

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: September 28, 2021

To: Village President & Board of Trustees

From: Jim Marino, Village Manager

Topic: Memorandum of Understanding to Purchase Water

PURPOSE

Staff has been in conversations with the Village of East Hazel Crest regarding East Hazel Crest purchasing water from us after we change our water supplier from the City of Harvey to the City of Chicago Heights. A memorandum of understanding (MOU) has been prepared that provides East Hazel Crest a due diligence period to evaluate the feasibility of purchasing water from us.

PROCESS

In June of 2020, the Village Board approved a memorandum of understanding with the Village of Flossmoor that served as the mechanism for the sharing of information and costs while Flossmoor evaluated the feasibility of buying water from us after we change our water supplier to the City of Chicago Heights. Because East Hazel Crest is interested in purchasing water from us, they must perform their own feasibility assessment, thus requiring us to enter into the same MOU that we approved with Flossmoor.

Because we are changing to a different water supplier, there are several water testing, engineering, IEPA requirements and cost sharing matters that must be evaluated. This MOU provides East Hazel Crest a six-month period to evaluate and resolve the requirements and issues necessary to permit East Hazel Crest to purchase water from us. Both municipalities will work together to review information, reports, plans, and documents to enable us to begin to negotiate a contract.

The East Hazel Crest Village Board approved the MOU at their September 8th board meeting.

OUTCOME

This MOU could result in East Hazel Crest purchasing water from us at a lower cost than what they are paying to their current water supplier and would provide additional revenue into our water fund to help cover the cost of maintaining our water system.

VILLAGE OF HOMEWOOD



FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW: Completed

RECOMMENDED BOARD ACTION

Approve a memorandum of understanding between the Village of East Hazel Crest and the Village of Homewood that grants the Village of East Hazel Crest a six-month due diligence period to evaluate the requirements and issues to be resolved to permit East Hazel Crest to enter into a contract with Homewood for the purchase of water.

ATTACHMENT(S): Memorandum of Understanding