO TAKE OFFICIAL NOTICE OF CERTAIN FACTS**

This matter was heard before the duly appointed Hearing Officer of the Department of Natural Resources for Hearing on March 12, 2010. The Hearing Officer hereby reopens the record of this proceeding and provides notice to all parties, pursuant to 17 Ill. Admin. Code 3730.211, of his intent to take official notice of the following facts:

There is sufficient Lake Michigan water available to meet the request of the Village of Long Grove and the requests of all of the applicants intending to create a Municipal Joint Action Water Agency (Lake County, Village of Antioch, Village of Fox Lake, Village of Hawthorne Woods, Village of Lake Villa, Village of Lake Zurich, Village of Lindenhurst, Village of Long Grove, Village of Volo and Village of Wauconda) consistent with Section 3 of the Level of Lake Michigan Act, 615 ILCS 50/3.

Pursuant to 17 Ill. Admin. Code 3730.211, all parties are given the opportunity to comment on the relevance or accuracy of the foregoing facts. All comments, if any, are to be filed with the Hearing Officer and the other parties within 14 days hereof, on or before December 23, 2010.

Robert G. Mool
Robert G. Mool
Hearing Officer
Illinois Department of Natural Resources
One Natural Resources Way
Springfield, IL 62702

12/9/10
Date

PROOF OF SERVICE

I hereby certify that the foregoing PREHEARING ORDER was served by mailing a copy, postage prepaid, to the following on this, the 9th day of December, 2010, to:

Dan Injerd and Jim Casey
Illinois Department of Natural Resources
Office of Water Resources
Michael A. Bilandic Building
160 N. LaSalle, Suite S-700
Chicago, IL 60601.

Victor Filippini, Jr.
Holland & Knight
131 South Dearborn Street, 30th Floor
Chicago, IL 60603

Robert G. Mool

Robert G. Mool
Illinois Department of Natural Resources

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

IN THE MATTER OF)
)
LAKE MICHIGAN WATER ALLOCATION) NO. LMO-09-08
PROCEEDING FOR THE)
VILLAGE OF LONG GROVE)

RESPONSE OF VILLAGE OF LONG GROVE TO THE
NOTICE OF INTENT OF HEARING OFFICER
TO TAKE OFFICIAL NOTICE OF CERTAIN FACTS

The Village of Long Grove, by its attorneys, Holland & Knight LLP, in response to the Notice of Intent of Hearing Officer to Take Official Notice of Certain Facts, states as follows:

1. Section 3 of the Level of Lake Michigan Act, 615 ILCS 50/3, requires the State of Illinois to limit diversions from Lake Michigan to the levels prescribed in that Act.

2. The State of Illinois Department of Natural Resources is charged with devising and developing a continuing program for the apportionment of water to be diverted from Lake Michigan by persons and entities within the State. 615 ILCS 50/3.

3. In light of its powers and duties under the Level of Lake Michigan Act, the State of Illinois Department of Natural Resources is in the best position to take official notice of the following facts as proposed by the Hearing Officer:

There is sufficient Lake Michigan water available to meet the request of Village of Long Grove and the requests of all of the applicants intending to create a Municipal Joint Action Water Agency (Lake County, Village of Antioch, Village of Fox Lake, Village of Hawthorne Woods, Village of Lake Villa, Village of Lake Zurich, Village of Lindenhurst, Village of Long Grove, Village of Volo and Village of Wauconda) consistent with Section 3 of the Level of Lake Michigan Act, 615 ILCS 50/3.

4. Pursuant to 17 Ill. Admin. Code Section 3730.211(a)(5), the Village of Long Grove concurs that the proposed facts stated in Paragraph 3 above are relevant to its application, and has no objection to the State of Illinois Department of Natural Resources taking official notice of the information stated in Paragraph 3 above.

Respectfully submitted,

By: 
Victor P. Filippini, Jr.
HOLLAND & KNIGHT LLP
Attorney for Village of Long Grove

Date: December 20, 2010

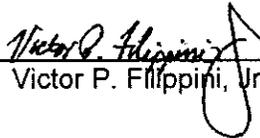
Victor P. Filippini, Jr.
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131 South Dearborn Street, 30th Floor
Chicago IL 60603
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e-mail: victor.filippini@hklaw.com

PROOF OF SERVICE

I, Victor P. Filippini, Jr., an attorney, hereby certify that the foregoing RESPONSE OF VILLAGE OF LONG GROVE TO THE NOTICE OF INTENT OF HEARING OFFICER TO TAKE OFFICIAL NOTICE OF CERTAIN FACTS was served by mailing a copy, postage prepaid, to the following on the 20th day of December, 2010:

Robert G. Mool
Hearing Officer
Illinois Department of Natural Resources
One Natural Resources Way
Springfield, IL 62702

Dan Injerd and Jim Casey
Illinois Department of Natural Resources
Office of Water Resources
Michael A. Bilandic Building
160 North LaSalle Street, Suite S-700
Chicago, IL 60601



Victor P. Filippini, Jr.

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SAMPLE: NOT FOR RELEASE AT THIS TIME

State Approves Lake Michigan Water Allocation for Ten Communities in Northern and Western Lake County

The Illinois Department of Natural Resources has approved a request for a Lake Michigan Water Allocation submitted by ten communities in northern and western Lake County. This is the first step in a complex, multi-step process to transition from ground water to Lake Michigan water in order to meet long-term water demands for this growing area.

The Northern Lake County Lake Michigan Water Planning Group made up of ten communities have been working on this project for more than four years, conducting feasibility studies and developing the allocation requests. The communities include: Antioch, Fox Lake, Lake Villa, Lake Zurich, Lindenhurst, Long Grove, Volo, Wauconda, and Lake County (unincorporated areas of Fox Lake Hills and Grandwood Park).

Lake County Board Chair Suzi Schmidt said, "This is good news, but we still have a lot of work to do. The existing water supply is simply not adequate to meet water demands now and into the future. Lake Michigan water is the most cost-effective option to ensure that residents have a clean, sustainable water supply. All of the communities must work together to educate the public on this critical issue."

Feasibility studies have shown the aquifers in this area have limited capacity and are susceptible to impurities and contaminates. Also, demand for water has resulted in over pumping of several aquifers creating low water levels and poor water quality.

"Continued depletion of our supply of groundwater makes this a major priority for Lindenhurst and other Lake County communities," said Mayor Susan Lahr. "The window of opportunity for

us to obtain Lake Michigan water is shrinking and we must act soon in order to secure a reliable and permanent water source for the residents of our community.”

The next step is for the elected officials of the group to form a water agency and develop a financing plan. A potential initial funding source for the group is general obligation bonds, which could require a referendum in these communities to obtain voter approval. Once the financing plan is established, the group would proceed with design and construction of the necessary treatment, pumping and pipeline facilities.

The total estimated cost is \$250 million for a system that would use the existing intake facility at the Lake County Public Water District in Zion and require installation of 57 miles of pipeline. Each municipality would have its own distribution system. About half of the cost would come from general obligation bonds to be funded by property taxes in these specific communities. The remainder would come from revenue bonds funded by monthly service charges on water bills. It is estimated that it will cost the average household about \$40 per month more for Lake Michigan Water delivered via this project.