

**TOWN OF LOWELL, LAKE COUNTY, INDIANA
TOWN COUNCIL**

ORDINANCE NO. 2021-08

**AN ORDINANCE APPROVING ASSET PURCHASE AGREEMENT AND
GRANTING AUTHORITY TO EXECUTE DOCUMENTS**

WHEREAS, the Town of Lowell, Indiana (the “Town”) is organized as a town under the laws of the State of Indiana; and

WHEREAS, the Town Council of the Town of Lowell (the “Town Council”) is the municipal legislative body of the Town; and

WHEREAS, the Town currently owns and operates a water utility providing finished drinking water to customers both within and outside the Town’s municipal corporate limits (the “Water Utility”); and

WHEREAS, the Town has investigated its Water Utility and has determined that up to a 25% increase in monthly rates and charges might be required to maintain the Water Utility; and

WHEREAS, federal and state laws and regulations governing the production, distribution and sale of finished drinking water have become and continuing to become more stringent, thus requiring a greater degree of technical and legal sophistication and expertise are needed to properly design, manage, operate and maintain finished drinking water utilities; and

WHEREAS, because of the increasing costs associated with owning and operating a finished drinking water utility, many smaller water utilities, like the Water Utility, have been sold to larger water companies that have greater technical and financial resources and expertise, which allow greater economies of scale to be achieved in the operation, maintenance and improvement of smaller water utilities; and

WHEREAS, the Town and the Town Council have investigated and compared the advantages and disadvantages and the costs and benefits of the Town continuing to own, operate, manage, upgrade, maintain, and improve its Water Utility; and

WHEREAS, the Town and the Town Council have investigated and compared the advantages and disadvantages and the costs and benefits of selling its Water Utility to a larger, more experienced company that has greater resources available to it; and

WHEREAS, the Town is entitled to sell its Water Utility pursuant to Indiana Code § 8-1.5-2-1, *et seq.*; and

WHEREAS, the Town will require an increase in rates and charges for service provided by its Water Utility whether the Town sells its Water Utility or not; and

WHEREAS, the Town believes a lower overall increase in rates and charges for service provided by its Water Utility can be achieved by selling its Water Utility to Indiana American Water Company, Inc. (“IAWC”); and

WHEREAS, the Town investigated the capabilities and service quality of IAWC and found it to be a high quality provider of water utility service at rates and charges competitive with the rates and charges of the Town’s Water Utility; and

WHEREAS, the Town followed the procedures to set forth in Indiana Code § 8-1.5-2-1, *et seq.*, to sell its Water Utility by having its Water Utility appraised; and

WHEREAS, the Town Council held an advertised public hearing, in accordance with Indiana Code § 8-1.5-2-1, *et seq.*, on February 8, 2021, to explain the appraisal and to discuss and receive comment about the possibility of the Town selling its Water Utility; and

WHEREAS, the Town Council believes that it is in the best long-term interest of the Town, its residents, and all of the customers of the Water Utility to sell the Town’s Water Utility to IAWC under the terms of a negotiated asset purchase agreement.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Lowell, Lake County, Indiana, as follows:


Section 1: The Asset Purchase Agreement attached hereto and incorporated herein as Exhibit A (the “Asset Purchase Agreement”) is hereby approved, subject to review and approval by the Indiana Utility Regulatory Commission.


Section 2: The Town Council President, as elected from time to time, shall be and hereby is authorized to execute the Asset Purchase Agreement and any other documents in his/her discretion deemed necessary or advisable to complete the transaction described therein on behalf of the Town of Lowell, Indiana, and to take any actions deemed necessary or advisable in connection therewith, including but not limited to preparation and filing of testimony with the Indiana Utility Regulatory Commission seeking approval of such transaction, with the intent that when and if such sale is approved by the Indiana Utility Regulatory Commission that the Town will consummate the sale of its water utility in accordance with the terms of the Asset Purchase Agreement.

DULY ORDAINED AND APPROVED by the Town Council of the Town of Lowell, Lake County, Indiana, this 5th day of April, 2021, by a vote of 5 in favor and 0 opposed.


**TOWN OF LOWELL, LAKE COUNTY,
INDIANA**

BY ITS TOWN COUNCIL:


Christopher Salatas, President



John Yelkich, Vice President


Michael Gruszka, Member


Todd Angerman, Member


John Alessia, Member


ATTEST:


Judith Walters, Clerk-Treasurer

Approved by the Executive this ^{5th}~~29th~~ day of ^{April}~~March~~, 2021.


Christopher Salatas, President

ATTEST:


Judith Walters, Clerk-Treasurer