

COVER PAGE

SUPPLEMENTAL DOCUMENTS

SCOTTS RUN PUBLIC SERVICE DISTRICT

BOND ORDINANCES AND ACQUISITION

The following are supplemental documents provided by Todd Swanson as additional information for Council's consideration of the adoption of the Bond and other Ordinances in relation to the Acquisition of the Scotts Run Public Service District.

THE COUNTY COMMISSION OF MONONGALIA COUNTY

AN ORDER APPROVING THE ACQUISITION OF THE
SEWERAGE COLLECTION AND TRANSPORTATION
SYSTEM OF SCOTT'S RUN PUBLIC SERVICE DISTRICT
BY THE CITY OF MORGANTOWN

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 West Virginia Code of 1931, as amended (the "Code");

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

WHEREAS, by prior orders of the Public Service Commission of West Virginia ("Commission"), the District was granted certificates of convenience and necessity to construct and operate a sewerage collection and transportation system serving areas in and around the County, including areas adjacent to the sewer service territory of the City of Morgantown, West Virginia (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 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 City, acting by and through the Morgantown Utility Board (the "Board"), currently provides sewerage collection and treatment services under the direction and supervision of the Board 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 Commission;

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 the provisions of Chapter 16, Article 13A of the Code, a public service district must, among other things, obtain the approval of the county commission or county commissions of the county or counties in which the district operates prior to transferring its system to another utility;

WHEREAS, the City is willing to acquire from the District, and have the Board operate and maintain, the Sewerage System in order to provide sewerage collection and treatment service to the current customers of the Sewerage System (the "Acquisition");

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 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;

WHEREAS, on May 22, 2013, following due notice and public hearing pursuant to Chapter 16, Article 13A of the Code, the members of the Board of the District deemed it to be in the best interests of the District and its customers to transfer and convey the Sewerage System to the City and unanimously adopted a resolution authorizing the transfer and conveyance of the Sewerage System to the City pursuant to an acquisition agreement, subject to the approvals of the County Commission, the Commission, and the holders of the District's Bonds;

WHEREAS, the District has requested that the County Commission enter an Order approving the transfer and conveyance of the Sewerage System to the City, subject to the approval of the Commission and the holders of the District's Bonds; and

WHEREAS, the County Commission believes that the transfer and conveyance of the Sewerage System by the District to the City is in the best interests of the District and will promote the health, welfare, safety and convenience of the customers of the District's Sewerage System.

NOW, THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSION OF MONONGALIA COUNTY:

1. After careful consideration, the County Commission hereby finds and determines that the transfer and conveyance of the Sewerage System from the District to the City is in the best interests of the customers of the Sewerage System.

2. The Acquisition is in the public interest, as it serves the public purpose of the District and will promote the health, convenience, welfare and safety of the customers of the Sewerage System.

3. The transfer and conveyance of the Sewerage System from the District to the City is hereby approved.

4. This Order shall become effective immediately upon entry.

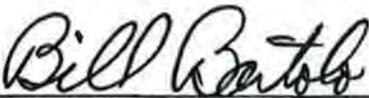
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Entered this 29th day of May, 2013.

THE COUNTY COMMISSION
OF MONONGALIA COUNTY

By: 
Eldon A. Callen, President

By: _____
Tom Bloom, Commissioner

By: 
Bill Bartolo, Commissioner

CERTIFICATION

Certified a true copy of an Order duly adopted by THE COUNTY COMMISSION OF MONONGALIA COUNTY on the 29th day of May, 2013.

Dated: May 29, 2013.



Cary A. Blaney
County Clerk

627490.00053

MORGANTOWN UTILITY BOARD

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

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 of Morgantown, a municipal corporation and political subdivision of the State of West Virginia (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, the Board has determined that it is in the best interests of the City to acquire the Sewerage System;

WHEREAS, as the entity vested by the City with responsibility for the supervision, management, control and operation of the City's System, pursuant to its adoption of this Resolution, the Board recommends 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.

