

RESOLUTION 12-22

**A RESOLUTION TO AUTHORIZE THE PURCHASE OF A PORTION OF
MAURY COUNTY WATER SYSTEM LINES AND ASSOCIATED
APPURTENANCES LOCATED INSIDE THE CITY LIMITS OF SPRING
HILL**

WHEREAS, the City of Spring Hill desires to own water lines and service within the city limits of Spring Hill; and

WHEREAS, Maury County Board of Public Utilities has accepted an offer from the City of Spring Hill to purchase the list water lines and associated appurtenances, including allowance for lost revenue, as follows:

<u>Pipe</u>	<u>\$ Value</u>
8" Pipeline Crossing	\$ 0.00
1,000 lft 4" PVC pipe on Old Port Royal Road	\$ 975.00
6,250 lft 4" PVC pipe on Jim Warren Road from Port Royal Road	\$ 6,093.75
9,600 lft 4" PVC pipe on Port Royal Road	\$ 0.00
3,200 lft 8" PVC pipe on Clegg Road	\$ 31,680.00
SubTotal	\$ 38,748.75
<u>Valves and Taps</u>	<u>\$ Value</u>
(51) Active water connections 5/8 x 3/4	\$ 8,799.66
(22) Inactive water connections (Most due to developer purchased property)	\$ 2,315.70
(11) 4" valves	\$ 429.00
(4) 8" valves	\$ 2,640.00
(4) 2 1/8" blow off assemblies	\$ 156.00
Sub Total	\$ 14,340.36
 Lost revenue	 \$ 21,910.89
TOTAL	<u>\$ 75,000.00</u>

WHEREAS, the City of Spring Hill will install a 2" Emergency metered water connection for Maury County at a mutually agreeable location on Jim Warren Road west of I-65 as an emergency supply point for Maury County; and

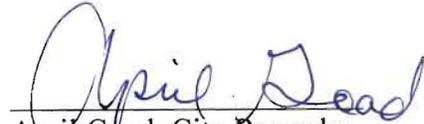
NOW, THEREFORE BE IT RESOLVED, the City of Spring Hill to purchase the above referenced property from Maury County Board of Public Utilities for a total amount of \$75,000.00 on or after July 1, 2012, as recommended by the Budget and Finance Advisory Committee on February 27, 2012.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 19th day of March, 2012.



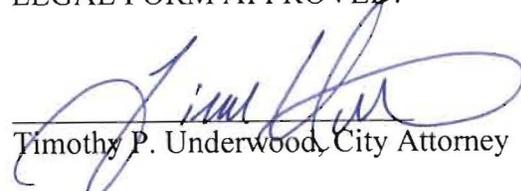
Michael Dinwiddie, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Timothy P. Underwood, City Attorney



February 29, 2012

Larry T. Chunn
Maury County Board of Public Utilities
Water System
1018 South Garden Street
Columbia, TN 38401

The City of Spring Hill's Budget and Finance Advisory Committee has recommended the purchase of the service area generally located on the west side of I-65 from Kedron Road to the Williamson County line from Maury County Water System. This letter will serve as a formal offer from the City of Spring Hill in the amount of **\$75,000.00** to purchase this area. This amount is derived as detailed below:

Lost revenue	\$ 21,910.89
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8" Pipeline Crossing	\$ 0.00
1,000 lft 4" PVC pipe on Old Port Royal Road	\$ 975.00
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(4) 2 1/8" blow off assemblies	<u>\$ 156.00</u>
TOTAL	<u>\$ 75,000.00</u>

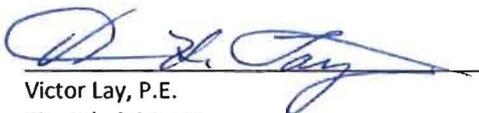
In addition, the City of Spring Hill will install at its expense a 2" emergency metered water connection for Maury County at a mutually agreeable location on Jim Warren Road west of I-65 as an emergency supply point for Maury County. The City of Spring Hill may relocate at its expense the master meter serving Maury County on Beechcroft Road to Patriot Drive.

