

CITY OF MORGANTOWN

AN ORDINANCE AUTHORIZING THE ACQUISITION OF
THE SEWERAGE COLLECTION AND TRANSPORTATION
SYSTEM OF SCOTT'S RUN PUBLIC SERVICE DISTRICT
AND APPROVING AN ACQUISITION AGREEMENT BY AND
AMONG SCOTT'S RUN PUBLIC SERVICE DISTRICT, THE
CITY OF MORGANTOWN AND MORGANTOWN UTILITY
BOARD

WHEREAS, the City of Morgantown is a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said state (the "City");

WHEREAS, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Code"), and pursuant to an ordinance duly enacted by the City on September 1, 1987, as amended on May 1, 2007, the City created the Morgantown Utility Board (the "Board") and vested in the Board the responsibility for the supervision, management, control and operation of the combined waterworks, sewerage and stormwater system of the City (the "System");

WHEREAS, the City, acting by and through the Board, currently provides sewerage collection and treatment services to approximately 19,063 sewerage customers and six resale customers within the corporate limits of the City and in the surrounding unincorporated area pursuant to certificates of convenience and necessity issued by the Public Service Commission of West Virginia ("Commission");

WHEREAS, Scott's Run Public Service District (the "District") is a public service district and public corporation created by order of The County Commission of Monongalia County (the "County Commission") pursuant to the provisions of Chapter 16, Article 13A of the Code;

WHEREAS, the District currently provides sewerage collection and transportation service to approximately 970 customers in Monongalia County, West Virginia;

WHEREAS, by prior orders of the Commission, the District was granted certificates of convenience and necessity to construct and operate a sewerage collection and transportation system serving areas around the City;

WHEREAS, the District's public sewerage system consists of a collection and transportation system, including associated mains, pumps, filters, basins, tanks, lift stations, laterals, valves, connections, and all other equipment and personal property used and useful in

providing sewerage services to customers of the District, together with all real property, lands, easements, rights-of-way, permits, certificates of convenience and necessity, deposit accounts, savings accounts, investments, security deposits, accounts receivable, bond sinking funds, bond reserve accounts and all other tangible and intangible assets owned or held by the District and used or useful in providing sewerage collection and transportation service to the District's customers (collectively, the "Sewerage System");

WHEREAS, the District currently has outstanding the following indebtedness secured by the Sewerage System: (i) Sewerage System Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568; (ii) Sewerage System Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586; (iii) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813; (iv) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394; and (v) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated December 18, 2009, issued in the original aggregate principal amount of \$3,939,585 (collectively, the "Bonds");

WHEREAS, the District faces considerable cost and expense to continue to own, operate and maintain, and upgrade the Sewerage System in a manner that will ensure continued reliable and adequate sewerage service;

WHEREAS, the Board and the District are parties to a Sewer Service Agreement, whereby the Board provides sewerage treatment services for wastewater from the District's Sewerage System;

WHEREAS, pursuant to adoption of a resolution on May 22, 2013, as the entity vested by the City with responsibility for the supervision, management, control and operation of the City's System, the Board recommended to the City that it acquire the Sewerage System in order to provide sewerage collection and treatment service to the current customers of the Sewerage System (the "Acquisition"), all on the terms, conditions, and limitations substantially as set forth in the form of an agreement attached hereto as Exhibit A and incorporated herein by reference (the "Acquisition Agreement"); and

WHEREAS, the City will pay a purchase price for the Sewerage System that is equal to the aggregate outstanding principal amount of the Bonds which shall be assumed by the City on the date of the Acquisition.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF MORGANTOWN:

Section 1. The City hereby authorizes acquisition of the Sewerage System in order to provide sewerage collection and treatment service to the current customers of the Sewerage System.

Section 2. The City hereby approves the Acquisition Agreement substantially in the form attached hereto and made a part hereof as Exhibit A, in connection with the Acquisition.

Section 3. The City will promptly request, or join with the Board and/or the District in requesting, the written consent of the holders of the District's Bonds to the City's assumption of the current outstanding balances associated with the Bonds.

Section 4. The City hereby authorizes approval of the final forms and execution of all documents necessary and appropriate to facilitate the Acquisition, specifically including, but not limited to, the Acquisition Agreement.

Section 5. The Acquisition is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the District's customers.

Section 6. This Ordinance shall be effective immediately following enactment hereof.

[Remainder of Page Intentionally Blank]

Enacted this 18th day of June, 2013.

By: _____
Mayor

ATTEST:

By: _____
City Clerk

APPROVED AND CORRECT AS TO FORM:

By: _____
City Solicitor

627490.00053

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF MORGANTOWN on the 18th day of June, 2013.

Dated: _____, 2013.

[SEAL]

City Clerk

EXHIBIT A

Form of Acquisition Agreement