

VILLAGE OF LONG GROVE INFRASTRUCTURE GRANT APPLICATION – PUBLIC HEARING

WATER MAIN & PUMP HOUSE IMPROVEMENTS
FOR CONNECTION TO THE VILLAGE OF BUFFALO
GROVE LAKE MICHIGAN WATER.

IL 83/Downtown Area Public Water History.

- ▶ In 2008 the Village partnered with the IL 83 property owners to construct a shared deep well water system for Sunset Grove, Executive House, Harborchase and the South 15. This water system was designed to extend public water in the Historic Downtown in the future. The Village of Long Grove owns and operates this system.
- ▶ In 2016, the Village studied the potential connection of the IL 83 Water System (Deep Wells) to Lake Michigan Water on Arlington Heights Road. Due to estimated construction costs the Village stopped pursuing
- ▶ Between 2013 and 2018 the Village incrementally extended public water from the IL 83 system throughout the Historic Downtown and in advance of the recently completed Streetscape Improvements.

- ▶ In April 2020, the State of Illinois announced several grant programs and the Village of Long Grove Board of Trustees identified the connection to Lake Michigan water as this highest priority and for the Village to prepare a grant application.
- ▶ An Ad-hoc Grant Committee consisting of members of the Village Board and Village Economic Development Commission with the Village Engineer and Staff was formed and developed the draft application.
- ▶ The State grants program is competitive with applications evaluated based upon specific criteria. Points are awarded on a sliding scale with grants being awarded to the projects that score the highest.
- ▶ One of the evaluation criteria is whether the applicant is contributing local funds toward the project cost. If the applicant is contributing local funds then a public hearing is required.
- ▶ In order to maximize points, the Grant Committee recommended that the Village of Long Grove contribute \$10,001 toward the \$2.96M estimated project cost which triggers the public hearing tonight.

- ▶ Lake Michigan Water Connection – Village of Long Grove Benefits:
- ▶ IL 83 Deep Well Water System was designed to avoid mining and protect the existing shallow well aquifer that many residents depend on.
- ▶ The deep well aquifer capacity is finite and reducing use helps to preserve this resource for Long Grove subdivisions and the region that rely depend upon the deep aquifer for their water source.
- ▶ Lake Michigan Water connection will increase the capacity for fire protection and possible expansion of public water to serve area residential properties.
- ▶ Preserve the Village of Long Grove Lake Michigan water allocation.
- ▶ Reduce operating costs to maintain/possibly reduce customer water rates.
- ▶ Promote economic development.

Lake Michigan Water Connection – Village of Long Grove Benefits:

VILLAGE OF LONG GROVE

REBUILD ILLINOIS PUBLIC INFRASTRUCTURE GRANT APPLICATION



June 25, 2020

Village President
Bill Jacob, Chair
Administration & Operations

Director's Office
Illinois Department of Commerce and Economic Opportunity
900 East Monroe
Springfield, Illinois 62701

Treasurer
Anne Kennedy, Chair
Finance

RE: Lake Michigan Water Connection
DCED Capital Infrastructure Grant Application

Chris Rossmitt
Planning & Zoning
Energy, Sustainability

Dear Director Guhrie:

Jessie Michael
Economic Development

The Village of Long Grove is submitting the enclosed application for the Rebuild Illinois Public Infrastructure (RIPI) grant program. The grant request is in the amount of \$2,949,585.79 to be used to complete a Lake Michigan Water Connection via Buffalo Grove's water system. Due to funding uncertainties and the current pandemic, the Village of Long Grove is able to contribute \$10,000 outside of this grant request.

Clark Nara, Chair
Building, Water & Sewer

Mike O'Connor, Chair
Public Works & Facilities

As more fully described in the application project summary, the grant funds for this proposed project (which is in the TIF district) will provide (a) much needed protections for the community (as it pertains to public safety specific to water usage by the fire district for increased reliability and capacity), (b) help to preserve the Galeville Aquifer for the 8-county region, and (c) provide a stable water source for future economic development projects, existing businesses and residents of Long Grove. This project aligns with Governor Pritzker's Five-Year Economic Development Plan to promote job growth along with providing environmental and economic benefits to the region.