NOW, THEREFORE, BE IT RESOLVED BY THE MORGANTOWN UTILITY BOARD:

Section 1. The Board hereby recommends that the City acquire the Sewerage System in order to provide sewerage collection and treatment service to the current customers of the Sewerage System.

Section 2. The Board hereby recommends that the City approve 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 Board hereby recommends that the City 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 Board hereby recommends that the City be authorized to approve the final forms of and execute, all documents necessary and appropriate to facilitate the Acquisition, specifically including, but not limited to, the Acquisition Agreement.

Section 5. Each member of the Board voting on this Resolution deems it to be in the best interests of the City to acquire the Sewerage System from the District.

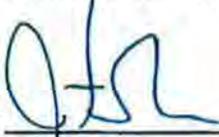
Section 6. The Acquisition is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the District's customers.

Section 7. This Resolution shall be effective immediately following adoption hereof.

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Adopted this 22nd day of May, 2013.

MORGANTOWN UTILITY BOARD

By:  _____
Its: Chairman

627490.00053

EXHIBIT A

Form of Acquisition Agreement

SCOTT'S RUN PUBLIC SERVICE DISTRICT

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

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 West Virginia Code of 1931, as amended (the "Code");

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

WHEREAS, by prior orders of the Public Service Commission of West Virginia (the "Commission"), the District was granted certificates of convenience and necessity to construct and operate a sewerage collection and transportation system serving areas in and around the County, including areas adjacent to the sewer service territory of the City of Morgantown, West Virginia (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 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 City, acting by and through the Morgantown Utility Board (the "Board"), currently provides sewerage collection and treatment services under the direction and

supervision of the Board to approximately 19,063 sewerage customers and six resale customers within the corporate limits of the City in the surrounding unincorporated area pursuant to certificates of convenience and necessity issued by the Commission;

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, the City is willing to acquire from the District, and have the Board operate and maintain, 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 set forth in the form of an agreement attached hereto as Exhibit A and incorporated herein by reference (the "Acquisition Agreement");

WHEREAS, before the Acquisition can be accomplished, the District must comply with the requirements of W. VA. CODE § 16-13A-18a by holding a public hearing, obtaining the approval of the County Commission, and obtaining the consent and approval of the Commission;

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 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;

WHEREAS, pursuant to the covenants contained in the financing documents associated with the Bonds, the District must obtain the written consent of the holders of the Bonds prior to the City assuming the Bonds; and

WHEREAS, the members of the Public Service Board of the District deem it essential and in the best interests of the District and its customers that this resolution (the "Resolution") be adopted, that the Acquisition Agreement be approved and executed by the District, that an application be made to the County Commission for approval of the Acquisition, that the District, the City and the Board proceed with the filing of a joint petition with the Commission to obtain consent and approval to the Acquisition, that a request for written consent to allow the City to assume the balances associated with the Bonds be sent to each holder of the District's Bonds, and that other matters relating to the Acquisition be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF SCOTT'S RUN PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Class I legal advertisement published in the *Dominion Post* on May 15, 2013, said publication being not more than twenty (20) days and not less than seven (7) days prior to May 22, 2013, the Board held a public hearing on the question of the proposed conveyance of the Sewerage System to the City. At the hearing held at 7:30 p.m. on May 22, 2013, the Board heard all comments from the public regarding the Acquisition.

Section 2. Each member of the Board voting on this Resolution deems it to be in the best interests of the District and its customers to convey the Sewerage System to the City. Therefore, the District does hereby approve and accept the Acquisition Agreement substantially in the form attached hereto, subject to the approvals required by W. VA. CODE § 16-13A-18a, the written consent of the holders of the District's Bonds, and such other certificates, opinions or approvals the District deems necessary and appropriate.

Section 3. The District shall promptly request an order of the County Commission approving the conveyance of the Sewerage System to the City by submission of this Resolution to the County Commission.

Section 4. The District shall promptly request, or join with the City and/or the Board 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 5. The Chairman and Secretary are hereby authorized to approve the final forms of and execute, all documents necessary and appropriate to facilitate the Acquisition, specifically including, but not limited to, the Acquisition Agreement, subject to the requirements set forth in Section 2 hereof.

