

July 27, 2009

## **HAWTHORN WOODS – GLENNSHIRE WATER SYSTEM FREQUENTLY ASKED QUESTIONS**

- **What is the estimated cost of the new water system?**  
The estimated bond amount for the new water system is \$5,300,000, or \$23,350 per individual property owner/customer ("Owner"). The final project costs can not be established until after construction bids have been opened.
- **The current estimated cost of the new water system has increased to \$23,350 per property owner. What are the reasons for the increase?**  
The previous lower cost estimate was based on a preliminary set of construction drawings and did not reflect or incorporate all the comments received from the various reviewing agencies, including changes by the Village of Hawthorn Woods. In addition, the cost estimate was revised to incorporate more recent cost data as well as costs associated with bond issuance and financing charges. However, the final cost of the project will be based on actual bid prices, which could differ from the engineer's cost estimates.
- **What are the payment options available to the residents?**  
There will be two options available for individual property owners to pay their share of these costs. One would be to make a lump sum payment. The second option is to participate in a surcharge payment that will be included as part of your water bill to be paid over a 30 year period. All property owners that do not choose the lump sum payment will be placed on the surcharge payment plan. Currently, the surcharge payment is estimated to be \$147.00 per month or \$294.00 per bi-monthly bill. Each property owner will be given the opportunity to select a payment option when final project costs are established after construction bids have been opened.
- **If I choose the surcharge payment method, what happens to the surcharge payment when I sell my house?**  
The surcharge payment will continue to be billed to the property and the new owners will be responsible for continued payments.
- **Why do I have to select and pay the upfront lump sum payment option more than a full year before the new system will be up and running?**  
The amount of bonds that will be issued to pay for the new water system will depend on the number of residents who choose to make a lump sum prepayment. The more residents that prepay, the lower the amount of the bonds are that will be issued to finance the new system. Therefore, it is necessary for residents to select and make any upfront payments before the total bond amount can be established and the bonds issued.

- **Can I prepay the surcharge amount at any time after the initial bond issuance?**

Yes, you can choose to prepay at any time; however, you will be prepaying the **full amount** of all remaining future surcharges without the benefit of interest savings.

- **Is the Village Hall connecting to the new water system? Are they making an equal payment?**

The provision of water service to the Village Hall property is not included as part of this project.

- **What is going to happen to my base water rate once the new water system is in place?**

The current water rate for customers on the existing County water system receiving County water is \$3.14 per 1000 gallons. Pursuant to the bulk water supply contract entered into between the Village of Hawthorn Woods, the County, and Aqua Illinois, authorizing the County to construct the new water system, the base water rate is projected to be \$5.33 per 1000 gallons for the first year. This rate is effective once the new water system (supplied by Aqua Illinois water) is in place.

- **What approvals or licenses from individual property owners will be required to construct the new water system?**

The water mains and distribution lines will be constructed and installed within existing road right-of-ways, and therefore no additional easements will be required from the residents to permit the installation of this distribution system. However, the installation of individual service lines (the line that will run from the water main to each individual house) will require residents to sign and return a license agreement authorizing the County (and its contractor) to enter their property for the purpose of connecting to the new water system. Each homeowner is required to sign a license agreement in order to receive water service.

- **What will happen if I fail or refuse to execute and return the license agreement to authorize the installation of my individual service line?**

The County project (and estimate of costs) includes the cost of each individual service line. In the event a license agreement is not received from a particular resident, the contractor will not be able to install the service line, therefore that resident will be solely responsible for the additional cost of the purchase and installation of the individual service line through the use of an independent contractor.

- **When will construction of the new water system begin and when will it be completed?**

Bids for the project are scheduled to be opened on August 20, 2009. Construction is estimated to start in October/November 2009 and the new water system should be operational in the fall of 2010.