



May 9, 2013

Ms. Janel Gomez
Senior Planner
Lake County – Community Development Division
500 Winchester Road – Unit 101
Libertyville, IL 60048

Re: Grant #C1207 - Village of Fox Lake

Dear Ms. Gomez:

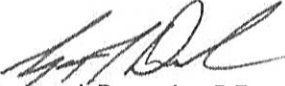
The Village of Fox Lake is interested in changing the scope of their 2012 CDBG funded project (#C1207) from the Maple Avenue / South Lake Street water main construction project submitted to a fire hydrant repair project as outlined in Mr. Gheysen's memo to you dated March 28, 2013 (see attached). The following is a summary of the reasons for the requested change:

- **CIP Program Changes:** A recent change in Village leadership has required the Village to adjust their focus on capital improvement projects. This change has the Village focusing on rehabilitating their existing infrastructure rather than expanding their water system at this time. The Village has identified a significant number of hydrants in their distribution system in need of replacement as part of this program.
- **Lack of recapture on the Maple / South Lake Street project:** The extension of the Maple Avenue water main loop will not be cost effective due to the lack of connections at this time. The Village has decided to not loop the water system in this area at this time.
- **Required Leverage:** The Village recently passed their 2013-14 FY budget with limited funds for water and sewer CIP projects; thus the Village is not able to meet the \$172,000 leverage required as part of the Maple / South Lake Street project. The Village will be able to fund the 20% minimum match (\$24,342.25) required for the fire hydrant replacement project.

The Village is anxious to proceed with the hydrant replacement project, but needs to determine if the project will be supported by the CDBG program. These funds will assist the Village in improving the fire protection for their residents in this area. I will be present at the May 22nd meeting to address any questions or concern the Commission may have regarding this proposed change. Please feel free to contact me at 262.657.1550 with any questions you may have.

Sincerely,

Clark Dietz, Inc.


Gregory J. Droessler, P.E.
Project Manager
E-mail greg.droessler@clarkdietz.com

cc: Mr. Rocky Horvath – Fox Lake Water and Sewer Supervisor



MEMO

To: Janel Gomez - Senior Planner, Lake County
From: Chris R. Gheysen, P.E.
Date: March 28, 2013
Subject: 2012 CDBG - Request for Change in Project
Village of Fox Lake – Grant #C1207

The Village of Fox Lake has expressed their desire to change the scope of the project for the 2012 CDBG funds awarded to them in the amount of \$97,369.00 (Grant #C1207). Per a previous telephone conversation, we understand that it may be possible to change the project. As you had shared with us, the amount of effort depends on where the project is located compared to what was originally awarded. This memo is intended to be the initial effort to explain what the proposed changes are and how the original leverage amount would change. If a formal amendment process needs to be initiated, please advise.

The project that was awarded as Grant #C1207 consisted of the construction of new watermain along Maple Avenue and South Lake Street to provide municipal water to an area that currently is served by private wells. Total project costs were estimated at \$322,000.00. Based on the maximum CDBG grant award of \$150,000, the Village's leverage for the project was reported at 53.4% (\$172,000).

The Village of Fox Lake is requesting a change in project with a revision to the leverage amount to meet the minimum 20% leverage. Therefore, with the 2012 CDBG award being \$97,369.00, the 20% minimum match would be \$24,342.25. This would provide a total project budget of \$121,711.25.

The revised project would be to replace existing fire hydrants that have been found to be in a state of disrepair that lie within the same census tract as the original project. Below is an estimated breakdown of the proposed fire hydrant project budget:

Design Engineering (3.7%)	\$ 4,500.00 – Matching Funds
Construction Engineering (8.2%)	\$ 10,000.00 – Matching Funds
Construction	<u>\$107,211.25 – CDBG & Matching Funds</u>

Total Project Cost: \$121,711.25

Based on an estimate of \$7,000 per fire hydrant, approximately 15 fire hydrants could be replaced. If the project change is approved, the bidding documents would be drafted and the project would still be targeted to be complete by the fall of 2013.

Please advise as to what is needed to proceed with changing the project for the Grant #C1207 awarded to the Village of Fox Lake.