Section 6. The Acquisition is in the public interest, serves a public purpose of the District and will promote the health, welfare and safety of the District's customers.

hereof.

Section 7. This Resolution shall be effective immediately following adoption

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Adopted this 22nd day of May, 2013.

SCOTT'S RUN PUBLIC SERVICE DISTRICT

By: John J. Morris
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by unanimous vote of the Public Service Board of Scott's Run Public Service District on the 22nd day of May, 2013.

By Wm. L. Coulter
It: Secretary

[SEAL]

627490.00053

EXHIBIT A

Form of Acquisition Agreement

Utility Board Resolution – Scott’s Run PSD

THE CITY OF MORGANTOWN

Assumption of
Scott’s Run Public Service District Sewerage System Revenue Bonds, Series 1991 A
(West Virginia Water Development Authority)
Scott’s Run Public Service District Sewerage System Revenue Bonds, Series 1991 B
(West Virginia Water Development Authority)
Scott’s Run Public Service District Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)
Scott’s Run Public Service District Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program)
Scott’s Run Public Service District Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

**AUTHORIZING RESOLUTION OF
MORGANTOWN UTILITY BOARD**

RESOLUTION RECOMMENDING THE ASSUMPTION, AND RE-DESIGNATION, OF THE SCOTT’S RUN PUBLIC SERVICE DISTRICT SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), SEWERAGE SYSTEM REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA) FOR THE PURPOSE OF FINANCING, OR ACTING AS CONSIDERATION FOR, THE CITY OF MORGANTOWN’S ACQUISITION OF THE SEWERAGE SYSTEM OF SCOTT’S RUN PUBLIC SERVICE DISTRICT.

WHEREAS, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the “Act”), and pursuant to an ordinance enacted by the City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia (the

“City”) on September 1, 1987, as amended on May 1, 2007, the City created the Morgantown Utility Board (the “Utility Board”) and vested in the Utility Board the responsibility for the supervision, management, control and operation of the combined waterworks, sewerage and stormwater system of the City (the “System”);

WHEREAS, pursuant to the Act, the City is vested with the authority to issue, or assume, revenue bonds for the purpose of financing the cost of additions, betterments and improvements to the System;

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 pursuant to the provisions of Chapter 16, Article 13A of the Act;

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

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 “District’s Sewerage System”);

WHEREAS, the District currently has outstanding the following indebtedness secured by the District’s 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 “District Bonds”);

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

WHEREAS, the Utility Board has determined that it is in the best interests of the City to acquire the District's Sewerage System and has adopted a resolution dated the date hereof recommending such acquisition;

WHEREAS, the City shall pay a purchase price for the District's Sewerage System that is equal to the aggregate outstanding principal amount of the District Bonds which shall be assumed by the City on the date of the acquisition;

WHEREAS, the Utility Board has determined that the District's existing sewerage service rates should be adopted by the City applicable only to the customers served by the District's Sewerage System; and

WHEREAS, as the entity vested by the City with responsibility for the supervision, management, control and operation of the System, pursuant to its adoption of this Authorizing Resolution, the Utility Board wishes to recommend to the City that it assume the outstanding balances associated with the District Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MORGANTOWN UTILITY BOARD:

Section 1. The Utility Board hereby recommends the enactment by the City of an ordinance substantially in the form attached hereto and made a part hereof as Exhibit A, in connection with assuming the outstanding balances associated with the District Bonds.

Section 2. The Utility Board hereby recommends the enactment by the City of an ordinance substantially in the form attached hereto and made a part hereof as Exhibit B, in connection with the sewerage service rates to be applicable only to the customers served by the District's Sewerage System.

Section 3. The Utility Board hereby repeals any resolution or ordinance which it has previously enacted which is inconsistent with the provisions hereof.

Section 4. This Authorizing Resolution shall be effective immediately following the adoption hereof.

Adopted this 22nd day of May, 2013.

MORGANTOWN UTILITY BOARD

By: 
Its: Chairman

627490.00053

EXHIBIT A

Form of Bond Ordinance

EXHIBIT B

Form of Rate Ordinance