



TO: Dr. Koultourides and Members of Town Council

FROM: Dustin Anderson, Town Manager

SUBJECT: Water Purchase Agreement Between the Town of Munster, the Town of Dyer, and the Hammond Water Works Department

DATE: September 20, 2021

Background

The Town of Dyer has one connection to the Hammond Water Works Department via the Town of Highland. Dyer would like to have a redundant connection to deliver potable water as a life-safety precaution for their residents and businesses.

Methodology

The Town of Dyer proposes that a new connection from the Town of Munster be made via our Calumet watermain. Our Water Division and Town Engineer have analyzed Dyer's proposed plan and have determined that we have the capacity to accommodate a connection.

The attached agreement protects the Town of Munster's interests by allowing us to restrict water transmitted to Dyer if our local consumption demands it. Dyer will be responsible for all maintenance and operations related to the necessary equipment to transport water via Munster.

This agreement also allows for a conveyance fee to be charged to Dyer for the water that they consume. The methodology and exact transportation fee is currently under development through talks with Dyer and Highland. Section 501 Paragraph (b) holds that this fee will be established between 30 and 90 days after this agreement has been executed. This fee will come to Council as either an amendment to this agreement or as a stand-alone mechanism. In either case, Council will have the opportunity to review, comment, and amend the proposed rate prior to its acceptance.

The Town of Dyer is looking for this project to be completed by November 2021 and anticipates activation of the connection by January 1, 2022.

Recommendation

Approve the proposed purchase agreement the Town of Munster, the Town of Dyer, and the Hammond Water Works Department.