Robin O'Reilly, Chair
Economic Development,
Environmental Concerns
& Communications

Village Clerk
Amy John-Groves

Village Administration

This project will also facilitate commerce in the Village, by providing reliable Lake Michigan Water to businesses in the TIF District, the Historic Downtown and Sunset Grove Business Districts thereby helping to preserve the viability of many small businesses that have been negatively impacted by the recent pandemic and shutdown. This RIPI grant project will also promote economic development generating increased revenues for a struggling TIF district, preserve the environment and enhance the employment picture for the region, thereby revitalizing these local economies. Additionally, this project will decrease the users on the Galeville Aquifer and increase efficiency of both the Buffalo Grove and Long Grove water systems.

David Licharski
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I certify that this application meets the eligibility thresholds as outlined in the Notice of Funding Opportunity and Rebuild Illinois Guidebook.

John Power
Accountant
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Very truly yours,
Village of Long Grove

Dennis Botteggi
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Bill Jacob
Village President

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Village of Long Grove Grant Application For Lake Michigan Water Connection – Public Hearing:

Grant Application Public Hearing Requirements: The public hearing is required per Grant Committee recommendation of a local contribution (Village of Long Grove) of \$10,001 for the \$2.94M grant.

▶ **The amount of funds available.**

- ❖ IL 83 SSA Fund Balance = \$645,249 (As of 4/30/20).
- ❖ Application for local contribution in the amount of \$10,001 of these funds.

▶ **Project activities to be undertaken with grant funding, including amount:**

- ❖ Lake Michigan Water Connection via connection to Buffalo Grove’s water system. 16” watermain connection will connect at intersection of Thompson Boulevard and Arlington Heights Road and connect to the existing IL 83 Water Treatment Plant located at 4182 IL Route 83. A secondary/emergency 8” water connection in front of the XX Office Building (Buffalo Grove), extend northerly along IL Route 83 and connect to Long Grove’s water system at the intersection of IL Route 53 and IL Route 83.

<i>Grant Funding Request =</i>	<i>\$2,949,585.78</i>
<i>Proposed Village Contribution = \$</i>	<i>10,001.00</i>
Total Project Cost =	\$2,959,586.78

Village of Long Grove Grant Application For Lake Michigan Water Connection – Public Hearing:

- **Plans for minimizing displacement as a result of the grant-assisted activities and to assist persons actually displaced, if applicable;**
 - ❖ *Not Applicable, no displacement to result from the grant-assisted activities.*
- **A detailed, prioritized list of community development and housing needs; and**
 - ❖ *Village Comprehensive Plan 2018, Including Chapter 7 “Residential Neighborhood and Housing” &*
 - ❖ *Grant Application, Including Pages 30-32 & 86-95.*
- ▶ **A narrative discussion of the scope of the project including the proposed improvements, costs, benefit area, impact on community finances, etc.**
 - ❖ *Grant Application, Including “Project Summary” Pages 27-29.*

Village of Long Grove Grant Application For Lake Michigan Water Connection – Public Hearing: Narrative Discussion “Project Summary” Grant Application Pages 27-29

Project Summary

The Village of Long Grove (Village) proposes to connect its public water system to Lake Michigan Water consistent with the eligibility criteria and purpose of the Rebuild Illinois Public Infrastructure (RIPI) grant program. The project is estimated to cost \$2.95 million and with assistance from the RIPI grant, will provide (a) much needed protection for the community (as it pertains to public safety specific to water usage by the fire district for increased reliability and capacity), (b) help to preserve the Galesville Aquifer for water usage by the fire district, (c) provide a stable water source for future economic development projects, existing businesses and residents of Long Grove. This project aligns with Governor Pritzker's Five-Year Economic Development Plan to promote job growth along with providing environmental and economic benefits to the region.

The Lake Michigan Water connection project is located within the Long Grove Tax Incremental Finance (TIF) District (designated in 2007 as both a conservation and blighted area as defined in the TIF statute (65 ILCS 5/11-74.4-1, et. seq.)). Connection to Lake Michigan water will make the TIF district (which is still underdeveloped and underperforming), a more desirable location for future business development as it will result in a reliable, environmentally friendly, and safer water supply for the TIF district and the surrounding area.