If MCWS agrees to these prices and terms, please sign the acceptance line below and return one original copy to our office. Once I receive this contract with your signed acceptance, this will be presented to our Board of Mayor and Aldermen for final approval. If it is accepted and passed by our BOMA at that time, this offer would be payable after July 1, 2012.

If you should have any other questions, please feel free to contact me at (931) 486-2252 ext. 215.

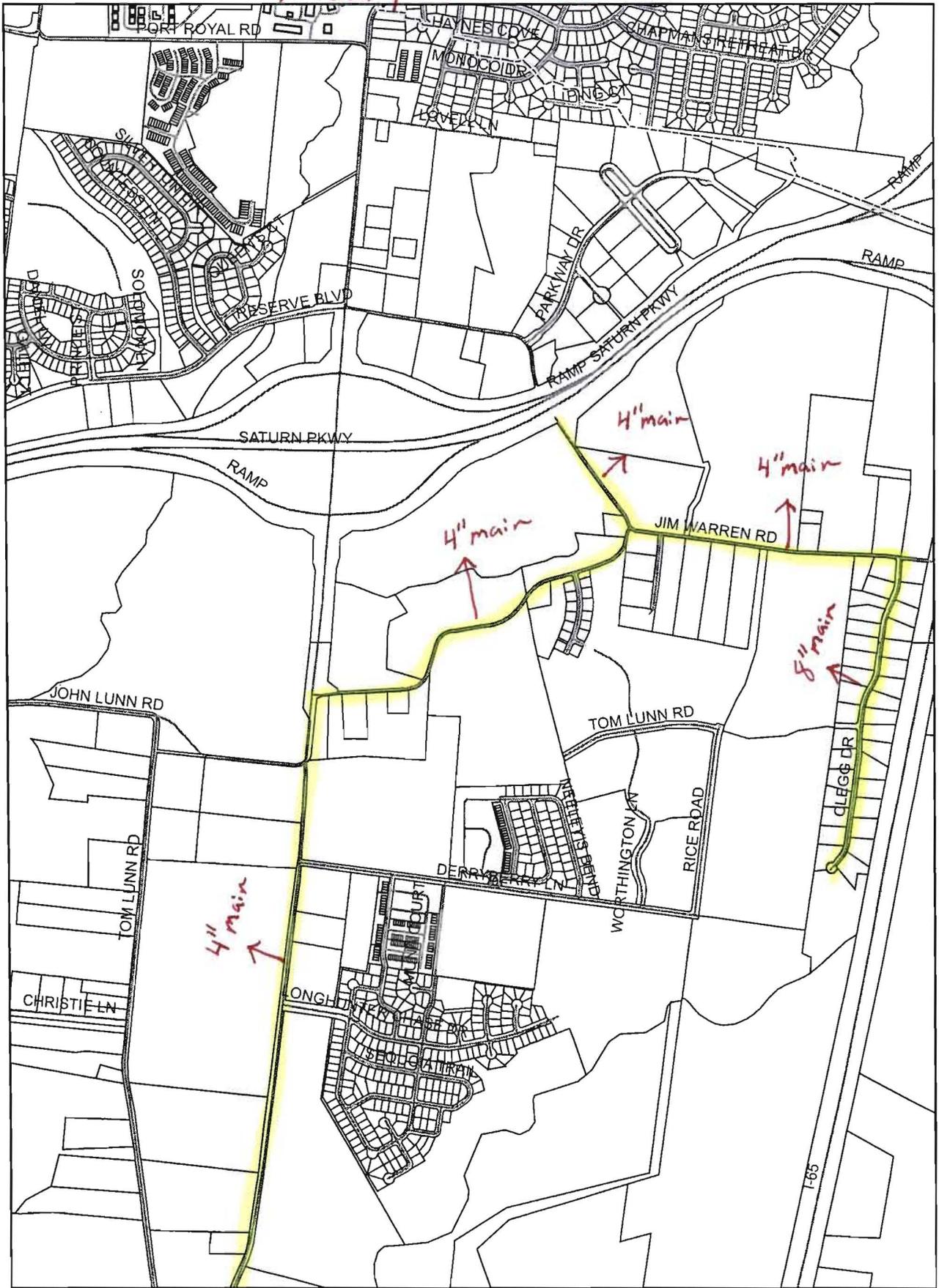
Thank you,

Accepted by:


Victor Lay, P.E.
City Administrator

Larry T. Chunn
Maury County Water System

Maury Co. Water



Maury County Board of Public Utilities

Water System

1018 South Garden Street

Columbia, Tennessee 38401

Office 931-381-8900 FAX 931-381-8288

January 12, 2012

Mayor Michael Dinwiddie
199 Town Center Parkway
Spring Hill, TN 37174

RE: Sale of Water Lines and Service Area
Revised Calculations

Dear Mayor Dinwiddie:

The Maury County Water System (MCWS) has been evaluating the transfer to the City of Spring Hill its service area generally located on the west side of I-65 from Kedron Road to the Williamson County line. MCWS will continue to serve all land parcels it is currently serving which front Greens Mill Road, Kedron Road east of Port Royal Road intersections, Joe Peay Cemetery Road, Dr. Robertson Road, Petty Lane and Beechcroft Road outside Spring Hill's current city limits.

Although MCWS has a prior right to serve this area pursuant to T.C.A. §7-51-401 and 7 U.S.C. §1926(b), it anticipates that the City may be able to more feasibly provide water service to this area in the future.

In 2001 the City and MCWS successfully negotiated the transfer of an area served by MCWS to the City. The MCWS and the City agreed upon the value of the water lines, customers and service area which were transferred to the City using a blend of the cost approach and the income approach for valuing a public utility. Using this same method, the MCWS values the service area it proposes to give to the City in the amount of \$117,769.77. The MCWS hereby offers to transfer its service area described in the first paragraph of this letter to the City for the **payment of \$117,769.74 divided over a ten (10) year payment plan of \$11,776.74 per year**, plus the installation of a 2 inch emergency metered connection at the west side of I-65 installation between the two water systems at the City's expense. Because the entire MCWS water system secures the bond issued to the United States Department of Agriculture (USDA), the transfer would have to be conditioned on USDA's approval.

If you have any questions regarding this offer, please feel free to contact me. The MCWS desires a response to this offer by March 31, 2012.

Sincerely,



Larry T. Chunn
Superintendent
Maury County Water System

LTC/pcm

CC: Mr. Victor Lay, Mr. Jeff Foster

Maury County Board of Public Utilities

Water System

1018 South Garden Street
Columbia, Tennessee 38401
Office 931-381-8900 FAX 931-381-8288

BILL OF SALE

WHEREAS, Maury County Board of Public Utilities d/b/a Maury County Water System (MCWS) has agreed to sell and convey to the Town of Spring Hill, Tennessee (the Town) certain water lines and related water system improvements located west of I-65 from Kedron Road to the Williamson County line for the purchase price of \$ 75,000.00;

WHEREAS, a description of the water lines and related water system improvements (the water lines) being conveyed to the Town is attached a Exhibit 1 to this Bill of Sale; and

WHEREAS, the transfer of these water lines is evidenced by this bill of sale is subject to all of the terms and conditions as agreed upon.

NOW, THEREFORE, for and in consideration of \$75,000.00 cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, including the mutual covenants, representations and promises contained in the, MCWS hereby bargains, sells, assigns, transfers and conveys to the Town all right, title, and interest to the water lines set forth in Exhibit 1 and shall provide have the right to serve all new customers MCWS shall retain the right to serve all land parcels which front, all rights under any contracts, all service rights, and all other general intangible assets.

TO HAVE AND TO HOLD said assets unto District, its successors and assigns, forever.

IN WITNESS WHEREOF, this Bill of Sale is executed by the undersigned to be effective July 9, 2012.

Dated: July 9, 2012

Maury County Board of Public Utilities

By: *Larry Chunn*
Larry Chunn, Superintendent