The project consists of a 18" diameter water main connection to the Village of Buffalo Grove's water system on Arlington Heights Road and an 8" diameter secondary/emergency water main connection to IL Route 83 as shown on the Project Location Map (attached to the application). Other components of the project include modifications in the water treatment plant to accept the new water flows and construction of a multi-use path over the 8" water main.

In 2006, the Village of Long Grove built a public water system that has two deep wells that draw water from the Galesville Aquifer. In 2015, after recognizing limitations of this system, the Village initiated preliminary discussions with Buffalo Grove to evaluate a Lake Michigan Water connection. In this area, Lake Michigan Water is supplied through the Northwest Water Commission (NWC) which requires Long Grove to connect to an existing member's water system; Buffalo Grove is the closest NWC member. Unfortunately, it was determined that the cost to access Lake Michigan water through Buffalo Grove was three-times the cost of the Village's annual capital budget. Due to insufficient resources, the Village had no choice but to forgo pursuit of the Lake Michigan water extension and continue to maintain the existing water source and treatment plan.

The Lake Michigan water main extension will provide several benefits, including:

1. Improving the reliability of the system for fire protection ensuring availability of safe water at all times.
 - a. On March 16, 2020, the Village experienced a water main break that emptied the water system in less than 30 minutes. The existing deep wells could not fill the system as quickly as the water was draining out. As a result, many suffered negative impacts because of a mandatory 48-hour boil order for public safety. Those affected include all the businesses in the area (many of which are small businesses in the Historic Downtown), as well as residents and a large senior living facility served by the system.
 - b. The water main break could have been more catastrophic had a fire event occurred during the break. If that occurred, the Village would have experienced severe consequences for firefighting purposes as hydrants were dry and tanker trucks would have been necessary for water delivery. Reduction in water delivery could result in loss of life, potential health risks, destruction of property, and business losses due to a fire event.
 - c. This RIPI grant request for the water main extension provides ample volume for firefighting services. This water main connection to Lake Michigan water will also provide ample volume to keep the system running during future water main breaks, to maintain necessary water volume and pressure to protect public safety, and to reduce impacts on residents and business operations.
2. The Village's use of the two deep wells will be removed from service, reducing users on the mixing of and preserving the Galesville Aquifer for the region.
 - a. Increased usage of the water supply from the Galesville Aquifer in recent years has resulted in portions of the aquifer becoming desaturated in areas serving Will, Kane, and Kendall Counties and the resulting water quality/quantity concerns.
 - b. In the 2015 study "Changing Groundwater Levels in the Sandstone Aquifers of Northern Illinois and Southern Wisconsin: Impacts on Available Water Storage", there was considerable research on the impacts of an increasing number of wells on the area aquifers, including the Galesville Aquifer. Although the Galesville Aquifer is not in a risk zone (for total desaturation by 2050), the Report highlights there are stress points in the system; therefore any reduction of underground water usage will be beneficial to the entire six-county region.
 - c. The environment will benefit from this connection as Long Grove will receive treated water, ready for domestic consumption, from Buffalo Grove. This eliminates the need for Long Grove to use additional

- chemicals to treat well water. For example, the radium that is currently removed by Long Grove from the well water is discharged into the Lake County sanitary sewer system which is becoming increasingly costly and problematic for the county to dispose of the radium. Other disposal items, such as used sand filtration media, will also be eliminated.
- d. The Village's RIPI grant request for the water main extension will reduce the stress on the Galesville Aquifer's regional usage, thereby limiting the risk of desaturation and helping to offset the increased usage in Will, Kane and Kendall Counties.
 3. Although the deep wells are effective in providing water for domestic consumption, they also require costly maintenance for the Village's budget.
 - a. In 2018 and 2019, the Village spent approximately \$200,000 to maintain the wells, replace the well pumps, and restore the well depth. In the 10-years since initial installation, approximately 10-feet of sand accumulated at the bottom of the well which was reducing the well capacity.
 - b. Since the Village's Capital Fund budgeted revenue is \$782,255 an investment of \$2.95M is not feasible especially during declining revenues due to the Covid-19 pandemic. Additionally, as of 4/30/2020, the Village's Non-Home Rule sales tax account (which is the main source of the Village's revenue) had a deficit balance of **-\$4,650,857**. The Village has seen a dramatic downturn in sales tax activity and is projecting significant revenue reductions due to the COVID-19 Pandemic. Although significant improvements to fire-safety, public health and business would result from a Lake Michigan Water connection, the Village's limited finances (further limited as the Village does not levy a municipal property tax), make this water main extension unattainable without RIPI grant funding.
 - c. The Village's RIPI grant request for the water main extension will make this critical and necessary infrastructure improvement a reality by helping the community connect to a stable water source for future economic development projects, existing businesses, and residents of Long Grove.

With the RIPI grant funds, this project will begin immediately pending all permits and approvals (specifically permitting by Illinois EPA for public water systems). Upon receipt of the grant award, the Village is prepared to diligently pursue all remaining approvals, bid the project, and enter into a contract. Once underway, the construction work will be completed within 6 months in compliance with the 24-month window as required by the RIPI grant award.

Impact Amplification

The Village of Long Grove's link to sustainable Lake Michigan water resources is essential for life-safety, economic prosperity, environmental and public health, and quality of life. This project will result in a more reliable and affordable water supply for the community it serves which include many businesses (including many small businesses located in Historic Downtown Long Grove) and an assisted living facility. Additionally, it will increase availability of public water to residents of Long Grove and a potential connection to area grade schools. This Lake Michigan water main connection will contribute not only to the health, safety and economic growth of the community but also benefit the region by lessening the burden on the Galesville Aquifer.

Minority Inclusion Plan

The construction contract for this project will include a minority inclusion plan. The Village plans to incorporate a goal that 20% of the contractors on this project by either DBE (Disadvantaged Business Enterprise) or WBE (Women-Owned Business Enterprise) registered contractors or other minority contractors.

Upon an award of a grant for this project, the Village is prepared to submit a BEP (Business Enterprise Program) plan that outlines the participation of these groups.

Business Infrastructure

The Village of Long Grove Comprehensive Plan (updated in 2018) identifies five commercial subareas, including the Historic Downtown and Sunset Grove Business Districts (areas served by this water main extension project). A reliable public water supply is essential for the continued viability of these commercial subareas as well as the customers that they serve and ensure the public health of the residents and the residents of the senior assisted living facility. The Sunset Grove business district contemplates future commercial expansion consisting of both smaller scale shopping centers, office uses, and opportunities for "mid-sized" retail stores (ranging from 30,000 to 50,000 sq. ft.). Such future commercial expansion will present employment opportunities for the area and will rely upon obtaining this water connection with Buffalo Grove for Lake Michigan water. The water main connection will be an efficient, potable, and affordable water supply for current business development and contemplated future development, as well as providing health and safety benefits to the community by providing a reliable water source for fire protection.

This project will immediately serve to create and retain construction jobs; (see "Job Creation Documentation" later in this application), while at the same time improving vital infrastructure to Lake County. This project will also facilitate commerce in the Village, by providing reliable Lake Michigan Water to businesses in the TIF District, the Historic Downtown and Sunset Grove Business Districts thereby helping to preserve the viability of many small businesses that have been negatively impacted by the recent pandemic and shutdown. This RIPI grant project will also promote economic development generating increased revenues for a struggling TIF district, preserve the environment and enhance the employment picture for the region, thereby revitalizing these local economies. Additionally, this project will decrease the users on the Galesville Aquifer and increase efficiency of both the Buffalo Grove and Long Grove water systems. Alternatively, if this grant request is not funded, Long Grove's water system will be limited in its capacity to serve the community, requiring continuous use from the Galesville Aquifer and may possibly further deteriorate the local economy as these issues cannot be addressed without assistance from the RIPI grant.

Village of Long Grove Grant Application For Lake Michigan Water Connection – Public Hearing:

Public Comment

Please state your name and address for the record

Thank you